ALIMENTATION
COUCHE-TARD

ANNUAL REPORT

2021

READY FOR THE FUTURE

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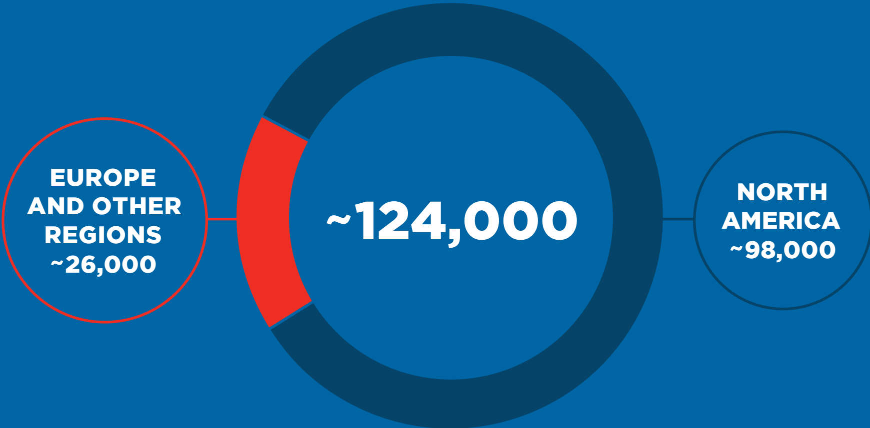
Company Highlights

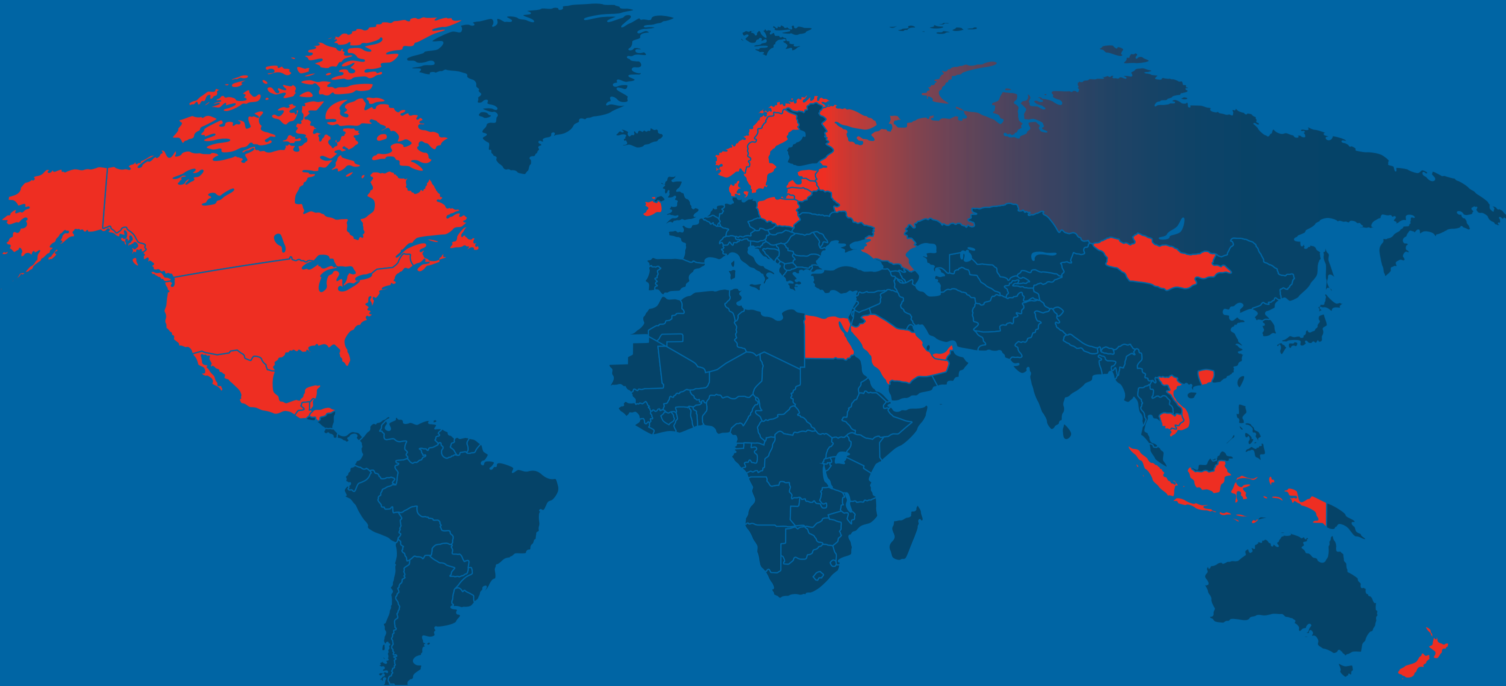
Our People

Around the world, our people work tirelessly to make our customers' lives a little easier every day.



Our Sites

Our global footprint extends across five continents. We continue to progress through acquisitions and organic growth, in line with our vision to become the world's preferred destination for convenience and fuel.



7,150
UNITED STATES

2,111
CANADA

3,067
EUROPE AND OTHER REGIONS

1,894
INTL FOOTPRINT

Financial Highlights

2021	US	EUROPE AND OTHER REGIONS	CANADA
Growth of Same-Store Merchandise Revenues	5.6%	6.1%	9.5%
Decrease in Same-Store Road Transportation Fuel Volume	(12.9%)	(6.4%)	(14.9%)

All dollar figures are in USD millions, except per share amounts which are in USD.
*Footnotes can be found on page 26.

Merchandise and Service Gross Profit [1]

Road Transportation Fuel Gross Profit [1]

EBITDA [1]

Diluted net earnings per share

Net earnings attributable to shareholders of the Corporation

Adjusted Free Cash Flow [2]

Return on Capital Employed [1]	Return on Equity [1]	Leverage Ratio [1]
2020 15.0% / 2021 **15.9%**	2020 24.8% / 2021 **24.3%**	2020 1.54 / 2021 **1.32**

ALAIN BOUCHARD

Message from the Founder and Executive Chairman of the Board

Last year, as I was writing to you about the 40th anniversary of Alimentation Couche-Tard, I hoped the pandemic would soon be behind us. Instead, one year later, our company and our world continue to cope with the uncertainty of the virus and how it has altered our lives and business.

Yet, I am filled with pride and optimism that there is light at the end of the tunnel and that Couche-Tard is ready for the future: a future where our customers are back on the road, where our business is continuously innovating and looking for new ways to make our customers' live easier, and where our team members are working hard to protect their communities and planet.

How did we become ready for this future despite the challenges of the past year? By being steadfast in our commitment and concern for our people and our customers. We stayed determined to keep our stores open and to never let our Covid guard down. Over the year, our family of approximately 124,000 team members got stronger and better and ready to grow in the future. In fact, I am overwhelmingly proud to report that we scored higher than ever before in our annual engagement survey and ranked among the best in the retail industry.

We took some big swings at growth this year and, even if conditions around the pandemic meant at times we had to walk away, I am impressed by our foresight and confidence. We kept to our customary financial discipline, and we made it clear that we are ready – both financially and operationally – to become the world's preferred destination for convenience and fuel.

This year, staying true to our entrepreneurial culture, we embraced the future through innovation. We went full speed into data analytics and gamification and opened our first frictionless store in Montreal, while also setting the stage to deploy technology from a leading provider of autonomous checkout technology in some of our Arizona stores. In Scandinavia, we expanded payment via license plate recognition and proudly remained one of the world leaders in electric vehicle charging solutions, laying the groundwork for the future of mobility in North America.

Doing good matters to me, our management team, and all our stakeholders, and we have committed ourselves to a future that is good. We made tremendous strides in becoming a more diverse and inclusive workplace. We expanded our efforts towards a cleaner, safer world by reducing our energy footprint and placing sustainability as a lens to our business, even recently issuing Green Bonds that will help us finance sustainable projects across many parts of our business. We also continued caring for our communities, ensuring that we are part of the solution in the neighborhoods that we serve.

Finally, during this upcoming year, the special voting rights of Couche-Tard's founders are set to expire. I would like to take this opportunity to let our shareholders know that this will not change my commitment to the company's mission and, as always, I will remain engaged in its strategic success and be a good steward of our shareholders' trust. I am confident that our size, our winning culture and strategy, and the structures that we have put in place, both at the leadership level and from a governance standpoint, will continue to serve the company well as we move towards an ever-brighter future.

BRIAN HANNASCH

Letter from the President and CEO

When I look back at this year, one word comes to mind and that word is "gratitude." My gratitude goes out to all our team members for their continued commitment to each other and the business during this difficult year. It is only because of their hard work, engagement and courage that our company culture and balance sheet are stronger than ever before, and that we are ready for the future – a future beyond the pandemic, where business is back, and we continue to make our customers' lives a little easier every day!

Have no doubt – this year was not easy. A year ago, when I wrote this letter, we were only three months into the pandemic, and it had already made us a better, stronger company. Now, twelve months later, the virus not only persisted, in many areas it worsened – impacting our lives, our neighborhoods and our business.

Incredibly, it also prepared us for the future as we grew stronger together, searched harder and quicker for solutions, and spread our wings into Asia to serve new regions and customers. Along the way, we strengthened our financial foundation, securing the way for future growth.

I am grateful to our outstanding operations teams who kept our team members and customers safe, our stores open, and ensured that we are part of the solution in the communities where we live and work. Together, with the support of our global teams, we did more than maintain the status quo – we innovated for the future. We expanded our fresh food offer, our frictionless payment options, our localized pricing capabilities, and our fuel procurement and delivery capacity. We also reinvented our brands, making them increasingly more modern and recognizable at every part of the customer journey.

My gratitude also goes out to our people team who went beyond and above this year to make sure our team members did not let their Covid guards down, gained better access and tools to train for future success, and stayed engaged in the business. As a result, this year, we shattered past results in our annual employee engagement survey. We also committed to listening, learning, and taking meaningful action to make our workplace more diverse and inclusive.

Looking ahead, I am grateful for the promise of the Covid-19 vaccine. None of us want to lose another family or team member to the virus, and we have been working hard to make it easy for all our team members to be vaccinated. As we are already seeing in our U.S. market, as the rate of vaccination increases across our communities, there is reason to be truly optimistic that business will soon return to normal across our global network.

As we pushed through the challenges of this year, I must say that in my almost seven years as CEO this is my proudest! As we start a new fiscal year, I want all our team members, customers, and shareholders, to know that I am filled with gratitude, knowing that with you by our side, we are ready for the future.

Ready for the future: STRONG FINANCIAL BASE

While the past year was certainly one of the most challenging ones we have faced as a company, with much uncertainty and very little visibility ahead, we were all well-served by our customary financial discipline and strong balance sheet.

Once again, we managed our business carefully, planned for the worst, and were resourceful with our shareholders' capital. We struck the right balance between deferring non-critical outlays while investing in the initiatives that would enable us to exit the pandemic in the best possible position. Importantly, thanks in large part to our solid financial health, we took all the necessary steps to protect our team members and customers, and to ensure that our network remains up and running to serve essential needs.

Financial discipline

provided stability during a volatile year

This was no easy task, as we had to adjust to the different economic realities within each of our markets. That said, our performance, both operationally and financially, was notable and, as a result, we are well positioned for growth in the future. As traffic returns to our locations, we stand ready to reinvest in our many organic initiatives, to seek out additional acquisition opportunities, and to continue to nurture the culture of discipline and entrepreneurship that has been our trademark and done so well for us over time.

In this regard, we would like to highlight and thank our teams across the organization for the work they have accomplished throughout the last year, ensuring that we emerge from the pandemic in a strong financial position and ready to accelerate capital deployment towards our strategic initiatives, while always remaining focused on driving value creation for our employees, customers, and shareholders.

> ***"Financial discipline has always been a hallmark of Couche-Tard's approach to running its business and we know this is something our shareholders place in high regard. Our strong balance sheet and keen focus on cash flows gave us the needed flexibility to withstand the tough environment of the past year, to solidify our gains and invest for the future, and to ensure the health and safety of our team members."***

Claude Tessier
Chief Financial Officer

Ready for the future: CONVENIENCE

This year, we have been laser-focused on improving the customer experience by growing our fresh food offer, localizing our pricing on a store-by store basis, and adding easier payment and delivery options both inside our stores and on our forecourts. We are also keeping our customers engaged with new, more modern branding, enhanced store layouts, and gamification promotions to drive traffic. Our goal is simple: by making our customers' lives a little easier every day, we are ready for the future of convenience.

12.9 million hot sandwiches sold in a year

FRESH FOOD, FAST

Expanding our new food initiative, *Fresh Food, Fast*, remains our top priority: offering best-in class, great tasting food for our customers on the go is key to our future as an innovated, differentiated retailer. In North America, we completed the first stage of opening 1,500 fresh food stores and will be expanding the program to an additional 2,600 stores in fiscal 2022.

As we evolve, we will keep true to our core business and do what we do best to make our customers' lives a little easier every day. That means improving our customer experience from our food and beverage offer, expanding our localized pricing and promotional capabilities, and becoming one of the most trusted brands in the industry. We are determined to meet our customers anywhere, anytime as convenience is continually redefined.

Kevin Lewis
Chief Marketing Officer

As we continue to work and refine the operational side, our focus remains on the quality and ease of the offer, both for the customer and for our store team members. Stores with *Fresh Food, Fast* continue to outperform those without in the same markets.

In Europe, we continued to develop the new *Fresh Food, Fast* concept as a platform for future growth and will be adding the program to 500 sites in fiscal 2022. We are making it easier for our customers by introducing a self-service option, adding grab-and-go elements to the freshly prepared offers that we already have in our stores.

LOCALIZED PRICING

Being a more data-centric company is one of our biggest strategic goals as we believe there is a very large prize to optimize locally in pricing, assortment, and promotions. After piloting store-by-store pricing in our Sweden and Grand Canyon business units - starting with a limited number of stores and SKUs to make sure we were doing it right and benchmarking constantly – we rolled it out to nine more divisions this year.

We are especially pleased with the improvement in gross margin dollars, which is exceeding our projections. In the upcoming fiscal year, we will bring the initiative to the remainder of the network and begin using store-specific data to enhance product assortment and promotional activity.

10,000+ SKUs
being optimized with localized pricing

In Norway, after piloting our pioneering license plate recognition payment system at the forecourt and seeing strong results, we have launched the initiative across our entire Sweden business unit with plans to expand across the network. We are excited by the positive initial response and proud to be among the first to introduce this technology to our customers.

Over the coming months, we will continue to look for ways to differentiate our offer and make our shopping experience easier and ready for the future.

INNOVATING THE CUSTOMER EXPERIENCE

Across the network, we prepared for the future by innovating our payment and delivery options. In response to the pandemic and changing shopping behaviors, we expanded and gained valuable insights into what our customers want in terms of convenience including curbside pickup and home delivery options. We are evaluating these models for further understanding and deployment.

We also made notable advancements in frictionless payments inside our stores and on our forecourts. In January, we opened our first frictionless store, Couche-Tard Connecté, which is a unique retail laboratory in partnership with McGill University in Montreal. We are impressed by the results and how we are delivering a fully frictionless experience in a timely manner and with great accuracy. Store team members have been outstanding ambassadors, playing a key role in the success of the location. In the next few months, we plan to inaugurate our first few stores in Arizona using technology from a leading provider of autonomous checkout technology, another milestone in our innovation journey.

> ***"In order to meet the clear changes that we see in our customers' needs, we are committed to innovating for the future of convenience. This year, we had exciting breakthroughs in payment and delivery options, gamification, and frictionless capabilities. Our ambition requires us to incubate and test learnings and quickly scale ideas that simplify and improve the experience for our store team members and customers."***

Deb Hall Lefevre
Chief Technology Officer

click &
collect
PICK UP POINT

HOT DOG

PEPPES PIZZA REAL AMERICAN PIZZA SINCE 1970
PEPPES PIZZA REAL AMERICAN PIZZA SINCE 1970

19,-
19,-
19,-
2 for 49,-
2 for 49,-
2 for 49,-

Ready for the future: MOBILITY

There is no doubt that the past year has been a challenging one for mobility globally, as security measures and work-from-home impeded daily commutes and travel plans. Despite the hardships, we believe that our customers will continue to rely on our network for their timely energy needs, as routines progressively return to normal. As a company, we did not stand still and have made many moves to strengthen the fuel side of our business, while at the same time looking to the future by investing in the electrification of our network.

> *While traffic and fuel volumes may have been impacted this year, it did not keep us from making real progress in our fuel business. This year, perhaps more than ever, we grew our Circle K fuel opportunities from bringing the brand to more sites in North America as well as expanding our fuel supply and logistics capabilities. Now, across our global network, Circle K fuel is increasingly coming to life and recognizable to our customers.*

Louise Warner
Senior Vice President, Global Fuels

FUEL

This year, we continued to press forward on our initiative to rebrand our forecourts to Circle K, converting 450 sites and adding another 71 fully branded new-to-industry locations, bringing the total to nearly 2,800 Circle K fuel branded sites in North America. In the coming year, we plan to accelerate the pace as we build further brand awareness in the minds of consumers. As we scale this rebranding work, we are also pushing forward our value proposition by developing a loyalty program that will be both attractive and easy for our customers and enable our North American network to leverage a greater amount of data, as we already do in Europe.

One of the biggest developments in our fuel business this year has been the strides we made in our supply chain, as we formed a partnership with Musket to take advantage of pooled volume procurement synergies and to become increasingly active in fuel trading opportunities. We also opened a Logistics Tower in Riga, Latvia, where all our global fuel logistics are monitored 24/7, as we aim to drive efficiencies in our supply chain as we scale it further.

2,800 Circle K branded fuel sites
in North America

4,500 home and office

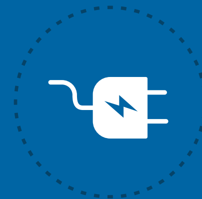
Circle K charging points

ELECTRIC VEHICLES

During the past year, we continued to accrue valuable benefits and experience from our Norway Lab, solidifying our position as a global leader in the future of electric vehicle charging solutions. In Norway, at our stations, we now have nearly 500 charging points and have gained much insight into the charging and shopping behaviors of our EV customers. With a higher frequency of charging on-the-go than initially anticipated, we have the firm conviction that our convenience and fuel network has a strong use case in an electrifying world. To complement our on-site charging, we expanded our home and workplace EV solutions to over 4,500 charging points. Additionally, with Circle K Pro, our new commercial fuel and charge card platform, we are addressing our growing B2B customer base and learning how best to serve it as we mature our mobility offer.

As part of our EV journey, we have successfully developed "destination stores" that offer a more experiential customer experience, an enhanced food offer, and table seating with complimentary wi-fi connections. On that note, our new site in Bamble, Norway, was recognized by NACS as a winner in the "Most Important Store of 2020" category. We are particularly proud of this award, as it showcases this incredible destination as one of Norway's largest EV hubs with 32 EV charging stations.

Outside of Norway, we have expanded our charging capabilities in Europe through partnerships with Ionity and have rolled out our first Circle K chargers in Ireland, Sweden, and Denmark. In the coming year, we will be sharing all our learnings from Europe as we begin to deploy charging points in North America through partnerships with Tesla, Electrify America, and Circuit Électrique, starting with select markets in Quebec and California.



500 charging stations

in Norway

Growing our EV mobility work in Norway and planning for its expansion across our European network and into North America is a strategic priority of my team and the company as a whole. We are determined to further explore the growing potential of electrification and transport our deep learnings across our broad footprint. I want to thank our teams for their hard work preparing and innovating for that future.

Hans-Olav Høidahl
Executive Vice President,
Operations, Europe

Ready for the future: NETWORK GROWTH

Organic network development continues to be an essential component of our growth strategy Whether we are building new sites in key locations, renovating and re-imaging existing stores, or acquiring complementary networks, our goal as a seller of time and convenience is to always keep a close contact with our customers, to engage them in meaningful ways with our brand, and to satisfy their daily needs.

NEW STORE DEVELOPMENT

As part of our five-year plan to double the business, we set a path to increase the number of new store builds from approximately 100 to 200 annually. While the pandemic and our consequent focus on capital preservation temporarily delayed our pace, we did not remove our focus from our long-term objectives.

During the past year, we strengthened our network development team, completed a comprehensive review of our global portfolio, and grew our pipeline for future stores. For the upcoming year, we have significant capital towards re-accelerating our rollout of new stores and are actively seeking opportunities in select metropolitan cities and dense urban areas to take advantage of commercial space vacancies created by the unfortunate pressures from the pandemic.

Additionally, we continued to roll out our new Project Horizon stores. With their enhanced layout, these larger sites permit us to display the full array of our commercial programs and brand, including our new *Fresh Food, Fast* initiative, combining these with wider aisles, more space for refrigerated cases, and a greater variety of center aisle products.

"For me, one of the highlights of this year was welcoming our new team members from Circle K Hong Kong and beginning together our journey into the dynamic Asian market. We also made strategic investments into growing the network organically as we upgraded the capabilities and operations at our locations. As a company, we are committing substantial resources in the future to building and opening a record number of new locations."

Alex Miller
Executive Vice President, Operations, North America, and Global Commercial Optimization

ACQUISITION FOCUS ON ASIA AND U.S.

On the acquisition front, we took the all-important and exciting step of entering the Asian market with our purchase of Circle K Hong Kong, a network of more than 370 stores in Hong Kong and Macao that had been operated by one of our licensees. Our business now has a platform in place from which we are ready to grow in the region, drawing many similarities with our entry in the United States twenty years ago when we acquired Bigfoot and leveraged our presence to purchase Circle K a short time later. In the U.S. market, we took advantage of our scale to densify some of our markets with the acquisition of three fill-in regional networks.

CANNABIS

We are proud of the role we play as a responsible retailer of age-restricted products and have spent decades building the reputation and necessary capabilities to lead in that area. These capabilities should extend well to the sale of cannabis and related products, and we have been dedicating resources to better understand what we will need to succeed in that arena. In that regard, in the past year, we increased our investment in Fire & Flower, and now possess a minority stake of approximately 20.0 % in the company with a path to control should we choose to do so.

We also now have two Fire & Flower stores co-located next to our own Circle K stores in Western Canada. We will continue to learn from these investments as they mature and explore how we will expand these findings to the U.S. as regulations develop in that county.

"We are continually refining our new store builds, and this year pushed forward with our new larger-format Horizon model with enhanced branding and improved layout for the customer journey. We also focused on our urban store strategy identifying more sites, some of which emerged from the pandemic, and we are excited to add these stores to our portfolio and network growth strategy."

Darrell Davis
Executive Vice President, Development and Construction, North America

Ready for the future: GROWING TOGETHER

Over the course of the year, we have made significant strides in our ambition to grow together as "One Team," particularly in employee engagement, diversity and inclusion, and sustainability as a lens to evaluate our business. While the year was clouded by the pandemic, we worked hard to make safety our number one priority, to not let our Covid guard down and to be part of the solutions in our communities. At the same time, we pushed forward programs and innovations that make it easier for our people to serve our customers and train for future success.

EMPLOYEE ENGAGEMENT

Amidst the challenges of this year, we hit a major milestone with our highest participation ever, over 94%, in our annual engagement survey. Across the board, our team members are recognizing our efforts to drive engagement and overwhelmingly believe that we are fulfilling our mission of making our customers lives a little easier every day. These numbers reflect the enormous commitment by leaders across the company to communicate, train and motivate their teams, and hold themselves accountable.

100% of team members

now on Workday® in North America and Europe

40,000

store team members globally completed gamified training

HIRING AND TRAINING

This year, we intensified our focus on hiring right and training to win. Our employee branding, which can be seen on our new career site and outreach material, progressed with a more dynamic and friendly approach promoting our growing together promise. We also focused on retention by establishing training programs for future leaders at all levels of the company from market managers to aspiring vice presidents. Our new gamification training tools for store team members are showing impressive results, and we reached a milestone in unifying our digital human resources platform across the network to make it easier to for all team members to develop through hiring, development, and benefits.

DIVERSITY AND INCLUSION

Throughout the year, following the outpouring of passion over racial tension in the U.S., we took determined steps to become a more diverse and inclusive company. We committed to listen, learn, and engage in meaningful action across the network, including establishing several business resource groups for underrepresented minorities, conducting surveys and focus groups to better understand roadblocks to career growth, and setting firm leadership expectations for creating roadmaps to more diverse teams.

I am so proud of the progress we made in growing together. Our frontline workers bravely supported each other and our customers during the pandemic. As leaders, we firmly committed to increasing employee engagement, inclusion, and doing right by the planet. We are also creating a pipeline, through hiring and training, for a more diverse leadership that reflects our customer base. Across the network, we are One Team, ready for the future.

Ina Stand
Chief People Officer

Ready for the future: SUSTAINABILITY COMMITMENT

Recently, our efforts in Diversity and Inclusion have been integrated into our sustainability work, an increasingly vital lens to every aspect of the business. We want to earn our customers' trust by being a responsible retailer who is working to support a healthier, cleaner, and more equitable future for everyone. This year, we established ambitious focus areas including fuel, energy, packaging and waste, and workplace safety. We also issued green bonds that will help us finance sustainable projects across many parts of our business. You can find out more about our sustainability progress and 2030 ambitions on our annual sustainability report here: **https://corpo.couche-tard.com/sustainability.**

10%

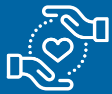
greater than global legislation on renewable fuel by 2030

30%

of our sites to be carbon neutral by 2030

100%

of our packaging will be recyclable or reusable by 2030



zero

harm for people, customers, employees and suppliers by 2030

Equitable

representation, opportunities and pay, with a focus on diversity and inclusion

We want to say thank you to all our team members, customers, and shareholders for their commitment to the business during these challenging times. We are optimistic that brighter days are ahead, and we are ready for the future as we make our customers' lives a little easier every day.

Brian Hannasch

FAST

Polar

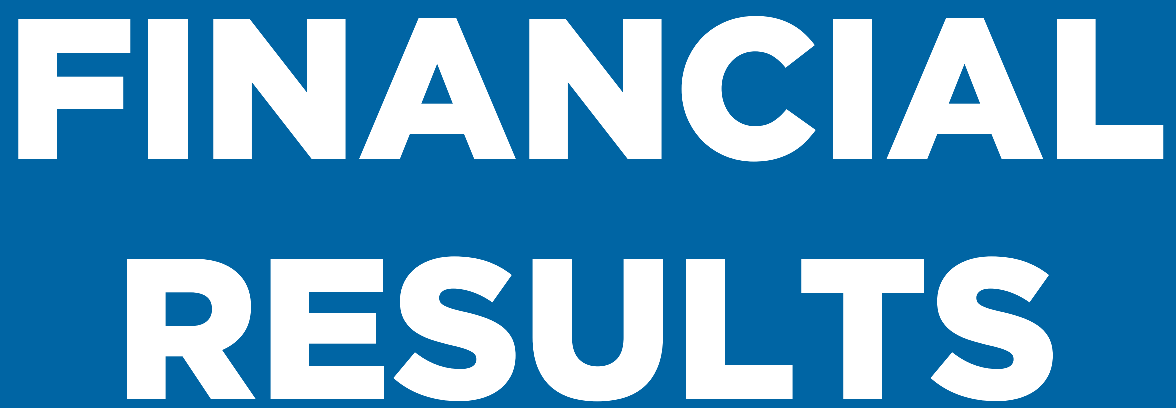
Financial Highlights Footnotes

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 2021 Management Discussion and Analysis for additional information on these performance measures not defined by IFRS.

2. The Adjusted Free Cash Flow is presented for information purposes only and excludes CrossAmerica Partners LP («CAPL»). It represents the following calculation: adjusted EBITDA[1] minus Net CAPEX, Interest paid net of interest received, Rent paid, Income taxes paid, Dividends paid; plus Proceeds from disposal of assets, CAPL’s distribution received and Incentive Distribution Rights received from CAPL. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

3. Please refer to the section “Change in Classification of Internal Logistics Costs” of the 2021 Management Discussion and Analysis for additional information on changes affecting the comparative periods.


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 25, 2021. 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 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, these measures are described in the section "Non-IFRS Measures" of this MD&A and where such measures are presented, the reader is informed. This MD&A should be read in conjunction with the audited annual consolidated financial statements and notes thereto included in our 2021 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 29, 2021, 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 the effect of sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. Additionally, we are uncertain of the duration and impacts of the current COVID-19 pandemic on our business. We are actively monitoring the effect of the COVID-19 pandemic on all aspects of our business and geographies, including how it impacts our people, our customers, our suppliers, our business partners and distribution channels.

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 2021 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 the largest independent convenience store operator in terms of the number of company-operated stores. 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 25, 2021, our network comprised 9,261 convenience stores throughout North America, including 8,103 stores with road transportation fuel dispensing. Our North American network consists of 18 business units, including 14 in the United States covering 47 states and 4 in Canada covering all 10 provinces. Approximately 98,000 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, the Baltics and Russia through 10 business units. As of April 25, 2021, our network comprised 2,725 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 work in our retail network, terminals and service offices across Europe. In Asia, our network comprised 342 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, close to 1,900 stores are operated under the Circle K banner in 14 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Indonesia, Jamaica, Macau, Mexico, Mongolia, New Zealand, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 14,200 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 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 uses 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, our recent acquisition in Hong Kong SAR provides us with another platform to grow our business. 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 for our Corporation and its shareholders, 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, the contribution from organic growth has played an important role in the growth of our net earnings. Highlights have included the ongoing improvements we have made to our offer, including fresh products, to our supply terms and to our efficiency and our ability to adapt quickly to changes. All these elements, in addition to 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 25, 2021	April 26, 2020	**April 25, 2021**	April 26, 2020	April 28, 2019
Average for the period[1]					
Canadian dollar	**0.7930**	0.7275	**0.7630**	0.7494	0.7595
Norwegian krone	**0.1178**	0.1005	**0.1110**	0.1096	0.1195
Swedish krone	**0.1181**	0.1016	**0.1141**	0.1038	0.1108
Danish krone	**0.1611**	0.1467	**0.1577**	0.1485	0.1542
Zloty	**0.2631**	0.2485	**0.2610**	0.2568	0.2675
Euro	**1.1979**	1.0953	**1.1742**	1.1087	1.1499
Ruble	**0.0133**	0.0141	**0.0135**	0.0153	0.0153
Hong Kong dollar[2]	**0.1288**	—	**0.1289**	—	—

(1) Calculated by taking the average of the closing exchange rates of each day in the applicable period.
(2) 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 25, 2021	As at April 26, 2020
Period end		
Canadian dollar	**0.8011**	0.7118
Norwegian krone	**0.1201**	0.0941
Swedish krone	**0.1190**	0.0993
Danish krone	**0.1623**	0.1448
Zloty	**0.2645**	0.2385
Euro	**1.2066**	1.0800
Ruble	**0.0134**	0.0134
Hong Kong dollar	**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, variances 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 therefore related to the translation into US dollars of our Canadian, European, Asian and corporate operations' results.

Fiscal 2021 Overview

Financial Results

Net earnings attributable to shareholders of the Corporation ("net earnings") amounted to $2.7 billion for fiscal 2021, compared with 2.4 billion for fiscal 2020. Diluted net earnings per share stood at $2.44, compared with $2.09 for the previous year.

The results for fiscal 2021 and fiscal 2020 were affected by specific items disclosed in the Non-IFRS measures section of this MD&A. Excluding these items, adjusted net earnings[1] were approximately $2.7 billion ($2.45 per share on a diluted basis[1]) for fiscal 2021, compared with $2.2 billion ($1.97 per share on a diluted basis[1]) for fiscal 2020, an increase of $500.0 million, or 22.6%, driven by higher road transportation fuel margins, organic growth on our convenience activities and disciplined cost control, partly offset by the negative impact of COVID-19 on fuel demand.

Changes in our Network during Fiscal Year 2021

Asset exchange agreement with CrossAmerica Partners LP ("CAPL")

On December 17, 2018, we entered into an asset exchange agreement with CAPL which aimed at exchanging 192 Circle K U.S. stores against the real estate property held by CAPL for 56 U.S. company-operated stores leased and operated by Couche-Tard pursuant to a master lease that CAPL had previously purchased jointly with or from CST Brands Inc., and 17 company-operated stores owned and operated by CAPL in the U.S. Upper Midwest (the "December 2018 asset exchange agreement"). The aggregate value of this agreement totaled approximately $184.0 million.

During fiscal 2021, we closed the fifth and sixth transactions of the December 2018 asset exchange agreement, which completed the asset exchange. In these transactions, we transferred 53 Circle K U.S. stores for a total value of approximately $52.0 million. In exchange, CAPL transferred the real estate for 17 properties of an equivalent value. These two transactions resulted in a gain of $10.9 million.

Strategic divestiture of sites

On March 22, 2021, we reached an agreement to sell 49 sites located in Oklahoma, within the United States, to Casey's General Stores Inc. for cash consideration of approximately $39.0 million. The transaction closed subsequent to the end of the fiscal year. As at April 25, 2021, all of these sites were classified as held for sale.

Also, on March 22, 2021, we announced our intention to sell certain sites across 25 states in the United States and 6 provinces in Canada. We expect that these sites will be sold to various buyers during fiscal year 2022. The decision to dispose of these sites was based on the outcome of a strategic review of our network. As at April 25, 2021, 264 sites in the United States and 37 sites in Canada were classified as held for sale.

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

Acquisition of Convenience Retail Asia (BVI) Limited ("Circle K HK")

On December 21, 2020, we acquired all the issued and outstanding shares of Convenience Retail Asia (BVI) Limited ("Circle K HK"), for a total cash consideration of HK $2.9 billion ($380.1 million). 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, offering a strong on-the-go food offer as well as a variety of other merchandise items and services. We settled this transaction using our available cash and existing credit facilities. This acquisition represents a significant milestone as it provides us with a platform in Asia from which to launch our regional growth ambitions. Starting December 21, 2020, Circle K HK results, balance sheet and cash flows are included in our consolidated financial statements.

Other business acquisitions

During fiscal 2021, we acquired 26 company-operated stores through various transactions. We settled these transactions using our available cash and existing credit facilities.

Store construction

During fiscal 2021, we completed the construction of 65 stores and the relocation or reconstruction of 30 stores. As of April 25, 2021, another 48 stores were under construction and should open in the upcoming quarters.

Summary of changes in our store network during the fourth quarter and fiscal 2021

The following table presents certain information regarding changes in our store network over the 12-week period ended April 25, 2021(1):

	12-week period ended April 25, 2021				
Type of site	**Company-operated(2)**	**CODO(3)**	**DODO(4)**	**Franchised and other affiliated(5)**	**Total**
Number of sites, beginning of period	9,978	402	693	1,250	12,323
Acquisitions	2	—	—	3	5
Openings / constructions / additions	23	—	7	22	52
Closures / disposals / withdrawals	(28)	(2)	(3)	(19)	(52)
Store conversion	1	(2)	—	1	—
Number of sites, end of period	**9,976**	**398**	**697**	**1,257**	**12,328**
Circle K branded sites under licensing agreements					1,894
Total network					**14,222**
Number of automated fuel stations included in the period-end figures(6)	981	—	10	—	991

The following table presents certain information regarding changes in our store network over the 52-week period ended April 25, 2021(1):

	52-week period ended April 25, 2021				
Type of site	**Company-operated(2)**	**CODO(3)**	**DODO(4)**	**Franchised and other affiliated(5)**	**Total**
Number of sites, beginning of period	9,691	453	689	1,291	12,124
Acquisitions	367	—	1	12	380
Openings / constructions / additions	65	1	32	74	172
Closures / disposals / withdrawals	(143)	(39)	(43)	(123)	(348)
Store conversion	(4)	(17)	18	3	—
Number of sites, end of period	**9,976**	**398**	**697**	**1,257**	**12,328**
Circle K branded sites under licensing agreements					1,894
Total network					**14,222**

(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.

COVID-19 Pandemic

During fiscal 2021, the COVID-19 pandemic has had a meaningful impact on our financial results, traffic declined throughout our network due to restrictive social measures and work from home trends as the pandemic situation evolved in the various geographies in which we operate. However, consolidation of trips, new shopping options and adapted product offerings enabled us to generate merchandise sales growth. From a fuel perspective, while volumes have been challenged by work from home trends and evolving local restrictions, fuel margins remained healthy despite a persistent rise in product costs during the year. From an operating expense perspective, while we promoted and supported the wellness of our employees and customers throughout the year, initiatives implemented across our network to reduce our controllable expenses had a favorable impact.

Fire & Flower

On April 28, 2020, we invested an additional amount of CA $2.5 million ($1.8 million) in Fire & Flower Holdings Corp. ("Fire & Flower"), a leading independent cannabis retailer listed on the Toronto Stock Exchange and based in Alberta, Canada. This investment is composed of secured convertible debentures as well as additional common share purchase warrants.

On September 17, 2020, the terms and conditions of our investments in Fire & Flower in the form of convertible debentures and common share purchase warrants were amended mainly to modify the maturity and expiry dates of the financial instruments, as well as their respective conversion and exercise price to a lower strike price or to a market-based price. We assessed that the impact of the amendments on our potential voting rights, along with our already existing voting rights, provided us with significant influence over Fire & Flower, which is therefore considered to be an associated company. From that date onwards, our existing ownership interest in Fire & Flower has been accounted for using the equity method.

During fiscal 2021, we exercised common share purchase warrants for a total amount of CA $19.0 million ($14.6 million). In addition, a principal amount of CA $26.1 million ($20.3 million) of convertible debentures were converted into common shares of Fire & Flower, which increased our ownership interests to approximately 20.0%. These conversions stemmed from the realization of certain events, which allowed Fire & Flower to require us to convert a portion of the debentures at conversion prices of CA $0.50 per share or CA $0.75 per share, according to the different debentures converted.

Disposal of High Value Properties

During fiscal 2021, we disposed of two properties located in Toronto, Canada, for total cash consideration of $86.2 million and recognized a gain on disposal of $67.5 million.

Debt Repayments

During fiscal 2021, we fully repaid the outstanding balance of $1.5 billion borrowed on our operating credit facility D with available cash.

On August 21, 2020, we fully repaid, at maturity, our CA $300.0 million ($227.1 million) Canadian-dollar-denominated senior unsecured notes issued on August 21, 2013.

Share Repurchase Program

On November 24, 2020, the Toronto Stock Exchange approved the renewal of our share repurchase program which allowed us to repurchase up to 4.0% of the public float of our Class B subordinate voting shares. During fiscal 2021, we repurchased 33,336,141 Class B subordinate voting shares and these repurchases were settled for a net amount of $1.1 billion. All shares repurchased were cancelled and the program terminated early as the authorized share repurchase limit was reached.

On April 21, 2021, the Toronto Stock Exchange approved the implementation of a new share repurchase program ("New Program"), which took effect on April 26, 2021. The New Program allows us to repurchase up to 4.0% of the public float of our Class B subordinate voting shares. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange, is also in place and could allow a designated broker to repurchase shares on our behalf within parameters established by us. Subsequent to the end of fiscal year 2021, we repurchased 8,471,000 Class B subordinate voting shares under the New Program, for a net amount of $299.2 million.

Interest Rates Locks

During fiscal 2021, we entered into interest rate locks with the following terms:

Notional amount (in millions)	Interest lock term	Rate	Maturity date
$500.0	From 20 to 30 years	From 2.232% to 2.356%	May 14, 2021

The instruments allowed us to hedge the variability of our 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 our interest rate risk and as a result, for fiscal 2021, a loss of $7.9 million was recognized in Other comprehensive loss to reflect the fluctuation in the interest rate locks' fair value.

On May 10, 2021, prior to their maturity and subsequent to the end of fiscal 2021, we settled all of our interest rate locks with a payment of $2.9 million, which will be amortized over the term of the related US-dollar-denominated senior unsecured notes issued on May 13, 2021, as an adjustment to the related interest expense.

Subsequent Event

Issuance of Senior Unsecured Notes

On May 13, 2021, subsequent to the end of fiscal 2021, we issued US-dollar-denominated senior unsecured notes totaling $1.0 billion, consisting of the following:

	Principal amount (in millions)	Maturity	Coupon rate	Effective rate	Interest payment dates
May 13, 2021 issuance	$650.0	May 13, 2041	3.439%	3,503%	May 13th and November 13th
May 13, 2021 Green Bonds issuance	$350.0	May 13, 2051	3.625%	3,686%	May 13th and November 13th

A portion of these US-dollar-denominated senior unsecured notes was subject to interest rate locks in anticipation of their issuance.

An amount equal to the net proceeds of the Green Bonds will be used to finance or refinance our new or existing environmentally friendly projects and community initiatives, which further our commitment for a more responsible future. The remaining proceeds, as well as cash on hand, were used to fully repay, before its term, our $1.0 billion US-dollar-denominated senior unsecured notes that were set to mature on July 26, 2022. Following the delivery of a redemption notice on April 14, 2021, we recognized to earnings of fiscal 2021 an expense of $29.1 million, which includes an early redemption premium of $27.7 million.

Dividends

During its June 29, 2021 meeting, the Board of Directors declared a quarterly dividend of CA 8.75¢ per share for the fourth quarter of fiscal 2021 to shareholders on record as at July 8, 2021, and approved its payment effective July 22, 2021. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

For fiscal 2021, the Board of Directors declared total dividends of CA 33.25¢ per share, an increase of 25.5% compared with fiscal 2020.

Outstanding Shares and Stock Options

As at June 25, 2021, Couche-Tard had 253,803,100 Class A multiple-voting shares and 817,338,471 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,552,399 outstanding stock options for the purchase of Class B subordinate voting shares.

Change in Classification of Internal Logistics Costs

During the fiscal year ended April 25, 2021, we changed the classification of internal logistics costs, which were previously included in Operating, selling, administrative and general expenses, and are now included in Cost of sales, excluding depreciation, amortization and impairment in the consolidated statements of earnings. This classification change is to better reflect all of our supply chain's costs required to bring our products to their point of sale. This classification change was applied retroactively, and the comparative figures for the fiscal years ended April 26, 2020 and April 28, 2019 were adjusted to reflect this change, which had no impact on net earnings and net earnings per share.

Furthermore, we changed the calculation of the key performance indicator used for road transportation fuel gross margin for North America. The road transportation fuel gross margin for the United States and Canada regions now considers all of our fuel activities, including those of our wholesale and franchise business, which usually have lower margins than company-operated stores. As disclosed, this key performance indicator already included all fuel activities for Europe and other regions.

The table below shows, for the impacted line items only, the previously published figures, the adjustments stemming from these changes and the adjusted figures:

	52-week period ended April 26, 2020			**52-week period ended April 28, 2019**		
(in millions of US dollars, unless otherwise noted)	**Published**	**Adjustments**	**Adjusted**	**Published**	**Adjustments**	**Adjusted**
Statement of Operations Data:						
Merchandise and service gross profit[1]:						
United States	3,686.7	(45.5)	3,641.2	3,646.3	(43.6)	3,602.7
Canada	750.9	(17.7)	733.2	729.7	(20.3)	709.4
Total merchandise and service gross profit	**5,031.2**	**(63.2)**	**4,968.0**	**5,006.0**	**(63.9)**	**4,942.1**
Road transportation fuel gross profit[1]:						
United States	3,131.3	(28.0)	3,103.3	2,471.5	(14.1)	2,457.4
Total road transportation fuel gross profit	**4,465.0**	**(28.0)**	**4,437.0**	**3,949.0**	**(14.1)**	**3,934.9**
Total gross profit[1]	**9,734.7**	**(91.2)**	**9,643.5**	**9,194.9**	**(78.0)**	**9,116.9**
Operating, selling, administrative and general expenses (excluding CAPL)	5,280.9	(91.2)	5,189.7	5,595.3	(78.0)	5,517.3
Total Operating, selling, administrative and general expenses	**5,318.5**	**(91.2)**	**5,227.3**	**5,656.6**	**(78.0)**	**5,578.6**
Other Operating Data - excluding CAPL:						
Merchandise and service gross margin:						
Consolidated	34.3%	(0.4%)	33.9%	34.6%	(0.5%)	34.1%
United States	33.8%	(0.5%)	33.3%	33.8%	(0.4%)	33.4%
Canada	32.6%	(0.8%)	31.8%	33.6%	(0.9%)	32.7%
Road transportation fuel gross margin:						
United States (cents per gallon)	31.19	(1.57)	29.62	23.60	(1.22)	22.38
Canada (CA cents per liter)	7.91	(0.03)	7.88	8.38	(0.04)	8.34

(1) Please refer to the section "Non-IFRS Measures" for additional information on this performance measure not defined by IFRS.

The tables below show, for the impacted line items only, the previously published figures, the adjustments stemming from these changes and the adjusted figures for the first three quarters of fiscal 2021, as well as for the fourth quarter of fiscal 2020:

	16-week period ended January 31, 2021			12-week period ended October 11, 2020		
(in millions of US dollars, unless otherwise noted)	**Published**	**Adjustments**	**Adjusted**	**Published**	**Adjustments**	**Adjusted**
Statement of Operations Data:						
Merchandise and service gross profit[(1)]:						
United States	1,081.2	(14.3)	1,066.9	931.5	(11.2)	920.3
Canada	229.9	(5.9)	224.0	205.1	(4.4)	200.7
Total merchandise and service gross profit	**1,519.2**	**(20.2)**	**1,499.0**	**1,295.2**	**(15.6)**	**1,279.6**
Road transportation fuel gross profit[(1)]:						
United States	828.1	(15.4)	812.7	767.4	(7.7)	759.7
Total road transportation fuel gross profit	**1,282.1**	**(15.4)**	**1,266.7**	**1,147.9**	**(7.7)**	**1,140.2**
Total gross profit[(1)]	**2,865.7**	**(35.6)**	**2,830.1**	**2,485.4**	**(23.3)**	**2,462.1**
Operating, selling, administrative and general expenses (excluding CAPL)	1,617.8	(35.6)	1,582.2	1,194.4	(23.3)	1,171.1
Total Operating, selling, administrative and general expenses	**1,617.8**	**(35.6)**	**1,582.2**	**1,194.4**	**(23.3)**	**1,171.1**
Other Operating Data - excluding CAPL:						
Merchandise and service gross margin:						
Consolidated	33.5%	(0.4%)	33.1%	34.4%	(0.4%)	34.0%
United States	33.0%	(0.4%)	32.6%	34.0%	(0.4%)	33.6%
Canada	32.2%	(0.8%)	31.4%	32.6%	(0.7%)	31.9%
Road transportation fuel gross margin:						
United States (cents per gallon)	31.86	(1.10)	30.76	37.48	(1.27)	36.21
Canada (CA cents per liter)	10.36	(0.03)	10.33	10.05	(0.04)	10.01

(1) Please refer to the section “Non-IFRS Measures” for additional information on this performance measure not defined by IFRS.

	12-week period ended July 19, 2020			12-week period ended April 26, 2020		
(in millions of US dollars, unless otherwise noted)	**Published**	**Adjustments**	**Adjusted**	**Published**	**Adjustments**	**Adjusted**
Statement of Operations Data:						
Merchandise and service gross profit[(1)]:						
United States	988.3	(11.5)	976.8	802.3	(11.6)	790.7
Canada	210.5	(4.2)	206.3	154.9	(3.6)	151.3
Total merchandise and service gross profit	**1,338.0**	**(15.7)**	**1,322.3**	**1,084.2**	**(15.2)**	**1,069.0**
Road transportation fuel gross profit[(1)]:						
United States	812.5	(6.7)	805.8	903.5	(7.8)	895.7
Total road transportation fuel gross profit	**1,130.7**	**(6.7)**	**1,124.0**	**1,173.1**	**(7.8)**	**1,165.3**
Total gross profit[(1)]	**2,511.0**	**(22.4)**	**2,488.6**	**2,290.5**	**(23.0)**	**2,267.5**
Operating, selling, administrative and general expenses (excluding CAPL)	1,171.0	(22.4)	1,148.6	1,232.8	(23.0)	1,209.8
Total Operating, selling, administrative and general expenses	**1,171.0**	**(22.4)**	**1,148.6**	**1,232.8**	**(23.0)**	**1,209.8**
Other Operating Data - excluding CAPL:						
Merchandise and service gross margin:						
Consolidated	34.7%	(0.4%)	34.3%	33.5%	(0.4%)	33.1%
United States	34.7%	(0.4%)	34.3%	33.0%	(0.5%)	32.5%
Canada	31.7%	(0.6%)	31.1%	31.8%	(0.7%)	31.1%
Road transportation fuel gross margin:						
United States (cents per gallon)	42.99	(1.69)	41.30	46.88	(1.95)	44.93
Canada (CA cents per liter)	10.29	(0.04)	10.25	8.40	(0.04)	8.36

(1) Please refer to the section “Non-IFRS Measures” for additional information on this performance measure not defined by IFRS.

Statements of Earnings Categories

Merchandise and service revenues. In-store merchandise sales primarily comprise the sale of tobacco products and alternative tobacco products, beer, wine, beverages, 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 and sales of gift cards.

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. We also generate license fees revenues derived from the underlying sale of cannabis products through licensed stores in Ontario, Canada.

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. The road transportation fuel gross margin for stores generating commissions corresponds to the sales commission.

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 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 2021 - Other Operating Data”, are merchandise and service gross margin, growth of same-store merchandise revenues, road transportation fuel gross margin and growth of same-store road transportation fuel volume, return on equity and return on capital employed.

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;
- Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA”) and adjusted EBITDA;
- Adjusted net earnings attributable to shareholders of the Corporation (“adjusted net earnings”) and adjusted diluted net earnings attributable to shareholders of the Corporation per share (“adjusted diluted net earnings per share”);
- Net interest-bearing debt/total capitalization and leverage ratios; and
- Return on equity and return on capital employed.

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. Until November 2019, CAPL's impact was considered as if it was reported using the equity method as we believe it allowed a more relevant presentation of the underlying performance of the Corporation.

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		
	April 25, 2021	April 26, 2020	**April 25, 2021**	April 26, 2020	April 28, 2019
(in millions of US dollars)		Adjusted[1]		Adjusted[1]	Adjusted[1]
Revenues	**12,237.4**	9,687.2	**45,760.1**	54,132.4	59,117.6
Cost of sales, excluding depreciation, amortization and impairment	**9,902.9**	7,419.7	**35,644.8**	44,488.9	50,000.7
Gross profit	**2,334.5**	2,267.5	**10,115.3**	9,643.5	9,116.9

(1) Please refer to the section *“Change in Classification of Internal Logistics Costs”* for additional information on changes affecting the comparative periods.

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. 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 and payment of dividends. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16.

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 25, 2021**	April 26, 2020	**April 25, 2021**	April 26, 2020	April 28, 2019
Net earnings including non-controlling interests, as reported	**563.9**	578.3	**2,705.5**	2,357.6	1,821.3
Add:					
Income taxes	**127.6**	145.4	**653.6**	545.9	370.9
Net financial expenses	**71.7**	53.2	**342.5**	284.5	320.1
Depreciation, amortization and impairment	**344.9**	307.4	**1,358.9**	1,336.8	1,070.7
EBITDA	**1,108.1**	1,084.3	**5,060.5**	4,524.8	3,583.0
Adjusted for:					
Gain on disposal of properties	**(26.6)**	—	**(67.5)**	—	—
Acquisition costs	**1.5**	2.9	**11.8**	6.7	2.2
Net gain on the disposal of a portion of the Corporation's U.S. wholesale fuel business	**—**	(41.0)	**—**	(41.0)	—
EBITDA attributable to non-controlling interests	**—**	(2.0)	**—**	(66.6)	(77.5)
Net gain on the disposal of the Corporation's interests in CAPL	**—**	—	**—**	(61.5)	—
Restructuring costs attributable to shareholders of the Corporation(1)	**—**	—	**—**	—	10.5
Compensatory payment to CAPL for divestiture of assets, net of non-controlling interests	**—**	—	**—**	—	5.0
Gain on the disposal of the marine fuel business	**—**	—	**—**	—	(3.2)
Adjusted EBITDA, as previously reported	**1,083.0**	1,044.2	**5,004.8**	4,362.4	3,520.0
Estimated pro forma impact from transition to IFRS 16 attributable to shareholders of the Corporation	—	—	—	—	381.0
Adjusted EBITDA	**1,083.0**	1,044.2	**5,004.8**	4,362.4	3,901.0

(1) This measure for the 52-week period ended April 28, 2019 is adjusted for restructuring costs. Starting April 29, 2019, this measure has been updated to remove the adjustment for the restructuring costs.

Adjusted net earnings and adjusted diluted net earnings per share. Adjusted net earnings represents net earnings attributable to shareholders of the Corporation adjusted for net foreign exchange gains or losses, acquisition costs and other specific items. These measures are considered useful for evaluating the underlying performance of our operations on a comparable basis. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16.

The table below reconcile 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)	**April 25, 2021**	April 26, 2020	**April 25, 2021**	April 26, 2020	April 28, 2019
Net earnings attributable to shareholders of the Corporation, as reported	**563.9**	576.3	**2,705.5**	2,353.6	1,833.9
Adjusted for:					
Impact of the redemption notice of senior unsecured notes	**29.1**	—	**29.1**	—	—
Gain on disposal of properties	**(26.6)**	—	**(67.5)**	—	—
Acquisition costs	**1.5**	2.9	**11.8**	6.7	—
Net foreign exchange loss (gain)	**1.1**	(22.8)	**44.9**	(33.5)	2.2
Net gain on the disposal of a portion of the Corporation's U.S. wholesale fuel business	**—**	(41.0)	**—**	(41.0)	(5.3)
Release of deferred tax asset valuation allowance	**—**	(4.6)	**—**	(33.6)	—
Net gain on the disposal of the Corporation's interests in CAPL	**—**	—	**—**	(61.5)	—
Income tax expense following the December 2018 asset exchange agreement with CAPL	**—**	—	**—**	2.7	—
Impairment charge on CAPL's goodwill	**—**	—	**—**	—	55.0
Restructuring costs attributable to shareholders of the Corporation(1)	**—**	—	**—**	—	10.5
Tax benefit stemming from the decrease of the statutory income tax rate in Sweden	**—**	—	**—**	—	(6.2)
Compensatory payment to CAPL for divestiture of assets, net of non-controlling interests	**—**	—	**—**	—	5.0
Gain on the disposal of the marine fuel business	**—**	—	**—**	—	(3.2)
Tax impact of the items above and rounding	**(5.0)**	9.2	**(7.8)**	22.6	(17.9)
Adjusted net earnings attributable to shareholders of the Corporation, as previously reported	**564.0**	520.0	**2,716.0**	2,216.0	1,874.0
Estimated pro forma impact from transition to IFRS 16	**—**	—	**—**	—	(28.0)
Adjusted net earnings attributable to shareholders of the Corporation	**564.0**	520.0	**2,716.0**	2,216.0	1,846.0
Weighted average number of shares - diluted (in millions)	**1,086.5**	1,118.2	**1,106.7**	1,124.5	1,130.1
Adjusted diluted net earnings per share	**0.52**	0.47	**2.45**	1.97	1.63

(1) This measure for the 52-week period ended April 28, 2019 is adjusted for restructuring costs. Starting April 29, 2019, this measure has been updated to remove the adjustment for the restructuring costs.

Net interest-bearing debt/total capitalization. This measure represents a measure of financial condition that is especially used in financial circles. For the purpose of this calculation, until November 2019, CAPL's long-term debt was excluded as it was a non-recourse debt to the Corporation and our investment in CAPL was considered as if it was reported using the equity method as we believe it allowed a more relevant presentation of the underlying performance of the Corporation. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16.

The table below presents the calculation of this performance measure:

(in millions of US dollars)	**As at April 25, 2021**	As at April 26, 2020	As at April 28, 2019
Current portion of long-term debt and current-portion of lease liabilities	**1,526.7**	597.8	1,635.7
Long-term debt and lease liabilities	**8,075.3**	9,781.5	7,243.6
Less: Cash and cash equivalents, including restricted cash	**3,019.2**	3,649.5	736.6
Net interest-bearing debt	**6,582.8**	6,729.8	8,142.7
Shareholders' equity	**12,180.9**	10,066.6	8,923.2
Net interest-bearing debt	**6,582.8**	6,729.8	8,142.7
Total capitalization	**18,763.7**	16,796.4	17,065.9
Net interest-bearing debt to total capitalization ratio	**0.35: 1**	0.40: 1	0.48: 1

Leverage ratio. This measure represents a measure of financial condition that is especially used in financial circles. Net interest-bearing debt represents long-term debt plus current portion of long-term debt and lease liabilities plus current portion of lease liabilities. For the purpose of this calculation, until November 2019, CAPL's long-term debt was excluded as it was a non-recourse debt to the Corporation and our investment in CAPL was reported using the equity method as we believe its allows a more relevant presentation of the underlying performance of the Corporation. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16.

The table below reconciles net interest-bearing debt and adjusted EBITDA with the leverage ratio:

	52-week periods ended		
(in millions of US dollars)	**April 25, 2021**	April 26, 2020	April 28, 2019
Net interest-bearing debt	**6,582.8**	6,729.8	8,142.7
Adjusted EBITDA	**5,004.8**	4,362.4	3,520.0
Pro forma adjustments	**—**	—	381.0
Adjusted EBITDA, adjusted for pro forma	**5,004.8**	4,362.4	3,901.0
Leverage ratio	**1.32 : 1**	1.54 : 1	2.09 : 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. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16.

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)	**April 25, 2021**	April 26, 2020	April 28, 2019
Net earnings including non-controlling interests, as reported	**2,705.5**	2,357.6	1,821.3
Net (earnings) loss attributable to non-controlling interests	**—**	(4.0)	12.6
Pro forma adjustments	**—**	—	(28.0)
Net earnings attributable to shareholders of the Corporation, adjusted for pro forma	**2,705.5**	2,353.6	1,805.9
Average equity attributable to shareholders of the Corporation	**11,123.8**	9,490.2	8,241.8
Return on equity	**24.3 %**	24.8 %	21.9 %

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 interests, which excludes 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 reported period. For the 52-week periods ended April 26, 2020 and April 28, 2019, 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)	**April 25, 2021**	April 26, 2020	April 28, 2019
Net earnings including non-controlling interests, as reported	**2,705.5**	2,357.6	1,821.3
Add:			
Income taxes	**653.6**	545.9	370.9
Financial expenses	**342.5**	284.5	320.1
EBIT attributable to non-controlling interests	**—**	(24.6)	(8.1)
Pro forma adjustments	**—**	—	33.0
EBIT, adjusted for pro forma	**3,701.6**	3,163.4	2,537.2
Average capital employed	**23,252.3**	20,434.7	18,675.8
Pro forma adjustments	**—**	690.1	1,475.0
Average capital employed, adjusted for pro forma	**23,252.3**	21,124.8	20,150.8
Return on capital employed	**15.9%**	15.0%	12.6%

Summary Analysis of Consolidated Results for the Fourth Quarter of Fiscal 2021

The following table highlights certain information regarding our operations for the 12-week periods ended April 25, 2021, and April 26, 2020. 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 25, 2021**	April 26, 2020, Adjusted[2]	Variation %
Revenues	**12,237.4**	9,687.2	26.3
Operating income	**761.4**	769.6	(1.1)
Net earnings attributable to shareholders of the Corporation	**563.9**	576.3	(2.2)
Selected Operating Data:			
Merchandise and service gross margin[1]:			
Consolidated[2]	**32.6%**	33.1%	(0.5)
United States[2]	**31.8%**	32.5%	(0.7)
Europe and other regions	**38.1%**	40.6%	(2.5)
Canada[2]	**31.0%**	31.1%	(0.1)
Growth of (decrease in) same-store merchandise revenues[3]:			
United States[4]	**8.1%**	(0.5%)	
Europe and other regions[5]	**9.7%**	(6.5%)	
Canada[4]	**1.6%**	4.7%	
Road transportation fuel gross margin:			
United States (cents per gallon)[2]	**34.45**	44.93	(23.3)
Europe and other regions (cents per liter)	**10.85**	8.67	25.1
Canada (CA cents per liter)[2]	**10.92**	8.36	30.6
Growth of (decrease in) same-store road transportation fuel volume[4]:			
United States	**5.4%**	(18.3%)	
Europe and other regions	**3.6%**	(13.4%)	
Canada	**4.9%**	(23.5%)	

(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 section *"Change in Classification of Internal Logistics Costs"* for additional information on changes affecting the comparative periods.
(3) Does not include services and other revenues (as described in footnote 1 above). Growth in Canada and in Europe and other regions is calculated based on local currencies.
(4) For company-operated stores only.
(5) Includes the growth of same-store merchandise revenues of Circle K HK starting December 21, 2020.

Revenues

Our revenues were $12.2 billion for the fourth quarter of fiscal 2021, up by $2.6 billion, an increase of 26.3% compared with the corresponding quarter of fiscal 2020, mainly attributable to a higher average road transportation fuel selling price, the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, which had an impact of approximately $309.0 million, to higher fuel demand and to organic growth on merchandise and service sales.

Merchandise and service revenues

Total merchandise and service revenues for the fourth quarter of fiscal 2021 were $3.7 billion, an increase of $491.1 million compared with the corresponding quarter of fiscal 2020. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service revenues increased by approximately $411.0 million, or 12.7%. This increase is primarily attributable to organic growth on merchandise and service sales, as well as the contribution from acquisitions, which amounted to approximately $165.0 million. Same-store merchandise revenues increased by 8.1% in the United States, by 9.7% in Europe and other regions, and by 1.6% in Canada.

Road transportation fuel revenues

Total road transportation fuel revenues for the fourth quarter of fiscal 2021 were $8.4 billion, an increase of $2.0 billion compared with the corresponding quarter of fiscal 2020. Excluding the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues increased by approximately $1.8 billion, or 28.6%. This increase is mostly attributable to a higher average road transportation fuel selling price, which had a positive impact of approximately $1.5 billion, as well as to higher fuel demand. Same-store road transportation fuel volume increased in the United States by 5.4%, in Europe and other regions by 3.6%, and in Canada by 4.9%, however fuel demand continues to be impacted by the restrictive social measures and continued work for home trends in the various geographies in which we operate.

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, starting with the first quarter of the fiscal year ended April 26, 2020:

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) – excluding CAPL	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 the fourth quarter of fiscal 2021 were $162.7 million, an increase of $33.6 million compared with the corresponding period of fiscal 2020. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, other revenues increased by approximately $21.0 million in the fourth quarter of fiscal 2021, primarily driven by higher demand and higher prices on our other fuel products.

Gross profit[1]

Our gross profit was $2.3 billion for the fourth quarter of fiscal 2021, up by $67.0 million, or 3.0%, compared with the corresponding quarter of fiscal 2020, mainly attributable to organic growth on merchandise and service sales and higher fuel demand, the net positive impact from the translation of our Canadian and European operations into US dollars, which had an impact of approximately $65.0 million, as well as to the contribution from acquisitions, partly offset by lower road transportation fuel gross margins in the United States.

Merchandise and service gross profit

In the fourth quarter of fiscal 2021, our merchandise and service gross profit was $1.2 billion, an increase of $145.2 million compared with the corresponding quarter of fiscal 2020. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service gross profit increased by approximately $117.0 million, or 10.9%. The contribution from acquisitions amounted to approximately $44.0 million. Our gross margin decreased by 0.7% in the United States to 31.8% and by 0.1% in Canada to 31.0%, mainly due to inventory adjustments of $26.4 million and $3.2 million, respectively, mostly related to a net realizable value provision on personal protective equipment. Excluding inventory adjustments, gross margin in the U.S. and Canada would have been 32.8% and 31.6%, respectively, favorably impacted by changes in product mix. Our gross margin decreased by 2.5% in Europe and other regions to 38.1%, mainly due to the integration of Circle K Hong Kong, which has a different product mix than our European operations. Excluding Circle K Hong Kong, our gross margin in Europe and other regions would have been 42.8%, impacted by favorable changes in product mix.

Road transportation fuel gross profit

In the fourth quarter of fiscal 2021, our road transportation fuel gross profit was $1.1 billion, a decrease of $89.7 million compared with the corresponding quarter of fiscal 2020. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, our road transportation fuel gross profit decreased by approximately $122.0 million, or 10.4%. In the United States, our road transportation fuel gross margin was 34.45¢ per gallon, a decrease of 10.48¢ per gallon, mainly driven by unusually high margins in the comparative quarter due to the sharp decline in crude oil prices last year. In Europe and other regions, it was US 10.85¢ per liter, an increase of US 2.18¢ per liter, and in Canada, it was CA 10.92¢ per liter, an increase of CA 2.56¢ per liter. Fuel margins remained healthy, from favorable market conditions and improved underlying product costs, driven by fuel rebranding and procurement initiatives.

[1] Please refer to the section "Non-IFRS Measures" for additional information on this performance measure 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, starting with the first quarter of the fiscal year ended April 28, 2019, 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	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	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

Generally, during normal economic cycles, road transportation fuel margins in the United States can be volatile from one quarter to another but have historically trended higher over longer periods. The historical trends for Canada and Europe and other regions are similar, while the margin and expenses related to electronic payment modes are not as volatile.

Other revenues gross profit

In the fourth quarter of fiscal 2021, other revenues gross profit was $44.7 million, an increase of $11.5 million compared with the corresponding period of fiscal 2020. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, other revenues gross profit increased by approximately $7.0 million in the fourth quarter of fiscal 2021, 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 the fourth quarter of fiscal 2021, expenses increased by 3.1%, compared with the corresponding period of fiscal 2020. If we exclude certain items that are not considered indicative of future trends, expenses decreased by 2.9%.

	12-week period ended April 25, 2021
Total variance, as reported	**3.1%**
Adjusted for:	
Increase from the net impact of foreign exchange translation	**(3.3%)**
Increase from incremental expenses related to acquisitions	**(2.2%)**
Increase from higher electronic payment fees, excluding acquisitions	**(0.9%)**
Impact from the December 2018 asset exchange agreement with CAPL, net of electronic payment fees	**0.3%**
Acquisition costs recognized to earnings of fiscal 2020	**0.2%**
Acquisition costs recognized to earnings of fiscal 2021	**(0.1%)**
Remaining variance	**(2.9%)**

Decrease of expenses of the fourth quarter was driven by government grants of $41.0 million, cost and labor efficiencies, a lower level of COVID-19 related expenses, as well as rigorous work and activities initiated to streamline and minimize our controllable expenses, partly offset by normal inflation, higher labor costs from minimum wages increases and pressure from low unemployment rates in certain regions and incremental investments in our stores to support our strategic initiatives. COVID-19 related expenses of the fourth quarter of fiscal 2021 include *Thank You* bonuses in Canada, additional cleaning and sanitizing supplies, masks and gloves for our employees, as well as donations of personal protective equipment to the communities around our stores.

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

During the fourth quarter of fiscal 2021, EBITDA stood at $1.1 billion, an increase of 2.2% compared with the same quarter last year. Adjusted EBITDA for the fourth quarter of fiscal 2021 increased by $38.8 million, or 3.7%, compared with the corresponding quarter of the previous fiscal year, mainly due to organic growth of our convenience activities, higher fuel demand, lower operating expenses, the net positive impact from the translation of our Canadian and European operations into US dollars, which had a net positive impact of approximately $25.0 million, as well as the contribution from acquisitions, partly offset by lower road transportation fuel gross margins in the United States.

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

Depreciation, amortization and impairment (“depreciation”)

For the fourth quarter of fiscal 2021, our depreciation expense increased by $37.5 million compared with the fourth quarter of fiscal 2020. Excluding the net negative impact from the translation of our Canadian and European operations into US dollars, the depreciation expense increased by approximately $26.0 million, 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 the fourth quarter of fiscal 2021 were $71.7 million, an increase of $18.5 million compared with the fourth quarter of fiscal 2020. Excluding the items shown in the table below, net financial expenses for the fourth quarter of fiscal 2021 increased by $0.4 million compared with the fourth quarter of fiscal 2020.

	12-week periods ended	
(in millions of US dollars)	**April 25, 2021**	April 26, 2020
Net financial expenses, as reported	**71.7**	53.2
Adjusted for:		
Impact of the redemption notice of senior unsecured notes	**(29.1)**	—
Change in fair value of derivative financial instruments in Fire & Flower and amortization of deferred differences	**21.0**	(0.8)
Impact from conversion of a portion of our convertible debentures in Fire & Flower	**13.1**	—
Net foreign exchange (loss) gain	**(1.1)**	22.8
Net financial expenses excluding items above	**75.6**	75.2

Income taxes

The income tax rate for the fourth quarter of fiscal 2021 was 18.5% compared with 20.1% for the corresponding period of fiscal 2020. Excluding the item shown in the table below, the income tax rate for the fourth quarter of fiscal 2020 would have been 20.7%. The decrease for the fourth quarter of fiscal 2021 is mainly 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.

	12-week periods ended	
	April 25, 2021	April 26, 2020
Income tax rate, as reported	**18.5%**	20.1%
Adjusted for:		
Release of deferred tax asset valuation allowance	**—**	0.6%
Net income tax rate excluding items above	**18.5%**	20.7%

Net earnings attributable to shareholders of the Corporation (“net earnings”) and adjusted net earnings attributable to shareholders of the Corporation (“adjusted net earnings[1]”)

Net earnings for the fourth quarter of fiscal 2021 were $563.9 million, compared with $576.3 million for the fourth quarter of the previous fiscal year, a decrease of $12.4 million, or 2.2%. Diluted net earnings per share stood at $0.52, unchanged compared with the corresponding quarter of 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 $14.0 million on net earnings of the fourth quarter of fiscal 2021.

Adjusted net earnings for the fourth quarter of fiscal 2021 were approximately $564.0 million, compared with $520.0 million for the fourth quarter of fiscal 2020, an increase of $44.0 million, or 8.5%. Adjusted diluted net earnings per share[1] were $0.52 for the fourth quarter of fiscal 2021, compared with $0.47 for the corresponding quarter of fiscal 2020, an increase of 10.6%.

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

Summary Analysis of Consolidated Results for Fiscal 2021

The following table highlights certain information regarding our operations for the 52-week periods ended April 25, 2021, April 26, 2020, and April 28, 2019. 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 25, 2021**	April 26, 2020, Adjusted[3]	April 28, 2019, Adjusted[3]
Statement of Operations Data:			
Merchandise and service revenues[1]:			
United States	**11,489.9**	10,918.4	10,781.8
Europe and other regions	**1,830.8**	1,416.3	1,457.8
Canada	**2,552.3**	2,302.7	2,172.7
CAPL	—	29.6	95.8
Elimination of intercompany transactions with CAPL	—	*(0.8)*	*(2.7)*
Total merchandise and service revenues	**15,873.0**	14,666.2	14,505.4
Road transportation fuel revenues:			
United States	**19,594.7**	25,724.8	28,195.6
Europe and other regions	**6,295.3**	7,481.1	8,380.7
Canada	**3,515.3**	4,415.7	4,957.9
CAPL	—	1,365.7	2,211.8
Elimination of intercompany transactions with CAPL	—	*(288.0)*	*(444.7)*
Total road transportation fuel revenues	**29,405.3**	38,699.3	43,301.3
Other revenues[2]:			
United States	**44.3**	36.9	21.8
Europe and other regions	**419.3**	652.0	1,220.7
Canada	**18.2**	21.3	24.5
CAPL	—	65.6	61.2
Elimination of intercompany transactions with CAPL	—	*(8.9)*	*(17.3)*
Total other revenues	**481.8**	766.9	1,310.9
Total revenues	**45,760.1**	54,132.4	59,117.6
Merchandise and service gross profit[1][4]:			
United States	**3,798.7**	3,641.2	3,602.7
Europe and other regions	**716.2**	587.6	609.0
Canada	**800.2**	733.2	709.4
CAPL	—	6.8	23.3
Elimination of intercompany transactions with CAPL	—	*(0.8)*	*(2.3)*
Total merchandise and service gross profit	**5,315.1**	4,968.0	4,942.1
Road transportation fuel gross profit[4]:			
United States	**3,095.2**	3,103.3	2,457.4
Europe and other regions	**1,119.7**	932.0	981.1
Canada	**391.6**	344.2	392.8
CAPL	—	57.5	103.6
Total road transportation fuel gross profit	**4,606.5**	4,437.0	3,934.9
Other revenues gross profit[2][4]:			
United States	**44.2**	36.9	21.8
Europe and other regions	**131.2**	123.6	149.7
Canada	**18.3**	21.2	24.5
CAPL	—	65.7	61.2
Elimination of intercompany transactions with CAPL	—	*(8.9)*	*(17.3)*
Total other revenues gross profit	**193.7**	238.5	239.9
Total gross profit[4]	**10,115.3**	9,643.5	9,116.9
Operating, selling, administrative and general expenses			
Excluding CAPL[10]	**5,148.6**	5,189.7	5,517.3
CAPL	—	46.8	80.5
Elimination of intercompany transactions with CAPL	—	*(9.2)*	*(19.2)*
Total operating, selling, administrative and general expenses	**5,148.6**	5,227.3	5,578.6
Gain on disposal of property and equipment and other assets	**(67.8)**	(83.1)	(21.3)
Depreciation, amortization and impairment			
Excluding CAPL	**1,358.9**	1,282.9	927.2
CAPL	—	53.9	143.5
Total depreciation, amortization and impairment	**1,358.9**	1,336.8	1,070.7
Operating income			
Excluding CAPL	**3,675.6**	3,137.7	2,534.0
CAPL	—	25.3	(44.7)
Elimination of intercompany transactions with CAPL	—	*(0.5)*	*(0.4)*
Total operating income	**3,675.6**	3,162.5	2,488.9
Net financial expenses	**342.5**	284.5	320.1
Net earnings including non-controlling interests	**2,705.5**	2,357.6	1,821.3
Net (earnings) loss attributable to non-controlling interests	—	(4.0)	12.6
Net earnings attributable to shareholders of the Corporation	**2,705.5**	2,353.6	1,833.9
Per Share Data:			
Basic net earnings per share (dollars per share)	**2.45**	2.10	1.62
Diluted net earnings per share (dollars per share)	**2.44**	2.09	1.62
Adjusted diluted net earnings per share (dollars per share)[4][10]	**2.45**	1.97	1.63
Cash dividend per share declared for fiscal year ended (CA cents per share)	**33.25**	26.50	22.50

(in millions of US dollars, unless otherwise stated)	52-week periods ended		
	April 25, 2021	April 26, 2020, Adjusted[3]	April 28, 2019, Adjusted[3]
Other Operating Data – excluding CAPL:			
Merchandise and service gross margin[1]:			
Consolidated[3]	**33.5%**	33.9%	34.1%
United States[3]	**33.1%**	33.3%	33.4%
Europe and other regions	**39.1%**	41.5%	41.8%
Canada[3]	**31.4%**	31.8%	32.7%
Growth of same-store merchandise revenues[5]:			
United States[6]	**5.6%**	2.1%	4.1%
Europe and other regions[7]	**6.1%**	0.1%	4.8%
Canada[6]	**9.5%**	2.8%	5.2%
Road transportation fuel gross margin:			
United States (cents per gallon)[3]	**35.28**	29.62	22.38
Europe and other regions (cents per liter)	**10.99**	8.48	8.61
Canada (CA cents per liter)[3]	**10.36**	7.88	8.34
Total volume of road transportation fuel sold:			
United States (millions of gallons)	**8,772.8**	10,476.1	10,979.5
Europe and other regions (millions of liters)	**10,191.8**	10,990.3	11,391.2
Canada (millions of liters)	**4,952.6**	5,815.6	6,198.9
(Decrease in) growth of same-store road transportation fuel volume[6]:			
United States	**(12.9%)**	(3.9%)	0.7%
Europe and other regions	**(6.4%)**	(3.9%)	(0.9%)
Canada	**(14.9%)**	(6.0%)	(1.6%)

(in millions of US dollars, unless otherwise stated)	As at April 25, 2021	As at April 26, 2020	As at April 28, 2019
Balance Sheet Data[8]:			
Total assets (including $1.1 billion for CAPL as at April 28, 2019)	**28,394.5**	25,679.5	25,033.0
Interest-bearing debt (including $696.0 million for CAPL as at April 28, 2019)[9]	**9,602.0**	10,379.3	9,575.3
Equity attributable to shareholders of the Corporation	**12,180.9**	10,066.6	8,913.7
Indebtedness Ratios[4]:			
Net interest-bearing debt/total capitalization[9]	**0.35 : 1**	0.40 : 1	0.48 : 1
Leverage ratio[10]	**1.32 : 1**	1.54 : 1	2.09 : 1
Returns[4]:			
Return on equity	**24.3%**	24.8%	21.9%
Return on capital employed	**15.9%**	15.0%	12.6%

(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, energy for stationary engines and marine fuel (until November 30, 2018).
(3) Please refer to the section "Change in Classification of Internal Logistics Costs" for additional information on changes affecting the comparative periods.
(4) Please refer to the section "Non-IFRS measures" for additional information on these performance measures not defined by IFRS.
(5) Does not include services and other revenues (as described in footnotes 1 and 2 above). Growth in Canada and in Europe and other regions is calculated based on local currencies.
(6) For company-operated stores only.
(7) Includes the growth of same-store merchandise revenues of Circle K HK starting December 21, 2020.
(8) The balance sheet data as at April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16. The previous total assets reported was $22,607.7 million, the interest-bearing debt was $6,951.4 million and the equity attributable to shareholders of the Corporation was $8,923.2 million for the 52-week period ended April, 28, 2019.
(9) This measure is presented including the following balance sheet accounts: Current portion of long-term debt, Long-term debt, Current portion of lease liabilities, and Lease liabilities.
(10) Figures of Adjusted EBITDA, Adjusted net earnings, as well as Adjusted diluted net earnings per share as at April 26, 2020 (refer to footnote 4 above), have been updated to remove the adjustment for the restructuring costs. This adjustment had no impact on the leverage ratio as at April 26, 2020. In addition, Operating, selling, administrative and general expenses excluding CAPL for the 52-week periods ended April 26, 2020 and April 28, 2019 now include the restructuring costs that were previously presented on a distinct line.

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. Excluding CAPL's revenues, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service revenues increased by approximately $1.1 billion, or 7.6%. This increase 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% 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. Excluding CAPL's revenues, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, road transportation fuel revenues decreased by approximately $8.7 billion, or 23.1%. This decrease 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 volume decreased by 12.9% in the United States, by 6.4% in Europe and other regions, and by 14.9% 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, starting with the first quarter of the fiscal year ended April 26, 2020:

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) – excluding CAPL	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. Excluding CAPL's revenues, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, other revenues decreased by approximately $266.0 million in fiscal 2021, 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 approximately $120.0 million.

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

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. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service gross profit increased by approximately $305.0 million, or 6.2%. This increase 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 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 HK, which has a different product mix than our European operations. Excluding Circle K HK, our gross margin in Europe and other regions would have been 40.9%.

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. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, road transportation fuel gross profit increased by approximately $172.0 million, or 3.9%. The road transportation fuel gross margin 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 were driven by volatility of fuel product costs, changes in competitive landscape, and procurement initiatives.

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, starting with the first quarter of the fiscal year ended April 26, 2020, 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	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	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

Generally, during normal economic cycles, road transportation fuel margins in the United States can be volatile from one quarter to another but have historically trended higher over longer periods. The historical trends for Canada and Europe and other regions are similar, while the margin 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. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, other revenues gross profit increased by approximately $3.0 million in fiscal 2021, 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. If we exclude certain items that are not considered indicative of future trends, expenses decreased by 1.2%.

	52-week period ended April 25, 2021
Total variance, 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%**
Acquisition costs recognized to earnings of fiscal 2021	**(0.2%)**
Acquisition costs recognized to earnings of fiscal 2020	**0.1%**
Remaining variance	**(1.2%)**

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. This decrease was a result of 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.

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.

Depreciation, amortization and impairment (“depreciation”)

For fiscal 2021, our depreciation expense increased by $22.1 million compared with fiscal 2020. Excluding CAPL’s results, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, the depreciation expense increased by approximately $59.0 million for fiscal 2021, mainly driven by the impact from investments made through acquisitions, the replacement of equipment, as well as the ongoing improvement of our network.

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

Net financial expenses

Net financial expenses for fiscal 2021 were $342.5 million, an increase of $58.0 million compared with fiscal 2020. Excluding the items shown in the table below, net financial expenses for fiscal 2021 increased by $19.9 million compared with fiscal 2020, driven by higher average cost of debt.

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

Income taxes

For fiscal 2021, the income tax rate was 19.5% compared with 18.8% for fiscal 2020. Excluding the items shown in the table below, the income tax rate would have been 19.9% for fiscal 2020, the decrease 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.

	52-week periods ended	
	April 25, 2021	April 26, 2020
Income tax rate, as reported	**19.5%**	18.8%
Adjusted for:		
Release of deferred tax asset valuation allowance	**—**	1.2%
Income tax expense following the December 2018 asset exchange agreement with CAPL	**—**	(0.1%)
Net income tax rate excluding items above	**19.5%**	19.9%

Net earnings attributable to shareholders of the Corporation ("net earnings") and adjusted net earnings attributable to shareholders of the Corporation ("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 section "Non-IFRS Measures" for additional information on these performance measures not defined by IFRS.

Financial Position as at April 25, 2021

As shown by our indebtedness ratios included in the “Summary Analysis of Consolidated Results of Fiscal 2021” section and our net cash provided by operating activities, our financial position remains healthy.

Our total consolidated assets amounted to $28.4 billion as at April 25, 2021, an increase of $2.7 billion over the balance as at April 26, 2020, primarily due to the net positive impact of the variation in exchange rates at the balance sheet date, as well as from the acquisition of Circle K HK.

During the 52-week periods ended April 25, 2021 and April 26, 2020, we recorded a return on capital employed[1] of 15.9% and 15.0%, respectively.

Significant balance sheet variations are explained as follows:

Accounts receivable

Accounts receivable increased by $515.7 million, from $1.3 billion as at April 26, 2020, to $1.8 billion as at April 25, 2021. The increase stems mainly from a higher selling price for road transportation fuel during the last weeks of the fiscal year, organic growth, as well as from the net positive impact of approximately $128.0 million from the variation in exchange rates at the balance sheet date.

Inventories

Inventories increased by $530.2 million, from $1.2 billion as at April 26, 2020, to $1.8 billion as at April 25, 2021. The increase stems mainly from higher road transportation fuel cost, higher quantities on hand for both road transportation fuel and merchandise as well as from the positive net impact of approximately $54.0 million from the variation in exchange rates at the balance sheet date.

Assets held for sale

Assets held for sale increased by $271.1 million, from $64.0 million as at April 26, 2020, to $335.1 million as at April 25, 2021. The increase steams mainly from our decision to dispose of certain sites across 25 states in the United States and 6 provinces in Canada based on a strategic review of our network.

Property and equipment

Property and equipment increased by $733.6 million, from $10.1 billion as at April 26, 2020, to $10.9 billion as at April 25, 2021, mainly as a result of the investments we made to our network, as well as the net positive impact of approximately $519.0 million from the variation in exchange rates at the balance sheet date, partly offset by the depreciation, amortization and impairment expense, as well as by the reclassification of some property and equipment as assets held for sale.

Right-of-use assets

Right-of-use assets increased by $555.2 million, from $2.5 billion as at April 26, 2020, to $3.1 billion as at April 25, 2021. The increase stems mainly from the exercise of renewal options, the revision of lease terms, the increase of our internal transportation fleet, the acquisition of Circle K HK, as well as from the net positive impact of approximately $168.0 million from the variation in exchange rates at the balance sheet date, partly offset by the depreciation, amortization and impairment expense.

Goodwill

Goodwill increased by $440.5 million, from $5.5 billion as at April 26, 2020, to $5.9 billion as at April 25, 2021, mainly as a result of the acquisition of Circle K HK, and the positive net impact of approximately $182.0 million from the variation in exchange rates at the balance sheet date.

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

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities increased by $1.2 billion, from $2.8 billion as at April 26, 2020, to $4.0 billion as at April 25, 2021. The increase results mainly from higher cost for road transportation fuel purchases, the higher level of fuel purchases in response to higher demand at the end of fiscal 2021 compared with the end of fiscal 2020, as well as from the net impact of the strengthening of the Canadian and European currencies against the US dollar, which was approximately $211.0 million.

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

Long-term debt and current portion of long-term debt decreased by $1.3 billion, from $7.7 billion as at April 26, 2020, to $6.4 billion as at April 25, 2021, mainly as a result of the repayment of our term revolving unsecured operating credit facility and the repayment of a portion of our Canadian-dollar-denominated senior unsecured notes, partly offset by the net impact of the strengthening of the Canadian dollar, the Euro and the Norwegian krone against the US dollar, which was approximately $273.0 million.

Lease liabilities and current portion of lease liabilities

Long-term lease liabilities and current portion of lease liabilities increased by $563.3 million, from $2.6 billion as at April 26, 2020 to $3.2 billion as at April 25, 2021. The increase stems mainly from the exercise of renewal options, the revision of lease terms, the increase of our internal transportation fleet, the acquisition of Circle K HK, as well as from the net impact of the strengthening of the Canadian and European currencies against the US dollar, which was approximately $167.0 million, partly offset by the repayments made on our lease liabilities during fiscal 2021.

Equity

Equity amounted to $12.2 billion as at April 25, 2021, up $2.1 billion compared with April 26, 2020, mainly reflecting net earnings and other comprehensive income for fiscal 2021, partly offset by the impact of share repurchases and by the dividends declared during the same period. For the 52-week periods ended April 25, 2021, and April 26, 2020, we recorded a return on equity[1] of 24.3% and 24.8%, 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, pay dividends and repurchase shares, as well as to provide for working capital. We expect that cash generated from operations and borrowings available under our revolving unsecured 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 December 2024 (“operating credit facility D”)

Credit agreement consisting of a revolving unsecured facility of a maximum amount of $2.5 billion. As at April 25, 2021, our operating credit facility D was not used and standby letters of credit in the amount of $6.8 million were outstanding.

Available liquidities

As at April 25, 2021, a total of approximately $2.5 billion was available under our operating credit facility D and we were in compliance with the restrictive covenants and ratios imposed by the credit agreement at that date. Thus, as at the same date, we had access to approximately $5.5 billion through our available cash and our operating credit facility D.

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

Selected Consolidated Cash Flow Information

(in millions of US dollars)	52-week periods ended **April 25, 2021**	April 26, 2020	Variation
Operating activities			
Net cash provided by operating activities	**4,086.6**	3,720.7	365.9
Investing activities			
Purchase of property and equipment, intangible assets and other assets	**(1,222.2)**	(1,408.2)	186.0
Business acquisitions	**(433.5)**	(89.5)	(344.0)
Proceeds from disposal of property and equipment and other assets	**181.4**	89.7	91.7
Proceeds from disposal of investments in equity instruments	**100.5**	—	100.5
Proceeds from the disposal of the Corporation's interests in CAPL, net of transaction costs and cash and cash equivalents disposed	**—**	185.2	(185.2)
Other investing activities	**(11.8)**	9.0	(20.8)
Net cash used in investing activities	**(1,385.6)**	(1,213.8)	(171.8)
Financing activities			
Net (decrease) increase in term revolving unsecured operating credit facility D	**(1,500.0)**	1,460.0	(2,960.0)
Share repurchases	**(1,046.7)**	(470.8)	(575.9)
Principal elements of lease payments and net changes in other debts	**(387.7)**	(380.0)	(7.7)
Cash dividends paid	**(268.3)**	(215.7)	(52.6)
Repayment of senior unsecured notes	**(227.1)**	(1,241.4)	1,014.3
Issuance of US-dollar-denominated senior unsecured notes, net of financing costs	**—**	1,484.1	(1,484.1)
Settlements of derivative financial instruments	**—**	(100.6)	100.6
Other financing activities	**0.2**	(54.9)	55.1
Net cash (used in) provided by financing activities	**(3,429.6)**	480.7	(3,910.3)
Credit ratings			
S&P Global Ratings – Corporate credit rating	**BBB**	BBB	
Moody's – Senior unsecured notes credit rating	**Baa2**	Baa2	

Operating activities

During fiscal 2021, net cash from our operations reached $4.1 billion, up $365.9 million compared with fiscal 2020, mainly due to higher net earnings.

Investing activities

During fiscal 2021, net investments in property and equipment, intangible assets and other assets amounted to $1.0 billion, business acquisitions amounted to $433.5 million, and proceeds from disposal of investment in equity instruments amounted to $100.5 million.

The investments in property and equipment, intangible and other assets 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 information technology.

Financing activities

During fiscal 2021, we repaid $1.5 billion on our operating credit facility D, repurchased Class B subordinate voting shares for a net amount of $1.0 billion, repaid $387.7 million on the principal elements of our lease liabilities and other debts, paid dividends in the amount of $268.3 million and repaid $227.1 million on our senior unsecured notes.

Contractual Obligations and Commercial Commitments

Set out below is a summary of our material contractual obligations as at April 25, 2021[(1)]:

(in millions of US dollars)	2022	2023	2024	2025	2026	Thereafter	Total
Contractual obligations							
Long-term debt	1,289.5	375.9	168.9	718.4	780.4	5,232.0	**8,565.1**
Lease liabilities	504.3	428.7	387.1	338.1	300.5	2,000.9	**3,959.6**
Cross-currency interest rate swaps payable[(2)]	48.9	299.7	40.1	588.4	580.7	—	**1,557.8**
Cross-currency interest rate swaps receivable[(2)]	(45.1)	(245.4)	(37.3)	(589.5)	(570.9)	—	**(1,488.2)**
Total	1,797.6	858.9	558.8	1,055.4	1,090.7	7,232.9	**12,594.3**

(1) The summary does not include the payments required under defined benefit pension plans.

(2) Based on spot rates, as at April 25, 2021, for balances for which the respective functional currency differs from our reporting currency and for balances bearing interest at variable rates.

	2022	2023	2024	2025	2026	Thereafter	Total
Fuel Purchase Obligations							
United States (in millions of gallons)	2,120.9	1,701.2	1,231.9	1,207.2	1,204.0	2,558.0	**10,023.2**
Europe (in millions of liters)	7,443.5	823.6	480.9	0.1	—	—	**8,748.1**
Canada (in millions of liters)	3,904.2	3,641.7	3,009.7	3,009.7	3,009.7	25,153.5	**41,728.5**

Long-term debt. As at April 25, 2021, our long-term debt totaled $6.4 billion, detailed as follows:

i. Unsecured notes denominated in US-dollar totaling $4.0 billion, in Canadian-dollar totaling CA $1.7 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 25, 2021	Interest payment dates
July 26, 2017 issuance	$1,000.0	July 26, 2022[(1)]	2.700%	2.819%	July 26th and January 26th
November 1, 2012 issuance	CA $250.0	November 1, 2022	3.899%	3.963%	May 1st and November 1st
July 26, 2017 issuance	CA $700.0	July 26, 2024	3.056%	3.133%	July 26th and January 26th
June 2, 2015 issuance	CA $700.0	June 2, 2025	3.600%	3.649%	June 2nd and December 2nd
February 18, 2016 issuance	NOK 675.0	February 18, 2026	3.850%	3.927%	April 20th and October 20th
May 6, 2016 issuance	€750.0	May 6, 2026	1.875%	1.944%	May 6th
July 26, 2017 issuance	$1,000.0	July 26, 2027	3.550%	3.642%	July 26th and January 26th
January 22, 2020 issuance	$750.0	January 25, 2030	2.950%	3.033%	July 25th and January 25th
July 26, 2017 issuance	$500.0	July 26, 2047	4.500%	4.576%	July 26th and January 26th
January 22, 2020 issuance	$750.0	January 25, 2050	3.800%	3.880%	July 25th and January 25th

ii.

(1) Following the delivery of a redemption notice by the Corporation on April 14, 2021, repayment on these senior unsecured notes was effective May 14, 2021.

iii. Other debts of $85.1 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 25, 2021, our fuel purchase obligation consisted of multiple contracts under which we have 10.0 billion of gallons and 50.5 billion of 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 and through acquisitions. 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 25, 2021, the total future lease payments under such agreements are approximately $14.8 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 $19.4 million and the carrying amount and fair value of the guarantee commitments recognized in our consolidated balance sheet as at April 25, 2021, 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, 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.

Off-Balance Sheet Arrangements

In the normal course of business, we had issued outstanding letters of credit for an amount of $106.1 million as at April 25, 2021. Other than those letters of credit, we have no other off-balance sheet activities. Our future commitments are included under “Long term debt” in the table above.

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 25, 2021**				52-week period ended April 26, 2020			
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	**12,237.4**	13,157.5	10,655.4	9,709.8	9,687.2	16,604.2	13,678.0	14,163.0
Operating income before depreciation, amortization and impairment	**1,106.3**	1,253.3	1,326.1	1,348.8	1,077.0	1,274.6	1,088.9	1,058.8
Depreciation, amortization and impairment	**344.9**	418.7	305.8	289.5	307.4	406.1	316.2	307.1
Operating income	**761.4**	834.6	1,020.3	1,059.3	769.6	868.5	772.7	751.7
Share of earnings of joint ventures and associated companies	**1.8**	8.2	7.5	8.5	7.3	5.1	6.5	6.6
Net financial expenses	**71.7**	105.6	77.2	88.0	53.2	84.2	60.1	87.0
Net earnings including non-controlling interests	**563.9**	607.5	757.0	777.1	578.3	663.9	579.4	536.0
Net (earnings) loss attributable to non-controlling interests	**—**	—	—	—	(2.0)	(4.0)	(0.8)	2.8
Net earnings attributable to shareholders of the Corporation	**563.9**	607.5	757.0	777.1	576.3	659.9	578.6	538.8
Net earnings per share								
Basic	**$0.52**	$0.55	$0.68	$0.70	$0.52	$0.59	$0.51	$0.48
Diluted	**$0.52**	$0.55	$0.68	$0.70	$0.52	$0.59	$0.51	$0.48

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 26, 2020

Revenues

For fiscal 2020, our revenues decreased by $5.0 billion, or 8.4% compared with fiscal 2019, mainly attributable to the negative impact of COVID-19 on fuel demand, to a lower road transportation fuel average selling price, to the disposal of our interests in CAPL and of our marine fuel business, as well as to the net negative impact from the translation of revenues of our Canadian and European operations into US dollars, which had a net negative impact of approximately $670.0 million, partly offset by organic growth.

Merchandise and service revenues

For fiscal 2020, the growth in merchandise and service revenues was $160.8 million. Excluding CAPL's revenues, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, merchandise and service revenues increased by approximately $322.0 million or 2.2%. This increase is primarily attributable to organic growth, partly offset by the impact of COVID-19 in the fourth quarter. Same-store merchandise revenues increased by 2.1% in the United States, by 0.1% in Europe and by 2.8% in Canada, driven by the success of our rebranding activities, improvements made to our offering, as well as by our various initiatives to drive traffic in our stores, partly offset by the negative impact of COVID-19 on traffic toward the end of the fiscal year.

Road transportation fuel revenues

For fiscal 2020, the road transportation fuel revenues decreased by $4.6 billion compared with fiscal 2019. Excluding CAPL's revenues, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, road transportation fuel revenues decreased by approximately $3.4 billion or 8.2%. This decrease is mostly attributable to the negative impact of COVID-19 on fuel demand, as well as to a lower average road transportation fuel selling price, which had a negative impact of approximately $1.5 billion. Same-store road transportation fuel volume decreased by 3.9% in the United States and in Europe. In Canada, same-store road transportation fuel volume decreased by 6.0%, mainly attributable to the competitive landscape as well as to the significant drop in demand toward the end of the fiscal year due to COVID-19.

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, starting with the first quarter of the fiscal year ended April 28, 2019:

Quarter	1st	2nd	3rd	4th	Weighted average
52-week period ended April 26, 2020					
United States (US dollars per gallon) – excluding CAPL	2.66	2.55	2.51	2.21	2.50
Europe (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
52-week period ended April 28, 2019					
United States (US dollars per gallon) – excluding CAPL	2.76	2.72	2.42	2.51	2.60
Europe (US cents per liter)	75.07	80.56	75.28	74.59	76.32
Canada (CA cents per liter)	117.95	115.22	97.59	103.45	107.82

Other revenues

Total other revenues for fiscal 2020 were $766.9 million, a decrease of $544.0 million compared with fiscal 2019. Excluding CAPL's revenues, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, other revenues decreased by $496.7 million for fiscal 2020, primarily driven by the disposal of our marine fuel business during the third quarter of fiscal 2019, which had an impact of approximately $267.0 million, as well as lower demand and lower prices in our aviation fuel activities.

Gross profit[1]

For fiscal 2020, our gross profit was $9.6 billion, an increase of $526.6 million, or 5.8% compared with fiscal 2019, mainly attributable to higher fuel margins in the U.S. and in Europe and to organic growth in our convenience activities, partly offset by the net negative impact from the translation of our Canadian and European operations into US dollars, which had an impact of approximately $91.0 million.

Merchandise and service gross profit

During fiscal 2020, our merchandise and service gross profit was $5.0 billion, an increase of $25.9 million compared with fiscal 2019. Excluding CAPL's gross profit, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, merchandise and service gross profit increased by approximately $73.0 million or 1.5%. This increase is mostly attributable to organic growth, partly offset by lower traffic in our network due to COVID-19 toward the end of the fiscal year. The gross margin decreased by 0.1% in the United States, to 33.3%, while it decreased by 0.3% in Europe, to 41.5%, due to a different product mix, and by 0.9% in Canada, to 31.8%, mainly as a result of the conversion of our Esso stores from the agent model to the corporate model, as well as from the impact of a different product mix.

Road transportation fuel gross profit

During fiscal 2020, our road transportation fuel gross profit was $4.4 billion, an increase of $502.1 million compared with fiscal 2019. Excluding CAPL's gross profit, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, road transportation fuel gross profit increased by approximately $598.0 million or 15.2%, as a result of higher fuel margins in the U.S. and in Europe, partly offset by the decrease in demand caused by COVID-19 towards the end of fiscal year. The road transportation fuel gross margin was 29.62¢ per gallon in the United States, an increase of 7.24¢ per gallon driven by the volatility in crude oil prices during the year, to their sharp decline toward the end of the fiscal year, as well as by changes to the competitive landscape. In Europe, road transportation fuel margin was US 8.48¢ per liter, a decrease of 0.13¢ per liter mainly as a result of the net negative impact from the translation of our European operations into US dollars, and CA 7.88¢ per liter in Canada, a decrease of CA 0.46¢ per liter, driven by competitive pressure in some of our markets.

[1] Please refer to the section "Non-IFRS Measures" for additional information on this performance measure 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, starting with the first quarter of the fiscal year ended April 28, 2019, were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	4th	Weighted average
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
52-week period ended April 28, 2019					
Before deduction of expenses related to electronic payment modes	22.70	21.88	29.42	18.51	23.60
Expenses related to electronic payment modes(1)	4.67	4.55	4.31	4.40	4.50
After deduction of expenses related to electronic payment modes	18.03	17.33	25.11	14.11	19.10

(1) Please note that this information has been restated to reflect the cost of electronic payment expenses per corporate-store road transportation fuel gallons instead of per total road transportation fuel gallons.

Generally, during normal economic cycles, road transportation fuel margins in the United States can be volatile from one quarter to another but have historically trended higher over longer periods. The historical trends for Europe and Canada are similar, while the margin and expenses related to electronic payment modes are not as volatile.

Other revenues gross profit

During fiscal 2020, other revenues gross profit was $238.5 million, a decrease of $1.4 million, compared with fiscal 2019. Excluding CAPL's gross profit, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, other revenues gross profit decreased by approximately $5.0 million in fiscal 2020. This decrease is mainly attributable to lower demand for other fuel products as well as by the disposal of our marine fuel business in December 2018, which had an impact of approximately $9.0 million in fiscal 2019.

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

For fiscal 2020, expenses decreased by 6.3% compared with fiscal 2019. If we exclude the decrease in rent from the transition to IFRS 16 and certain items that are not considered indicative of future trends, expenses increased by 2.5%.

	52-week period ended April 26, 2020
Total variance, as reported	**(6.3%)**
Adjusted for:	
Decrease in rent expense from transition to IFRS 16	**6.5%**
Decrease from the net impact of foreign exchange translation	**1.2%**
Decrease in CAPL's expenses	**0.6%**
Decrease from settlements and reserves adjustments for specific elements recognized to earnings of fiscal 2019(1)	**0.4%**
Compensatory payment to CAPL for divestiture of assets recognized in fiscal 2019	**0.2%**
Increase from incremental expenses related to acquisitions	**(0.1%)**
Acquisition costs recognized to earnings of fiscal 2020	**(0.1%)**
Disposal of our marine fuel business	**0.1%**
Remaining variance	**2.5%**

(1) During fiscal 2019, we settled various claims and adjusted our reserves in connection with specific events, which had a pre-tax negative impact of $24.2 million on our earnings.

Growth in expenses, amongst other items, was driven by COVID-19 related expenses, normal inflation, higher labor costs from minimum wage increases in certain regions and incremental investments in our stores to support our strategic initiatives. COVID-19 related expenses 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, the installation of plexiglass dividers and other social distancing tools in our stores, additional cleaning and sanitizing supplies as well as masks and gloves for our employees. We continue to rigorously focus on controlling costs throughout our organization, while ensuring we maintain the quality of service we offer to our customers. Excluding the conversion of our Esso stores from the agent model to the corporate model, the remaining variance for fiscal 2020 would have been 2.2%.

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

During fiscal 2020, EBITDA increased from $3.6 billion to $4.5 billion, a growth of 26.3% compared with the previous fiscal year. Adjusted EBITDA for fiscal 2020 increased by $461.4 million, or 11.8% compared with the previous fiscal year, mainly attributable to higher road transportation fuel margins in the U.S. and in Europe and to organic growth on the convenience side, partly offset by the negative impact of COVID-19 on our traffic. The variation in exchange rates had a net negative impact of approximately $23.0 million.

Depreciation, amortization and impairment ("depreciation")

For fiscal 2020, our depreciation expense increased by $266.1 million compared with fiscal 2019. Excluding CAPL's results and the $55.0 million impairment charge on CAPL's goodwill recorded in the first quarter of fiscal 2019, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, the depreciation expense increased by approximately $368.0 million for fiscal 2020, mainly driven by the additional depreciation expense arising from right-of-use assets due to the adoption of IFRS 16, which had an impact of approximately $356.0 million.

Net financial expenses

Net financial expenses for fiscal 2020 were $284.5 million, a decrease of $35.6 million compared with fiscal 2019. Excluding the items shown in the table below, net financial expenses for fiscal 2020 decreased by $65.7 million mainly attributable to our lower average long-term debt following the repayments made, as well as to the lower average cost of our long-term debt compared to fiscal 2019.

	52-week periods ended	
(in millions of US dollars)	**April 26, 2020**	April 28, 2019
Net financial expenses, as reported	**284.5**	320.1
Adjusted for:		
Net foreign exchange gain	**33.5**	5.3
CAPL's financial expenses	**(25.6)**	(29.3)
Estimated pro forma impact from transition to IFRS 16	**—**	62.0
Net financial expenses excluding items above	**292.4**	358.1

Income taxes

For fiscal 2020, the income tax rate was 18.8% compared with 16.9% for fiscal 2019. The income tax rate for fiscal 2020 includes a net tax benefit of $33.6 million derived from the release of deferred tax asset valuation allowance following the disposal of our interests in CAPL as well as a portion of our U.S. wholesale fuel business. Excluding this adjustment, as well as the impact of the first two transactions of the December 2018 asset exchange, the income tax rate would have been 19.9% for fiscal 2020, an increase compared to fiscal 2019, stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

	52-week periods ended	
	April 26, 2020	April 28, 2019
Income tax rate, as reported	**18.8%**	16.9%
Adjusted for:		
Release of deferred tax asset valuation allowance	**1.2%**	—
Income tax expense following the asset exchange transactions with CAPL	**(0.1%)**	—
Tax benefit stemming from the decrease of the statutory income tax rate in Sweden	**—**	0.3%
Net income tax rate excluding items above	**19.9%**	17.2%

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

Net earnings attributable to shareholders of the Corporation ("net earnings") and adjusted net earnings attributable to shareholders of the Corporation ("adjusted net earnings[1]")

For fiscal 2020, net earnings were $2.4 billion, compared with $1.8 billion for fiscal 2019, an increase of $519.7 million, or 28.3%. Diluted net earnings per share stood at $2.09, compared with $1.62 for the previous year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a net negative impact of approximately $11.0 million on net earnings of fiscal 2020.

Adjusted net earnings for fiscal 2020 were approximately $2.2 billion, compared with $1.8 billion for fiscal 2019, an increase of $370.0 million, or 20.0%. Adjusted diluted net earnings per share were $1.97 for fiscal 2020, compared with $1.63 for fiscal 2019, an increase of 20.9%.

CAPL's results

For fiscal 2020, CAPL's results were impacted by the fact that fiscal 2020 included 8 months of activities compared to 12 months in fiscal 2019. On November 19, 2019, we disposed of our interests in CAPL.

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 25, 2021, 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 25, 2021, 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 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 and intangible assets, lease terms and business combinations, including but not limited to the valuation of acquired intangible assets.

As at April 25, 2021, the Corporation performed an assessment of the impact of the uncertainties surrounding the COVID-19 pandemic on the carrying amount of its assets and liabilities. This assessment, which required the use of significant judgments and estimates, had no material impact on the Corporation's consolidated financial statements for the fiscal year ended April 25, 2021. As the Corporation continue to closely monitor the COVID-19 situation in the various jurisdictions where it operates, its duration and full financial effect are unknown, and accordingly, estimates of the extent to which it may materially and adversely affect the Corporation are subject to uncertainties.

Inventory. The inventory is comprised mainly of products purchased for resale including tobacco products and alternative tobacco products, beer, wine, beverages, fresh food, candy and snacks, grocery items and road transportation fuel. 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. Inherent in the determination of margins are certain management judgments and estimates, which could affect ending inventory valuations and results of operations.

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

Impairment of long-lived assets. Property and equipment are tested for impairment should events or circumstances indicate that their book value may not be recoverable, as measured by comparing their net book value 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 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 goodwill or other intangible assets may be overstated. The annual impairment test is performed in the first quarter of each fiscal year.

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.

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.

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.

Obligations related to general liability and workers' compensation. In the United States and Ireland, 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.

Accounting standard adopted during the current year

Definition of a business

On April 27, 2020, the Corporation adopted the amendments to the guidance in IFRS 3 *Business combinations*, which revise the definition of a business. These amendments introduce an optional concentration test that, if met, leads to the conclusion that the group of assets acquired is not a business and that no further assessment is needed. To be considered a business, an acquisition must include an input and a substantive process that together significantly contribute to the ability to create outputs. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. The Corporation applied these amendments to business combinations and asset acquisitions for which the acquisition date was on or after April 27, 2020.

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.

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.

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 could adversely affect consumer spending patterns, travel and tourism in certain of our market areas.

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. 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 2021, road transportation fuel revenues accounted for approximately 64.3% of our total revenues, yet the road transportation fuel gross margin represented about only 45.5% of our overall gross profit.

Tobacco products. Tobacco products represent our largest product category of merchandise and service revenues. For fiscal 2021, tobacco products represented approximately 39.0% and 21.0% of total merchandise and service revenues and gross profit, 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".

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.

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.

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.

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 2021, a variation of 10.0% in our expenses associated with electronic payment modes would have had an impact of approximately $0.04 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.

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. In the case of disruption to our suppliers' supply chain, this can have a significant effect on our ability to receive refined oil products for resale, or results in us paying higher cost to obtain such products.

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 favourable. 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. We currently have $6.3 billion of bonds with an average effective interest rate of 3.268% with the latest maturity date being January 25, 2050. This 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.

Exchange rate. The functional currency of our parent Company is the Canadian dollar. As such, our investments in our U.S. and European 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. and European 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 25, 2021 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 25, 2021 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 $108.5 million on Net earnings attributable to shareholders of the Corporation, which would be partially offset by a net impact of $90.0 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 revenue and expenses of our Canadian and European 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 25, 2021, 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 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 25, 2021, we had outstanding accounts receivable totaling $1.8 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 favourable 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.

Acts of war or terrorism. Acts of war and terrorism could impact general economic conditions and the supply and price of crude oil. Such events could adversely impact our business, financial condition and results of operations.

Outlook

For fiscal 2022, as we continue to emerge from the pandemic and traffic returns to our locations, we will adjust our offer to meet our customer needs making their lives a little easier every day. We will focus on our core convenience and mobility business by enhancing fresh food options at our stores, innovating payment options at our forecourts and inside our stores, and using advanced data analytics for localize pricing, promotion, and assortment. We stand ready to continue to invest in our many organic growth initiatives, seek out additional acquisition opportunities, and nurture the culture of discipline and entrepreneurship that has been our trademark as we move closer to reaching our five-year ambition of doubling the business. In this rapidly evolving labor environment, we are firmly committed as a corporation to increase employee engagement as well as diversity and inclusion. Sustainability 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 29, 2021

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 25, 2021, and April 26, 2020, 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 29, 2021

/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 25, 2021. 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 25, 2021.

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 25, 2021 and expressed an unqualified opinion thereon, which is included herein.

June 29, 2021

/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 25, 2021 and April 26, 2020, 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 25, 2021 and April 26, 2020;
- The consolidated statements of comprehensive income for the years ended April 25, 2021 and April 26, 2020;
- The consolidated statements of changes in equity for the years ended April 25, 2021 and April 26, 2020;
- The consolidated statements of cash flows for the years ended April 25, 2021 and April 26, 2020;
- The consolidated balance sheets as at April 25, 2021 and April 26, 2020; 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended April 25, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

Valuation of intangible assets acquired in the Convenience Retail Asia (BVI) Limited business combination
 	
Refer to Note 4 – Business acquisitions to the consolidated financial statements
 	
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, for a total cash consideration of HK $2,946.2 million ($380.1 million) using available cash and existing credit facilities. The fair value of the identifiable assets acquired included $96.9 million 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. To estimate the fair value of the intangible assets, management used the relief-from-royalty method to value reacquired rights, technology platform and trademarks, and the multi-period excess earnings method for the customer relationships. Key assumptions used by management in the valuation of the intangible assets acquired included proportion of revenue attributable to the intangible assets, royalty saving rates and useful life.
 	
We considered this a key audit matter due to the significant judgment applied by management in estimating the fair value of the intangible assets, including the development of key assumptions. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the key assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.
	Our approach to addressing the matter included the following procedures, among others:
	
	• Tested the operating effectiveness of internal controls related to the valuation of the intangible assets acquired, including management's review of the key assumptions used.
	• Tested how management estimated the fair value of the intangible assets acquired, which included the following:
	  ◦ Read the purchase agreement.
	  ◦ Tested the underlying data used by management in the relief-from-royalty and multi-period excess earnings methods.
	  ◦ Evaluated the reasonableness of key assumptions used by management related to revenue attributable to the intangible assets, by considering the past performance of the acquired Circle K HK business and the budget approved by the Board of Directors.
	  ◦ Evaluated the reasonableness of the key assumption used by management related to useful life for the technology platform by considering industry data.
	• Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the appropriateness of management's relief-from-royalty and multi-period excess earnings methods, as well as key assumptions used by management related to the proportion of revenue attributable to the intangible assets and royalty saving rates. These professionals also assisted in evaluating the reasonableness of key assumptions related to the useful life of reacquired rights, customer relationships and trademarks.

Other matter – audit of internal control over financial reporting

We also have audited, in accordance with the standards 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 25, 2021, 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 29, 2021.

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.

PricewaterhouseCoopers LLP[1]

Montréal, Quebec
June 29, 2021

[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 25, 2021.

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 audit 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. 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 International Financial Reporting Standards, 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 25, 2021, 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 25, 2021 and April 26, 2020 and for the years then ended and issued our report dated June 29, 2021.

PricewaterhouseCoopers LLP[1]

Montréal, Quebec
June 29, 2021

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

Consolidated Statements of Earnings

For the fiscal years ended April 25, 2021 and April 26, 2020
(in millions of US dollars (Note 2), except per share amounts)

	2021	2020 (adjusted, Note 3)
	$	$
Revenues	**45,760.1**	54,132.4
Cost of sales, excluding depreciation, amortization and impairment (Note 9)	**35,644.8**	44,488.9
Operating, selling, administrative and general expenses (Note 9)	**5,148.6**	5,227.3
Gain on disposal of property and equipment and other assets (Notes 5, 6 and 9)	**(67.8)**	(83.1)
Depreciation, amortization and impairment (Notes 9, 17, 18 and 19)	**1,358.9**	1,336.8
Operating income	**3,675.6**	3,162.5
Share of earnings of joint ventures and associated companies (Note 8)	**26.0**	25.5
Financial expenses (Note 11)	**357.0**	342.2
Financial revenues (Note 7)	**(59.4)**	(24.2)
Foreign exchange loss (gain)	**44.9**	(33.5)
Net financial expenses	**342.5**	284.5
Earnings before income taxes	**3,359.1**	2,903.5
Income taxes (Note 12)	**653.6**	545.9
Net earnings including non-controlling interests	**2,705.5**	2,357.6
Net earnings attributable to non-controlling interests (Notes 5 and 6)	**—**	(4.0)
Net earnings attributable to shareholders of the Corporation	**2,705.5**	2,353.6
Net earnings per share (Note 13)		
Basic	**2.45**	2.10
Diluted	**2.44**	2.09

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

Consolidated Statements of Comprehensive Income

For the fiscal years ended April 25, 2021 and April 26, 2020
(in millions of US dollars (Note 2))

	2021	2020
	$	$
Net earnings including non-controlling interests	**2,705.5**	2,357.6
Other comprehensive income		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in cumulative translation adjustments[(1)]	**507.1**	(268.8)
Change in fair value and net interest on cross-currency interest rate swaps designated as a hedge of the Corporation's net investment in certain of its foreign operations[(2)] (Note 24)	**170.4**	(102.8)
Cash flow hedges		
Change in fair value of financial instruments[(2)] (Note 31)	**(5.6)**	3.6
Loss realized on financial instruments transferred to earnings[(2)] (Note 31)	**0.4**	1.0
Items that will never be reclassified to earnings		
Net actuarial gain (loss)[(3)] (Note 30)	**43.2**	(23.3)
Gain (loss) on investments in equity instruments measured at fair value through Other comprehensive income[(4)]	**20.6**	(14.0)
Other comprehensive income (loss)	**736.1**	(404.3)
Comprehensive income including non-controlling interests	**3,441.6**	1,953.3
Comprehensive income attributable to non-controlling interests	**—**	(4.0)
Comprehensive income attributable to shareholders of the Corporation	**3,441.6**	1,949.3

(1) For the fiscal years ended April 25, 2021 and April 26, 2020, these amounts include a gain of $249.4 (net of income taxes of $38.1) and losses of $134.1 (net of income taxes of $20.5), respectively. These gains and losses arise from the translation of long-term debts denominated in foreign currencies and designated as net investment hedges in certain of the Corporation's foreign operations.

(2) For the fiscal years ended April 25, 2021 and April 26, 2020, these amounts are net of income tax recoveries of $19.7 and $0.6, respectively.

(3) For the fiscal years ended April 25, 2021 and April 26, 2020, these amounts are net of income tax expenses (recoveries) of $11.4 and $(6.4), respectively.

(4) For the fiscal years ended April 25, 2021 and April 26, 2020, these amounts are net of income tax expenses of $3.3 and nil, 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 25, 2021 and April 26, 2020
(in millions of US dollars (Note 2))

2021

	Attributable to the shareholders of the Corporation						
	Capital stock	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive loss (Note 29)**	**Total**	**Non-controlling interests**	**Equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance, beginning of year	**694.8**	**21.4**	**10,611.3**	**(1,260.9)**	**10,066.6**	**—**	**10,066.6**
Comprehensive income:							
Net earnings			**2,705.5**		**2,705.5**	**—**	**2,705.5**
Other comprehensive income				**736.1**	**736.1**	**—**	**736.1**
Comprehensive income					**3,441.6**	**—**	**3,441.6**
Share repurchases (Note 27)	**(26.6)**		**(1,037.0)**		**(1,063.6)**		**(1,063.6)**
Dividends declared			**(268.3)**		**(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 28)		**4.4**			**4.4**		**4.4**
Exercise of stock options	**2.4**	**(2.2)**			**0.2**		**0.2**
Balance, end of year	**670.6**	**23.6**	**12,017.8**	**(531.1)**	**12,180.9**	**—**	**12,180.9**

2020

	Attributable to the shareholders of the Corporation						
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 29)	Total	Non-controlling interests	Equity
	$	$	$	$	$	$	$
Balance, beginning of year	706.8	19.5	9,053.5	(856.6)	8,923.2	257.9	9,181.1
Adoption of IFRS 16			(9.5)		(9.5)	—	(9.5)
Adjusted balance, beginning of year	706.8	19.5	9,044.0	(856.6)	8,913.7	257.9	9,171.6
Comprehensive income:							
Net earnings			2,353.6		2,353.6	4.0	2,357.6
Other comprehensive loss				(404.3)	(404.3)	—	(404.3)
Comprehensive income					1,949.3	4.0	1,953.3
Share repurchases (Note 27)	(13.1)		(457.7)		(470.8)		(470.8)
Dividends declared			(215.7)		(215.7)		(215.7)
Distributions to non-controlling interests						(47.5)	(47.5)
December 2018 asset exchange agreement (Note 6)			(7.7)		(7.7)	7.7	—
Disposal of the Corporation's interests in CAPL (Note 5)						(222.1)	(222.1)
Repurchase of non-controlling interest in CST Fuel Supply LP (Note 6)			(105.2)		(105.2)	—	(105.2)
Stock option-based compensation expense (Note 28)		3.0			3.0		3.0
Exercise of stock options	1.1	(1.1)			—		—
Balance, end of year	694.8	21.4	10,611.3	(1,260.9)	10,066.6	—	10,066.6

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

Consolidated Statements of Cash Flows

For the fiscal years ended April 25, 2021 and April 26, 2020
(in millions of US dollars (Note 2))

	2021	2020
	$	$
Operating activities		
Net earnings including non-controlling interests	**2,705.5**	2,357.6
Adjustments to reconcile net earnings including non-controlling interests to net cash provided by operating activities		
Depreciation, amortization, impairment and amortization of financing costs	**1,363.6**	1,343.8
Gain on disposal of property and equipment and other assets (Notes 5 and 6)	**(67.8)**	(83.1)
Deferred income taxes (Note 12)	**60.0**	105.1
Share of earnings of joint ventures and associated companies, net of dividends received	**(1.3)**	(5.3)
Net deferred credits	**50.7**	3.3
Net changes in fuel swaps	**42.5**	(28.5)
Other	**88.4**	27.2
Changes in non-cash working capital (Note 14)	**(155.0)**	0.6
Net cash provided by operating activities	**4,086.6**	3,720.7
Investing activities		
Purchase of property and equipment, intangible assets and other assets	**(1,222.2)**	(1,408.2)
Business acquisitions (Note 4)	**(433.5)**	(89.5)
Proceeds from disposal of property and equipment and other assets (Note 5)	**181.4**	89.7
Proceeds from disposal of investments in equity instruments	**100.5**	—
Investments in Fire & Flower (Note 7)	**(16.4)**	(19.5)
Change in restricted cash	**4.6**	28.5
Proceeds from the disposal of the Corporation's interests in CAPL, net of transaction costs and cash and cash equivalents disposed (Note 5)	**—**	185.2
Net cash used in investing activities	**(1,385.6)**	(1,213.8)
Financing activities		
Net (decrease) increase in term revolving unsecured operating credit facility D (Notes 14 and 22)	**(1,500.0)**	1,460.0
Share repurchases (Note 27)	**(1,046.7)**	(470.8)
Principal elements of lease payments and net changes in other debts (Note 14)	**(387.7)**	(380.0)
Cash dividends paid	**(268.3)**	(215.7)
Repayment of senior unsecured notes (Notes 14 and 22)	**(227.1)**	(1,241.4)
Exercise of stock options	**0.2**	—
Issuance of US-dollar-denominated senior unsecured notes, net of financing costs (Note 14)	**—**	1,484.1
Settlements of derivative financial instruments (Note 14)	**—**	(100.6)
Distributions paid to non-controlling interests	**—**	(47.5)
Repurchase of non-controlling interest in CST Fuel Supply LP (Note 6)	**—**	(13.4)
Net increase in CAPL senior secured revolving credit facility (Note 14)	**—**	6.0
Net cash (used in) provided by financing activities	**(3,429.6)**	480.7
Effect of exchange rate fluctuations on cash and cash equivalents	**102.9**	(52.5)
Net (decrease) increase in cash and cash equivalents	**(625.7)**	2,935.1
Cash and cash equivalents, beginning of year	**3,641.5**	706.4
Cash and cash equivalents, end of year	**3,015.8**	3,641.5
Supplemental information:		
Interest paid	**313.3**	329.3
Interest and dividends received	**49.9**	48.6
Income taxes paid	**669.9**	193.6

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

Consolidated Balance Sheets

As at April 25, 2021 and April 26, 2020
(in millions of US dollars (Note 2))

	2021	2020
	$	$
Assets		
Current assets		
Cash and cash equivalents	**3,015.8**	3,641.5
Restricted cash	**3.4**	8.0
Accounts receivable (Note 15)	**1,771.7**	1,256.0
Inventories (Note 16)	**1,767.6**	1,237.4
Prepaid expenses	**111.7**	96.0
Assets held for sale (Notes 5 and 6)	**335.1**	64.0
Other short-term financial assets (Notes 7 and 31)	**11.0**	38.6
Income taxes receivable	**105.6**	89.4
	7,121.9	6,430.9
Property and equipment (Note 17)	**10,870.1**	10,136.5
Right-of-use assets (Note 18)	**3,069.1**	2,513.9
Intangible assets (Note 19)	**716.9**	550.8
Goodwill (Note 19)	**5,946.3**	5,505.8
Other assets (Note 20)	**389.7**	350.1
Other long-term financial assets (Note 7)	**20.1**	—
Investments in joint ventures and associated companies (Notes 7 and 8)	**199.8**	139.7
Deferred income taxes (Note 12)	**60.6**	51.8
	28,394.5	25,679.5
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 21)	**3,994.3**	2,808.3
Short-term provisions (Note 25)	**154.6**	108.1
Other short-term financial liabilities (Notes 14 and 31)	**26.6**	—
Income taxes payable	**155.6**	222.0
Liabilities associated with assets held for sale (Notes 5 and 6)	**91.9**	8.1
Current portion of long-term debt (Notes 14 and 22)	**1,107.3**	214.7
Current portion of lease liabilities (Note 14)	**419.4**	383.1
	5,949.7	3,744.3
Long-term debt (Notes 14 and 22)	**5,282.6**	7,515.8
Lease liabilities (Note 14)	**2,792.7**	2,265.7
Long-term provisions (Note 25)	**631.0**	551.3
Pension benefit liability (Note 30)	**98.1**	91.5
Other long-term financial liabilities (Notes 14, 24 and 31)	**79.6**	237.4
Deferred credits and other liabilities (Note 26)	**251.3**	161.9
Deferred income taxes (Note 12)	**1,128.6**	1,045.0
	16,213.6	15,612.9
Equity		
Capital stock (Note 27)	**670.6**	694.8
Contributed surplus	**23.6**	21.4
Retained earnings	**12,017.8**	10,611.3
Accumulated other comprehensive loss (Note 29)	**(531.1)**	(1,260.9)
	12,180.9	10,066.6
	28,394.5	25,679.5

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

On behalf of the Board of Directors,

/s/ Brian Hannasch — **Brian Hannasch**, Director

/s/ Alain Bouchard — **Alain Bouchard**, Director

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 25, 2021, the Corporation operates a network of 12,328 convenience stores across North America, Europe and Asia, of which 9,976 are company-operated, and generates income primarily from the sale of tobacco products and alternative tobacco products, beer, wine, beverages, 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, close to 1,900 stores are operated under the Circle K banner in 14 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Indonesia, Jamaica, Macau, Mexico, Mongolia, New Zealand, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 14,200 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 25, 2021, and April 26, 2020, are referred to as "2021" and "2020".

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 29, 2021, the Corporation's consolidated financial statements were approved by the Board of Directors, which also approved their publication.

3. ACCOUNTING POLICIES

Changes in accounting policies, classification and presentation

Classification of internal logistics costs

During the fiscal year ended April 25, 2021, the Corporation changed its classification of internal logistics costs, which were previously included in Operating, selling, administrative and general expenses, and are now included in Cost of sales, excluding depreciation, amortization and impairment in the consolidated statements of earnings. This classification change is to better reflect all of the Corporation's supply chain's costs required to bring its products to their point of sale. This classification change was applied retroactively and the comparative figures for the fiscal year ended April 26, 2020 were adjusted to reflect this change which had no impact on net earnings and net earnings per share.

The table below shows, for the impacted line items only, the previously published figures, the adjustments stemming from this change and the adjusted figures:

			2020
	Published	Adjustments	Adjusted
	$	$	$
Cost of sales, excluding depreciation, amortization and impairment	44,397.7	91.2	44,488.9
Operating, selling, administrative and general expenses	5,318.5	(91.2)	5,227.3

In relation with this change, the Gross profit and Total operating expenses subtotals are no longer presented in the consolidated statements of earnings.

Definition of a business

On April 27, 2020, the Corporation adopted the amendments to the guidance in IFRS 3 *Business combinations*, which revise the definition of a business. These amendments introduce an optional concentration test that, if met, leads to the conclusion that the group of assets acquired is not a business and that no further assessment is needed. To be considered a business, an acquisition must include an input and a substantive process that together significantly contribute to the ability to create outputs. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. The Corporation applied these amendments to business combinations and asset acquisitions for which the acquisition date was on or after April 27, 2020.

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 and intangible assets, lease terms and business combinations, including but not limited to the valuation of acquired intangible assets.

As at April 25, 2021, the Corporation performed an assessment of the impact of the uncertainties surrounding the COVID-19 pandemic on the carrying amount of its assets and liabilities. This assessment, which required the use of significant judgments and estimates, had no material impact on the Corporation's consolidated financial statements for the fiscal year ended April 25, 2021. As the Corporation continues to closely monitor the COVID-19 situation in the various jurisdictions where it operates, its duration and full financial effect are unknown, and accordingly, estimates of the extent to which it may materially and adversely affect the Corporation are subject to uncertainties.

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.

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 Class A and Class B shareholders 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, beer, wine, beverages, 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 and sales of gift cards. 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 Corporation generates revenues derived from the underlying sale of cannabis products. The Corporation's share of earnings of Fire & Flower Holdings Corp. ("Fire & Flower") (Note 7) is also derived from the underlying 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 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 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.

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 25, 2021, 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 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 book value may not be recoverable, as measured by comparing their net book value 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

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's goodwill exceed its recoverable amount, an impairment loss would be recognized.

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 in accordance with IAS 36 *Impairment of Assets*.

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.

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 Class B 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 Class B shares and revisions to the estimated forfeitures.

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.

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 and Ireland, 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
Derivative financial instruments designated as fair value hedges	Fair value through earnings or loss subject to hedge accounting requirements	Fair value	Net earnings, with offsetting basis adjustment recorded to hedged item
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 its investments in equity instruments as fair value through OCI.

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.

Short-term cross-currency interest rate swaps

Occasionally, the Corporation uses short-term cross-currency interest rate swaps 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 short-term cross-currency interest rate swaps are recognized in the consolidated statements of earnings as foreign exchange gain or loss.

Interest rate locks

From time to time, the Corporation uses interest rate locks to manage the interest rate risk associated with forecasted debt issuance. The Corporation designates these interest rate locks as a cash flow hedge of the anticipated interest from the debt issuance. Accordingly, changes in the fair value of the interest rate locks 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 purchase 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.

4. BUSINESS ACQUISITIONS

The Corporation has made the following business acquisitions:

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 and existing credit facilities. 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 flow for the acquisition	357.7

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

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 (Note 19). 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.

Since the date of acquisition, revenues and net earnings attributable to the shareholders of the Corporation from this acquisition amounted to $224.3 and $2.1, respectively. Net earnings since the date of acquisition include $4.6 of amortization of identifiable intangible assets stemming from the acquisition. On a pro forma basis, had the Corporation concluded the Circle K HK acquisition at the beginning of its fiscal year, total revenues and net earnings attributable to the shareholders of the Corporation would have amounted to $46,184.4 and $2,717.1, respectively.

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 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:

	$
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. 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 $72.6 and $3.0, 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.

2020

During the fiscal year ended April 26, 2020, the Corporation acquired 30 company-operated stores through multiple transactions. The Corporation owns the land and building for 23 sites and leases the land and the building for the remaining 7 sites. These transactions were settled for a total consideration of $89.7 using available cash and existing credit facilities. For the fiscal year ended April 26, 2020, 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.

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

	$
Identifiable assets acquired	
Cash and cash equivalents	0.2
Inventories	4.1
Prepaid expenses	0.1
Property and equipment	50.8
Right-of-use assets	10.9
Total identifiable assets	66.1
Liabilities assumed	
Accounts payable and accrued liabilities	0.3
Provisions	0.8
Lease liabilities	10.9
Total liabilities assumed	12.0
Net identifiable assets acquired	54.1
Goodwill	35.6
Total cash consideration paid	89.7
Cash and cash equivalents acquired	0.2
Net cash flow for the acquisition	89.5

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.

5. DISPOSAL OF BUSINESS AND PROPERTIES

2021

Disposal of business

- On March 22, 2021, the Corporation reached an agreement to sell 49 sites located in Oklahoma, within the United States, to Casey's General Stores Inc. for a cash consideration of approximately $39.0. The transaction closed subsequent to the end of fiscal 2021. As at April 25, 2021, criteria for the classification as assets held for sale had been met for these sites.
- On March 22, 2021, the Corporation also announced its intention to sell certain sites across 25 states in the United States and 6 provinces in Canada. The Corporation expects that these sites will be sold to various buyers during its fiscal year ending April 24, 2022. The decision to dispose of these sites was based on the outcome of a strategic review of the Corporation's network. As at April 25, 2021, criteria for the classification as assets held for sale had been met for 264 sites in the United States and 37 sites in Canada.

The following assets and liabilities were classified as held for sale as at April 25, 2021:

	$
Assets	
Inventory	44.3
Property and equipment	130.4
Right-of-use assets	77.9
Intangible assets	0.8
Goodwill	81.7
	335.1
Liabilities	
Lease liabilities	81.1
Provisions	10.8
	91.9

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 statements of earnings.

2020

On November 19, 2019, the Corporation announced the closing of the sale of its interests in CrossAmerica Partners LP (“CAPL”), representing 100% of the equity interests of the sole member of the General Partner, 100% of the incentive distribution rights and 21.7% of the outstanding common units of CAPL. Proceeds, net of transaction costs from the disposal, were $186.9 and the Corporation recognized a net gain on disposal of $61.5 in relation to this transaction. This gain is included in Gain on disposal of property and equipment and other assets in the consolidated statements of earnings for the fiscal year ended April 26, 2020.

6. ASSET EXCHANGE AGREEMENTS

December 2018 asset exchange agreement

On December 17, 2018, the Corporation entered into an asset exchange agreement with CAPL which aimed at exchanging 192 of the Circle K U.S. stores against the real estate property held by CAPL for 56 U.S. company-operated stores leased and operated by the Corporation pursuant to a master lease that CAPL had previously purchased jointly with or from CST Brands Inc., and 17 company-operated stores owned and operated by CAPL in the U.S. Upper Midwest (the “December 2018 asset exchange agreement”). The aggregate value of this agreement totaled approximately $184.0.

During the fiscal year ended April 25, 2021, the Corporation closed the fifth and sixth transactions of the December 2018 asset exchange agreement, which completed the asset exchange. In these transactions, the Corporation transferred 53 Circle K U.S. stores for a total value of approximately $52.0. In exchange, CAPL transferred the real estate for 17 properties of an equivalent value. These two transactions resulted in a gain of $10.9 which is included in Gain on disposal of property and equipment and other assets in the consolidated statement of earnings.

During the fiscal year ended April 26, 2020, the Corporation closed the first four transactions of the December 2018 asset exchange agreement. In these transactions, 139 Circle K U.S. stores for a total value of approximately $132.0 have been exchanged against 17 company-operated stores owned and operated by CAPL and the real estate for 39 properties held by CAPL for an equivalent value. The first two transactions of the December 2018 asset exchange agreement, which occurred while CAPL was fully consolidated in the Corporation's consolidated financial statements, resulted in a reclassification of $7.7 between equity attributable to the shareholders of the Corporation and equity attributable to the non-controlling interests. The third and fourth transactions of the same agreement, which occurred after the disposal of the Corporation's interests in CAPL, resulted in a gain of $1.9 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 26, 2020.

November 2019 asset exchange agreement

During the fiscal year ended April 26, 2020, the Corporation closed an asset exchange agreement with CAPL under which the Corporation transferred a portion of its U.S. wholesale road transportation fuel operations, which consisted of 366 wholesale fuel supply agreements, as well as a cash consideration of approximately $14.0, receiving in return CAPL’s 17.5% limited partnership interest in CST Fuel Supply LP (the "November 2019 asset exchange agreement"). The Corporation recognized a net gain on disposal of $41.0 in relation to this transaction 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 26, 2020. Following this asset exchange agreement, the Corporation owns a 100% interest in CST Fuel Supply LP. Therefore, during the fiscal year ended April 26, 2020, an amount of $105.2, net of taxes, was recognized to retained earnings corresponding to the difference between the non-controlling interest in CST Fuel Supply LP recognized in the Corporation's consolidated financial statements and the fair value of the consideration to acquire the remaining 17.5% interest in CST fuel Supply LP.

7. INVESTMENTS IN FIRE & FLOWER HOLDINGS CORP.

Convertible debentures and common share purchase warrants

Investments, conversion and exercise

On August 7, 2019, the Corporation invested an amount of CA $26.0 ($19.5) in Fire & Flower, a leading independent cannabis retailer listed on the Toronto Stock Exchange and based in Ontario, Canada. This investment is composed of the following:

- Unsecured convertible debentures bearing interest at an annual rate of 8%, and convertible into common shares of Fire & Flower at any time between the issuance and the maturity date ("August 2019 debentures"). On September 17, 2020, the terms and conditions of the August 2019 debentures were amended. The conversion price was modified from CA $1.07 per share to a variable conversion price which cannot reach more than CA $0.90 per share, and the maturity date was extended from December 31, 2020, to June 30, 2023 ("amended August 2019 debentures"). On March 10, 2021, a CA $23.6 ($18.5) amount of principal of the amended August 2019 debentures was converted into common shares of Fire & Flower following the realization of certain events, which allowed Fire & Flower to require the Corporation to convert all or part of the amended August 2019 debentures at a conversion price of CA $0.75 per share.

- Common share purchase warrants which consisted of the Series A, B and C Warrants. On September 17, 2020, the terms and conditions of common share purchase warrants were amended. The Series A Warrants were broken down into the Series A-1, A-2 and A-3 Warrants. During the fiscal year ended April 25, 2021, the Corporation exercised the Series A-1 and A-2 Warrants for a cash consideration of CA $19.0 ($14.6), and the Series A-3 Warrants are exercisable, at an amended price, at the Corporation's option and will expire on June 30, 2021. The amended Series B Warrants will only be exercisable, at an amended price, at any time after January 1, 2022, and will expire on September 30, 2022. The amended Series C Warrants will only be exercisable, at an amended price, at any time after October 1, 2022, and will expire on June 30, 2023. As at April 25, 2021, none of the Series A-3, B or C Warrants were exercised.

On April 28, 2020, the Corporation invested an additional amount of CA $2.5 ($1.8) composed of secured convertible debentures ("April 2020 debentures"), as well as additional common share purchase warrants which consisted of Series A, B and C Warrants. On March 3, 2021, the CA $2.5 ($1.8) amount of principal of the April 2020 debentures was converted into common shares of Fire & Flower following the realization of certain events, which allowed Fire & Flower to require the Corporation to convert all of the April 2020 debentures at a conversion price of CA $0.50 per share.

Valuation

The convertible debentures and common share purchase warrants are measured at fair value through earnings or loss. The estimated fair value of the amended August 2019 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. The following key unobservable inputs were used in establishing the fair value of these financial assets:

- Expected volatility: Sensitivity to volatility stems mainly from the emerging market in which Fire & Flower operates. As at April 25, 2021, with all other variables held constant, a 5% increase or decrease in the 85% expected volatility used would not have had a significant impact on the fair value of the convertible debentures and common share purchase warrants.

- Credit spread: Sensitivity to credit spread stems mainly from the nature of the financial instruments issued as well as the emerging market in which Fire & Flower operates. As at April 25, 2021, with all other variables held constant, a 5% increase or decrease in the 30% credit spread used would not have had a significant impact on the fair value of the convertible debentures.

Following the September 17, 2020 amendments, the amended August 2019 debentures, April 2020 debentures, Series A-3 Warrants and amended Series B and C Warrants estimated fair value at initial recognition differed from their transaction price. These fair values were evidenced by entity-specific inputs and are thus Level 3 measurements (Note 31). 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. Since these differences stem mainly from the time component input of each valuation model, they are recognized gradually over the expected life of each asset using the straight-line method.

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

	Estimated fair value of the convertible debentures	Estimated fair value of the common share purchase warrants	Estimated total fair value of the financial assets	Deferred differences	Net carrying amount
	$	$	$	$	$
Year ended April 25, 2021					
Balance, beginning of year	18.5	10.1	**28.6**	(13.8)	**14.8**
Additional investment	2.6	2.1	**4.7**	(2.9)	**1.8**
Impact of the September 17, 2020 amendments	7.8	17.5	**25.3**	(24.7)	**0.6**
Gain recognized to Financial revenues, excluding the impact from conversion of a portion of the convertible debentures	3.1	6.2	**9.3**	17.5	**26.8**
Impact from conversion of a portion of the convertible debentures recognized to Financial revenues	5.2	—	**5.2**	7.9	**13.1**
Conversion and exercise	(37.0)	(1.2)	**(38.2)**	—	**(38.2)**
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**
Current portion	—	1.6	1.6	(0.3)	1.3
Long-term portion	3.0	35.4	38.4	(18.3)	20.1
Year ended April 26, 2020					
Initial measurement	27.6	39.9	**67.5**	(48.0)	**19.5**
Gain (loss) recognized to Net financial expenses	(8.0)	(29.3)	**(37.3)**	33.4	**(3.9)**
Effect of exchange rate variations	(1.1)	(0.5)	**(1.6)**	0.8	**(0.8)**
Balance, end of year	**18.5**	**10.1**	**28.6**	**(13.8)**	**14.8**

The Corporation performs the valuations 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.

Significant influence

On September 17, 2020, the amendments described above led to some of the convertible debentures and common share purchase warrants to be considered as convertible or exercisable potential voting rights, while they were not considered as such prior to the amendments taking effect due to their higher conversion or exercise prices. The Corporation assessed that these additional potential voting rights, along with its already existing voting rights, provided significant influence over Fire & Flower. Therefore, since September 17, 2020, Fire & Flower is considered to be an associated company of the Corporation and the existing ownership interest in Fire & Flower has been accounted for using the equity method. Fire & Flower is a publicly traded company and its accounting periods do not coincide with the Corporation's accounting periods, therefore the Corporation used Fire & Flower's financial statements for the reporting period ended January 30, 2021, adjusted to reflect the period during which Fire & Flower is considered an associated company and any significant transactions, if any, in applying the equity method for the fiscal year ended April 25, 2021.

8. INVESTMENT 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:

	2021	2020
	$	$
Investment in joint ventures	**141.4**	139.6
Investment in associated companies	**58.4**	0.1
	199.8	139.7

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:

	2021	2020
	$	$
Joint ventures' net earnings and comprehensive income	**25.5**	25.4
Associated companies' net earnings and comprehensive income	**0.5**	0.1
	26.0	25.5

9. SUPPLEMENTARY INFORMATION RELATING TO EXPENSES

	2021	2020 (adjusted, Note 3)
	$	$
Cost of sales	**35,653.8**	44,492.1
Selling and marketing expenses	**5,613.3**	5,694.6
Administrative expenses	**740.6**	701.8
Other operating expenses	**76.8**	81.4

	2021	2020
	$	$
Employee benefit charges[(a)]		
Salaries	**2,419.9**	2,394.0
Fringe benefits and other employer contributions	**258.3**	293.1
Employee future benefits (Note 30)	**145.1**	128.1
Termination benefits	**10.4**	6.8
Stock-based compensation and other stock-based payments (Note 28)	**18.9**	14.3
	2,852.6	2,836.3

(a) Governments grants

During fiscal 2021, the Corporation recognized to earnings an amount of $51.1 in relation with the approval of various government grant requests (nil during fiscal 2020). 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.

10. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2021	2020
	$	$
Salaries and other current benefits	**10.5**	11.2
Stock-based compensation and other stock-based payments	**10.3**	8.8
Employee future benefits (Note 30)	**2.7**	2.5
	23.5	22.5

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

11. FINANCIAL EXPENSES

	2021	2020
	$	$
Interest on long-term debt	**213.2**	214.7
Interest on lease liabilities	**88.3**	90.3
Impact of the redemption notice of senior unsecured notes (Note 22)	**29.1**	—
Accretion of provisions (Note 25)	**15.9**	18.3
Other finance costs	**10.5**	18.9
	357.0	342.2

12. INCOME TAXES

	2021	2020
	$	$
Current income tax expense	**593.6**	440.8
Deferred income tax expense	**60.0**	105.1
	653.6	545.9

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:

	2021	2020
	%	%
Combined statutory income tax rate in Canada[a]	**26.50**	26.57
Impact of other jurisdictions' tax rates	**(7.64)**	(7.20)
Other permanent differences	**0.60**	(0.57)
Effective income tax rate	**19.46**	18.80

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

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

					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**

							2020
	Balance as at April 28, 2019	Adoption of IFRS 16	Adjusted balance, beginning of year	Recognized to earnings	Recognized directly to OCI or equity	Recognized through business acquisitions and disposals as well as assets held for sale	Balance as at April 26, 2020
	$	$	$	$	$	$	$
Deferred income tax assets							
Property and equipment	(8.0)	—	(8.0)	1.8	2.0	—	(4.2)
Expenses deductible during the following years	(2.4)	—	(2.4)	(1.5)	0.2	—	(3.7)
Intangible assets	20.3	—	20.3	(20.0)	2.1	—	2.4
Deferred charges	25.5	—	25.5	3.9	(1.1)	—	28.3
Tax losses and tax credits carried forward	14.6	—	14.6	(1.7)	(0.3)	—	12.6
Asset retirement obligations	7.6	—	7.6	4.7	(1.7)	—	10.6
Deferred credits	(6.8)	—	(6.8)	1.6	0.9	—	(4.3)
Revenues taxable during the following years	3.0	—	3.0	(0.8)	0.2	—	2.4
Right-of-use assets	—	—	—	(47.2)	4.3	—	(42.9)
Lease liabilities	—	—	—	47.9	(4.4)	—	43.5
Investments	—	—	—	—	1.6	—	1.6
Other	32.6		32.6	5.8	(32.9)		5.5
	86.4	—	86.4	(5.5)	(29.1)	—	51.8

							2020
	Balance as at April 28, 2019	Adoption of IFRS 16	Adjusted balance, beginning of year	Recognized to earnings	Recognized directly to OCI or equity	Recognized through business acquisitions and disposals as well as assets held for sale	Balance as at April 26, 2020
	$	$	$	$	$	$	$
Deferred income tax liabilities							
Property and equipment	951.4	(28.7)	922.7	69.4	(7.3)	(60.0)	924.8
Expenses deductible during the following years	(73.0)	12.8	(60.2)	43.0	(0.5)	—	(17.7)
Intangible assets	44.0	—	44.0	18.0	0.3	—	62.3
Goodwill	235.7	—	235.7	5.0	(2.1)	(18.5)	220.1
Deferred charges	(74.2)	(0.1)	(74.3)	(1.3)	(4.1)	17.6	(62.1)
Tax losses and tax credits carried forward	49.9	—	49.9	12.1	21.6	0.6	84.2
Asset retirement obligations	(83.6)	—	(83.6)	8.6	1.2	—	(73.8)
Deferred credits	(51.2)	53.2	2.0	(3.0)	(1.9)	—	(2.9)
Revenues taxable during the following years	26.8	—	26.8	1.0	(0.8)	—	27.0
Right-of-use assets	—	552.2	552.2	8.5	(25.1)	—	535.6
Lease liabilities	—	(592.6)	(592.6)	(14.8)	27.0	—	(580.4)
Investments	23.8	—	23.8	(19.5)	(0.1)	—	4.2
Other	(0.5)	—	(0.5)	0.5	—	—	—
Unrealized exchange loss	(12.0)	—	(12.0)	(27.9)	(36.4)	—	(76.3)
	1,037.1	(3.2)	1,033.9	99.6	(28.2)	(60.3)	1,045.0

The losses carried forward and deductible temporary differences for which deferred tax assets have not been recognized amounted to $651.2 as at April 25, 2021 ($1,421.3 as at April 26, 2020), of which $423.7 will reverse through OCI ($821.5 as at April 26, 2020).

Of these amounts, approximately $529.1 as at April 25, 2021 had no expiration date ($968.7 as at April 26, 2020). Net capital losses can be carried forward indefinitely and can only be used against future taxable gains. Other losses carried forward and deductible temporary differences will expire as follows:

	$
Less than one year	9.9
One to two years	12.5
Two to three years	9.5
Three to five years	1.7
Five to ten years	15.0
Ten to twenty years	73.5
	122.1

During the fiscal year ended April 25, 2021, $38.0 of previously unrecognized deferred tax have been used.

Deferred income tax liabilities that would be payable upon repatriation of the retained earnings of certain 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 $6,106.0 ($4,016.0 in 2020).

13. NET EARNINGS PER SHARE

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

	2021	2020
	$	$
Net earnings attributable to Class A and B shareholders	**2,705.5**	2,353.6
Weighted average number of shares (in millions)	**1,105.3**	1,123.3
Dilutive effect of stock options (in millions)	**1.4**	1.2
Weighted average number of diluted shares (in millions)	**1,106.7**	1,124.5
Basic net earnings per share attributable to Class A and B shareholders	**2.45**	2.10
Diluted net earnings per share attributable to Class A and B shareholders	**2.44**	2.09

In calculating diluted net earnings per share for 2021, 465,659 stock options are excluded due to their antidilutive effect (246,668 stock options excluded in 2020).

For 2021, the Board of Directors declared total dividends of CA 33.25¢ per share (CA 26.50¢ per share for 2020).

14. SUPPLEMENTARY INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash working capital

	2021	2020
	$	$
Accounts receivable	**(358.0)**	545.3
Inventories	**(490.5)**	204.2
Prepaid expenses	**1.9**	(47.6)
Accounts payable and accrued liabilities	**762.0**	(936.3)
Current income taxes	**(70.4)**	235.0
	(155.0)	0.6

Changes in liabilities arising from financing activities

	2021			2020		
	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	**237.4**	**2,648.8**	**7,730.5**	258.7	—	6,951.4
Adoption of IFRS 16	—	—	—	—	2,952.2	(328.3)
Adjusted balance, beginning of year	**237.4**	**2,648.8**	**7,730.5**	258.7	2,952.2	6,623.1
Cash flows						
Net cash (outflow) inflow in long-term debt	—	—	**(1,710.6)**	—	—	1,706.9
Principal elements of lease payments	—	**(404.2)**	—	—	(378.2)	—
Settlements of derivative financial instruments	—	—	—	(100.6)	—	—
Non-cash movements						
Reclassified to liabilities associated with assets held for sale (Note 5)	—	**(81.1)**	—	—	(187.9)	(522.7)
Change in estimates	—	**628.5**	—	—	194.3	—
Additions	—	**180.4**	**63.6**	—	130.2	—
Change in fair value	**(149.9)**	—	—	79.3	—	—
Business acquisitions (Note 4)	—	**67.2**	—	—	10.9	—
Impact of the redemption notice of senior unsecured notes (Note 22)	—	—	**29.1**	—	—	—
Amortization of financing costs	—	—	**4.1**	—	—	7.0
Change in fair value of associated swaps	—	—	—	—	—	3.9
Effect of exchange rate fluctuations	—	**172.5**	**273.2**	—	(72.7)	(87.7)
Balance, end of year	**87.5**	**3,212.1**	**6,389.9**	237.4	2,648.8	7,730.5

15. ACCOUNTS RECEIVABLE

	2021	2020
	$	$
Credit and debit cards receivable[a]	818.5	521.5
Trade accounts receivable and vendor rebates receivable[a]	732.3	518.1
Provision for credit losses	(36.8)	(38.1)
Credit and debit cards receivable and trade accounts receivable and vendor rebates receivable – net	1,514.0	1,001.5
Other accounts receivable	258.2	254.5
Provision for credit losses	(0.5)	—
	1,771.7	1,256.0

(a) These amounts are presented net of an amount of $151.2 from Accounts payable and accrued expenses (Note 21) due to netting arrangements ($148.7 as at April 26, 2020).

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:

	2021		
	Gross carrying amount	Expected loss rate	Loss allowance
	$	%	$
Not past due	1,435.7	0.4	5.1
Past due 1-90 days	79.7	2.1	1.7
Past due 91 days and over	35.4	84.7	30.0
	1,550.8		36.8

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

	2021	2020
	$	$
Balance, beginning of year	38.1	30.8
Provision for expected credit losses, net of unused beginning balance	4.3	18.7
Receivables written off during the year	(9.1)	(8.7)
Reclassified to assets held for sale (Note 5)	—	(0.4)
Effect of exchange rate variations	4.0	(2.3)
Balance, end of year	37.3	38.1

16. INVENTORIES

	2021	2020
	$	$
Merchandise[a]	900.1	831.6
Road transportation fuel[b]	853.2	396.4
Other products	14.3	9.4
	1,767.6	1,237.4

(a) For the fiscal year ended April 25, 2021, write-down to net realizable value expenses of $33.9 were recorded for this category in Cost of sales, excluding depreciation, amortization and impairment in the consolidated statements of earnings (nil for the fiscal year ended April 26, 2020).

(b) 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. For the fiscal year ended April 26, 2020, a write-down to net realizable value expense of $12.9 was recorded for this category in Cost of sales, excluding depreciation, amortization and impairment in the consolidated statements of earnings.

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.

17. PROPERTY AND EQUIPMENT

	Land	Buildings and building components[(b)]	Equipment	Leasehold improvements	Total
	$	$	$	$	$
Year ended April 25, 2021					
Net book amount, beginning	**3,344.8**	**2,790.8**	**3,588.4**	**412.5**	**10,136.5**
Additions	**145.0**	**316.8**	**757.9**	**68.9**	**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, amortization and impairment expense	**(1.6)**	**(249.6)**	**(560.7)**	**(71.0)**	**(882.9)**
Transfers	**15.2**	**(12.5)**	**2.4**	**(5.1)**	**—**
Reclassified to assets held for sale (Note 5)	**(32.1)**	**(22.0)**	**(66.7)**	**(9.6)**	**(130.4)**
Effect of exchange rate variations	**175.8**	**152.7**	**180.0**	**10.8**	**519.3**
Net book amount, end[(a)]	**3,606.2**	**2,985.2**	**3,871.3**	**407.4**	**10,870.1**
As at April 25, 2021					
Cost	**3,610.8**	**4,653.2**	**7,042.3**	**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)]	**3,606.2**	**2,985.2**	**3,871.3**	**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**
Year ended April 26, 2020					
Net book amount, beginning	3,830.6	3,233.9	3,670.7	394.7	11,129.9
Adoption of IFRS 16	(143.2)	(105.2)	(58.1)	—	(306.5)
Adjusted net book amount, beginning	3,687.4	3,128.7	3,612.6	394.7	10,823.4
Additions	55.4	272.9	786.4	98.0	1,212.7
Business acquisitions (Note 4)	13.6	17.4	19.6	0.2	50.8
Disposals	(33.2)	(17.5)	(52.3)	(5.5)	(108.5)
Depreciation and amortization expense	(0.7)	(255.0)	(531.9)	(70.3)	(857.9)
Transfers	12.0	4.2	(20.7)	4.5	—
Reclassified to assets held for sale (Notes 5 and 6)	(319.3)	(292.6)	(140.6)	(5.6)	(758.1)
Effect of exchange rate variations	(70.4)	(67.3)	(84.7)	(3.5)	(225.9)
Net book amount, end[(a)]	3,344.8	2,790.8	3,588.4	412.5	10,136.5
As at April 26, 2020					
Cost	3,378.4	4,150.0	6,316.7	927.3	14,772.4
Accumulated depreciation, amortization and impairment	(33.6)	(1,359.2)	(2,728.3)	(514.8)	(4,635.9)
Net book amount[(a)]	3,344.8	2,790.8	3,588.4	412.5	10,136.5
Portion related to property and equipment not operated by the Corporation as they are subject to operating leases	28.1	42.1	3.5	—	73.7

(a) The net book amount as at April 25, 2021 includes $804.9 related to construction in progress ($753.9 as at April 26, 2020).

(b) For the fiscal year ended April 25, 2021, no impairment loss was recorded for this category in Depreciation, amortization and impairment on the consolidated statements of earnings ($4.7 for the fiscal year ended April 26, 2020).

18. 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 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**
Year ended April 26, 2020				
Net book amount, beginning	—	—	—	—
Adoption of IFRS 16	2,789.8	37.6	7.6	2,835.0
Adjusted net book amount, beginning	2,789.8	37.6	7.6	2,835.0
Additions	116.1	12.2	0.6	128.9
Business acquisitions (Note 4)	10.9	—	—	10.9
Depreciation and amortization expense	(399.4)	(9.0)	(0.8)	(409.2)
Change in estimates	221.6	(21.6)	(4.5)	195.5
Reclassified to assets held for sale (Notes 5 and 6)	(172.7)	—	—	(172.7)
Deemed disposals related to subleases	(1.7)	—	—	(1.7)
Effect of exchange rate variations	(71.2)	(1.2)	(0.4)	(72.8)
Net book amount, end	2,493.4	18.0	2.5	2,513.9

Amounts recognized in the consolidated statements of earnings

	2021	2020
	$	$
Expenses relating to short-term leases and leases of low-value assets	**24.8**	33.4
Expenses relating to variable lease payments not included in the measurement of lease liabilities	**22.9**	23.5

Information on cash flows

	2021	2020
	$	$
Total cash outflow for leases	**538.8**	526.3

As at April 25, 2021, the Corporation leases mainly land, 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 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 25, 2021, the Corporation was in compliance with the restrictions imposed by its lease agreements.

As at April 25, 2021, 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 depends on sales are recognized in earnings in the period in which the conditions that triggers those payments occur. For the fiscal year ended April 25, 2021, 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 25, 2021, potential future annual undiscounted cash outflows of $175.5 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 25, 2021, future undiscounted cash outflows of $22.5 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 25, 2021, 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

	2021	2020
	$	$
Income relating to operating leases, excluding those variable lease payments that do not depend on an index or a rate	**15.8**	38.2
Income relating to variable lease payments that do not depend on an index or a rate	**17.1**	37.7
Rental income from subleasing right-of-use assets	**48.6**	44.7

As at April 25, 2021, the total amount of undiscounted future minimum operating leases payments expected to be received under lease and sublease agreements is $71.8. These minimum payments are expected to be received as follows:

	$
Less than one year	**16.0**
One to five years	**32.8**
More than five years	**23.0**
	71.8

As at April 25, 2021, the total amount of undiscounted future minimum payments expected to be received under net investment in subleases is $21.9. These minimum payments are expected to be received as follows:

	$
Less than one year	**5.8**
One to five years	**13.0**
More than five years	**3.1**
	21.9
Unearned finance income included in payments above	**(1.8)**
Net investment in subleases	**20.1**

19. GOODWILL AND INTANGIBLE ASSETS

Goodwill

	2021	2020
	$	$
Net book amount, beginning of year	**5,505.8**	5,683.1
Business acquisitions (Note 4)	**340.3**	35.6
Reclassified to assets held for sale (Note 5)	**(81.7)**	(140.9)
Effect of exchange rate variations	**181.9**	(72.0)
Net book amount, end of year	**5,946.3**	5,505.8

Intangible assets

	Trademarks	**Franchise agreements**	**Software[(a)]**	**Fuel supply agreements**	**Reacquired rights**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
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**
Year ended April 26, 2020							
Net book amount, beginning	255.6	61.0	170.4	267.9	—	189.5	944.4
Adoption of IFRS 16	—	—	—	—	—	(104.5)	(104.5)
Adjusted net book amount, beginning	255.6	61.0	170.4	267.9	—	85.0	839.9
Additions	—	0.3	56.0	—	—	0.2	56.5
Disposals	—	—	(0.9)	—	—	(0.1)	(1.0)
Depreciation and amortization expense	(7.5)	(10.2)	(34.4)	(14.7)	—	(6.3)	(73.1)
Transfers	—	0.2	2.6	—	—	(2.8)	—
Reclassified to assets held for sale (Notes 5 and 6)	—	—	—	(238.9)	—	(1.5)	(240.4)
Effect of exchange rate variations	(7.3)	(2.9)	(19.6)	—	—	(1.3)	(31.1)
Net book amount, end	240.8	48.4	174.1	14.3	—	73.2	550.8
As at April 26, 2020							
Cost	277.3	136.3	348.5	55.6	—	180.0	997.7
Accumulated depreciation and amortization	(36.5)	(87.9)	(174.4)	(41.3)	—	(106.8)	(446.9)
Net book amount	240.8	48.4	174.1	14.3	—	73.2	550.8

(a) The net book amount as at April 25, 2021 includes $32.0 related to software in progress ($19.8 as at April 26, 2020).

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 25, 2021, and April 26, 2020, is as follows:

		2021		2020
CGU	**Intangible assets with indefinite useful lives**	**Goodwill**	Intangible assets with indefinite useful lives	Goodwill
	$	**$**	$	$
Canada	**—**	**832.8**	—	743.1
United States	**186.9**	**4,230.2**	185.5	4,278.4
Scandinavia	**64.7**	**488.7**	53.8	408.2
Central and Eastern Europe	**27.0**	**12.6**	24.3	11.3
Ireland	**—**	**72.4**	—	64.8
Asia	**12.7**	**309.6**	—	—
	291.3	**5,946.3**	263.6	5,505.8

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. 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.

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 8.6x to 10.5x 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.

20. OTHER ASSETS

	2021	2020
	$	$
Deferred compensation assets	**71.9**	51.9
Environmental costs receivable (Note 25)	**64.3**	68.4
Pension benefit assets (Note 30)	**63.0**	12.5
Share units indexed deposits (Note 31)	**43.5**	34.4
Investments in equity instruments (Note 31)	**35.2**	78.5
Deferred incentive payments	**26.2**	27.1
Deposits	**25.5**	25.4
Net investment in subleases (Note 18)	**20.1**	19.7
Notes receivable	**19.3**	16.6
Other	**20.7**	15.6
	389.7	350.1

21. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
	$	$
Accounts payable and accrued expenses[a]	**2,577.6**	1,507.6
Sales and excise taxes	**760.7**	733.0
Salaries and related benefits	**358.6**	284.1
Other	**297.4**	283.6
	3,994.3	2,808.3

(a) This amount is presented net of an amount of $110.8 from Credit and debit cards receivable (Note 15) and $40.4 from Trade accounts receivable and vendor rebates receivable (Note 15) due to netting arrangements ($129.8 and $18.9, respectively as at April 26, 2020).

22. LONG-TERM DEBT

	2021	2020
	$	$
US-dollar-denominated senior unsecured notes, maturing from July 2022 to January 2050[a]	**4,002.9**	3,970.7
Canadian-dollar-denominated senior unsecured notes, maturing from November 2022 to June 2025[a]	**1,319.1**	1,384.8
Euro-denominated senior unsecured notes, maturing in May 2026[a]	**902.0**	806.8
NOK-denominated senior unsecured notes, maturing in February 2026[a]	**80.8**	63.3
US-dollar-denominated term revolving unsecured operating credit facility D, maturing in December 2024[b]	**—**	1,500.0
Other debts[c]	**85.1**	4.9
	6,389.9	7,730.5
Current portion of long-term debt	**1,107.3**	214.7
Long-term portion of long-term debt	**5,282.6**	7,515.8

(a) Senior unsecured notes

As at April 25, 2021, the Corporation had senior unsecured notes denominated in US-dollar totaling $4,000.0, in Canadian-dollar totaling CA $1,650.0, 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 25, 2021	Interest payment dates
July 26, 2017 issuance	$1,000.0	July 26, 2022(1)	2.700%	2.819%	July 26th and January 26th
November 1, 2012 issuance	CA $250.0	November 1, 2022	3.899%	3.963%	May 1st and November 1st
July 26, 2017 issuance	CA $700.0	July 26, 2024	3.056%	3.133%	July 26th and January 26th
June 2, 2015 issuance	CA $700.0	June 2, 2025	3.600%	3.649%	June 2nd and December 2nd
February 18, 2016 issuance	NOK 675.0	February 18, 2026	3.850%	3.927%	April 20th and October 20th
May 6, 2016 issuance	€750.0	May 6, 2026	1.875%	1.944%	May 6th
July 26, 2017 issuance	$1,000.0	July 26, 2027	3.550%	3.642%	July 26th and January 26th
January 22, 2020 issuance	$750.0	January 25, 2030	2.950%	3.033%	July 25th and January 25th
July 26, 2017 issuance	$500.0	July 26, 2047	4.500%	4.576%	July 26th and January 26th
January 22, 2020 issuance	$750.0	January 25, 2050	3.800%	3.880%	July 25th and January 25th

(1) Following the delivery of a redemption notice by the Corporation on April 14, 2021, repayment on these senior unsecured notes was effective May 14, 2021.

On August 21, 2020, the Corporation fully repaid, at maturity, its CA $300.0 ($227.1) Canadian-dollar-denominated senior unsecured notes issued on August 21, 2013. The Canadian-dollar-denominated notes issued on November 1, 2012; June 2, 2015; and July 26, 2017; are associated with cross-currency interest rate swaps (Note 24).

On May 13, 2021, subsequent to the fiscal year ended April 25, 2021, the Corporation issued US-dollar-denominated senior unsecured notes totaling $1,000.0, consisting of the following:

	Principal amount	Maturity	Coupon rate	Effective rate	Interest payment dates
May 13, 2021 issuance	$650.0	May 13, 2041	3.439%	3.503%	May 13th and November 13th
May 13, 2021 Green Bonds issuance	$350.0	May 13, 2051	3.625%	3.686%	May 13th and November 13th

A portion of these US-dollar-denominated senior unsecured notes was subject to interest rate locks in anticipation of their issuance (Note 23) and an amount equal to the net proceeds of the $350.0 million Green Bonds tranche will be used to finance projects that contribute to environmental sustainability.

On May 14, 2021, subsequent to the fiscal year ended April 25, 2021, the Corporation fully repaid its $1,000.0 US-dollar-denominated senior unsecured notes issued on July 26, 2017 and which were set to mature on July 26, 2022. The repayment was settled using net proceeds from the $650.0 US-dollar-denominated senior unsecured notes issued on May 13, 2021, as well as with cash on hand. Following the delivery of a redemption notice on April 14, 2021, the Corporation recognized in the consolidated statement of earnings an expense of $29.1, which includes an early redemption premium of $27.7. The senior unsecured notes were classified to Current portion of long-term debt on the consolidated balance sheet.

(b) Term revolving unsecured operating credit facility D

As at April 25, 2021, the Corporation had a credit facility agreement consisting of a revolving unsecured facility of a maximum amount of $2,525.0, maturing in December 2024. 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, LIBOR 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 25, 2021, the term revolving unsecured operating credit facility was unused ($1,500.0 borrowed as at April 26, 2020, with a weighted average effective interest rate of 2.110%) and the Corporation was in compliance with the restrictive provisions and ratios imposed by the credit agreement.

(c) US-dollar-denominated promissory notes

On December 30, 2020, the Corporation entered into an asset purchase agreement in which it acquired the land, building and equipment of 68 stores which were already company-operated prior to the transaction. Promissory notes of a total value of $60.7 were issued in relation with this transaction, bearing interest at a weighted average annual rate of 9.660%. These promissory notes will mature on July 30, 2021.

Bank overdraft facilities

As at April 25, 2021, the Corporation had access to bank overdraft facilities totaling approximately $60.0, of which $0.4 was used.

Letters of credit

As at April 25, 2021, the Corporation had outstanding letters of credit related to its own operations of $106.1 ($83.5 as at April 26, 2020), of which $6.8 ($11.9 as at April 26, 2020) reduced funds available under the Corporation's term revolving unsecured operating credit facility D.

23. INTEREST RATE LOCKS

During the fiscal year ended April 25, 2021, the Corporation entered into interest rate locks with the following terms:

Notional amount	Interest lock terms	Rate	Maturity date
$500.0	From 20 to 30 years	From 2.232% to 2.356%	May 14, 2021

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 25, 2021, a loss of $7.9 was recognized in OCI to reflect the fluctuation in the interest rate locks' fair value.

On May 10, 2021, prior to their maturity and subsequent to the fiscal year ended April 25, 2021, the Corporation settled all its interest rate locks. The total cumulative loss of $2.9 recognized to Accumulated other comprehensive loss in relation with these interest rate locks will be amortized over the term of the related US-dollar-denominated senior unsecured notes issued on May 13, 2021 (Note 22), as an adjustment to the related interest expense.

24. 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 31)	
					April 25, 2021	April 26, 2020
					$	$
CA $1,650.0	From 3.056% to 3.899%	US $1,377.9	From 3.226% to 3.870%	From November 1, 2022 to June 2, 2025	**79.6**	237.4

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.

25. 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
	$	$	$	$	$	$
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**
2020						
Balance, beginning of year	452.2	166.7	40.7	42.3	48.2	750.1
Adoption of IFRS 16	—	—	—	—	(3.0)	(3.0)
Adjusted balance, beginning of year	452.2	166.7	40.7	42.3	45.2	747.1
Business acquisitions (Note 4)	0.8	—	—	—	—	0.8
Liabilities incurred	6.3	19.6	28.6	32.0	5.9	92.4
Liabilities settled	(6.0)	(19.9)	(26.0)	(23.0)	(15.4)	(90.3)
Accretion expense	15.6	2.1	0.6	—	—	18.3
Reversal of provisions	(6.2)	(7.9)	—	(0.2)	(1.5)	(15.8)
Change in estimates	(33.7)	3.6	0.7	(0.3)	0.1	(29.6)
Reclassified to liabilities associated with assets held for sale (Notes 5 and 6)	(39.8)	(3.5)	—	(0.5)	—	(43.8)
Effect of exchange rate variations	(15.4)	(3.5)	(0.1)	—	(0.7)	(19.7)
Balance, end of year	373.8	157.2	44.5	50.3	33.6	659.4
Current portion	31.7	45.5	13.1	9.4	8.4	108.1
Long-term portion	342.1	111.7	31.4	40.9	25.2	551.3

(a) The total undiscounted amount of estimated cash flows to settle the asset retirement obligations is approximately $700.2 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.

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 $155.3 provision for environmental costs as at April 25, 2021 ($157.2 as at April 26, 2020). Furthermore, the Corporation has recorded an amount of $73.4 for environmental costs receivable from trust funds as at April 25, 2021 ($79.4 as at April 26, 2020), of which $9.1 ($11.0 as at April 26, 2020) is included in Accounts receivable and $64.3 in Other assets ($68.4 as at April 26, 2020).

26. DEFERRED CREDITS AND OTHER LIABILITIES

	2021	2020
	$	$
Deferred compensation liabilities	**101.9**	75.8
Deferred credits	**35.5**	25.0
Deposits	**28.2**	24.8
Employee benefits	**44.0**	—
Deferred branding credits	**20.5**	21.8
Other liabilities	**21.2**	14.5
	251.3	161.9

27. 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, convertible into Class B subordinate voting shares on a share-for-share basis at the holder's option. Under the articles of amendment, no new Class A multiple voting shares may be issued.
- Class B subordinate voting and participating shares, with each share comprising 1 vote, convertible automatically into Class A multiple voting shares on a share-for-share basis on the earlier of the following:
    - In December 2021, when all 4 of the Corporation's co-founders will have reached the age of 65 years old; or
    - When all 4 of the Corporation's co-founders will hold, directly or indirectly, less than 50% of the voting rights attached to all of the Corporation's outstanding Class A multiple voting shares and Class B subordinate voting shares.

The order of priority for the payment of dividends is as follows:

- First preferred shares;
- Second preferred shares; and
- Class B subordinate voting shares and Class A multiple voting shares, ranking pari passu.

Issued

The changes in the number of shares are as follows:

	2021	2020
Class A multiple voting shares (in thousands)		
Balance, beginning of year	**253,804**	253,818
Conversion into Class B shares	**(1)**	(14)
Balance, end of the year	**253,803**	253,804
Class B subordinate voting shares (in thousands)		
Balance, beginning of year	**858,888**	875,004
Issued on conversion of Class A shares	**1**	14
Share repurchases[(a)]	**(33,336)**	(16,354)
Issuance of shares on stock options exercised	**256**	224
Balance, end of year	**825,809**	858,888
Issued and outstanding	**1,079,612**	1,112,692
Shares repurchased and not yet cancelled	**503**	—
Issued	**1,080,115**	1,112,692

(a) Share repurchase program

On November 24, 2020, the Toronto Stock Exchange approved the renewal of the Corporation's share repurchase program which had expired on April 9, 2020. The renewal took effect on November 27, 2020, and allowed the Corporation to repurchase up to 33,336,141 Class B subordinate voting shares, representing 4.0% of the 833,403,522 Class B subordinate voting shares of the public float issued and outstanding as at November 16, 2020.

During the fiscal year ended April 25, 2021, the share repurchase program terminated early since the authorized share repurchase limit was reached as the Corporation repurchased 33,336,141 Class B subordinate voting shares (16,354,384 Class B subordinate voting share for the fiscal year ended April 26, 2020). These repurchases were settled for net amounts of $1,063.6 ($470.8 for the fiscal year ended April 26, 2020), of which $16.9 is recorded in Accounts payable and accrued liabilities as at April 25, 2021.

On April 21, 2021, the Toronto Stock Exchange approved the implementation of a new share repurchase program (“New Program”), which took effect on April 26, 2021. The New Program allows the Corporation to repurchase up to 32,056,988 Class B subordinate voting shares, representing 4.0% of the 801,424,691 Class B subordinate voting shares of the public float issued and outstanding as at April 19, 2021 and the share repurchase period will end no later than April 25, 2022. Subsequent to the fiscal year ended April 25, 2021, the Corporation repurchased 8,471,000 Class B subordinate voting shares under the New Program, for a net amount of $299.2.

When making such repurchases, the number of Class B subordinate voting 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 programs will be cancelled upon their repurchase. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange upon approbation of the New 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.

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

Stock option plan

The Corporation has a stock option plan (the "Plan") under which it has authorized the grant of up to 101,352,000 stock options for the purchase of its Class B subordinate voting 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 Class B shares on the Toronto Stock Exchange for the five days preceding the grant. Each stock option is exercisable into one Class B 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 Plan allows them to elect to receive a number of subordinate shares equivalent to the difference between the total number of subordinate shares underlying the options exercised and the number of subordinate 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 Plan as at April 25, 2021, and April 26, 2020, and the changes therein during the years then ended:

	2021		2020	
	Number of stock options	**Weighted average exercise price**	Number of stock options	Weighted average exercise price
		CA $		CA $
Outstanding, beginning of year	**3,319,478**	**22.44**	3,305,592	19.60
Granted	**219,781**	**43.20**	246,668	42.17
Exercised	**(271,758)**	**3.09**	(232,782)	3.02
Outstanding, end of year	**3,267,501**	**25.45**	3,319,478	22.44
Exercisable, end of year	**2,753,261**	**23.04**	2,746,798	19.91

For options exercised in 2021, the weighted average share price at the date of exercise was CA $41.68 (CA $44.86 in 2020).

The following table presents information on the stock options outstanding and exercisable as at April 25, 2021:

	Options outstanding			Options exercisable	
Range of exercise prices	Number of stock options outstanding as at April 25, 2021	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of stock options exercisable as at April 25, 2021	Weighted average exercise price
CA $			CA $		CA $
2 – 16	200,108	1.40	8.40	200,108	8.40
16 – 30	1,970,396	3.91	21.39	1,970,396	21.39
30 – 45	1,096,997	7.58	35.85	582,757	33.67
	3,267,501			2,753,261	

The fair value of stock options granted is estimated at the grant date using the Black-Scholes option pricing model on the basis of the following weighted average assumptions for the stock options granted during the year:

	2021	2020
Expected dividends (per share)	**CA $0.28**	CA $0.25
Expected volatility	**25 %**	23 %
Risk-free interest rate	**0.46 %**	1.56 %
Expected life	**8 years**	8 years

The weighted average fair value of stock options granted was CA $12.48 in 2021 (weighted average fair value of CA $10.48 in 2020).

For 2021, the compensation cost charged to the consolidated statements of earnings amounts to $2.5 ($2.1 in 2020).

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 Class B 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 Class B subordinated voting share (the "Class B 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.

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 Class B shares. As at April 25, 2021, the Corporation had a total of 403,236 DSUs outstanding (383,109 as at April 26, 2020) and an obligation related to this plan of $13.6 ($11.0 as at April 26, 2020) 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 31). For 2021, the net compensation cost amounted to $3.0 ($0.9 of net compensation cost in 2020).

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 Class B 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 25, 2021, and April 26, 2020, and the changes therein during the years then ended in number of units:

	2021	2020
Outstanding, beginning of year	**1,547,647**	1,500,784
Granted	**530,675**	554,172
Paid	**(396,721)**	(344,698)
Forfeited	**(156,597)**	(162,611)
Outstanding, end of year	**1,525,004**	1,547,647

As at April 25, 2021, an obligation related to this notional unit allocation plan of $13.4 was recorded in Accounts payable and accrued liabilities ($12.3 as at April 26, 2020) and $15.7 was recorded in Deferred credits and other liabilities ($11.3 as at April 26, 2020). The price risk of this obligation is also managed with the share units indexed deposits (Note 31). For 2021, the compensation cost amounted to $13.4 ($11.3 for 2020).

29. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Attributable to shareholders of the Corporation					
	Cumulative translation adjustments[a]	Net investment hedge[a]	Cash flow hedge[a]	Cumulative net actuarial gain (loss)[b]	Investments in equity instruments measured at fair value through OCI[b]	Accumulated other comprehensive loss
	$	$	$	$	$	$
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)**
Year ended April 26, 2020						
Balance, beginning of year	(496.1)	(348.2)	(8.3)	(4.0)	—	(856.6)
Other comprehensive (loss) income	(268.8)	(102.8)	4.6	(23.3)	(14.0)	(404.3)
Balance, end of year	(764.9)	(451.0)	(3.7)	(27.3)	(14.0)	(1,260.9)

(a) May be reclassified subsequently to earnings.
(b) Will never be reclassified to earnings.

30. 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:

	2021	2020
	$	$
Present value of defined benefit obligation for funded pension plans	**(144.3)**	(141.1)
Fair value of plans' assets	**209.1**	155.4
Net funded status of funded plans – net surplus	**64.8**	14.3
Present value of defined benefit obligation for unfunded pension plans	**(99.9)**	(93.3)
Net accrued pension benefit liability	**(35.1)**	(79.0)

As at April 25, 2021, the pension benefit asset of $63.0 ($12.5 as at April 26, 2020) is included in Other assets and the Pension benefit liability of $98.1 ($91.5 as at April 26, 2020) 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
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)**
2020					
Present value of defined benefit obligation	(56.4)	(29.4)	(120.2)	(28.4)	(234.4)
Fair value of plans' assets	21.2	1.6	132.6	—	155.4
Net funded status of plan – (deficit) surplus	(35.2)	(27.8)	12.4	(28.4)	(79.0)

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

	2021				2020			
	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	**118.0**	**—**	**118.0**	**56.4**	77.1	—	77.1	49.6
Debt instruments								
Government	**81.1**	**—**	**81.1**	**38.8**	68.5	—	68.5	44.1
Corporate	**5.6**	**0.4**	**6.0**	**2.9**	5.4	—	5.4	3.5
Real estate	**—**	**0.3**	**0.3**	**0.1**	—	0.2	0.2	0.1
Other assets	**3.7**	**—**	**3.7**	**1.8**	4.0	—	4.0	2.6
Total	**208.4**	**0.7**	**209.1**	**100.0**	155.2	0.2	155.4	100.0

The Corporation's service cost under its defined benefit plans, net of employee contributions and curtailment gains, for the fiscal year 2021 is $2.7 ($2.0 for 2020).

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

	2021	2020
	$	$
(Gains) losses from change in financial assumptions	**(21.9)**	29.7
Experience gains	**(8.3)**	(1.3)
Return on assets (excluding amounts included in interest income)	**(24.4)**	1.3
Amount recognized in OCI	**(54.6)**	29.7

The Corporation expects to make a contribution of $5.3 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:

	2021				2020			
	Canada	**Norway**	**Sweden**	**Others**	Canada	Norway	Sweden	Others
	%	**%**	**%**	**%**	%	%	%	%
Discount rate	**3.2**	**2.3**	**2.0**	**2.4**	3.0	1.8	1.5	2.3
Rate of compensation increase	**3.0**	**2.3**	**2.8**	**2.2**	3.0	2.3	2.8	2.0
Rate of benefit increase	**2.0**	**0.5**	**1.8**	**1.9**	2.0	0.5	1.8	1.5
Rate of social security base amount increase (*G-amount*)	**—**	**2.0**	**2.8**	**—**	—	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 9.7%	Increase by 10.7%
Rate of compensation increase	0.5 %	Increase by 2.4%	Decrease by 2.1%
Rate of benefit increase	0.5 %	Increase by 7.5%	Decrease by 7.7%
Increase of life expectancy	1 year	Increase by 4.4%	-

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 2021 is $142.4 ($126.1 for 2020).

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 $72.5 as at April 25, 2021 ($53.5 as at April 26, 2020) 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, the trust therefore 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 $71.9 as at April 25, 2021 ($51.9 as at April 26, 2020) and are included in Other assets (Note 20).

31. 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 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.

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 25, 2021, 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 25, 2021 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 $108.5 on Net earnings attributable to shareholders of the Corporation, which would be partially offset by a net impact of $90.0 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 25, 2021, 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 25, 2021, 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 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 ($15.0 based on balances as at April 26, 2020).

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 in order to hedge the interest rates on forecasted debt issuance (Note 23).

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, 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 25, 2021, 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.

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 25, 2021, 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 25, 2021, relates to receivables of $110.4, of which $54.8 was interest-bearing. These receivables from cardholders are not recognized in the Corporation's consolidated balance sheet. For fiscal year 2021, 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 25, 2021, 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]	3,146.9	3,146.9	3,146.9	—	—	—
US-dollar-denominated senior unsecured notes	4,002.9	5,888.3	1,144.4	108.6	325.8	4,309.5
Canadian-dollar-denominated senior unsecured notes	1,319.1	1,488.2	45.1	245.4	1,197.7	—
Euro-denominated senior unsecured notes	902.0	1,006.9	17.0	17.0	51.0	921.9
NOK-denominated senior unsecured notes	80.8	96.1	3.1	3.1	89.9	—
Lease liabilities - Current contractual maturities[3]	3,293.2	2,351.6	498.3	390.8	754.5	708.0
Lease liabilities - Future renewal options[3]		1,608.0	6.0	37.9	271.2	1,292.9
Other debts	85.1	85.6	79.9	1.8	3.3	0.6
Cross-currency interest rate swaps payable[1]	79.6	1,557.8	48.9	299.7	1,209.2	—
Cross-currency interest rate swaps receivable[1]		(1,488.2)	(45.1)	(245.4)	(1,197.7)	—
	12,909.6	15,741.2	4,944.5	858.9	2,704.9	7,232.9

(1) Based on spot rates, as at April 25, 2021, for balances for which the respective functional 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 25, 2021.

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. As at April 25, 2021, the notional volume of such derivatives was 324,500 metric tons of road transportation fuel and other fossil fuels. 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 Class B 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 Class B 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 25, 2021, the nominal of the share units indexed deposits was 1,845,815 Class B 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 25, 2021, 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.

Fair value

The fair value of trade accounts receivable and vendor rebates receivable, credit and debit cards receivable, accounts payable and accrued liabilities and promissory notes is comparable to their carrying amounts given their short maturity. The carrying value of the term revolving unsecured operating credit facility D approximated its fair value given that its terms were similar to those that the Corporation would have obtained under similar conditions at the reporting date.

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.

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:

- The fair value of the share units indexed deposits, which is mainly based on the fair market value of the Corporation's Class B shares, was $61.9 as at April 25, 2021 ($52.7 as at April 26, 2020) (Level 2). As at April 25, 2021, the share units indexed deposit which will mature within one year are presented as Accounts receivable for an amount of $18.4 ($18.3 as at April 26, 2020) and the remaining share units indexed deposits are presented as Other assets for an amount of $43.5 ($34.4 as at April 26, 2020) on the consolidated balance sheets;
- The fair value of the cross-currency interest rate swaps liability, which is determined based on market rates, was $79.6 as at April 25, 2021 ($237.4 as at April 26, 2020) (Level 2). They are presented as Other long-term financial liabilities on the consolidated balance sheets;
- The fair value of the interest rate locks, which is determined based on market rates, was $7.9 as at April 25, 2021 (nil as at April 26, 2020) (Level 2). They are presented as Other short-term financial liabilities on the consolidated balance sheets;
- The fair value of the investments in equity instruments based on unadjusted quoted prices was $29.2 as at April 25, 2021 ($78.5 as at April 26, 2020) (Level 1) and the fair value of the investments in equity instruments based on entity-specific inputs was $6.0 as at April 25, 2021 (nil as at April 26, 2020) (Level 3). They are presented as Other assets on the consolidated balance sheets;
- The fair value of the commodity indexed deposits, which is determined based on market rates, was $9.7 as at April 25, 2021 (nil as at April 26, 2020) (Level 2). They are presented as Other short-term financial assets on the consolidated balance sheet;
- The fair value of the fuel swaps, which is determined based on market rates, was $18.7 as at April 25, 2021 ($23.8 as at April 26, 2020) (Level 2). As at April 25, 2021, they are presented as Other short-term financial liabilities and as at April 26, 2020, they are presented as Other short-term financial assets on the consolidated balance sheets; and
- See Note 7 for information on the measurement of the convertible debentures and common share purchase warrants in Fire & Flower.

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:

	2021		2020	
	Carrying value	**Fair value**	Carrying value	Fair value
	$	**$**	$	$
US-dollar-denominated senior unsecured notes (Level 2)	**4,002.9**	**4,257.3**	3,970.7	4,026.3
Canadian-dollar-denominated senior unsecured notes (Level 1)	**1,319.1**	**1,406.3**	1,384.8	1,436.9
Euro-denominated senior unsecured notes (Level 2)	**902.0**	**966.8**	806.8	795.6
NOK-denominated senior unsecured notes (Level 2)	**80.8**	**88.2**	63.3	68.5

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 22 and 27).

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 28).

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:

	2021	2020
	$	$
Current portion of long-term debt and Current-portion of lease liabilities	**1,526.7**	597.8
Long-term debt and lease liabilities	**8,075.3**	9,781.5
Less: Cash and cash equivalents, including restricted cash	**3,019.2**	3,649.5
Net interest-bearing debt	**6,582.8**	6,729.8
Shareholders' equity	**12,180.9**	10,066.6
Net interest-bearing debt	**6,582.8**	6,729.8
Total capitalization	**18,763.7**	16,796.4
Net interest-bearing debt to total capitalization ratio	**35.1%**	40.1%

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 25, 2021, and April 26, 2020.

The Corporation is not subject to any significant externally imposed capital requirements.

32. 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 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.

33. CONTINGENCIES AND GUARANTEES

Contingencies

Various claims and legal proceedings have been initiated against the Corporation in the normal course of its operations and through acquisitions. 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 25, 2021, the total future lease payments under such agreements are approximately $14.8 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 total $19.4 and the carrying amount and fair value of the guarantee commitments recognized in the consolidated balance sheet as at April 25, 2021, were not significant.

34. SEGMENTED INFORMATION

The Corporation operates convenience stores in the United States, in Europe, in Asia 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, Ingo and Mac's. 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:

	2021				2020 (adjusted, Note 3)			
	United States	**Europe and other regions[c]**	**Canada**	**Total**	United States[d]	Europe and other regions[c]	Canada[d]	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[a]								
Merchandise and service	**11,489.9**	**1,830.8**	**2,552.3**	**15,873.0**	10,947.2	1,416.3	2,302.7	14,666.2
Road transportation fuel	**19,594.7**	**6,295.3**	**3,515.3**	**29,405.3**	26,802.5	7,481.1	4,415.7	38,699.3
Other	**44.3**	**419.3**	**18.2**	**481.8**	93.6	652.0	21.3	766.9
	31,128.9	**8,545.4**	**6,085.8**	**45,760.1**	37,843.3	9,549.4	6,739.7	54,132.4
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment[d]								
Merchandise and service	**3,798.7**	**716.2**	**800.2**	**5,315.1**	3,647.2	587.6	733.2	4,968.0
Road transportation fuel	**3,095.2**	**1,119.7**	**391.6**	**4,606.5**	3,160.8	932.0	344.2	4,437.0
Other	**44.2**	**131.2**	**18.3**	**193.7**	93.7	123.6	21.2	238.5
	6,938.1	**1,967.1**	**1,210.1**	**10,115.3**	6,901.7	1,643.2	1,098.6	9,643.5
Total long-term assets[b]	**13,272.5**	**4,651.2**	**2,889.4**	**20,813.1**	12,903.2	3,548.3	2,415.7	18,867.2

(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. For 2020, the comparative figures have been adjusted to better reflect the exclusion of financial instruments by geography.

(c) Europe and other regions include the results from operations in Asia starting December 21, 2020.

(d) Following the change in classification described in Note 3, Merchandise and service was adjusted from $3,692.7 to $3,647.2 for the United States, from $750.9 to $733.2 for Canada and and Road transportation fuel was adjusted from $3,188.8 to $3,160.8 for the United States.

35. SUBSEQUENT EVENT

Dividends

During its June 29, 2021 meeting, the Board of Directors declared a quarterly dividend of CA 8.75¢ per share for the fourth quarter of fiscal 2021 to shareholders on record as at July 8, 2021, and approved its payment effective July 22, 2021. 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

Eric Boyko[2]
Chair of the Audit Committee

Jacques D'Amours
Co-founder

Richard Fortin
Co-founder

Brian Hannasch
President and Chief Executive Officer

Mélanie Kau[1]
Lead Director and Chair of the Human Resources and Corporate Governance Committee

Marie-Josée Lamothe[2]

Janice L. Fields

Monique F. Leroux[2]

Réal Plourde
Co-founder

Daniel Rabinowicz[1]

Louis Têtu[1]

(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

Deborah Hall Lefevre
Chief Technology Officer

Kevin A. Lewis
Chief Marketing Officer

Ina Strand
Chief People Officer

Claude Tessier
Chief Financial Officer

Darrell Davis
Executive Vice President, Development and Construction, North America

Hans-Olav Høidahl
Executive Vice President, Operations, Europe

Alex Miller
Executive Vice President, Operations, North America, and Global Commercial Optimization

Niall Anderton
Senior Vice President, Operations

Brian Bednarz
Senior Vice-President, Operations

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

Stéphane Trudel
Senior Vice President, Operations

Louise Warner
Senior Vice President, Global Fuels

Valery Zamuner
Senior Vice President, General Counsel and Corporate Secretary

GENERAL INFORMATION

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Annual Shareholders Meeting
September 1, 2021

Additional information on Alimentation Couche-Tard Inc. and press releases are available on the company's website at: **www.corpo.couche-tard.com**

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