1

Quarterly Report

12-WEEK PERIOD ENDED JULY 19, 2020

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 condition and results of the operations of Alimentation Couche-Tard Inc. ("Couche-Tard") as well as its performance during the first quarter of the fiscal year ending 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 unaudited interim condensed 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. Where such measures are presented, they are defined, and 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 2020 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 September 1, 2020, 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 will impact 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 the 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 2020 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.

As of July 19, 2020, our network comprised 9,274 convenience stores throughout North America, including 8,088 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 109,000 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 July 19, 2020, our network comprised 2,714 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 addition, under licensing agreements, close to 2,350 stores are operated under the Circle K banner in 15 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Hong Kong, Indonesia, Jamaica, Macau, Mexico, Mongolia, New Zealand, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to close to 14,350 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, the market shares we gain 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.

No matter the context, to create value for our Corporation and its shareholders, acquisitions have to be concluded at reasonable 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 recent 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. 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 tables set forth information about exchange rates based upon closing rates expressed as US dollars per comparative currency unit:

	12-week periods ended	
	July 19, 2020	July 21, 2019
Average for period[1]		
Canadian dollar	**0.7289**	0.7517
Norwegian krone	**0.1027**	0.1155
Swedish krone	**0.1057**	0.1055
Danish krone	**0.1492**	0.1505
Zloty	**0.2481**	0.2629
Euro	**1.1124**	1.1239
Ruble	**0.0141**	0.0156

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

	As at July 19, 2020	As at April 26, 2020
Period end		
Canadian dollar	**0.7368**	0.7118
Norwegian krone	**0.1078**	0.0941
Swedish krone	**0.1106**	0.0993
Danish krone	**0.1535**	0.1448
Zloty	**0.2549**	0.2385
Euro	**1.1428**	1.0800
Ruble	**0.0140**	0.0134

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 Canadian, European and corporate operations 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 and European currencies which we discuss in the present document are therefore related to the translation into US dollars of our Canadian, European and corporate operations' results.

Overview of the First Quarter of Fiscal 2021

Financial Results

Net earnings attributable to shareholders of the Corporation ("net earnings") amounted to $777.1 million for the first quarter of fiscal 2021, compared with $538.8 million for the first quarter of fiscal 2020. Diluted net earnings per share stood at $0.70, compared with $0.48 for the corresponding quarter of the previous fiscal year.

The results for the first quarter of fiscal 2021 were affected by a pre-tax net foreign exchange loss of $18.4 million, as well as by pre-tax acquisition costs of $3.9 million.

The results for the first quarter of fiscal 2020 were affected by a pre-tax net foreign exchange loss of $6.5 million, an income tax expense of $4.5 million (of which $3.5 million was attributable to shareholders of the Corporation) following the first tranche of the December 2018 asset exchange agreement with CAPL, as well as pre-tax acquisition costs of $0.2 million.

Excluding these items, the adjusted net earnings were approximately $795.0 million[1] ($0.71[1] per share on a diluted basis) for the first quarter of fiscal 2021, compared with $548.0 million[1] ($0.48[1] per share on a diluted basis) for the first quarter of fiscal 2020, an increase of $247.0 million or 45.1%, driven by strong growth in merchandise and service and in road transportation fuel gross profit, as well as by good cost control.

Changes in our Network

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 ("December 2018 asset exchange agreement"). The aggregate value of this agreement will total approximately $185.0 million.

During the first quarter of fiscal 2021, we closed the fifth transaction of the December 2018 asset exchange agreement with CAPL. In this fifth transaction, we transferred 29 Circle K U.S. stores for a total value of approximately $32.0 million. In exchange, CAPL transferred the real estate for 13 properties of an equivalent value. The fifth transaction resulted in a gain of $8.6 million. The remaining assets of this agreement are expected to be exchanged in the second half of calendar 2020.

Single-site acquisitions

During the first quarter of fiscal 2021, we acquired one company-operated store.

Store construction

During the first quarter of fiscal 2021, we completed the construction of 16 stores and the relocation or reconstruction of 8 stores. As of July 19, 2020, another 23 stores were under construction and should open in the upcoming quarters.

1 Please refer to the section "Net earnings attributable to shareholders of the Corporation ("net earnings") and adjusted net earnings attributable to shareholders of the Corporation ("adjusted net earnings")" of this MD&A for additional information on this performance measure not defined by IFRS.

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

The following table presents certain information regarding changes in our store network over the 12-week period ended July 19, 2020[1]:

	12-week period ended July 19, 2020				
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	1	—	—	1	2
Openings / constructions / additions	16	—	7	13	36
Closures / disposals / withdrawals	(56)	(30)	(26)	(62)	(174)
Store conversion	(5)	12	(8)	1	—
Number of sites, end of period	**9,647**	**435**	**662**	**1,244**	**11,988**
Circle K branded sites under licensing agreements					2,335
Total network					**14,323**
Number of automated fuel stations included in the period-end figures[6]	983	—	10	—	993

(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.

Transaction subsequent to quarter end

On August 24, 2020, subsequent to the end of the first quarter of fiscal 2021, we acquired 10 company-operated stores from Wadsworth Oil Company of Clanton, Inc., all located in Alabama, within the United States. We settled this transaction using our available cash and existing credit facilities.

COVID-19 Pandemic

Due to the ongoing restrictive social measures across the various geographies in which we operate, the COVID-19 pandemic has had a meaningful impact on our financial results, mostly driven by declining traffic throughout our network. The impact of lower traffic on the merchandise sales was however more than offset by an increase in the average basket size as consumers consolidated their purchases. From a fuel perspective, volumes generally improved throughout the quarter following the gradual pickup in overall economic activity and fuel margins remained healthy. Lastly, from an operating expense perspective, we have continued to invest in the health and safety of our employees and customers and have successfully gained the trust of our communities which recognize us as a safe shopping destination. These additional costs were fully offset by initiatives implemented across our network to reduce our controllable expenses.

Debt Repayments

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

On August 21, 2020, subsequent to the end of the first quarter of fiscal 2021, we fully repaid, at maturity, our CA $300.0 million ($227.1 million) Canadian-dollar-denominated senior unsecured notes issued on August 21, 2013.

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 ("April 2020 debentures") as well as additional common share purchase warrants. This additional investment does not significantly impact, on a fully diluted basis, our potential interests in Fire & Flower.

On July 23, 2020, subsequent to the end of the first quarter of fiscal 2021, amendments to the unsecured convertible debentures issued on August 7, 2019, April 2020 debentures and common share purchase warrants were announced. As at September 1, 2020, these amendments are still subject to customary conditions precedent and regulatory approvals. The amendments mainly aim at modifying 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. A commitment to exercise a portion of the common share purchase warrants, for an amount of CA $19.0 million, no later than December 31, 2020, would take effect on the same date as the amendments become effective. This exercise would increase our ownership interest in Fire & Flower to approximately 15.0%. For more information on the additional investment and the announced amendments, please refer to Note 5 of our unaudited interim condensed consolidated financial statements.

Dividends

During its September 1, 2020 meeting, the Board of Directors declared a quarterly dividend of CA 7.0¢ per share, for the first quarter of fiscal 2021 to shareholders on record as at September 11, 2020, and approved its payment for September 25, 2020. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Outstanding Shares and Stock Options

As at August 28, 2020, Couche-Tard had 253,803,700 Class A multiple-voting shares and 859,144,568 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,263,092 outstanding stock options for the purchase of Class B subordinate voting shares.

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

The following table highlights certain information regarding our operations for the 12-week periods ended July 19, 2020, and July 21, 2019. CAPL refers to CrossAmerica Partners LP.

(in millions of US dollars, unless otherwise stated)	12-week periods ended		
	July 19, 2020	July 21, 2019	Variation %
Statement of Operations Data:			
Merchandise and service revenues[1]:			
United States	**2,851.4**	2,657.8	7.3
Europe	**343.2**	353.1	(2.8)
Canada	**663.2**	575.6	15.2
CAPL	**—**	19.8	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(0.5)*	*(100.0)*
Total merchandise and service revenues	**3,857.8**	3,605.8	7.0
Road transportation fuel revenues:			
United States	**3,906.0**	6,801.5	(42.6)
Europe	**1,182.4**	1,919.8	(38.4)
Canada	**677.0**	1,201.4	(43.6)
CAPL	**—**	567.4	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(121.4)*	*(100.0)*
Total road transportation fuel revenues	**5,765.4**	10,368.7	(44.4)
Other revenues[2]:			
United States	**7.5**	6.9	8.7
Europe	**75.2**	155.1	(51.5)
Canada	**3.9**	4.8	(18.8)
CAPL	**—**	25.8	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(4.1)*	*(100.0)*
Total other revenues	**86.6**	188.5	(54.1)
Total revenues	**9,709.8**	14,163.0	(31.4)
Merchandise and service gross profit[1]:			
United States	**988.3**	904.9	9.2
Europe	**139.2**	146.5	(5.0)
Canada	**210.5**	189.5	11.1
CAPL	**—**	4.6	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(0.5)*	*(100.0)*
Total merchandise and service gross profit	**1,338.0**	1,245.0	7.5
Road transportation fuel gross profit:			
United States	**812.5**	672.5	20.8
Europe	**236.5**	222.2	6.4
Canada	**81.7**	81.5	0.2
CAPL	**—**	23.1	(100.0)
Total road transportation fuel gross profit	**1,130.7**	999.3	13.1
Other revenues gross profit[2]:			
United States	**7.5**	6.9	8.7
Europe	**30.9**	31.3	(1.3)
Canada	**3.9**	4.8	(18.8)
CAPL	**—**	25.8	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(4.1)*	*(100.0)*
Total other revenues gross profit	**42.3**	64.7	(34.6)
Total gross profit	**2,511.0**	2,309.0	8.7
Operating, selling, administrative and general expenses			
Excluding CAPL	**1,171.0**	1,224.3	(4.4)
CAPL	**—**	20.2	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(4.4)*	*(100.0)*
Total Operating, selling, administrative and general expenses	**1,171.0**	1,240.1	(5.6)
(Gain) loss on disposal of property and equipment and other assets	**(8.8)**	10.1	(187.1)
Depreciation, amortization and impairment			
Excluding CAPL	**289.5**	284.2	1.9
CAPL	**—**	22.9	(100.0)
Total depreciation, amortization and impairment	**289.5**	307.1	(5.7)
Operating income			
Excluding CAPL	**1,059.3**	743.0	42.6
CAPL	**—**	8.9	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(0.2)*	*(100.0)*
Total operating income	**1,059.3**	751.7	40.9
Net financial expenses	**88.0**	87.0	1.1
Net earnings including non-controlling interests	**777.1**	536.0	45.0
Net loss attributable to non-controlling interests	**—**	2.8	(100.0)
Net earnings attributable to shareholders of the Corporation	**777.1**	538.8	44.2
Per Share Data:			
Basic net earnings per share (dollars per share)	**0.70**	0.48	45.8
Diluted net earnings per share (dollars per share)	**0.70**	0.48	45.8
Adjusted diluted net earnings per share (dollars per share)	**0.71**	0.48	47.9

(in millions of US dollars, unless otherwise stated)	12-week periods ended		
	July 19, 2020	July 21, 2019	Variation %
Other Operating Data – excluding CAPL:			
Merchandise and service gross margin[1]:			
Consolidated	**34.7%**	34.6%	0.1
United States	**34.7%**	34.0%	0.7
Europe	**40.6%**	41.5%	(0.9)
Canada	**31.7%**	32.9%	(1.2)
Growth of same-store merchandise revenues[3]:			
United States[4]	**7.7%**	2.5%	
Europe	**3.4%**	0.7%	
Canada[4]	**19.9%**	0.3%	
Road transportation fuel gross margin:			
United States (cents per gallon)[4]	**42.99**	26.86	60.1
Europe (cents per liter)	**10.51**	8.44	24.5
Canada (CA cents per liter)[4]	**10.29**	7.40	39.1
Total volume of road transportation fuel sold:			
United States (millions of gallons)	**1,950.9**	2,590.6	(24.7)
Europe (millions of liters)	**2,250.5**	2,633.6	(14.5)
Canada (millions of liters)	**1,092.3**	1,472.6	(25.8)
Growth of (decrease in) same-store road transportation fuel volume:			
United States[4]	**(21.2%)**	0.6%	
Europe[4]	**(12.4%)**	(1.6%)	
Canada[4]	**(25.6%)**	0.4%	

(in millions of US dollars, unless otherwise stated)	**July 19, 2020**	April 26, 2020	Variation $
Balance Sheet Data:			
Total assets	**26,275.7**	25,679.5	596.2
Interest-bearing debt [5]	**9,178.0**	10,379.3	(1,201.3)
Equity	**11,101.6**	10,066.6	1,035.0
Indebtedness Ratios[6]:			
Net interest-bearing debt/total capitalization[5][7]	**0.35 : 1**	0.40 : 1	
Leverage ratio[8]	**1.26 : 1**	1.54 : 1	
Returns[6]:			
Return on equity[9]	**25.3%**	24.8%	
Return on capital employed[10]	**16.4%**	15.0%	

(1) Includes revenues derived from franchise fees, royalties, suppliers' rebates on some purchases made by franchisees and licensees, as well as from wholesale of merchandise.
(2) Includes revenues from the rental of assets and from the sale of aviation fuel and energy for stationary engines.
(3) Does not include services and other revenues (as described in footnotes 1 and 2 above). Growth in Canada and in Europe is calculated based on local currencies.
(4) For company-operated stores only.
(5) 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.
(6) Until November 2019, these measures are presented as if our investment in CAPL was reported using the equity method as we believe it allows a more relevant presentation of the underlying performance of the Corporation.
(7) This measure is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: interest-bearing debt, net of cash and cash equivalents and temporary investments divided by the addition of shareholders' equity and interest-bearing debt, net of cash and cash equivalents and temporary investments. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. We believe this measure is useful to investors and analysts.
(8) This measure is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: interest-bearing debt, net of cash and cash equivalents and temporary investments divided by EBITDA for the last 52 weeks (Earnings before Interest, Tax, Depreciation, Amortization and Impairment) adjusted for specific items. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. We believe this measure is useful to investors and analysts.
(9) This measure is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: net earnings for the last 52 weeks divided by average equity for the corresponding period. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. We believe this measure is useful to investors and analysts.
(10) This measure is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: earnings before income taxes and interests for the last 52 weeks divided by average capital employed for the corresponding period. Capital employed represents total assets less short-term liabilities not bearing interests. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. We believe this measure is useful to investors and analysts.

Revenues

Our revenues were $9.7 billion for the first quarter of fiscal 2021, down by $4.5 billion, a decrease of 31.4% compared with the corresponding quarter of fiscal 2020. This performance is mainly attributable to the negative impact of COVID-19 on fuel demand, to a lower average road transportation fuel selling price and to the disposal of our interests in CAPL which had an impact of approximately $487.0 million, as well as to the net negative impact from the translation of revenues of our Canadian and European operations into US dollars, which had an impact of approximately $165.0 million.

Merchandise and service revenues

Total merchandise and service revenues for the first quarter of fiscal 2021 were $3.9 billion, an increase of $252.0 million compared with the corresponding quarter of fiscal 2020. 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 $304.0 million or 8.5%. This increase is primarily attributable to growth in basket size, which more than offset continued softness in traffic. We saw strength across many categories, especially tobacco products, alcohol, packaged beverages and various grocery items. Same-store merchandise revenues increased by 7.7% in the United States, by 3.4% in Europe, and by 19.9% in Canada.

Road transportation fuel revenues

Total road transportation fuel revenues for the first quarter of fiscal 2021 were $5.8 billion, a decrease of $4.6 billion compared with the corresponding quarter of fiscal 2020. Excluding CAPL's revenues, as well as the net negative impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues decreased by approximately $4.0 billion or 40.6%. This decrease is mostly attributable to the decrease on fuel demand in relation with the stay-at-home measures implemented due to the COVID-19 pandemic, as well as to a lower average road transportation fuel selling price which had a negative impact of approximately $1.8 billion. Same-store road transportation fuel volume decreased in the United States by 21.2%, in Europe by 12.4%, and in Canada by 25.6%.

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 second quarter of the fiscal year ended April 28, 2019:

Quarter	2nd	3rd	4th	1st	Weighted average
52-week period ended July 19, 2020					
United States (US dollars per gallon) – excluding CAPL	2.55	2.51	2.21	2.04	2.36
Europe (US cents per liter)	70.86	73.92	60.95	56.89	66.83
Canada (CA cents per liter)	105.14	103.47	88.78	86.89	97.79
52-week period ended July 21, 2019					
United States (US dollars per gallon) – excluding CAPL	2.72	2.42	2.51	2.66	2.57
Europe (US cents per liter)	80.56	75.28	74.59	77.35	76.86
Canada (CA cents per liter)	115.22	97.59	103.45	111.16	106.23

Other revenues

Total other revenues for the first quarter of fiscal 2021 were $86.6 million, a decrease of $101.9 million compared with the corresponding quarter of fiscal 2020. 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 approximately $75.0 million in the first quarter of fiscal 2021, mainly driven by lower aviation fuel revenues, which had a minimal impact on gross profit.

Gross profit

Our gross profit was $2.5 billion for the first quarter of fiscal 2021, up by $202.0 million, or 8.7% compared with the corresponding quarter of fiscal 2020, mainly attributable to higher road transportation fuel gross margins and organic growth, partly offset by the negative impact of COVID-19 on fuel demand, by the disposal of our interests in CAPL, which had an impact of approximately $49.0 million, and by the net negative impact from the translation of our Canadian and European operations into US dollars, which had an impact of approximately $27.0 million.

Merchandise and service gross profit

In the first quarter of fiscal 2021, our merchandise and service gross profit was $1.3 billion, an increase of $93.0 million compared with the corresponding quarter of fiscal 2020. 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 $109.0 million or 8.8%, mainly attributable to strong organic growth, despite lower traffic in our network due to COVID-19. Our gross margin increased by 0.7% in the United States to 34.7%, mainly due to strong service revenues, and to an accelerated recognition of deferred credits. Excluding this accelerated recognition, our gross margin would have been stable compared to the corresponding quarter of last year. In Europe and in Canada, the gross margin decreased by 0.9% to 40.6%, and by 1.2% to 31.7%, respectively, both negatively impacted by a shift in product mix towards lower margin categories.

Road transportation fuel gross profit

In the first quarter of fiscal 2021, our road transportation fuel gross profit was $1.1 billion, an increase of $131.4 million compared with the corresponding quarter of fiscal 2020. Excluding CAPL's gross profit, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, our first quarter road transportation fuel gross profit increased by approximately $168.0 million or 17.2%. Our road transportation fuel gross margin was strong at 42.99¢ per gallon in the United States, an increase of 16.13¢ per gallon, mainly driven by a decline in fuel products costs. In Europe, road transportation fuel margin was US 10.51¢ per liter, an increase of US 2.07¢ per liter, and in Canada, it was CA 10.29¢ per liter, an increase of CA 2.89¢ per liter, driven by changes in the competitive landscape and improved supply conditions.

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 second quarter of the fiscal year ended April 28, 2019, were as follows:

(US cents per gallon)

Quarter	2nd	3rd	4th	1st	Weighted average
52-week period ended July 19, 2020					
Before deduction of expenses related to electronic payment modes	28.29	27.04	46.88	42.99	34.72
Expenses related to electronic payment modes	4.63	4.54	4.97	4.88	4.72
After deduction of expenses related to electronic payment modes	23.66	22.50	41.91	38.11	30.00
52-week period ended July 21, 2019					
Before deduction of expenses related to electronic payment modes	21.88	29.42	18.51	26.86	24.53
Expenses related to electronic payment modes	4.55	4.31	4.40	4.70	4.48
After deduction of expenses related to electronic payment modes	17.33	25.11	14.11	22.16	20.05

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 volatility and expenses related to electronic payment modes are not as significant.

Other revenues gross profit

In the first quarter of fiscal 2021, other revenues gross profit was $42.3 million, a decrease of $22.4 million compared with the corresponding quarter of fiscal 2020. 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 increased by approximately $1.0 million in the first quarter of fiscal 2021.

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

For the first quarter of fiscal 2021, expenses decreased by 5.6%, compared with the corresponding quarter of fiscal 2020. If we exclude certain items that are not considered indicative of future trends, expenses decreased by 0.3%.

	12-week period ended July 19, 2020
Total variance, as reported	**(5.6%)**
Adjusted for:	
Decrease from lower electronic payment fees, excluding acquisitions	**2.4%**
Decrease from the disposal of our interests in CAPL	**1.6%**
Decrease from the net impact of foreign exchange translation	**1.2%**
Impact from the December 2018 asset exchange agreement with CAPL, net of electronic payment fees	**0.6%**
Acquisition costs recognized to earnings of fiscal 2021	**(0.3%)**
Increase from incremental expenses related to acquisitions	**(0.2%)**
Remaining variance	**(0.3%)**

Decrease in expenses was driven by, amongst other items, cost and labor efficiencies, as well as by various measures enacted to streamline and minimize our controllable expenses. These items were partly offset 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, *Thank you* bonuses in North America following the end of the appreciation pay premium, 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.

Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA) and adjusted EBITDA

During the first quarter of fiscal 2021, EBITDA increased from $1.1 billion to $1.4 billion, an increase of 27.4% compared with the same quarter last year. Excluding the specific items shown in the table below, the adjusted EBITDA for the first quarter of fiscal 2021 increased by $320.4 million or 30.8% compared with the corresponding period of the previous fiscal year, mainly from higher road transportation fuel gross margins and organic growth, partly offset by the negative impact of COVID-19 on our traffic, as well as from the net negative impact from the translation of our Canadian and European operations into US dollars. The variation in exchange rates had a net negative impact of approximately $12.0 million.

It should be noted that EBITDA and adjusted EBITDA are not performance measures defined by IFRS, but we, as well as investors and analysts, consider that those performance measures 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. Note that our definition of these measures may differ from the one used by other public corporations.

	12-week periods ended	
(in millions of US dollars)	**July 19, 2020**	July 21, 2019
Net earnings including non-controlling interests, as reported	**777.1**	536.0
Add:		
Income taxes	**202.7**	135.3
Net financial expenses	**88.0**	87.0
Depreciation, amortization and impairment	**289.5**	307.1
EBITDA	**1,357.3**	1,065.4
Adjusted for:		
Acquisition costs	**3.9**	0.2
EBITDA attributable to non-controlling interests	**—**	(24.8)
Adjusted EBITDA	**1,361.2**	1,040.8

Depreciation, amortization and impairment ("depreciation")

For the first quarter of fiscal 2021, our depreciation expense decreased by $17.6 million. Excluding CAPL's results, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, the depreciation expense increased by approximately $10.0 million for the first quarter of fiscal 2021. This increase is mainly driven by the replacement of equipment and the ongoing improvement of our network.

Net financial expenses

Net financial expenses for the first quarter of fiscal 2021 were $88.0 million, an increase of $1.0 million compared with the first quarter of fiscal 2020. Excluding the items shown in the table below, net financial expenses increased by $0.4 million.

	12-week periods ended	
(in millions of US dollars)	**July 19, 2020**	July 21, 2019
Net financial expenses, as reported	**88.0**	87.0
Adjusted for:		
Net foreign exchange loss	**(18.4)**	(6.5)
CAPL's financial expenses	**—**	(11.3)
Net financial expenses excluding items above	**69.6**	69.2

Income taxes

The income tax rate for the first quarter of fiscal 2021 was 20.7% compared with 20.2% for the corresponding quarter of fiscal 2020. The income tax rate for the first quarter of fiscal 2020 includes an income tax expense of $4.5 million from the re-evaluation of the deferred tax assets and liabilities following the first tranche of the December 2018 asset exchange agreement with CAPL. The increase in the income tax rate, excluding the item shown in the table below, is stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

	12-week periods ended	
	July 19, 2020	July 21, 2019
Income tax rate, as reported	**20.7%**	20.2%
Adjusted for:		
Income tax expense following the first tranche of the December 2018 asset exchange agreement with CAPL	**—**	(0.7%)
Income tax rate excluding the item above	**20.7%**	19.5%

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

Net earnings for the first quarter of fiscal 2021 were $777.1 million, compared with $538.8 million for the first quarter of the previous fiscal year, an increase of $238.3 million or 44.2%. Diluted net earnings per share stood at $0.70, compared with $0.48 for 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 negative impact of approximately $8.0 million on net earnings of the first quarter of fiscal 2021.

Excluding the items shown in the table below from net earnings of the first quarter of fiscal 2021 and fiscal 2020, adjusted net earnings for the first quarter of fiscal 2021 were approximately $795.0 million, compared with $548.0 million for the first quarter of fiscal 2020, an increase of $247.0 million or 45.1%. Adjusted diluted net earnings per share were $0.71 for the first quarter of fiscal 2021 compared with $0.48 for the corresponding period of fiscal 2020, an increase of 47.9%.

The table below reconciles reported net earnings to adjusted net earnings:

	12-week periods ended	
(in millions of US dollars)	**July 19, 2020**	July 21, 2019
Net earnings attributable to shareholders of the Corporation, as reported	**777.1**	538.8
Adjusted for:		
Net foreign exchange loss	**18.4**	6.5
Acquisition costs	**3.9**	0.2
Income tax expense following the first tranche of the December 2018 asset exchange agreement with CAPL	**—**	3.5
Tax impact of the items above and rounding	**(4.4)**	(1.0)
Adjusted net earnings attributable to shareholders of the Corporation	**795.0**	548.0

It should be noted that adjusted net earnings and adjusted diluted net earnings are not performance measures defined by IFRS, but we, as well as investors and analysts, consider these measures useful for evaluating the underlying performance of our operations on a comparable basis. Note that our definition of these measures may differ from the one used by other public corporations.

Financial Position as at July 19, 2020

As shown by our indebtedness ratios included in the "Summary Analysis of Consolidated Results for the First Quarter of Fiscal 2021" section and our net cash provided by operating activities, our financial position is solid.

Our total consolidated assets amounted to $26.3 billion as at July 19, 2020, an increase of $596.2 million 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.

During the 52-week periods ended July 19, 2020 and April 26, 2020, we recorded a return on capital employed[1] of 16.4% and 15.0%, respectively.

Significant balance sheet variations are explained as follows:

Accounts receivable

Accounts receivable increased by $358.4 million, from $1.3 billion as at April 26, 2020, to $1.6 billion as at July 19, 2020. The increase stems mainly from a higher selling price for road transportation fuel and organic growth, as well as the net positive impact of approximately $69.0 million from the variation in exchange rates at the balance sheet date.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities increased by $740.3 million, from $2.8 billion as at April 26, 2020, to $3.5 billion as at July 19, 2020. The increase stems mainly from higher cost for road transportation fuel purchases, the higher level of fuel purchases in response to increase in fuel demand during the first quarter of fiscal 2021, as well as by the net impact of the strengthening of the Canadian and European currencies against the US dollar, which was approximately $104.0 million.

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

Long-term debt and current portion of long-term debt decreased by $1.4 billion, from $7.7 billion as at April 26, 2020, to $6.3 billion as at July 19, 2020, mainly as a result of the repayment of our term revolving unsecured operating credit, 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 $105.0 million.

Equity

Equity amounted to $11.1 billion as at July 19, 2020, up $1.0 billion compared with April 26, 2020, mainly reflecting net earnings and other comprehensive income for the first quarter of fiscal 2021, partly offset by the dividends declared during the same period. For the 52-week period ended July 19, 2020, we recorded a return on equity[1] of 25.3%.

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, 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, maturing in December 2024 ("operating credit D")

Credit agreement consisting of a revolving unsecured facility of a maximum amount of $2.5 billion. As at July 19, 2020, our operating credit D was not used and standby letters of credit in the amount of $7.2 million were outstanding.

During the first quarter of fiscal 2021, we fully repaid the outstanding balance of $1.5 billion borrowed on our operating credit D.

Available liquidities

As at July 19, 2020, a total of approximately $2.5 billion was available under our operating credit 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 $5.8 billion through our available cash and our operating credit D.

1 Please refer to the section "Summary Analysis of Consolidated Results for the First Quarter of Fiscal 2021" of this MD&A for additional information on these performance measures not defined by IFRS.

Selected Consolidated Cash Flow Information

(in millions of US dollars)	12-week periods ended		
	July 19, 2020	July 21, 2019	Variation
Operating activities			
Net cash provided by operating activities	**1,347.7**	865.8	481.9
Investing activities			
Purchase of property and equipment, intangible assets and other assets	**(212.8)**	(246.8)	34.0
Proceeds from disposal of property and equipment and other assets	**28.3**	8.9	19.4
Business acquisitions	**(0.3)**	(7.0)	6.7
Other investing activities	**(5.3)**	5.6	(10.9)
Net cash used in investing activities	**(190.1)**	(239.3)	49.2
Financing activities			
Net decrease in term revolving unsecured operating credit D	**(1,500.0)**	(40.0)	(1,460.0)
Principal elements of lease payments and net decrease in other debts	**(87.0)**	(79.0)	(8.0)
Repayment of senior unsecured notes	**—**	(150.0)	150.0
Share repurchases	**—**	(14.4)	14.4
Other financing activities	**0.1**	(23.5)	23.6
Net cash used in financing activities	**(1,586.9)**	(306.9)	(1,280.0)
Credit ratings			
S&P Global Ratings – Corporate credit rating	**BBB**	BBB	
Moody's - Senior unsecured notes credit rating	**Baa2**	Baa2	

Operating activities

During the first quarter of fiscal 2021, net cash from our operations reached $1.3 billion, up $481.9 million compared with the first quarter of fiscal 2020, mainly due to higher net earnings as well as changes in working capital.

Investing activities

During the first quarter of fiscal 2021, net investments in property and equipment, intangible assets and other assets amounted to $184.5 million.

The investments were primarily for the replacement of equipment in some of our stores in order to enhance our offering of products and services, for the addition of new stores, for the ongoing improvement of our network, as well as for information technology.

Financing activities

During the first quarter of fiscal 2021, we repaid a net amount of $1.5 billion on our operating credit D and $87.0 million on the principal elements of our lease liabilities and other debts.

Contractual Obligations and Commercial Commitments

There were no major changes to our contractual obligations and commercial commitments during the 12-week period ended July 19, 2020. For more information, please refer to our 2020 Annual Report.

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 July 19, 2020, 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 26, 2020, our management and our external auditors reported that these internal controls were effective.

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.

We have adopted IFRS 16 retrospectively from April 29, 2019, but have not restated comparatives for fiscal year 2019, as permitted under the specific transition provisions in the standard. Therefore, the cumulative effect of initially applying the new standard was recognized in the opening balance sheet on April 29, 2019 and comparatives for the 2019 fiscal year continue to be reported under IAS 17.

(in millions of US dollars, except per share data)	**12-week period ended July 19, 2020**	52-week period ended April 26, 2020				Extract from 52-week period ended April 28, 2019		
Quarter	**1st**	4th	3rd	2nd	1st	4th	3rd	2nd
Weeks	**12 weeks**	12 weeks	16 weeks	12 weeks	12 weeks	12 weeks	16 weeks	12 weeks
Revenues	**9,709.8**	9,687.2	16,604.2	13,678.0	14,163.0	13,113.3	16,515.0	14,702.8
Operating income before depreciation, amortization and impairment	**1,348.8**	1,077.0	1,274.6	1,088.9	1,058.8	651.7	1,140.2	864.8
Depreciation, amortization and impairment	**289.5**	307.4	406.1	316.2	307.1	241.5	305.2	222.5
Operating income	**1,059.3**	769.6	868.5	772.7	751.7	410.2	835.0	642.3
Share of earnings of joint ventures and associated companies	**8.5**	7.3	5.1	6.5	6.6	3.6	7.3	5.4
Net financial expenses	**88.0**	53.2	84.2	60.1	87.0	78.6	90.1	73.7
Net earnings including non-controlling interests	**777.1**	578.3	663.9	579.4	536.0	289.9	611.8	477.0
Net (earnings) loss attributable to non-controlling interests	**—**	(2.0)	(4.0)	(0.8)	2.8	3.2	0.3	(3.9)
Net earnings attributable to shareholders of the Corporation	**777.1**	576.3	659.9	578.6	538.8	293.1	612.1	473.1
Net earnings per share								
Basic	**$0.70**	$0.52	$0.59	$0.51	$0.48	$0.26	$0.54	$0.42
Diluted	**$0.70**	$0.52	$0.59	$0.51	$0.48	$0.26	$0.54	$0.42

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.

Outlook

For the remaining portion of fiscal 2021, we are adapting to the impact of the pandemic to better serve our customers and make their lives a little easier every day. At the same time, we are progressing with our strategic vision by developing a differentiated customer experience both inside our stores and at our fuel courts, adapting and innovating our offering to meet changing customer needs, driving operational excellence and scale, growing the network, enhancing our people's talent base, and putting sustainability at the forefront of our priorities. These actions bring us closer to reaching our five-year ambition of doubling the business.

It is because of our solid foundation that we are in a robust position to face the headwinds of the pandemic. 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.

September 1, 2020

The following unaudited interim condensed consolidated financial statements have not been subject to a review engagement by the Corporation's external auditors.

Consolidated Statements of Earnings

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

For the 12-week periods ended	**July 19, 2020**	July 21, 2019
	$	$
Revenues	**9,709.8**	14,163.0
Cost of sales (Note 6)	**7,198.8**	11,854.0
Gross profit	**2,511.0**	2,309.0
Operating, selling, administrative and general expenses	**1,171.0**	1,240.1
(Gain) loss on disposal of property and equipment and other assets	**(8.8)**	10.1
Depreciation, amortization and impairment	**289.5**	307.1
Total operating expenses	**1,451.7**	1,557.3
Operating income	**1,059.3**	751.7
Share of earnings of joint ventures and associated companies	**8.5**	6.6
Financial expenses (Note 7)	**77.7**	84.0
Financial revenues	**(8.1)**	(3.5)
Foreign exchange loss	**18.4**	6.5
Net financial expenses	**88.0**	87.0
Earnings before income taxes	**979.8**	671.3
Income taxes	**202.7**	135.3
Net earnings including non-controlling interests	**777.1**	536.0
Net loss attributable to non-controlling interests	**—**	2.8
Net earnings attributable to shareholders of the Corporation	**777.1**	538.8
Net earnings per share (Notes 9 and 11)		
Basic	**0.70**	0.48
Diluted	**0.70**	0.48
Weighted average number of shares – basic (in millions)	**1,112.8**	1,128.4
Weighted average number of shares – diluted (in millions)	**1,114.2**	1,130.1
Number of shares outstanding at the end of period (in millions)	**1,112.9**	1,127.3

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

Consolidated Statements of Comprehensive Income

(in millions of US dollars, unaudited)

For the 12-week periods ended	**July 19, 2020**	July 21, 2019
	$	$
Net earnings including non-controlling interests	**777.1**	536.0
Other comprehensive income		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in cumulative translation adjustments[1]	**246.7**	42.9
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]	**39.3**	21.5
Cash flow hedges		
Change in fair value of financial instruments[2]	**2.7**	(0.2)
Gain realized on financial instruments transferred to earnings[2]	**(0.7)**	—
Items that will never be reclassified to earnings		
Net actuarial gain (loss)[3]	**5.3**	(1.8)
Gain (loss) on investments in equity instruments measured at fair value through Other comprehensive income[4]	**21.5**	(0.2)
Other comprehensive income	**314.8**	62.2
Comprehensive income including non-controlling interests	**1,091.9**	598.2
Comprehensive loss attributable to non-controlling interests	**—**	2.8
Comprehensive income attributable to shareholders of the Corporation	**1,091.9**	601.0

(1) For the 12-week periods ended July 19, 2020 and July 21, 2019, these amounts include a gain of $75.9 (net of income taxes of $11.6) and a gain of $111.9 (net of income taxes of $17.1), respectively. These gains arise from the translation of long-term debts denominated in foreign currencies.
(2) For the 12-week periods ended July 19, 2020 and July 21, 2019, these amounts are net of income tax expenses (recoveries) of $0.8 and $(0.2), respectively.
(3) For the 12-week periods ended July 19, 2020 and July 21, 2019, these amounts are net of income tax expenses (recoveries) of $1.3 and $(0.5), respectively.
(4) For the 12-week periods ended July 19, 2020 and July 21, 2019, these amounts are net of income tax expenses of $1.2 and nil, respectively.

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

Consolidated Statements of Changes in Equity

(in millions of US dollars, unaudited)

For the 12-week period ended							**July 19, 2020**
	Attributable to the shareholders of the Corporation						
	Capital stock	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive loss (Note 10)**	**Total**	**Non-controlling interests**	**Equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance, beginning of period	**694.8**	**21.4**	**10,611.3**	**(1,260.9)**	**10,066.6**	**—**	**10,066.6**
Comprehensive income:							
Net earnings			**777.1**		**777.1**	**—**	**777.1**
Other comprehensive income				**314.8**	**314.8**	**—**	**314.8**
Comprehensive income					**1,091.9**	**—**	**1,091.9**
Dividends declared			**(58.5)**		**(58.5)**		**(58.5)**
Stock option-based compensation expense		**1.4**			**1.4**		**1.4**
Exercise of stock options	**0.9**	**(0.7)**			**0.2**		**0.2**
Balance, end of period	**695.7**	**22.1**	**11,329.9**	**(946.1)**	**11,101.6**	**—**	**11,101.6**

For the 12-week period ended							July 21, 2019
	Attributable to the shareholders of the Corporation						
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 10)	Total	Non-controlling interests	Equity
	$	$	$	$	$	$	$
Balance, beginning of period	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 period	706.8	19.5	9,044.0	(856.6)	8,913.7	257.9	9,171.6
Comprehensive income:							
Net earnings (loss)			538.8		538.8	(2.8)	536.0
Other comprehensive income				62.2	62.2	—	62.2
Comprehensive income (loss)					601.0	(2.8)	598.2
Dividends declared			(53.6)		(53.6)		(53.6)
Repurchases and cancellations of shares	(1.3)		(44.9)		(46.2)		(46.2)
Distributions to non-controlling interests						(14.3)	(14.3)
December 2018 asset exchange agreement			(6.4)		(6.4)	6.4	—
Stock option-based compensation expense		1.3			1.3		1.3
Exercise of stock options	0.5	(0.5)			—		—
Balance, end of period	706.0	20.3	9,477.9	(794.4)	9,409.8	247.2	9,657.0

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

Consolidated Statements of Cash Flows

(in millions of US dollars, unaudited)

For the 12-week periods ended	July 19, 2020	July 21, 2019
	$	$
Operating activities		
Net earnings including non-controlling interests	**777.1**	536.0
Adjustments to reconcile net earnings including non-controlling interests to net cash provided by operating activities		
Depreciation, amortization, impairment and amortization of financing costs	**290.6**	309.8
(Gain) loss on disposal of property and equipment and other assets	**(8.8)**	10.1
Deferred income taxes	**19.1**	19.0
Share of earnings of joint ventures and associated companies, net of dividends received	**(4.1)**	(2.8)
Net deferred credits	**39.5**	(0.7)
Other	**43.7**	(6.1)
Changes in non-cash working capital	**190.6**	0.5
Net cash provided by operating activities	**1,347.7**	865.8
Investing activities		
Purchase of property and equipment, intangible assets and other assets	**(212.8)**	(246.8)
Proceeds from disposal of property and equipment and other assets	**28.3**	8.9
Change in restricted cash	**(3.5)**	5.6
Investment in Fire & Flower (Note 5)	**(1.8)**	—
Business acquisitions (Note 3)	**(0.3)**	(7.0)
Net cash used in investing activities	**(190.1)**	(239.3)
Financing activities		
Net decrease in term revolving unsecured operating credit D (Note 8)	**(1,500.0)**	(40.0)
Principal elements of lease payments and net decrease in other debts	**(87.0)**	(79.0)
Exercise of stock options	**0.2**	—
Settlements of derivative financial instruments	**(0.1)**	—
Repayment of senior unsecured notes	**—**	(150.0)
Share repurchases	**—**	(14.4)
Distributions paid to non-controlling interests	**—**	(14.3)
Net decrease in CAPL senior secured revolving credit facility	**—**	(9.2)
Net cash used in financing activities	**(1,586.9)**	(306.9)
Effect of exchange rate fluctuations on cash and cash equivalents	**57.6**	11.4
Net (decrease) increase in cash and cash equivalents	**(371.7)**	331.0
Cash and cash equivalents, beginning of period	**3,641.5**	706.4
Cash and cash equivalents, end of period	**3,269.8**	1,037.4
Supplemental information:		
Interest paid	**59.0**	83.6
Interest and dividends received	**10.4**	9.4
Income taxes paid	**114.5**	27.3

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

Consolidated Balance Sheets

(in millions of US dollars, unaudited)

	As at July 19, 2020	As at April 26, 2020
	$	$
Assets		
Current assets		
Cash and cash equivalents	**3,269.8**	3,641.5
Restricted cash	**11.5**	8.0
Accounts receivable	**1,614.4**	1,256.0
Inventories (Note 6)	**1,458.1**	1,237.4
Prepaid expenses	**75.0**	96.0
Assets held for sale (Note 4)	**20.5**	64.0
Other short-term financial assets (Notes 5 and 13)	**20.1**	38.6
Income taxes receivable	**—**	89.4
	6,469.4	6,430.9
Property and equipment	**10,351.4**	10,136.5
Right-of-use assets	**2,705.8**	2,513.9
Intangible assets	**574.4**	550.8
Goodwill	**5,580.3**	5,505.8
Other assets	**400.0**	350.1
Investment in joint ventures and associated companies	**144.2**	139.7
Deferred income taxes	**50.2**	51.8
	26,275.7	25,679.5
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**3,548.6**	2,808.3
Short-term provisions	**140.3**	108.1
Income taxes payable	**217.7**	222.0
Liabilities associated with assets held for sale (Note 4)	**2.6**	8.1
Current portion of long-term debt (Note 8)	**222.3**	214.7
Current portion of lease liabilities	**378.3**	383.1
	4,509.8	3,744.3
Long-term debt (Note 8)	**6,114.1**	7,515.8
Lease liabilities	**2,463.3**	2,265.7
Long-term provisions	**545.9**	551.3
Pension benefit liability	**99.8**	91.5
Other long-term financial liabilities (Note 13)	**196.5**	237.4
Deferred credits and other liabilities	**184.3**	161.9
Deferred income taxes	**1,060.4**	1,045.0
	15,174.1	15,612.9
Equity		
Capital stock (Note 11)	**695.7**	694.8
Contributed surplus	**22.1**	21.4
Retained earnings	**11,329.9**	10,611.3
Accumulated other comprehensive loss (Note 10)	**(946.1)**	(1,260.9)
	11,101.6	10,066.6
	26,275.7	25,679.5

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

1. CONSOLIDATED FINANCIAL STATEMENTS PRESENTATION

The unaudited interim condensed consolidated financial statements (the "interim financial statements") have been prepared by the Corporation in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*.

These interim financial statements have been prepared in accordance with the same accounting policies and methods as the audited annual consolidated financial statements for the year ended April 26, 2020, except for the new accounting policy disclosed below. The interim financial statements do not include all the information required for complete financial statements and should be read in conjunction with the audited annual consolidated financial statements and notes thereto in the Corporation's 2020 Annual Report. The results of operations for the interim periods presented do not necessarily reflect results expected for the full fiscal year. The Corporation's business follows a seasonal pattern. The busiest period is generally the first half-year of each fiscal year, which includes summer's sales.

On September 1, 2020, the Corporation's interim financial statements were approved by the Board of Directors.

2. ACCOUNTING POLICIES

Use of estimates and judgments

In response to the effects of the COVID-19 pandemic, the Corporation continued to assess the uncertainties surrounding the crisis and its potential impact 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 interim financial statements for the 12-week period ended July 19, 2020. The Corporation will continue to closely monitor the impact of COVID-19 as it continues to develop during its fiscal year ending April 25, 2021. Further information on significant accounting judgments and estimates is detailed in Note 3 of the audited annual consolidated financial statements presented in the Corporation's 2020 Annual Report.

New accounting policy 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.

3. BUSINESS ACQUISITIONS

During the 12-week period ended July 19, 2020, the Corporation acquired one company-operated store for which it leases the land and the building. This transaction was settled for a total consideration of $0.3 using available cash and existing credit facilities and generated goodwill for an amount of $0.2.

For the 12-week period ended July 19, 2020, acquisition costs of $3.9 in connection with this acquisition and other unrealized and ongoing acquisitions are included in Operating, selling, administrative and general expenses.

On August 24, 2020, subsequent to the end of the first quarter of fiscal 2021, the Corporation acquired 10 company-operated stores from Wadsworth Oil Company of Clanton, Inc., all located in Alabama, within the United States. The Corporation owns the land and building for 9 locations and leases the land and building for the remaining location. This transaction was settled for a total consideration of approximately $43.0 using available cash and existing credit facilities and was concluded in order to expand the Corporation's market share.

4. ASSET EXCHANGE AGREEMENT

On December 17, 2018, the Corporation entered into an asset exchange agreement with CrossAmerica Partners LP ("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 will total approximately $185.0.

During the 12-week period ended July 19, 2020, the Corporation closed the fifth transaction of the December 2018 asset exchange agreement with CAPL. In this fifth transaction, the Corporation transferred 29 Circle K U.S. stores for a total value of approximately $32.0. In exchange, CAPL transferred the real estate for 13 properties of an equivalent value. The fifth transaction resulted in a gain of $8.6 which is included in (Gain) loss on disposal of property and equipment and other assets in the consolidated statement of earnings.

The following table presents the remaining assets of this agreement and their associated liabilities classified as held for sale:

	As at July 19, 2020
	$
Assets	
Property and equipment	11.9
Right-of-use assets	1.8
Goodwill	6.8
	20.5
Liabilities	
Lease liabilities	1.6
Provisions	1.0
	2.6

5. INVESTMENTS IN FIRE & FLOWER HOLDINGS CORP. (“FIRE & FLOWER”)

On April 28, 2020, the Corporation invested an additional amount of CA $2.5 ($1.8) in Fire & Flower, a leading independent cannabis retailer listed on the Toronto Stock Exchange and based in Alberta, Canada. This investment is composed of the following:

- Secured convertible debentures which bear interest at an annual rate of 8% and mature on June 1, 2021 ("April 2020 debentures"), unless the unsecured convertible debentures described in Note 7 of the audited annual consolidated financial statements presented in the Corporation’s 2020 Annual Report ("August 2019 debentures") are converted and the Series A Warrants are exercised, then the April 2020 debentures maturity date would be extended to April 28, 2022. Interests are payable semi-annually on June 30 and December 31. At the option of the Corporation, the April 2020 debentures can be converted into common shares of Fire & Flower, at a conversion price of CA $0.50, at any time between the issuance and the maturity date. As at July 19, 2020, the August 2019 debentures and the April 2020 debentures were not converted.
- Additional common share purchase warrants which consist of Series A Warrants, Series B Warrants and Series C Warrants, which have the same terms and conditions as described in Note 7 of the audited annual consolidated financial statements presented in the Corporation’s 2020 Annual Report. As at July 19, 2020, no common share purchase warrants were exercised.

This additional investment does not significantly impact, on a fully diluted basis, the potential interests of the Corporation in Fire & Flower which are described in Note 7 of the audited annual consolidated financial statements presented in the Corporation’s 2020 Annual Report.

The estimated fair value at initial recognition for the April 2020 debentures and the additional common share purchase warrants differed from the transaction price. As further described below, such fair values were evidenced by entity-specific inputs and not solely by a quoted price in an active market for an identical asset or liability or by a valuation technique that uses only data from observable markets. Such estimated fair values are thus Level 3 measurements. 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, such initial differences will be recognized gradually over the expected life of each asset using the straight-line method.

The table below shows the amounts related to the August 2019 debentures, April 2020 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**
	$	**$**	**$**	**$**	**$**
Balance, beginning of period	18.5	10.1	**28.6**	(13.8)	**14.8**
Additional investment	2.6	2.1	**4.7**	(2.9)	**1.8**
Revenues (expenses) recognized to Net financial expenses	1.5	5.3	**6.8**	(3.9)	**2.9**
Effect of exchange rate variations	0.7	0.5	**1.2**	(0.6)	**0.6**
Balance, end of period	**23.3**	**18.0**	**41.3**	**(21.2)**	**20.1**

The following key unobservable inputs were used in establishing the fair value of these financial assets and there were no changes in the valuation techniques described in Note 7 of the audited annual consolidated financial statements presented in the Corporation's 2020 Annual Report:

	As at July 19, 2020	As at April 26, 2020, and as at April 28, 2020
Expected volatility[(a)]	**80%**	85%
Credit spread over Government of Canada rate (applicable solely to the convertible debentures)[(b)]	**35%**	35%

(a) Expected volatility

Sensitivity to volatility stems mainly from the limited availability of Fire & Flower historical data given that it is listed on the Toronto Stock Exchange since February 2019, as well as the emerging market in which it operates.

As at April 28, 2020, with all other variables held constant, a 5% increase or decrease in the expected volatility would not have had a significant impact on the fair value of the April 2020 debentures and of the additional common share purchase warrants.

As at July 19, 2020, with all other variables held constant, a 5% increase or decrease in the expected volatility would not have had a significant impact on the fair value of the convertible debentures.

As at July 19, 2020, with all other variables held constant, a 5% increase in the expected volatility would have increased by $3.5 the fair value of the common share purchase warrants. As at the same date, a 5% decrease in the expected volatility would have decreased by $3.2 the fair value of the common share purchase warrants.

(b) 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 28, 2020, with all other variables held constant, a 5% increase or decrease in the credit spread would not have had a significant impact on the fair value of the April 2020 debentures.

As at July 19, 2020, with all other variables held constant, a 5% increase or decrease in the credit spread would not have had a significant impact on the fair value of the convertible debentures.

Valuation process

The Corporation performs the valuations of its financial instruments required for financial reporting purposes, including 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.

On July 23, 2020, subsequent to the end of the first quarter of fiscal 2021, amendments to the August 2019 debentures, April 2020 debentures and common share purchase warrants were announced. As at September 1, 2020, these amendments are still subject to customary conditions precedent and regulatory approvals and mainly consist of the following:

- The August 2019 debentures conversion price would be modified from CA $1.07 to the lesser of (i) the 20-day volume weighted average price of the Fire & Flower common shares on the last trading day prior to the Corporation delivering a notice of its intention to convert; and (ii) CA $0.90. The maturity date of the August 2019 debentures would also be extended at the latest to June 30, 2023. The maturity date could vary, provided the occurrence or non-occurrence of certain events.
- The April 2020 debentures maturity date would be extended to June 1, 2022, and Fire & Flower could elect to add any interest accrued and payable to the principal amount of these debentures.
- The Series A Warrants would be broken down into three categories and the commitments described below would take effect on the same date as the amendments become effective:
  - The Series A-1 Warrants, for which the Corporation would be committed to exercise, at an amended price, no later than the date which is three business days following the date the amendments become effective;
  - The Series A-2 Warrants, for which the Corporation would be committed to exercise, at an amended price, no later than December 31, 2020; and
  - The Series A-3 Warrants, which would be exercisable, at an amended price, at the Corporation's option and which would expire on June 30, 2021.
- The Series B Warrants would only be exercisable, at an amended price, at any time after January 1, 2022, and would expire on September 30, 2022.
- The Series C Warrants would only be exercisable, at an amended price, at any time after October 1, 2022, and would expire on June 30, 2023.

6. INVENTORIES

For the 12-week period ended July 19, 2020, reversals of write-down of road transportation fuel inventories to net realizable value of $9.1 were recorded in Cost of sales on the consolidated statements of earnings (nil for the 12-week period ended July 21, 2019).

7. FINANCIAL EXPENSES

For the 12-week periods ended	**July 19, 2020**	July 21, 2019
	$	$
Interest on long-term debt	**51.0**	53.6
Interest on lease liabilities	**19.5**	21.9
Accretion of provisions	**3.4**	3.8
Interest on bank overdrafts and bank loans	**—**	0.7
Net interest on defined benefit plans	**0.5**	0.4
Other finance costs	**3.3**	3.6
	77.7	84.0

8. LONG-TERM DEBT

	As at July 19, 2020	As at April 26, 2020
	$	$
US-dollar-denominated senior unsecured notes, maturing from July 2022 to January 2050	**3,971.6**	3,970.7
Canadian-dollar-denominated senior unsecured notes, maturing from August 2020 to June 2025[(a)]	**1,433.7**	1,384.8
Euro-denominated senior unsecured notes, maturing in May 2026	**853.8**	806.8
NOK-denominated senior unsecured notes, maturing in February 2026	**72.5**	63.3
US-dollar-denominated term revolving unsecured operating credit D, maturing in December 2024[(b)]	**—**	1,500.0
Other debts	**4.8**	4.9
	6,336.4	7,730.5
Current portion of long-term debt	**222.3**	214.7
Long-term portion of long-term debt	**6,114.1**	7,515.8

(a) Canadian-dollar-denominated senior unsecured notes

On August 21, 2020, subsequent to the end of the first quarter of fiscal 2021, the Corporation fully repaid, at maturity, its CA $300.0 ($227.1) Canadian-dollar-denominated senior unsecured notes issued on August 21, 2013.

(b) US-dollar-denominated term revolving unsecured operating credit D

As at July 19, 2020, the Corporation was in compliance with the restrictive provisions and ratios imposed by the credit agreement.

9. NET EARNINGS PER SHARE

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

	12-week period ended July 19, 2020			12-week period ended July 21, 2019		
	Net earnings	**Weighted average number of shares (in millions)**	**Net earnings per share**	Net earnings	Weighted average number of shares (in millions)	Net earnings per share
	$		**$**	$		$
Basic net earnings attributable to Class A and B shareholders	**777.1**	**1,112.8**	**0.70**	538.8	1,128.4	0.48
Dilutive effect of stock options	**—**	**1.4**	**—**	—	1.7	—
Diluted net earnings attributable to Class A and B shareholders	**777.1**	**1,114.2**	**0.70**	538.8	1,130.1	0.48

When they have an antidilutive effect, stock options must be excluded from the calculation of the diluted net earnings per share. For the 12-week periods ended July 19, 2020, and July 21, 2019, 462,040 and 246,668 stock options were excluded, respectively.

10. 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 loss[b]	Investments in equity instruments measured at fair value through Other comprehensive income[b]	Accumulated other comprehensive loss
	$	$	$	$	$	$
12-week period ended July 19, 2020						
Balance, beginning of period	**(764.9)**	**(451.0)**	**(3.7)**	**(27.3)**	**(14.0)**	**(1,260.9)**
Other comprehensive income	**246.7**	**39.3**	**2.0**	**5.3**	**21.5**	**314.8**
Balance, end of period	**(518.2)**	**(411.7)**	**(1.7)**	**(22.0)**	**7.5**	**(946.1)**
12-week period ended July 21, 2019						
Balance, beginning of period	(496.1)	(348.2)	(8.3)	(4.0)	—	(856.6)
Other comprehensive income (loss)	42.9	21.5	(0.2)	(1.8)	(0.2)	62.2
Balance, end of period	(453.2)	(326.7)	(8.5)	(5.8)	(0.2)	(794.4)

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

11. CAPITAL STOCK

Issued and outstanding shares

As at July 19, 2020, the Corporation had 253,803,700 issued and outstanding Class A multiple-voting shares (253,803,700 as at April 26, 2020), with each share comprising 10 votes, and 859,144,568 issued and outstanding Class B subordinate voting shares (858,887,850 as at April 26, 2020), with each share comprising 1 vote.

During fiscal 2020, the Board of Directors approved a two-for-one split of all the Corporation's issued and outstanding Class A multiple-voting shares and Class B subordinate voting shares which occurred on September 27, 2019. Therefore, for the 12-week period ended July 21, 2019, and as at July 21, 2019, all share and per-share information in these interim financial statements have been adjusted retroactively to reflect this share split.

Stock options

For the 12-week period ended July 19, 2020, a total of 271,758 stock options were exercised (56,528 for the 12-week period ended July 21, 2019). For the 12-week period ended July 19, 2020, a total of 215,372 stock options were granted (246,668 for the 12-week period ended July 21, 2019).

The description of the Corporation's stock-based compensation plan is included in Note 28 of the audited annual consolidated financial statements presented in the Corporation's 2020 Annual Report.

The fair value of stock options granted for the 12-week period ended July 19, 2020, was CA $16.90 per option, which was estimated at the grant date using the Black-Scholes option pricing model on the basis of the following assumptions:

- Expected annual dividend of CA 28.0¢ per share;
- Expected volatility of 35%;
- Risk-free interest rate of 0.46%;
- Expected life of 8 years.

12. SEGMENTED INFORMATION

The Corporation operates convenience stores in the United States, in Europe 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, Corner Store, Couche-Tard, Holiday, Ingo and Mac's. Revenues from external customers mainly fall into three categories: merchandise and services, road transportation fuel and other.

Information on the principal revenue categories as well as geographic information is as follows:

	12-week period ended July 19, 2020				12-week period ended July 21, 2019			
	United States	**Europe**	**Canada**	**Total**	United States	Europe	Canada	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[(a)]								
Merchandise and services	**2,851.4**	**343.2**	**663.2**	**3,857.8**	2,677.1	353.1	575.6	3,605.8
Road transportation fuel	**3,906.0**	**1,182.4**	**677.0**	**5,765.4**	7,247.5	1,919.8	1,201.4	10,368.7
Other	**7.5**	**75.2**	**3.9**	**86.6**	28.6	155.1	4.8	188.5
	6,764.9	**1,600.8**	**1,344.1**	**9,709.8**	9,953.2	2,428.0	1,781.8	14,163.0
Gross profit								
Merchandise and services	**988.3**	**139.2**	**210.5**	**1,338.0**	909.0	146.5	189.5	1,245.0
Road transportation fuel	**812.5**	**236.5**	**81.7**	**1,130.7**	695.6	222.2	81.5	999.3
Other	**7.5**	**30.9**	**3.9**	**42.3**	28.6	31.3	4.8	64.7
	1,808.3	**406.6**	**296.1**	**2,511.0**	1,633.2	400.0	275.8	2,309.0
Total long-term assets[(b)]	**13,232.0**	**3,863.7**	**2,486.2**	**19,581.9**	14,040.9	3,926.1	2,596.6	20,563.6

(a) Geographic areas are determined according to where the Corporation generates operating income (where the sale takes place) and according to the location of the long-term assets.

(b) Excluding financial instruments, deferred tax assets and post-employment benefit assets.

13. FAIR VALUE

The fair value of trade accounts receivable and vendor rebates receivable, credit and debit cards receivable and accounts payable and accrued liabilities is comparable to their carrying amounts given their short maturity. The carrying value of the term revolving unsecured operating credit D approximate its fair value given that its credit spread is similar to the credit spread the Corporation would obtain under similar conditions at the reporting date.

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 indexed deposit contract, which is mainly based on the fair market value of the Corporation's Class B shares, was $64.4 as at July 19, 2020 ($52.7 as at April 26, 2020) (Level 2). As at July 19, 2020, it is presented as Accounts receivable for an amount of $19.7 ($18.3 as at April 26, 2020) and Other assets for an amount of $44.7 ($34.4 as at April 26, 2020) on the consolidated balance sheets;
- The fair value of the cross-currency interest rate swaps, which is determined based on market rates, was $196.5 as at July 19, 2020 ($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 investments in equity instruments, which is based on unadjusted quoted prices, was $105.0 as at July 19, 2020 ($78.5 as at April 26, 2020) (Level 1). They are presented as Other assets on the consolidated balance sheets; and
- The fair value of the fuel swaps, which is determined based on market rates, was nil as at July 19, 2020 ($23.8 as at April 26, 2020) (Level 2). As at April 26, 2020, they are presented as Other short-term financial assets on the consolidated balance sheets.

Financial instruments not at fair value on the consolidated balance sheets:

- The table below presents the fair value, which is based on unadjusted quoted prices (Level 1) or on observable market data (Level 2), and the carrying value of the Corporation's senior unsecured notes which are not measured at fair value on the consolidated balance sheets:

	As at July 19, 2020		As at April 26, 2020	
	Carrying value	**Fair value**	Carrying value	Fair value
	$	**$**	$	$
US-dollar-denominated senior unsecured notes (Level 2)	**3,971.6**	**4,306.6**	3,970.7	4,026.3
Canadian-dollar-denominated senior unsecured notes (Level 1)	**1,433.7**	**1,521.7**	1,384.8	1,436.9
Euro-denominated senior unsecured notes (Level 2)	**853.8**	**903.8**	806.8	795.6
NOK-denominated senior unsecured notes (Level 2)	**72.5**	**81.8**	63.3	68.5

- See Note 5 for information on the measurement of the investments in Fire & Flower.

14. SUBSEQUENT EVENT

Dividends

During its September 1, 2020 meeting, the Board of Directors declared a quarterly dividend of CA 7.0¢ per share for the first quarter of fiscal 2021 to shareholders on record as at September 11, 2020, and approved its payment for September 25, 2020. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).