Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	921 154 747
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	CIRCLE K TERMINAL GROUP AS
Forretningsadresse:	Schweigaards gate 16A 0191 OSLO

Regnskapsår

Årsregnskapets periode:	01.05.2021 - 30.04.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Steffen Ronningen
Dato for fastsettelse av årsregnskapet:	28.09.2022

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 01.11.2023

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenues	7	103 092 971	62 185 246
Sum inntekter		**103 092 971**	**62 185 246**
Kostnader			
Personnel expenses	2	18 535 716	21 076 164
Administrative expenses	3,7	15 955 941	10 962 574
Sum kostnader		**34 491 657**	**32 038 738**
Driftsresultat		**68 601 314**	**30 146 508**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	7	29 879	14 775
Other financial income			
Sum finansinntekter		**29 879**	**14 775**
Rentekostnad til foretak i samme konsern	7	84 403	5 602
Penalties		31 228	26 257
Sum finanskostnader		**115 631**	**31 859**
Netto finans		**-85 752**	**-17 084**
Ordinært resultat før skattekostnad		**68 515 562**	**30 129 424**
Income tax	4	78 501	-509 280
Ordinært resultat etter skattekostnad		**68 437 061**	**30 638 704**
Årsresultat		**68 437 061**	**30 638 704**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	2 562 222	2 640 723
Sum immaterielle eiendeler		**2 562 222**	**2 640 723**
Finansielle anleggsmidler			
Investering i datterselskap	5	601 458 429	596 948 556
Sum finansielle anleggsmidler		**601 458 429**	**596 948 556**
Sum anleggsmidler		**604 020 651**	**599 589 279**
Omløpsmidler			
Varer			
Fordringer			
Other receivables		151 344	128 880
Konsernfordringer	7	38 734 158	23 381 455
Sum fordringer		**38 885 502**	**23 510 335**
Bankinnskudd, kontanter og lignende			
Cash in bank		392 402	377 209
Sum bankinnskudd, kontanter og lignende		**392 402**	**377 209**
Sum omløpsmidler		**39 277 904**	**23 887 544**
SUM EIENDELER		**643 298 555**	**623 476 823**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8	1 060 001	1 060 001
Overkurs	8	587 691 349	587 691 349
Sum innskutt egenkapital		**588 751 350**	**588 751 350**

Balanse

Beløp i: NOK	Note	2022	2021
Opptjent egenkapital			
Retained earnings	8	46 312 515	1 110 644
Sum opptjent egenkapital		**46 312 515**	**1 110 644**
Sum egenkapital		**635 063 865**	**589 861 994**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Trade and other payables	6	4 760 151	6 316 377
Other taxes and withholdings		1 462 129	1 665 539
Corporate income tax liabilities	4	1	223 967
Kortsiktig konserngjeld	7	2 012 409	25 408 946
Sum kortsiktig gjeld		**8 234 690**	**33 614 829**
Sum gjeld		**8 234 690**	**33 614 829**
SUM EGENKAPITAL OG GJELD		**643 298 555**	**623 476 823**

To the General Meeting of Circle K Terminal Group AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Circle K Terminal Group AS (the Company), which comprise the balance sheet as at 30 April 2022, the income statement and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 30 April 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger

Oslo, 28 September 2022
PricewaterhouseCoopers AS

Anne Kristin Huuse
State Authorised Public Accountant

(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Huuse, Anne Kristin	BANKID	2022-09-29 19:25

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- Closing page (this page)
-The original document(s)
-The electronic signatures. These are not visible in the document, but are electronically integrated.

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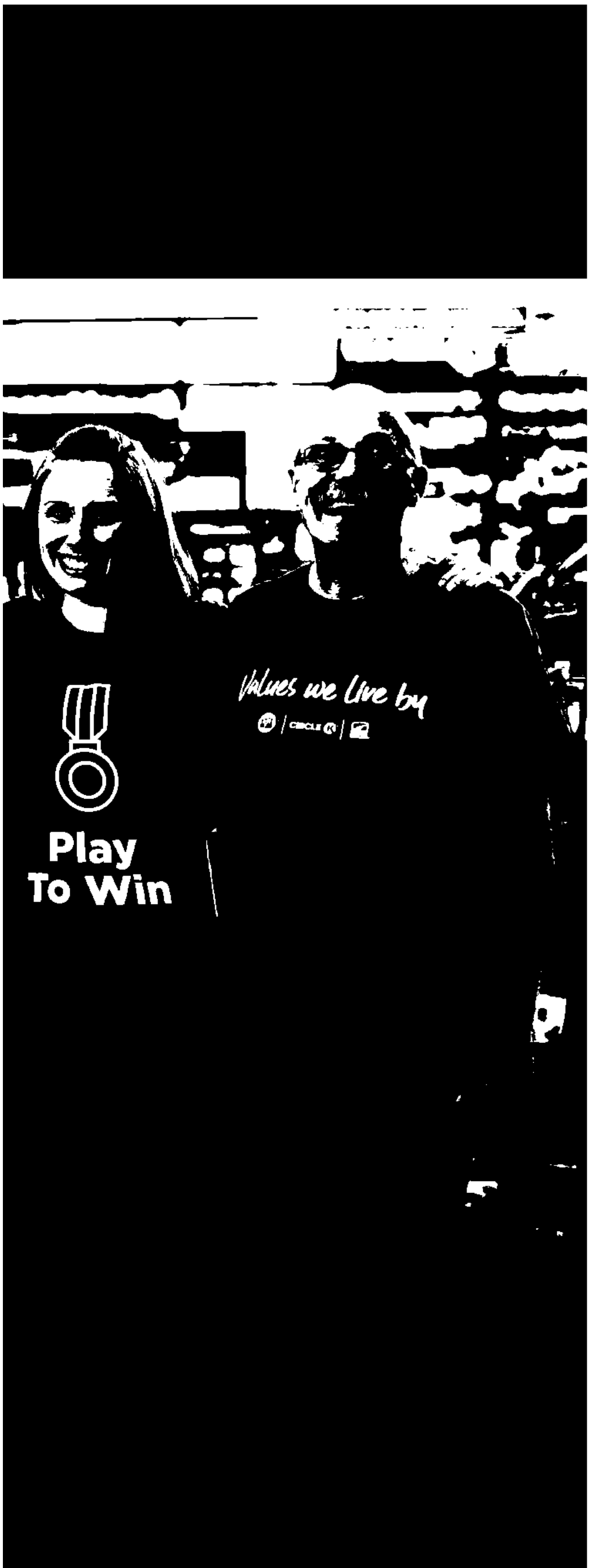
Annual Report 2022

ALIMENTATION COUCHE-TARD


Values we live by
Team
Do The
Right Thing



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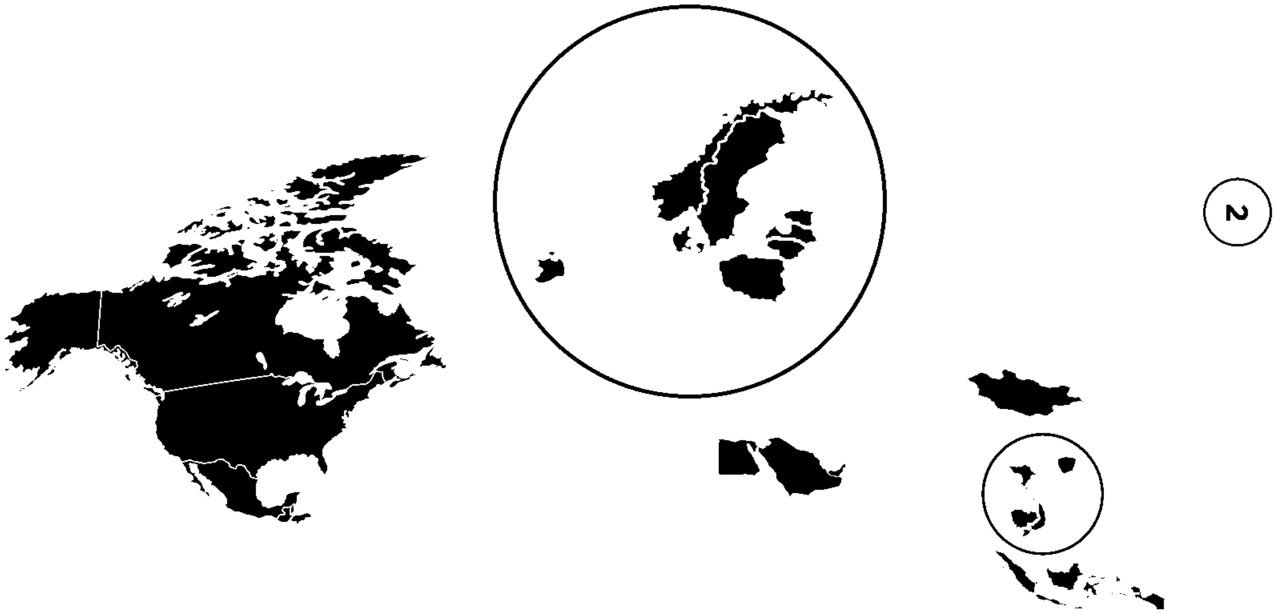
Company Highlights

OUR PEOPLE

~122,000

NORTH AMERICA	~96,000
EUROPE AND OTHER REGIONS	~26,000



OUR SITES

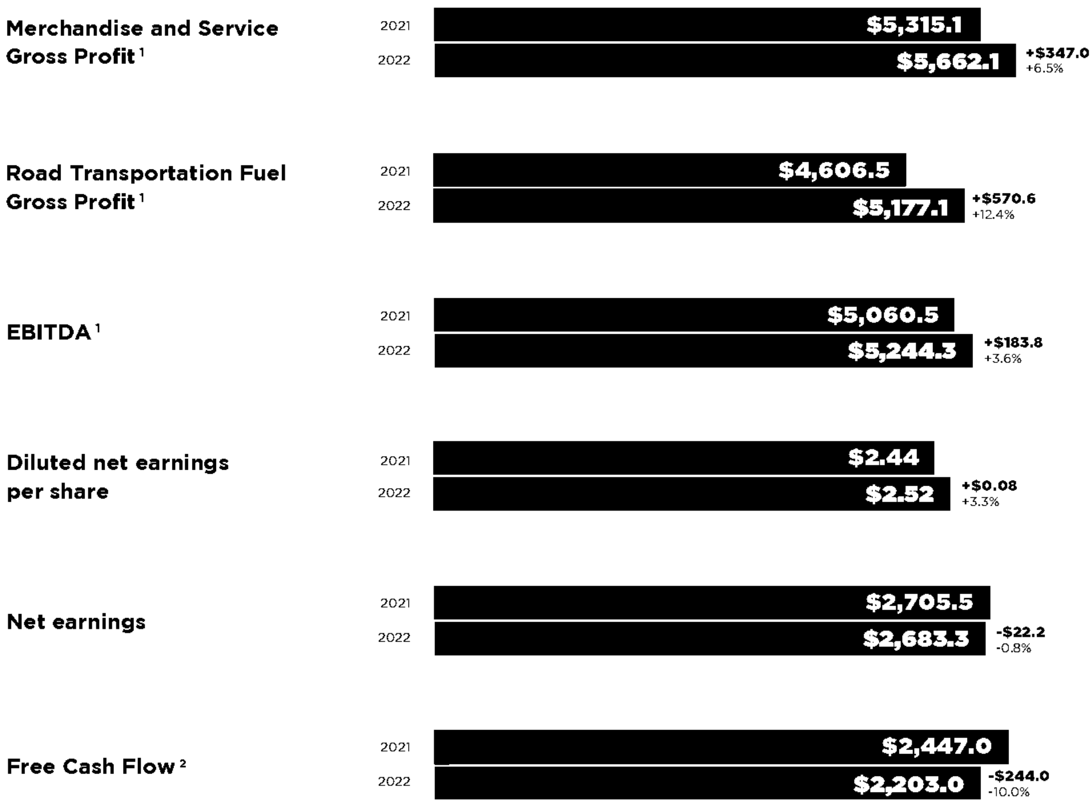
UNITED STATES	7,011
CANADA	2,083
EUROPE AND OTHER REGIONS	3,072
INTERNATIONAL FOOTPRINT	1,842

Financial Highlights

2022	US	EUROPE AND OTHER REGIONS	CANADA
GROWTH OF (DECREASE IN) SAME-STORE MERCHANDISE REVENUES	**1.9%**	**5.9%**[1]	**(3.4%)**
INCREASE IN SAME-STORE ROAD TRANSPORTATION FUEL VOLUMES	**4.0%**	**3.8%**	**6.1%**

All dollar figures are in USD millions, except per share amounts.

*Footnotes can be found on page 28.



Return on Capital Employed[1]

2021	15.9%
2022	15.4%

Return on Equity[1]

2021	24.3%
2022	21.8%

Leverage Ratio[1]

2021	1.32
2022	1.39

ALAIN
BOUCHARD

Message from the Founder and Executive Chairman of the Board

This year has been another one for the history books: a year in which the worst of times brought out the best of Alimentation Couche-Tard -- the best in our company and the best in our people as they showed outstanding care and commitment to each other, our customers, and the business. In the 42 years since founding Couche-Tard, I have never been prouder than I am this year.

A year ago, I was filled with optimism that we were seeing the waning days of the pandemic, and that we would soon be getting back to a new normal. However, this year was marked by difficult surges of Covid-19 variants followed by a tragic war and humanitarian crisis in Ukraine, directly impacting our Eastern European and Scandinavian business units, and heartbreaking to all.

Yet, in the face of this incredible disruption, we had a year of incredible achievements and recognition. I must admit that I was moved to tears when I found out that ACT was named to Forbes' 2021 list of the "World's Best Employers." We stood out as the only Canadian retailer among the 750 companies recognized worldwide. That was soon followed by ACT receiving the 2022 Gallup Exceptional Workplace Award. This is the first time that we have been honored by Gallup, which recognizes the world's most engaged workplace cultures, and we are the only convenience retailer included in this year's honorees. Following the Gallup announcement, I wrote to my leadership team that "I was dreaming of seeing such a day when we would be recognized for our culture of empowerment and focus on our people."

Forbes 2021 WORLD'S BEST EMPLOYERS POWERED BY STATISTA

GALLUP EXCEPTIONAL WORKPLACE AWARD 2022 WINNER

SUSTAINALYTICS ESG INDUSTRY TOP RATED 2022

cfi.co 2021 BEST CONVENIENCE STORE DIVERSITY & INCLUSION EMPLOYER WINNER GLOBAL

How did we grow from one store into this great global company with award-winning team members, record financial performance, and always playing to win? By remaining steadfast in our focus on the business and doing the right thing for our people and our customers. In the face of escalating Covid cases, we kept our stores safe and our team members healthy and vaccinated. In the face of war and its devastating human impact, we suspended our operations in Russia and cared for tens of thousands of Ukrainian refugees by offering food, beverages, housing, and generous contributions to the Red Cross.

We did not let this year slow down our innovation or sustainability progress. In fact, we went full speed into expanding our data analytics and frictionless payment capabilities, creating pipelines for advancement in our diverse workforce, and proudly remaining one of the world leaders in electric vehicle charging solutions, as we laid the groundwork for the future of mobility in North America.

This was also the year in which we ended the special voting rights of ACT's founders. However, my commitment and leadership of the business have not changed, and I am more confident than ever that our size, our winning culture and strategy, and the structures that we have put in place, both at the executive management level and from a governance standpoint, are serving the business well. They clearly did this year, and I am confident they will for years to come.

BRIAN HANNASCH

Letter from the President and CEO

I have often been asked what keeps me up at night? My answer is always the same: How do we protect and strengthen our culture at Couche-Tard? Our culture is the secret sauce that has helped us grow from a single store in Canada to one of the world's leaders in convenience and mobility, and it is also the backbone that has given us the strength to prosper and lead for over four decades.

Alain Bouchard and his partners started our company 42 years ago with a certain set of guiding values, which have shaped us through the years. As we continue to become a bigger global company, we challenged ourselves this year to verbalize and share those values to continue growing together. I want to share with you those *Values We Live By* as they are essential to how, in this year of incredible disruption, we were able to play to win.

VALUES WE LIVE BY

One Team — We work together to make it easier for our customers and colleagues. We stay humble and celebrate shared successes. We have fun and care for each other.

Do the Right Thing — We act with honesty & integrity. We are inclusive: we treat each other, our customers, and our suppliers with respect. We strive towards a cleaner, safer, equitable workplace and planet.

Take Ownership — We treat the business as our own. We seek out problems, act quickly to solve them, and deliver better results. We take responsibility, and when we make mistakes, we learn from them.

Play to Win — We challenge ourselves to play offense, not defense, which means we need to be quick and innovative. We show up every day ready and committed to make an impact using our talents and hard work.

In my almost eight years as President and CEO, this has been among the most difficult and the most rewarding. The challenges were immense – from a worsening pandemic and historic staffing and supply chain obstacles followed by war and a once unimaginable humanitarian crisis impacting countries where we live and operate. Yet, by following the Values We Live By, we had record-breaking financial success, innovated for the future of convenience, grew our fresh food program, and expanded our Circle K fuel brand and mobility footprint.

All the while, our people remained at the heart of our culture, and this year we renewed our commitment to our frontline workers and customers, putting operations first. We took ownership of the situation, and by the end of the fiscal year, we saw significant improvement in recruiting and turnover trends at all levels of our operational teams including store managers and assistant managers and customer service team members. We did this through targeted actions on compensation, retention, training, and benefits as well as stepping up our leadership development programs. And we embraced technology and partnerships, making it easier to keep our stores stocked and enabling store team members to focus on improving the customer experience.

I am particularly proud that during a year marked by global turmoil, we never wavered from our strategic priorities and achieved record-high levels of employee engagement. We stayed true to our sustainability journey, played an essential role in the health and safety of our communities, and created strong growth in convenience and mobility. I am confident that our winning culture is ready for another successful year ahead, and I want to say thank you to all our team members, customers, and shareholders for working together with us as One Team, taking ownership, doing the right thing, and playing to win.

Play to Win

STRONG FINANCIAL BASE

We are incredibly proud of our record operational and financial performance over the past year, despite facing a challenging business environment on many fronts, including supply chain issues, a difficult employment market, and high inflation. Nevertheless, as a reflection of our focus on key organic initiatives as well as the contribution from our valued team members, we have delivered a record year with adjusted EBITDA[1] of more than 5.2 billion dollars and adjusted EPS of $2.60, driven by same-store and margin improvements on both our fuel and merchandise segments, leading to healthy results on our core ROCE and ROE return metrics.

Our commitment to financial discipline and entrepreneurship has also led to high-quality investments over the past year, including acquisitions in all three of our key geographies and select investments from our Circle K Venture Fund, building the foundation for the future of convenience. Our ability to create substantial free cash flow over the past year has translated into generating shareholder value as we completed in full our Share Repurchase program and increased our quarterly dividend[2] by more than 25% during the past year.

Given our healthy balance sheet and strong financial position, highlighted by a leverage ratio being below 1.4 times[1], we are well-positioned for growth and will continue to invest for the future. Our capital structure is strong, diversified, and responsible, following the issuance of Green Bonds last year, a first for a fuel and convenience retailer, as well as the recent introduction of a $2.5 billion dollars U.S. commercial paper program. We are also happy to report that the transition to a single class of shares triggered by the sunset clause went very smoothly, highlighting our strong governance structures and ongoing support from our shareholders.

Dedicated to driving value creation, we will remain committed to our key organic initiatives and will continue to search for opportunities to expand and solidify our global network. Following the renewal of our share repurchase program for another year, we are also well positioned to continue returning capital to our shareholders.

Looking ahead, we remain focused on our Double Again strategy as demonstrated during our well-attended Investor Day and are pleased to count on the support of our various stakeholders. In closing, we would like to highlight and thank our teams across the organization for their outstanding work throughout this demanding year.

"This past year has highlighted the strength of our business model as we were able to deliver record results in an incredibly difficult context. Moving forward, we are well-positioned to continue executing on our key initiatives and leveraging our strong balance sheet to create further value for shareholders while staying true to our customary financial discipline"

Claude Tessier – Chief Financial Officer

[1] Please refer to the section "Non-IFRS Measures" in the Management Discussion and Analysis for additional information on performance measures not defined by IFRS.
[2] Please refer to the section "Dividends" in the Management Discussion and Analysis for additional information

Play to Win
CONVENIENCE

We have made significant progress this year in our efforts to enhance our customer experience, growing and refining our fresh food program and complementing it with a traffic-building beverage initiative in North America. We also continued to adopt innovative technologies that are making it easier for both our customers and the team members serving them while shaping the future of convenience.

Fresh Food, Fast

There is no higher strategic priority for our business than winning with food. Since launching our *Fresh Food, Fast* program, we have expanded it to over 4,000 stores globally and will continue broad expansion in fiscal 2023. Two years into this journey, we are seeing strong year-over-year growth, with same-store sales exceeding expectations. Net promoter scores are also climbing, meaning customers are not only pleased with the offering but willing to tell their friends and family about it.

"As we work to transform our customer experience, our Fresh Food Fast and dispensed beverage programs are offering up flavor and refreshment in ways that drive excitement and loyalty. We are relentlessly focused on refining these programs to execute with excellence while seizing opportunities to bring new value to customers in our stores and on our forecourts while exploring quick delivery to their destination of choice."

Kevin Lewis – Chief Marketing Officer

To complement the *Fresh Food, Fast* roll out across our network, we have launched a variety of operational tools that make it easy for our store teams to execute the program and promote it to our customers. We are optimizing assortments across breakfast, lunch and mid-afternoon day parts with a variety of hot sandwiches, snacks and bakery items that are on-trend with local and regional consumer tastes while driving trial and awareness through robust in-store and multi-channel paid media efforts.

To drive more traffic to our North American locations and build on the growth and success of our food offer, we launched Sip & Save, a beverage subscription program that invites customers to enjoy a hot or cold dispensed beverage every day for a small monthly fee. We signed up more than 450,000 customers, received strong, positive feedback and believe the offer will continue to deliver increases in loyalty and traffic over the long term.

Removing Friction For Our Customers

As we innovate our food & beverage offerings, we continue to implement improvements throughout the customer journey. With learnings from our Couche-Tard Connecté retail innovation lab store at McGill University in Montreal, we have begun testing and deploying frictionless payment and checkout systems into existing stores in the U.S. and Sweden.

We introduced a fully autonomous checkout experience at eight stores in Arizona. Powered by AI and computer vision, these systems enable customers to simply activate an app and scan a code on their smartphones upon entering the store, grab the products they like and skip the checkout line entirely, with their selections immediately captured and paid for.

While we continue to analyze how these fully autonomous systems influence shopper behaviour, we are accelerating our rollout of Smart Checkout, a next-generation self-checkout. Through this technology, the customer places all items on the Smart Checkout tray and the system scans them all instantly. The customer then pays with a card or cash and is out the door in substantially less time than when using a traditional self-checkout system. Smart Checkout is already in nearly 550 Circle K stores in the U.S. and Sweden and will be introduced in more than 7,000 stores across our network over the next three years.

Meanwhile, frictionless technologies continue to gain momentum on the forecourt as well. Our “Pay by Plate” service, which employs license plate recognition that enables customers to drive up, pump fuel and drive off without having to present a credit card, is expanding across Scandinavia. Following its debut last year stores in Sweden, it has been launched in Denmark, Norway and Estonia and is now at over 810 locations in Europe.

Leveraging the Power of Data

This past year, we completed the introduction of localized pricing across our network and have seen a clear average gross margin improvement from the efforts. To build on that success, we have conducted assortment and promotional pilots across several business units, which have enabled us to capitalize on trending items and determine the best and most profitable promotions at the category level. The resulting data-driven merchandising initiative shows great promise in helping our category managers react more quickly to market trends and plan assortments that are most relevant to our customers. We continue to see significant benefits in bringing data analytics to our convenience business, making it simultaneously both more attractive locally and more efficient globally.

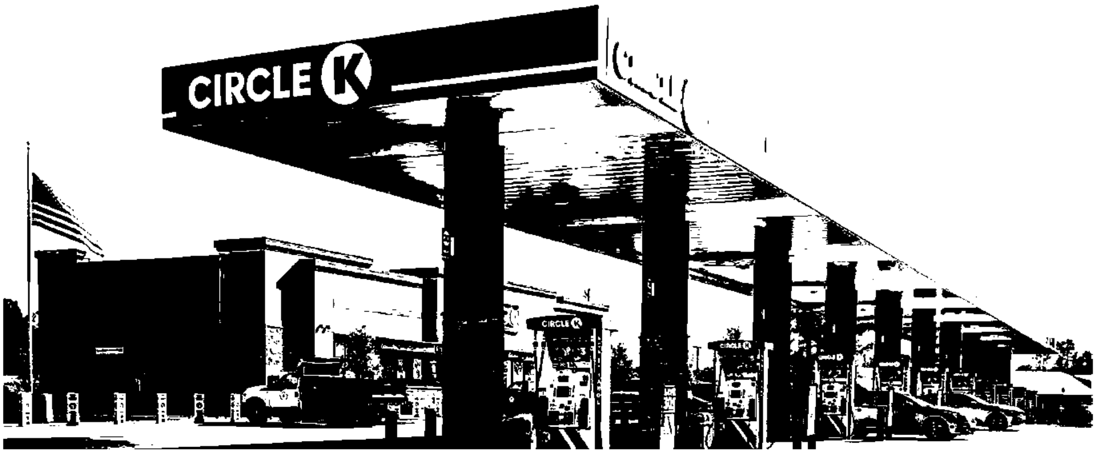
"Shopper expectations are evolving, and we are committed to testing and scaling technologies that shape the future of convenience. Frictionless payment and checkout technologies help save our customers time and allow our store teams to deliver the best possible service, and we have built significant momentum in bringing them to life across our network."

Ed Dzadovsky – Chief Technology Officer

Circle K Venture Fund

The key to shaping the future of convenience is in identifying and developing forward-looking solutions focused on enhancing the customer journey. Through our Circle K Venture Fund, we are investing in numerous start-ups, collaborating with them to test and scale their innovations. We have initially set aside $100 million to take equity stakes in these entrepreneurial businesses to explore ways they help us improve the customer experience in our stores, on our forecourts and beyond, as well as the efficiency of our operations.

Play to Win
MOBILITY



Our vision is to be the world's preferred destination for convenience and mobility. We are proud of the significant advancements we made this year in growing the Circle K fuel brand, creating more value in our supply and fleet capabilities, and expanding our electric vehicle charging solutions and cleaner fuel offers. We also put a strong focus on making it easier for our customers through notable improvements on our forecourts and payment platforms.

FUEL

We are pleased with the progress on our Circle K fuel brand initiative across North America, adding an additional 680 sites to the network, bringing our total to 3,300 fuel branded sites by year-end. As we continue to review our network quality, we are encouraged by customer feedback, notably regarding our quality of product, forecourt tidiness, and overall brand identity. As we look towards the coming year, we will press forward in bringing the Circle K fuel brand to life for all of our customers, through programs such as our loyalty program, EasyPay discounts, Premium fuel program and national fuel campaigns to reward our returning customers.

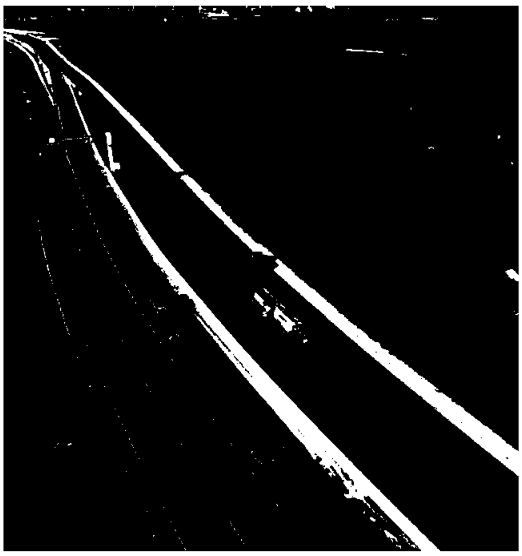
While driving brand awareness and outperforming the B2C market this year, we maintained our operating cost discipline despite inflationary pressures and continued to achieve healthy fuel margins. We remain laser-focused on our strategic initiatives, and we pursued opportunities to extract more value from every part of our scale fuel supply chain across the globe, including our partnership in the US with Musket. In a year of unprecedented supply chain disturbances in all our geographies, our efforts to expand the flexibility and control in our supply chain have been invaluable, allowing us to diversify our supply sources and maintain reliable supply to our customers.

As we strive to integrate even more sustainable solutions into our value proposition, we continued to expand our renewable fuel offering including 100% renewable blends such as HVO100 in select markets. In Denmark, our innovative work included Europe's first truck that runs on e-methanol, a Power-to-X fuel that is 100% renewable.

This year, we also proudly strengthened our relationships with our B2B customers in Europe and began growing these customer relationships in North America, where we see a significant opportunity as we expand our network under the Circle K brand.

"Across the globe, the fuel industry is facing supply disruptions and higher prices. We recognize the importance of fuel in the everyday lives of our customers, and we are committed to delivering on our core promise of availability, quality and ease. We are excited about our growth opportunities in every part of the fuels value chain, and I want to thank all our dedicated team members and partners for their hard work and contributions to the success of the business."

Louise Warner – Senior Vice President, Global Fuels



"We continue to play an active part in the global energy transition and are proud to hold a strong market position in Europe as we begin leveraging our deep learnings from our Norway experience in North America. Our customers know they can trust us for EV charging as they have trusted us for many years in traditional fuel, and as such we are committed to remaining attentive to their quickly changing needs, powering our innovative and sustainable mobility solutions."

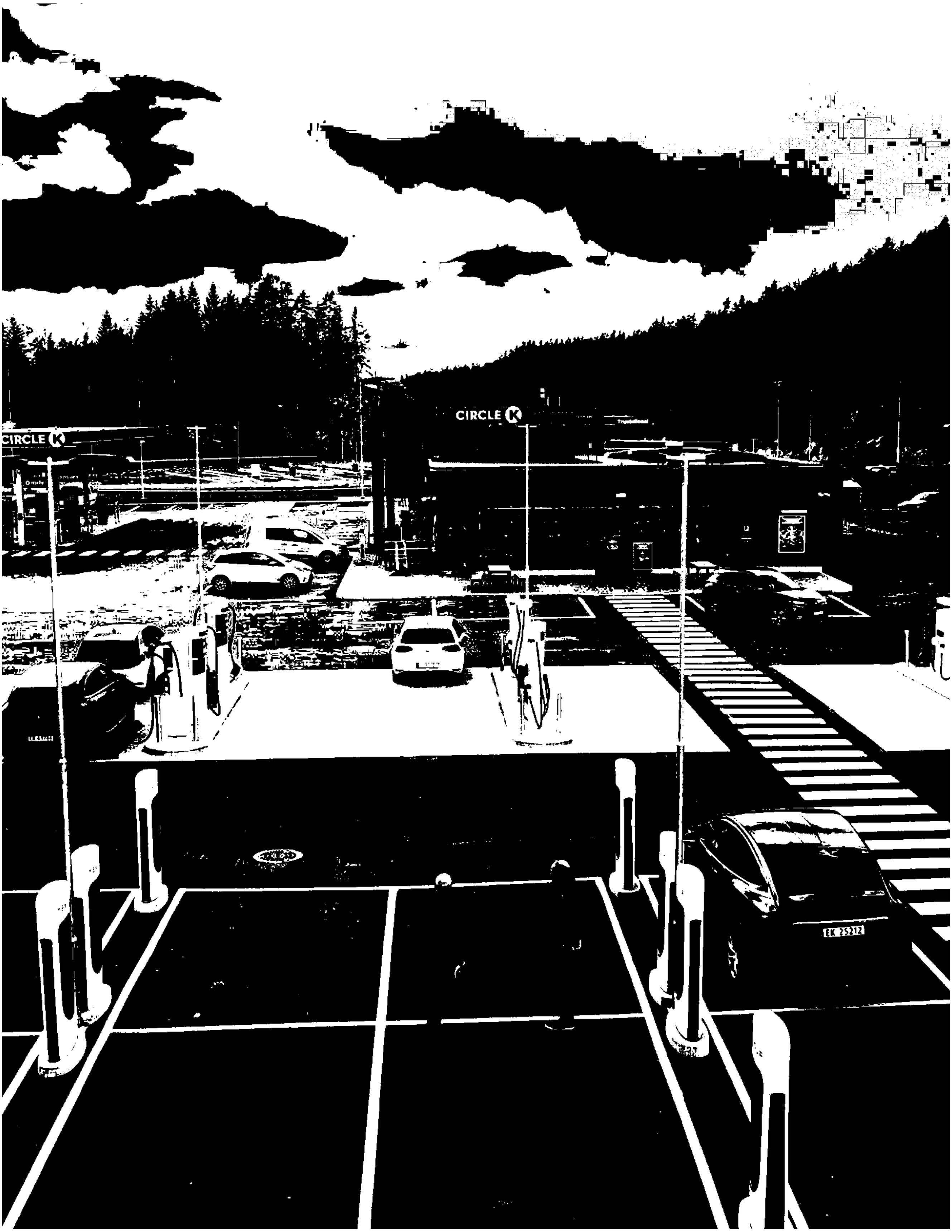
Hans-Olav Høidahl – Executive Vice President, Operations, Europe

ELECTRIC VEHICLES

During the past year, our pioneering real-life "Norway Lab" has continued to deliver a significant advantage in gaining meaningful experience and benefits to claim the EV customer and solidify our position as a global leader in the future of electric charging solutions. As we learn more about electrification trends while maintaining our focus on our customers' evolving needs, we continue to grow our EV offer, establish our internal capabilities and e-mobility technical platform, and simplify our operations.

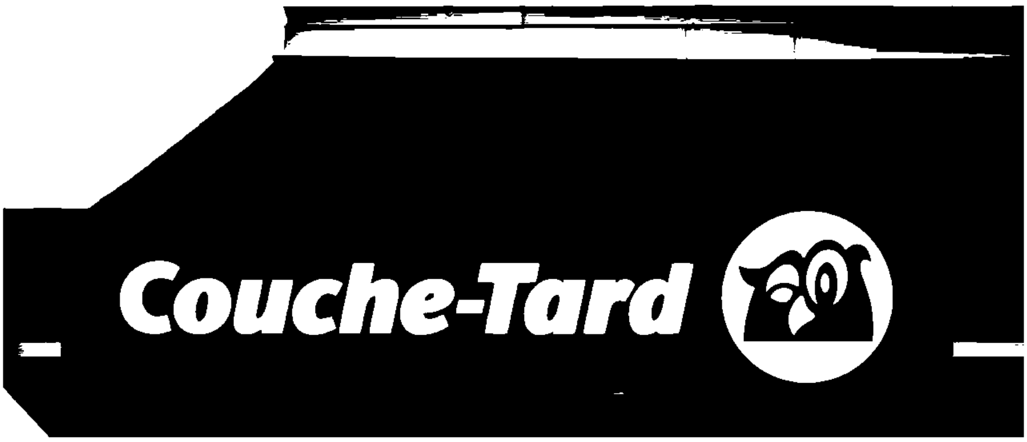
In Europe, we reached several milestones over the past year, including more than 1,085 chargers in over 256 stations. The total year to date of charging transactions, including partners, is 1,424,000. In Norway, we maintained our position as the number one charging destination, and have continued steady network expansion in Denmark, Ireland and Sweden, bringing to market several destination stores, complete with a full food offering, improved resting areas and rapid wi-fi tailored to our mobility customers. We also complemented our forecourt offer by delivering more than 7,800 home and workplace chargers in Norway. Our growing customer base also helps make our business resilient with strong demand from our B2B customers in Europe.

Having firmly established ourselves at the forefront of EV charging services in many of our European markets, we have begun bringing the promise and convenience of EV charging to North American customers, starting with our first EV charging station in Austin, Texas supplied with Tesla partner superchargers. In the coming year, we will accelerate this North American deployment with branded charging solutions in strategic markets in both Canada and the US and will evaluate how we can continue leveraging our global learnings, partnerships and scale to improve the customer experience and ultimately win in this space.


CIRCLE K
CIRCLE K

Play to Win

NETWORK GROWTH



Network optimization and organic development being key components of our growth strategy, we are pleased to report that this past year was a record one in terms of new store builds with the addition of 133 new stores. The ongoing strengthening of our network development team, combined with our efforts to improve our development, design and entitlement process have resulted in a robust pipeline for future store openings.

Despite supply chain challenges combined with significant cost increases, our teams have worked very hard to not only deliver a record year on new store builds, but also be successful in renovating existing stores and developing a new core prototype store design, which is value-engineered to deliver reduced cost and quicker build times. All of this is contributing value to our current and future growth.

"Our dynamic processes on new store builds, strategic reviews of non-core sites and acquisitions of complementary networks have been instrumental in optimizing our store network on which we can continue to rely in our journey to become the world's preferred destination for convenience and mobility."

Aaron Brooks – Senior Vice President, Real Estate

On the inorganic front, we acquired complementary networks through acquisitions, including a total of 74 company-operated locations, strengthening our presence in several key markets, as well as securing significant net proceeds from the sale of 190 non-strategic sites and surplus parcels. Following these transactions, our network is as strong as ever and well-positioned for the future.

Finally, as we look ahead, we are focused on continuing to build and expand our network in key geographies where we can leverage our strengths and deliver on our Double Again ambitions. We have made significant improvements to our processes and are excited to further our progress in network optimization as we engage with our customers and satisfy their needs.

Play to Win

OPERATIONAL EXCELLENCE

To place our employees and customers at the forefront of everything we do, we have embraced an "Operations First" mindset focused on enhancing the quality of the store experience and staffing our operations with effective, engaged and satisfied teams. In the past year, we have explored and introduced solutions that focus on operational efficiency, staffing and inventory management, and customer experience.

Operational Efficiency

Through our Easy Office initiative, we are working on enabling our store leaders to spend more time with their customers. Using concepts and processes tested and proven at our operations innovation pilot store, we have eliminated nearly a third of hours spent on administrative functions and expect to increase this figure to nearly half in the coming year as we expand the initiative across North America and Europe. The biggest time savings initiative to date has come through the rollout of nearly 5500 Smart Safes in our U.S. and Canadian. stores, which is enabling managers to streamline daily cash handling processes, eliminating daily bank deposits while also improving cash control.

"Operations First represents our commitment to putting our people and customers at the heart of everything we do. Amidst a challenging employment environment, I am very pleased with the progress we've made in building effective and engaged store teams and providing them the tools, support, training and coaching they need to execute our programs and drive customer satisfaction."

Alex Miller – Executive Vice President, North American Operations and Global Network Optimization

We are even eliminating the back office altogether, bringing manager workstations to the front of the store where they can coach and support their teams and engage with guests. This approach started in our Northern Tier Business Unit and has since expanded to nearly 1,000 North American stores and another 400 locations throughout our Ireland Business Unit.

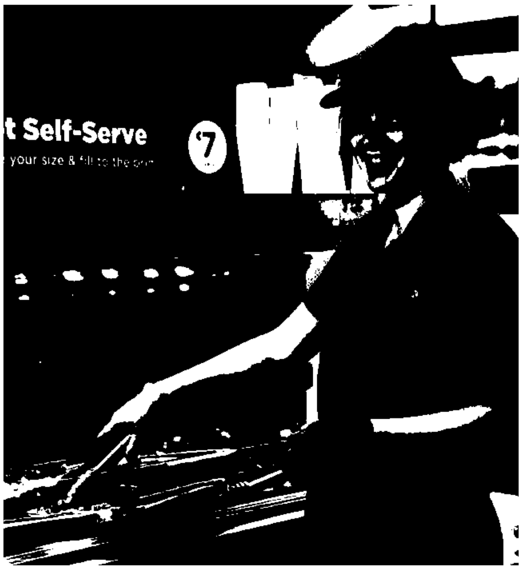
Inventory Management

With global supply chain challenges impacting retailers of all sizes, we have taken a multifaceted approach to keep merchandise stocked and available for our customers, expanding our supplier base, adjusting store layout to accommodate more displays and increasing shelf and cooler capacity to ensure availability of high velocity packaged foods and beverages.


CIRCLE K
FLOWER MARKET

Customer Experience

With our investments in technology and processes to help our people serve our customers, we are also, through better tracking, measuring how these programs are improving execution across our global network. In Europe, we are receiving very good feedback from our customers and see a continued strong performance in our store operations. Last year, we consolidated our mystery shop programs used across our North American business units into a single, standardized program with a common set of performance metrics. Having a true customer point of view at the store level on the friendliness of staff, product availability, cleanliness and other factors enables us to set data-driven action plans to continuously improve our ability to make our customers' lives a little easier every day.



"In our European markets, we had strong operational performance and improvements in operational excellence this year. We successfully introduced Fresh Food, Fast as well as the new Horizon design concept to over 350 sites. We continued with our pioneering gaming initiatives driving traffic to our locations, and in the face of covid challenges, we received very positive feedback from our customers. I want to thank our team members for their continued commitment to the business during this year of global turmoil."

Niall Anderton, Senior Vice President Operations, Europe

Play to Win
ONE TEAM

Our people faced historic challenges this year from surges of new Covid-19 variants to staffing shortages, especially in our U.S. market, as well as a heartbreaking war and resulting refugee crisis that spilled over into many of our European markets. However, we once again came together as "One Team" to protect our employees and customers while providing needed support to our communities. In the end, our winning culture was recognized by prestigious organizations considering employee engagement and satisfaction.

Hiring, Training, and Retention

No doubt, the convenience industry witnessed the most significant employment challenges in recent history, and we focused on solutions to the staffing shortages on multiple fronts. We took targeted actions on variable compensation structures, retention initiatives and training and benefits programs, which we worked with our business units to tailor to their competitive environments, implement and closely track. We also stepped up our leadership development programs, instituting the first-ever training programs for regional directors of operations and market managers. Our award-winning gamified training program was expanded to more geographies and levels of store team members. Through these and other efforts, by the third quarter of the fiscal year, we reported notable improvements, especially in North America, where we saw progress in turnover trends at all levels of our operational teams including store managers and assistant managers and customer service team members.

Health and Safety

Across our network, we instituted extensive covid vaccination campaigns while setting expectations of leadership to foster high vaccination rates and adherence to safety policies across their teams. In Canada, we joined a consortium of leading businesses to administer vaccination clinics. We also held several town halls with top medical leaders to confront societal mistrust of vaccines, and we reimbursed team members for shots and boosters. We continued to adhere to local and national mask-wearing policies as well as required mandatory testing for all corporate meeting attendees.

Values We Live By

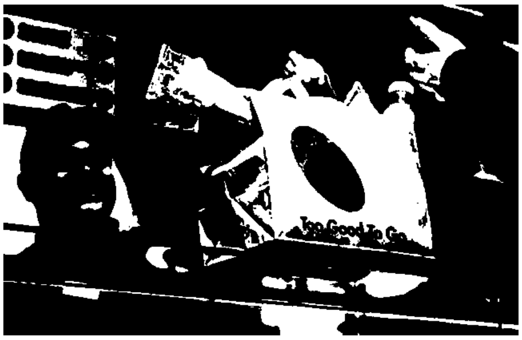
Amidst the turmoil of this year, we put renewed focus on our people by rolling out the Values We Live By. Not only have we given definition to our winning culture through these values, but we also tackled the more difficult task of making sure that they are more than words and are truly values in action. Through toolkits, town halls and extensive communications, we put these values front and center in our stores and support offices. And by focusing on our culture, we were once again able to keep employee participation at a record high in our annual engagement survey, thus demonstrating the deep commitment of leaders across the company to motivate and enhance the performance of their teams.

"I am truly proud of the progress we made this year in advancing our people and of the recognition we received for our highly engaged teams. Over the year, we have focused on keeping our teams and customers safe, our stores staffed, and our culture living by our newly defined values. We addressed the global employment challenges by focusing on competitive hiring, training, and retention programs and are more than ever One Team, taking ownership, doing the right thing, and playing to win."

Ina Strand – Chief People Officer

Play to Win

SUSTAINABILITY COMMITMENT

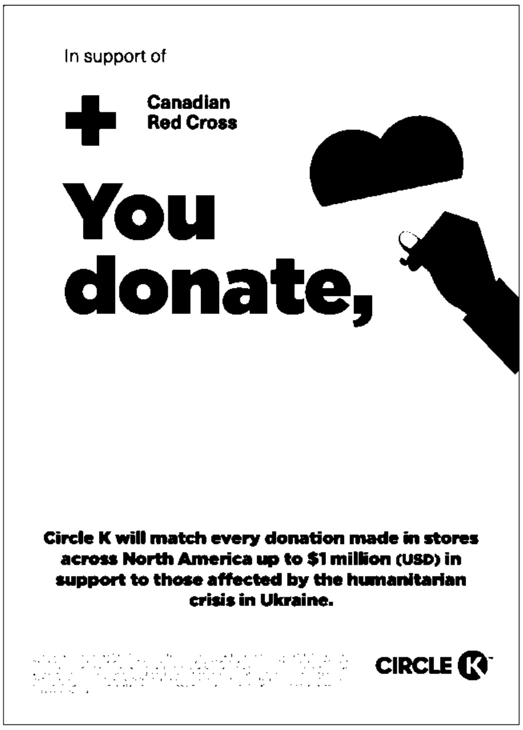


Guided by our company *Values We Live By* and especially "Doing the Right Thing," our focus on our sustainability ambitions remained steadfast this year. While solidifying sustainability as a strategic lens for our business activities, we continued to anchor our journey in support of a healthier, cleaner and more equitable future for everyone and progress on our targets supporting people, our planet and its prosperity.

In support of our Diversity and Inclusion ambition, integrated into our sustainability work last year, we launched several talent programs to create pipelines for advancement including a leadership development course dedicated to accelerating and developing our minority team members. We also created a formal mentorship program, which we believe will be beneficial to all team members, including our underrepresented groups' career growth.

Being ready for the future is an important part of our sustainability journey, and we are proud of our progress in electric vehicle charging solutions as well as having initiated work on a roadmap for de-carbonization. We have also continued to finance global sustainable initiatives through our Green Bonds offering.

With the outbreak of armed conflict in Ukraine and the suspension of our operations in Russia, our priority remained to take care of our employees in a responsible and safe manner. In such tragic circumstances, it has been heartwarming to see the outpouring of generosity from our team members who have provided free fuel, food, and shelter for those displaced by the crisis. There has also been significant support for our in-store campaign to raise funds for Red Cross relief efforts for Ukraine, including donations of several million dollars to date as well as a company effort to provide employment opportunities in Canada and Europe to Ukrainians displaced by the conflict.



Our sustainability efforts have been recognized by several prestigious external awards this year including Circle K being honoured as the industry leader in Latvia, Lithuania and Sweden by the Sustainable Brand Index and as the Best Convenience Store Diversity & Inclusion Employer Global 2021 by the international journal CFI (Capital Finance International).

To read more about our sustainability work progress on our key focus areas including fuel, energy, packaging and waste, workplace safety and diversity and inclusion and 2030 ambitions in our annual sustainability report at https://corpo.couche-tard.com/en/sustainability/.

Financial Highlights Footnotes

All dollar figures are in USD millions, except per share amounts which are in USD.

1. Please refer to the section "Non-IFRS measures" of the 2022 Management Discussion and Analysis for additional information on these performance measures not defined by IFRS.

2. The Free Cash Flow is presented for information purposes only. It represents the following calculation: EBITDA[1] minus Purchases of property and equipment and intangibles, Interest paid net of Interest received, Principal element of lease payments, Income taxes paid, Dividens paid; plus Proceeds from disposal of assets. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. This measure is considered useful to management, investors and analysts as it demonstrates our efficiency at generating cash.

Financial Results

Management Discussion and Analysis

The purpose of this Management Discussion and Analysis ("MD&A") is, as required by regulators, to explain management's point of view on the financial position and results of the operations of Alimentation Couche-Tard Inc. ("Couche-Tard") as well as its performance during the fiscal year ended April 24, 2022. More specifically, it aims to let the reader better understand our development strategy, performance in relation to objectives, future expectations, and how we address risk and manage our financial resources. This MD&A also provides information to improve the reader's understanding of Couche-Tard's audited annual consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By "we", "our", "us" and "the Corporation", we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars ("US dollars") and determined on the basis of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). We also use measures in this MD&A that do not comply with IFRS as well as supplementary financial measures. The measures that do not comply with IFRS are described in the "Non-IFRS Measures" section of this MD&A and where such measures are presented, the reader is informed. Supplementary financial measures are described where such measures are presented. This MD&A should be read in conjunction with the audited annual consolidated financial statements and related notes included in our 2022 Annual Report, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, is available on SEDAR at https://www.sedar.com/ and on our website at https://corpo.couche-tard.com/.

Forward-Looking Statements

This MD&A includes certain statements that are "forward-looking statements" within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words "believe", "could", "should", "intend", "expect", "estimate", "assume", and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at June 28, 2022, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard's or the industry's outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-downs, the effect of the COVID-19 pandemic on all aspects of our business and geographies or other charges announced or occurring after forward-looking statements are made.

Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

The foregoing risks and uncertainties include the risks set forth under "Business Risks" in our 2022 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

We are the leader in the Canadian convenience store industry. In the United States, we are one of the largest independent convenience store operators. In Europe, we are a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Norway, Sweden, and Denmark), in the Baltic countries (Estonia, Latvia, and Lithuania), as well as in Ireland, and have an important presence in Poland. In Asia, we operate a network of company-operated convenience stores in Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong SAR") with an enviable local position.

As of April 24, 2022, our network comprised 9,094 convenience stores throughout North America, including 7,982 stores with road transportation fuel dispensing. Our North American network consists of 17 business units, including 14 in the United States covering 47 states and 3 in Canada covering all 10 provinces. Approximately 96,000 people are employed throughout our network and at our service offices in North America.

In Europe, we operate a broad retail network across Scandinavia, Ireland, Poland, and the Baltics through 9 business units. As of April 24, 2022, our network comprised 2,709 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel stations which only offer road transportation fuel. We also offer other products, including aviation fuel and energy for stationary engines. Including employees at branded franchise stores, approximately 22,000 people are employed in our retail network, terminals, and service offices across Europe. In Asia, our network comprised 363 company-operated convenience stores in Hong Kong SAR, offering a strong on-the-go food offer as well as a variety of other merchandise items and services. Approximately 4,000 people are employed in our retail network and service offices in Asia.

Furthermore, under licensing agreements, more than 1,800 stores are operated under the Circle K banner in 13 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Indonesia, Jamaica, Macau, Mexico, New Zealand, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 14,000 stores.

Our mission is to make our customers' lives a little easier every day. To this end, we strive to meet the demands and needs of people on-the-go. We offer fast and friendly service, providing fresh food, hot and cold beverages, car wash services, and other high-quality products and services including road transportation fuel, designed to meet or exceed our customers' demands in a clean, welcoming, and efficient environment. Our business model is our key to success. We are a customer-centric, financially disciplined organization that routinely compares best practices, and we use our global experience to enhance our operational expertise and continually invests in our people and our stores.

Value Creation

In the United States, the convenience store sector is fragmented and in a consolidation phase. We are participating in this process through our acquisitions, market share gains when competitors close sites, and by improving our offering. In Europe and Canada, the convenience store sector is often dominated by a few major players, including integrated oil companies. Some of these integrated oil companies are in the process of selling, or are expected to sell, their retail assets. We intend to study investment opportunities that might come to us through this process. In Asia, with our network in Hong Kong SAR, our business has a platform in place from which we are ready to grow. Combining our best practices with local market expertise will help accelerate organic expansion and provide new opportunities for consolidation in the region.

No matter the context, to create value, acquisitions have to be concluded at optimal conditions. Therefore, we do not necessarily favor store count growth to the detriment of profitability. In addition to acquisitions, organic development is playing an important role in the growth of our net earnings. We are focused on continuing to build and expand our network in key geographies where we can leverage our strengths to create value for our Corporation and its shareholders. Highlights have included the ongoing improvements we have made to our offer, including our fresh food program as well as our innovative and sustainable mobility solutions, our efforts to expand the flexibility and control in our supply chain and our ability to adapt quickly to changes. While staying true to our customary financial discipline, all these elements and our strong balance sheet have contributed to the growth in our net earnings and to value creation for our shareholders and other stakeholders. We intend to continue in this direction.

Exchange Rate Data

We use the US dollar as our reporting currency, which provides more relevant information given the predominance of our operations in the United States.

The following table sets forth information about exchange rates based upon closing rates expressed as US dollars per comparative currency unit:

	12-week periods ended		52-week periods ended		
	April 24, 2022	April 25, 2021	**April 24, 2022**	April 25, 2021	April 26, 2020
Average for the period(1)					
Canadian dollar	**0.7901**	0.7930	**0.7978**	0.7630	0.7494
Norwegian krone	**0.1132**	0.1178	**0.1150**	0.1110	0.1096
Swedish krone	**0.1059**	0.1181	**0.1130**	0.1141	0.1038
Danish krone	**0.1492**	0.1611	**0.1555**	0.1577	0.1485
Zloty	**0.2388**	0.2631	**0.2522**	0.2610	0.2568
Euro	**1.1103**	1.1979	**1.1565**	1.1742	1.1087
Ruble(2)	**0.0112**	0.0133	**0.0131**	0.0135	0.0153
Hong Kong dollar(3)	**0.1279**	0.1288	**0.1284**	0.1289	—

(1) Calculated by taking the average of the closing exchange rates of each day in the applicable period.

(2) For the 12 and 52-week periods ended April 24, 2022, calculated by taking the average of the closing exchange rates of each day, until April 8, 2022.

(3) For the 52-week period ended April 25, 2021 calculated by taking the average of the closing exchange rates of each day, starting December 21, 2020.

The following table sets forth information about exchange rates based upon closing rates expressed as US dollars per comparative currency unit:

	As at April 24, 2022	As at April 25, 2021
Period end		
Canadian dollar	**0.7888**	0.8011
Norwegian krone	**0.1124**	0.1201
Swedish krone	**0.1052**	0.1190
Danish krone	**0.1454**	0.1623
Zloty	**0.2334**	0.2645
Euro	**1.0817**	1.2066
Ruble	**Not applicable**	0.0134
Hong Kong dollar	**0.1275**	0.1288

As we use the US dollar as our reporting currency in our consolidated financial statements and in this document, unless indicated otherwise, results from our operations in other currencies are translated into US dollars using the average rate for the period. Unless otherwise indicated, variations and explanations regarding changes in the foreign exchange rate and the volatility of the Canadian dollar, European currencies, and Hong Kong dollar, which we discuss in the present document, are related to the translation into US dollars of our Canadian, European, Asian and corporate operations' results ("foreign currency operations"). For the analysis of consolidated results, those variations are determined as being the difference between the corresponding period results in local currencies translated at the current period average exchange rate and the corresponding period results in local currencies translated at the corresponding period average exchange rate.

Fiscal 2022 Overview

Financial Results

Net earnings attributable to shareholders of the Corporation ("net earnings") amounted to $2.7 billion for fiscal 2022, a decrease of $22.2 million compared with fiscal 2021. Diluted net earnings per share stood at $2.52, compared with $2.44 for the previous year.

The results for fiscal 2022 and fiscal 2021 were affected by specific items disclosed in the "Non-IFRS measures" section of this MD&A. Excluding these items, adjusted net earnings attributable to shareholders of the Corporation ("adjusted net earnings")[1] were approximately $2.8 billion ($2.60 per share on a diluted basis[1]) for fiscal 2022, compared with $2.7 billion ($2.45 per share on a diluted basis[1]) for fiscal 2021, an increase of $54.0 million, or 2.0%, driven by higher road transportation fuel margins in the United States and Canada and organic growth in both the convenience and road transportation fuel operations, partly offset by higher operating expenses and disposal of sites stemming from a strategic review of our network.

Changes in our Network during Fiscal Year 2022

Business acquisitions

During fiscal 2022, we acquired 74 company-operated stores, including the acquisition of 35 stores operating under the Porter's brand and located predominately in Oregon and Washington, United States, 19 stores operating under the Pic Quik brand, located in New Mexico, United States, and 9 stores operating under the Londis brand, located in Ireland. In addition, we acquired 17 dealer-operated stores operating under the Purple Cow brand, located in Southeastern United States, 22 fuel supply agreements and a small sized company, specializing in technological solutions for retailers and convenience stores.

Outstanding transaction

On July 30, 2021, we entered into a binding agreement in connection with the acquisition of Cape D'Or Holdings Limited, Barrington Terminals Limited, and other related holding entities, which operate an independent convenience store and fuel network in Atlantic Canada under the Esso, Go! Store and Wilsons Gas Stops brands (collectively "Wilsons"). The Wilsons network comprises 79 company-operated convenience retail and fuel locations, 147 dealer locations, and a fuel terminal in Halifax, Canada. The transaction is expected to close in the first half of fiscal year 2023 and is subject to customary closing conditions and regulatory approvals, including those under the *Competition Act* (Canada).

[1]Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Divestiture of sites

On March 22, 2021, we reached an agreement to sell 48 sites located in Oklahoma, United States, to Casey's General Stores Inc. On the same date, and based on the outcome of a strategic review of our network, we also announced our intention to sell certain sites across 28 states in the United States and 6 provinces in Canada. During the fiscal year ended April 24, 2022, we closed the agreement with Casey's General Stores Inc. for the sale of 48 sites and completed the sale of 190 sites to various buyers. These transactions were settled for cash consideration of $238.8 million and resulted in a gain of $49.4 million, which is included in Gain on disposal of property and equipment and other assets in the consolidated statement of earnings.

As at April 24, 2022, 11 sites in the United States met the criteria for classification as held for sale as they were subject to sales agreements with various buyers. During fiscal 2022, a criterion for classification as held for sale was no longer met for 66 sites in the United States and 31 sites in Canada. As a result, an amount of $12.6 million was recorded to Depreciation, amortization and impairment to adjust for depreciation that would have been recognized had these sites not been classified as held for sale, as well as to bring the carrying amount of certain sites to their recoverable amount.

Store construction

We completed the construction of 97 stores and the relocation or reconstruction of 36 stores. As of April 24, 2022, another 58 stores were under construction and should open in the upcoming quarters.

Subsequent Event

Subsequent to the end of fiscal 2022, we acquired, through a joint venture with Musket Corporation, four road transportation fuel terminals located in Florida, Illinois and North Carolina, United States.

Summary of changes in our store network

The following tables present certain information regarding changes in our store network over the 12 and 52-week periods ended April 24, 2022[(1)]:

	12-week period ended April 24, 2022				
Type of site	**Company-operated[(2)]**	**CODO[(3)]**	**DODO[(4)]**	**Franchised and other affiliated[(5)]**	**Total**
Number of sites, beginning of period	9,857	394	712	1,301	12,264
Acquisitions	4	—	—	—	4
Openings / constructions / additions	42	2	12	22	78
Closures / disposals / withdrawals	(115)	(2)	(11)	(52)	(180)
Store conversions	20	(24)	—	4	—
Number of sites, end of period	**9,808**	**370**	**713**	**1,275**	**12,166**
Circle K branded sites under licensing agreements					1,842
Total network					**14,008**
Number of automated fuel stations included in the period-end figures[(6)]	975	—	12	—	987

	52-week period ended April 24, 2022				
Type of site	**Company-operated[(2)]**	**CODO[(3)]**	**DODO[(4)]**	**Franchised and other affiliated[(5)]**	**Total**
Number of sites, beginning of period	9,976	398	697	1,257	12,328
Acquisitions	74	17	22	—	113
Openings / constructions / additions	97	5	35	117	254
Closures / disposals / withdrawals	(382)	(8)	(35)	(104)	(529)
Store conversions	43	(42)	(6)	5	—
Number of sites, end of period	**9,808**	**370**	**713**	**1,275**	**12,166**
Circle K branded sites under licensing agreements					1,842
Total network					**14,008**

(1) These figures include 50% of the stores operated through RDK, a joint venture.
(2) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service stations) are operated by Couche-Tard or one of its commission agents.
(3) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service stations) are operated by an independent operator in exchange for rent and to which Couche-Tard sometimes provides road transportation fuel through supply contracts. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.
(4) Sites controlled and operated by independent operators to which Couche-Tard supplies road transportation fuel through supply contracts. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.
(5) Stores operated by an independent operator through a franchising, licensing or another similar agreement under one of our main or secondary banners.
(6) These sites sell road transportation fuel only.

Share Repurchase Program

On April 21, 2021, the Toronto Stock Exchange approved the implementation of a share repurchase program (the "Program"), which took effect on April 26, 2021. The Program initially allowed us to repurchase up to 4.0% of the Class B subordinate voting shares of the public float as at April 19, 2021 (the "Public float"). On January 31, 2022, the Toronto Stock Exchange approved the amendment of our Program to increase the maximum number of shares that may be repurchased to 5.8% of the Public float.

During fiscal 2022, we repurchased 46,806,328 shares, reaching the Program's authorized share repurchase limit. These repurchases were settled for an amount of $1.9 billion. During fiscal 2022 and under the Program, 6,351,895 Class B subordinate voting shares were repurchased, for an amount of $238.5 million, from Développements Orano Inc., a corporation controlled by Mr. Alain Bouchard, founder of Couche-Tard and executive chairman of its Board of Directors, which constitutes a related party transaction.

On April 22, 2022, the Toronto Stock Exchange approved the renewal of our Program, which took effect on April 26, 2022. The renewed Program allows us to repurchase up to 79,703,614 shares, representing 10.0% of the shares comprising the public float as at April 20, 2022, and the share repurchase period will end no later than April 25, 2023. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange upon approbation of the renewed Program, is also in place and could allow a designated broker to repurchase our shares on our behalf within parameters established by us. Subsequent to the end of fiscal 2022, and under the renewed Program, we repurchased 9,764,000 shares for an amount of $429.2 million.

Automatic Conversion of Class B Subordinate Voting Shares

On December 8, 2021, as a result of all of Couche-Tard's co-founders reaching the age of 65 years old, all of our Class B subordinate voting shares automatically converted into Class A multiple voting shares on a share-for-share basis. Following the automatic conversion, only Class A multiple voting shares of Couche-Tard are traded on the Toronto Stock Exchange under the symbol "ATD" and all of Couche-Tard's stock-based compensation and other stock-based payment plans are covering Class A multiple voting shares.

Issuance and Repayments of Senior Unsecured Notes

On May 13, 2021, we issued US-dollar-denominated senior unsecured notes totaling $1.0 billion, consisting of a $650.0 million tranche with a coupon of 3.44% and maturing in 2041, as well as a $350.0 million Green Bonds tranche with a coupon of 3.63% and maturing in 2051. An amount equal to the net proceeds of the Green Bonds has been used to finance or refinance new or existing environmentally friendly projects and community initiatives, which furthers our commitment for a more responsible future. The net proceeds from the $650.0 million issuance, as well as cash on hand, were used to fully repay, on May 14, 2021, our $1.0 billion US-dollar-denominated senior unsecured notes that were set to mature on July 26, 2022. The repayment included an early redemption premium of $27.7 million, for which the impact was recognized to Financial expenses upon the delivery of a redemption notice in fiscal 2021.

A portion of the anticipated $1.0 billion US-dollar-denominated senior unsecured notes issued on May 13, 2021 was part of a cash flow hedge using interest rate locks to reduce the risk associated with changes in interest rates. On May 10, 2021, prior to their maturity, we settled all of our interest rate locks for $2.9 million, which are being amortized to earnings over the term of the new US-dollar-denominated senior unsecured notes as an increase to the related interest expense.

On March 3, 2022, following the delivery of a redemption notice dated January 31, 2022, we fully repaid our CA $250.0 million Canadian-dollar-denominated senior unsecured notes issued on November 1, 2012, which were set to mature on November 1, 2022. The repayment of CA $254.1 million ($200.6 million) was settled using cash on hand and included an early redemption premium of CA $4.1 million ($3.2 million). We also settled the cross-currency interest rate swaps associated with these Canadian-dollar-denominated senior unsecured notes.

Fire & Flower

On April 24, 2022, as a result of a decrease in the market capitalization of Fire & Flower Holdings Corp. ("Fire & Flower"), an impairment loss of $33.7 million was recorded to Depreciation, amortization and impairment to bring our investment in the associated company to its fair value.

During fiscal 2022, we exercised the Series A-3 common share warrants in Fire & Flower for cash consideration of CA $9.8 million ($7.9 million). On April 28, 2022, subsequent to the end of fiscal 2022, we exercised the Series B common share warrants in Fire & Flower for a total consideration of CA $37.8 million ($29.5 million), including cash consideration of CA $17.3 million ($13.5 million) as well as CA $20.5 million ($16.0 million) representing the non-cash settlement of the principal and accrued interests of a CA $20.0 million secured loan granted to Fire & Flower. The exercise increased our interests in Fire & Flower to 35.3%.

Deconsolidation and Impairment of the Investment in our Russian Subsidiaries

On April 8, 2022, as a result of the geopolitical events leading to economic sanctions imposed from and against Russia, as well as the developments following our announcement that we suspended the operations of our 38 stores located in Russia, it was determined that the control criteria over our investment in our wholly-owned Russian subsidiaries were no longer met as we did not have the ability to direct their relevant activities and lost entitlement to their earnings. Following the loss of control, the assets and liabilities of the Russian subsidiaries were derecognized, which led to a Cumulative translation loss reclassification adjustment of $10.5 million. In addition, the resulting investment was measured at its fair value, which led to the recognition of a full impairment loss of $45.7 million. Both amounts were recorded to Depreciation, amortization and impairment. For the fiscal year ended April 24, 2022, the net earnings, other comprehensive income and cash flows related to the Russian subsidiaries were included in our consolidated financial statements from April 26, 2021 to April 8, 2022.

COVID-19 Pandemic

Two years after the start of the COVID-19 pandemic, we continued to see its impact on our business during the fiscal year, which varied by region as the pandemic and social restrictive measures were at different levels year-over-year. Merchandise categories most impacted by COVID-19, such as food, showed a positive trend from the initial pandemic impact and convenience activities performed well in our global network. Fuel margins were higher than pre-pandemic levels, while fuel volumes were challenged by work from home trends and changes in local restrictions.

As the COVID-19 pandemic had a significant impact on our prior year financial results, looking at gross profit on a 2-year basis provides additional insight given the volatility in the various key measures of our business. Excluding the disposal of CAPL and the acquisition of Circle K Hong Kong[1], merchandise and service, as well as road transportation fuel gross profit[2] were higher by 10.2% and 18.2%, respectively, compared with the annual pre-pandemic results of fiscal 2020.

Subsequent Event

United States commercial paper program

Subsequent to the end of fiscal 2022, we established a commercial paper program in the United States on a private placement basis. The commercial paper program allows us to issue, from time to time, unsecured commercial paper notes with maturities not exceeding 397 days. The aggregate principal amount of unsecured commercial paper notes outstanding at any one time cannot exceed $2.5 billion and our term revolving unsecured operating credit facility serves as a liquidity backstop for the repayment of the unsecured commercial paper notes.

Change in Accounting Policy

Configuration and Customisation Costs in a Cloud Computing Arrangement

In April 2021, the IFRS Interpretations Committee finalized its agenda decision *Configuration or Customisation Costs in a Cloud Computing Arrangement* (IAS 38 *Intangible Assets)*, clarifying how to recognize certain configuration and customisation expenditures related to cloud computing arrangements. During fiscal 2022, we finalized our assessment of the impact of this agenda decision and changed our accounting policy to align with the interpretation. As a result, costs previously capitalized as intangible assets were reclassified, out of which $15.1 million were expensed to Operating, selling, administrative and general expenses in the consolidated statements of earnings, $6.0 million were recognized as long-term prepaid expenses to Other assets and $3.9 million were recognized to Prepaid expenses on the consolidated balance sheet. We did not apply this change in accounting policy retrospectively as its impact was not deemed material. We expect that this change in accounting policy will impact our future consolidated results as the expenditures within the scope of this interpretation will be recorded to Operating, selling, administrative and general expenses while they were recorded to Depreciation, amortization and impairment in the consolidated statements of earnings before this agenda decision. We also expect timing of recognition to earnings of those expenditures to differ following this change.

1 On a 2-year basis, consolidated merchandise and services as well as fuel gross profit were higher by 14.0% and 16.7%, respectively.
2 Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Dividends

During its June 28, 2022 meeting, the Board of Directors declared a quarterly dividend of CA 11.0¢ per share for the fourth quarter of fiscal 2022 to shareholders on record as at July 8, 2022, and approved its payment effective July 22, 2022. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

For fiscal 2022, the Board of Directors declared total dividends of CA 41.75¢ per share, an increase of 25.6% compared to CA 33.25¢ for fiscal 2021.

Outstanding Shares and Stock Options

As at June 23, 2022, Couche-Tard had 1,023,244,755 Class A multiple voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,776,596 outstanding stock options for the purchase of Class A multiple voting shares.

Statements of Earnings Categories

Merchandise and service revenues. In-store merchandise sales primarily comprise the sale of tobacco products and alternative tobacco products, beverages, beer, wine, fresh food offerings including quick service restaurants, candy and snacks and grocery items. These revenues are recognized at the time of the transaction since control of goods and services is considered transferred when customer makes payment and takes possession of the sold item. Merchandise sales also include the wholesale of merchandise and goods to certain independent operators and franchisees made from our distribution centers and commissaries, which are generally recognized upon delivery to our customers. Service revenues primarily include car wash revenues, commissions on the sale of lottery tickets, fees from automatic teller machines, sales of calling cards, sales of gift cards and revenues from electric vehicles charging stations.

Service revenues also include franchise and license fees, which are recognized in revenues over the period of the agreement, initial franchise fees for which a portion is recognized when the franchise store opens and the remaining portion is deferred and recognized over the estimated term of the related agreement, as well as commissions from agents, and royalties from franchisees and licensees, which are recognized periodically based on sales reported by agents, and franchise and license operators. Through license fees with Canopy Growth's Tweed Inc. branded licensed stores in Ontario, Canada, the share of earnings of Fire & Flower and rental income from subleasing a portion of certain of its convenience stores to Fire & Flower, the Corporation indirectly participates in the sale of cannabis products.

Road transportation fuel revenues. We include in our revenues the total dollar amount of road transportation fuel sales, including any embedded taxes when they are included in the purchase price, if we take ownership of the road transportation fuel inventory. In the United States and in Europe, in some instances, we purchase road transportation fuel and sell it to certain independent store operators at cost plus a mark-up. We record the full value of these revenues (cost plus mark-up) as road transportation fuel revenues. Where we act as a selling agent for a petroleum distributor, only the commission we earn is recorded as revenue.

Other revenues. Other revenues include aviation fuel and sales of energy for stationary engines, which are generally recognized upon delivery to the customer. Other revenues also include rental income from operating leases, which is recognized on a straight-line basis over the term of the lease.

Cost of sales, excluding depreciation, amortization and impairment. Cost of sales, excluding depreciation, amortization and impairment mainly comprises the cost of finished goods and input materials, transportation costs when they are incurred to bring products to the point of sale, as well as internal logistics costs. Inventories are valued at the lesser of cost and net realizable value. The cost of merchandise is generally valued based on the retail price less a normal margin. The cost of road transportation fuel inventory is generally determined according to the average cost method.

Operating, selling, administrative and general expenses. The main items comprising Operating, selling, administrative and general expenses are labor, occupancy costs, electronic payment modes fees, repairs, maintenance, information technologies and overhead, excluding depreciation, amortization and impairment.

Key performance indicators used by management, which can be found under "Summary Analysis of Consolidated Results of Fiscal 2022 - Other Operating Data", are merchandise and service gross margin[1], growth of same-store merchandise revenues[1], road transportation fuel gross margin[1] and growth of same-store road transportation fuel volumes, return on equity[1] and return on capital employed[1].

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Non-IFRS Measures

To provide more information for evaluating the Corporation's performance, the financial information included in our financial documents contains certain data that are not performance measures under IFRS ("non-IFRS measures"), which are also calculated on an adjusted basis to exclude specific items. We believe that providing those non-IFRS measures is useful to management, investors, and analysts, as they provide additional information to measure the performance and financial position of the Corporation.

The following non-IFRS measures are used in our financial disclosures:

- Gross profit;
- Interest-bearing debt;
- Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA") and adjusted EBITDA;
- Adjusted net earnings; and
- Available liquidities.

The following non-IFRS ratios are used in our financial disclosures:

- Merchandise and service gross margin and Road transportation fuel gross margin;
- Normalized growth of operating, selling, administrative and general expenses;
- Normalized growth of operating, selling, administrative and general expenses compared to fiscal 2020, including normalized employee-related costs;
- Growth of same-store merchandise revenues for Europe and other regions;
- Adjusted diluted net earnings per share;
- Leverage ratio; and
- Return on equity and return on capital employed.

The following capital management measure is used in our financial disclosures:

- Net interest-bearing debt/total capitalization.

Supplementary financial measures are also used in our financial disclosures and those measures are described where they are presented.

Non-IFRS measures and ratios, as well as the capital management measure ("Non-IFRS measures") are mainly derived from the consolidated financial statements, but do not have standardized meanings prescribed by IFRS. These non-IFRS measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS. In addition, our definitions of non-IFRS measures may differ from those of other public corporations. Any such modification or reformulation may be significant. These measures are also adjusted for the pro forma impact of our acquisitions and impacts of new accounting standards, if they are considered to be material.

Gross profit. Gross profit consists of revenues less the cost of sales, excluding depreciation, amortization and impairment. This measure is considered useful for evaluating the underlying performance of our operations.

The table below reconciles revenues and cost of sales, excluding depreciation, amortization and impairment to gross profit:

	12-week periods ended		52-week periods ended		
(in millions of US dollars)	**April 24, 2022**	April 25, 2021	**April 24, 2022**	April 25, 2021	April 26, 2020
Revenues	**16,434.9**	12,237.4	**62,809.9**	45,760.1	54,132.4
Cost of sales, excluding depreciation, amortization and impairment	**13,877.9**	9,902.9	**51,805.1**	35,644.8	44,488.9
Gross profit	**2,557.0**	2,334.5	**11,004.8**	10,115.3	9,643.5

Please note that the same reconciliation applies in the determination of gross profit by category and by geography presented in the section "Summary Analysis of Consolidated Results".

Merchandise and service gross margin. Merchandise and service gross margin consists of Merchandise and service gross profit divided by Merchandise and service revenues, both measures being presented in the section "Summary Analysis of Consolidated Results". Merchandise and service gross margin is considered useful for evaluating how efficiently we generate gross profit by dollar of revenue.

Road transportation fuel gross margin. Road transportation fuel gross margin consists of Road transportation fuel gross profit divided by total volume of road transportation fuel sold. For the United States and Europe and other regions, both measures being presented in the section ''Summary Analysis of Consolidated Results''. For Canada, this measure is presented in functional currency and the table below reconciles, for road transportation fuel, Revenues and Cost of sales, excluding depreciation, amortization and impairment to gross profit and the resulting road transportation fuel gross margin. This measure is considered useful for evaluating how efficiently we generate gross profit by gallon or liter of road transportation fuel sold.

	12-week periods ended		52-week periods ended		
(in millions of Canadian dollars, unless otherwise noted)	**April 24, 2022**	April 25, 2021	**April 24, 2022**	April 25, 2021	April 26, 2020
Road transportation fuel revenues	**1,686.8**	1,163.8	**6,703.8**	4,596.5	5,915.2
Road transportation fuel cost of sales, excluding depreciation, amortization and impairment	**1,534.3**	1,044.8	**6,085.5**	4,083.5	5,457.2
Road transportation fuel gross profit	**152.5**	119.0	**618.3**	513.0	458.0
Total road transportation fuel volume sold	**1,136.9**	1,089.6	**5,264.8**	4,952.6	5,815.6
Road transportation fuel gross margin (CA cents per liter)	**13.41**	10.92	**11.74**	10.36	7.88

Normalized growth of operating, selling, administrative and general expenses ("normalized growth of expenses"). Normalized growth of expenses consists of the growth of Operating, selling, administrative and general expenses adjusted for the impact of the changes in our network, the impact of more volatile items over which we have limited control as well as the impact from changes in accounting policies and adoption of accounting standards. This measure is considered useful for evaluating our ability to control our expenses on a comparable basis.

The tables below reconcile growth of Operating, selling, administrative and general expenses to normalized growth of expenses:

	12-week periods ended			52-week periods ended		
(in millions of US dollars, unless otherwise noted)	**April 24, 2022**	April 25, 2021	**Variation**	**April 24, 2022**	April 25, 2021	**Variation**
Operating, selling, administrative and general expenses, as published	**1,483.8**	1,246.7	**19.0%**	**5,884.5**	5,148.6	**14.3%**
Adjusted for:						
Increase from higher electronic payment fees, excluding acquisitions	**(39.2)**	—	**(3.1%)**	**(135.6)**	—	**(2.6%)**
Decrease (increase) from the net impact of foreign exchange translation	**—**	(21.2)	**1.7%**	**—**	17.4	**(0.3%)**
Cloud computing transition adjustment	**(15.1)**	—	**(1.2%)**	**(15.1)**	—	**(0.3%)**
Increase from incremental expenses related to acquisitions	**(9.6)**	—	**(0.8%)**	**(90.8)**	—	**(1.8%)**
Decrease from changes in acquisition costs recognized to earnings	**0.6**	—	**—**	**5.1**	—	**0.1%**
Normalized growth of expenses	**1,420.5**	1,225.5	**15.6%**	**5,648.1**	5,166.0	**9.4 %**

	12-week periods ended			52-week periods ended		
(in millions of US dollars, unless otherwise noted)	**April 25, 2021**	April 26, 2020	**Variation**	**April 25, 2021**	April 26, 2020	**Variation**
Operating, selling, administrative and general expenses, as published	**1,246.7**	1,209.8	**3.1%**	**5,148.6**	5,227.3	**(1.5%)**
Adjusted for:						
Increase from the net impact of foreign exchange translation	**—**	40.2	**(3.3%)**	**—**	66.9	**(1.3%)**
Increase from incremental expenses related to acquisitions	**(26.1)**	—	**(2.2%)**	**(48.2)**	—	**(0.9%)**
(Increase) decrease from higher or lower electronic payment fees, excluding acquisitions	**(11.0)**	—	**(0.9%)**	**68.0**	—	**1.3%**
Impact from the December 2018 asset exchange agreement with CAPL, net of electronic payment fees	**4.2**	—	**0.3%**	**22.3**	—	**0.4%**
Decrease (increase) from changes in acquisition costs recognized to earnings	**1.4**	—	**0.1%**	**(5.0)**	—	**(0.1%)**
Decrease from the disposal of our interests in CAPL	**—**	—	**—**	**46.8**	—	**0.9%**
Normalized decrease of expenses	**1,215.2**	1,250.0	**(2.9%)**	**5,232.5**	5,294.2	**(1.2%)**

Normalized growth of operating, selling, administrative and general expenses compared to fiscal 2020, including normalized employee-related costs ("normalized growth of expenses compared to 2020, including employee-related costs"). Normalized growth of expenses compared to fiscal 2020, including employee-related costs consists of the growth of Operating, selling, administrative and general expenses compared to fiscal 2020 adjusted for the impact of the changes in our network, employee-related costs that are not deemed indicative of future trends, the impact of more volatile items over which we have limited control as well as the impact from changes in accounting policies and adoption of accounting standards. This measure is considered useful for evaluating our ability to control our expenses on a comparable basis and against a fiscal year that was subject to limited volatility.

The tables below reconcile growth of Operating, selling, administrative and general expenses to normalized growth of expenses compared to 2020, including employee-related costs:

	12-week periods ended			52-week periods ended		
(in millions of US dollars, unless otherwise noted)	**April 24, 2022**	April 26, 2020	**Variation**	**April 24, 2022**	April 26, 2020	**Variation**
Operating, selling, administrative and general expenses, as published	**1,483.8**	1,209.8	**22.6%**	**5,884.5**	5,227.3	**12.6%**
Adjusted for:						
Increase from higher electronic payment fees, excluding acquisitions	**(49.5)**	—	**(4.1%)**	**(68.0)**	—	**(1.3%)**
Increase from incremental expenses related to acquisitions	**(35.7)**	—	**(3.0%)**	**(139.0)**	—	**(2.7%)**
COVID-19 employee-related costs of the corresponding periods of fiscal 2020	**27.8**	—	**2.3%**	**27.8**	—	**0.5%**
Employee retention measures of current year	**(18.9)**	—	**(1.6%)**	**(80.9)**	—	**(1.5%)**
Increase from the net impact of foreign exchange translation	—	19.5	**(1.6%)**	—	88.5	**(1.7%)**
Cloud computing transition adjustment	**(15.1)**	—	**(1.2%)**	**(15.1)**	—	**(0.3%)**
Impact from the December 2018 asset exchange agreement with CAPL, net of electronic payment fees	**4.2**	—	**0.3%**	**22.3**	—	**0.4%**
Decrease from changes in acquisition costs recognized to earnings	**2.0**	—	**0.1%**	**0.1**	—	—
Decrease from the disposal of our interests in CAPL	—	—	—	**46.8**	—	**0.9%**
Normalized growth of expenses compared to 2020, including employee-related costs	**1,398.6**	1,229.3	**13.8%**	**5,678.5**	5,315.8	**6.9%**
Compound annual growth rate			**6.8%**			**3.4%**

	12-week periods ended			52-week periods ended		
(in millions of US dollars, unless otherwise noted)	**April 25, 2021**	April 26, 2020	**Variation**	**April 25, 2021**	April 26, 2020	**Variation**
Operating, selling, administrative and general expenses, as published	**1,246.7**	1,209.8	**3.1%**	**5,148.6**	5,227.3	**(1.5%)**
Adjusted for:						
Impact from government grants in fiscal 2021	**41.0**	—	**3.4%**	**51.1**	—	**1.0%**
Increase from the net impact of foreign exchange translation	—	40.2	**(3.3%)**	—	66.9	**(1.3%)**
Increase from incremental expenses related to acquisitions	**(26.1)**	—	**(2.2%)**	**(48.2)**	—	**(0.9%)**
Decrease (increase) from changes in COVID-19 employee-related costs	**22.6**	—	**1.9%**	**(44.4)**	—	**(0.8%)**
(Increase) decrease from higher electronic payment fees, excluding acquisitions	**(11.0)**	—	**(0.9%)**	**68.0**	—	**1.3%**
Impact from the December 2018 asset exchange agreement with CAPL, net of electronic payment fees	**4.2**	—	**0.3%**	**22.3**	—	**0.4%**
Decrease (increase) from changes in acquisition costs recognized to earnings	**1.4**	—	**0.1%**	**(5.0)**	—	**(0.1%)**
Decrease from the disposal of our interests in CAPL	—	—	—	**46.8**	—	**0.9%**
Normalized growth of expenses compared to 2020, including employee-related costs	**1,278.8**	1,250.0	**2.4%**	**5,239.2**	5,294.2	**(1.0%)**

Growth of same-store merchandise revenues for Europe and other regions. Same-store merchandise revenues represent cumulated merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues. For Europe and other regions, the growth of same-store merchandise revenues is calculated based on constant currencies using the respective current period average exchange rate for both the current and corresponding period. In Europe and other regions, same-store merchandise revenues include same-store revenues from company-operated stores, CODO and DODO stores, as well as Asian corporate stores prior to their acquisition date of December 21, 2020. These last two items are not included in our consolidated results. This measure is considered useful for evaluating our ability to generate organic growth on a comparable basis in our overall European and other regions store network.

The tables below reconcile Merchandise and service revenues to same-store merchandise revenues for Europe and other regions and the resulting percentage of growth:

	12-week periods ended		52-week periods ended	
(in millions of US dollars, unless otherwise noted)	**April 24, 2022**	April 25, 2021	**April 24, 2022**	April 25, 2021
Merchandise and service revenues for Europe and other regions	**571.4**	551.9	**2,429.1**	1,830.8
Adjusted for:				
Service revenues	**(57.8)**	(55.0)	**(205.0)**	(178.4)
Net foreign exchange impact	**—**	(30.0)	**—**	(21.9)
Merchandise revenues for stores not meeting the definition of same-store	**(71.8)**	(50.7)	**(147.2)**	(152.0)
Same-store merchandises revenues from stores not included in our consolidated results	**78.8**	74.0	**400.0**	859.7
Total Same-store merchandise revenues for Europe and other regions	**520.6**	490.2	**2,476.9**	2,338.2
Growth of same-store merchandise revenues for Europe and other regions	**6.2 %**		**5.9 %**	

	12-week periods ended		52-week periods ended	
(in millions of US dollars, unless otherwise noted)	**April 25, 2021**	April 26, 2020	**April 25, 2021**	April 26, 2020
Merchandise and service revenues for Europe and other regions	**551.9**	312.9	**1,830.8**	1,416.3
Adjusted for:				
Service revenues	**(55.0)**	(36.8)	**(178.4)**	(144.3)
Net foreign exchange impact	**—**	31.4	**—**	81.9
Merchandise revenues for stores not meeting the definition of same-store	**(30.7)**	(20.8)	**(33.2)**	(9.6)
Same-store merchandises revenues from stores not included in our consolidated results	**95.3**	225.0	**437.4**	593.6
Total Same-store merchandise revenues for Europe and other regions	**561.5**	511.7	**2,056.6**	1,937.9
Growth of same-store merchandise revenues for Europe and other regions	**9.7%**		**6.1%**	

Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA") and adjusted EBITDA. EBITDA represents net earnings plus income taxes, net financial expenses, and depreciation, amortization and impairment. Adjusted EBITDA represents EBITDA adjusted for acquisition costs and other specific items for which the impact on consolidated results is not deemed indicative of future trends. These performance measures are considered useful to facilitate the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program, share repurchases, and payment of dividends.

The table below reconciles net earnings, as per IFRS, to EBITDA and adjusted EBITDA:

	12-week periods ended		52-week periods ended		
(in millions of US dollars)	**April 24, 2022**	April 25, 2021	**April 24, 2022**	April 25, 2021	April 26, 2020
Net earnings including non-controlling interests, as reported	**477.7**	563.9	**2,683.3**	2,705.5	2,357.6
Add:					
Income taxes	**139.2**	127.6	**734.3**	653.6	545.9
Net financial expenses	**51.5**	71.7	**281.0**	342.5	284.5
Depreciation, amortization and impairment	**449.4**	344.9	**1,545.7**	1,358.9	1,336.8
EBITDA	**1,117.8**	1,108.1	**5,244.3**	5,060.5	4,524.8
Adjusted for:					
Cloud computing transition adjustment	**15.1**	—	**15.1**	—	—
Acquisition costs	**0.9**	1.5	**6.7**	11.8	6.7
Gain on disposal of properties	**—**	(26.6)	**—**	(67.5)	—
EBITDA attributable to non-controlling interests	**—**	—	**—**	—	(66.6)
Net gain on the disposal of the Corporation's interests in CAPL	**—**	—	**—**	—	(61.5)
Net gain on the disposal of a portion of the Corporation's U.S. wholesale fuel business	**—**	—	**—**	—	(41.0)
Adjusted EBITDA	**1,133.8**	1,083.0	**5,266.1**	5,004.8	4,362.4

Adjusted net earnings and adjusted diluted net earnings per share. Adjusted net earnings represents net earnings adjusted for net foreign exchange gains or losses, acquisition costs and other specific items for which the impact on consolidated results is not deemed indicative of future trends. These measures are considered useful for evaluating the underlying performance of our operations on a comparable basis.

The table below reconciles reported net earnings, as per IFRS, with adjusted net earnings and adjusted diluted net earnings per share:

	12-week periods ended		52-week periods ended		
(in millions of US dollars, except per share amounts, or unless otherwise noted)	**April 24, 2022**	April 25, 2021	**April 24, 2022**	April 25, 2021	April 26, 2020
Net earnings attributable to shareholders of the Corporation, as reported	**477.7**	563.9	**2,683.3**	2,705.5	2,353.6
Adjusted for:					
Impairment and impact of deconsolidation of Russian subsidiaries	**56.2**	—	**56.2**	—	—
Impairment of our investment in Fire & Flower	**33.7**	—	**33.7**	—	—
Cloud computing transition adjustment	**15.1**	—	**15.1**	—	—
Net foreign exchange (gain) loss	**(3.0)**	1.1	**(20.7)**	44.9	(33.5)
Acquisition costs	**0.9**	1.5	**6.7**	11.8	6.7
Impact of the redemption notice of senior unsecured notes	—	29.1	—	29.1	—
Gain on disposal of properties	—	(26.6)	—	(67.5)	—
Net gain on the disposal of the Corporation's interests in CAPL	—	—	—	—	(61.5)
Net gain on the disposal of a portion of the Corporation's U.S. wholesale fuel business	—	—	—	—	(41.0)
Release of deferred tax asset valuation allowance	—	—	—	—	(33.6)
Income tax expense following the December 2018 asset exchange agreement with CAPL	—	—	—	—	2.7
Tax impact of the items above and rounding	**(7.6)**	(5.0)	**(4.3)**	(7.8)	22.6
Adjusted net earnings attributable to shareholders of the Corporation	**573.0**	564.0	**2,770.0**	2,716.0	2,216.0
Weighted average number of shares - diluted (in millions)	**1,046.1**	1,086.5	**1,063.5**	1,106.7	1,124.5
Adjusted diluted net earnings per share	**0.55**	0.52	**2.60**	2.45	1.97

Interest-bearing debt. This measure represents the sum of the following balance sheet accounts: Current portion of long-term debt, Long-term debt, Current portion of lease liabilities and Lease liabilities. This measure is considered useful to facilitate the understanding of our financial position in relation with financing obligations. The calculation of this measure of financial position is detailed in the ''Net interest-bearing debt/total capitalization'' section below.

Net interest-bearing debt/total capitalization. This measure represents the basis for monitoring our capital as well as a measure of financial condition that is especially used in financial circles.

The table below presents the calculation of this performance measure:

(in millions of US dollars, except ratio data)	**As at April 24, 2022**	As at April 25, 2021	As at April 26, 2020
Current portion of long-term debt	**1.4**	1,107.3	214.7
Current portion of lease liabilities	**425.4**	419.4	383.1
Long-term debt	**5,963.6**	5,282.6	7,515.8
Lease liabilities	**3,049.5**	2,792.7	2,265.7
Interest-bearing debt	**9,439.9**	9,602.0	10,379.3
Less: Cash and cash equivalents	**2,143.9**	3,015.8	3,641.5
Net interest-bearing debt	**7,296.0**	6,586.2	6,737.8
Equity	**12,437.6**	12,180.9	10,066.6
Net interest-bearing debt	**7,296.0**	6,586.2	6,737.8
Total capitalization	**19,733.6**	18,767.1	16,796.4
Net interest-bearing debt to total capitalization ratio	**0.37 : 1**	0.35 : 1	0.40 : 1

Leverage ratio. This measure represents a measure of financial condition that is especially used in financial circles.

The table below reconciles net interest-bearing debt and adjusted EBITDA, for which the calculation methodologies are described in other tables of this section, with the leverage ratio:

	52-week periods ended		
(in millions of US dollars, except ratio data)	**April 24, 2022**	April 25, 2021	April 26, 2020
Net interest-bearing debt	**7,296.0**	6,586.2	6,737.8
Adjusted EBITDA	**5,266.1**	5,004.8	4,362.4
Leverage ratio	**1.39 : 1**	1.32 : 1	1.54 : 1

Return on equity. This measure is used to measure the relation between our profitability and our net assets. Average equity is calculated by taking the average of the opening and closing balance for the 52-week period.

The table below reconciles net earnings, as per IFRS, with the ratio of return on equity:

	52-week periods ended		
(in millions of US dollars, unless otherwise noted)	**April 24, 2022**	April 25, 2021	April 26, 2020
Net earnings attributable to shareholders of the Corporation	**2,683.3**	2,705.5	2,353.6
Equity - Opening balance	**12,180.9**	10,066.6	8,913.7
Equity - Ending balance	**12,437.6**	12,180.9	10,066.6
Average equity	**12,309.3**	11,123.8	9,490.2
Return on equity	**21.8%**	24.3%	24.8%

Return on capital employed. This measure is used to measure the relation between our profitability and capital efficiency. Earnings before interest and taxes ("EBIT") represents net earnings plus income taxes and net financial expenses. Capital employed represents total assets less short-term liabilities not bearing interest, which excludes the current portion of long-term debt and current portion of lease liabilities. Average capital employed is calculated by taking the average of the beginning and ending balance of capital employed for the 52-week period. For the 52-week period ended April 26, 2020, this performance measure is adjusted to reflect our investment in CAPL as if it was reported using the equity method, as well for the estimated pro forma impact of IFRS 16.

The table below reconciles net earnings, as per IFRS, to EBIT with the ratio of return on capital employed:

	52-week periods ended		
(in millions of US dollars, unless otherwise noted)	**April 24, 2022**	April 25, 2021	April 26, 2020
Net earnings including non-controlling interests	**2,683.3**	2,705.5	2,357.6
Add:			
Income taxes	**734.3**	653.6	545.9
Net financial expenses	**281.0**	342.5	284.5
EBIT attributable to non-controlling interests	**—**	—	(24.6)
EBIT	**3,698.6**	3,701.6	3,163.4
Capital employed - Opening balance(1)	**23,971.5**	22,533.0	18,336.4
Capital employed - Ending balance(1)	**24,001.0**	23,971.5	22,533.0
Average capital employed	**23,986.3**	23,252.3	20,434.7
Pro forma adjustments	**—**	—	690.1
Average capital employed, adjusted pro forma	**23,986.3**	23,252.3	21,124.8
Return on capital employed	**15.4%**	15.9%	15.0%

(1) The following table reconciles balance sheet line items, as per IFRS, to capital employed:

(in millions of US dollars)	**As at April 24, 2022**	As at April 25, 2021	As at April 26, 2020	As at April 28, 2019
Total Assets	**29,591.6**	28,394.5	25,679.5	22,607.7
Less: Current liabilities	**(6,017.4)**	(5,949.7)	(3,744.3)	(5,582.0)
Add: Current portion of long-term debt	**1.4**	1,107.3	214.7	1,310.7
Add: Current portion of lease liabilities	**425.4**	419.4	383.1	—
Capital employed	**24,001.0**	23,971.5	22,533.0	18,336.4

Available liquidities. This measure represents Cash and cash equivalents plus amounts available under our term revolving unsecured operating credit facility. This measure is considered useful to evaluate our ability to meet our liquidity needs for the foreseeable future.

The table below reconciles Cash and cash equivalents, as per IFRS, with available liquidities:

(in millions of US dollars)	**As at April 24, 2022**	As at April 25, 2021	As at April 26, 2020
Cash and cash equivalents	**2,143.9**	3,015.8	3,641.5
Add: Unused portion of the term revolving unsecured credit facility	**2,525.0**	2,525.0	1,025.0
Less: Letters of credit reducing the amount that may be borrowed on the term revolving unsecured operating credit facility	**(6.7)**	(6.8)	(11.9)
Available liquidities	**4,662.2**	5,534.0	4,654.6

Summary Analysis of Consolidated Results for the Fourth Quarter of Fiscal 2022

The following table highlights certain information regarding our operations for the 12-week periods ended April 24, 2022, and April 25, 2021, and the results analysis in this section should be read in conjunction with this table. Europe and other regions include the results from our operations in Asia.

	12-week periods ended		
(in millions of US dollars, unless otherwise stated)	**April 24, 2022**	April 25, 2021	Variation %
Revenues	**16,434.9**	12,237.4	34.3
Operating income	**667.2**	761.4	(12.4)
Net earnings	**477.7**	563.9	(15.3)
Selected Operating Data:			
Merchandise and service gross margin(1)(2):			
Consolidated	**33.8%**	32.6%	1.2
United States	**33.1%**	31.8%	1.3
Europe and other regions	**38.3%**	38.1%	0.2
Canada	**32.4%**	31.0%	1.4
Growth of same-store merchandise revenues(3):			
United States(4)(5)	**2.3%**	8.1%	
Europe and other regions(2)	**6.2%**	9.7%	
Canada(4)(5)	**0.1%**	1.6%	
Road transportation fuel gross margin(2):			
United States (cents per gallon)	**46.12**	34.45	33.9
Europe and other regions (cents per liter)	**7.51**	10.85	(30.8)
Canada (CA cents per liter)	**13.41**	10.92	22.8
Growth of (decrease in) same-store road transportation fuel volumes(4):			
United States	**(1.7%)**	5.4%	
Europe and other regions	**3.7%**	3.6%	
Canada	**4.3%**	4.9%	

(1) Includes revenues derived from franchise fees, royalties, suppliers' rebates on some purchases made by franchisees and licensees, as well as from wholesale of merchandise. Franchise fees from international licensed stores are presented in the United States.
(2) Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.
(3) This measure represents the growth of (decrease in) cumulated merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues.
(4) For company-operated stores only.
(5) Calculated based on respective functional currencies.

Revenues

Our revenues were $16.4 billion for the fourth quarter of fiscal 2022, up by $4.2 billion, an increase of 34.3% compared with the corresponding quarter of fiscal 2021, mainly attributable to a higher average road transportation fuel and other fuel products selling price, the contribution from acquisitions, and organic growth on merchandise and service sales while being partly offset by the net negative impact of approximately $206.0 million from the translation of our foreign currency operations into US dollars.

Merchandise and service revenues

Total merchandise and service revenues for the fourth quarter of fiscal 2022 were $3.8 billion, an increase of $38.5 million compared with the corresponding quarter of fiscal 2021. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $37.0 million. The remaining increase of approximately $75.0 million, or 2.0%, is primarily attributable to organic growth, and to the contribution from acquisitions which amounted to approximately $27.0 million, while being partly offset by the disposal of stores following the strategic review of our network. Same-store merchandise revenues increased by 2.3% in the United States, by 6.2%[1] in Europe and other regions, and by 0.1% in Canada.

Road transportation fuel revenues

Total road transportation fuel revenues for the fourth quarter of fiscal 2022 were $12.4 billion, an increase of $4.0 billion compared with the corresponding quarter of fiscal 2021. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $158.0 million. The remaining increase of approximately $4.2 billion, or 50.1%, is attributable to a higher average road transportation fuel selling price, which had an impact of approximately $4.1 billion. Same-store road transportation fuel volumes decreased by 1.7% in the United States and increased by 3.7% in Europe and other

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

regions, and by 4.3% in Canada. During the quarter, road transportation fuel demand was unfavorably impacted by the significant rise in retail prices driven by the increase in crude oil costs as well as from continued work from home trends.

Other revenues

Total other revenues for the fourth quarter of fiscal 2022 were $295.4 million, an increase of $132.7 million compared with the corresponding quarter of fiscal 2021. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $12.0 million. The remaining increase of approximately $145.0 million, or 89.1%, is primarily driven by higher prices and higher demand on our other fuel products, which had a minimal impact on gross profit[1].

Gross profit[1]

Our gross profit was $2.6 billion for the fourth quarter of fiscal 2022, up by $222.5 million or 9.5%, compared with the corresponding quarter of fiscal 2021, mainly attributable to higher road transportation fuel gross margins in the United States and Canada, improved merchandise and service gross margin, and organic growth in our convenience activities, while being partly offset by the net negative impact of the translation of our foreign currency operations into US dollars of approximately $37.0 million.

Merchandise and service gross profit

In the fourth quarter of fiscal 2022, our merchandise and service gross profit was $1.3 billion, an increase of $56.5 million compared with the corresponding quarter of fiscal 2021. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $15.0 million. The remaining increase of approximately $72.0 million, or 5.9%, is primarily due to organic growth as well as to pricing initiatives. Our gross margin[1] increased by 1.3% in the United States to 33.1%, by 0.2% in Europe and other regions to 38.3%, and by 1.4% in Canada to 32.4%. Gross margin in the U.S. and Canada were also impacted in the prior year by unfavorable inventory adjustments on personal protective equipment of $26.4 million and $3.2 million, respectively.

Road transportation fuel gross profit

In the fourth quarter of fiscal 2022, our road transportation fuel gross profit was $1.3 billion, an increase of $177.9 million compared with the corresponding quarter of fiscal 2021. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $19.0 million. The remaining increase in our gross profit was approximately $197.0 million, or 18.3%. In the United States, our road transportation fuel gross margin[1] was 46.12¢ per gallon, an increase of 11.67¢ per gallon, and in Canada, it was CA 13.41¢ per liter, an increase of CA 2.49¢ per liter. Fuel margins remained healthy throughout our North American network, due to favorable market conditions and the continued work on the optimization of our supply chain. In Europe and other regions, our road transportation fuel margin[1] was US 7.51¢ per liter, a decrease of US 3.34¢ per liter, impacted by increase in crude oil prices, supply chain challenges from the current geopolitical context, as well as volatility in the diesel market.

Other revenues gross profit

In the fourth quarter of fiscal 2022, other revenues gross profit was $32.8 million, a decrease of $11.9 million compared with the corresponding period of fiscal 2021. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $2.0 million.

Operating, selling, administrative and general expenses (“expenses”)

For the fourth quarter of fiscal 2022, expenses increased by 19.0%, compared with the fourth quarter of fiscal 2021. Normalized growth of expenses[1] was 15.6% as show in the table below:

	12-week period ended April 24, 2022
Growth of expenses, as reported	**19.0%**
Adjusted for:	
Increase from higher electronic payment fees, excluding acquisitions	**(3.1%)**
Decrease from the net impact of foreign exchange translation	**1.7%**
Cloud computing transition adjustment	**(1.2%)**
Increase from incremental expenses related to acquisitions	**(0.8%)**
Normalized growth of expenses[1]	**15.6%**

The normalized growth of expenses[1] in the fourth quarter was mainly driven by government grants of $41.0 million in the corresponding quarter of the previous fiscal year, measures necessitated by the impact of the labor shortage and the need to

[1]Please refer to the “Non-IFRS Measures” section for additional information on performance measures not defined by IFRS.

improve employee retention, an increase of marketing initiatives and other discretionary expenses that were significantly reduced in the prior year quarter, inflationary pressures, including higher utility costs in Europe, higher costs from rising minimum wages, as well as by incremental investments in our stores to support our strategic initiatives. This increase was partly offset by lower COVID-19 related expenses compared to the corresponding quarter of the previous fiscal year. The costs of the retention measures implemented during the fiscal year, which totaled approximately $19.0 million for the fourth quarter of fiscal 2022, the employee-related COVID-19 costs in the corresponding quarter of the previous fiscal year, such as Thank you bonuses of $5.2 million, as well as the government grants, represented an increase in expenses of 4.3% for the fourth quarter of fiscal 2022.

Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA[1]”) and adjusted EBITDA[1]

During the fourth quarter of fiscal 2022, EBITDA stood at $1.1 billion, an increase of 0.9% compared with the corresponding quarter of fiscal 2021. Adjusted EBITDA for the fourth quarter of fiscal 2022 increased by $50.8 million, or 4.7%, compared with the corresponding quarter of fiscal 2021, mainly due to higher road transportation fuel margins in the United States and in Canada, and organic growth in our convenience operations, partly offset by higher operating expenses. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $15.0 million.

Depreciation, amortization and impairment (“depreciation”)

For the fourth quarter of fiscal 2022, our depreciation expense increased by $104.5 million compared with the fourth quarter of fiscal 2021. The translation of our foreign currency operations into US dollars had a net favorable impact of approximately $7.0 million. The remaining increase of approximately $111.0 million, or 32.2%, is mainly driven by the impact of the deconsolidation and the impairment of our Russian subsidiaries of $56.2 million, the impairment on our investment in Fire & Flower of $33.7 million, as well as by the impact from investments made through acquisitions, the replacement of equipment, and the ongoing improvement of our network.

Net financial expenses

Net financial expenses for the fourth quarter of fiscal 2022 were $51.5 million, a decrease of $20.2 million compared with the fourth quarter of fiscal 2021. A portion of the decrease is explained by certain items that are not considered indicative of future trends, as shown in the table below:

	12-week periods ended		
(in millions of US dollars)	**April 24, 2022**	April 25, 2021	**Variation**
Net financial expenses, as reported	**51.5**	71.7	**(20.2)**
Explained by:			
Change in fair value of financial instruments and amortization of deferred differences	**18.5**	21.0	**(2.5)**
Impact of the redemption notice of senior unsecured notes	**(3.2)**	(29.1)	**25.9**
Net foreign exchange gain (loss)	**3.0**	(1.1)	**4.1**
Impact from conversion of a portion of our convertible debentures in Fire & Flower	**—**	13.1	**(13.1)**
Remaining variation	**69.8**	75.6	**(5.8)**

Income taxes

The income tax rate for the fourth quarter of fiscal 2022 was 22.6% compared with 18.5% for the corresponding quarter of fiscal 2021. The increase is mainly stemming from the impact of gains and losses taxable or deductible at a lower income tax rate between current and prior year, and a different mix in our earnings across the various jurisdictions in which we operate.

Net earnings and adjusted net earnings[1]

Net earnings for the fourth quarter of fiscal 2022 were $477.7 million, compared with $563.9 million for the fourth quarter of the previous fiscal year, a decrease of $86.2 million, or 15.3%. Diluted net earnings per share stood at $0.46, compared with $0.52 for the corresponding quarter of the previous fiscal year. The translation of revenues and expenses from our foreign currency operations into US dollars had a net negative impact of approximately $8.0 million on net earnings of the fourth quarter of fiscal 2022.

Adjusted net earnings for the fourth quarter of fiscal 2022 were approximately $573.0 million, compared with $564.0 million for the fourth quarter of fiscal 2021, an increase of $9.0 million, or 1.6%. Adjusted diluted net earnings per share were $0.55 for the fourth quarter of fiscal 2022, compared with $0.52 for the corresponding quarter of fiscal 2021, an increase of 5.8%.

[1]Please refer to the “Non-IFRS Measures” section for additional information on performance measures not defined by IFRS.

Summary Analysis of Consolidated Results for Fiscal 2022

The following table highlights certain information regarding our operations for the 52-week periods ended April 24, 2022, April 25, 2021, and April 26, 2020, and the results analysis in this section should be read in conjunction with this table. Europe and other regions include the results from our operations in Asia. CAPL refers to CrossAmerica Partners LP.

	52-week periods ended		
(in millions of US dollars, unless otherwise stated)	**April 24, 2022**	April 25, 2021	April 26, 2020
Statement of Operations Data:			
Merchandise and service revenues[1]:			
United States	**11,593.2**	11,489.9	10,918.4
Europe and other regions	**2,429.1**	1,830.8	1,416.3
Canada	**2,581.5**	2,552.3	2,302.7
CAPL	**—**	—	29.6
Elimination of intercompany transactions with CAPL	**—**	—	*(0.8)*
Total merchandise and service revenues	**16,603.8**	15,873.0	14,666.2
Road transportation fuel revenues:			
United States	**30,115.0**	19,594.7	25,724.8
Europe and other regions	**9,892.0**	6,295.3	7,481.1
Canada	**5,344.4**	3,515.3	4,415.7
CAPL	**—**	—	1,365.7
Elimination of intercompany transactions with CAPL	**—**	—	*(288.0)*
Total road transportation fuel revenues	**45,351.4**	29,405.3	38,699.3
Other revenues[2]:			
United States	**46.2**	44.3	36.9
Europe and other regions	**785.6**	419.3	652.0
Canada	**22.9**	18.2	21.3
CAPL	**—**	—	65.6
Elimination of intercompany transactions with CAPL	**—**	—	*(8.9)*
Total other revenues	**854.7**	481.8	766.9
Total revenues	**62,809.9**	45,760.1	54,132.4
Merchandise and service gross profit[1][3]:			
United States	**3,904.5**	3,798.7	3,641.2
Europe and other regions	**927.4**	716.2	587.6
Canada	**830.2**	800.2	733.2
CAPL	**—**	—	6.8
Elimination of intercompany transactions with CAPL	**—**	—	*(0.8)*
Total merchandise and service gross profit	**5,662.1**	5,315.1	4,968.0
Road transportation fuel gross profit[3]:			
United States	**3,626.4**	3,095.2	3,103.3
Europe and other regions	**1,057.7**	1,119.7	932.0
Canada	**493.0**	391.6	344.2
CAPL	**—**	—	57.5
Total road transportation fuel gross profit	**5,177.1**	4,606.5	4,437.0
Other revenues gross profit[2][3]:			
United States	**46.2**	44.2	36.9
Europe and other regions	**96.5**	131.2	123.6
Canada	**22.9**	18.3	21.2
CAPL	**—**	—	65.7
Elimination of intercompany transactions with CAPL	**—**	—	*(8.9)*
Total other revenues gross profit	**165.6**	193.7	238.5
Total gross profit[3]	**11,004.8**	10,115.3	9,643.5
Operating, selling, administrative and general expenses			
United States, Europe and other regions and Canada	**5,884.5**	5,148.6	5,189.7
CAPL	**—**	—	46.8
Elimination of intercompany transactions with CAPL	**—**	—	*(9.2)*
Total operating, selling, administrative and general expenses	**5,884.5**	5,148.6	5,227.3
Gain on disposal of property and equipment and other assets	**(103.9)**	(67.8)	(83.1)
Depreciation, amortization and impairment			
United States, Europe and other regions and Canada	**1,545.7**	1,358.9	1,282.9
CAPL	**—**	—	53.9
Total depreciation, amortization and impairment	**1,545.7**	1,358.9	1,336.8
Operating income			
United States, Europe and other regions and Canada	**3,678.5**	3,675.6	3,137.7
CAPL	**—**	—	25.3
Elimination of intercompany transactions with CAPL	**—**	—	*(0.5)*
Total operating income	**3,678.5**	3,675.6	3,162.5
Net financial expenses	**281.0**	342.5	284.5
Net earnings including non-controlling interests	**2,683.3**	2,705.5	2,357.6
Net earnings attributable to non-controlling interests	**—**	—	(4.0)
Net earnings attributable to shareholders of the Corporation	**2,683.3**	2,705.5	2,353.6
Per Share Data:			
Basic net earnings per share (dollars per share)	**2.53**	2.45	2.10
Diluted net earnings per share (dollars per share)	**2.52**	2.44	2.09
Adjusted diluted net earnings per share (dollars per share)[3]	**2.60**	2.45	1.97
Cash dividend per share declared for fiscal year (CA cents per share)	**41.75**	33.25	26.50

(in millions of US dollars, unless otherwise stated)	52-week periods ended **April 24, 2022**	April 25, 2021	April 26, 2020
Other Operating Data:			
Merchandise and service gross margin[1][3]:			
Consolidated	**34.1%**	33.5%	33.9%
United States	**33.7%**	33.1%	33.3%
Europe and other regions	**38.2%**	39.1%	41.5%
Canada	**32.2%**	31.4%	31.8%
Growth of (decrease in) same-store merchandise revenues[4]:			
United States[5][6]	**1.9%**	5.6%	2.1%
Europe and other regions[3]	**5.9%**	6.1%	0.1%
Canada[5][6]	**(3.4%)**	9.5%	2.8%
Road transportation fuel gross margin[3]:			
United States (cents per gallon)	**39.62**	35.28	29.62
Europe and other regions (cents per liter)	**9.86**	10.99	8.48
Canada (CA cents per liter)	**11.74**	10.36	7.88
Total volume of road transportation fuel sold:			
United States (millions of gallons)	**9,152.9**	8,772.8	10,476.1
Europe and other regions (millions of liters)	**10,722.7**	10,191.8	10,990.3
Canada (millions of liters)	**5,264.8**	4,952.6	5,815.6
Growth of (decrease in) same-store road transportation fuel volumes[5]:			
United States	**4.0%**	(12.9%)	(3.9%)
Europe and other regions	**3.8%**	(6.4%)	(3.9%)
Canada	**6.1%**	(14.9%)	(6.0%)

(in millions of US dollars, unless otherwise stated)	**As at April 24, 2022**	As at April 25, 2021	As at April 26, 2020
Balance Sheet Data:			
Total assets	**29,591.6**	28,394.5	25,679.5
Interest-bearing debt[3]	**9,439.9**	9,602.0	10,379.3
Equity	**12,437.6**	12,180.9	10,066.6
Indebtedness Ratios[3]:			
Net interest-bearing debt/total capitalization	**0.37 : 1**	0.35 : 1	0.40 : 1
Leverage ratio	**1.39 : 1**	1.32 : 1	1.54 : 1
Returns[3]:			
Return on equity	**21.8%**	24.3%	24.8%
Return on capital employed	**15.4%**	15.9%	15.0%

(1) Includes revenues derived from franchise fees, royalties, suppliers' rebates on some purchases made by franchisees and licensees, as well as from wholesale of merchandise. Franchise fees from international licensed stores are presented in the United States.
(2) Includes revenues from the rental of assets and from the sale of aviation fuel and energy for stationary engines.
(3) Please refer to the "Non-IFRS measures" section for additional information on our capital management measure as well as performance measures not defined by IFRS.
(4) This measure represents the growth of (decrease in) cumulated merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues.
(5) For company-operated stores only.
(6) Calculated based on respective functional currencies.

Revenues

For fiscal 2022, our revenues increased by $17.0 billion, or 37.3%, compared with fiscal 2021, mainly attributable to a higher average road transportation fuel and other fuel products selling price, a higher fuel demand, the contribution from acquisitions, organic growth on merchandise and service sales, as well as the positive impact of approximately $150.0 million from the translation of our foreign currency operations into US dollars.

Merchandise and service revenues

For fiscal 2022, the growth in merchandise and service revenues was $730.8 million compared with fiscal 2021. The translation of our foreign currency operations into US dollars had a net positive impact of approximately $108.0 million. The remaining increase of approximately $623.0 million, or 3.9%, is mainly attributable to the contribution from acquisitions, which amounted to approximately $509.0 million, and organic growth, partly offset by the disposal of stores following the strategic review of our network. Same-store merchandise revenues increased by 1.9% in the United States, by 5.9%[1] in Europe and other regions, and decreased by 3.4% in Canada. On a 2-year basis, same-store merchandise revenues increased by an annual average rate of 3.8% in the United States, 6.0%[1] in Europe and other regions, and 3.1% in Canada.

Road transportation fuel revenues

For fiscal 2022, the road transportation fuel revenues increased by $15.9 billion compared with fiscal 2021. The translation of our foreign currency operations into US dollars had a net positive impact of approximately $49.0 million. The remaining increase of approximately $15.9 billion, or 54.1%, is mostly due to the positive impact of the higher average road transportation fuel selling price, which had an impact of approximately $14.4 billion, and organic growth. Same-store road transportation fuel volumes increased by 4.0% in the United States, by 3.8% in Europe and other regions, and by 6.1% in Canada. On a 2-year basis, same-store road transportation fuel volumes decreased by an annual average rate of 4.5% in the United States, 1.3% in Europe and other regions, and 4.4% in Canada.

The following table shows the average selling price of road transportation fuel of our company-operated stores in our various markets for the last eight quarters. The average selling price of road transportation fuel consists of the road transportation fuel revenues divided by the volume of road transportation fuel sold:

Quarter	1st	2nd	3rd	4th	Weighted average
52-week period ended April 24, 2022					
United States (US dollars per gallon)	2.97	3.08	3.28	3.94	3.31
Europe and other regions (US cents per liter)	79.09	86.29	96.66	120.84	95.89
Canada (CA cents per liter)	117.51	123.00	129.39	150.30	129.60
52-week period ended April 25, 2021					
United States (US dollars per gallon)	2.04	2.14	2.16	2.72	2.26
Europe and other regions (US cents per liter)	56.89	63.19	65.84	79.29	66.42
Canada (CA cents per liter)	86.89	92.00	92.54	108.99	94.78

Other revenues

Total other revenues for fiscal 2022 were $854.7 million, an increase of $372.9 million compared with fiscal 2021. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $12.0 million. The remaining increase of approximately $385.0 million, or 79.9%, is mainly attributable to higher prices and higher demand on our other fuel products, which had a minimal impact on gross profit[1].

Gross profit[1]

For fiscal 2022, our gross profit increased by $889.5 million, or 8.8%, compared with fiscal 2021, mainly attributable to higher road transportation fuel gross margins in the United States and Canada, higher road transportation fuel demand, the contribution from acquisitions, improved merchandise and service gross margin, organic growth and the net positive impact of approximately $44.0 million from the translation of our foreign currency operations into US dollars.

Merchandise and service gross profit

During fiscal 2022, our merchandise and service gross profit was $5.7 billion, an increase of $347.0 million compared with fiscal 2021. The translation of our foreign currency operations into US dollars had a net positive impact of approximately $29.0 million. The remaining increase of approximately $318.0 million, or 6.0%, is mainly attributable to the contribution from acquisitions, which amounted to approximately $148.0 million, and to the favorable impact of changes in product mix and to

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

pricing initiatives. Our gross margin[1] increased by 0.6% to 33.7% in the United States, increased by 0.8% in Canada to 32.2%, and decreased by 0.9% in Europe and other regions to 38.2%, mainly due to the impact of the integration of Circle K Hong Kong, which has a different product mix than our European operations.

Road transportation fuel gross profit

During fiscal 2022, our road transportation fuel gross profit was $5.2 billion, an increase of $570.6 million compared with fiscal 2021. The translation of our foreign currency operations into US dollars had a net positive impact of approximately $15.0 million. The remaining increase in our gross profit was approximately $556.0 million, or 12.1%. In the United States, our road transportation fuel gross margin[1] was 39.62¢ per gallon, an increase of 4.34¢ per gallon, in Europe and other regions it was US 9.86¢ per liter, a decrease of US 1.13¢ per liter, and in Canada, it was CA 11.74¢ per liter, an increase of CA 1.38¢ per liter. Fuel margins remained healthy throughout our network, due to favorable market conditions and the continued work on the optimization of our supply chain. In Europe and other regions, fuel margins were however impacted by increase in crude oil prices, supply chain challenges from the current geopolitical context, as well as volatility in the diesel market in the last quarter of fiscal 2022.

The road transportation fuel gross margin[1] of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	4th	Weighted average
52-week period ended April 24, 2022					
Before deduction of expenses related to electronic payment modes	37.58	37.68	41.02	47.55	40.87
Expenses related to electronic payment modes(1)	5.38	5.31	5.74	6.61	5.75
After deduction of expenses related to electronic payment modes	32.20	32.37	35.28	40.94	35.12
52-week period ended April 25, 2021					
Before deduction of expenses related to electronic payment modes	42.99	37.48	31.86	35.25	36.48
Expenses related to electronic payment modes(1)	4.88	4.79	4.66	5.10	4.84
After deduction of expenses related to electronic payment modes	38.11	32.69	27.20	30.15	31.64

(1) Expenses related to electronic payment modes are determined by allocating the portion of total electronic payment modes, which are included in Operating, selling, administrative and general expenses, deemed related to our United-States company-operated stores road transportation fuel transactions.

Generally, during normal economic cycles, road transportation fuel margins in the United States can be volatile from one quarter to another, while in Europe and other regions and in Canada, fuel margins and expenses related to electronic payment modes are not as volatile.

Other revenues gross profit

During fiscal 2022, other revenues gross profit was $165.6 million, a decrease of $28.1 million compared with fiscal 2021. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $1.0 million. The remaining decrease of approximately $27.0 million, or 13.9%, is primarily due to lower margins on our other fuel products.

Operating, selling, administrative and general expenses ("expenses")

For fiscal 2022, expenses increased by 14.3% compared with fiscal 2021. Normalized growth of expenses[1] was 9.4%, as shown in the table below:

	52-week period ended April 24, 2022
Growth of expenses, as reported	**14.3%**
Adjusted for:	
Increase from higher electronic payment fees, excluding acquisitions	**(2.6%)**
Increase from incremental expenses related to acquisitions	**(1.8%)**
Increase from the net impact of foreign exchange translation	**(0.3%)**
Cloud computing transition adjustment	**(0.3%)**
Decrease from changes in acquisition costs recognized to earnings	**0.1%**
Normalized growth of expenses[1]	**9.4%**

The normalized growth of expenses[1] for fiscal 2022 was mainly driven by government grants of $51.1 million in the previous fiscal year, measures necessitated by the impact of the labor shortage and the need to improve employee retention, an increase of marketing initiatives and other discretionary expenses that were significantly reduced in the prior year, inflationary pressures, including higher utility costs in Europe, higher costs from rising minimum wages, as well as by incremental investments in our stores to support our strategic initiatives. This increase was partly offset by lower COVID-19 related

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

expenses compared to the previous fiscal year. The costs of the retention measures implemented during the year, of approximately $81.0 million, the employee-related COVID-19 costs in the previous fiscal year such as Thank you bonuses, of approximately $72.0 million, as well as the government grants, represented an increase in expenses of 1.2% for fiscal 2022.

For fiscal 2022, we have deployed strategic efforts in order to mitigate the impacts of a higher inflation level and continued pressure on wages, which is demonstrated by a compound annual growth rate of 3.4% of our normalized growth of expenses compared to 2020, including employee-related costs[1], below inflation, despite the challenging market conditions.

Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA[1]") and adjusted EBITDA[1]

During fiscal 2022, EBITDA increased from $5.1 billion to $5.2 billion, an increase of 3.6% compared with fiscal 2021. Adjusted EBITDA for fiscal 2022 increased by $261.3 million, or 5.2%, compared with fiscal 2021, mainly attributable to higher road transportation fuel margins in the United States and Canada, higher road transportation fuel demand, organic growth for our convenience operations, as well as to the contribution from acquisitions. The translation of our foreign currency operations into US dollars had a net positive impact of approximately $27.0 million.

Depreciation, amortization and impairment ("depreciation")

During fiscal 2022, our depreciation expense increased by $186.8 million compared with fiscal 2021. The translation of our foreign currency operations into US dollars had a net unfavorable impact of approximately $7.0 million. The remaining increase of approximately $180.0 million, or 13.2%, is mainly driven by the impact of the deconsolidation and the impairment of our Russian subsidiaries of $56.2 million, the impairment on our investment in Fire & Flower of $33.7 million, as well as by the impact from investments made through acquisitions, the replacement of equipment, and the ongoing improvement of our network.

Net financial expenses

Net financial expenses for fiscal 2022 were $281.0 million, a decrease of $61.5 million compared with fiscal 2021. A portion of the decrease is explained by certain items that are not considered indicative of future trends, as shown in the table below:

	52-week periods ended		
(in millions of US dollars)	**April 24, 2022**	April 25, 2021	**Variation**
Net financial expenses, as reported	**281.0**	342.5	**(61.5)**
Explained by:			
Net foreign exchange gain (loss)	**20.7**	(44.9)	**65.6**
Change in fair value of financial instruments and amortization of deferred differences	**8.9**	26.8	**(17.9)**
Impact of the redemption notice of senior unsecured notes	**(3.2)**	(29.1)	**25.9**
Impact from conversion of a portion of our convertible debentures in Fire & Flower	**—**	13.1	**(13.1)**
Remaining variation	**307.4**	308.4	**(1.0)**

Income taxes

The income tax rate for fiscal 2022, was 21.5% compared with 19.5% for fiscal 2021. The increase is mainly stemming from the impact of gains and losses taxable or deductible at a lower income tax rate between current and prior year, and a different mix in our earnings across the various jurisdictions in which we operate.

Net earnings and adjusted net earnings[1]

For fiscal 2022, net earnings were $2.7 billion, a decrease of $22.2 million, or 0.8%, compared with fiscal 2021. Diluted net earnings per share stood at $2.52, compared with $2.44 for the previous fiscal year. The translation of revenues and expenses from our foreign currency operations into US dollars had a net positive impact of approximately $20.0 million on net earnings of fiscal 2022.

Adjusted net earnings for fiscal 2022 stood at $2.8 billion, an increase of $54.0 million, or 2.0%, compared with fiscal 2021. Adjusted diluted net earnings per share[1] were $2.60 for fiscal 2022, compared with $2.45 for fiscal 2021, an increase of 6.1%.

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Financial Position as at April 24, 2022

As shown by our indebtedness ratios included in the "Summary Analysis of Consolidated Results for Fiscal 2022" section and our net cash provided by operating activities, our financial position remains healthy.

Our total consolidated assets amounted to $29.6 billion as at April 24, 2022, an increase of $1.2 billion over the balance as at April 25, 2021, primarily due to the impact of increased costs and selling prices for road transportation fuel, to investments in our strategic initiatives as well as investments made in our network, including business acquisitions.

For the 52-week periods ended April 24, 2022 and April 25, 2021, we recorded a return on capital employed[1] of 15.4% and 15.9%, respectively. The decrease is mainly driven by the impairment costs incurred during the year, which had a negative impact of approximately 0.3%.

Significant balance sheet variations are explained as follows:

Accounts receivable

Accounts receivable increased by $725.8 million, from $1.8 billion as at April 25, 2021, to $2.5 billion as at April 24, 2022. The increase stems mainly from a higher average road transportation fuel selling price, partly offset by the weakening of the Canadian, European, and Hong Kong currencies against the US dollar, which had an impact of approximately $136.0 million.

Inventories

Inventories amounted to $2.4 billion as at April 24, 2022, an increase of $635.4 million over the balance as at April 25, 2021. The increase stems mainly from higher costs for road transportation fuel and the increase in road transportation fuel inventory level, partly offset by the weakening of the Canadian, European, and Hong Kong currencies against the US dollar, which had an impact of approximately $32.0 million.

Assets held for sale

Assets held for sale amounted to $9.3 million as at April 24, 2022, a decrease of $325.8 million over the balance as at April 25, 2021. The decrease stems from the closing of the agreement with Casey's General Stores Inc. for the sale of 48 sites, as well as from the developments following the announcement of our intention to sell certain sites in the United States and Canada, where 190 sites were sold during fiscal 2022 and 97 sites were reclassified out of assets held for sale as they no longer met a criterion for classification as held for sale.

Property and equipment

Property and equipment increased by $416.1 million, from $10.9 billion as at April 25, 2021, to $11.3 billion as at April 24, 2022, mainly attributable to the investments we made to our network, partly offset by depreciation as well as the weakening of the Canadian, European, and Hong Kong currencies against the US dollar, which had an impact of approximately $278.0 million.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities increased by $1.3 billion, from $4.0 billion as at April 25, 2021, to $5.3 billion as at April 24, 2022. The increase is mainly attributable to higher road transportation fuel costs, greater fuel purchases, higher expenses and capital expenditures, as well as from timing of sales tax remittance, partly offset by the weakening of the Canadian, European, and Hong Kong currencies against the US dollar, which had an impact of approximately $137.0 million.

Long-term debt and current portion of long-term debt

Long-term debt and current portion of long-term debt amounted to $6.0 billion as at April 24, 2022, a net decrease of $424.9 million compared with the balance as at April 25, 2021. The decrease is mainly attributable to the repayment of our $1.0 billion US-dollar-denominated senior unsecured notes, the repayment of our CA $250.0 million Canadian-dollar-denominated senior unsecured notes, repayments on other debts as well as by the net impact of approximately $119.0 million from the weakening of the Canadian dollar, the Euro and the Norwegian krone against the US dollar, partly offset by the issuance of $1.0 billion US-dollar-denominated senior unsecured notes.

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Equity

Equity amounted to $12.4 billion as at April 24, 2022, an increase of $256.7 million over the balance as at April 25, 2021, reflecting net earnings for fiscal 2022, partly offset by the impact of the share repurchases, the dividends declared as well as by the net other comprehensive loss. For the 52-week periods ended April 24, 2022, and April 25, 2021, we recorded a return on equity[1] of 21.8% and 24.3%, respectively.

Liquidity and Capital Resources

Our principal sources of liquidity are our net cash provided by operating activities and borrowings available under our revolving unsecured credit facility. Our principal uses of cash are to repay our debt, finance our acquisitions and capital expenditures, repurchase shares and pay dividends, as well as to provide for working capital. We expect that cash generated from operations and borrowings available under our term revolving unsecured operating credit facility will be adequate to meet our liquidity needs in the foreseeable future.

Our credit facility is detailed as follows:

Term revolving unsecured operating credit facility, maturing in May 2026 ("operating credit facility")

Credit agreement consisting of a revolving unsecured facility of a maximum amount of $2.5 billion. As at April 24, 2022, our operating credit facility was not used, and standby letters of credit in the amount of $6.7 million were outstanding. Subsequent to the end of fiscal 2022, the maturity of the operating credit facility was extended to May 2027.

Available liquidities[1]

As at April 24, 2022, a total of approximately $2.5 billion was available under our operating credit facility and we were in compliance with the restrictive covenants and ratios imposed by the credit agreement at that date. Thus, at the same date, we had access to $4.7 billion through our available cash and our operating credit facility.

Selected Consolidated Cash Flow Information

	52-week periods ended		
(in millions of US dollars)	**April 24, 2022**	April 25, 2021	Variation
Operating activities			
Net cash provided by operating activities	**3,944.9**	4,086.6	(141.7)
Investing activities			
Purchase of property and equipment, intangible assets and other assets	**(1,664.5)**	(1,189.1)	(475.4)
Proceeds from disposal of property and equipment and other assets	**403.3**	181.4	221.9
Business acquisitions and contingent consideration paid	**(323.4)**	(433.5)	110.1
Purchase of equity instruments, other financial assets and investments and loan related to Fire & Flower	**(196.7)**	(49.5)	(147.2)
Change in restricted cash	**(15.9)**	4.6	(20.5)
Impact of the deconsolidation of the Corporation's Russian subsidiaries	**(2.2)**	—	(2.2)
Proceeds from disposal of investments in equity instruments	—	100.5	(100.5)
Net cash used in investing activities	**(1,799.4)**	(1,385.6)	(413.8)
Financing activities			
Share repurchases	**(1,842.3)**	(1,046.7)	(795.6)
Repayment of senior unsecured notes	**(1,190.6)**	(227.1)	(963.5)
Issuance of US-dollar-denominated senior unsecured notes, net of financing costs	**990.1**	—	990.1
Principal elements of lease payments	**(443.6)**	(404.2)	(39.4)
Cash dividends paid	**(330.1)**	(268.3)	(61.8)
Net (payments) proceeds on other debts	**(78.5)**	16.5	(95.0)
Settlements of derivative financial instruments	**(56.9)**	—	(56.9)
Exercise of stock options	**0.8**	0.2	0.6
Net decrease in term revolving unsecured operating credit facility	—	(1,500.0)	1,500.0
Net cash used in financing activities	**(2,951.1)**	(3,429.6)	478.5
Credit ratings			
S&P Global Ratings – Corporate and Senior unsecured notes credit ratings	**BBB**	BBB	
Moody's – Corporate and Senior unsecured notes credit ratings	**Baa2**	Baa2	

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Operating activities

During fiscal 2022, net cash from our operations reached $3.9 billion, down $141.7 million compared with fiscal 2021, mainly due to higher working capital needs and the early redemption premiums paid as part of the repayment of our senior unsecured notes.

Investing activities

During fiscal 2022, Purchase of property and equipment, intangible assets and other assets, net of Proceeds from disposal of property and equipment and other assets amounted to $1.3 billion, business acquisitions amounted to $323.4 million and disbursements resulting from various strategic investments amounted to $196.7 million. The investments were primarily for the replacement of equipment in some of our stores in order to enhance our offering of products and services, for the addition of new stores, for the ongoing improvement of our network, as well as for strategic initiatives and information technology.

Financing activities

During fiscal 2022, we repurchased shares for an amount of $1.8 billion, issued US-dollar-denominated senior unsecured notes resulting in net proceeds of $990.1 million, from which a portion was used to repay our $1.0 billion US-dollar-denominated senior unsecured notes that were set to mature on July 26, 2022, and we repaid our CA $250.0 million Canadian-dollar-denominated senior unsecured notes. Furthermore, we paid $443.6 million on the principal elements of our lease liabilities, paid dividends in the amount of $330.1 million, repaid a net amount of $78.5 million on our other debts and settled derivative financial instruments for an amount of $56.9 million.

Contractual Obligations and Commercial Commitments

Set out below is a summary of our material contractual obligations as at April 24, 2022(1):

(in millions of US dollars)	2023	2024	2025	2026	2027	Thereafter	Total
Contractual obligations(2)							
Long-term debt	200.7	199.2	745.4	799.7	970.5	5,840.3	**8,755.8**
Lease liabilities	498.0	467.0	410.8	368.1	338.1	2,057.5	**4,139.5**
Cross-currency interest rate swaps payable	40.1	40.1	588.4	580.7	—	—	**1,249.3**
Cross-currency interest rate swaps receivable	(36.8)	(36.8)	(580.5)	(562.1)	—	—	**(1,216.2)**
Total	702.0	669.5	1,164.1	1,186.4	1,308.6	7,897.8	**12,928.4**

(1) The summary does not include the payments required under defined benefit pension plans.
(2) Based on spot rates, as at April 24, 2022, for balances for which the underlying currency differs from our reporting currency and for balances bearing interest at variable rates.

	2023	2024	2025	2026	2027	Thereafter	Total
Fuel Purchase Obligations							
United States (in millions of gallons)	1,595.2	1,539.5	1,536.6	1,536.6	1,536.6	3,223.9	**10,968.4**
Europe (in millions of liters)	7,391.1	548.4	—	—	—	—	**7,939.5**
Canada (in millions of liters)	3,272.2	3,009.7	3,009.7	3,009.7	3,009.7	22,809.7	**38,120.7**

Long-term debt. As at April 24, 2022, our long-term debt totaled $6.0 billion, detailed as follows:

i. Unsecured notes denominated in US-dollar totaling $4.0 billion, in Canadian-dollar totaling CA $1.4 billion, in Euro totaling €750.0 million and in Norwegian-krone totaling NOK 675.0 million, divided as follows:

	Principal amount	Maturity	Coupon rate	Effective rate as at April 24, 2022	Interest payment dates
July 26, 2017 issuance	CA $700.0	July 26, 2024	3.06%	3.13%	July 26th and January 26th
June 2, 2015 issuance	CA $700.0	June 2, 2025	3.60%	3.65%	June 2nd and December 2nd
February 18, 2016 issuance	NOK 675.0	February 18, 2026	3.85%	3.93%	April 20th and October 20th
May 6, 2016 issuance	€750.0	May 6, 2026	1.88%	1.94%	May 6th
July 26, 2017 issuance	$1,000.0	July 26, 2027	3.55%	3.64%	July 26th and January 26th
January 22, 2020 issuance	$750.0	January 25, 2030	2.95%	3.03%	July 25th and January 25th
May 13, 2021 issuance	$650.0	May 13, 2041	3.44%	3.50%	May 13th and November 13th
July 26, 2017 issuance	$500.0	July 26, 2047	4.50%	4.58%	July 26th and January 26th
January 22, 2020 issuance	$750.0	January 25, 2050	3.80%	3.88%	July 25th and January 25th
May 13, 2021 Green Bonds issuance	$350.0	May 13, 2051	3.63%	3.69%	May 13th and November 13th

ii. Other debts of $10.2 million, including various notes payable.

Lease liabilities. We lease an important portion of our assets, mainly lands, buildings, building components, equipment, and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease terms, for the majority of leases in North America, vary between 5 to 20 years, which include the initial base term and renewal option(s) when applicable. In Europe and Asia, the lease terms range from less than 12 months contracts to contracts with maturities up to more than 50 years and also include options to renew at market prices when applicable. When contracts are determined to contain a lease, lease liabilities and related right-of-use assets are included in our consolidated balance sheets. Under certain leases, we are subject to additional rent based on revenues as well as future escalations in the minimum lease amount.

Fuel purchase obligations. We have entered into various fuel purchase agreements, which require us to purchase minimum volume of road transportation fuel annually. Failure to satisfy the minimum purchase requirements could result in termination of the contract, penalties for shortfall volumes, change in the pricing of the products, payment to the applicable providers of a predetermined percentage of the commitments and repayments of a portion of rebates received. We have generally exceeded such minimum requirements in the past and do not expect that any potential failure to meet those in the foreseeable future could lead to the materialization of any of the outcomes described above. As at April 24, 2022, our fuel purchase obligation consisted of multiple contracts under which we have 11.0 billion gallons and 46.1 billion liters to be purchased over the next years.

Contingencies. Various claims and legal proceedings have been initiated against us in the normal course of our operations. Although the outcome of such matters is not predictable with assurance, we have no reason to believe that the outcome of any such current matter could reasonably be expected to have a materially adverse impact on our financial position, results of operations or our ability to carry on any of our business activities.

We are covered by insurance policies that have significant deductibles. At this time, we believe that we are adequately covered through the combination of insurance policies and self-insurance. Future losses which exceed insurance policy limits or, under adverse interpretations, could be excluded from coverage would have to be paid out of general corporate funds. In relation to workers' compensation policies, we issue letters of credit as collateral for certain policies.

Guarantees. We assigned a number of lease agreements for premises to third parties. Under some of these agreements, we retain a secondary responsibility to the landlord for payment of amounts under the lease agreements should the sub lessees, which assume primary responsibility, fail to pay. As at April 24, 2022, the total future lease payments under such agreements are approximately $29.0 million and the fair value of the guarantee is not significant. Historically, we have not made any significant payments in connection with these contracts and we do not expect to make any in the foreseeable future.

We have also issued different form of guarantees, including financial guarantee commitments under car rental agreements and on behalf of retailers in Sweden. The maximum undiscounted future payments related to those guarantees total $18.0 million and the carrying amount and fair value of the guarantee commitments recognized in our consolidated balance sheet as at April 24, 2022, were not significant.

We also issue surety bonds for a variety of business purposes for our own operations, including surety bonds for taxes, lottery sales, wholesale distribution and alcoholic beverage sales. In most cases, a municipality or state governmental agency requires the surety bonds as a condition of operating a store in that area.

Other commitments. We have entered into various property purchase agreements, as well as product purchase agreements, which require us to purchase minimum amounts or quantities of merchandise annually. Failure to satisfy the minimum purchase requirements could result in termination of the contracts, penalties for shortfall volumes, change in the pricing of the products, payments to the applicable providers of a predetermined percentage of the commitments and repayments of a portion of rebates received. We have generally exceeded such minimum requirements in the past and do not expect that any potential failure to meet those in the foreseeable future could lead to the materialization of any of the outcomes described above.

Off-Balance Sheet Arrangements

In the normal course of business, we had issued outstanding letters of credit for an amount of $179.9 million as at April 24, 2022. Other than those letters of credit, we have no other off-balance sheet activities. Our future commitments are presented in the section "Contractual Obligations and Commercial Commitments".

Selected Quarterly Financial Information

Our 52-week reporting cycle is divided into quarters of 12 weeks each except for the third quarter, which comprises 16 weeks. When a fiscal year, such as fiscal 2023, contains 53 weeks, the fourth quarter comprises 13 weeks. The following is a summary of selected consolidated financial information derived from our interim consolidated financial statements for each of the eight most recently completed quarters.

(in millions of US dollars, except per share data)	**52-week period ended April 24, 2022**				52-week period ended April 25, 2021			
Quarter	**4th**	3rd	2nd	1st	4th	3rd	2nd	1st
Weeks	**12 weeks**	16 weeks	12 weeks	12 weeks	12 weeks	16 weeks	12 weeks	12 weeks
Revenues	**16,434.9**	18,576.4	14,219.7	13,578.9	12,237.4	13,157.5	10,655.4	9,709.8
Depreciation, amortization and impairment	**449.4**	456.3	325.7	314.3	344.9	418.7	305.8	289.5
Operating income	**667.2**	1,028.4	938.0	1,044.9	761.4	834.6	1,020.3	1,059.3
Share of earnings of joint ventures and associated companies	**1.2**	7.2	11.6	0.1	1.8	8.2	7.5	8.5
Net financial expenses	**51.5**	87.9	67.3	74.3	71.7	105.6	77.2	88.0
Net earnings	**477.7**	746.4	694.8	764.4	563.9	607.5	757.0	777.1
Net earnings per share								
Basic	**$0.46**	$0.70	$0.65	$0.71	$0.52	$0.55	$0.68	$0.70
Diluted	**$0.46**	$0.70	$0.65	$0.71	$0.52	$0.55	$0.68	$0.70

The volatility of road transportation fuel gross margins, mostly in the United States, seasonality and changes in the exchange rates have an impact on the variability of our quarterly net earnings.

Analysis of Consolidated Results for the Fiscal Year Ended April 25, 2021

Revenues

For fiscal 2021, our revenues decreased by $8.4 billion, or 15.5%, compared with fiscal 2020. This performance is mainly attributable to the negative impact of COVID-19 on fuel demand, a lower average road transportation fuel selling price, the disposal of our interests in CAPL, which had an impact of approximately $1.2 billion, as well as to the disposal of a portion of our U.S. wholesale fuel business in fiscal 2020, partly offset by organic growth on merchandise and service sales and the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, which had an impact of approximately $611.0 million.

Merchandise and service revenues

For fiscal 2021, the growth in merchandise and service revenues was $1.2 billion compared with fiscal 2020. The translation of our Canadian and European operations into US dollars had a net positive impact of approximately $117.0 million and the disposal of CAPL had a negative impact of $28.8 million. The remaining increase of approximately $1.1 billion, or 7.6%, is primarily attributable to growth in basket size which more than offset continued softness in traffic, as well as to the contribution from acquisitions, which amounted to approximately $269.0 million. Same-store merchandise revenues increased by 5.6% in the United States, by 6.1%[1] in Europe and other regions, and by 9.5% in Canada.

Road transportation fuel revenues

For fiscal 2021, the road transportation fuel revenues decreased by $9.3 billion compared with fiscal 2020. The disposal of CAPL had a negative impact of $1.1 billion and the translation of our Canadian and European operations into US dollars had a net positive impact of approximately $457.0 million. The remaining decrease of approximately $8.7 billion, or 23.1%, is mostly attributable to the negative impact of COVID-19 on fuel demand, a lower average road transportation fuel selling price, which had a negative impact of approximately $3.3 billion, as well as to the disposal of a portion of our U.S. wholesale fuel business in fiscal 2020. Same-store road transportation fuel volumes decreased by 12.9% in the United States, by 6.4% in Europe and other regions, and by 14.9% in Canada.

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

The following table shows the average selling price of road transportation fuel of our company-operated stores in our various markets for the last eight quarters. The average selling price of road transportation fuel consists of the road transportation fuel revenues divided by the volume of road transportation fuel sold:

Quarter	1st	2nd	3rd	4th	Weighted average
52-week period ended April 25, 2021					
United States (US dollars per gallon)	2.04	2.14	2.16	2.72	2.26
Europe and other regions (US cents per liter)	56.89	63.19	65.84	79.29	66.42
Canada (CA cents per liter)	86.89	92.00	92.54	108.99	94.78
52-week period ended April 26, 2020					
United States (US dollars per gallon)	2.66	2.55	2.51	2.21	2.50
Europe and other regions (US cents per liter)	77.35	70.86	73.92	60.95	71.20
Canada (CA cents per liter)	111.16	105.14	103.47	88.78	103.21

Other revenues

Total other revenues for fiscal 2021 were $481.8 million, a decrease of $285.1 million compared with fiscal 2020. The translation of our Canadian and European operations into US dollars had a net positive impact of approximately $38.0 million and the disposal of CAPL had a negative impact of $56.7 million. The remaining decrease of approximately $266.0 million is primarily driven by lower demand and lower prices on our other fuel products.

Gross profit[1]

For fiscal 2021, our gross profit increased by $471.8 million, or 4.9%, compared with fiscal 2020, mainly attributable to higher road transportation fuel gross margins, organic growth of our convenience activities, the net positive impact from the translation of our Canadian and European operations into US dollars, which had an impact of approximately $112.0 million, partly offset by the negative impact of COVID-19 on fuel demand and the disposal of our interests in CAPL, which had an impact of $120.3 million.

Merchandise and service gross profit

During fiscal 2021, our merchandise and service gross profit was $5.3 billion, an increase of $347.1 million compared with fiscal 2020. The translation of our Canadian and European operations into US dollars had a net positive impact of approximately $48.0 million and the disposal of CAPL had a negative impact of $6.0 million. The remaining increase of approximately $305.0 million, or 6.2%, is mostly attributable to organic growth, despite lower traffic in our network due to the COVID-19 pandemic. The contribution from acquisitions amounted to approximately $75.0 million. Our gross margin[1] decreased by 0.2% in the United States to 33.1% and by 0.4% in Canada to 31.4%, mainly due to a change in our product mix driven by the COVID-19 pandemic, as well as to inventory adjustments of $36.6 million in the United States and $3.2 million in Canada, mostly related to a net realizable value provision on personal protective equipment. Our gross margin decreased by 2.4% in Europe and other regions to 39.1%, mainly due to a change in our product mix towards lower margin categories as well as the integration of Circle K Hong Kong, which had an unfavorable impact of 1.8% on the gross margin mainly due to a different product mix than our European operations.

Road transportation fuel gross profit

During fiscal 2021, our road transportation fuel gross profit was $4.6 billion, an increase of $169.5 million compared with fiscal 2020. The disposal of CAPL had a negative impact of $57.5 million and the translation of our Canadian and European operations into US dollars had a net positive impact of approximately $56.0 million. The remaining increase is approximately $172.0 million, or 3.9%. The road transportation fuel gross margin[1] was 35.28¢ per gallon in the United States, an increase of 5.66¢ per gallon, in Europe and other regions, it was US 10.99¢ per liter, an increase of 2.51¢ per liter, and in Canada, it was CA 10.36¢ per liter, an increase of CA 2.48¢ per liter. Growth in road transportation fuel gross margins was driven by volatility of fuel product costs, changes in competitive landscape, and procurement initiatives.

[1]Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

The road transportation fuel gross margin of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	4th	Weighted average
52-week period ended April 25, 2021					
Before deduction of expenses related to electronic payment modes	42.99	37.48	31.86	35.25	36.48
Expenses related to electronic payment modes(1)	4.88	4.79	4.66	5.10	4.84
After deduction of expenses related to electronic payment modes	38.11	32.69	27.20	30.15	31.64
52-week period ended April 26, 2020					
Before deduction of expenses related to electronic payment modes	26.86	28.29	27.04	46.88	31.19
Expenses related to electronic payment modes(1)	4.70	4.63	4.54	4.97	4.70
After deduction of expenses related to electronic payment modes	22.16	23.66	22.50	41.91	26.49

(1) Expenses related to electronic payment modes are determined by allocating the portion of total electronic payment modes, which are included in Operating, selling, administrative and general expenses, deemed related to our United-States company-operated stores road transportation fuel transactions.

Generally, during normal economic cycles, road transportation fuel margins in the United States can be volatile from one quarter to another, while in Europe and other regions and in Canada, fuel margins and expenses related to electronic payment modes are not as volatile.

Other revenues gross profit

During fiscal 2021, other revenues gross profit was $193.7 million, a decrease of $44.8 million compared with fiscal 2020. The disposal of CAPL had a negative impact of $56.8 million and the translation of our Canadian and European operations into US dollars had a net positive impact of approximately $9.0 million. The remaining increase of approximately $3.0 million is mainly driven by higher margins on our other fuel products, partly offset by a decrease in rental income.

Operating, selling, administrative and general expenses (“expenses”)

For fiscal 2021, expenses decreased by 1.5% compared with fiscal 2020. Normalized decrease of expenses[1] was 1.2%, as shown in the table below:

	52-week period ended April 25, 2021
Decrease of expenses, as reported	**(1.5%)**
Adjusted for:	
Decrease from lower electronic payment fees, excluding acquisitions	**1.3%**
Increase from the net impact of foreign exchange translation	**(1.3%)**
Decrease from the disposal of our interests in CAPL	**0.9%**
Increase from incremental expenses related to acquisitions	**(0.9%)**
Impact from the December 2018 asset exchange agreement with CAPL, net of electronic payment fees	**0.4%**
Increase from acquisition costs recognized to earnings	**(0.1%)**
Normalized decrease of expenses[1]	**(1.2%)**

The normalized decrease of expenses[1] for fiscal 2021 was mainly driven by cost and labor efficiencies, government grants of $51.1 million, as well as rigorous work and activities initiated to streamline and minimize our controllable expenses. COVID-19 related expenses of fiscal 2021 include, but are not limited to, an emergency appreciation pay premium of $2.50 per hour in North America for hourly store employees and distribution center employees, *Thank You* bonuses in North America, additional cleaning and sanitizing supplies, masks and gloves for our employees, donations of personal protective equipment to the communities around our stores, as well as severance costs. We were able to achieve this decrease while maintaining the investments in our stores to support our strategic initiatives, even though we continue to see higher labor costs from minimum wage increases and pressure from low unemployment rates in certain regions, normal inflation and COVID-19 related expenses.

Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA[1]”) and adjusted EBITDA[1]

During fiscal 2021, EBITDA increased from $4.5 billion to $5.1 billion, an increase of 11.8% compared with fiscal 2020. Adjusted EBITDA for fiscal 2021 increased by $642.4 million, or 14.7%, compared with the previous fiscal year, mainly attributable to higher road transportation fuel gross margins, organic growth of our convenience activities, lower operating expenses, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, partly offset by the negative impact of COVID-19 on fuel demand. The variation in exchange rates had a net positive impact of approximately $45.0 million.

[1] Please refer to the “Non-IFRS Measures” section for additional information on performance measures not defined by IFRS.

Depreciation, amortization and impairment ("depreciation")

For fiscal 2021, our depreciation expense increased by $22.1 million compared with fiscal 2020. The disposal of CAPL had an impact of $53.9 million and the translation of our Canadian and European operations into US dollars that had a unfavorable net impact of approximately $17.0 million. The remaining increase of approximately $59.0 million is mainly driven by the impact from investments made through acquisitions, the replacement of equipment, as well as the ongoing improvement of our network.

Net financial expenses

Net financial expenses for fiscal 2021 were $342.5 million, an increase of $58.0 million compared with fiscal 2020. A part of the increase is explained by certain items that are not considered indicative of future trends, as shown in the table below:

	52-week periods ended		
(in millions of US dollars)	**April 25, 2021**	April 26, 2020	**Variation**
Net financial expenses, as reported	**342.5**	284.5	**58.0**
Explained by:			
Net foreign exchange (loss) gain	**(44.9)**	33.5	**(78.4)**
Impact of the redemption notice of senior unsecured notes	**(29.1)**	—	**(29.1)**
Change in fair value of derivative financial instruments in Fire & Flower and amortization of deferred differences	**26.8**	(3.9)	**30.7**
Impact from conversion of a portion of our convertible debentures in Fire & Flower	**13.1**	—	**13.1**
CAPL's financial expenses	—	(25.6)	**25.6**
Remaining variation	**308.4**	288.5	**19.9**

The remaining variation is driven by higher cost of debt.

Income taxes

For fiscal 2021, the income tax rate was 19.5% compared with 18.8% for fiscal 2020. The increase is mainly stemming from the items shown in the table below:

	52-week periods ended		
	April 25, 2021	April 26, 2020	**Variation**
Income tax rate, as reported	**19.5%**	18.8%	**0.7%**
Explained by:			
Release of deferred tax asset valuation allowance	—	1.2%	**(1.2)%**
Income tax expense following the December 2018 asset exchange agreement with CAPL	—	(0.1%)	**0.1 %**
Remaining variation	**19.5%**	19.9%	**(0.4%)**

The remaining decrease is stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate, as well as from gains taxable at a lower income tax rate.

Net earnings and adjusted net earnings[1]

For fiscal 2021, net earnings were $2.7 billion, compared with $2.4 billion for fiscal 2020, an increase of $351.9 million, or 15.0%. Diluted net earnings per share stood at $2.44, compared with $2.09 for the previous fiscal year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a net positive impact of approximately $28.0 million on net earnings of fiscal 2021.

Adjusted net earnings for fiscal 2021 were approximately $2.7 billion, compared with $2.2 billion for fiscal 2020, an increase of $500.0 million, or 22.6%. Adjusted diluted net earnings per share[1] were $2.45 for fiscal 2021, compared with $1.97 for fiscal 2020, an increase of 24.4%.

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Internal Controls over Financial Reporting

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We also maintain a system of disclosure controls and procedures designed to ensure, in all material respects, the reliability, completeness and timeliness of the information we disclose in this MD&A and other public disclosure documents. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports filed with securities regulatory agencies is recorded and/or disclosed on a timely basis, as required by law, and is accumulated and communicated to our management, including our President and Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at April 24, 2022, our management, following its assessment, certifies the design and operating effectiveness of the Corporation's disclosure controls and procedures.

We undertake ongoing evaluations of the effectiveness of our internal controls over financial reporting and implement control enhancements, when appropriate. As at April 24, 2022, our management and our external auditors reported that these internal controls were effective.

Critical Accounting Policies and Estimates

Estimates. This MD&A is based on the Corporation's consolidated financial statements, which have been prepared in accordance with IFRS. These standards require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, management reviews its estimates which are based on its best knowledge of current events and actions that the Corporation may undertake in the future. Actual results could differ from those estimates. The most significant accounting judgments and estimates that the Corporation has made in the preparation of the consolidated financial statements are discussed along with the relevant accounting policies when applicable and relate primarily to the following topics: useful lives of tangible and intangible assets, income taxes, provisions, impairment of tangible, intangible and other assets and business combinations, including but not limited to the valuation of acquired intangible assets.

Useful lives of tangible and intangible assets. Property and equipment are depreciated over their estimated useful lives using the straight-line method based on the following periods:

Buildings and building components	3 to 40 years
Equipment	3 to 40 years
Leasehold improvements	Lesser of the lease term and useful life

Licenses and trademarks that are expected to provide economic benefits to the Corporation indefinitely have indefinite useful lives and are not amortized. Motor fuel supply agreements, franchise agreements, reacquired rights and trademarks with finite lives are amortized using the straight-line method over the term of the agreements they relate to. Software and other intangible assets are amortized using the straight-line method over a period of 5 to 15 years.

The Corporation performs an annual evaluation of estimated useful lives used for tangible and intangible assets and any change resulting from this evaluation is applied prospectively by the Corporation.

Income taxes. The income tax expense recorded to earnings is the sum of the Deferred income taxes and Current income taxes that are not recognized in Other comprehensive income (loss) ("OCI") or directly in Equity.

The Corporation uses the balance sheet liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the carrying amount and the tax base of assets and liabilities, using enacted or substantively enacted tax rates and laws, as appropriate, at the date of the consolidated financial statements for the years in which the temporary differences are expected to reverse. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In relation with investments in subsidiaries and interests in joint ventures, deferred tax liabilities are recognized for all taxable temporary differences, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The Corporation is subject to income taxes in numerous jurisdictions and there could be certain positions for which the ultimate tax determination is uncertain. The Corporation recognizes provisions for uncertain tax positions on the basis of amounts expected to be paid to the tax authorities with respect to uncertain tax positions where it is not considered probable that the taxation authority will accept the Corporation's position. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Environmental costs. The Corporation provides for estimated future site remediation costs to meet government standards for known site contaminations, when such costs can be reasonably estimated. Estimates of the anticipated future costs for remediation activities at such sites are based on the Corporation's prior experience with remediation sites and consideration of other factors such as the condition of the site's contamination, location of sites and experience of the contractors performing the environmental assessments and remediation work. In order to determine the initial recorded liability, the present value of estimated future cash flows was calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

In most of the U.S. states in which the Corporation operates, with the exception of Alaska, California, Florida, Iowa, Maryland, New York, Oregon, Texas, Washington, West Virginia and Wisconsin, the Corporation participates in a state fund to cover the cost of certain environmental remediation activities after the applicable trust fund deductible is met, which varies by state. These state funds provide insurance for motor fuel facilities operations to cover some of the costs of cleaning up certain environmental contamination caused by the use of road transportation fuel equipment. Road transportation fuel storage tank registration fees and/or a motor fuel tax in each of the states finance the trust funds. The Corporation pays annual registration fees and remits sales taxes to applicable states. Insurance coverage differs from state to state.

Asset retirement obligations. Asset retirement obligations primarily relate to estimated future costs to remove road transportation fuel storage tanks and are based on the Corporation's prior experience in removing these tanks, estimated tank useful life, remaining lease terms for those tanks installed on leased properties, external estimates and governmental regulatory requirements. A discounted liability is recorded for the present value of an asset retirement obligation, with a corresponding increase to the carrying value of the related long-lived asset at the time a storage tank is installed. To determine the initial recorded liability, the future estimated cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased to reflect the passage of time and then adjusted for variations in the current market-based discount rate or the scheduled underlying cash flows required to settle the liability.

Obligations related to general liability and workers' compensation. In the United States, Ireland and Canada, the Corporation is self-insured for certain losses related to general liability and workers' compensation. The expected ultimate cost for claims incurred as of the consolidated balance sheet date is discounted and is recognized as a liability. This cost is estimated based on an analysis of the Corporation's historical data and actuarial estimates. In order to determine the initial recorded liability, the present value of estimated future cash flows is calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Impairment of long-lived assets. Property and equipment are tested for impairment should events or circumstances indicate that their carrying amount may not be recoverable, as measured by comparing their carrying amount to their recoverable amount, which corresponds to the higher of fair value less costs to sell and value in use. Should the carrying amount of property and equipment exceed their recoverable amount, an impairment loss in the amount of the excess would be recognized. The Corporation's evaluation of the existence of impairment indicators is based on market conditions and its operational performance. The variability of these factors depends on a number of conditions, including uncertainty about future events. These factors could cause the Corporation to conclude that impairment indicators exist and require that impairment tests be performed, which could result in determining that the value of certain long-lived assets is impaired, resulting in a write-down of such long-lived assets.

Goodwill and other intangible assets. Goodwill and other intangible assets with indefinite-life are evaluated for impairment annually, or more often if events or changes in circumstances indicate that the value of certain goodwill or intangibles may be impaired or if necessary due to the timing of acquisitions. For the purpose of this impairment test, management uses estimates and assumptions to establish the fair value of the Corporation's cash-generating units and intangible assets. If these assumptions and estimates prove to be incorrect, the carrying value of the cash generating unit or other intangible assets may be overstated. The annual impairment test is performed in the first quarter of each fiscal year.

Business combinations. Business combinations are accounted for using the acquisition method. The cost of a business combination is measured as the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Corporation in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations*, are recognized at their fair value at the acquisition date. Determination of the fair value of the assets acquired and liabilities assumed requires judgment and the use of assumptions that, if changed, may affect the consolidated statements of earnings and consolidated balance sheets.

Business Risks

We are constantly looking to control and improve our operations. In this perspective, identification and management of risks are key components of such activities. We have identified and assessed key risk factors that could negatively impact our objectives and their ensuing performance.

We manage risks on an ongoing basis and implement a series of measures designed to mitigate key risks described in the present section as well as their financial impact.

Dependence on third party suppliers. Our fuel business is dependent upon the supply of refined oil products from a relatively limited number of suppliers and upon a distribution network serviced principally by third party tanker trucks. Furthermore, we are also dependent on our suppliers and their manufacturers for convenience merchandise for resale and other raw materials. Political and economic instability, international conflicts, or other events may cause a disruption to our suppliers' supply chain, which can have a significant effect on our ability to receive refined oil products and merchandise for resale, or results in us paying higher cost to obtain such products.

Recruitment and retention of employees. We are dependent on our ability to attract and retain a strong management team and key employees. If, for any reason, we are not able to attract and retain sufficient and appropriately skilled people, our business, our financial results and our ability to achieve our strategic objectives may be compromised. Furthermore, we are dependent on our ability to recruit and retain qualified employees in our stores which is subject to many environmental factors such as unemployment levels, wage rates and labor legislation in the various geographies in which we operate.

Competition. The industries and geographic areas in which we operate are highly competitive and marked by a constant change in terms of the number and type of retailers offering the products and services found in our stores. We compete with other convenience store chains, independent convenience stores, gas station operators, large and small food retailers, quick service restaurants, local pharmacies and pharmacy chains and dollar stores. There can be no assurance that we will be able to compete successfully against our competitors. Our business may also be adversely affected if we do not sustain our ability to meet customer requirements relative to price, quality, customer service and service offerings.

Acts of war, terrorism and geopolitical events. Acts of war and terrorism, political instability, armed conflict and sanctions imposed by countries could impact general economic conditions as well as supply chain and price of crude oil. Such events could adversely impact our business, financial condition and results of operations.

Economic conditions. Our revenues may be negatively influenced by changes in global, national, regional and/or local economic variables and consumer confidence. Changes in economic conditions, including inflationary pressures, and decisions taken by governments to manage economic matters, could adversely affect consumer spending patterns, travel and tourism in certain of our market areas.

Pandemic, epidemic or outbreak of an infectious disease. The widespread outbreak of an illness including the COVID-19 pandemic or any other communicable disease, or any other public health crisis, could adversely affect our business, results of operations and financial condition. Changes in general economic and other impacts in response to such outbreak, whether self-imposed or due to governmental or other authority, could materially impact financial results and may include temporary closures of facilities, temporary or long-term labor shortages or disruptions, temporary or long-term impacts on supply chains and distribution channels, temporary or long-term restrictions on cross-border commerce and travel, greater currency volatility, and increased risks to IT systems, networks and digital services.

Uncertain economic conditions resulting from a pandemic, epidemic or outbreak may, in the short or long term, adversely impact operations and the financial performance of the Corporation and each of its operating segments. These could include the loss of consumer confidence and spend, greater currency volatility, consequences on the financial condition of our customers, suppliers and other counterparties.

Changes in customer behaviour. In the road transportation fuel and convenience business sector, customer traffic is generally driven by consumer preferences and spending trends, growth of road traffic and trends in travel and tourism as well as working from home policies. A decline in the number of potential customers using our fuel stations and convenience stores due to changes in consumer preferences, changes in discretionary consumer spending or modes of transportation could adversely impact our business, financial condition and results of operations.

Our continued success depends on our ability to remain relevant with respect to consumer needs and preferences for ways of doing business with us, particularly with respect to digital engagement, contactless transaction and other non-traditional ordering and delivery platforms. We continually work to develop, produce and market new products, and refine our approach as to how and where we market, sell and deliver our products. If we are unable to anticipate and respond to sudden challenges that we may face in the marketplace, trends in the market for our products and changing consumer demands, it could have a material adverse effect on our business, financial condition and results of operations.

Climate change. Developments regarding climate change and the effects of greenhouse gas emissions on climate change and the environment may decrease the demand for our major product, petroleum-based fuel. Attitudes toward our product and its relationship to the environment and the green movement may significantly affect our sales and ability to market our product. New technologies developed to steer the public toward non-fuel dependent means of transportation may create an environment with negative attitude toward fuel, thus affecting the public's attitude toward our major product and potentially having a material effect on our business, financial condition and results of operations. Further, new technologies developed to improve fuel efficiency or governmental mandates to improve fuel efficiency may result in decreased demand for petroleum-based fuel, which could have a material effect on our business, financial condition and results of operations.

Our business may also be affected by laws and regulations addressing global climate change and the role played in it by fossil fuel combustion and the resulting carbon emissions. Some jurisdictions in which we operate have enacted measures to limit carbon emissions, and such measures increase the costs of petroleum-based fuels above what they otherwise would be and may adversely affect the demand for road transportation fuel. Similarly, adoption of other environmental protection measures affecting the petroleum supply chain, such as more stringent requirements applicable to the exploration, drilling, and transportation of crude oil and to the refining and transportation of petroleum products, may also increase the costs of petroleum-based fuels with similar effects on demand for road transportation fuel. The impact of such developments, individually or in combination, could adversely affect our sales of road transportation fuel and associated gross profit.

Road transportation fuel. Our results are sensitive to the changes in road transportation fuel prices and gross margin. Factors beyond our control such as market-driven changes in supply terms, road transportation fuel price fluctuations due to, among other things, general political and economic conditions, as well as the market's limited ability to absorb road transportation fuel prices fluctuations, are factors that could influence road transportation fuel selling price and related gross margin. During fiscal 2022, road transportation fuel revenues accounted for approximately 72.0%[1] of our total revenues, yet the road transportation fuel gross profit represented about only 47.0%[1] of our overall gross profit[2].

Tobacco products and alternative tobacco products. Tobacco products and alternative tobacco products represent our largest product category of merchandise and service revenues. For fiscal 2022, tobacco products and alternative tobacco products revenues and gross profit[2] were $6.5 billion and $1.2 billion, respectively, representing approximately 39.0% and 21.0% of total merchandise and service revenues and gross profit[2], respectively. Significant increases in wholesale cigarette pricing, significant increases or structural changes in tobacco related taxes, current and future legislation and national and local campaigns to discourage smoking, or prevent use of tobacco products, competition of illicit trade and introduction of smoking alternatives may have an adverse impact on the demand for tobacco products, and may therefore adversely affect our revenues and profits in light of the competitive landscape and consumer sensitivity to the price of such products.

Sensitive information – data protection. In the normal course of our business as a fuel and merchandise retailer, we are in receipt of personal data from our customers as well as other sensitive information regarding our employees, business partners and vendors. While we have invested significant amounts in the protection of our information technology and maintain what we believe are appropriate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur and have a material effect on our reputation, operating results and financial condition. Such a breakdown or breach could also materially increase the costs we incur to protect against such risks. A material failure on our part to comply with regulations relating to our obligations to protect such sensitive data or to the privacy rights of our customers, employees and others could subject us to fines or other regulatory sanctions and potentially to lawsuits.

Legislative and regulatory requirements. Our operations are subject to extensive and evolving laws regulations and self-regulatory standards, including laws and regulations relating to the sale and labeling of alcohol, tobacco and nicotine products, and products containing cannabidiol (CBD), through a licensed store, various food preparation, packaging, safety and product quality requirements, lottery and related products and other age-restricted products laws and regulations, minimum wage laws, overtime and other employment laws and regulations, data privacy laws, securities laws, tax laws and regulations, and self-regulatory standards, including the Payment Card Industry Data Security Standards. In addition, convenience store operations are subject to numerous environmental laws and regulations that are discussed under "Environmental laws and regulations".

[1] Please refer to the "Summary Analysis of Consolidated Results for Fiscal 2022" section for additional information of these performance measures.
2 Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

We currently incur substantial operating and capital costs for compliance with existing health, safety, environmental and other laws regulations and self-regulatory frameworks applicable to our operations. Such, laws and regulations are subject to change and it is expected that, given the nature of our business, we will continue to be subject to increasingly stringent health, safety, environmental laws and regulations, and other laws and regulations that may increase the cost of operating our business above currently expected levels and require substantial future capital and other expenditures. As a result, there can be no assurance that the effect of any future laws and regulations or any changes to existing laws and regulations, or their current interpretation, on our business, financial condition and results of operations would not be material.

If we fail to comply with any laws and regulations or permit limitations or conditions, or fail to obtain any necessary permits or registrations, or to extend current permits or registrations upon expiry of their terms, or to comply with any restrictive terms contained in our current permits or registrations, we may be subject to, among other things, civil and criminal penalties and, in certain circumstances, the temporary or permanent curtailment or shutdown of a portion of our operations. Further, if we or our business partners fail to comply with the Payment Card Industry Data Security Standards or to adequately protect sensitive customer information, we may become subject to fines or limitations on our ability to accept credit or debit cards, which could adversely affect our sales, operating income, brand and reputation.

In addition, we sell products containing cannabidiol (CBD) derived from hemp. The U.S. *Agricultural Improvement Act of 2018* (also known as the 2018 Farm Bill) enacted a number of changes to the legal status of hemp and products containing CBD derived from hemp, including removal from the statutory list of controlled substances. However, implementation of the 2018 Farm Bill is ongoing, and there is still significant uncertainty regarding the legal status of products containing CBD under U.S. law. The FDA regulates human and animal food products and dietary supplements containing CBD and has stated that it interprets the *Federal Food, Drug, and Cosmetic Act of 1938*, as amended, to prohibit the sale of these products that contain CBD. The FDA is considering changing the relevant regulatory framework to allow for certain CBD-containing products, but unless and until such changes are enacted, the FDA and other regulatory authorities could take enforcement action to prevent the marketing of products with CBD, which could adversely impact our business, reputation, financial condition and results of operations or cause us to halt certain product sales altogether.

There is a risk that our interpretation of the U.S. legislation is inaccurate or that it will be successfully challenged by U.S. federal or state authorities. A successful challenge to such position by a U.S. state or federal authority could have an adverse impact on our operations and results, including as a result of civil and criminal penalties, damages, fines, the curtailment of a portion of our operations or asset seizures and the denial of regulatory applications, as well as on our reputation.

Environmental laws and regulations. Our operations, particularly those relating to the storage, transportation and sale of fuel products, are subject to numerous environmental laws and regulations in the countries in which we operate. These include laws and regulations governing the quality of fuel products, ground pollution and emissions and discharges into air and water, the implementation of targets regarding the use of certain bio-fuel or renewable energy products, the handling and disposal of hazardous wastes, the use of vapor reduction systems to capture fuel vapor, and the remediation of contaminated sites. Environmental requirements, and the enforcement and interpretation of these requirements, change frequently and have generally become more stringent over time. Under various national, provincial, state and local laws and regulations, we may, as the owner or operator, be liable for the costs of removal or remediation of contamination at our current or former sites, whether or not we knew of, or caused, the presence of such contamination. We may also be subject to litigation costs, fines and other sanctions as a result of our failure to comply with these requirements.

Tax incentives and other subsidies in different legislations in which we operate have also made renewable fuels as well as alternative powered and energy-efficient vehicles more competitive than they otherwise would have been, which may adversely impact our business, financial condition and results of operations.

Acquisitions. Acquisitions have been and should continue to be a significant part of our growth strategy. Our ability to identify and complete strategic acquisitions in the future may be limited by different factors, including the number of attractive acquisition targets with motivated sellers, internal demands on our resources and, to the extent necessary, our ability to obtain regulatory approval and financing on satisfactory terms for larger acquisitions, if at all.

Achieving anticipated benefits and synergies of an acquisition will depend in part on whether the operations, systems, management and cultures of our Corporation and the acquired business can be integrated in an efficient and effective manner and whether the presumed bases or sources of synergies produce the benefits anticipated. We may not be able to achieve anticipated synergies and cost savings for an acquisition for many reasons, including contractual constraints, an inability to take advantage of expected synergistic savings and increased operating efficiencies, loss of key employees, or changes in tax laws and regulations. The process of integrating an acquired business may lead to greater than expected operating costs, significant one-time write-offs or restructuring charges, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, or suppliers). Failure to successfully integrate an acquired business may have an adverse effect on our business, financial condition and results of operations.

Although we perform a due diligence investigation of the businesses or assets that we acquire, there may be liabilities or expenses of the acquired business or assets that we do not uncover during our due diligence investigation and for which we, as a successor owner, may be responsible. The discovery of any material liabilities relating to an acquisition could have a material adverse effect on our business, financial condition and results of operations.

Information technology systems. We depend on information technology systems ("IT systems") to manage numerous aspects of our business transactions and to provide complete and reliable information to management. Our IT systems are an essential component of our business and growth strategies, and obsolescence of or a serious disruption to our IT systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power outage or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches, cyberattacks, computer viruses and laws and regulations necessitating mandatory upgrades and timelines with which we may not be able to comply. Any serious disruption could adversely affect our operations, our competitive position and/or reputation, and could lead to claims that could have an adverse effect on profitability.

Electronic payment modes. We are exposed to significant fluctuations in expenses related to electronic payment modes resulting from large changes in road transportation fuel retail prices, because the majority of this expense is based on a percentage of the retail prices of road transportation fuel. For fiscal 2022, a variation of 10.0% in our expenses associated with electronic payment modes would have had an impact of approximately $0.05 on earnings per share on a diluted basis.

Tax laws and liabilities. We are subject to extensive tax obligations imposed by multiple jurisdictions, including direct and indirect taxes, payroll taxes, franchise taxes, foreign withholding taxes and property taxes. New or changes to existing tax laws and regulations, involve judgement, and could result in increased tax expenses or liabilities in the future and could materially and adversely impact our financial condition, results of operations and cash flows. Additionally, many tax obligations are subject to periodic audits by tax authorities which could result in penalties and interest payments.

Litigation. In the ordinary course of business, we are a defendant in a number of legal proceedings, suits, and claims common to companies engaged in our business and an adverse outcome in such proceedings could adversely affect our business, financial condition and results of operations. Effectively, convenience store businesses and other foodservices operators can be adversely affected by litigation and complaints from customers or government agencies resulting from food quality, illness, or other health or environmental concerns or operating issues stemming from one or more locations. Lack of fresh food handling experience among our workforce increases the risk of food borne illness resulting in litigation and reputational damage. Adverse publicity about these allegations may negatively potentially affect us, regardless of whether the allegations are true, by discouraging customers from purchasing fuel, merchandise or food at one or more of our convenience stores. We could also incur significant liabilities if a lawsuit or claim results in a decision against us. Even if we are successful in defending such litigation, our litigation costs could be significant, and the litigation may divert time and money away from our operations and adversely affect our performance or our ability to continue operating our stores.

Brand image and reputation. Trademarks and other proprietary rights are important to the Corporation's competitive position and we benefit from a well-recognized brand. If the Corporation is unsuccessful in protecting its intellectual property rights, or if another party prevails in litigation claiming any rights thereto, the value of the brand could be diminished, causing customer confusion and materially adversely impacting our business and financial results. Failure to maintain product safety and quality could materially adversely affect our brand image and reputation and lead to potential product liability claims (including class-action), government agency investigations and damages.

Seasonality and natural disasters. Weather conditions can have an impact on our revenues as historical purchase patterns indicate that our customers increase their transactions and also purchase higher margin items when weather conditions are favorable. We have operations in the Southeast and West Coast regions of the United States and, although these regions are generally known for their mild weather, they are susceptible to severe storms, hurricanes, earthquakes and other natural disasters.

Hazards and risks associated with fuel products. Our operations expose us to certain risks, particularly at our terminals and other storage facilities, where large quantities of fuel are stored, and at our fuel stations. These risks include equipment failure, work accidents, fires, explosions, vapour emissions, spills and leaks at storage facilities and/or in the course of transportation to or from our or a third party's terminal, fuel stations or other sites. In addition, we are also exposed to the risk of accidents involving the tanker trucks used in our fuel product distribution system. These types of hazards and accidents may cause personal injuries or the loss of life, business interruptions and/or property, equipment and environmental contamination and damage. Further, we may be subject to litigation, compensation claims, governmental fines or penalties or other liabilities or losses in relation to such incidents and accidents and may incur significant costs as a result. Such incidents and accidents may also affect our reputation or our brands, leading to a decline in the sales of our products and services, and may adversely impact our business, financial condition and results of operations.

Indebtedness. Our current level of indebtedness could have important consequences, such as allocating a portion of cash flows from operations to the payment of interests on the indebtedness and other financial obligations, and thus making it unavailable for other purposes and potentially affecting the Corporation's ability to obtain additional financing. The credit arrangements contain restrictive covenants that may limit our ability to incur, assume or permit to exist additional indebtedness, guarantees or liens. They also require the Corporation to comply with certain coverage ratio tests which may prevent the Corporation from pursuing certain business opportunities or taking certain actions. Please refer to the sections "Contractual obligations and commercial commitments" and "Liquidity and Capital resources" for more information on the composition of our long-term debt and credit arrangements.

Exchange rate. The functional currency of our parent Company is the Canadian dollar. As such, our investments in our U.S., European and Asian operations are exposed to net changes in currency exchange rates. Should changes in currency exchange rates occur, the amount of our net investment in our U.S., European and Asian operations could increase or decrease. From time to time, we use cross-currency interest rate swap agreements to hedge a portion of this risk.

We are also exposed to foreign currency risk with respect to a portion of our cash and cash equivalent denominated in currencies other than the respective functional currencies, long-term debt denominated in US dollars, our Norwegian-krone and Euro-denominated senior unsecured notes and cross-currency interest rate swaps, a portion of which are designated as net investment hedges of our operations in the United States, Norway, Denmark, the Baltics and Ireland. As we use the US dollar as reporting currency, part of these impacts is compensated by the translation of the Canadian dollar consolidated financial statements into US dollars. For the long-term debt denominated in US dollars, Norwegian-krone and Euro and the cross-currency interest rate swaps which are designated as net investment hedges of foreign operations, as at April 24, 2022, a variation in those currencies would be offset by equivalent amounts from the hedged net investments in Other comprehensive income. For the cash and cash equivalent denominated in currencies other than the respective functional currencies, as at April 24, 2022 and with all other variables held constant, a hypothetical variation of 5.0% of the various currencies other than the respective functional currencies would have had a net impact of $61.8 million on Net earnings, which would be partially offset by a net impact of $50.0 million from the portion of our long-term debts denominated in US dollars not designated as net investment hedges of foreign operations.

We use the US dollar as our reporting currency. As such, changes in currency exchange rates could materially increase or decrease our foreign currency-denominated net assets on consolidation which would increase or decrease, as applicable, shareholders' equity. In addition, changes in currency exchange rates will affect the translation of the revenues and expenses of our Canadian, European and Asian operations and will result in lower or higher net earnings than would have occurred had the exchange rate not changed.

In addition to currency translation risks, we incur a currency transaction risk whenever one of our subsidiaries enters into a contract with customer or supplier labelled in a different currency than its functional currency. Given the volatility of exchange rates, we may not be able to manage our currency transaction and/or translation risks effectively, and volatility in currency exchange rates could have an adverse effect on our business, financial condition and results of operations.

Credit risk. We are exposed to credit risk arising from the share units indexed deposits and from derivative financial instruments when the unsettled fair value is favorable to us. In accordance with our risk management policy, to reduce this risk, we have entered into these instruments with major financial institutions with a very low credit risk. In some European markets, customers can settle their purchases at our multiple points of sale or at any other merchants with a Circle K / MasterCard credit card. We have entered into agreements whereby the risks and rewards related to the credit cards, such as fee income, administration expenses and credit losses, are shared between us and the issuing banks. In light of accurate credit assessments and continuous monitoring of outstanding balances, we believe that the receivables do not represent any significant risk.

Interest rates. We are exposed to interest rate fluctuations associated with changes in the short-term interest rate. Borrowings under our credit facilities bear interest at variable rates, and other debt we incur could likewise bear interest at variable rates. As at April 24, 2022, our variable rate debt was not significant, which limits our interest rate risk. If market interest rates increase, variable-rate debt will create higher debt service requirements, which could adversely affect our cash flows. We do not currently use derivative instruments to mitigate this risk. We could also be exposed to a risk of change in cash flows due to changes in interest rates on future debt issuance. To mitigate this risk, we can enter into interest rate locks and/or forward starting interest rate swaps in order to hedge the interest rates on forecasted debt issuance.

Liquidity. Liquidity risk is the risk that we will encounter difficulties in meeting our obligations associated with financial liabilities and lease liabilities. We are exposed to this risk mainly through our long-term debt, accounts payable and accrued liabilities, lease liabilities and outflows associated with derivative financial instruments. Our liquidities are provided mainly by cash flows from operating activities and borrowings available under our credit facilities.

Accounts receivable. We are exposed to risk related to the creditworthiness and performance of our customers, suppliers and contract counterparties. As of April 24, 2022, we had outstanding accounts receivable totaling $2.5 billion. This amount primarily consists of vendor rebates due from our suppliers, credit card receivables, receivables arising from the sale of fuel and other products to independent franchised or licensed fuel station operators as well as amounts receivable from other industrial and commercial clients. Contracts with longer payment cycles or difficulties in enforcing contracts or collecting accounts receivable could lead to material fluctuations in our cash flows and could adversely impact our business, financial condition and results of operations.

Insurance. We carry comprehensive liability, fire and extended coverage insurance on most of our facilities, with policy specifications and insured limits customarily carried in our industry for similar properties. There can be no assurance that we will be able to continue to obtain such insurance on favorable terms or at all. Some types of losses, such as losses resulting from wars, acts of terrorism, pandemics, or natural disasters, generally are not insured because they are either uninsurable or not economically practical.

Global operations. We have significant operations in multiple jurisdictions throughout the world. Some of the risks inherent in the scope of our international operations include: the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems, more expansive legal rights of foreign labor unions and employees, foreign currency exchange rate fluctuations, the potential for changes in local economic conditions, potential tax inefficiencies in repatriating funds from foreign subsidiaries and foreign exchange controls and restrictive governmental actions, such as restrictions on transfer or repatriation of funds and trade protection matters, including prohibitions or restrictions on acquisitions or joint ventures. Any of these factors could materially and adversely affect our business, financial condition and results of operations.

Corporate structure. We are a holding company and essentially all of our assets consist of the capital stock of our material subsidiaries. We conduct substantially all of our business through our subsidiaries, which generate substantially all of our revenues. Consequently, our cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of our subsidiaries and the distribution of those earnings to us. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of our material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before us.

Outlook

For fiscal 2023, as we reach the last milestone of our 5-year strategy, we will continue to enhance our offer to meet our customer's needs, making their lives a little easier every day. Despite supply chain and labor challenges, we remain focused on our convenience and mobility business by refining our fresh food program, pursuing opportunities to expand the flexibility in our supply chain and growing our electric vehicles offer to keep our position as a global leader in the future of electric charging solutions. We stand ready to seek out additional acquisition opportunities and nurture the culture of discipline and entrepreneurship that has been our trademark as we are close to reaching our five-year ambition of doubling the business. In this rapidly evolving environment, the roll out of the *Values We Live By* and actions taken toward them are proofs of our commitment into increasing employee engagement, diversity and inclusion as well as sustainability which remains at the forefront of our priorities and a lens to the business.

Looking ahead, we will continue, as always, to look for and seize opportunities to grow the business, always focusing on creating value for our employees, partners, and shareholders.

June 28, 2022

Management's Report

The consolidated financial statements of Alimentation Couche-Tard Inc. and the financial information contained in this Annual Report are the responsibility of management. This responsibility is applied through a judicious choice of accounting procedures and principles, the application of which requires the informed judgment of management. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and were approved by the Board of Directors. In addition, the financial information included in the Annual Report is consistent with the consolidated financial statements.

Alimentation Couche-Tard Inc. maintains accounting and administrative control systems which, in the opinion of management, ensure the reasonable accuracy, relevance and reliability of financial information and the well-ordered, efficient management of the Corporation's affairs.

The Board of Directors is responsible for approving the consolidated financial statements included in this Annual Report, primarily through its Audit Committee. This committee, which holds periodic meetings with members of management as well as with the independent auditors, reviewed the consolidated financial statements of Alimentation Couche-Tard Inc. and recommended their approval to the Board of Directors.

The consolidated financial statements for the fiscal years ended April 24, 2022, and April 25, 2021, were audited by PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants, and their report indicates the extent of their audit and their opinion on the consolidated financial statements.

June 28, 2022

/s/ Brian Hannasch
Brian Hannasch
President and
Chief Executive Officer

/s/ Claude Tessier
Claude Tessier
Chief Financial Officer

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for Alimentation Couche-Tard Inc., as such term is defined in Canadian securities regulations. With our participation, management carried out an evaluation of the effectiveness of our internal control over financial reporting for the fiscal year ended April 24, 2022. The framework on which such evaluation was based is contained in the report entitled *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). This evaluation includes the review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, and that the degree of compliance with the policies or procedures may deteriorate. Based on this evaluation, management concluded that Alimentation Couche-Tard Inc.'s internal control over financial reporting was effective as at April 24, 2022.

PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants, audited the effectiveness of Alimentation Couche-Tard Inc.'s internal control over financial reporting as at April 24, 2022 and expressed an unqualified opinion thereon, which is included herein.

June 28, 2022

/s/ Brian Hannasch
Brian Hannasch
President and
Chief Executive Officer

/s/ Claude Tessier
Claude Tessier
Chief Financial Officer

Independent auditor's report

To the Shareholders of
Alimentation Couche-Tard Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Alimentation Couche-Tard Inc. and its subsidiaries (together, the Corporation) as at April 24, 2022 and April 25, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Corporation's consolidated financial statements comprise:

- The consolidated statements of earnings for the years ended April 24, 2022 and April 25, 2021;
- The consolidated statements of comprehensive income for the years ended April 24, 2022 and April 25, 2021;
- The consolidated statements of changes in equity for the years ended April 24, 2022 and April 25, 2021;
- The consolidated statements of cash flows for the years ended April 24, 2022 and April 25, 2021;
- The consolidated balance sheets as at April 24, 2022 and April 25, 2021; and
- The notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other matter – audit of internal control over financial reporting

We also have audited, in accordance with the standard for audits of internal control over financial reporting set out in the CPA Canada Handbook – Assurance, the Corporation's internal control over financial reporting as at April 24, 2022, in accordance with criteria established in *Internal Control – Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and issued our report dated June 28, 2022.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sonia Boisvert.

/s/ PricewaterhouseCoopers LLP[1]

Montréal, Quebec
June 28, 2022

[1] FCPA auditor, FCA, public accountancy permit No. A116853

Independent auditor's report

To the Shareholders of
Alimentation Couche-Tard Inc.

We have audited the effectiveness of Alimentation Couche-Tard Inc. and its subsidiaries' internal control over financial reporting as at April 24, 2022.

Management's responsibility

Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting.

Auditor's responsibility

Our responsibility is to express an opinion based on our audit, on whether the entity's internal control over financial reporting was effectively maintained in accordance with criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We conducted our audit in accordance with the standard for audits of internal control over financial reporting set out in the CPA Canada Handbook – Assurance. This standard requires that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, Alimentation Couche-Tard Inc. and its subsidiaries maintained, in all material respects, effective internal control over financial reporting as at April 24, 2022, in accordance with the criteria established in *Internal Control – Integrated Framework (2013)*, issued by COSO.

We also have audited, in accordance with Canadian generally accepted auditing standards, the consolidated financial statements of Alimentation Couche-Tard Inc. and its subsidiaries as at April 24, 2022 and April 25, 2021 and for the years then ended and issued our report dated June 28, 2022.

/s/ PricewaterhouseCoopers LLP[1]

Montréal, Quebec
June 28, 2022

[1] FCPA auditor, FCA, public accountancy permit No. A116853

Consolidated Statements of Earnings

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except per share amounts)

	2022	2021
	$	$
Revenues	**62,809.9**	45,760.1
Cost of sales, excluding depreciation, amortization and impairment (Note 8)	**51,805.1**	35,644.8
Operating, selling, administrative and general expenses (Note 8)	**5,884.5**	5,148.6
Gain on disposal of property and equipment and other assets (Notes 5, 8 and 17)	**(103.9)**	(67.8)
Depreciation, amortization and impairment (Notes 5, 6, 8, 16, 17 and 18)	**1,545.7**	1,358.9
Operating income	**3,678.5**	3,675.6
Share of earnings of joint ventures and associated companies (Note 7)	**20.1**	26.0
Financial expenses (Note 10)	**325.8**	357.0
Other financial items (Note 10)	**(24.1)**	(59.4)
Foreign exchange (gain) loss	**(20.7)**	44.9
Net financial expenses	**281.0**	342.5
Earnings before income taxes	**3,417.6**	3,359.1
Income taxes (Note 11)	**734.3**	653.6
Net earnings	**2,683.3**	2,705.5
Net earnings per share (Note 12)		
Basic	**2.53**	2.45
Diluted	**2.52**	2.44

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Comprehensive Income

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2))

	2022	2021
	$	$
Net earnings	**2,683.3**	2,705.5
Other comprehensive (loss) income		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in cumulative translation adjustments(1)	**(275.2)**	507.1
Cumulative translation adjustments reclassified to earnings (Note 5)	**10.5**	—
Change in fair value and net interest on cross-currency interest rate swaps designated as a hedge of the Corporation's net investment in some of its foreign operations(2) (Note 23)	**(11.8)**	170.4
Cash flow hedges		
Change in fair value of financial instruments(2) (Note 30)	**32.0**	(5.6)
(Gain) loss realized on financial instruments transferred to earnings(2)	**(1.9)**	0.4
Items that will never be reclassified to earnings		
Net actuarial gain(3) (Note 29)	**17.2**	43.2
Gain on investments in equity instruments measured at fair value through Other comprehensive income(4)	**11.2**	20.6
Other comprehensive (loss) income	**(218.0)**	736.1
Comprehensive income	**2,465.3**	3,441.6

(1) For the fiscal years ended April 24, 2022 and April 25, 2021, these amounts include a gain of $47.3 (net of income taxes of $7.2) and a gain of $249.4 (net of income taxes of $38.1), respectively. These gains arise from the translation of long-term debts denominated in foreign currencies and designated as net investment hedges in some of the Corporation's foreign operations.
(2) For the fiscal years ended April 24, 2022 and April 25, 2021, these amounts are net of income tax expenses (recoveries) of $5.0 and $(19.7), respectively.
(3) For the fiscal years ended April 24, 2022 and April 25, 2021, these amounts are net of income tax expenses of $5.0 and $11.4, respectively.
(4) For the fiscal years ended April 24, 2022 and April 25, 2021, these amounts are net of income tax expenses of $0.4 and $3.3, respectively.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Equity

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2))

					2022
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 28)	Equity
	$	$	$	$	$
Balance, beginning of year	**670.6**	**23.6**	**12,017.8**	**(531.1)**	**12,180.9**
Comprehensive income:					
Net earnings			**2,683.3**		**2,683.3**
Other comprehensive loss				**(218.0)**	**(218.0)**
					2,465.3
Share repurchases (Note 26)	**(32.1)**		**(1,850.0)**		**(1,882.1)**
Dividends declared			**(330.1)**		**(330.1)**
Stock option-based compensation expense (Note 27)		**2.8**			**2.8**
Exercise of stock options	**1.4**	**(0.6)**			**0.8**
Balance, end of year	**639.9**	**25.8**	**12,521.0**	**(749.1)**	**12,437.6**

					2021
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 28)	Equity
	$	$	$	$	$
Balance, beginning of year	694.8	21.4	10,611.3	(1,260.9)	10,066.6
Comprehensive income:					
Net earnings			2,705.5		2,705.5
Other comprehensive income				736.1	736.1
					3,441.6
Share repurchases (Note 26)	(26.6)		(1,037.0)		(1,063.6)
Dividends declared			(268.3)		(268.3)
Transfer of realized gain on investments in equity instruments measured at fair value through other comprehensive income			6.3	(6.3)	—
Stock option-based compensation expense (Note 27)		4.4			4.4
Exercise of stock options	2.4	(2.2)			0.2
Balance, end of year	670.6	23.6	12,017.8	(531.1)	12,180.9

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2))

	2022	2021
	$	$
Operating activities		
Net earnings	**2,683.3**	2,705.5
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation, amortization, impairment and amortization of financing costs	**1,549.9**	1,363.6
Gain on disposal of property and equipment and other assets (Note 5)	**(103.9)**	(67.8)
Deferred income taxes (Note 11)	**56.7**	60.0
Share of earnings of joint ventures and associated companies, net of dividends received	**4.4**	(1.3)
Net deferred credits	**2.7**	50.7
Net changes in commodity indexed deposits and fuel swaps (Note 30)	**50.6**	32.8
Net change in fair value of investments in equity instruments and other financial assets, convertible debentures and common share warrants (Notes 6 and 30)	**(8.9)**	(39.9)
Early redemption premiums and deemed interest on repayment of senior unsecured notes (Note 21)	**(37.7)**	—
Non-cash expenses relating to long-term employee benefits (Note 25)	**12.5**	44.0
Other	**75.8**	94.0
Changes in non-cash working capital (Note 13)	**(340.5)**	(155.0)
Net cash provided by operating activities	**3,944.9**	4,086.6
Investing activities		
Purchase of property and equipment, intangible assets and other assets	**(1,664.5)**	(1,189.1)
Proceeds from disposal of property and equipment and other assets (Notes 5 and 17)	**403.3**	181.4
Business acquisitions and contingent consideration paid (Note 4)	**(323.4)**	(433.5)
Purchase of equity instruments, other financial assets and investments and loan related to Fire & Flower (Notes 6 and 30)	**(196.7)**	(49.5)
Change in restricted cash	**(15.9)**	4.6
Impact of the deconsolidation of the Corporation's Russian subsidiaries (Note 5)	**(2.2)**	—
Proceeds from disposal of investments in equity instruments	—	100.5
Net cash used in investing activities	**(1,799.4)**	(1,385.6)
Financing activities		
Share repurchases (Note 26)	**(1,842.3)**	(1,046.7)
Repayment of senior unsecured notes (Notes 13 and 21)	**(1,190.6)**	(227.1)
Issuance of US-dollar-denominated senior unsecured notes, net of financing costs (Notes 13 and 21)	**990.1**	—
Principal elements of lease payments (Note 13)	**(443.6)**	(404.2)
Cash dividends paid	**(330.1)**	(268.3)
Net (payments) proceeds on other debts (Note 13)	**(78.5)**	16.5
Settlements of derivative financial instruments (Notes 13 and 23)	**(56.9)**	—
Exercise of stock options	**0.8**	0.2
Net decrease in term revolving unsecured operating credit facility (Notes 13 and 21)	—	(1,500.0)
Net cash used in financing activities	**(2,951.1)**	(3,429.6)
Effect of exchange rate fluctuations on cash and cash equivalents	**(66.3)**	102.9
Net decrease in cash and cash equivalents	**(871.9)**	(625.7)
Cash and cash equivalents, beginning of year	**3,015.8**	3,641.5
Cash and cash equivalents, end of year	**2,143.9**	3,015.8
Supplemental information:		
Interest and early redemption premiums paid (Note 21)	**329.7**	313.3
Interest and dividends received	**37.9**	49.9
Income taxes paid	**714.6**	669.9

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets

As at April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2))

	2022	2021
	$	$
Assets		
Current assets		
Cash and cash equivalents	**2,143.9**	3,015.8
Restricted cash	**19.3**	3.4
Accounts receivable (Note 14)	**2,497.5**	1,771.7
Inventories (Note 15)	**2,403.0**	1,767.6
Prepaid expenses	**147.0**	111.7
Assets held for sale (Note 5)	**9.3**	335.1
Other short-term financial assets (Note 30)	**23.1**	11.0
Income taxes receivable	**85.2**	105.6
	7,328.3	7,121.9
Property and equipment (Note 16)	**11,286.2**	10,870.1
Right-of-use assets (Note 17)	**3,302.2**	3,069.1
Intangible assets (Note 18)	**687.5**	716.9
Goodwill (Note 18)	**6,094.1**	5,946.3
Other assets (Notes 3 and 19)	**401.5**	354.5
Other long-term financial assets (Notes 3, 6 and 30)	**272.7**	55.3
Investments in joint ventures and associated companies (Notes 6 and 7)	**169.6**	199.8
Deferred income taxes (Note 11)	**49.5**	60.6
	29,591.6	28,394.5
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 20)	**5,256.1**	3,994.3
Short-term provisions (Note 24)	**144.7**	154.6
Other short-term financial liabilities (Notes 13 and 30)	**85.2**	26.6
Income taxes payable	**103.1**	155.6
Liabilities associated with assets held for sale (Note 5)	**1.5**	91.9
Current portion of long-term debt (Notes 13 and 21)	**1.4**	1,107.3
Current portion of lease liabilities (Note 13)	**425.4**	419.4
	6,017.4	5,949.7
Long-term debt (Notes 13 and 21)	**5,963.6**	5,282.6
Lease liabilities (Note 13)	**3,049.5**	2,792.7
Long-term provisions (Note 24)	**577.0**	631.0
Pension benefit liability (Note 29)	**85.8**	98.1
Other long-term financial liabilities (Notes 13, 23 and 30)	**34.1**	79.6
Deferred credits and other liabilities (Note 25)	**243.9**	251.3
Deferred income taxes (Note 11)	**1,182.7**	1,128.6
	17,154.0	16,213.6
Equity		
Capital stock (Note 26)	**639.9**	670.6
Contributed surplus	**25.8**	23.6
Retained earnings	**12,521.0**	12,017.8
Accumulated other comprehensive loss (Note 28)	**(749.1)**	(531.1)
	12,437.6	12,180.9
	29,591.6	28,394.5

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board of Directors,

/s/ Brian Hannasch	*/s/ Alain Bouchard*
Brian Hannasch	**Alain Bouchard**
Director	Director

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

1. GOVERNING STATUTES AND NATURE OF OPERATIONS

Alimentation Couche-Tard Inc. (the "Corporation") is governed by the *Business Corporations Act* (Quebec). The Corporation's head office is located at 4204 Boulevard Industriel in Laval, Quebec, Canada.

As at April 24, 2022, the Corporation operates a network of 12,166 convenience stores across North America, Europe and Asia, of which 9,808 are company-operated, and generates income primarily from the sale of tobacco products and alternative tobacco products, beverages, beer, wine, fresh food offerings including quick service restaurants, candy and snacks, grocery items, car wash services, other services and road transportation fuel.

Furthermore, under licensing agreements, more than 1,800 stores are operated under the Circle K banner in 13 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Indonesia, Jamaica, Macau, Mexico, New Zealand, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 14,000 stores.

2. BASIS OF PREPARATION

Year-end date

The Corporation's year-end is the last Sunday of April of each year. The fiscal years ended April 24, 2022, and April 25, 2021, are referred to as "2022" and "2021".

Basis of presentation

The Corporation prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Reporting currency

The parent corporation's functional currency is the Canadian dollar. However, the Corporation uses the US dollar as its reporting currency to provide more relevant information considering its predominant operations in the United States.

Approval of the financial statements

On June 28, 2022, the Corporation's consolidated financial statements were approved by the Board of Directors, which also approved their publication.

3. ACCOUNTING POLICIES

Change in accounting policies and classification

Configuration or customisation costs in a cloud computing arrangement

In April 2021, the IFRS Interpretations Committee finalized its agenda decision *Configuration or Customisation Costs in a Cloud Computing Arrangement (*IAS 38 *Intangible Assets)*, clarifying how to recognize certain configuration and customisation expenditures related to cloud computing arrangements. During the fiscal year ended April 24, 2022, the Corporation finalized its assessment of the impact of this agenda decision and changed its accounting policy to align with the interpretation. As a result, costs previously capitalized as intangible assets were reclassified, out of which $15.1 were expensed to Operating, selling, administrative and general expenses in the consolidated statements of earnings, $6.0 were recognized as long-term prepaid expenses to Other assets and $3.9 were recognized to Prepaid expenses on the consolidated balance sheet. The Corporation did not apply this change in accounting policy retrospectively as its impact was not deemed material.

Classification of investments in equity instruments

During the fiscal year ended April 24, 2022, the Corporation changed its classification of investment in equity instruments on the consolidated balance sheets and, as a result, $35.2 was reclassified from Other assets to Other long-term financial assets on the consolidated balance sheet as at April 25, 2021. This change in classification was made to regroup all financial instruments of similar nature.

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

Use of estimates and judgments

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported. On an ongoing basis, management reviews its estimates which are based on its best knowledge of current events and actions that the Corporation may undertake in the future. Actual results could differ from those estimates. The most significant accounting judgments and estimates that the Corporation has made in the preparation of the consolidated financial statements are discussed along with the relevant accounting policies when applicable and relate primarily to the following topics: useful lives of tangible and intangible assets, income taxes, provisions, impairment of tangible, intangible and other assets and business combinations, including but not limited to the valuation of acquired intangible assets.

Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries, which are generally wholly owned. They also include the Corporation's share of earnings of joint ventures and associated companies accounted for using the equity method, as well as its shares of assets, liabilities and earnings of joint operations. All intercompany balances and transactions have been eliminated on consolidation.

Subsidiaries are entities over which the Corporation has control, where control is defined as the power to govern financial and operating policies. The Corporation generally has a direct or indirect shareholding of 100% of the voting rights in its subsidiaries. These criteria are reassessed regularly and subsidiaries are fully consolidated from the date control is transferred to the Corporation and deconsolidated from the date control ceases.

The Corporation holds contracts with franchisees and independent operators. They manage their store and are responsible for merchandising and financing their inventory. Their financial operations are not included in the Corporation's consolidated financial statements.

Foreign currency translation

Functional currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the parent corporation and its Canadian operations is the Canadian dollar. The functional currency of foreign subsidiaries is generally their local currency, mainly the US dollar for operations in the United States and various other currencies for operations in Europe and Asia.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into the relevant functional currency as follows: monetary assets and liabilities are translated using the exchange rate in effect at the consolidated balance sheet date, whereas revenues and expenses are translated using the average exchange rate of the period. Non-monetary assets and liabilities are translated using historical rates or using the rate on the date they were valued at fair value. Gains and losses arising from such translations, if any, are reflected in the earnings except for assets and liabilities designated as part of hedging relationships.

Consolidation and foreign operations

The consolidated financial statements are consolidated in Canadian dollars using the following procedure: assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the consolidated balance sheet date. Revenues and expenses are translated using the average exchange rate of the period. Individual transactions with a significant impact on the consolidated statements of earnings, comprehensive income or cash flows are translated using the transaction date exchange rate.

Gains and losses arising from such translation are included in Accumulated other comprehensive income (loss) in Equity. The translation difference derived from each foreign subsidiary, associated company or joint venture is transferred to the consolidated statements of earnings as part of the gain or loss arising from the divestment or liquidation of such a foreign entity when there is a loss of control, or a change in ownership of the associated company or joint venture, respectively.

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

Reporting currency

The Corporation has adopted the US dollar as its reporting currency. The Canadian-dollar consolidated financial statements are translated into the reporting currency using the procedure described above. Capital stock, Contributed surplus and Retained earnings are translated using historical rates. Gains and losses arising from such translations are included in Accumulated other comprehensive income (loss) in Equity.

Net earnings per share

Basic net earnings per share are calculated by dividing the net earnings available to shareholders of the Corporation by the respective weighted average number of shares outstanding during the year. Diluted net earnings per share are calculated using the weighted average number of shares outstanding plus the weighted average number of shares that would be issued upon the conversion of all potential dilutive stock options into common shares.

Revenue recognition

For its three major product categories, merchandise and services, road transportation fuel and other, the Corporation recognizes revenue when control of goods or services is transferred to a customer.

For retail operations, merchandise sales primarily comprise the sale of tobacco products and alternative tobacco products, beverages, beer, wine, fresh food offerings including quick service restaurants, candy and snacks and grocery items. Service revenues primarily include car wash revenues, commissions on the sale of lottery tickets, fees from automatic teller machines, sales of calling cards, sales of gift cards and revenues from electric vehicles charging stations. Road transportation fuel sales comprise the sale of different types of road transportation fuel via fuel dispensers located at the Corporation's convenience stores or automate stations. These revenues are recognized at the time of the transaction since control of goods and services is considered transferred when customer makes payment and takes possession of the sold item.

Service revenues also include franchise and license fees, which are recognized in revenues over the period of the agreement, initial franchise fees for which a portion is recognized when the franchise store opens and the remaining portion is deferred and recognized over the estimated term of the related agreement, as well as commissions from agents, and royalties from franchisees and licensees, which are recognized periodically based on sales reported by agents, and franchise and license operators.

For its wholesale operations, the Corporation generally recognizes sales of merchandise and goods to certain independent operators and franchisees made from the Corporation's distribution centers and commissaries, as well as sales of road transportation fuel upon delivery to its customers.

Other revenues include aviation fuel and sales of energy for stationary engines, which are generally recognized upon delivery to the customer. Other revenues also include rental income from operating leases, which is recognized on a straight-line basis over the term of the lease.

In markets where refined oil products are purchased excluding excise duties, revenues from sales to customers are reported net of excise duties. In markets where refined oil products are purchased including excise duties, revenues and costs of goods sold are reported including these duties.

Through license fees with Canopy Growth's Tweed Inc. branded licensed stores in Ontario, Canada, the share of earnings of Fire & Flower Holdings Corp. ("Fire & Flower") (Note 6) and rental income from subleasing a portion of certain of its convenience stores to Fire & Flower, the Corporation indirectly participates in the sale of cannabis products.

Cost of sales, excluding depreciation, amortization and impairment and vendor rebates

Cost of sales, excluding depreciation, amortization and impairment mainly comprises the cost of finished goods and input materials, transportation costs when they are incurred to bring products to the point of sale, as well as internal logistics costs.

The Corporation records vendor rebates as a reduction in the price of the vendors' products and reflects them as a reduction of related inventory and cost of sales, excluding depreciation, amortization and impairment in its consolidated balance sheets and consolidated statements of earnings when it is probable that they will be received. The Corporation estimates the probability based on the consideration of a variety of factors, including quantities of items sold or purchased, market shares and other conditions specified in the contracts. The accuracy of the Corporation's estimates can be affected by many factors, some of

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

which are beyond its control, including changes in economic conditions and consumer buying trends. Historically, the Corporation has not experienced significant differences in its estimates compared with actual results. Amounts received but not yet earned are presented in Deferred credits.

Operating, selling, administrative and general expenses

The main items comprising Operating, selling, administrative and general expenses are labor, occupancy costs, electronic payment modes fees, repairs, maintenance, information technologies and overhead, excluding depreciation, amortization and impairment.

Government grants

Government grants are recognized when there is reasonable assurance that the Corporation will comply with the conditions attached to the grants and that they will be received. The Corporation presents government grants in the consolidated statements of earnings as a deduction of the related expenses. They are recognized either on a systematic basis over the periods in which it recognizes as expenses the related costs that the grants are intended to compensate or, for grants that are related to expenses or losses already incurred and for grants giving immediate financial support with no future related cost, in the period in which they become receivable.

Cash and cash equivalents

Cash includes cash and demand deposits. Cash equivalents include highly liquid investments that can be readily converted into cash for a fixed amount and which mature less than three months from the date of acquisition.

Restricted cash

Restricted cash comprises, when applicable, escrow deposits held by independent escrow agent to fund pending acquisitions and future capital expenditures but restricted by certain release conditions.

Inventories

Inventories are valued at the lesser of cost and net realizable value. The cost of merchandise is generally valued based on the retail price less a normal margin. The cost of road transportation fuel inventory is generally determined according to the average cost method.

Income taxes

The income tax expense recorded to earnings is the sum of the Deferred income taxes and Current income taxes that are not recognized in Other comprehensive income (loss) ("OCI") or directly in Equity.

The Corporation uses the balance sheet liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the carrying amount and the tax base of assets and liabilities, using enacted or substantively enacted tax rates and laws, as appropriate, at the date of the consolidated financial statements for the years in which the temporary differences are expected to reverse. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In relation with investments in subsidiaries and interests in joint ventures, deferred tax liabilities are recognized for all taxable temporary differences, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and the Corporation intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

The Corporation is subject to income taxes in numerous jurisdictions and there could be certain positions for which the ultimate tax determination is uncertain. The Corporation recognizes provisions for uncertain tax positions on the basis of amounts expected to be paid to the tax authorities with respect to uncertain tax positions where it is not considered probable that the taxation authority will accept the Corporation's position. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Significant judgment is required in determining the worldwide provision for income taxes and assessing whether it is probable that a taxation authority will accept uncertain tax positions. As at April 24, 2022, management determined that no significant provision for uncertain tax positions was required.

Property and equipment, depreciation, amortization and impairment

Property and equipment are stated at cost less accumulated depreciation, amortization and impairment and are depreciated over their estimated useful lives using the straight-line method based on the following periods:

Buildings and building components	3 to 40 years
Equipment	3 to 40 years
Leasehold improvements	Lesser of the lease term and useful life

Building components include air conditioning and heating systems, plumbing and electrical fixtures. Equipment includes signage, fuel equipment and in-store equipment.

Property and equipment are tested for impairment should events or circumstances indicate that their carrying amount may not be recoverable, as measured by comparing their carrying amount to their recoverable amount, which corresponds to the higher of fair value less costs to sell and value in use of the asset or the cash-generating unit ("CGU"). Should the carrying amount of property and equipment exceed their recoverable amount, an impairment loss in the amount of the excess would be recognized.

The Corporation performs an annual evaluation of residual values, estimated useful lives and depreciation methods used for property and equipment and any change resulting from this evaluation is applied prospectively by the Corporation.

Intangible assets, depreciation, amortization and impairment

Intangible assets, which are initially recorded at cost, mainly comprise trademarks, franchise agreements, motor fuel supply agreements, reacquired rights, software and licenses. Licenses and trademarks that have indefinite lives, since they are expected to provide economic benefits to the Corporation indefinitely, are not amortized and are tested for impairment annually during the first quarter or more frequently should events or changes in circumstances indicate that they might be impaired or if necessary due to the timing of acquisitions. Motor fuel supply agreements, franchise agreements, reacquired rights and trademarks with finite lives are amortized using the straight-line method over the term of the agreements they relate to. Software and other intangible assets are amortized using the straight-line method over a period of 5 to 15 years. Amortization of intangible assets with finite lives is included in Depreciation, amortization and impairment in the consolidated statements of earnings.

Goodwill

Goodwill is the excess of the cost of an acquired business over the fair value of underlying net assets acquired from the business at the time of acquisition. Goodwill is not amortized. Rather, it is tested for impairment annually during the Corporation's first quarter or more frequently should events or changes in circumstances indicate that it might be impaired or if necessary due to the timing of acquisitions. Should the carrying amount of a CGU exceed its recoverable amount, an impairment loss would be recognized.

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

Leases

Determining whether a contract is, or contains, a lease

At inception of a contract, the Corporation analyzes whether it is, or contains, a lease by assessing if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This is achieved if the Corporation has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Corporation has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Corporation assesses whether a contract contains a lease for each of its potential separate lease component.

The Corporation has assessed that some arrangements with franchisees contain lease components and accordingly accounts for a portion of those agreements as leases.

Lease arrangements in which the Corporation is a lessee

For all leases (except those meeting limited exception criteria, see below), the Corporation recognizes right-of-use assets and lease liabilities in the consolidated balance sheet.

The lease liability is initially measured at the net present value of future lease payments, discounted using the implicit interest rate of the lease, if that rate can be readily determined, or the Corporation's incremental borrowing rate. Future lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the Corporation under residual value guarantees;
- The exercise price of a purchase option if the Corporation is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising that option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The interest expense is charged to Financial expenses on the consolidated statements of earnings over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Any restoration costs of the underlying asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation, amortization and impairment and are depreciated over the shorter period of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment should events or circumstances indicate that their carrying amount may not be recoverable, as measured by comparing their carrying amount to their recoverable amount, which corresponds to the higher of fair value less costs to sell and value in use of the asset or the CGU.

Lease incentives are recognized as part of the measurement of the right-of-use asset and lease liability. Variable lease payments that are not based on an index or a rate are not included in the measurement of both the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the conditions that trigger those payments occur and are recorded as Operating, selling, administrative and general expenses in the consolidated statements of earnings.

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Corporation recognizes a lease expense on a straight-line basis over the lease term. This expense is presented within Operating, selling, administrative and general expenses in the consolidated statements of earnings.

The Corporation remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term, assessment of a purchase option or termination penalties have changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- Change in the future lease payments resulting from changes in an index or rate or change in amounts expected to be payable under residual value guarantees, in which cases the lease liability is remeasured by discounting the revised lease payments using the same discount rate used when initially setting up the liability.

In determining the lease term, the Corporation considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods subject to termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the Corporation's control.

Lease arrangements in which the Corporation is a lessor

Leases for which their terms transfer substantially all the risks and rewards of the ownership of the underlying asset to the lessee are classified as finance leases. Whenever it is determined that a lease where the Corporation is the lessor is a finance lease, the present value of the amounts due from the lessee are recognized as the Corporation's net investment in the lease which is recorded under Other assets on the consolidated balance sheet. The net investment in the lease is subsequently measured by increasing the carrying amount to reflect interest revenue so as to produce a constant periodic rate of return and by reducing the carrying amount of the net investment to reflect the lease payments received.

When the Corporation is an intermediate lessor, it accounts for the head lease and the sublease as separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Leases for which their terms do not transfer substantially all the risks and rewards of the ownership of the underlying asset to the lessee are classified as operating leases. Payments received in relation with operating leases are recognized as Revenues on a straight-line basis over the term of the relevant lease in the consolidated statements of earnings.

Financing costs

Financing costs related to term loans and debt securities are included in the initial carrying amount of the corresponding debt and are amortized using the effective interest rate method that is based on the estimated cash flow over the expected life of the liability. Financing costs related to revolving loans are included in Other assets and are amortized using the straight-line method over the expected life of the underlying agreement.

Stock-based compensation and other stock-based payments

Stock-based compensation costs are measured at the grant date of the award based on the fair value method.

The fair value of stock options is recognized over the vesting period of each respective vesting portion as compensation expense with a corresponding increase in Contributed surplus taking into account the number of awards that are expected to ultimately vest. When stock options are exercised, the corresponding contributed surplus is transferred to Capital stock.

The share unit plan compensation cost and the related liability are recorded on a straight-line basis over the corresponding vesting period based on the fair market value of the Corporation's shares and the best estimate of the number of share unit that will ultimately be paid. The recorded liability is adjusted periodically to reflect any variation in the fair market value of the Corporation's shares and revisions to the estimated forfeitures.

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

Employee future benefits

The Corporation accrues its obligations under employee pension plans and the related costs, net of plan assets. The Corporation has adopted the following accounting policies with respect to the defined benefit plans:

- The accrued benefit obligations and the cost of pension benefits earned by active employees are actuarially determined using the projected unit credit method pro-rated on service, and the pension expense is recorded in earnings as the services are rendered by active employees. The calculations reflect management's best estimate of salary escalation and retirement ages of employees;
- Plan assets are valued at fair value;
- Actuarial gains and losses arise from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments. Actuarial gains and losses are recognized immediately in OCI with no impact on net earnings;
- Past service costs are recorded to earnings at the earlier of the following dates:
    - When the plan amendment or curtailment occurs;
    - When the Corporation recognizes related restructuring costs or termination benefits; and
- Net interest on the defined benefit liability (asset) represents the net defined benefit liability (asset), multiplied by the discount rate and is recorded in financial expenses.

The pension cost recorded in net earnings for the defined contribution plans is equivalent to the contribution, which the Corporation is required to pay in exchange for services provided by the employees.

The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations. The Corporation determines the appropriate discount rate at the end of each fiscal year, which is the rate used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Corporation considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

The present value of provisions depends on a number of factors that are assessed on a regular basis using a number of assumptions, including the discount rate, the expected cash flows to settle the obligation and the number of years until the realization of the provision. Any changes in these assumptions or in governmental regulations will impact the carrying amount of provisions. Where the actual cash flows are different from the amounts that were initially recorded, such differences will impact earnings in the period in which the payment is made. Historically, the Corporation has not experienced significant differences in its estimates compared with actual results.

Environmental costs

The Corporation provides for estimated future site remediation costs to meet government standards for known site contaminations, when such costs can be reasonably estimated. Estimates of the anticipated future costs for remediation activities at such sites are based on the Corporation's prior experience with remediation sites and consideration of other factors such as the condition of the site's contamination, location of sites and experience of the contractors performing the environmental assessments and remediation work. In order to determine the initial recorded liability, the present value of estimated future cash flows was calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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Asset retirement obligations

Asset retirement obligations primarily relate to estimated future costs to remove road transportation fuel storage tanks and are based on the Corporation's prior experience in removing these tanks, estimated tank useful life, remaining lease terms for those tanks installed on leased properties, external estimates and governmental regulatory requirements. A discounted liability is recorded for the present value of an asset retirement obligation, with a corresponding increase to the carrying value of the related long-lived asset at the time a storage tank is installed. To determine the initial recorded liability, the future estimated cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased to reflect the passage of time and then adjusted for variations in the current market-based discount rate or the scheduled underlying cash flows required to settle the liability.

Obligations related to general liability and workers' compensation

In the United States, Ireland and Canada, the Corporation is self-insured for certain losses related to general liability and workers' compensation. The expected ultimate cost for claims incurred as of the consolidated balance sheet date is discounted and is recognized as a liability. This cost is estimated based on an analysis of the Corporation's historical data and actuarial estimates. In order to determine the initial recorded liability, the present value of estimated future cash flows is calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Restructuring

Restructuring provisions are recognized only when a detailed formal plan for the restructuring exists and either the plan has commenced or the plan's main features have been announced to those affected by it. In order to determine the initial recorded liability, the present values of estimated future cash flows are calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A detailed formal plan usually includes:

- Identifying the concerned business or part of the business;
- The principal locations affected;
- Details regarding the employees affected;
- The restructuring's timing; and
- The expenditures that will have to be undertaken.

Financial instruments recognition and measurement

The Corporation has made the following classifications for its financial assets and financial liabilities:

Financial assets and financial liabilities	Classification	Subsequent measurement(1)	Classification of gains and losses
Cash and cash equivalents	Amortized cost	Amortized cost	Net earnings
Restricted cash	Amortized cost	Amortized cost	Net earnings
Accounts receivable	Amortized cost	Amortized cost	Net earnings
Indexed deposits	Fair value through earnings or loss	Fair value	Net earnings
Investments	Fair value through earnings or loss (unless fair value through OCI is elected)(2)	Fair value	Net earnings (OCI not subject to reclassification to net earnings if election made)
Derivative financial instruments	Fair value through earnings or loss	Fair value	Net earnings
Derivative financial instruments designated as net investment hedges and cash flow hedges	Fair value through earnings or loss subject to hedge accounting requirements	Fair value	OCI subject to reclassification to net earnings
Bank indebtedness and long-term debt	Amortized cost	Amortized cost	Net earnings
Accounts payable and accrued liabilities	Amortized cost	Amortized cost	Net earnings

(1) Initial measurement of Accounts receivable is at transaction price while initial measurement of all other financial assets and financial liabilities is at fair value.
(2) The Corporation has elected to classify certain of its current investments in equity instruments as fair value through OCI.

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Hedging and derivative financial instruments

The Corporation applies general hedge accounting requirements of IAS 39 *Financial Instruments: Recognition and Measurement.*

Indexed deposits

The Corporation is party to indexed deposits contracts to manage current and forecasted risks related to changes in the fair value of the share units and deferred share units ("DSUs") granted by the Corporation ("share units indexed deposits"). The share units indexed deposits are recorded at fair value on the consolidated balance sheets under Accounts receivable and Other assets and classified as fair value through earnings or loss.

The Corporation has documented and designated the share units indexed deposits as the hedging items in a cash flow hedge of the anticipated cash settlement transaction related to the granted share units and DSUs. The Corporation has determined that the share units indexed deposits are an effective hedge at the time of the establishment of the hedge and for the duration of the indexed deposit contract. The changes in the fair value of the share units indexed deposits are initially recorded in OCI and subsequently reclassified to consolidated net earnings in the same period that the change in the fair value of the share units and DSUs affects consolidated net earnings. Should the hedged transaction no longer be expected to occur, any gains, losses, revenues or expenses associated with the hedging item that had previously been recognized in OCI as a result of applying hedge accounting will be recognized in the reporting period's net earnings under Operating, selling, administrative and general expenses.

The Corporation is also party to trading activities to add flexibility to its road transportation fuel supply chain through deposit contracts indexed on road transportation fuel commodity prices ("commodity indexed deposits"). The commodity indexed deposits are recorded at fair value on the consolidated balance sheets under Other short-term financial assets and classified as fair value through earnings or loss, whereas changes in fair value are recorded under Cost of sales, excluding depreciation, amortization and impairment.

Fuel swaps and fuel futures contracts

The Corporation uses fuel swaps to manage the price risk associated with the commodity prices of road transportation fuel and also uses fuel futures contracts to manage the price risk associated with its commodity indexed deposits.The changes in fair value of these swaps and futures are recognized in the consolidated statements of earnings under Cost of sales, excluding depreciation, amortization and impairment.

Designated long-term debts denominated in foreign currencies

The Corporation designates a portion of its US-dollar-denominated and its Norwegian-krone-denominated long-term debts as a foreign exchange hedge of its net investment in its United States and Norwegian operations, respectively. The Corporation also designates a portion of its Euro-denominated long-term debts as a foreign exchange hedge of its net investment in its Eurozone and Danish operations. Accordingly, the gains and losses arising from the translation of the designated debts that are designated to be an effective hedge, are recognized in OCI, counterbalancing gains and losses arising from the translation of the Corporation's related net investments.

Cross-currency interest rate swaps

The Corporation designates cross-currency interest rate swaps as a foreign exchange hedge of its net investment in its foreign operations. Accordingly, the portion of the gains or losses arising from the translation of the cross-currency interest rate swaps that are determined to be an effective hedge, are recognized in OCI, counterbalancing gains and losses arising from the translation of the Corporation's net investment in its foreign operations.

Currency financial derivatives

Occasionally, the Corporation uses currency financial derivatives to manage the currency fluctuation risk associated with forecasted cash disbursements in a foreign currency. Gains or losses arising from the change in fair value of these derivative financial instruments are recognized in the consolidated statements of earnings as foreign exchange gain or loss.

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Interest rate locks and forward starting interest rate swaps

From time to time, the Corporation uses interest rate locks and/or forward starting interest rate swaps to manage the interest rate risk associated with forecasted debt issuance. The Corporation designates these interest rate locks and forward starting interest rate swaps as a cash flow hedge of the anticipated interest from the debt issuance. Accordingly, changes in the fair value of the derivative financial instruments are recognized in OCI. Realized gains and losses in Accumulated other comprehensive income (loss) are reclassified to Interest expense over the same periods as the interest expense on the debt will be recognized in earnings.

Guarantees

A guarantee is defined as a contract or an indemnification agreement contingently requiring an entity to make payments to a third party based on future events. These payments are contingent on either changes in an underlying element or other variables that are related to an asset, a liability, or an equity security of the indemnified party or the failure of another entity to perform under an obligating agreement. It can also be an indirect guarantee of the indebtedness of another party. Guarantees are initially recognized at fair value and subsequently revaluated when the loss becomes probable.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of a business combination is measured as the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Corporation in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations*, are recognized at their fair value at the acquisition date. Direct acquisition costs are recorded to earnings when incurred.

Goodwill arising from business combinations is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess ("negative goodwill") is recognized immediately to earnings.

Determination of the fair value of the assets acquired and liabilities assumed requires judgment and the use of assumptions that, if changed, may affect the consolidated statements of earnings and consolidated balance sheets.

For purchase price allocation and impairment testing purposes, goodwill and other intangible assets with indefinite useful lives are allocated to CGUs based on the lowest level at which management reviews the results, a level which is not higher than the operating segment. The allocation is made to those CGUs, which are expected to benefit from the business combination, and in which the goodwill and intangible assets with indefinite useful lives arose.

Earnings from the businesses acquired are included in the consolidated statements of earnings from their respective date of acquisition.

Recently issued accounting standards not yet implemented

A number of new standards or amendments to standards and interpretations will be effective for the fiscal year beginning April 25, 2022 or after. The Corporation does not expect that these new standards or amendments will have a significant impact on its consolidated financial statements.

4. BUSINESS ACQUISITIONS

The Corporation has made the following business acquisitions:

2022

During the fiscal year ended April 24, 2022, the Corporation acquired 74 company-operated stores, including the following acquisitions:

- 35 stores operating under the Porter's brand, located predominately in Oregon and Washington, United States;
- 19 stores operating under the Pic Quik brand, located in New Mexico, United States; and
- 9 stores operating under the Londis brand, located in Ireland.

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In addition, the Corporation acquired 17 dealer-operated stores operating under the Purple Cow brand, located in Southeastern United States, 22 fuel supply agreements and a small sized company, specializing in technological solutions for retailers and convenience stores.

As a result of these acquisitions, the Corporation owns the land and building for 40 sites, leases the land and the building for 44 sites and owns the building while leasing the land for 7 sites.

These transactions were settled for a total consideration of $306.9, including a cash consideration of $299.4 using available cash, a long-term consideration payable of $4.0 and a contingent consideration of $3.5 for which the maximum amount of payment was recognized. For the fiscal year ended April 24, 2022, acquisition costs of $6.7 in connection with these acquisitions and other unrealized and ongoing acquisitions are included in Operating, selling, administrative and general expenses.

Given the timing of these acquisitions, the Corporation has not yet completed its fair value assessment of the assets acquired, the liabilities assumed, and the resulting goodwill, and does not expect any significant changes to the preliminary estimates until completion. The preliminary estimates of the fair value of assets acquired and liabilities assumed for these acquisitions, based on the estimated fair value on the date of acquisition and available information as at the date of the publication of these consolidated financial statements are as follows:

	$
Tangible assets acquired	
Cash and cash equivalents	1.0
Inventories	10.1
Prepaid expenses	0.7
Property and equipment	73.0
Right-of-use assets	63.2
Other assets	0.2
Total tangible assets	148.2
Liabilities assumed	
Accounts payable and accrued liabilities	2.1
Provisions	2.1
Lease liabilities	65.6
Deferred credits and other liabilities	3.6
Total liabilities assumed	73.4
Net tangible assets acquired	74.8
Intangible assets	26.4
Goodwill	205.7
Total consideration	306.9
Cash and cash equivalents acquired	(1.0)
Consideration payable	(4.0)
Contingent consideration payable	(3.5)
Net cash flows for the acquisitions	298.4

These acquisitions were concluded in order to expand the Corporation's market shares and generated goodwill mainly due to the strategic value of stores acquired for the Corporation. The Corporation expects that almost all of the goodwill related to these transactions will be deductible for tax purposes. Since the date of acquisition, revenues and net earnings from these stores amounted to $227.1 and $11.9, respectively. Considering the size and the nature of these acquisitions, the available financial information does not allow for the accurate disclosure of pro forma revenues and net earnings had the Corporation concluded these acquisitions at the beginning of its fiscal year. In addition, during fiscal 2022, the Corporation paid a contingent consideration of $25.0 in relation with a previous business acquisition, for total net cash flows related to business acquisitions of $323.4 for the fiscal year ended April 24, 2022.

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On July 30, 2021, the Corporation entered into a binding agreement to acquire Cape D'Or Holdings Limited, Barrington Terminals Limited, and other related holding entities, which operate an independent convenience store and fuel network in Atlantic Canada under the Esso, Go! Stores and Wilsons Gas Stops brands (collectively "Wilsons"). The Wilsons network comprises 79 company-operated convenience retail and fuel locations, 147 dealer locations, and a fuel terminal in Halifax, Canada. The transaction, which would be financed using the Corporation's available cash and/or existing credit facilities, is expected to close in the first half of fiscal year 2023 and is subject to customary closing conditions and regulatory approvals, including those under the *Competition Act* (Canada).

2021

Acquisition of Convenience Retail Asia (BVI) Limited

On December 21, 2020, the Corporation acquired all the issued and outstanding shares of Convenience Retail Asia (BVI) Limited ("Circle K HK"), an important convenience store operator in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong SAR"), for a total cash consideration of HK $2,946.2 ($380.1) using available cash. As of the closing of the transaction, Circle K HK operated a network of Circle K convenience stores, with 341 company-operated stores in Hong Kong SAR and 32 franchised stores in Macau.

The final estimates of the fair value of assets acquired and liabilities assumed for the Circle K HK acquisition are as follows:

	$
Identifiable assets acquired	
Current assets	
Cash and cash equivalents	22.4
Accounts receivable[(a)]	20.3
Inventories	23.8
Prepaid expenses	3.2
	69.7
Property and equipment	13.7
Right-of-use assets	76.5
Intangible assets	96.9
Other assets	7.5
Deferred income taxes	0.5
Total identifiable assets	264.8
Liabilities assumed	
Current liabilities	
Accounts payable and accrued liabilities	107.6
Short-term provisions	0.8
Income taxes payable	0.2
Current portion of lease liabilities	38.6
	147.2
Lease liabilities	28.5
Pension benefit liability	1.8
Deferred income taxes	17.4
Total liabilities assumed	194.9
Net identifiable assets acquired	69.9
Goodwill	310.2
Total cash consideration paid	380.1
Cash and cash equivalents acquired	22.4
Net cash flows for the acquisition	357.7

(a) The fair value of acquired accounts receivable does not include any provision for expected credit losses.

Notes to the Consolidated Financial Statements

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The fair value of the identifiable assets acquired included $96.9 in intangible assets, which relate to reacquired rights, technology platform, customer relationships and trademarks. Management applied significant judgment in estimating the fair value of these intangible assets. The table below shows the valuation method, key assumptions used in the valuation as well as the final estimate of the fair value for each intangible assets acquired:

Intangible assets acquired	Valuation method	Revenue attributable to the intangible assets	Royalty saving rate	Attrition rate	Useful life	Fair value
		%	%	%	In years	$
Reacquired rights	Relief-from-royalty	100.0	2.0	Not applicable	4.3	38.7
Technology platform	Relief-from-royalty	100.0	1.5	20.0	5.0	25.6
Trademarks	Relief-from-royalty	7.0	2.5	Not applicable	Indefinite	12.7
Customer relationships	Multi-period excess earnings	16.3	Not applicable	9.0	11.1	19.9

Other common assumptions used were an annual growth in revenues of 5.0% for the first four years and 2.0% thereafter, as well as a discount rate of 10.0%.

The Circle K HK acquisition was concluded in order to penetrate new strategic markets and it generated goodwill mainly due to the strategic value of stores acquired for the Corporation. None of the goodwill related to this transaction was deductible for tax purposes. For the fiscal year ended April 25, 2021, acquisition costs of $0.8 in connection with this acquisition are included in Operating, selling, administrative and general expenses.

Other acquisitions

During the fiscal year ended April 25, 2021, the Corporation acquired 26 company-operated stores through multiple transactions. The Corporation owns the land and building for 20 sites, owns the building and leases the land for 4 sites and leases the land and the building for the remaining 2 sites. These transactions were settled for a total consideration of $75.8 using available cash and existing credit facilities. For the fiscal year ended April 25, 2021, acquisition costs of $11.0 in connection with these acquisitions and other unrealized and ongoing acquisitions are included in Operating, selling, administrative and general expenses.

The final estimates of the fair value of assets acquired and liabilities assumed for theses acquisitions are as follows:

	$
Identifiable assets acquired	
Inventories	2.3
Property and equipment	44.0
Right-of-use assets	0.1
Total identifiable assets	46.4
Liabilities assumed	
Accounts payable and accrued liabilities	0.1
Provisions	0.5
Lease liabilities	0.1
Total liabilities assumed	0.7
Net identifiable assets acquired	45.7
Goodwill	30.1
Total cash consideration paid	75.8

These acquisitions were concluded in order to expand the Corporation's market share and generated goodwill mainly due to the strategic value of stores acquired for the Corporation. Almost all of the goodwill related to these transactions was deductible for tax purposes.

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5. DISPOSAL OF BUSINESS AND PROPERTIES AND DECONSOLIDATION OF SUBSIDIARIES

2022

Disposal of business

On March 22, 2021, the Corporation reached an agreement to sell 48 sites located in Oklahoma, United States, to Casey's General Stores Inc. On the same date, and based on the outcome of a strategic review of its network, the Corporation also announced its intention to sell certain sites across 28 states in the United States and 6 provinces in Canada. The assets and the liabilities related to those sites were classified as held for sale as at April 25, 2021.

During the fiscal year ended April 24, 2022, the Corporation closed the agreement with Casey's General Stores Inc. for the sale of 48 sites and completed the sale of 190 sites to various buyers. These transactions were settled for cash consideration of $238.8 and resulted in a gain of $49.4, which is included in Gain on disposal of property and equipment and other assets in the consolidated statement of earnings. As at April 24, 2022, the assets and liabilities for 11 sites in the United States met the criteria for classification as held for sale as they were subject to sales agreements with various buyers. The following assets and liabilities were classified as held for sale in relation with those transactions:

	2022	2021
	$	$
Assets		
Inventory	**1.4**	44.3
Property and equipment	**3.8**	130.4
Right-of-use assets	**1.7**	77.9
Intangible assets	**0.2**	0.8
Goodwill	**2.2**	81.7
	9.3	335.1
Liabilities		
Lease liabilities	**1.3**	81.1
Provisions	**0.2**	10.8
	1.5	91.9

During the fiscal year ended April 24, 2022, following the outcome of the selling process, a criterion for classification as held for sale was no longer met for 66 sites in the United States and 31 sites in Canada as their sale was no longer deemed highly probable. As a result, $12.6 was recorded in Depreciation, amortization and impairment in the consolidated statements of earnings to adjust for depreciation that would have been recognized had these sites not been classified as held for sale as well as to bring the carrying amount of certain sites to their recoverable amount.

Deconsolidation and impairment of the Corporation's investment in Russian subsidiaries

On April 8, 2022, as a result of the geopolitical events leading to economic sanctions imposed from and against Russia, as well as the developments following the Corporation's announcement that it had suspended the operations of its 38 stores located in Russia, it was determined that the control criteria over the Corporation's investment in its wholly-owned Russian subsidiaries were no longer met as the Corporation did not have the ability to direct their relevant activities and lost entitlement to their earnings. Following the loss of control, the assets and liabilities of the Russian subsidiaries were derecognized, which led to a Cumulative translation loss reclassification adjustment of $10.5. In addition, the resulting investment was measured at its fair value, which led to the recognition of a full impairment loss of $45.7. Both amounts were recorded to Depreciation, amortization and impairment in the consolidated statement of earnings. For the fiscal year ended April 24, 2022, the net earnings, other comprehensive income and cash flows related to the Russian subsidiaries were included in the Corporation's consolidated financial statements from April 26, 2021 to April 8, 2022.

2021

Disposal of properties

During fiscal 2021, the Corporation disposed of two properties located in Toronto, Canada, for total cash consideration of $86.2. The disposals resulted in a gain of $67.5 which is included in Gain on disposal of property and equipment and other assets in the consolidated statement of earnings for the fiscal year ended April 25, 2021.

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6. INVESTMENTS IN FIRE & FLOWER HOLDINGS CORP.

On August 7, 2019, the Corporation invested in Fire & Flower, an independent cannabis retailer listed on the Toronto Stock Exchange and based in Ontario, Canada. The investment was in the form of unsecured convertible debentures with an initial principal amount of CA $26.0 as well as five series of common share purchase warrants. During the fiscal year ended April 25, 2021, through the conversion of a CA $23.6 ($18.5) amount of principal of the convertible debentures, the exercise of the Series A-1 and A-2 Warrants for a cash consideration of CA $19.0 ($14.6) and its potential voting rights, the Corporation assessed that it had significant influence over Fire & Flower, which is therefore considered to be an associated company of the Corporation starting September 17, 2020. The Corporation used Fire & Flower's financial statements for the reporting period ended January 29, 2022, adjusted to reflect significant transactions, if any, in applying the equity method of accounting for the fiscal year ended April 24, 2022.

As at April 24, 2022, the Corporation determined that the decrease in the market capitalization of Fire & Flower was an evidence of impairment on its investment and, as a result, a loss of $33.7 was recorded to Depreciation, amortization and impairment. The recoverable amount of the investment in the associated company was determined on the basis of fair value less costs of disposal, which includes the Corporation's share of Fire & Flower market capitalization (Level 1), using the following observable inputs:

	As at April 24, 2022
Fire & Flower common shares closing value	**CA $4.23**
Number of Fire & Flower outstanding common shares	**37,015,708**
% of Fire & Flower common shares owned	**20.8 %**
Fair value of the Corporation's investment in Fire & Flower	**25.7**

During the fiscal year ended April 24, 2022, the Corporation exercised the Series A-3 Warrants for cash consideration of CA $9.8 ($7.9) and entered into a secured and interest-bearing loan agreement of a maximum aggregate amount of CA $30.0 with Fire & Flower, out of which CA $20.0 ($15.6) was drawn as at April 24, 2022. As at April 24, 2022, a principal amount of CA $2.4 of convertible debentures was outstanding and none of the Series B and C Warrants were exercised. On April 28, 2022, subsequent to the end of the fiscal year ended April 24, 2022, the Corporation exercised the Series B Warrants for a total consideration of CA $37.8 ($29.5), including cash consideration of CA $17.3 ($13.5) as well as CA $20.5 ($16.0) representing the non-cash settlement of the principal and accrued interests of the secured loan. The exercise increased the Corporation's interests in Fire & Flower to 35.3%. The Series C Warrants will only be exercisable at any time after October 1, 2022, and will expire on June 30, 2023, and the convertible debentures will mature on June 30, 2023.

The table below shows the amounts related to the convertible debentures and common share warrants presented on the consolidated balance sheets:

	Estimated fair value of the convertible debentures	Estimated fair value of the common share warrants	Estimated total fair value of the financial assets	Deferred differences	Net carrying amount
	$	$	$	$	$
Fiscal year ended April 24, 2022					
Balance, beginning of year	3.0	37.0	**40.0**	(18.6)	**21.4**
Net loss recognized to Other financial items	(0.7)	(35.3)	**(36.0)**	18.1	**(17.9)**
Exercise and issuance of common share warrants	—	(1.1)	**(1.1)**	(0.3)	**(1.4)**
Effect of exchange rate variations	—	(0.3)	**(0.3)**	0.1	**(0.2)**
Balance, end of year	**2.3**	**0.3**	**2.6**	**(0.7)**	**1.9**
Fiscal year ended April 25, 2021					
Balance, beginning of year	18.5	10.1	**28.6**	(13.8)	**14.8**
Impact of the September 17, 2020 amendments	7.8	17.5	**25.3**	(24.7)	**0.6**
Gain recognized to Other financial items	8.3	6.2	**14.5**	25.4	**39.9**
Additional investment, conversion and exercise	(34.4)	0.9	**(33.5)**	(2.9)	**(36.4)**
Effect of exchange rate variations	2.8	2.3	**5.1**	(2.6)	**2.5**
Balance, end of year	**3.0**	**37.0**	**40.0**	**(18.6)**	**21.4**

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The estimated fair value of the convertible debentures is determined using the Longstaff-Schwartz model where the value of the conversion option is based on Monte Carlo simulations and the estimated fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model. Expected volatility is a key unobservable input which is used to establish the fair value and fluctuation of that input stems mainly from the developing market in which Fire & Flower operates. As at April 24, 2022 and April 25, 2021, with all other variables held constant, a reasonable variation in the expected volatility used would not have had a significant impact on the fair value of each asset.

The estimated fair value of the convertible debentures and common share warrants at initial recognition and following an amendment which occurred on September 17, 2020 differed from their transaction price. These fair values were evidenced by entity-specific inputs and are thus Level 3 measurements (Note 30). Therefore, the initial measurement of these financial assets was adjusted to defer the difference between the fair value at initial recognition and the transaction price, which is recognized gradually over the expected life of each asset.

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATED COMPANIES

The following table shows the amounts related to the Corporation's investment in joint ventures and associated companies presented on the consolidated balance sheets:

	2022	2021
	$	$
Investment in joint ventures	**143.9**	141.4
Investment in associated companies	**25.7**	58.4
	169.6	199.8

These investments, none of which are individually significant to the Corporation, are recorded according to the equity method. The following amounts represent the Corporation's share of the joint ventures' and associated companies' net earnings and comprehensive income:

	2022	2021
	$	$
Joint ventures' net earnings and comprehensive income	**27.8**	25.5
Associated companies' net (loss) earnings and comprehensive (loss) income	**(7.7)**	0.5
	20.1	26.0

Subsequent to the end of the fiscal year ended April 24, 2022, the Corporation acquired, through a joint venture with Musket Corporation, four road transportation fuel terminals located in Florida, Illinois and North Carolina, United States.

8. SUPPLEMENTARY INFORMATION RELATING TO EXPENSES

	2022	2021
	$	$
Cost of sales	**51,820.7**	35,653.8
Selling and marketing expenses	**6,301.7**	5,613.3
Administrative expenses	**931.5**	740.6
Other operating expenses	**77.5**	76.8

	2022	2021
	$	$
Employee benefit charges		
Salaries[a]	**2,744.9**	2,419.9
Fringe benefits and other employer contributions	**296.2**	258.3
Employee future benefits (Note 29)	**156.7**	145.1
Termination benefits	**2.2**	10.4
Stock-based compensation and other stock-based payments (Note 27)	**23.6**	18.9
	3,223.6	2,852.6

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(a) Governments grants

During fiscal 2022, the Corporation recognized to earnings an amount of $5.2 in relation with the approval of various government grant requests ($51.1 during fiscal 2021). The government grants, which were received to compensate for employee-related expenses, were recognized as a deduction of Operating, selling, administrative and general expenses in the consolidated statement of earnings.

9. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2022	2021
	$	$
Salaries and other current benefits	11.3	10.5
Stock-based compensation and other stock-based payments	12.0	10.3
Employee future benefits (Note 29)	2.7	2.7
	26.0	23.5

Key management personnel comprise members of the Board of Directors and executive committee.

10. FINANCIAL EXPENSES AND OTHER FINANCIAL ITEMS

	2022	2021
	$	$
Financial expenses		
Interest on long-term debt	216.1	213.2
Interest on lease liabilities	85.0	88.3
Impact of the redemption notices of senior unsecured notes (Note 21)	3.2	29.1
Accretion of provisions (Note 24)	14.2	15.9
Other finance costs	7.3	10.5
	325.8	357.0
Other financial items		
Financial revenues	(15.2)	(19.5)
Change in fair value of financial instruments classified at fair value through earnings or loss (Notes 6 and 30)	(8.9)	(39.9)
	(24.1)	(59.4)

11. INCOME TAXES

	2022	2021
	$	$
Current income tax expense	677.6	593.6
Deferred income tax expense	56.7	60.0
	734.3	653.6

The principal items which resulted in differences between the Corporation's effective income tax rates and its combined statutory rates in Canada are detailed as follows:

	2022	2021
	%	%
Combined statutory income tax rate in Canada[(a)]	26.50	26.50
Impact of other jurisdictions' tax rates	(5.72)	(7.64)
Other permanent differences	0.71	0.60
Effective income tax rate	21.49	19.46

(a) The Corporation's combined statutory income tax rate in Canada includes the appropriate provincial income tax rates.

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The components of deferred income tax assets and liabilities are as follows:

					2022
	Balance as at April 25, 2021	Recognized to earnings	Recognized directly to OCI or equity	Recognized through business acquisitions and deconsolidation of subsidiaries	Balance as at April 24, 2022
	$	$	$	$	$
Deferred income tax assets					
Property and equipment	(4.4)	(6.1)	—	—	(10.5)
Expenses deductible during the following years	(4.3)	0.1	0.1	—	(4.1)
Intangible assets	(10.3)	9.5	1.7	—	0.9
Deferred charges	36.9	(0.2)	(2.4)	—	34.3
Tax losses and tax credits carried forward	22.8	(0.7)	(7.0)	—	15.1
Asset retirement obligations	16.2	(2.9)	(1.1)	—	12.2
Deferred credits	(1.1)	(4.5)	(1.6)	—	(7.2)
Revenues taxable during the following years	2.6	(0.3)	(0.3)	—	2.0
Right-of-use assets	(47.5)	(27.1)	6.5	—	(68.1)
Lease liabilities	46.3	30.2	(6.6)	—	69.9
Investments	(1.3)	3.0	(0.4)	—	1.3
Other	4.7	2.7	(3.7)	—	3.7
	60.6	3.7	(14.8)	—	49.5

					2022
	Balance as at April 25, 2021	Recognized to earnings	Recognized directly to OCI or equity	Recognized through business acquisitions and deconsolidation of subsidiaries	Balance as at April 24, 2022
	$	$	$	$	$
Deferred income tax liabilities					
Property and equipment	1,009.9	157.4	(10.3)	4.5	1,161.5
Expenses deductible during the following years	(23.8)	(3.2)	—	—	(27.0)
Intangible assets	80.7	(78.8)	(0.8)	—	1.1
Goodwill	255.7	34.4	(1.7)	(0.1)	288.3
Deferred Charges	(47.0)	(20.1)	2.0	0.1	(65.0)
Tax losses and tax credits carried forward	44.5	(66.5)	(20.6)	2.1	(40.5)
Asset retirement obligations	(86.3)	15.9	3.3	0.2	(66.9)
Deferred credits	(5.3)	1.5	—	(4.6)	(8.4)
Revenues taxable during the following years	19.4	2.3	(2.2)	—	19.5
Right-of-use assets	645.7	(401.1)	(8.1)	—	236.5
Lease liabilities	(701.6)	404.8	8.3	—	(288.5)
Investments	9.1	3.1	(0.1)	(4.6)	7.5
Unrealized exchange (loss) gain	(72.4)	10.7	21.7	4.6	(35.4)
	1,128.6	60.4	(8.5)	2.2	1,182.7

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					2021
	Balance as at April 26, 2020	Recognized to earnings	Recognized directly to OCI or equity	Recognized through business acquisitions	Balance as at April 25, 2021
	$	$	$	$	$
Deferred income tax assets					
Property and equipment	(4.2)	2.6	(2.4)	(0.4)	(4.4)
Expenses deductible during the following years	(3.7)	(0.1)	(0.5)	—	(4.3)
Intangible assets	2.4	(10.7)	(2.0)	—	(10.3)
Deferred charges	28.3	5.0	3.2	0.4	36.9
Tax losses and tax credits carried forward	12.6	2.0	7.7	0.5	22.8
Asset retirement obligations	10.6	3.1	2.5	—	16.2
Deferred credits	(4.3)	3.3	(0.1)	—	(1.1)
Revenues taxable during the following years	2.4	(0.1)	0.3	—	2.6
Right-of-use assets	(42.9)	4.7	(9.3)	—	(47.5)
Lease liabilities	43.5	(6.8)	9.6	—	46.3
Investments	1.6	—	(2.9)	—	(1.3)
Other	5.5	(31.4)	30.6	—	4.7
	51.8	(28.4)	36.7	0.5	60.6

					2021
	Balance as at April 26, 2020	Recognized to earnings	Recognized directly to OCI or equity	Recognized through business acquisitions	Balance as at April 25, 2021
	$	$	$	$	$
Deferred income tax liabilities					
Property and equipment	924.8	62.2	22.6	0.3	1,009.9
Expenses deductible during the following years	(17.7)	(6.1)	—	—	(23.8)
Intangible assets	62.3	0.4	2.0	16.0	80.7
Goodwill	220.1	29.0	6.6	—	255.7
Deferred charges	(62.1)	6.2	8.9	—	(47.0)
Tax losses and tax credits carried forward	84.2	(0.3)	(39.4)	—	44.5
Asset retirement obligations	(73.8)	(8.1)	(4.4)	—	(86.3)
Deferred credits	(2.9)	(2.4)	—	—	(5.3)
Revenues taxable during the following years	27.0	(10.1)	2.5	—	19.4
Right-of-use assets	535.6	85.3	24.8	—	645.7
Lease liabilities	(580.4)	(94.5)	(26.7)	—	(701.6)
Investments	4.2	4.8	0.1	—	9.1
Unrealized exchange (loss) gain	(76.3)	(34.8)	37.6	1.1	(72.4)
	1,045.0	31.6	34.6	17.4	1,128.6

The losses carried forward and deductible temporary differences for which deferred tax assets have not been recognized amounted to $566.2 as at April 24, 2022 ($651.2 as at April 25, 2021), of which $438.9 will reverse through OCI ($423.7 as at April 25, 2021).

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Of these amounts, approximately $511.5 as at April 24, 2022 had no expiration date ($529.1 as at April 25, 2021). Net capital losses can be carried forward indefinitely and can only be used against future taxable capital gains. Other losses carried forward and deductible temporary differences will expire as follows:

	$
Less than one year to five years	—
Five to ten years	15.0
Ten to twenty years	40.0
	55.0

During the fiscal year ended April 24, 2022, $13.7 of previously unrecognized deferred tax have been used.

Deferred income tax liabilities that would be payable upon repatriation of the retained earnings of some foreign subsidiaries have not been recognized because such amounts are not expected to materialize in the foreseeable future. Temporary differences related to these investments amounted to $7,529.1 ($6,106.0 in 2021).

12. NET EARNINGS PER SHARE

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

	2022	2021
	$	$
Net earnings	**2,683.3**	2,705.5
Weighted average number of shares (in millions)	**1,062.0**	1,105.3
Dilutive effect of stock options (in millions)	**1.5**	1.4
Weighted average number of diluted shares (in millions)	**1,063.5**	1,106.7
Basic net earnings per share	**2.53**	2.45
Diluted net earnings per share	**2.52**	2.44

In calculating diluted net earnings per share for 2022, 1,334 stock options are excluded due to their antidilutive effect (465,659 stock options excluded in 2021).

For fiscal 2022, the Board of Directors declared total dividends of CA 41.75¢ per share (CA 33.25¢ per share for 2021).

13. SUPPLEMENTARY INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash working capital

	2022	2021
	$	$
Accounts receivable	**(838.8)**	(358.0)
Inventories	**(639.2)**	(490.5)
Prepaid expenses	**(34.5)**	1.9
Accounts payable and accrued liabilities	**1,203.3**	762.0
Current income taxes	**(31.3)**	(70.4)
	(340.5)	(155.0)

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Changes in liabilities arising from financing activities

	2022			2021		
	Net other financial liabilities, excluding fuel swaps	**Lease liabilities**	**Long-term debt**	Net other financial liabilities, excluding fuel swaps	Lease liabilities	Long-term debt
	$	**$**	**$**	$	$	$
Balance, beginning of year	**87.5**	**3,212.1**	**6,389.9**	237.4	2,648.8	7,730.5
Cash flows						
Net cash payments on long-term debt presented as financing activities	—	—	**(279.0)**	—	—	(1,710.6)
Early redemption premiums and deemed interest on repayment of senior unsecured notes presented as operating activities	—	—	**(37.7)**	—	—	—
Principal elements of lease payments	—	**(443.6)**	—	—	(404.2)	—
Settlements of derivative financial instruments	**(56.9)**	—	—	—	—	—
Non-cash movements						
Reclassified from (to) liabilities associated with assets held for sale (Note 5)	—	**49.8**	—	—	(81.1)	—
Change in estimates	—	**472.9**	—	—	628.5	—
Additions	—	**202.9**	—	—	180.4	63.6
Change in fair value	**6.0**	—	—	(149.9)	—	—
Business acquisitions (Note 4)	—	**65.6**	**4.0**	—	67.2	—
Impact of the redemption notices of senior unsecured notes (Note 21)	—	—	**3.2**	—	—	29.1
Amortization of financing costs	—	—	**3.6**	—	—	4.1
Impact of the deconsolidation of the Corporation's Russian subsidiaries (Note 5)	—	**(1.5)**	—	—	—	—
Effect of exchange rate fluctuations	—	**(83.3)**	**(119.0)**	—	172.5	273.2
Balance, end of year	**36.6**	**3,474.9**	**5,965.0**	87.5	3,212.1	6,389.9

14. ACCOUNTS RECEIVABLE

	2022	2021
	$	$
Credit and debit cards receivable[a]	**1,179.6**	818.5
Trade accounts receivable and vendor rebates receivable[a]	**1,031.6**	732.3
Provision for expected credit losses	**(33.4)**	(36.8)
Credit and debit cards receivable and trade accounts receivable and vendor rebates receivable – net	**2,177.8**	1,514.0
Other accounts receivable	**319.7**	258.2
Provision for expected credit losses	—	(0.5)
	2,497.5	1,771.7

(a) These amounts are presented net of an amount of $162.3 from Accounts payable and accrued liabilities (Note 20) due to netting arrangements ($111.7 as at April 25, 2021).

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The following table details the aging of credit and debit cards receivable and trade accounts receivable and vendor rebates receivable on a gross basis as well as the aging of provision for expected credit losses based on expected loss rate:

	2022			2021		
	Gross carrying amount	**Expected loss rate**	**Loss allowance**	Gross carrying amount	Expected loss rate	Loss allowance
	$	**%**	**$**	$	%	$
Not past due	**1,973.3**	**0.2**	**3.5**	1,435.7	0.4	5.1
Past due 1-90 days	**189.6**	**1.1**	**2.1**	79.7	2.1	1.7
Past due 91 days and over	**48.3**	**57.6**	**27.8**	35.4	84.7	30.0
	2,211.2		**33.4**	1,550.8		36.8

Movements in the provision for expected credit losses are as follows:

	2022	2021
	$	$
Balance, beginning of year	**37.3**	38.1
Provision for expected credit losses, net of unused beginning balance	**3.8**	4.3
Receivables written off during the year	**(4.8)**	(9.1)
Effect of exchange rate variations	**(2.9)**	4.0
Balance, end of year	**33.4**	37.3

15. INVENTORIES

	2022	2021
	$	$
Merchandise[(a)]	**937.5**	900.1
Road transportation fuel[(b)]	**1,434.9**	853.2
Other products	**30.6**	14.3
	2,403.0	1,767.6

(a) For the fiscal year ended April 24, 2022, write-down to net realizable value expenses of $9.2 were recorded for this category in Cost of sales, excluding depreciation, amortization and impairment in the consolidated statements of earnings ($33.9 for the fiscal year ended April 25, 2021).

(b) For the fiscal year ended April 24, 2022, no write-down or reversals of write-down to net realizable value were recorded for this category. For the fiscal year ended April 25, 2021, reversals of write-down to net realizable value of $12.9 were recorded for this category in Cost of sales, excluding depreciation, amortization and impairment in the consolidated statements of earnings because selling prices increased.

The Cost of sales, excluding depreciation, amortization and impairment amounts presented in the consolidated statements of earnings are almost entirely composed of inventory recognized as an expense.

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16. PROPERTY AND EQUIPMENT

	Land	Buildings and building components	Equipment	Leasehold improvements	Total
	$	$	$	$	$
Year ended April 24, 2022					
Net book amount, beginning	**3,608.3**	**3,010.7**	**3,843.7**	**407.4**	**10,870.1**
Additions	**105.7**	**397.9**	**1,026.3**	**164.1**	**1,694.0**
Business acquisitions (Note 4)	**24.5**	**25.6**	**22.9**	**—**	**73.0**
Disposals	**(69.2)**	**(17.0)**	**(41.1)**	**(3.3)**	**(130.6)**
Depreciation, amortization and impairment expense	**(0.6)**	**(265.5)**	**(592.3)**	**(74.3)**	**(932.7)**
Transfers	**(16.1)**	**(39.3)**	**27.5**	**27.9**	**—**
Reclassified from (to) assets held for sale (Note 5)	**(0.4)**	**3.4**	**10.0**	**4.2**	**17.2**
Impact of the deconsolidation of the Corporation's Russian subsidiaries (Note 5)	**(7.0)**	**(14.8)**	**(5.1)**	**—**	**(26.9)**
Effect of exchange rate variations	**(81.4)**	**(97.1)**	**(95.7)**	**(3.7)**	**(277.9)**
Net book amount, end[(a)]	**3,563.8**	**3,003.9**	**4,196.2**	**522.3**	**11,286.2**
As at April 24, 2022					
Cost	**3,565.4**	**4,799.4**	**7,714.6**	**1,146.3**	**17,225.7**
Accumulated depreciation, amortization and impairment	**(1.6)**	**(1,795.5)**	**(3,518.4)**	**(624.0)**	**(5,939.5)**
Net book amount[(a)]	**3,563.8**	**3,003.9**	**4,196.2**	**522.3**	**11,286.2**
Portion related to property and equipment not operated by the Corporation as they are subject to operating leases	**36.1**	**9.4**	**4.8**	**—**	**50.3**
Year ended April 25, 2021					
Net book amount, beginning	3,347.7	2,824.1	3,552.2	412.5	10,136.5
Additions	147.1	334.7	736.8	70.0	1,288.6
Business acquisitions (Note 4)	14.5	21.9	17.3	4.0	57.7
Disposals	(55.4)	(12.9)	(47.3)	(3.1)	(118.7)
Depreciation and amortization expense	(1.6)	(249.6)	(560.7)	(71.0)	(882.9)
Transfers	12.0	(41.8)	36.0	(6.2)	—
Reclassified to assets held for sale (Note 5)	(32.1)	(22.0)	(66.7)	(9.6)	(130.4)
Effect of exchange rate variations	176.1	156.3	176.1	10.8	519.3
Net book amount, end[(a)]	3,608.3	3,010.7	3,843.7	407.4	10,870.1
As at April 25, 2021					
Cost	3,612.9	4,678.7	7,014.7	965.0	16,271.3
Accumulated depreciation, amortization and impairment	(4.6)	(1,668.0)	(3,171.0)	(557.6)	(5,401.2)
Net book amount[(a)]	3,608.3	3,010.7	3,843.7	407.4	10,870.1
Portion related to property and equipment not operated by the Corporation as they are subject to operating leases	47.5	12.3	12.7	—	72.5

(a) The net book amount as at April 24, 2022 includes $1,087.7 related to construction in progress ($804.9 as at April 25, 2021).

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17. LEASES

Information about leases for which the Corporation is a lessee is presented below:

Right-of-use assets

The reconciliation of the Corporation's right-of-use assets by underlying asset classes is as follows:

	Properties	Motor vehicles	Equipment	Total
	$	$	$	$
Year ended April 24, 2022				
Net book amount, beginning	**2,997.0**	**47.6**	**24.5**	**3,069.1**
Additions	**168.1**	**32.4**	**0.6**	**201.1**
Business acquisitions (Note 4)	**63.2**	**—**	**—**	**63.2**
Depreciation, amortization and impairment expense	**(432.7)**	**(20.1)**	**(3.4)**	**(456.2)**
Change in estimates	**467.1**	**7.5**	**0.3**	**474.9**
Reclassified from assets held for sale (Note 5)	**45.2**	**—**	**—**	**45.2**
Deemed disposals related to subleases	**(8.5)**	**—**	**—**	**(8.5)**
Impact of the deconsolidation of the Corporation's Russian subsidiaries (Note 5)	**(1.3)**	**—**	**—**	**(1.3)**
Effect of exchange rate variations	**(81.8)**	**(1.2)**	**(2.3)**	**(85.3)**
Net book amount, end	**3,216.3**	**66.2**	**19.7**	**3,302.2**
Year ended April 25, 2021				
Net book amount, beginning	2,493.4	18.0	2.5	2,513.9
Additions	100.9	53.4	22.6	176.9
Business acquisitions (Note 4)	76.6	—	—	76.6
Depreciation and amortization expense	(401.6)	(15.4)	(2.0)	(419.0)
Change in estimates	643.1	(11.0)	0.3	632.4
Reclassified to assets held for sale (Note 5)	(77.9)	—	—	(77.9)
Deemed disposals related to subleases	(6.0)	—	—	(6.0)
Effect of exchange rate variations	168.5	2.6	1.1	172.2
Net book amount, end	2,997.0	47.6	24.5	3,069.1

Amounts recognized in the consolidated statements of earnings

	2022	2021
	$	$
Expenses relating to short-term leases and leases of low-value assets	**29.8**	24.8
Expenses relating to variable lease payments not included in the measurement of lease liabilities	**24.0**	22.9
Gain on sale and leaseback transactions	**52.9**	80.8

Information on cash flows

	2022	2021
	$	$
Total cash outflow for leases	**580.5**	538.8
Proceeds on sale and leaseback transactions	**95.6**	119.5

As at April 24, 2022, the Corporation leases mainly land, buildings, building components, motor vehicles and equipment. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease terms, for the majority of leases in North America, vary between 5 and 20 years, which include the initial base term and renewal option(s) when applicable. In Europe and Asia, the lease terms range from less than 12 months contracts to contracts with maturities up to more than 50 years and also include options to renew at market prices when applicable. As at April 24, 2022, the Corporation was in compliance with the restrictions imposed by its lease agreements. The Corporation might also conclude sale and leaseback transactions, where it will usually continue to operate the sold property temporarily when it is beneficial for both the seller and the Corporation to do so.

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As at April 24, 2022, the residual value guarantees expected to be payable included in calculating the lease liabilities as well as those not expected to be payable and which have hence been excluded from the lease liabilities were not significant.

Some of the property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimizing the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognized in earnings in the period in which the conditions that trigger those payments occur. For the fiscal year ended April 24, 2022, a 10% increase in variable terms across all stores in the group with such variable payment terms would not have had a significant impact on the total lease payments.

Extension and termination options are included in a number of leases that the Corporation is party to. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Corporation and not by the respective lessors. As at April 24, 2022, potential future annual undiscounted cash outflows of $146.1 have not been included in the lease liabilities for which the contractual maturities are in less than five years because it is not reasonably certain that renewal options on those leases will be exercised.

As at April 24, 2022, future undiscounted cash outflows of $75.4 have not been included in the lease liabilities because they are related to leases not yet commenced but to which the Corporation is committed.

Information about leases for which the Corporation is a lessor is presented below:

As at April 24, 2022, the Corporation leases mainly properties and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions.

Amounts recognized in the consolidated statements of earnings

	2022	2021
	$	$
Income relating to operating leases, excluding those variable lease payments that do not depend on an index or a rate	**25.7**	15.8
Income relating to variable lease payments that do not depend on an index or a rate	**19.7**	17.1
Rental income from subleasing right-of-use assets	**44.1**	48.6

As at April 24, 2022, the total amount of undiscounted future minimum operating leases payments expected to be received under operating lease and sublease agreements is $93.2. These minimum payments are expected to be received as follows:

	$
Less than one year	**24.6**
One to five years	**43.3**
More than five years	**25.3**
	93.2

As at April 24, 2022, the total amount of undiscounted future minimum payments expected to be received under net investment in finance subleases is $35.9. These minimum payments are expected to be received as follows:

	$
Less than one year	**12.2**
One to five years	**20.6**
More than five years	**3.1**
	35.9
Unearned finance income included in payments above	**(1.8)**
Net investment in subleases	**34.1**

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18. GOODWILL AND INTANGIBLE ASSETS

Goodwill

	2022	2021
	$	$
Net book amount, beginning of year	**5,946.3**	5,505.8
Business acquisitions (Note 4)	**205.7**	340.3
Reclassified out of (to) assets held for sale (Note 5)	**15.3**	(81.7)
Effect of exchange rate variations	**(73.2)**	181.9
Net book amount, end of year	**6,094.1**	5,946.3

Intangible assets

	Trademarks	Franchise agreements	Software[(a)]	Fuel supply agreements	Reacquired rights	Other	Total
	$	$	$	$	$	$	$
Year ended April 24, 2022							
Net book amount, beginning	**261.7**	**44.8**	**268.7**	**12.7**	**35.6**	**93.4**	**716.9**
Additions	—	**0.2**	**59.4**	—	—	**1.7**	**61.3**
Business acquisitions (Note 4)	—	**0.6**	**3.3**	**3.5**	—	**19.0**	**26.4**
Disposals	—	—	**(0.7)**	—	—	**(0.1)**	**(0.8)**
Depreciation and amortization expense	**(2.8)**	**(6.7)**	**(44.6)**	**(1.3)**	**(9.1)**	**(5.0)**	**(69.5)**
Cloud computing transition adjustment (Note 3)	—	—	**(25.0)**	—	—	—	**(25.0)**
Impact of the deconsolidation of the Corporation's Russian subsidiaries (Note 5)	**(0.5)**	—	—	—	—	—	**(0.5)**
Reclassified from assets held for sale (Note 5)	—	—	—	—	—	**0.4**	**0.4**
Effect of exchange rate variations	**(9.1)**	**(0.8)**	**(7.6)**	—	**(0.5)**	**(3.7)**	**(21.7)**
Net book amount, end	**249.3**	**38.1**	**253.5**	**14.9**	**26.0**	**105.7**	**687.5**
As at April 24, 2022							
Cost	**289.6**	**148.5**	**487.2**	**57.4**	**38.2**	**235.9**	**1,256.8**
Accumulated depreciation and amortization	**(40.3)**	**(110.4)**	**(233.7)**	**(42.5)**	**(12.2)**	**(130.2)**	**(569.3)**
Net book amount	**249.3**	**38.1**	**253.5**	**14.9**	**26.0**	**105.7**	**687.5**
Year ended April 25, 2021							
Net book amount, beginning	240.8	48.4	174.1	14.3	—	73.2	550.8
Additions	—	—	86.1	—	—	2.3	88.4
Business acquisitions (Note 4)	12.7	—	25.6	—	38.7	19.9	96.9
Disposals	—	(0.1)	—	(0.5)	—	(0.1)	(0.7)
Depreciation and amortization expense	(5.2)	(6.6)	(38.5)	(1.1)	(3.1)	(9.8)	(64.3)
Transfers	—	—	(3.9)	—	—	3.9	—
Reclassified to assets held for sale (Note 5)	—	—	—	—	—	(0.8)	(0.8)
Effect of exchange rate variations	13.4	3.1	25.3	—	—	4.8	46.6
Net book amount, end	261.7	44.8	268.7	12.7	35.6	93.4	716.9
As at April 25, 2021							
Cost	303.9	156.9	484.8	54.0	38.7	229.8	1,268.1
Accumulated depreciation and amortization	(42.2)	(112.1)	(216.1)	(41.3)	(3.1)	(136.4)	(551.2)
Net book amount	261.7	44.8	268.7	12.7	35.6	93.4	716.9

(a) The net book amount as at April 24, 2022 includes $111.5 related to software in progress ($97.9 as at April 25, 2021).

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Goodwill and intangible assets with indefinite useful lives are allocated to CGUs based on the geographical location of the acquired stores. Allocation as at April 24, 2022, and April 25, 2021, is as follows:

		2022		2021
CGU	**Intangible assets with indefinite useful lives**	**Goodwill**	Intangible assets with indefinite useful lives	Goodwill
	$	**$**	$	$
Canada	**—**	**824.4**	—	832.8
United States	**207.0**	**4,430.3**	186.9	4,230.2
Scandinavia	**58.6**	**442.6**	64.7	488.7
Central and Eastern Europe	**23.5**	**11.3**	27.0	12.6
Ireland	**—**	**79.0**	—	72.4
Asia	**12.5**	**306.5**	12.7	309.6
	301.6	**6,094.1**	291.3	5,946.3

The intangible assets with indefinite useful lives for the United States CGU are the Circle K trademark and licenses, which are expected to provide economic benefits to the Corporation indefinitely. The intangible asset with indefinite useful life for the Scandinavia and Central and Eastern Europe ("CEE") CGUs is the droplet logo, which is expected to provide economic benefits to the Corporation indefinitely. The Scandinavia CGU includes the activities of Norway, Sweden and Denmark, while the CEE CGU includes the activities of Estonia, Latvia, Lithuania, Poland and Russia (until April 8, 2022). The intangible assets with indefinite useful lives for the Asia CGU are the proprietary products trademarks, which are expected to provide economic benefits to the Corporation indefinitely. The Asia CGU includes the activities of Hong Kong SAR.

For the annual impairment test, the recoverable amount of the Canada, United States, Scandinavia, Central and Eastern Europe and Ireland CGUs is determined on the basis of their fair value less costs to sell. The Corporation uses an approach based on Earnings before interest, taxes, depreciation and amortization ("EBITDA", which is a non-IFRS measure) multiples of comparable corporations (Level 3) ranging from 8.4x to 10.0x to determine these values. For the annual impairment test of the Asia CGU, the recoverable amount of the CGU has been determined based on fair value less cost to sell and the Corporation uses an approach based on earnings to determine this value (Level 3). Under this method, the cash flows of the CGU for a 4-year period were used. The key assumption on which management has based its determination of fair value less cost to sale is the expected growth rate, which averages 12.3%. This assumption represents management's best estimate given current market conditions.

19. OTHER ASSETS

	2022	2021
	$	$
Deferred compensation assets	**79.5**	71.9
Pension benefit assets (Note 29)	**68.5**	63.0
Environmental costs receivable (Note 24)	**62.5**	64.3
Share units indexed deposits (Note 30)	**62.0**	43.5
Deferred incentive payments	**36.2**	26.2
Net investment in subleases (Note 17)	**34.1**	20.1
Notes receivable	**18.5**	19.3
Deposits	**14.8**	25.5
Other	**25.4**	20.7
	401.5	354.5

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20. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	$	$
Accounts payable and accrued expenses[a]	**3,716.7**	2,577.6
Sales and excise taxes	**825.8**	760.7
Salaries and related benefits	**360.0**	358.6
Other	**353.6**	297.4
	5,256.1	3,994.3

(a) This amount is presented net of an amount of $100.1 from Credit and debit cards receivable (Note 14) and $62.2 from Trade accounts receivable and vendor rebates receivable (Note 14) due to netting arrangements ($71.3 and $40.4, respectively as at April 25, 2021).

21. LONG-TERM DEBT

	2022	2021
	$	$
US-dollar-denominated senior unsecured notes, maturing from July 2027 to May 2051[a]	**3,967.5**	4,002.9
Canadian-dollar-denominated senior unsecured notes, maturing from July 2024 to June 2025[a]	**1,102.5**	1,319.1
Euro-denominated senior unsecured notes, maturing in May 2026[a]	**809.1**	902.0
NOK-denominated senior unsecured notes, maturing in February 2026[a]	**75.7**	80.8
Other debts	**10.2**	85.1
	5,965.0	6,389.9
Current portion of long-term debt	**1.4**	1,107.3
Long-term portion of long-term debt	**5,963.6**	5,282.6

(a) Senior unsecured notes

As at April 24, 2022, the Corporation had senior unsecured notes denominated in US-dollar totaling $4,000.0, in Canadian-dollar totaling CA $1,400.0, in Euro totaling €750.0 and in Norwegian-krone totaling NOK 675.0, divided as follows:

	Principal amount	Maturity	Coupon rate	Effective rate as at April 24, 2022	Interest payment dates
July 26, 2017 issuance	CA $700.0	July 26, 2024	3.06%	3.13%	July 26th and January 26th
June 2, 2015 issuance	CA $700.0	June 2, 2025	3.60%	3.65%	June 2nd and December 2nd
February 18, 2016 issuance	NOK 675.0	February 18, 2026	3.85%	3.93%	April 20th and October 20th
May 6, 2016 issuance	€750.0	May 6, 2026	1.88%	1.94%	May 6th
July 26, 2017 issuance	$1,000.0	July 26, 2027	3.55%	3.64%	July 26th and January 26th
January 22, 2020 issuance	$750.0	January 25, 2030	2.95%	3.03%	July 25th and January 25th
May 13, 2021 issuance	$650.0	May 13, 2041	3.44%	3.50%	May 13th and November 13th
July 26, 2017 issuance	$500.0	July 26, 2047	4.50%	4.58%	July 26th and January 26th
January 22, 2020 issuance	$750.0	January 25, 2050	3.80%	3.88%	July 25th and January 25th
May 13, 2021 Green Bonds issuance	$350.0	May 13, 2051	3.63%	3.69%	May 13th and November 13th

On May 13, 2021, the Corporation issued US-dollar-denominated senior unsecured notes totaling $1,000.0, for which a portion was part of a cash flow hedge using interest rate locks to reduce the risk associated with changes in interest rates in anticipation of the issuance. On May 10, 2021, prior to their maturity, the Corporation settled all its interest rate locks and a total cumulative loss of $2.9 was recognized to Accumulated other comprehensive loss in relation with the settlements. An amount equal to the $346.1 net proceeds of the $350.0 Green Bonds tranche has been used to finance projects that contribute to environmental sustainability.

On May 14, 2021, following the delivery of a redemption notice dated April 14, 2021, the Corporation fully repaid its $1,000.0 US-dollar-denominated senior unsecured notes issued on July 26, 2017, which were set to mature on July 26, 2022. The repayment was settled using the $644.0 net proceeds from the $650.0 US-dollar-denominated senior unsecured notes issued on May 13, 2021, as well as with cash on hand and included an early redemption premium of $27.7, for which the impact was recognized to Financial expenses upon the delivery of the redemption notice in fiscal 2021.

Notes to the Consolidated Financial Statements

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(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

On March 3, 2022, following the delivery of a redemption notice dated January 31, 2022, the Corporation fully repaid its CA $250.0 Canadian-dollar-denominated senior unsecured notes issued on November 1, 2012, which were set to mature on November 1, 2022. The repayment of CA $254.1 ($200.6) was settled using cash on hand and included an early redemption premium of CA $4.1 ($3.2). The Corporation also settled the cross-currency interest rate swaps associated with these Canadian-dollar-denominated senior unsecured notes (Note 23).

In the consolidated statement of cash flows for the fiscal year ended April 24, 2022, the repayments are reflected in operating activities, representing the early redemption premiums paid as well as the financing costs paid on the issuances, and in financing activities, representing the net proceeds from the issuances.

The Canadian-dollar-denominated notes issued on June 2, 2015 and July 26, 2017 are associated with cross-currency interest rate swaps (Note 23).

Term revolving unsecured operating credit facility

As at April 24, 2022, the Corporation had a credit facility agreement consisting of a revolving unsecured facility of a maximum amount of $2,525.0, maturing in May 2026. The credit facility was available in the following forms:

- A term revolving unsecured operating credit facility, available i) in Canadian dollars, ii) in US dollars, iii) in Euros, and iv) in the form of standby letters of credit not exceeding $150.0 or the equivalent in Canadian dollars, with applicable fees. Depending on the form and the currency of the loan, the amounts borrowed bear interest at variable rates based on the Canadian prime rate, the bankers' acceptance rate, the US base rate, SOFR or EURIBOR plus a variable margin; and
- An unsecured line of credit in the maximum amount of $115.0, available in Canadian or US dollars, bearing interest at variable rates based, depending on the form and currency of the loan, on the Canadian prime rate, the US prime rate or the US base rate plus a variable margin.

Standby fees, which vary based on the Corporation's credit rating, were applied to the unused portion of the credit facility. Letters of credit fees and the variable margin used to determine the interest rate applicable to borrowed amounts were determined according to the Corporation's credit rating as well. Under this credit facility agreement, the Corporation must maintain certain financial ratios and respect certain restrictive provisions.

As at April 24, 2022 and April 25, 2021, the term revolving unsecured operating credit facility was unused and the Corporation was in compliance with the restrictive provisions and ratios imposed by the credit agreement. Subsequent to the end of the fiscal year ended April 24, 2022, the maturity of the operating credit facility was extended to May 2027.

Bank overdraft facilities

As at April 24, 2022, the Corporation had access to bank overdraft facilities totaling approximately $52.9, of which $0.5 was used.

Letters of credit

As at April 24, 2022, the Corporation had outstanding letters of credit related to its own operations of $179.9 ($106.1 as at April 25, 2021), of which $6.7 ($6.8 as at April 25, 2021) reduced funds available under the Corporation's term revolving unsecured operating credit facility.

United States commercial paper program

Subsequent to the end of the fiscal year ended April 24, 2022, the Corporation established a commercial paper program in the United States on a private placement basis. The commercial paper program allows the Corporation to issue, from time to time, unsecured commercial paper notes with maturities not exceeding 397 days. The aggregate principal amount of unsecured commercial paper notes outstanding at any one time cannot exceed $2,500.0 and the Corporation's term revolving unsecured operating credit facility serves as a liquidity backstop for the repayment of the unsecured commercial paper notes.

Notes to the Consolidated Financial Statements

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22. FORWARD STARTING INTEREST RATE SWAPS

During the fiscal year ended April 24, 2022, the Corporation entered into forward starting interest rate swaps with the following terms:

Notional amount	Interest rate swaps terms	Rate	Maturity date
$550.0	10 years	From 2.06% to 2.27%	July 2024 and June 2025

The instruments allowed the Corporation to hedge the variability of its interest payments on the anticipated issuance of US-dollar-denominated senior unsecured notes due to changes in the US Treasury rates. These instruments were designated as a cash flow hedge of the Corporation's interest rate risk and, as a result, for the fiscal year ended April 24, 2022, a gain of $23.4 was recognized in OCI to reflect the fluctuation in the forward starting interest rate swaps' fair value.

23. INTEREST RATE AND CROSS-CURRENCY SWAPS

The Corporation has entered into cross-currency interest rate swap agreements, allowing it to synthetically convert its Canadian-dollar-denominated senior unsecured notes into US dollars.

Receive – Notional	Receive – Rate	Pay – Notional	Pay – Rate	Maturity	Fair value as at (Note 30)	
					April 24, 2022	April 25, 2021
					$	$
CA $1,400.0	From 3.06% to 3.60%	US $1,127.2	From 3.23% to 3.87%	From July 26, 2024 to June 2, 2025	**34.1**	79.6

These agreements are designated as foreign exchange hedges of the Corporation's net investment in its operations in the United States. They are presented as Other long-term financial liabilities on the consolidated balance sheets.

On March 2nd, 2022, the Corporation settled, prior to their maturity, the following cross-currency interest rate swaps:

Receive – Notional	Receive – Rate	Pay – Notional	Pay – Rate
CA $250.0	3.90%	US $250.7	3.49%

Notes to the Consolidated Financial Statements

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24. PROVISIONS

The reconciliation of the Corporation's main provisions is as follows:

	Asset retirement obligations[(a)]	Provision for environmental costs[(b)]	Provision for workers' compensation[(c)]	Provision for general liability[(c)]	Other	Total
	$	$	$	$	$	$
2022						
Balance, beginning of year	**489.5**	**155.3**	**48.3**	**56.8**	**35.7**	**785.6**
Business acquisitions (Note 4)	**2.1**	**—**	**—**	**—**	**3.5**	**5.6**
Liabilities incurred	**3.6**	**16.6**	**28.7**	**41.3**	**11.9**	**102.1**
Liabilities settled	**(5.4)**	**(22.9)**	**(28.0)**	**(39.0)**	**(29.7)**	**(125.0)**
Accretion expense	**13.0**	**0.4**	**0.6**	**0.2**	**—**	**14.2**
Reversal of provisions	**(2.8)**	**(0.5)**	**—**	**—**	**—**	**(3.3)**
Change in estimates	**(40.8)**	**(2.2)**	**0.9**	**2.6**	**—**	**(39.5)**
Reclassified out of liabilities associated with assets held for sale (Note 5)	**4.1**	**—**	**—**	**—**	**—**	**4.1**
Transfers	**—**	**—**	**—**	**—**	**11.0**	**11.0**
Impact of the deconsolidation of the Corporation's Russian subsidiaries (Note 5)	**(1.1)**	**—**	**—**	**—**	**(0.1)**	**(1.2)**
Effect of exchange rate variations	**(27.0)**	**(3.9)**	**(0.7)**	**(0.1)**	**(0.2)**	**(31.9)**
Balance, end of year	**435.2**	**142.8**	**49.8**	**61.8**	**32.1**	**721.7**
Current portion	**60.0**	**51.8**	**8.5**	**11.6**	**12.8**	**144.7**
Long-term portion	**375.2**	**91.0**	**41.3**	**50.2**	**19.3**	**577.0**
2021						
Balance, beginning of year	373.8	157.2	44.5	50.3	33.6	659.4
Business acquisitions (Note 4)	0.5	—	—	—	0.8	1.3
Liabilities incurred	5.0	20.9	30.3	32.6	8.0	96.8
Liabilities settled	(9.1)	(23.2)	(27.8)	(24.0)	(6.1)	(90.2)
Accretion expense	14.8	0.4	0.5	0.2	—	15.9
Reversal of provisions	(1.8)	(5.8)	—	(0.5)	(2.1)	(10.2)
Change in estimates	84.3	(3.9)	0.3	(1.8)	0.3	79.2
Reclassified to liabilities associated with assets held for sale (Note 5)	(10.8)	—	—	—	—	(10.8)
Effect of exchange rate variations	32.8	9.7	0.5	—	1.2	44.2
Balance, end of year	489.5	155.3	48.3	56.8	35.7	785.6
Current portion	46.9	44.3	13.5	14.4	35.5	154.6
Long-term portion	442.6	111.0	34.8	42.4	0.2	631.0

(a) The total undiscounted amount of estimated cash flows to settle the asset retirement obligations is approximately $693.2 and is expected to be incurred over the next 40 years. Should changes occur in estimated future removal costs, tank useful lives, lease terms or governmental regulatory requirements, revisions to the liability could be made.
(b) Environmental costs should be disbursed over the next 20 years.
(c) Workers' compensation and general liability indemnities should be disbursed over the next five years.

Environmental costs

The Corporation is subject to Canadian, United States and European legislation governing the storage, handling and sale of road transportation fuel and other petroleum-based products. The Corporation considers that it is compliant with all important aspects of current environmental legislation. The Corporation has an ongoing training program for its employees on environmental issues and performs preventative site testing and site restoration in cooperation with regulatory authorities. The Corporation also examines its motor fuel equipment annually.

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In most of the U.S. states in which the Corporation operates, with the exception of Alaska, California, Florida, Iowa, Maryland, New York, Oregon, Texas, Washington, West Virginia and Wisconsin, the Corporation participates in a state fund to cover the cost of certain environmental remediation activities after the applicable trust fund deductible is met, which varies by state. These state funds provide insurance for motor fuel facilities operations to cover some of the costs of cleaning up certain environmental contamination caused by the use of road transportation fuel equipment. Road transportation fuel storage tank registration fees and/or a motor fuel tax in each of the states finance the trust funds. The Corporation pays annual registration fees and remits sales taxes to applicable states. Insurance coverage differs from state to state.

In order to provide for the above-mentioned environmental costs, the Corporation has recorded a $142.8 provision for environmental costs as at April 24, 2022 ($155.3 as at April 25, 2021). Furthermore, the Corporation has recorded an amount of $72.7 for environmental costs receivable from trust funds as at April 24, 2022 ($73.4 as at April 25, 2021), of which $10.2 ($9.1 as at April 25, 2021) is included in Accounts receivable and $62.5 in Other assets ($64.3 as at April 25, 2021).

25. DEFERRED CREDITS AND OTHER LIABILITIES

	2022	2021
	$	$
Deferred compensation liabilities	**120.9**	101.9
Deferred credits	**47.7**	35.5
Deposits from independent operators, franchisees and tenants	**28.8**	28.2
Deferred branding credits	**19.1**	20.5
Employee benefits	**18.5**	44.0
Other liabilities	**8.9**	21.2
	243.9	251.3

26. CAPITAL STOCK

Authorized

Unlimited number of shares without par value

- First and second preferred shares issuable in series, non-voting, ranking prior to other classes of shares with respect to dividends and payment of capital upon dissolution. The Board of Directors is authorized to determine the designation, rights, privileges, conditions and restrictions relating to each series of shares prior to their issuance.
- Class A multiple voting and participating shares, ten votes per share except for certain situations which provide for only one vote per share.
- Class B subordinate voting and participating shares, with each share comprising one vote.

The order of priority for the payment of dividends is as follows:
- First preferred shares;
- Second preferred shares; and
- Class A multiple voting shares and Class B subordinate voting shares, ranking pari passu.

On December 8, 2021, as a result of all of the Corporation's co-founders reaching the age of 65 years old, all of the Corporation's Class B subordinate voting shares automatically converted into Class A multiple voting shares on a share-for-share basis. Following the automatic conversion, only Class A multiple voting shares of the Corporation are traded on the Toronto Stock Exchange and all stock-based compensation and other stock-based payment plans of the Corporation (Note 27) are covering Class A multiple voting shares.

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Issued and outstanding

The changes in the number of shares are as follows:

	2022	2021
Class A multiple voting shares (in millions of shares)		
Balance, beginning of year	**253.8**	253.8
Conversions into Class B shares	**(4.8)**	—
Automatic conversion of Class B shares	**813.0**	—
Share repurchases[a]	**(29.1)**	—
Balance, end of year	**1,032.9**	253.8
Class B subordinate voting shares (in millions of shares)		
Balance, beginning of year	**825.8**	858.9
Issued on conversions of Class A shares	**4.8**	—
Share repurchases[a]	**(17.7)**	(33.3)
Issuance of shares on stock options exercised	**0.1**	0.2
Automatic conversion into Class A shares	**(813.0)**	—
Balance, end of year	**—**	825.8
Issued and outstanding	**1,032.9**	1,079.6

(a) Share repurchase program

On April 21, 2021, the Toronto Stock Exchange approved the implementation of a share repurchase program (the "Program"), which took effect on April 26, 2021. The Program initially allowed the Corporation to repurchase up to 32,056,988 shares, representing 4.0% of the Class B subordinate voting shares of the public float as at April 19, 2021 (the "Public float"). On January 31, 2022, the Toronto Stock Exchange approved the amendment of the Corporation's Program to increase the maximum number of shares that may be repurchased to 46,806,328 shares, or 5.8% of the Corporation's Public float. The share repurchase period was to end no later than April 25, 2022.

During the fiscal year ended April 24, 2022, the authorized share repurchase limit was reached as the Corporation had repurchased 46,806,328 shares (33,336,141 shares under the former share repurchase program for the fiscal year ended April 25, 2021). These repurchases were settled for an amount of $1,882.1 ($1,063.6 under the former share repurchase program for the fiscal year ended April 25, 2021), of which $56.7 is recorded in Accounts payable and accrued liabilities as at April 24, 2022 ($16.9 as at April 25, 2021) related to 1,255,512 shares which had been repurchased and were in the process of being cancelled (503,319 shares as at April 25, 2021). During fiscal 2022 and under the Program, 6,351,895 Class B subordinate voting shares were repurchased, for an amount of $238.5, from Développements Orano Inc., a corporation controlled by Mr. Alain Bouchard, founder of the Corporation and executive chairman of its Board of Directors, which constitutes a related party transaction.

On April 22, 2022, the Toronto Stock Exchange approved the renewal of the Corporation's Program, which took effect on April 26, 2022. The renewed Program allows the Corporation to repurchase up to 79,703,614 shares, representing 10.0% of the shares comprising the Corporation's public float as at April 20, 2022, and the share repurchase period will end no later than April 25, 2023. Subsequent to the end of the fiscal year ended April 24, 2022 and under the renewed Program, the Corporation repurchased 9,764,000 shares for an amount of $429.2.

When making such repurchases, the number of shares in circulation is reduced and the proportionate interest of all remaining shareholders in the Corporation's share capital is increased on a pro rata basis. All shares repurchased under the share repurchase program will be cancelled. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange upon approbation of the renewed Program, is also in place and could allow a designated broker to repurchase the Corporation's shares on its behalf within parameters established by the Corporation.

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27. STOCK-BASED COMPENSATION AND OTHER STOCK-BASED PAYMENTS

Stock option plan

The Corporation has a stock option plan under which it has authorized the grant of up to 101,352,000 stock options for the purchase of its shares.

Stock options have up to a 10-year term, vest 20.0% on the date of the grant and cumulatively thereafter on each anniversary date of the grant and are exercisable at the designated market price on the date of the grant. The grant price of each stock option shall not be set below the weighted average closing price for a board lot of the shares on the Toronto Stock Exchange for the five days preceding the grant. Each stock option is exercisable into one share of the Corporation at the price specified in the terms of the stock option. To enable option holders to proceed with a cashless exercise of their options, the stock option plan allows them to elect to receive a number of shares equivalent to the difference between the total number of shares underlying the options exercised and the number of shares required to settle the exercise of the options on a gross or net basis.

The table below presents the status of the Corporation's stock option plan as at April 24, 2022, and April 25, 2021, and the changes therein during the years then ended:

	2022		2021	
(in thousands, except otherwise noted)	**Number of stock options**	**Weighted average exercise price**	Number of stock options	Weighted average exercise price
		CA $		CA $
Outstanding, beginning of year	**3,267.5**	**25.45**	3,319.5	22.44
Granted	**286.2**	**42.03**	219.8	43.20
Exercised	**(130.0)**	**7.93**	(271.8)	3.09
Outstanding, end of year	**3,423.7**	**27.50**	3,267.5	25.45
Exercisable, end of year	**2,909.5**	**25.59**	2,753.3	23.04

For options exercised in 2022, the weighted average share price at the date of exercise was CA $48.01 (CA $41.68 in 2021).

The following table presents information on the stock options outstanding and exercisable as at April 24, 2022:

(in thousands, except otherwise noted)	Options outstanding			Options exercisable	
Range of exercise prices	Number of stock options outstanding as at April 24, 2022	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of stock options exercisable as at April 24, 2022	Weighted average exercise price
CA $			CA $		CA $
2 – 30	2,040.5	2.83	20.97	2,040.5	20.97
30 – 58	1,383.2	7.08	37.13	869.0	36.42
	3,423.7			2,909.5	

For 2022, the compensation cost charged to the consolidated statements of earnings amounts to $2.8 ($2.5 in 2021).

Deferred share unit plan

The Corporation has a DSU plan for the benefit of its external directors which allows them, at their option, to receive all or a portion of their annual compensation and directors' fee in the form of DSUs. Selected key employees are also allowed to receive part of their annual compensation in the form of DSUs. A DSU is a notional unit, equivalent in value to the Corporation's share. Upon leaving the Board of Directors or cessation of employment, participants are entitled to receive the payment of their cumulated DSUs in the form of cash based on the volume weighted average reported trading price of the Corporation's share on the Toronto Stock Exchange for the five trading days immediately preceding the payout date. DSU are antidilutive since they are payable solely in cash.

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The DSU expense and the related liability are recorded at the grant date. The liability is adjusted periodically to reflect any variation in the market value of the Corporation's shares. As at April 24, 2022, the Corporation had a total of 471,589 DSUs outstanding (403,236 as at April 25, 2021) and an obligation related to this plan of $21.2 ($13.6 as at April 25, 2021) was recorded in Deferred credits and other liabilities. The exposure to the Corporation's share price risk is managed with the share units indexed deposits (Note 30). For 2022, the compensation cost amounted to $4.1 ($3.0 for 2021).

Share unit plan

The Corporation has a share unit plan allowing the Board of Directors, through its Human Resources and Corporate Governance Committee, to grant performance share units ("PSUs") and restricted share units ("RSUs") to the officers and selected key employees of the Corporation (the "participants"). A share unit is a notional unit whose value is based on the volume weighted average reported trading price of the Corporation's share on the Toronto Stock Exchange for the five trading days immediately preceding the valuation date and provides the participants with the opportunity to earn a cash award. Each PSU granted vests at the end of a three-year performance period subject, namely, to the achievement of performance objectives of the Corporation, based on external and internal benchmarks. Each RSU granted vests at the end of a three-year restricted period. Share units are antidilutive since they are payable solely in cash.

The table below presents the status of the Corporation's share unit plan as at April 24, 2022, and April 25, 2021, and the changes therein during the years then ended in number of units:

(in thousands of units)	**2022**	2021
Outstanding, beginning of year	**1,525.0**	1,547.6
Granted	**521.0**	530.7
Paid	**(446.7)**	(396.7)
Forfeited	**(147.1)**	(156.6)
Outstanding, end of year	**1,452.2**	1,525.0

As at April 24, 2022, an obligation related to this notional unit allocation plan of $18.7 was recorded in Accounts payable and accrued liabilities ($13.4 as at April 25, 2021) and $21.6 was recorded in Deferred credits and other liabilities ($15.7 as at April 25, 2021). The price risk of this obligation is also managed with the share units indexed deposits (Note 30). For 2022, the compensation cost amounted to $16.7 ($13.4 for 2021).

28. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Cumulative translation adjustments[(a)(c)]	Net investment hedge[(a)]	Cash flow hedge[(a)]	Cumulative net actuarial gain (loss)[(b)]	Investments in equity instruments measured at fair value through Other comprehensive income[(b)]	Accumulated other comprehensive loss
	$	$	$	$	$	$
Year ended April 24, 2022						
Balance, beginning of year	**(257.8)**	**(280.6)**	**(8.9)**	**15.9**	**0.3**	**(531.1)**
Other comprehensive (loss) income	**(264.7)**	**(11.8)**	**30.1**	**17.2**	**11.2**	**(218.0)**
Balance, end of year	**(522.5)**	**(292.4)**	**21.2**	**33.1**	**11.5**	**(749.1)**
Year ended April 25, 2021						
Balance, beginning of year	(764.9)	(451.0)	(3.7)	(27.3)	(14.0)	(1,260.9)
Other comprehensive income (loss)	507.1	170.4	(5.2)	43.2	20.6	736.1
Transfer of realized gain on investments in equity instruments measured at fair value through OCI	—	—	—	—	(6.3)	(6.3)
Balance, end of year	(257.8)	(280.6)	(8.9)	15.9	0.3	(531.1)

(a) May be reclassified subsequently to earnings.
(b) Will never be reclassified to earnings.
(c) For the fiscal year ended April 24, 2022, includes a $10.5 reclassification adjustment in relation with the deconsolidation of the Corporation's Russian subsidiaries (Note 5).

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29. EMPLOYEE FUTURE BENEFITS

The Corporation has a number of funded and unfunded defined benefit and defined contribution plans that provide retirement benefits to certain employees.

Defined benefit plans

The Corporation measures its accrued defined benefit obligation and the fair value of plan assets for accounting purposes on the last Sunday of April of each year.

The Corporation has defined benefit plans in Canada, the United States, Norway, Sweden, Ireland and Hong Kong SAR. Those plans provide benefits based on average earnings at retirement, or based on the years with the highest salaries and the number of years of service. The Corporation performs required actuarial valuations of its pension plans for funding purposes every one to three years.

Some plans include benefit adjustments in line with the consumer price index, whereas most of them do not provide such adjustments. The majority of the benefit payments are from trustee-administered funds. However, there is also a number of unfunded plans where the Corporation meets the benefit payment obligation as it falls due. Plan assets held in trusts are governed by local regulations and practice in each country, as is the nature of the relationship between the Corporation and the trustees and their composition. Responsibility for governance of the plans, investment decisions and contribution schedules lies jointly with the plan committees and the Corporation.

Reconciliation of the funded status of the benefit plans to the amount recorded in the consolidated financial statements:

	2022	2021
	$	$
Present value of defined benefit obligation for funded pension plans	**(116.3)**	(144.3)
Fair value of plans' assets	**187.6**	209.1
Net funded status of funded plans – net surplus	**71.3**	64.8
Present value of defined benefit obligation for unfunded pension plans	**(88.6)**	(99.9)
Net accrued pension benefit liability	**(17.3)**	(35.1)

As at April 24, 2022, the pension benefit asset of $68.5 ($63.0 as at April 25, 2021) is included in Other assets and the Pension benefit liability of $85.8 ($98.1 as at April 25, 2021) is presented separately in the consolidated balance sheets.

The defined benefit obligation and plan assets are composed by country as follows:

	Canada	Norway	Sweden	Others	Total
2022	**$**	**$**	**$**	**$**	**$**
Present value of defined benefit obligation	**(49.7)**	**(31.6)**	**(98.1)**	**(25.5)**	**(204.9)**
Fair value of plans' assets	**19.2**	**2.0**	**166.4**	**—**	**187.6**
Net funded status of plan – (deficit) surplus	**(30.5)**	**(29.6)**	**68.3**	**(25.5)**	**(17.3)**
2021					
Present value of defined benefit obligation	(60.5)	(31.6)	(121.8)	(30.3)	(244.2)
Fair value of plans' assets	22.5	2.1	184.5	—	209.1
Net funded status of plan – (deficit) surplus	(38.0)	(29.5)	62.7	(30.3)	(35.1)

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As at the measurement date, the plans' assets consisted of:

	2022				2021			
	Quoted	**Unquoted**	**Total**	**Plan's assets allocation**	Quoted	Unquoted	Total	Plan's assets allocation
	$	**$**	**$**	**%**	$	$	$	%
Cash and cash equivalents	**0.2**	**—**	**0.2**	**0.1**	—	—	—	—
Equity securities	**106.4**	**—**	**106.4**	**56.7**	118.0	—	118.0	56.4
Debt instruments								
Government	**71.9**	**—**	**71.9**	**38.3**	81.1	—	81.1	38.8
Corporate	**4.9**	**0.3**	**5.2**	**2.8**	5.6	0.4	6.0	2.9
Real estate	**0.3**	**0.3**	**0.6**	**0.3**	—	0.3	0.3	0.1
Other assets	**3.3**	**—**	**3.3**	**1.8**	3.7	—	3.7	1.8
Total	**187.0**	**0.6**	**187.6**	**100.0**	208.4	0.7	209.1	100.0

The Corporation's service cost under its defined benefit plans, net of employee contributions and curtailment gains, for the fiscal year 2022 is $2.8 ($2.7 for 2021).

The amount recognized in OCI for the fiscal year is determined as follows:

	2022	2021
	$	$
Losses from change in demographic assumptions	**5.3**	—
Gains from change in financial assumptions	**(28.7)**	(21.9)
Experience losses (gains)	**1.3**	(8.3)
Return on assets (excluding interest income)	**(0.1)**	(24.4)
Net gains recognized in OCI	**(22.2)**	(54.6)

The Corporation expects to make a contribution of $3.2 to the defined benefit plans during the next fiscal year.

The significant weighted average actuarial assumptions, which management considers the most likely to determine the accrued benefit obligations and the pension expense, are the following:

	2022				2021			
	Canada	**Norway**	**Sweden**	**Others**	Canada	Norway	Sweden	Others
	%	**%**	**%**	**%**	%	%	%	%
Discount rate	**4.9**	**2.8**	**3.0**	**3.6**	3.2	2.3	2.0	2.4
Rate of compensation increase	**3.3**	**2.8**	**3.3**	**2.4**	3.0	2.3	2.8	2.2
Rate of benefit increase	**2.3**	**0.5**	**2.3**	**2.2**	2.0	0.5	1.8	1.9
Rate of social security base amount increase (*G-amount*)	**—**	**2.5**	**3.3**	**—**	—	2.0	2.8	—

The Corporation uses mortality tables provided by regulatory authorities and actuarial associations in each country. The social security base amount (*G-amount*) is the expected increase of pensions paid from the state. In some European countries, the Corporation is responsible for the difference between what the pensioners receive from the state and the entitled pension based on their salary at the time of retirement.

The weighted average duration of the defined benefit obligation of the Corporation is 20 years.

The sensitivity of the defined benefit obligation to changes in the weighted principal actuarial assumptions is as follows:

	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.5 %	Decrease by 9.6%	Increase by 10.6%
Rate of compensation increase	0.5 %	Increase by 2.2%	Decrease by 2.0%
Rate of benefit increase	0.5 %	Increase by 7.6%	Decrease by 7.2%
Increase of life expectancy	1 year	Increase by 4.2%	-

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The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, because changes in some of the assumptions may be correlated. When calculating the above sensitivity analysis, the same method has been applied as when calculating the pension liability recognized in the consolidated balance sheets.

In Europe, it is the Corporation's responsibility to make contributions, where required, to the defined benefit plans. The Corporation contributes to these plans except when they are overcapitalized. For funded plans that are running a deficit, the Corporation makes payments based on the actuaries' recommendations and existing regulations. The Corporation is committed to making special payments in the coming years to eliminate the deficit. These contributions have limited impact on the Corporation's cash flows. The Corporation does not have a funded plan in the United States.

Defined contribution plans

The Corporation's total pension expense under its defined contribution plans and mandatory governmental plans for the fiscal year 2022 is $153.9 ($142.4 for 2021).

Deferred compensation plan – United States operations

The Corporation sponsors a deferred compensation plan that allows certain employees in its United States operations to defer up to 25.0% of their base salary and 100.0% of their cash bonuses for any given year. Interest accrued on the deferral and amounts due to the participants are generally payable on retirement, except in certain limited circumstances. Obligations under this plan amount to $78.1 as at April 24, 2022 ($72.5 as at April 25, 2021) and are included in Deferred credits and other liabilities. The assets of the plan are held in a trust and are subject to the claims of the Corporation's general creditors under federal and state laws in the event of insolvency, therefore, the trust qualifies as a Rabbi trust for income tax purposes. The plan's assets mainly consist of mutual funds and are classified as investments measured at fair value through earnings or loss. Assets under this plan amount to $79.5 as at April 24, 2022 ($71.9 as at April 25, 2021) and are included in Other assets (Note 19).

30. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Financial risk management objectives and policies

The Corporation's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk, liquidity risk and price risk. The Corporation uses cross-currency interest rate swaps to hedge its foreign currency risk related to its net investments in its operations in the United States. The Corporation also uses from time to time interest rate locks and/or forward starting interest rate swaps to hedge the interest rates on forecasted debt issuance, and fixed-to-floating interest rate swaps to hedge the interest rates associated with fixed interest rate debt.

The Corporation's risk management is predominantly controlled by its treasury department and its road transportation fuel and other fossil fuel supply group under policies approved by the Board of Directors. The groups that manage these risks identify, evaluate and hedge financial risks in close co-operation with the Corporation's operating units. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, investment of excess liquidity and capital risk management.

Foreign currency risk

A large portion of the Corporation's consolidated revenues and expenses are received or denominated in the functional currency of the business units operating in the markets in which it does business. Accordingly, the Corporation's sensitivity to variations in foreign exchange rates is economically limited.

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For the fiscal years ended April 24, 2022 and April 25, 2021
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The Corporation is exposed to foreign currency risk with respect to its cash and cash equivalents denominated in currencies other than the respective functional currencies, long-term debt denominated in US dollars, its Norwegian-krone and Euro-denominated senior unsecured notes and the cross-currency interest rate swaps, a portion of which are designated as net investment hedges of its operations in the United States, Norway, Denmark, the Baltics and Ireland. As the Corporation uses the US dollar as its reporting currency, part of these impacts is compensated by the translation of the Canadian-dollar consolidated financial statements into US dollars. For the long-term debt denominated in US dollars, Norwegian-krone and Euro and the cross-currency interest rate swaps which are designated as net investment hedges of foreign operations, as at April 24, 2022, a variation in those currencies would be offset by equivalent amounts from the hedged net investments in OCI. For the cash and cash equivalent denominated in currencies other than the respective functional currencies, as at April 24, 2022 and with all other variables held constant, a hypothetical variation of 5.0% of the various currencies other than the respective functional currencies would have had a net impact of $61.8 on Net earnings, which would be partially offset by a net impact of $50.0 from the portion of its long-term debts denominated in US dollars not designated as net investment hedges of foreign operations.

Interest rate risk

The Corporation's fixed rate long-term debt is exposed to a risk of change in fair value due to changes in interest rates. As at April 24, 2022, the Corporation did not hold any derivative instruments to mitigate this risk but it enters from time to time into fixed-to-floating interest rate swaps in order to hedge a portion of the interest rate fair value risk associated with fixed interest rate debt.

The Corporation is exposed to a risk of change in cash flows due to changes in interest rates when its long-term debt includes variable rate balances. As at April 24, 2022, the Corporation did not hold any derivative instruments to mitigate this risk. The Corporation analyzes its cash flow exposure on an ongoing basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Corporation calculates the impact on net financial expenses of a defined interest rate shift. Based on variable rate long-term debt balances as at April 24, 2022 and April 25, 2021, the annual impact on net financial expenses of a 1.0% parallel shift in the interest rate curve would not have been significant.

The Corporation is exposed to a risk of change in cash flows due to changes in interest rates on future debt issuance. To mitigate this risk, the Corporation enters from time to time into interest rate locks and/or forward starting interest rate swaps in order to hedge the interest rates on forecasted debt issuance (Note 22). As at April 24, 2022, a 1.0% increase in the interest rate curve would have favorably impacted the fair value of the forward starting interest rate swaps by $41.5, while a 1.0% decrease in the interest rate curve would have unfavorably impacted the fair value of the forward starting interest rate swaps by $45.5.

Credit risk

The Corporation is exposed to credit risk with respect to Cash and cash equivalents, Trade accounts receivable and vendor rebates receivable, Credit and debit cards receivable, net investment in subleases, notes receivable, deposits, indexed deposits and derivative financial instruments when their fair value is favorable to the Corporation.

Key elements of the Corporation's credit risk management approach include credit risk policies, credit mandates, an internal credit assessment process, credit risk mitigation tools and continuous monitoring and management of credit exposures. Prior to entering into transactions with new counterparties, the Corporation's credit policy requires counterparties to be formally approved and assigned internal credit ratings as well as exposure limits. Once established, counterparties are reassessed according to policy and monitored on a regular basis. Counterparty risk assessments are based on a quantitative and qualitative analysis of recent financial statements, when available, and other relevant business information. In addition, the Corporation evaluates any past payment performance, the counterparties' size and business diversification, and the inherent industry risk. The Corporation monitors outstanding balances and individual exposures against limits on a regular basis.

Credit risk related to Trade accounts receivable and vendor rebates receivable related to convenience store operations and commodity indexed deposits is limited considering the nature of the Corporation's activities and measures taken to manage the credit risk of its counterparties. As at April 24, 2022, no single creditor accounted for over 10.0% of total Trade accounts receivable and vendor rebates receivable and the related amounts at risk corresponds to their carrying amount.

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The Corporation mitigates the credit risk related to cash, cash equivalents and credit and debit cards receivable by transacting solely with major financial institutions that have low or minimal credit risk. As at April 24, 2022, the amounts at risk related to Cash and cash equivalents and Credit and debit cards receivable corresponds to their carrying amount in addition to the credit risk exposure related to the Circle K / MasterCard credit cards as described below.

In some European markets, customers can settle their purchases at the Corporation's multiple points of sale or at any other merchants with a Circle K / MasterCard credit card. The Corporation has entered into agreements whereby the risks and rewards related to the credit cards, such as fee income, administration expenses and credit losses, are shared between the Corporation and the issuing banks. Outstanding balances are charged to the customer monthly. The Corporation's exposure as at April 24, 2022, relates to receivables of $113.6, of which $44.9 was interest-bearing. These receivables from cardholders are not recognized in the Corporation's consolidated balance sheet. For fiscal year 2022, the losses recognized were not significant. In light of accurate credit assessments and continuous monitoring of outstanding balances, the Corporation believes that the receivables do not represent any significant risk. The income and risks related to these arrangements with the banks are reported and accounted for on a monthly basis and settlements occur every four months.

The Corporation is exposed to credit risk arising from the share units indexed deposits and from derivative financial instruments when their unsettled fair value is favorable to the Corporation. In accordance with its risk management policy, to reduce this risk, the Corporation has entered into these instruments with major financial institutions with a very low credit risk.

Liquidity risk

Liquidity risk is the risk that the Corporation would encounter difficulties in meeting its obligations associated with financial liabilities and lease liabilities. The Corporation is exposed to this risk mainly through its Long-term debt, Accounts payable and accrued liabilities, lease liabilities and outflows associated with derivative financial instruments. The Corporation's liquidity is provided mainly by cash flows from operating activities and borrowings available under its credit facilities.

On an ongoing basis, the Corporation monitors rolling forecasts of its liquidity reserve on the basis of expected cash flows taking into account operating needs, the tax situation and capital requirements and ensures that it has sufficient flexibility under its available liquidity resources to meet its obligations.

The contractual maturities of financial liabilities and their related interest as at April 24, 2022, are as follows:

	Carrying amount	Contractual cash flows	Less than one year	Between one and two years	Between two and five years	More than five years
	$	$	$	$	$	$
Non-derivative financial liabilities[1]						
Accounts payable and accrued liabilities[2]	**4,360.8**	**4,360.8**	**4,360.8**	—	—	—
US-dollar-denominated senior unsecured notes	3,967.5	6,554.3	143.7	143.7	431.1	5,835.8
Canadian-dollar-denominated senior unsecured notes	1,102.5	1,216.2	36.8	36.8	1,142.6	—
Euro-denominated senior unsecured notes	809.1	887.3	15.2	15.2	856.9	—
NOK-denominated senior unsecured notes	75.7	87.0	2.9	2.9	81.2	—
Other debts	10.2	11.0	2.1	0.6	3.8	4.5
Long-term debt	**5,965.0**	**8,755.8**	**200.7**	**199.2**	**2,515.6**	**5,840.3**
Lease liabilities - Current contractual maturities[3]	3,476.2	2,577.2	493.7	439.6	855.2	788.7
Lease liabilities - Future renewal options[3]		1,562.3	4.3	27.4	261.8	1,268.8
Lease liabilities	**3,476.2**	**4,139.5**	**498.0**	**467.0**	**1,117.0**	**2,057.5**
Cross-currency interest rate swaps payable[1]	**34.1**	**1,249.3**	**40.1**	**40.1**	**1,169.1**	—
Cross-currency interest rate swaps receivable[1]		**(1,216.2)**	**(36.8)**	**(36.8)**	**(1,142.6)**	—
	13,836.1	**17,289.2**	**5,062.8**	**669.5**	**3,659.1**	**7,897.8**

(1) Based on spot rates, as at April 24, 2022, for balances for which the underlying currency differs from the Corporation's reporting currency and for balances bearing interest at variable rates.
(2) Excludes deferred credits as well as statutory accounts payable and accrued liabilities such as sales taxes, excise taxes and property taxes.
(3) Includes lease liabilities classified as Liabilities associated with assets held for sale as at April 24, 2022.

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Price risk

The Corporation's sales of refined oil products, which include road transportation fuel and energy for stationary engines, constitute a material share of its operating income. As a result, its business, financial position, results of operation and cash flows are affected by changes in the commodity prices of such products. The Corporation seeks to pass on any changes in purchase prices to its customers by adjusting sale prices to reflect changes in refined oil product prices. The time lag between a change in refined oil product prices and a change of prices of fuel sold by the Corporation can impact the operating income on sales of these products. From time to time, based on purchases timing and price risk assessments, the Corporation enters into commodity derivatives to reduce a portion of this risk for its sales and purchases of road transportation fuel, other fossil fuels and commodity indexed deposits. Hedge accounting was not applied for any of these derivatives.

The Corporation's obligations related to its share units plan and DSU plan create a price risk as the recorded amounts of the related liabilities fluctuate in part with the fair value of the Corporation's shares. To reduce this risk, the Corporation has entered into share units indexed deposits with an investment grade financial institution with an underlying index representing the Corporation's shares. The share units indexed deposits are recorded at fair market value on the consolidated balance sheets under Other assets and Accounts receivable. As at April 24, 2022, the nominal of the share units indexed deposits was 1,863,546 shares. The share units indexed deposits are adjusted as needed to reflect new awards, adjustments, expected performance conditions and/or settlements of share units and DSUs. As at April 24, 2022, the impact to net earnings or shareholders' equity of a 5.0% shift in the value of the Corporation's share price would not have been significant.

Maturities of derivative financial instruments

The table below presents the maturities of the notional principal or net quantity outstanding related to the Corporation's derivative financial instruments recognized on the consolidated balance sheets as at April 24, 2022:

	Less than one year	Between one and four years
Cross-currency interest rate swaps (in millions of US dollars)	—	1,127.2
Forward starting interest rate swaps (in millions of US dollars)	—	550.0
Currency put options (in millions of US dollars)	100.0	—
Currency call options (in millions of US dollars)	100.0	—
Fuel futures - gasoline (in millions of gallons)(1)	26.2	—
Fuel swaps - gasoline (in metric tons)(2)	76,000	—
Fuel swaps - diesel (in metric tons)(2)	311,500	—
Fuel swaps - aviation fuel (in metric tons)(2)	20,000	—

(1) As at April 24, 2022, the Corporation had a net short position in order to mitigate exposure to fuel prices.

(2) As at April 24, 2022, the Corporation's net position was to pay the variable price and receive the fixed price for each product. The Corporation has obligations to pay the variable price and receive the fixed price for certain fuel swaps, while it has the obligation to pay the fixed price and receive the variable price for others.

Fair value

The fair value of trade accounts receivable and vendor rebates receivable, credit and debit cards receivable and accounts payable and accrued liabilities is comparable to their carrying amounts given their short maturity.

Fair value hierarchy

Fair value measurements are categorized in accordance with the following levels:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 but which are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability which are not based on observable market data.

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The estimated fair value of each class of financial instruments, the methods and assumptions that were used to determine them and their fair value hierarchy are as follows:

Financial instruments at fair value on the consolidated balance sheets:

	Estimated fair value as at		Consolidated balance sheets classification	Methods and assumptions used	Fair value hierarchy
	April 24, 2022	April 25, 2021			
	$	$			
Share units indexed deposits - Current	**22.4**	18.4	Accounts receivable	Fair market value of the Corporation's Class A shares	Level 2
Share units indexed deposits - Non-current	**62.0**	43.5	Other assets		
Cross-currency interest rate swaps	**(34.1)**	(79.6)	Other long-term financial liabilities	Market rates	Level 2
Investments in equity instruments	**166.1**	29.2	Other long-term financial assets	Unadjusted quoted prices	Level 1
Investments in equity instruments	**66.9**	6.0	Other long-term financial assets	Recent transactions	Level 3
Investments in other financial assets	**14.4**	—	Other long-term financial assets	Recent transactions	Level 3
Commodity indexed deposits	**23.1**	9.7	Other short-term financial assets	Market rates	Level 2
Fuel swaps	**(82.7)**	(18.7)	Other short-term financial liabilities	Market rates	Level 2
Forward starting interest rate swaps	**23.4**	—	Other long-term financial assets	Market rates	Level 2
Currency put and call options	**(2.5)**	—	Other short-term financial liabilities	Market rates	Level 2
Interest rate locks	**—**	(7.9)	Other short-term financial liabilities	Market rates	Level 2

The table below shows the amounts related to the investments in equity instruments (Level 3) and investments in other financial assets (Level 3) presented on the consolidated balance sheets:

	Estimated fair value	
	2022	2021
	$	$
Balance, beginning of year	**6.0**	—
Purchases	**48.5**	6.0
Gain recognized to Other financial items[1]	**26.8**	—
Balance, end of year	**81.3**	6.0

(1) Related to financial instruments still held by the Corporation as at April 24, 2022.

The valuations of those financial instruments were predominantly based on prices for similar instruments stemming from recent larger private investments that the Corporation participated in, which represent observable inputs. Sensitivity to unobservable inputs is therefore not deemed to have a significant impact on their estimated fair value as at April 24, 2022, given the few underlying assumptions used.

In addition, information on the measurement of the convertible debentures and common share warrants in Fire & Flower is presented in Note 6.

The Corporation performs the valuation of its financial instruments required for financial reporting purposes, including Level 2 and Level 3 fair values. Changes in Level 2 and Level 3 fair values are analyzed at the end of each reporting period by the Corporation and reports explaining the reasons for the fair value movements are presented to the Corporation's management.

Financial instruments not at fair value on the consolidated balance sheets:

The table below presents the fair value, which is based on unadjusted quoted prices (Level 1) or on observable market data (Level 2), and the carrying value of the Corporation's senior unsecured notes which are not measured at fair value on the consolidated balance sheets:

	2022		2021	
	Carrying value	**Fair value**	Carrying value	Fair value
	$	**$**	$	$
US-dollar-denominated senior unsecured notes (Level 2)	**3,967.5**	**3,561.5**	4,002.9	4,257.3
Canadian-dollar-denominated senior unsecured notes (Level 1)	**1,102.5**	**1,089.6**	1,319.1	1,406.3
Euro-denominated senior unsecured notes (Level 2)	**809.1**	**794.4**	902.0	966.8
NOK-denominated senior unsecured notes (Level 2)	**75.7**	**76.2**	80.8	88.2

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

Capital management

The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce its cost of capital. The Corporation's capital comprises total Shareholders' equity and the net interest-bearing debt which refers to Long-term debt, both current portion and long-term, as well as lease liabilities, net of Cash and cash equivalents and temporary investments, if any.

In order to maintain or adjust its capital structure, the Corporation may issue new shares, repurchase its shares, dispose of lower performing assets to reduce debt or adjust the amount of dividends paid to shareholders (Notes 21 and 26).

As part of the management of its capital structure, the Corporation factors in the economic value of its stock option, share units and DSU plans (Note 27).

The Corporation monitors capital on the basis of the net interest-bearing debt to total capitalization ratio and also monitors its credit ratings as determined by third parties.

As at the consolidated balance sheets dates, the net interest-bearing debt to total capitalization ratio was as follows:

	2022	2021
	$	$
Current portion of long-term debt and Current-portion of lease liabilities	**426.8**	1,526.7
Long-term debt and lease liabilities	**9,013.1**	8,075.3
Less: Cash and cash equivalents	**2,143.9**	3,015.8
Net interest-bearing debt	**7,296.0**	6,586.2
Equity	**12,437.6**	12,180.9
Net interest-bearing debt	**7,296.0**	6,586.2
Total capitalization	**19,733.6**	18,767.1
Net interest-bearing debt to total capitalization ratio	**37.0%**	35.1%

Under its term revolving unsecured operating credit facility, the Corporation must meet the following ratios on a consolidated basis:

- A leverage ratio, which is the ratio of Total debt less Cash and cash equivalents to EBITDA for the four most recent quarters; and
- An interest coverage ratio, which is the ratio of EBITDA for the four most recent quarters to the total interest paid in the same periods.

The Corporation monitors these ratios regularly and was in compliance with these covenants as at April 24, 2022, and April 25, 2021. The Corporation is not subject to any significant externally imposed capital requirements.

31. CONTRACTUAL OBLIGATIONS

Purchase commitments

The Corporation has entered into various property purchase agreements, as well as product purchase agreements, which require the Corporation to purchase minimum amounts or quantities of merchandise and road transportation fuel annually. Failure to satisfy the minimum purchase requirements could result in termination of the contracts, penalties for shortfall volumes, change in the pricing of the products, payments to the applicable providers of a predetermined percentage of the commitments and repayments of a portion of rebates received. Historically, the Corporation has generally exceeded such minimum requirements and does not expect that any potential failure to meet those in the foreseeable future could lead to the materialization of any of the outcomes described above.

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

32. CONTINGENCIES AND GUARANTEES

Contingencies

Various claims and legal proceedings have been initiated against the Corporation in the normal course of its operations. The Corporation has no reason to believe that the outcome of these matters could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

Guarantees

The Corporation assigned a number of lease agreements for premises to third parties. Under some of these agreements, the Corporation retains a secondary responsibility to the landlord for payment of amounts under the lease agreements should the sub lessees, which assume primary responsibility, fail to pay. As at April 24, 2022, the total future lease payments under such agreements are approximately $29.0 and the fair value of the guarantee is not significant. Historically, the Corporation has not made any significant payments in connection with these contracts and do not expect to make any in the foreseeable future.

The Corporation also issues different form of guarantees, including financial guarantee commitments under car rental agreements and on behalf of retailers in Sweden. The maximum undiscounted future payments related to those guarantees totals $18.0 and the carrying amount and fair value of the guarantee commitments recognized in the consolidated balance sheet as at April 24, 2022, were not significant.

33. SEGMENTED INFORMATION

The Corporation operates convenience stores in the United States, in Europe, in Asia, which is presented as part of Europe and other regions, and in Canada. It operates in one reportable segment, the sale of goods for immediate consumption, road transportation fuel and other products mainly through company-operated and franchised stores. The Corporation operates its convenience store chain under various banners, including Circle K, Couche-Tard, Holiday, and Ingo. Revenues from external customers mainly fall into three categories: merchandise and service, road transportation fuel and other.

Information on the principal revenue categories as well as geographic information is as follows:

				2022				2021
	United States	**Europe and other regions**	**Canada**	**Total**	United States	Europe and other regions[c]	Canada	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[a]								
Merchandise and service	**11,593.2**	**2,429.1**	**2,581.5**	**16,603.8**	11,489.9	1,830.8	2,552.3	15,873.0
Road transportation fuel	**30,115.0**	**9,892.0**	**5,344.4**	**45,351.4**	19,594.7	6,295.3	3,515.3	29,405.3
Other	**46.2**	**785.6**	**22.9**	**854.7**	44.3	419.3	18.2	481.8
	41,754.4	**13,106.7**	**7,948.8**	**62,809.9**	31,128.9	8,545.4	6,085.8	45,760.1
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	**3,904.5**	**927.4**	**830.2**	**5,662.1**	3,798.7	716.2	800.2	5,315.1
Road transportation fuel	**3,626.4**	**1,057.7**	**493.0**	**5,177.1**	3,095.2	1,119.7	391.6	4,606.5
Other	**46.2**	**96.5**	**22.9**	**165.6**	44.2	131.2	18.3	193.7
	7,577.1	**2,081.6**	**1,346.1**	**11,004.8**	6,938.1	1,967.1	1,210.1	10,115.3
Total long-term assets[b]	**14,393.4**	**4,249.8**	**2,905.9**	**21,549.1**	13,272.5	4,651.2	2,889.4	20,813.1

(a) Geographic areas are determined according to where the Corporation generates operating income (where the sale takes place) and according to the location of the long-term assets.

(b) Excluding financial instruments, deferred tax assets and post-employment benefit assets.

(c) Europe and other regions include the results from operations in Asia starting December 21, 2020.

Notes to the Consolidated Financial Statements

For the fiscal years ended April 24, 2022 and April 25, 2021
(in millions of US dollars (Note 2), except share and stock option data, or unless otherwise noted)

34. SUBSEQUENT EVENT

Dividends

During its June 28, 2022 meeting, the Board of Directors declared a quarterly dividend of CA 11.0¢ per share for the fourth quarter of fiscal 2022 to shareholders on record as at July 8, 2022, and approved its payment effective July 22, 2022. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Corporate Governance & Executive Leadership Team

BOARD OF DIRECTORS

Alain Bouchard
Founder and Executive Chairman of the Board

Jean Bernier

Karinne Bouchard

Eric Boyko(2)
Chair of the Audit Committee

Jacques D'Amours
Co-founder

Janice L. Fields(1)

Éric Fortin

Richard Fortin
Co-founder

Brian Hannasch
President and Chief Executive Officer

Mélanie Kau(1)
Chair of the Human Resources and Corporate Governance Committee

Marie-Josée Lamothe(2)

Monique F. Leroux(2)

Réal Plourde
Co-founder

Daniel Rabinowicz(1)

Louis Têtu(1)

Louis Vachon
Lead Director

(1) Member of the Human Resources and Corporate Governance Committee
(2) Member of the Audit Committee

EXECUTIVE LEADERSHIP TEAM

Brian Hannasch
President and Chief Executive Officer

Ed Dzadovsky
Executive Vice President, Chief Technology Officer

Hans-Olav Høidahl
Executive Vice President, Operations, Europe

Kevin A. Lewis
Executive Vice President, Chief Marketing Officer

Alex Miller
Executive Vice President, Operations, North America, and Global Commercial Optimization

Ina Strand
Executive Vice President, Chief People Officer

Claude Tessier
Executive Vice President, Chief Financial Officer

Niall Anderton
Senior Vice President, Operations

Brian Bednarz
Senior Vice President, Operations

Aaron Brooks
Senior Vice President, Real Estate

Kathleen K. Cunnington
Senior Vice President, Global Shared Services

Rick Johnson
Senior Vice President, Operations

Jørn Madsen
Senior Vice President, Operations

Dennis Tewell
Senior Vice President, Merchandising

Louise Warner
Senior Vice President, Global Fuels

Valery Zamuner
Senior Vice President, General Counsel and Corporate Secretary

GENERAL INFORMATION

Head Office
4204, Industriel Boulevard
Laval, Québec, H7L 0E3 Canada

Stock Exchange
Toronto Stock Exchange
Symbol: ATD
Constituent of the TSX 60 index.

Transfer Agent
TSX Trust Company
1 Toronto Street, Suite 1200
Toronto, Ontario, M5C 2V6 Canada

Auditors
PricewaterhouseCoopers LLP
1250, René-Lévesque Boulevard West, Suite 2500
Montréal, Québec, H3B 4Y1 Canada

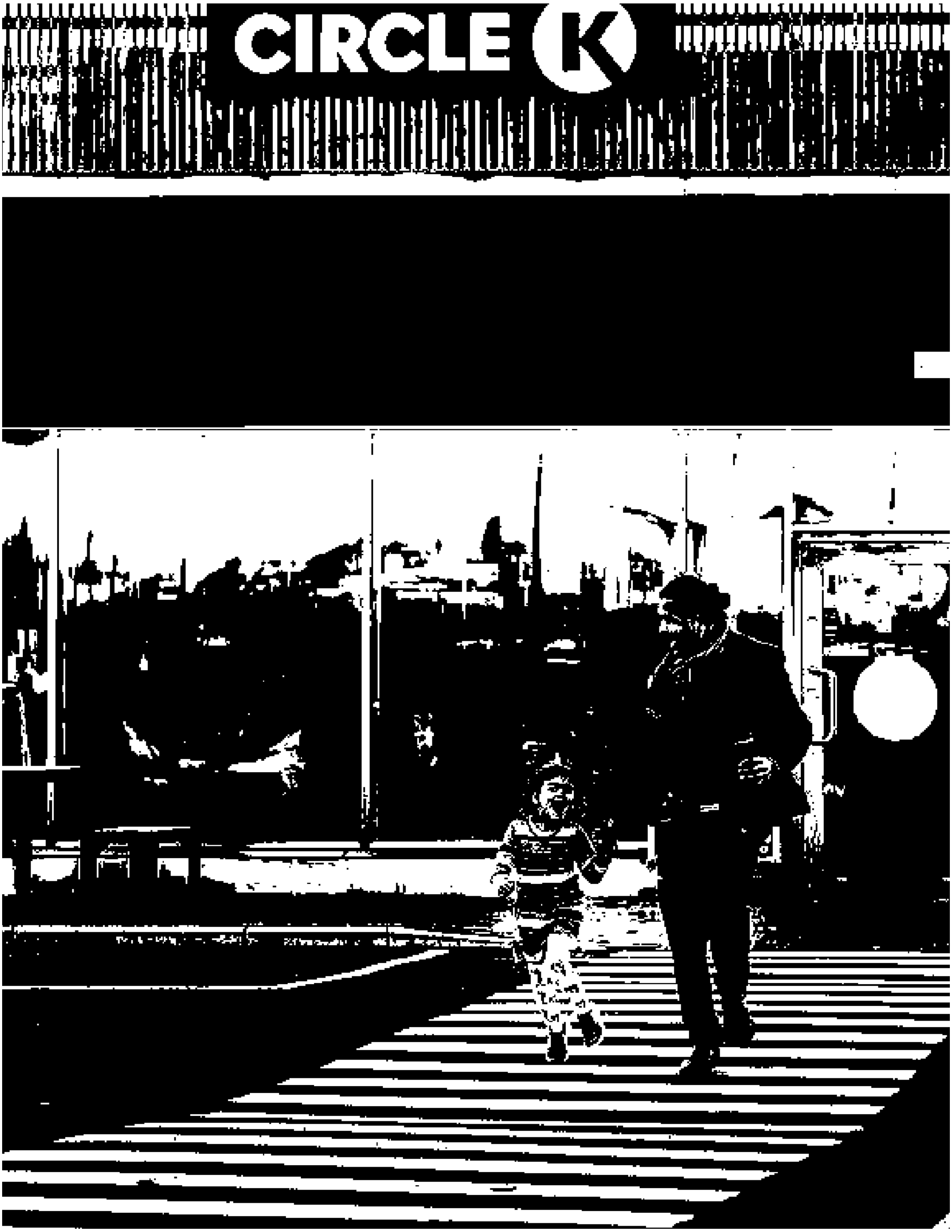
Investor Relations
Jean-Philippe D. Lachance, Vice President,
Investor Relations and Treasury
investor.relations@couche-tard.com 1-450-662-6632, ext. 4619

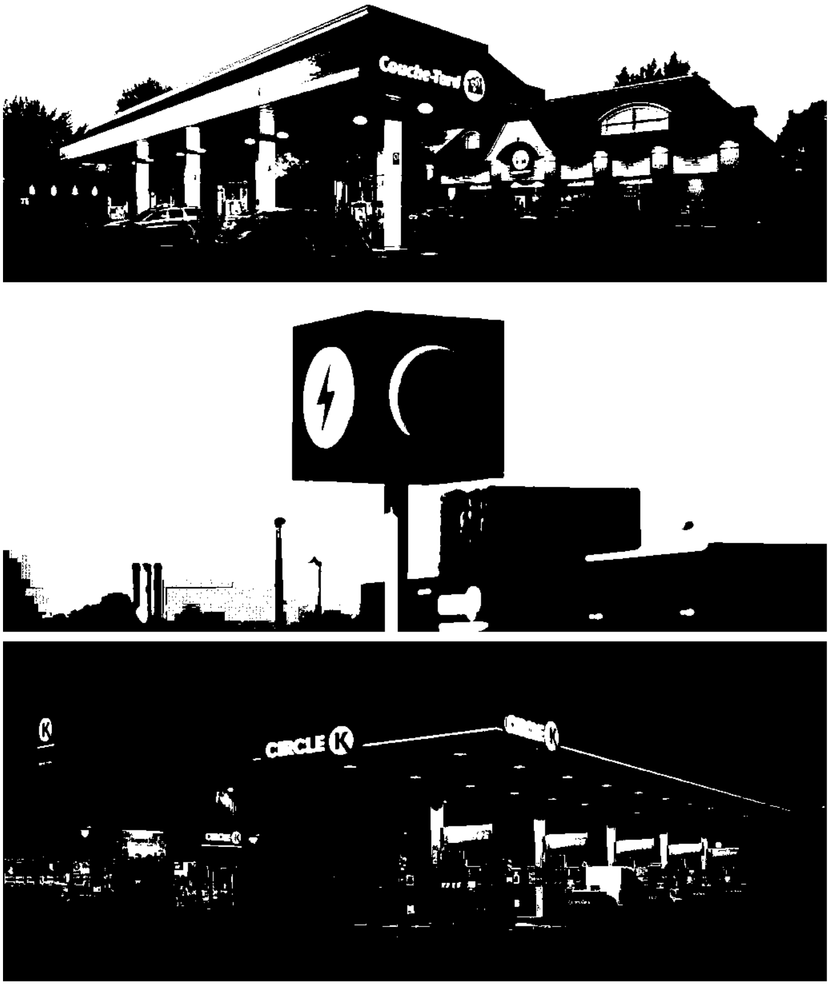
Corporate Secretary
Valery Zamuner, Senior Vice President, General Counsel
and Corporate Secretary
valery.zamuner@couche-tard.com 1-450-662-6632, ext. 4549

Media Relations
Lisa Koenig, Head of Global Communications
communication@couche-tard.com 1-450-662-6632, ext. 6611

Annual Shareholders Meeting
August 31, 2022

Additional information on Alimentation Couche-Tard Inc. and press releases are available on the company's website at:
www.corpo.couche-tard.com


CIRCLE K



ALIMENTATION
COUCHE-TARD

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
12.09.2019	11.09.2019	Torstein Kinden Helleland
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no		22078139
Org.nr	Vår referanse	Postadresse
974761076	2019/6419651	Postboks 9200 Grønland 0134 OSLO

CIRCLE K AS
Postboks 1176 Sentrum
0107 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk og fritak for konsernregnskapsplikt

Vi viser til deres brev av 7. mars og 11. september 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk og om fritak for konsernregnskapsplikt. Vi beklager den lange saksbehandlingstiden. Søknaden gjelder for følgende selskaper;

CIRCLE K TERMINAL GROUP AS ORG.NR. 921 154 747
CIRCLE K TERMINAL NORWAY AS ORG.NR. 921 154 720

Søknad om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk
Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Circle K Terminal Norway AS er eid av Circle K Group AS som igjen er eid av Circle K AS. Circle K AS er eid av Alimentation Couche Tard Inc. Virksomheten til morselskapet er også etablert i flere forskjellige land med store språkforskjeller. Således er engelsk språk et naturlig valg for å sikre at regnskapsinformasjon når frem til alle sentrale regnskapsbrukere. På denne bakgrunn tilsier hensynet til selskapets sentrale regnskapsbrukere at engelsk bør benyttes som språk i årsregnskap og årsberetning. Utarbeidelse av årsregnskapet og årsberetning på norsk for Circle K Terminal Group AS og Circle K Terminal Norway AS blir kun gjort for å oppfylle kravet i regnskapsloven og innebærer ingen merverdi. Øvrige konsernselskap har tidligere fått dispensasjon.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal" årsregnskapet *og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene inngår i et utenlandsk konsern. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Øvrige konsernselskap har tidligere fått dispensasjon.

Søknad om fritak for konsernregnskapsplikt

Overordnet morselskap i Canada, Alimentation Couche-Tard Inc., utarbeider konsernregnskap som omfatter det norske underkonsernet etter IFRS.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for det norske underkonsernet. Det forutsettes at Alimentation Couche-Tard Inc. utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med IFRS og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten på norsk, kan være på svensk, dansk eller engelsk.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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Board of Directors` report

28th September 2022

Circle K Terminal Group AS (hereinafter referred to as the Company) was registered on 12 June 2018 in Brønnøysund Register Centre. Sole shareholder of the Company is Circle K AS, Norway (100%).

Circle K Terminal Group AS and its subsidiaries ("Circle K Terminal Group") operate fuel terminals across Europe. As a measure to improve transparency of our terminal business, strengthen commercial focus, give strategic flexibility and enhance focus on the core retail business, terminal operations in Europe were separated into a new Terminal Group in 2018. In late 2020 decision was taken to implement inhouse fleet in Circle K Europe. For the purpose, two new subsidiaries implemented in Estonia and Sweden, as well as current subsidiaries in Lithuania and Latvia were reorganized.

The Company's objectives going forward are to increase level of quality of the services provided, continue to strengthen the business partnering role with internal and external customers, maintain and improve current processes, put higher focus on HSSE and become more cost efficient.

As at the end of financial year, the Company has employed around 10 people, all of them share equal opportunities. Sickness and other absences are considered in accordance with Norwegian Labour Law.

The Company ended the reporting year with NOK 68 437 061 gain. In the next financial year, the Company will stay focused on the operational efficiency efforts and process improvements. In FY22 Companies focus points are to provide services in stable and high-quality terms, strengthen Companies role in business partnership with internal and external customers, increase process efficiency at lower cost level. Company will continue investments in terminal and fleet business segments and modification projects to ensure innovative and high-quality services to existing and future customers.

Coronavirus and strict lockdowns all over the world as well as war in Ukraine has left negative impact on all economic and social activities, including fuel business. Circle K Terminal Group AS and Terminal entities are dependent on wealth of other CK entities. The Company has taken actions to ensure safety for its customers and employees including information and protective materials. Costs saving measures have also been implemented to keep the company profitable.

When preparing its financial statements in accordance with the effective accounting policies, the Company considered the need to recognise impairment of amounts receivable. Based on information available as at the date of these financial statements, there was no need to recognise any significant impairment; however, as the situation is still developing, management considers integrating the additional potential impact of the outbreak into valuation of the Company's assets and liabilities in 2022/2023.

As per the end of FY22, the Company owe MNOK 2 to Related parties, mainly due to services received from Circle K AS. The Company manages its liquidity risk by planning of terms of payment of trade payables, as well as developing and analysing the future cash flows. The budgeting system which is being successfully applied by the Company is of great use for liquidity risk management and control.

In FY22 Investments in subsidiary companies has increased by MNOK 4,5 due to investments in subsidiaries Circle K Transport Sweden and Circle K Transport Eesti. Companies Share capital value remains at the same level as in FY21 end.

Risk analysis and designing of risk management plans are conducted at the top management level.

The management of the Company is responsible for the preparation of the annual report. The Chairman of the Board is Mr. Steffen Rønningen, the members of the Board are Mr. Jerry Mikal Carlsson, Mrs. Kjersti Janne Knutsen Bakkelund, and Mr. Ivar Espen Fadum Rebbestad. Managing director of the Company is Mr. Kjetil Aamot. The annual report has been drawn up in accordance with the accounting records and gives a true and fair view of financial position of the Company. According to section 3-3 of the Norwegian Accounting Act, the Board confirms that the financial statements of the Company have been prepared based on the going-concern assumption and that it is appropriate to use this assumption.

The Company does not use financial instruments that may be important for the evaluation of the Company's assets, equity capital, liabilities, financial position and performance. All financial, market, credit and liquidity risks are controlled in conformity with the Circle K Group's Policy. The Company is exposed to credit risk through its trade receivables, cash and cash equivalents. Since main part of the Company's receivables are from internal customers, Credit risks is considered to be very low. Balances receivable are monitored on an ongoing basis to ensure that the Company's exposure to bad debts is minimised.

Risks linked to Health, Safety, Security and Environment are managed through regular risk assessments and systematic follow-up of the risks revealed as part of these processes. The Company does not pollute the external environment to any significant extent.

As of the last day of the reporting year until the date of signing these financial statements, there have been no events requiring adjustments of or disclosure in the financial statements or note thereto.

Oslo, 28th September 2022

Board of directors

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Steffen Rønningen
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Steffen Rønningen

Chairman of the Board

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Jerry Mikael Carlsson

Member of the Board

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Espen Rebbestad
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Ivar Espen Fadum Rebbestad

Member of the Board

DocuSigned by:
Erik Støhle
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Erik Olaf Støhle

Member of the Board

DocuSigned by:
Kjetil Aamot
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Kjetil Aamot

Managing director

MINUTES OF MEETING FROM BOARD OF DIRECTORS MEETING IN CIRCLE K TERMINAL GROUP AS

A meeting of the board of directors of Circle K Terminal Group AS, org. nr. 921 154 747 (the "Company") was held on 28 September 2022. The meeting was held by circulation of minutes between the board members:

Steffen Rønningen, chairman
Jerry Mikael Carlsson
Erik Olaf Støhle
Espen Rebbestad

The chairperson of the board noted that a quorum was present. No objections were raised to the notice or the agenda.

1. APPROVAL OF ANNUAL ACCOUNTS AND THE BOARD OF DIRECTOR'S REPORT, INCLUDING PROPOSAL FOR GROUP CONTRIBUTION

The annual accounts were reviewed. The annual accounts and the board of director's report for the period 1st of May 2021 to 30th of April 2022 were approved.

Based on the balance as of 30.04.22, it is proposed to distribute dividends (Norw; konsernbidrag) of MNOK 76,3 gross (MNOK 76,3 net) to Circle K AS.

The amount is within the Company's distributable funds (Norw; fri egenkapital).

The Board of directors considers that the Company after the group contribution will have sufficient equity and liquidity. Pending the approval of the General Assembly, the intercompany group contribution shall be executed immediately.

The Board of Directors considered the group contribution to be appropriate. The company will after the group contributions still have an equity and liquidity which is sound, based on the extent of the company's activities and the risk they involve.

There has not been any event since the last balance date that affects the company and the decision of a group contribution.

A general meeting of the shareholders will be convened to approve the annual accounts and the board of director's report, as well as resolve the group contribution.

***

There were no further matters on the agenda, and the meeting was thus adjourned.

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Steffen Rønningen
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Steffen Rønningen

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Espen Rebbestad
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Espen Rebbestad

DocuSigned by:
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Jerry Mikael Carlsson

DocuSigned by:
Erik Støhle
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Erik Olaf Støhle

Financial Statement

Circle K Terminal Group AS

01.05.2021. - 30.04.2022.

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Circle K Terminal Group AS
Income statement

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	01.05.2021.- 30.04.2022	01.05.2020.- 30.04.2021
7	Revenue	103 092 971	62 185 246
	Gross profit	**103 092 971**	**62 185 246**
2	Personell expenses	-18 535 716	-21 076 164
3, 7	Administrative expenses	-15 955 941	-10 962 574
	Operating profit/(loss)	**68 601 314**	**30 146 508**
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
7	Interest received from group companies	29 879	14 775
7	Interest paid to group companies	-84 403	-5 602
	Other financial expenses	-31 228	-26 257
	Financial items, net	**-85 752**	**-17 084**
	Profit/(loss) on ordinary activities before taxation	**68 515 562**	**30 129 424**
4	Tax on ordinary income	78 501	-509 280
	Profit/(loss) on ordinary activities after taxation	**68 437 061**	**30 638 703**
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**68 437 061**	**30 638 703**
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
	Transferred from/to other equity	68 437 061	30 638 703
	Total allocations and equity transfers	68 437 061	30 638 703

Circle K Terminal Group AS
Balance sheet

NOTE	ASSETS	30.04.2022	30.04.2021
	Non-current assets		
	Intangible assets		
4	Deferred tax assets	2 562 222	2 640 723
	Total intangible assets	2 562 222	2 640 723
5	Investments in subsidiary companies	601 458 429	596 948 556
	Total non-current assets	**604 020 651**	**599 589 279**
	Current assets		
7	Trade and financial accounts receivable from related parties	38 734 158	23 381 455
	Other receivables	151 344	128 880
	Cash and cash equivalents	392 402	377 209
	Total current assets	**39 277 904**	**23 887 545**
	TOTAL ASSETS	**643 298 555**	**623 476 824**

Circle K Terminal Group AS
Balance sheet

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	30.04.2022	30.04.2021
	Shareholders equity		
8	Share capital	1 060 001	1 060 001
8	Share premium	587 691 349	587 691 349
	Total paid-in capital	588 751 350	588 751 350
8	Retained earnings	46 312 515	1 110 644
	Total retained earnings	46 312 515	1 110 644
	Total shareholders equity	**635 063 865**	**589 861 994**
	Liabilities		
6	Trade and other payables	4 656 347	726 002
7	Trade and financial accounts payable to related parties	2 012 409	25 408 946
4	Corporate income tax liabilities	1	223 967
	Other taxes and withholdings	1 462 129	1 665 539
	Other current liabilities	103 803	5 590 375
	Total current liabilities	8 234 690	33 614 830
	Total liabilities	**8 234 690**	**33 614 830**
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	**643 298 555**	**623 476 824**

Oslo, 28.09.2022
Board of directors

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Steffen Rønningen
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Steffen Rønningen
Chairman of the Board

DocuSigned by:
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Jerry Mikael Carlsson
Member of the Board

DocuSigned by:
Erik Støhle
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Erik Olaf Støhle
Member of the Board

DocuSigned by:
Espen Rebbestad
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Ivar Espen Fadum Rebbestad
Member of the Board

DocuSigned by:
Kjetil Aamot
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Kjetil Aamot
Managing director

Circle K Terminal Group AS

Statement of cash flow

	Notes	01.05.2021.- 30.04.2022	01.05.2020.- 30.04.2021
Operating activities			
Profit/(loss) for the financial year		68 515 562	30 129 424
Cash flows from/(to) changes in working capital			
Trade and other receivables		-15 375 166	-13 050 737
Trade and other payables		-25 156 174	25 063 919
Taxes paid		0	-72 419
Tax payable	4	-223 966	0
Other changes		-23 235 190	-23 000 000
Net cash flow provided by/(used in) operating activities		**4 525 066**	**19 070 187**
Investing activities			
Investments in subsidiaries	5	-4 509 873	-20 052 607
Dividends and group contribution, not recognised in P&L current FY			
Cash flows provided by/(used in) investing activities		**-4 509 873**	**-20 052 607**
Financing activities			
Proceeds from issuance of new share capital	8	0	0
Cash flows provided by/(used in) financing activities		**0**	**0**
Net increase/(decrease) in cash		15 193	-982 420
Cash and cash equivalents at beginning of year		377 209	1 359 630
Cash and cash equivalents at 30th of April		**392 402**	**377 209**

Oslo, 28.09.2022
Board of directors

DocuSigned by:
Steffen Rønningen
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Steffen Rønningen
Chairman of the Board

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Member of the Board

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Kjetil Aamot
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Kjetil Aamot
Managing director

Circle K Terminal Group AS

Notes to the accounts, year ended 30 April 2022

Note 1 Accounting policies

Circle K Terminal Group AS is incorporated and domiciled in Norway. The address of its registered office is Schweigaardsgate 16, N-0191 OSLO, Norway. Alimentation Couche-Tard Inc. is the ultimate parent company of Circle K Terminal Group AS, owning through its subsidiary Circle K AS 100 percent of the shares as at 30 April 2022.

Circle K Terminal Group AS and its subsidiaries ("Circle K Terminal Group") operate fuel terminals accross Europe. As a measure to improve transparency of our terminal business, strenghten commercial focus, give strategic flexibility and enhance focus on the core retail business, terminal operations in Europe were separated into a new Terminal Group in 2018. In 2020 decision was made to seperate Fuel transportation service business in seperate legal entities owned by Circle K Terminal Group AS, two new entities established in Sweden and Estonia for that purpose in FY21. Start of operations - July and September FY22.

Circle K Terminal Group AS has in accordance with the Norwegian Accounting Act of 1998 applied the exemption for preparing group financial statements. The consolidated statements of the ultimate parent corporation Alimentation Couche-Tard Inc. can be obtained from their website at www.couche-tard.com. Alimentation Couche-Tard Inc. is a Canadian corporation which is listed on the Toronto Stock Exchange. Alimentation Couche-Tard Inc. is located in Laval, Québec, Canada.

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Valuation and classification of assets and liabilities
Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Current assets are valued at the lower of historical cost and fair value.

Foreign currency
The functional currency and presentation currency of the company is Norwegian kroner (NOK).

In preparing the financial statements, transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate at the balance sheet date. Foreign exchange differences arising on translation are recognised in the statement of income as financial income or financial expenses. Non-monetary assets that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions.

Shares in subsidiaries and associates

Subsidiaries are all entities controlled by Circle K Terminal Group AS. Control exists when the Company has the power, directly or indirectly, to govern the financial and operational policies of an entity so as to obtain benefits from its activities. Subsidiaries are accounted for using the cost method, and are recognised at cost less impairment. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles.
Impairment losses are reversed if the reason for the impairment loss is not present in a later period. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries.
Dividends and group contributions to be received are recognised either as income or as a reduction of the investment in the subsidiary, at the reporting date of the financial year that the proposal of dividend and group contribution relates to.

To the extent that the dividend or group contribution relates to the distribution of results from the period Circle K Terminal Group AS has owned the subsidiary, it is recognised as financial income. Dividends or group contributions that are repayment of invested capital is recognised as a reduction of the investment in the subsidiary.

Receivables
Trade receivables and other receivables are carried at face value less an allowance for expected losses. An estimate is made for doubtful debts based on a review of all amounts outstanding at the balance sheet date.

Cash and cash equivalents
Cash and cash equivalents include cash and bank deposits or overdrafts.
Circle K Terminal Group AS is part of an internal bank agreement established to fund the Group's net working capital needs. Any balances related to this agreement are recognised in the statement of financial position as receivables from or liabilities to related parties. The cash flow analysis presented in the statement of cash flow is derived using the indirect method.

Pensions
The company has both defined contribution plans and defined benefit plans.
Defined contribution plans

The company has a defined contribution plan and pays fixed contributions to an insurance company. After the contribution has been made the company has no further commitment to pay contributions relating to employee service in the current and prior periods. When employee services are rendered, the company recognizes the contribution payable in exchange for that service as a liability after deducting any contribution already paid.
Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.
AFP-plan in privat sector

The company participates in the AFP-plan in the private sector. The AFP-plan is a multi-employer defined benefit plan. The plan is for accounting purposes treated as a defined contribution plan, as the administrator of the scheme is not able to provide sufficient information in order to calculate and allocate the liability in a reliable manner.

Revenues
Circle K Terminal Group AS derives its revenues primarily from allocation of headquarter costs to its subsidiaries. Revenues from the sale of intercompany services are recognised when the services are delivered.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

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Note 2 Number of employees, benefits, loan to employees etc.

Average number of employees during the year	11	9

Payroll costs	01.05.2021.- 30.04.2022	01.05.2020.- 30.04.2021
Wages and salaries	13 563 292	13 921 376
Social security tax	2 184 750	2 150 443
Pension costs (see note 6)	1 503 053	1 302 167
Severance	609 497	3 286 489
Other benefits	101 426	415 688
Total	**17 962 018**	**21 076 164**

Share-based payment
Members of the Executive Committee Europe (ECE) are included in a share-based incentive program in Alimentation Couche-Tard Inc. Circle K Terminal Group AS has no liability or cost related to this program with the exception of applicable social taxes.

Directors' remuneration

	Salaries, fees	Pensions	Other benefits
Managing Director/Chief Executive Officer	-	-	-
Board of Directors	-	-	-
Corporate Assembly	-	-	-

* The Board members are employed by Circle K AS or Alimentation Couche-Tard Inc. and do not receive any remuneration for their roles and responsibilities as members of the Board of Directors.

There are no loans or guarantees to Chief Executive Officer or Chair of the Board as of 30 April 2022.

Note 3 Other administrative expenses

Auditor's remuneration (in NOK thousands)	01.05.2021.- 30.04.2022	01.05.2020.- 30.04.2021
Audit fee	114 400	110 000
Total auditor's remuneration	114 400	110 000

Research and development expenditures
The Company did not have any significant research & development expenditures in the period 01.05.2021. to 30.04.2022.

Note 4 Income tax

Income tax expense	01.05.2021.- 30.04.2022	01.05.2020.- 30.04.2021
Current taxes payable	-	-
Tax on received group contribution booked against investments	-	-
Change in deferred tax in the balance sheet	78 501	(581 699)
Changed in deferred tax recognised directly in equity	-	-
Foreign taxes		72 419
Effect of changes in tax rules	-	-
Income tax benefit / (expense)	**78 501**	**(509 280)**

Reconciliation of Norwegian nominal statuatory tax rate to effective tax rate:	01.05.2021.- 30.04.2022	01.05.2020.- 30.04.2021
Profit income before tax	**68 515 562**	**30 129 424**
Nominal tax rate	22,0%	22,0%
Tax effect of:	-	-
Permanent differences		
Foreign taxes		72 419
Dividends, not assessable for income tax	-68 158 739	-32 773 515
Total	**78 501**	**(509 281)**
Effective tax rate	**0,1 %**	**-1,7 %**

Significant components of deferred tax assets and liabilities:	01.05.2021.- 30.04.2022	01.05.2020.- 30.04.2021
Deferred tax assets on:		
Tax losses	1 417 469	1 495 970
Denied interests	1 144 753	1 144 753
Total deferred tax assets	**2 562 222**	**2 640 723**

It is likely that it will be sufficient profit for tax purposes in subsequent periods to utilize the deferred tax assets in the balance sheet.

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Movement in deferred tax assets:	01.05.2021.-30.04.2022	01.05.2020.-30.04.2021
Deferred tax asset at the beginning of the period	2 640 723	2 059 024
Deferred tax asset transferred in connection with mergers		
Recognised in the statement of income	-78 501	581 699
Recognised in equity		
Deferred tax asset at 30 April	**2 562 222**	**2 640 723**

Current income tax payable:	01.05.2021.-30.04.2022	01.05.2020.-30.04.2021
This year's payable income tax expense	-	-
Last years income tax expense, not yet paid		223 917
Current income tax payable in the balance sheet at 30 April	**-**	**223 917**

Note 5 Investments in subsidiaries

Circle K Terminal Group AS has 7 directly and wholly-owned subsidiaries.

The table below presents the subsidiaries and associated companies of Circle K Terminal Group AS as at 30 April 2022 (latest available financial information).

Company	Registered office	Country of residence	Ownership interest / Voting power	Investment book value	Equity, 30.04.2022	Profit or loss, 01.05.2021.-30.04.2022.
Circle K Terminal Norway AS	Oslo	Norway	100%	196 994 713	389 142 000	46 376 000
Circle K Terminal Sweden AB	Stockholm	Sweden	100%	171 414 722	196 316 888	34 097 682
Circle K Terminal and Transport Latvia SIA	Riga	Latvia	100%	65 785 368	73 181 209	4 704 947
Circle K Terminal Denmark ApS	Kopenhagen	Denmark	100%	151 144 510	199 657 919	7 694 273
Circle K Terminal Lietuva UAB	Vilnius	Lithuania	100%	11 556 637	24 151 900	24 152
Circle K Transport Sweden AB	Stockholm	Sweden	100%	4 181 194	4 757 728	496 228
Circle K Transport Eesti OÜ	Tallin	Estonia	100%	381 285	403 068	55 118

Note 6 Pension costs, assets and obligations

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan meets the requirements of this legislation.

Defined contribution plan
The company has a defined contribution plan. The contribution for employee services rendered in the period is recognised as pension costs. Currently 5 employees have joined the "ekstrapensjon" plan.

Net pension costs	01.05.2021.-30.04.2022	01.05.2020.-30.04.2021
Pensions paid by the company	1 857 782	1 646 590
Change in recognised pension liability	(354 729)	(344 423)
Expenses relating to the private sector AFP plan		
Expenses relating to the funded defined benefit plan	-	-
Net pension costs	**1 503 053**	**1 302 167**

Note 7 Related parties

Purchase of services from subsidiaries and related parties of Circle K Terminal Group AS amounted to 13 502 284,59 NOK (NOK 9 983 873 in FY21).
Sales to subsidiaries and other related parties mainly relate to services and amounted to 30 937 170,40 NOK (NOK 29 411 731 in FY21). Amount of dividends received in FY22 resulted in NOK 68 158 739,35 (NOK 32 773 515 in FY21). Dividends paid in FY22 - 23 235 190,00 NOK.
The table below presents net financial expenses to related parties included in financial income and financial expenses in the statement of income. Included in financial expenses are interest expenses related to internal bank credit facility. Financial income relates to interest income on positive Internal bank account balances.

	01.05.2021.-30.04.2022	01.05.2020.-30.04.2021
Financial income related parties	29 879	14 775
Financial expenses related parties	-84 403	-5 602
Foreign exchange rate change losses	-24 522	-26 257
Penalty expenses	-6 706	-
Net financial income/(expenses) related parties	**-85 752**	**-17 084**

Receivables from, and payables to, related parties are included in separate captions in the statement of financial position. The table below presents the related party balances at year-end.

	30.04.2022	30.04.2021
Trade and financial accounts receivable from subsidiaries	3 994 357	167 086
Trade and financial accounts receivable from related parties	318 622	1 238 909
Financial accounts receivable from the Group's cashpool	34 421 179	21 975 459
Total Trade and financial accounts receivable from related parties at year end	**38 734 158**	**23 381 455**

	30.04.2022	30.04.2021
Trade and financial accounts payable to related parties	1 225 335	1 879 762
Trade and financial accounts payable to subsidiaries (includes overdraft)	787 075	529 184
Dividends payable		23 000 000
Total Trade and financial accounts payable to related parties at year end	**2 012 409**	**25 408 946**

Circle K Terminal Group AS is part of an internal bank agreement established to fund the Group's net intra-month working capital needs. The cash pool is managed by a subsidiary of Circle K AS, and any balances related to this agreement are recognised as related party balances in the statement of financial position.

Note 8 Equity

This year's change in equity:	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
Equity at 30th of April 2021	1 060 001	587 691 349	-	1 110 644	589 861 994
Capital injection					-
Profit/(loss) of the year				68 437 061	68 437 061
Dividend				(23 235 190)	(23 235 190)
Equity at 30th of April 2022	1 060 001	587 691 349	-	46 312 515	635 063 865

As at 30 April 2021 the subscribed and fully paid capital consists of 1 060 001 ordinary shares with a nominal value of 1 NOK each. The sole shareholder of the Company is its parent company Circle K AS.

Note 9 Withholding tax guarantee

Circle K Terminal Group AS has outstanding guarantee in amount of 2 000 000 NOK (Oslo Kemnerkontor) effective from 23.08.2021.