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Quarterly Report

16 AND 40-WEEK PERIODS ENDED JANUARY 31, 2021

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 third 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 March 17, 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 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. In Asia, we operate a network of company-operated convenience stores in Hong Kong with an enviable local position.

As of January 31, 2021, our network comprised 9,257 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 January 31, 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 comprise 341 company-operated convenience stores in Hong Kong, offering a strong on-the-go food offer as well as a variety of other merchandise items and service. More than 3,500 people are employed in our retail network and service offices.

In addition, under licensing agreements, more than 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, 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 table sets forth information about exchange rates based upon closing rates expressed as US dollars per comparative currency unit:

	16-week periods ended		40-week periods ended	
	January 31, 2021	February 2, 2020	**January 31, 2021**	February 2, 2020
Average for the period[(1)]				
Canadian dollar	**0.7733**	0.7601	**0.7541**	0.7558
Norwegian krone	**0.1129**	0.1103	**0.1090**	0.1122
Swedish krone	**0.1177**	0.1046	**0.1129**	0.1045
Danish krone	**0.1613**	0.1484	**0.1568**	0.1490
Zloty	**0.2660**	0.2597	**0.2604**	0.2592
Euro	**1.2005**	1.1090	**1.1672**	1.1126
Ruble	**0.0132**	0.0158	**0.0135**	0.0156
Hong Kong dollar[(2)]	**0.1290**	—	**0.1290**	—

(1) Calculated by taking the average of the closing exchange rates of each day in the applicable period.
(2) Calculated by taking the average of the closing exchange rates of each day of the applicable period, 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 January 31, 2021	As at April 26, 2020
Period end		
Canadian dollar	**0.7820**	0.7118
Norwegian krone	**0.1173**	0.0941
Swedish krone	**0.1200**	0.0993
Danish krone	**0.1632**	0.1448
Zloty	**0.2679**	0.2385
Euro	**1.2136**	1.0800
Ruble	**0.0132**	0.0134
Hong Kong dollar	**0.1290**	—

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 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 Third Quarter of Fiscal 2021

Financial Results

Net earnings attributable to shareholders of the Corporation ("net earnings") amounted to $607.5 million for the third quarter of fiscal 2021, compared with $659.9 million for the third quarter of fiscal 2020. Diluted net earnings per share stood at $0.55, compared with $0.59 for the corresponding quarter of the previous fiscal year.

The results for the third quarter of fiscal 2021 were affected by a pre-tax net foreign exchange loss of $16.5 million, as well as pre-tax acquisition costs of $5.2 million.

The results for the third quarter of fiscal 2020 were affected by a pre-tax net gain of $61.5 million on the disposal of our interests in CrossAmerica Partners LP ("CAPL"), a positive impact on income tax of $29.0 million from an adjustment to deferred tax assets, a pre-tax net foreign exchange gain of $5.4 million and pre-tax acquisition costs of $2.9 million.

Excluding these items, the adjusted net earnings were approximately $622.0 million[1] ($0.56[1] per share on a diluted basis) for the third quarter of fiscal 2021, compared with $581.0 million[1] ($0.52[1] per share on a diluted basis) for the third quarter of fiscal 2020, an increase of $41.0 million, or 7.1%, driven by higher road transportation fuel margins, disciplined cost control and lower income tax rate, partly offset by the negative impact of COVID-19 on fuel demand.

Changes in our Network During the Third Quarter of Fiscal 2021

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"), an important convenience store operator in Hong Kong, for a total cash consideration of HK $3.0 billion ($381.2 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 and 32 franchised stores in Macau. 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. From December 21, 2020, Circle K HK results, balance sheet and cash flows are included in our consolidated financial statements.

Multi-site acquisition[2]

On November 12, 2020, we acquired seven company-operated stores from Pride C-Stores Inc., all located in Indiana, within the United States. We settled this transaction using our available cash and existing credit facilities.

Single-site acquisitions

We acquired five company-operated stores, reaching a total of seven stores since the beginning of fiscal 2021.

[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.
[2] A multi-site acquisition is defined as an acquisition of seven stores or more.

Store construction

We completed the construction of 13 stores and the relocation or reconstruction of 10 stores, reaching a total of 61 stores since the beginning of fiscal 2021. As of January 31, 2021, another 66 stores were under construction and should open in the upcoming quarters.

Summary of changes in our store network during the third quarter and first three quarters of fiscal 2021

The following table presents certain information regarding changes in our store network over the 16-week period ended January 31, 2021[(1)]:

	16-week period ended January 31, 2021				
Type of site	**Company-operated[(2)]**	**CODO[(3)]**	**DODO[(4)]**	**Franchised and other affiliated[(5)]**	**Total**
Number of sites, beginning of period	9,633	406	690	1,254	11,983
Acquisitions	353	—	1	5	359
Openings / constructions / additions	13	—	9	23	45
Closures / disposals / withdrawals	(19)	(3)	(9)	(33)	(64)
Store conversion	(2)	(1)	2	1	—
Number of sites, end of period	**9,978**	**402**	**693**	**1,250**	**12,323**
Circle K branded sites under licensing agreements					1,904
Total network					**14,227**
Number of automated fuel stations included in the period-end figures[(6)]	984	—	10	—	994

The following table presents certain information regarding changes in our store network over the 40-week period ended January 31, 2021 [(1)]:

	40-week period ended January 31, 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	365	—	1	9	375
Openings / constructions / additions	42	1	25	52	120
Closures / disposals / withdrawals	(115)	(37)	(40)	(104)	(296)
Store conversion	(5)	(15)	18	2	—
Number of sites, end of period	**9,978**	**402**	**693**	**1,250**	**12,323**
Circle K branded sites under licensing agreements					1,904
Total network					**14,227**

(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

The COVID-19 pandemic continues to have a meaningful impact on our quarterly financial results. Traffic remained soft throughout our network due to increased restrictive social measures and continued work from home trends across 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 continue to be challenged by work from home trends and evolving local restrictions, fuel margins remained healthy despite a persistent rise in product costs during the quarter. From an operating expense perspective, the initiatives implemented across our network to reduce our controllable expenses had a favorable impact while we continue to promote and support the wellness of our employees and customers.

Fire & Flower

On December 21, 2020, we exercised common share purchase warrants in Fire & Flower Holdings Corp. (“Fire & Flower”) for a cash consideration of CA $8.7 million ($6.8 million), which fulfilled our commitment to exercise a portion of the common share purchase warrants for an amount of CA $19.0 million by December 31, 2020. Additionally, subsequent to the end of the quarter, a principal amount of approximately CA $26.0 million ($20.3 million) of convertible debentures was converted into common shares of Fire & Flower. These conversions stem from the realization of certain events which allowed Fire & Flower to require us to convert all or part of our convertible debentures. Following these conversions, our ownership interests in Fire & Flower increased to 19.9%.

Share Repurchase Program Renewal

On November 24, 2020, the Toronto Stock Exchange approved the renewal of our share repurchase program which allows us to repurchase up to 4.0% of the public float of our Class B subordinate voting shares. All shares repurchased under the share repurchase program will be cancelled upon their repurchase. During the third quarter of fiscal 2021, we repurchased 15,926,522 Class B subordinate voting shares and these repurchases were settled for net amounts of $513.2 million, out of which $61.0 million is recorded in Accounts payable and accrued liabilities as at January 31, 2021. In addition, subsequent to the end of the quarter, we repurchased an additional 12,366,200 Class B subordinate voting shares for net amounts of $384.7 million, totaling 28,292,722 Class B subordinate voting shares and $897.9 million since the renewal of the program.

Government Grants

Subsequent to the end of the quarter, we recognized to earnings an amount of $38.2 million following the approval of various government grant requests. Government grants are recognized as a deduction of operating, selling, administrative and general expenses. The grants proceeds will mostly be used to compensate for past and future employee-related expenses.

Dividends

During its March 17, 2021 meeting, the Board of Directors declared a quarterly dividend of CA 8.75¢ per share for the third quarter of fiscal 2021 to shareholders on record as at March 26, 2021, and approved its payment for April 9, 2021. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Outstanding Shares and Stock Options

As at March 12, 2021, Couche-Tard had 253,803,100 Class A multiple-voting shares and 830,852,446 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,267,501 outstanding stock options for the purchase of Class B subordinate voting shares.

Summary Analysis of Consolidated Results for the Third Quarter and First Three Quarters of Fiscal 2021

The following table highlights certain information regarding our operations for the 16 and 40-week periods ended January 31, 2021 and February 2, 2020. Europe and other regions include the results from our operations in Asia. CAPL refers to CrossAmerica Partners LP.

	16-week periods ended			40-week periods ended		
(in millions of US dollars, unless otherwise stated)	**January 31, 2021**	February 2, 2020	Variation %	**January 31, 2021**	February 2, 2020	Variation %
Statement of Operations Data:						
Merchandise and service revenues[1]:						
United States	**3,274.9**	3,197.0	2.4	**8,862.7**	8,484.6	4.5
Europe and other regions	**541.1**	419.0	29.1	**1,278.9**	1,103.4	15.9
Canada	**713.9**	672.0	6.2	**2,006.9**	1,816.0	10.5
CAPL	**—**	—	—	**—**	29.6	(100.0)
Elimination of intercompany transactions with CAPL	**—**	—	—	**—**	*(0.8)*	*(100.0)*
Total merchandise and service revenues	**4,529.9**	4,288.0	5.6	**12,148.5**	11,432.8	6.3
Road transportation fuel revenues:						
United States	**5,626.3**	8,100.2	(30.5)	**13,970.6**	21,420.7	(34.8)
Europe and other regions	**1,813.7**	2,324.4	(22.0)	**4,492.3**	6,120.7	(26.6)
Canada	**1,039.5**	1,423.3	(27.0)	**2,592.2**	3,755.5	(31.0)
CAPL	**—**	268.2	(100.0)	**—**	1,365.7	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(50.5)*	*(100.0)*	**—**	*(288.0)*	*(100.0)*
Total road transportation fuel revenues	**8,479.5**	12,065.6	(29.7)	**21,055.1**	32,374.6	(35.0)
Other revenues[2]:						
United States	**17.3**	13.1	32.1	**34.3**	28.1	22.1
Europe and other regions	**123.4**	219.4	(43.8)	**268.1**	536.3	(50.0)
Canada	**7.4**	6.6	12.1	**16.7**	16.7	—
CAPL	**—**	12.8	(100.0)	**—**	65.6	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(1.3)*	*(100.0)*	**—**	*(8.9)*	*(100.0)*
Total other revenues	**148.1**	250.6	(40.9)	**319.1**	637.8	(50.0)
Total revenues	**13,157.5**	16,604.2	(20.8)	**33,522.7**	44,445.2	(24.6)
Merchandise and service gross profit[1]:						
United States	**1,081.2**	1,087.7	(0.6)	**3,001.0**	2,884.4	4.0
Europe and other regions	**208.1**	177.2	17.4	**505.9**	460.6	9.8
Canada	**229.9**	221.4	3.8	**645.5**	596.0	8.3
CAPL	**—**	—	—	**—**	6.8	(100.0)
Elimination of intercompany transactions with CAPL	**—**	—	—	**—**	*(0.8)*	*(100.0)*
Total merchandise and service gross profit	**1,519.2**	1,486.3	2.2	**4,152.4**	3,947.0	5.2
Road transportation fuel gross profit:						
United States	**828.1**	856.9	(3.4)	**2,408.0**	2,227.8	8.1
Europe and other regions	**335.7**	277.4	21.0	**855.4**	725.8	17.9
Canada	**118.3**	112.9	4.8	**297.3**	280.8	5.9
CAPL	**—**	10.5	(100.0)	**—**	57.5	(100.0)
Total road transportation fuel gross profit	**1,282.1**	1,257.7	1.9	**3,560.7**	3,291.9	8.2
Other revenues gross profit[2]:						
United States	**16.5**	13.1	26.0	**33.5**	28.1	19.2
Europe and other regions	**40.4**	40.6	(0.5)	**98.7**	103.8	(4.9)
Canada	**7.5**	6.6	13.6	**16.8**	16.6	1.2
CAPL	**—**	12.9	(100.0)	**—**	65.7	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(1.3)*	*(100.0)*	**—**	*(8.9)*	*(100.0)*
Total other revenues gross profit	**64.4**	71.9	(10.4)	**149.0**	205.3	(27.4)
Total gross profit	**2,865.7**	2,815.9	1.8	**7,862.1**	7,444.2	5.6
Operating, selling, administrative and general expenses						
Excluding CAPL[12]	**1,617.8**	1,609.0	0.5	**3,983.2**	4,048.1	(1.6)
CAPL	**—**	8.3	(100.0)	**—**	46.8	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(1.1)*	*(100.0)*	**—**	*(9.2)*	*(100.0)*
Total Operating, selling, administrative and general expenses	**1,617.8**	1,616.2	0.1	**3,983.2**	4,085.7	(2.5)
Gain on disposal of property and equipment and other assets	**(5.4)**	(74.9)	(92.8)	**(49.3)**	(63.8)	(22.7)
Depreciation, amortization and impairment						
Excluding CAPL	**418.7**	398.4	5.1	**1,014.0**	975.5	3.9
CAPL	**—**	7.7	(100.0)	**—**	53.9	(100.0)
Total depreciation, amortization and impairment	**418.7**	406.1	3.1	**1,014.0**	1,029.4	(1.5)
Operating income						
Excluding CAPL	**834.6**	862.1	(3.2)	**2,914.2**	2,368.1	23.1
CAPL	**—**	6.6	(100.0)	**—**	25.3	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(0.2)*	*(100.0)*	**—**	*(0.5)*	*(100.0)*
Total operating income	**834.6**	868.5	(3.9)	**2,914.2**	2,392.9	21.8
Net financial expenses	**105.6**	84.2	25.4	**270.8**	231.3	17.1
Net earnings including non-controlling interests	**607.5**	663.9	(8.5)	**2,141.6**	1,779.3	20.4
Net earnings attributable to non-controlling interests	**—**	(4.0)	(100.0)	**—**	(2.0)	(100.0)
Net earnings attributable to shareholders of the Corporation	**607.5**	659.9	(7.9)	**2,141.6**	1,777.3	20.5
Per Share Data:						
Basic net earnings per share (dollars per share)	**0.55**	0.59	(6.8)	**1.93**	1.58	22.2
Diluted net earnings per share (dollars per share)	**0.55**	0.59	(6.8)	**1.92**	1.58	21.5
Adjusted diluted net earnings per share (dollars per share)[12]	**0.56**	0.52	7.7	**1.93**	1.51	27.8

(in millions of US dollars, unless otherwise stated)	16-week periods ended January 31, 2021	February 2, 2020	Variation %	40-week periods ended January 31, 2021	February 2, 2020	Variation %
Other Operating Data – excluding CAPL:						
Merchandise and service gross margin[1]:						
Consolidated	**33.5%**	34.7%	(1.2)	**34.2%**	34.6%	(0.4)
United States	**33.0%**	34.0%	(1.0)	**33.9%**	34.0%	(0.1)
Europe and other regions	**38.5%**	42.3%	(3.8)	**39.6%**	41.7%	(2.1)
Canada	**32.2%**	32.9%	(0.7)	**32.2%**	32.8%	(0.6)
Growth of same-store merchandise revenues[3]:						
United States[4]	**2.9%**	3.0%		**4.9%**	2.9%	
Europe and other regions[5]	**2.8%**	2.1%		**4.7%**	2.1%	
Canada[4]	**4.7%**	4.2%		**11.7%**	2.3%	
Road transportation fuel gross margin:						
United States (cents per gallon)[4]	**31.86**	27.04	17.8	**36.86**	27.37	34.7
Europe and other regions (cents per liter)	**11.36**	8.50	33.6	**11.03**	8.43	30.8
Canada (CA cents per liter)[4]	**10.36**	8.06	28.5	**10.24**	7.81	31.1
Total volume of road transportation fuel sold:						
United States (millions of gallons)	**2,642.2**	3,290.2	(19.7)	**6,691.3**	8,482.6	(21.1)
Europe and other regions (millions of liters)	**2,954.2**	3,264.6	(9.5)	**7,755.4**	8,611.4	(9.9)
Canada (millions of liters)	**1,482.3**	1,848.9	(19.8)	**3,863.0**	4,779.9	(19.2)
(Decrease in) growth of same-store road transportation fuel volume:						
United States[4]	**(15.7%)**	0.1%		**(17.3%)**	0.4%	
Europe and other regions[4]	**(10.3%)**	(0.8%)		**(9.1%)**	(1.0%)	
Canada[4]	**(19.9%)**	(3.1%)		**(19.2%)**	(1.0%)	

(in millions of US dollars, unless otherwise stated)	As at January 31, 2021	As at April 26, 2020	Variation $
Balance Sheet Data:			
Total assets	**27,518.2**	25,679.5	1,838.7
Interest-bearing debt [6]	**9,561.7**	10,379.3	(817.6)
Equity	**12,154.9**	10,066.6	2,088.3
Indebtedness Ratios[7]:			
Net interest-bearing debt/total capitalization[6][8]	**0.36 : 1**	0.40 : 1	
Leverage ratio[9][12][13]	**1.36 : 1**	1.54 : 1	
Returns[7]:			
Return on equity[10][13]	**24.6%**	24.8%	
Return on capital employed[11][13]	**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. Franchise fees from international licensed stores are presented in the United States.

(2) Includes revenues from the rental of assets and from the sale of aviation fuel and energy for stationary engines.

(3) 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.

(4) For company-operated stores only.

(5) Includes the growth of same-store merchandise revenues of Circle K HK starting December 21, 2020.

(6) 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.

(7) Until November 2019, these measures are presented as if our investment in CAPL was reported using the equity method as we believe it allowed a more relevant presentation of the underlying performance of the Corporation.

(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 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.

(9) 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.

(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: 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.

(11) 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.

(12) Prior figures of Adjusted EBITDA, Adjusted net earnings, as well as Adjusted diluted net earnings per share 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. For additional information on these performance measures not defined by IFRS, please refer to the sections "Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA) and adjusted EBITDA", as well as "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. In addition, Operating, selling, administrative and general expenses excluding CAPL for the 16 and 40-week periods ended February 2, 2020 now include the restructuring costs that were previously presented on a distinct line.

(13) As at January 31, 2021, these ratios are presented for the 52-week period ended January 31, 2021 on a pro forma basis to reflect the acquisition of Circle K HK. Given the timing of this acquisition, we have not yet completed the fair value assessment of the assets acquired, the liabilities assumed and the goodwill for this transaction. Therefore, the pro forma ratios are based on the preliminary estimates of those fair values. Circle K HK's pro forma earnings and balance sheet figures have been adjusted to make their presentation in line with Couche-Tard's policies.

Revenues

Our revenues were $13.2 billion for the third quarter of fiscal 2021, down by $3.4 billion, a decrease of 20.8% 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, to the disposal of a portion of our U.S. wholesale fuel business in fiscal 2020, as well as to the disposal of our interests in CAPL, which had an impact of approximately $229.0 million, partly offset by the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, which had an impact of approximately $288.0 million, as well as by organic growth on merchandise and service sales.

For the first three quarters of fiscal 2021, our revenues decreased by $10.9 billion or 24.6% compared with the corresponding period of fiscal 2020, mainly attributable to similar factors as those of the third quarter.

Merchandise and service revenues

Total merchandise and service revenues for the third quarter of fiscal 2021 were $4.5 billion, an increase of $241.9 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 $192.0 million, or 4.5%. 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 $83.0 million. The tobacco, packaged beverage, alcohol and grocery products categories continued to perform well across all our regions. Same-store merchandise revenues increased by 2.9% in the United States, by 2.8% in Europe and other regions, and by 4.7% in Canada.

For the first three quarters of fiscal 2021, the growth in merchandise and service revenues was $715.7 million compared with the corresponding period of 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 $706.0 million, or 6.2%. Same-store merchandise revenues increased by 4.9% in the United States, by 4.7% in Europe and other regions, and by 11.7% in Canada.

Road transportation fuel revenues

Total road transportation fuel revenues for the third quarter of fiscal 2021 were $8.5 billion, a decrease of $3.6 billion compared with the corresponding quarter of fiscal 2020. Excluding CAPL's revenues, as well as the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues decreased by approximately $3.6 billion, or 30.3%. This decrease is mostly attributable to the decrease on fuel demand in relation with the work from home trends and increased restrictive social measures due to the COVID-19 pandemic, to a lower average road transportation fuel selling price, which had a negative impact of approximately $1.5 billion, as well as to the disposal of a portion of our U.S. wholesale fuel business. Same-store road transportation fuel volume decreased by 15.7% in the United States, by 10.3% in Europe and other regions, and by 19.9% in Canada, as many areas were impacted by significant lockdowns, in particular urban markets.

For the first three quarters of fiscal 2021, the road transportation fuel revenues decreased by $11.3 billion compared with the corresponding period of 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 $10.5 billion, or 33.4%. The negative impact of the lower average road transportation fuel selling price was approximately $4.6 billion. Same-store road transportation fuel volume decreased by 17.3% in the United States, by 9.1% in Europe and other regions, and by 19.2% 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 fourth quarter of the fiscal year ended April 28, 2019:

Quarter	4th	1st	2nd	3rd	Weighted average
52-week period ended January 31, 2021					
United States (US dollars per gallon) – excluding CAPL	2.21	2.04	2.14	2.16	2.14
Europe and other regions (US cents per liter)	60.95	56.89	63.19	65.84	62.02
Canada (CA cents per liter)	88.78	86.89	92.00	92.54	90.35
52-week period ended February 2, 2020					
United States (US dollars per gallon) – excluding CAPL	2.51	2.66	2.55	2.51	2.55
Europe and other regions (US cents per liter)	74.59	77.35	70.86	73.92	74.15
Canada (CA cents per liter)	103.45	111.16	105.14	103.47	105.70

Other revenues

Total other revenues for the third quarter and first three quarters of fiscal 2021 were $148.1 million and $319.1 million, respectively, a decrease of $102.5 million and of $318.7 million compared with the corresponding periods of 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 $111.0 million and by $287.0 million in the third quarter and first three quarters of fiscal 2021, respectively, primarily driven by lower demand and lower average selling prices in our other fuel products, which had a minimal impact on gross profit.

Gross profit

Our gross profit was $2.9 billion for the third quarter of fiscal 2021, up by $49.8 million, or 1.8%, compared with the corresponding quarter of fiscal 2020, mainly attributable to higher road transportation fuel gross margins, to the net positive impact from the translation of our Canadian and European operations into US dollars, which had an impact of approximately $46.0 million, as well as to the contribution from acquisitions, partly offset by the negative impact of COVID-19 on fuel demand and by the disposal of our interests in CAPL which had an impact of approximately $22.0 million.

For the first three quarters of fiscal 2021, our gross profit increased by $417.9 million, or 5.6%, compared with the first three quarters of fiscal 2020, mainly attributable to similar factors as those of the third quarter, as well as to organic growth of our convenience activities.

Merchandise and service gross profit

In the third quarter of fiscal 2021, our merchandise and service gross profit was $1.5 billion, an increase of $32.9 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 $13.0 million, or 0.9%. The contribution from acquisitions amounted to approximately $24.0 million. Our gross margin decreased by 1.0% in the United States to 33.0% and by 0.7% in Canada to 32.2% mainly due to various COVID-19 related impacts, such as shifts towards larger package sizes within the tobacco and beverage categories, a provision for bringing personal protective equipment products to the lower of their cost and net realizable value, promotional activities to drive traffic to our stores, as well as lower margins on prepared food given volatile traffic patterns. Our gross margin decreased by 3.8% in Europe and other regions to 38.5%, 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 40.0%.

During the first three quarters of fiscal 2021, our merchandise and service gross profit was $4.2 billion, an increase of $205.4 million compared with the first three quarters of 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 $193.0 million, or 4.9%. Our gross margin decreased by 0.1% to 33.9% in the United States, by 2.1% in Europe and other regions to 39.6%, and by 0.6% in Canada to 32.2%.

Road transportation fuel gross profit

In the third quarter of fiscal 2021, our road transportation fuel gross profit was $1.3 billion, an increase of $24.4 million compared with the corresponding quarter of 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, our road transportation fuel gross profit increased by approximately $13.0 million, or 1.0%. In the United States, our road transportation fuel gross margin was 31.86¢ per gallon, an increase of 4.82¢ per gallon, in Europe and other regions, it was US 11.36¢ per liter, an increase of US 2.86¢ per liter, and in Canada, it was CA 10.36¢ per liter, an increase of CA 2.30¢ per liter. Growth in road transportation fuel gross margins were driven by changes in the competitive landscape and by a flexible sourcing strategy which allows us to benefit from favorable supply opportunities.

During the first three quarters of fiscal 2021, our road transportation fuel gross profit was $3.6 billion, an increase of $268.8 million compared with the first three quarters of 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 $304.0 million, or 9.4%. The road transportation fuel gross margin was 36.86¢ per gallon in the United States, US 11.03¢ per liter in Europe and other regions, and CA 10.24¢ per liter in Canada.

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

(US cents per gallon) Quarter	4th	1st	2nd	3rd	Weighted average
52-week period ended January 31, 2021					
Before deduction of expenses related to electronic payment modes	46.88	42.99	37.48	31.86	39.14
Expenses related to electronic payment modes	4.97	4.88	4.79	4.66	4.81
After deduction of expenses related to electronic payment modes	41.91	38.11	32.69	27.20	34.33
52-week period ended February 2, 2020					
Before deduction of expenses related to electronic payment modes	18.51	26.86	28.29	27.04	25.30
Expenses related to electronic payment modes	4.40	4.70	4.63	4.54	4.60
After deduction of expenses related to electronic payment modes	14.11	22.16	23.66	22.50	20.70

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

Other revenues gross profit

In the third quarter and first three quarters of fiscal 2021, other revenues gross profit was $64.4 million and $149.0 million, respectively, a decrease of $7.5 million and of $56.3 million, compared with the corresponding periods of 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 remained stable in the third quarter of fiscal 2021 and decreased by approximately $4.0 million in the first three quarters of fiscal 2021, mainly driven by a decrease in rental income.

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

For the third quarter and first three quarters of fiscal 2021, expenses increased by 0.1% and decreased by 2.5%, respectively, compared with the corresponding periods of fiscal 2020. If we exclude certain items that are not considered indicative of future trends, expenses decreased by 0.1% and 0.4%, respectively.

	16-week period ended January 31, 2021	40-week period ended January 31, 2021
Total variance, as reported	**0.1%**	**(2.5%)**
Adjusted for:		
Decrease from lower electronic payment fees, excluding acquisitions	**1.8%**	**1.9%**
Increase from the net impact of foreign exchange translation	**(1.8%)**	**(0.7%)**
Increase from incremental expenses related to acquisitions	**(1.0%)**	**(0.5%)**
Decrease from the disposal of our interests in CAPL	**0.5%**	**1.1%**
Impact from the December 2018 asset exchange agreement with CAPL, net of electronic payment fees	**0.4%**	**0.5%**
Acquisition costs recognized to earnings of fiscal 2021	**(0.3%)**	**(0.3%)**
Acquisition costs recognized to earnings of fiscal 2020	**0.2%**	**0.1%**
Remaining variance	**(0.1%)**	**(0.4%)**

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 in certain regions, normal inflation and COVID-19 related expenses. This decrease was a result of cost and labor efficiencies, as well as rigorous work and activities initiated to streamline and minimize our controllable expenses. COVID-19 related expenses of the third quarter of fiscal 2021 include, but are not limited to, *Thank You* bonuses, additional cleaning and sanitizing supplies, as well as masks and gloves for our employees. For the first three quarters of fiscal 2021, it also includes an emergency appreciation pay premium of $2.50 per hour in North America for hourly store employees and distribution center employees as well as severance costs.

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

During the third quarter of fiscal 2021, EBITDA stood at $1.3 billion, a decrease of 1.4% compared with the same quarter last year. Excluding the specific items shown in the table below, the adjusted EBITDA for the third quarter of fiscal 2021 increased by $59.6 million, or 4.9%, compared with the corresponding quarter of the previous fiscal year, mainly due to higher road transportation fuel gross margins, disciplined cost control, as well as from 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 $18.0 million.

During the first three quarters of fiscal 2021, EBITDA increased from $3.4 billion to $4.0 billion, an increase of 14.9% compared with the same period last year. Excluding the specific items shown in the table below from EBITDA of the first three quarters of fiscal 2021 and of fiscal 2020, the adjusted EBITDA for the first three quarters of fiscal 2021 increased by $603.5 million or, 18.2%, compared with the corresponding period of the previous fiscal year, mainly attributable to similar factors as those of the third quarter, as well as to organic growth of our convenience activities. The variation in exchange rates had a net positive impact of approximately $18.0 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.

	16-week periods ended		40-week periods ended	
(in millions of US dollars)	**January 31, 2021**	February 2, 2020	**January 31, 2021**	February 2, 2020
Net earnings including non-controlling interests, as reported	**607.5**	663.9	**2,141.6**	1,779.3
Add:				
Income taxes	**129.7**	125.5	**526.0**	400.5
Net financial expenses	**105.6**	84.2	**270.8**	231.3
Depreciation, amortization and impairment	**418.7**	406.1	**1,014.0**	1,029.4
EBITDA	**1,261.5**	1,279.7	**3,952.4**	3,440.5
Adjusted for:				
Acquisition costs	**5.2**	2.9	**10.3**	3.9
Gain on disposal of a property	**—**	—	**(40.9)**	—
Net gain on the disposal of the Corporation's interests in CAPL	**—**	(61.5)	**—**	(61.5)
EBITDA attributable to non-controlling interests	**—**	(14.0)	**—**	(64.6)
Adjusted EBITDA	**1,266.7**	1,207.1	**3,921.8**	3,318.3

Depreciation, amortization and impairment (“depreciation”)

For the third quarter of fiscal 2021, our depreciation expense increased by $12.6 million compared with the third quarter of 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 $13.0 million. This increase is mainly driven by the impact from investments made through acquisitions, the replacement of equipment, as well as the ongoing improvement of our network.

For the first three quarters of fiscal 2021, our depreciation expense decreased by $15.4 million compared with the corresponding period of 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 $32.0 million for the first three quarters of fiscal 2021, mainly attributable to similar factors as those of the third quarter.

Net financial expenses

Net financial expenses for the third quarter of fiscal 2021 were $105.6 million, an increase of $21.4 million compared with the third quarter of fiscal 2020. Excluding the items shown in the table below, net financial expenses for the third quarter of fiscal 2021 increased by $4.3 million compared to the third quarter of fiscal 2020, driven by a higher average cost of debt.

Net financial expenses for the first three quarters of fiscal 2021 were $270.8 million, an increase of $39.5 million compared with the first three quarters of fiscal 2020. Excluding the items shown in the table below, net financial expenses for the first three quarters of fiscal 2021 increased by $10.6 million compared with the corresponding period of fiscal 2020, driven by the same factor as the one of the third quarter.

	16-week periods ended		40-week periods ended	
(in millions of US dollars)	**January 31, 2021**	February 2, 2020	**January 31, 2021**	February 2, 2020
Net financial expenses, as reported	**105.6**	84.2	**270.8**	231.3
Adjusted for:				
Net foreign exchange (loss) gain	**(16.5)**	5.4	**(43.8)**	10.7
CAPL’s financial expenses	**—**	(4.8)	**—**	(25.6)
Net financial expenses excluding items above	**89.1**	84.8	**227.0**	216.4

Income taxes

The income tax rate for the third quarter of fiscal 2021 was 17.6% compared with 15.9% for the corresponding period of fiscal 2020. Excluding the item shown in the table below, the income tax rate for the third quarter of fiscal 2020 would have been 19.6%. The decrease for the third 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.

The income tax rate for the first three quarters of fiscal 2021 was 19.7% compared with 18.4% for the first three quarters of fiscal 2020. Excluding the items shown in the table below, the income tax rate would have been 19.6% for the first three quarters of fiscal 2020.

	16-week periods ended		40-week periods ended	
	January 31, 2021	February 2, 2020	**January 31, 2021**	February 2, 2020
Income tax rate, as reported	**17.6%**	15.9%	**19.7%**	18.4%
Adjusted for:				
Release of deferred tax asset valuation allowance	**—**	3.7%	**—**	1.3%
Income tax expense following the December 2018 asset exchange agreement with CAPL	**—**	—	**—**	(0.1%)
Net income tax rate excluding items above	**17.6%**	19.6%	**19.7%**	19.6%

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 third quarter of fiscal 2021 were $607.5 million, compared with $659.9 million for the third quarter of the previous fiscal year, a decrease of $52.4 million, or 7.9%. Diluted net earnings per share stood at $0.55, compared with $0.59 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 $11.0 million on net earnings of the third quarter of fiscal 2021.

Excluding the items shown in the table below from net earnings of the third quarter of fiscal 2021 and fiscal 2020, adjusted net earnings for the third quarter of fiscal 2021 were approximately $622.0 million, compared with $581.0 million for the third quarter of fiscal 2020, an increase of $41.0 million, or 7.1%. Adjusted diluted net earnings per share were $0.56 for the third quarter of fiscal 2021, compared with $0.52 for the corresponding quarter of fiscal 2020, an increase of 7.7%.

For the first three quarters of fiscal 2021, net earnings were $2.1 billion, compared with $1.8 billion for the first three quarters of fiscal 2020, an increase of $364.3 million, or 20.5%. Diluted net earnings per share stood at $1.92, compared with $1.58 for the corresponding period 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 $12.0 million on net earnings of the first three quarters of fiscal 2021.

Excluding the items shown in the table below from net earnings of the first three quarters of fiscal 2021 and fiscal 2020, adjusted net earnings for the first three quarters of fiscal 2021 were approximately $2.2 billion, compared with $1.7 billion for the comparable period of the previous year, an increase of $454.0 million, or 26.7%. Adjusted diluted net earnings per share were $1.93 for the first three quarters of fiscal 2021, compared with $1.51 for the first three quarters of fiscal 2020, an increase of 27.8%.

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

	16-week periods ended		40-week periods ended	
(in millions of US dollars)	**January 31, 2021**	February 2, 2020	**January 31, 2021**	February 2, 2020
Net earnings attributable to shareholders of the Corporation, as reported	**607.5**	659.9	**2,141.6**	1,777.3
Adjusted for:				
Net foreign exchange loss (gain)	**16.5**	(5.4)	**43.8**	(10.7)
Acquisition costs	**5.2**	2.9	**10.3**	3.9
Gain on disposal of a property	**—**	—	**(40.9)**	—
Net gain on the disposal of the Corporation's interests in CAPL	**—**	(61.5)	**—**	(61.5)
Release of deferred tax asset valuation allowance	**—**	(29.0)	**—**	(29.0)
Income tax expense following the December 2018 asset exchange agreement with CAPL	**—**	—	**—**	2.7
Tax impact of the items above and rounding	**(7.2)**	14.1	**(2.8)**	15.3
Adjusted net earnings attributable to shareholders of the Corporation	**622.0**	581.0	**2,152.0**	1,698.0

It should be noted that adjusted net earnings and adjusted diluted net earnings per share 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 January 31, 2021

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

Our total consolidated assets amounted to $27.5 billion as at January 31, 2021, an increase of $1.8 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 January 31, 2021 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 $410.4 million, from $1.3 billion as at April 26, 2020, to $1.7 billion as at January 31, 2021. The increase stems mainly from a higher selling price for road transportation fuel and organic growth, as well as from the net positive impact of approximately $127.0 million from the variation in exchange rates at the balance sheet date.

Inventories

Inventories increased by $526.2 million, from $1.2 billion as at April 26, 2020, to $1.8 billion as at January 31, 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 $48.0 million from the variation in exchange rates at the balance sheet date.

Property and equipment

Property and equipment increased by $641.4 million, from $10.1 billion as at April 26, 2020, to $10.8 billion as at January 31, 2021, mainly as a result of the investments we made to our network, as well as the net positive impact of approximately $489.0 million from the variation in exchange rates at the balance sheet date, partly offset by the depreciation, amortization and impairment expense.

Right-of-use assets

Right-of-use assets increased by $593.7 million, from $2.5 billion as at April 26, 2020, to $3.1 billion as at January 31, 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 $152.0 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 $477.2 million, from $5.5 billion as at April 26, 2020, to $6.0 billion as at January 31, 2021, mainly as a result of the acquisition of Circle K HK, and the positive net impact of approximately $163.0 million from the variation in exchange rates at the balance sheet date. Since we have not yet completed our fair value assessment of the assets acquired, the liabilities assumed and the goodwill for Circle K HK, the fair values of assets acquired and liabilities assumed as well as the goodwill will be adjusted once we finalize the purchase price allocation for this transaction.

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

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities increased by $646.1 million, from $2.8 billion as at April 26, 2020, to $3.5 billion as at January 31, 2021. The increase stems mainly from higher cost for road transportation fuel purchases, the higher level of fuel purchases in response to higher demand at the end of the third quarter 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 $193.0 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 January 31, 2021, mainly as a result of the repayment of our term revolving unsecured operating credit facility and the repayment 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 $245.0 million.

Lease liabilities and current portion of lease liabilities

Long-term lease liabilities and current portion of lease liabilities increased by $589.5 million, from $2.6 billion as at April 26, 2020 to $3.2 billion as at January 31, 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 $150.0 million, partly offset by the repayments made on our lease liabilities during the first three quarters of fiscal 2021.

Equity

Equity amounted to $12.2 billion as at January 31, 2021, up $2.1 billion compared with April 26, 2020, mainly reflecting net earnings and other comprehensive income for the first three quarters of fiscal 2021, partly offset by the impact of share repurchases and by the dividends declared during the same period. For the 52-week period ended January 31, 2021, we recorded a return on equity[2] of 24.6%.

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 facilities are 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 January 31, 2021, our operating credit facility D was not used and standby letters of credit in the amount of $6.7 million were outstanding.

US-dollar-denominated delayed draw term loan

Loan agreement consisting of an unsecured delayed draw term loan of an aggregate maximum amount of $30.0 million, maturing on June 30, 2021. The delayed draw term loan is available in US dollars by way of loans bearing interest at variable rates based on LIBOR plus a fixed margin. As at January 31, 2021, $7.2 million of the unsecured delayed drawn term loan has been used, amounts borrowed were bearing interest at 1.371% and we were in compliance with the restrictive provisions and ratios imposed by the loan agreement.

Available liquidities

As at January 31, 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 $5.3 billion through our available cash and our operating credit facility D.

[2] Please refer to the section “Summary Analysis of Consolidated Results for the Third Quarter and First Three Quarters 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)	16-week periods ended January 31, 2021	February 2, 2020	Variation	40-week periods ended January 31, 2021	February 2, 2020	Variation
Operating activities						
Net cash provided by operating activities	**588.4**	825.3	(236.9)	**2,816.9**	2,601.6	215.3
Investing activities						
Purchase of property and equipment, intangible assets and other assets	**(391.7)**	(450.5)	58.8	**(878.4)**	(1,026.4)	148.0
Business acquisitions	**(384.7)**	(76.8)	(307.9)	**(427.6)**	(84.4)	(343.2)
Proceeds from disposal of property and equipment and other assets	**43.7**	50.6	(6.9)	**131.5**	77.4	54.1
Proceeds from the disposal of the Corporation's interest in CAPL, net of transaction costs and cash and cash equivalents disposed	**—**	185.2	(185.2)	**—**	185.2	(185.2)
Other investing activities	**14.7**	(3.4)	18.1	**8.8**	8.8	—
Net cash used in investing activities	**(718.0)**	(294.9)	(423.1)	**(1,165.7)**	(839.4)	(326.3)
Financing activities						
Share repurchases	**(452.2)**	(64.2)	(388.0)	**(452.2)**	(236.9)	(215.3)
Principal elements of lease payments and net decrease in other debts	**(127.0)**	(131.4)	4.4	**(312.1)**	(311.7)	(0.4)
Cash dividends paid	**(76.3)**	(53.4)	(22.9)	**(193.0)**	(160.1)	(32.9)
Settlements of derivative financial instruments	**0.5**	(102.5)	103.0	**0.2**	(102.5)	102.7
Net decrease in term revolving unsecured operating credit facility D	**—**	(36.0)	36.0	**(1,500.0)**	(40.0)	(1,460.0)
Repayment of senior unsecured notes	**—**	(941.4)	941.4	**(227.1)**	(1,241.4)	1,014.3
Issuance of US-dollar-denominated senior unsecured notes, net of financing costs	**—**	1,486.2	(1,486.2)	**—**	1,486.2	(1,486.2)
Other financing activities	**7.2**	4.4	2.8	**7.4**	(39.5)	46.9
Net cash (used in) provided by financing activities	**(647.8)**	161.7	(809.5)	**(2,676.8)**	(645.9)	(2,030.9)
Credit ratings						
S&P Global Ratings – Corporate credit rating				**BBB**	BBB	
Moody's – Senior unsecured notes credit rating				**Baa2**	Baa2	

Operating activities

During the third quarter of fiscal 2021, net cash from our operations reached $588.4 million, down $236.9 million compared with the third quarter of fiscal 2020, mainly due to negative changes in our working capital stemming from increased fuel inventory and changes in the timing of various tax payments due to COVID-19's temporary reliefs. During the first three quarters of fiscal 2021, net cash from our operations reached $2.8 billion, up $215.3 million compared with the first three quarters of fiscal 2020, mainly due to higher net earnings, partly offset by negative changes in our working capital stemming from similar reasons of those of the third quarter.

Investing activities

During the third quarter of fiscal 2021, business acquisitions amounted to $384.7 million and net investments in property and equipment, intangible assets and other assets amounted to $348.0 million. During the first three quarters of fiscal 2021, net investments in property and equipment, intangible assets and other assets amounted to $746.9 million, and business acquisitions amounted to $427.6 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 third quarter of fiscal 2021, we repurchased Class B subordinate voting shares for a net amount of $452.2 million, repaid $127.0 million on the principal element of our lease liabilities and other debts and paid dividends in the amount of $76.3 million.

In the first three quarters of fiscal 2021, we repaid $1.5 billion on our operating credit facility D, repurchased Class B subordinate voting shares for a net amount of $452.2 million, repaid $312.1 million on the principal elements of our lease liabilities and other debts, repaid $227.1 million on our senior unsecured notes and paid dividends in the amount of $193.0 million.

Contractual Obligations and Commercial Commitments

There were no major changes to our contractual obligations and commercial commitments during the 40-week period ended January 31, 2021. 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 January 31, 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 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)	**40-week period ended January 31, 2021**			52-week period ended April 26, 2020				Extract from 52-week period ended April 28, 2019
Quarter	**3rd**	2nd	1st	4th	3rd	2nd	1st	4th
Weeks	**16 weeks**	12 weeks	12 weeks	12 weeks	16 weeks	12 weeks	12 weeks	12 weeks
Revenues	**13,157.5**	10,655.4	9,709.8	9,687.2	16,604.2	13,678.0	14,163.0	13,113.3
Operating income before depreciation, amortization and impairment	**1,253.3**	1,326.1	1,348.8	1,077.0	1,274.6	1,088.9	1,058.8	651.7
Depreciation, amortization and impairment	**418.7**	305.8	289.5	307.4	406.1	316.2	307.1	241.5
Operating income	**834.6**	1,020.3	1,059.3	769.6	868.5	772.7	751.7	410.2
Share of earnings of joint ventures and associated companies	**8.2**	7.5	8.5	7.3	5.1	6.5	6.6	3.6
Net financial expenses	**105.6**	77.2	88.0	53.2	84.2	60.1	87.0	78.6
Net earnings including non-controlling interests	**607.5**	757.0	777.1	578.3	663.9	579.4	536.0	289.9
Net (earnings) loss attributable to non-controlling interests	**—**	—	—	(2.0)	(4.0)	(0.8)	2.8	3.2
Net earnings attributable to shareholders of the Corporation	**607.5**	757.0	777.1	576.3	659.9	578.6	538.8	293.1
Net earnings per share								
Basic	**$0.55**	$0.68	$0.70	$0.52	$0.59	$0.51	$0.48	$0.26
Diluted	**$0.55**	$0.68	$0.70	$0.52	$0.59	$0.51	$0.48	$0.26

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 protect our employees and 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. We will also continue working on the integration of our new activities in Asia and start sharing best practices. 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.

March 17, 2021

Consolidated Statements of Earnings

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

	16 weeks		40 weeks	
For the periods ended	**January 31, 2021**	February 2, 2020	**January 31, 2021**	February 2, 2020
	$	$	**$**	$
Revenues	**13,157.5**	16,604.2	**33,522.7**	44,445.2
Cost of sales (Note 6)	**10,291.8**	13,788.3	**25,660.6**	37,001.0
Gross profit	**2,865.7**	2,815.9	**7,862.1**	7,444.2
Operating, selling, administrative and general expenses	**1,617.8**	1,616.2	**3,983.2**	4,085.7
Gain on disposal of property and equipment and other assets (Notes 4 and 7)	**(5.4)**	(74.9)	**(49.3)**	(63.8)
Depreciation, amortization and impairment	**418.7**	406.1	**1,014.0**	1,029.4
Total operating expenses	**2,031.1**	1,947.4	**4,947.9**	5,051.3
Operating income	**834.6**	868.5	**2,914.2**	2,392.9
Share of earnings of joint ventures and associated companies	**8.2**	5.1	**24.2**	18.2
Financial expenses (Note 8)	**98.5**	94.3	**249.5**	258.0
Financial revenues	**(9.4)**	(4.7)	**(22.5)**	(16.0)
Foreign exchange loss (gain)	**16.5**	(5.4)	**43.8**	(10.7)
Net financial expenses	**105.6**	84.2	**270.8**	231.3
Earnings before income taxes	**737.2**	789.4	**2,667.6**	2,179.8
Income taxes	**129.7**	125.5	**526.0**	400.5
Net earnings including non-controlling interests	**607.5**	663.9	**2,141.6**	1,779.3
Net earnings attributable to non-controlling interests	**—**	(4.0)	**—**	(2.0)
Net earnings attributable to shareholders of the Corporation	**607.5**	659.9	**2,141.6**	1,777.3
Net earnings per share (Note 10)				
Basic	**0.55**	0.59	**1.93**	1.58
Diluted	**0.55**	0.59	**1.92**	1.58
Weighted average number of shares – basic (in millions)	**1,108.6**	1,122.7	**1,111.2**	1,125.2
Weighted average number of shares – diluted (in millions)	**1,109.9**	1,124.4	**1,112.6**	1,126.9
Number of shares outstanding at the end of period (in millions)	**1,097.0**	1,121.2	**1,097.0**	1,121.2

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)

	16 weeks		40 weeks	
For the periods ended	**January 31, 2021**	February 2, 2020	**January 31, 2021**	February 2, 2020
	$	$	**$**	$
Net earnings including non-controlling interests	**607.5**	663.9	**2,141.6**	1,779.3
Other comprehensive income				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in cumulative translation adjustments(1)	**158.8**	(8.4)	**478.7**	(55.5)
Change in fair value and net interest on cross-currency interest rate swaps designated as a hedge of the Corporation's net investment in certain of its foreign operations(2)	**39.6**	2.8	**128.1**	(17.5)
Cash flow hedges				
Change in fair value of financial instruments(2)	**(4.6)**	3.9	**(1.7)**	8.1
Loss realized on financial instruments transferred to earnings(2)	**1.9**	0.1	**1.1**	0.6
Items that will never be reclassified to earnings				
Net actuarial gain (loss)(3)	**11.0**	5.5	**20.8**	(2.9)
Gain on investments in equity instruments measured at fair value through Other comprehensive income(4)	**9.6**	21.2	**21.6**	21.1
Other comprehensive income (loss)	**216.3**	25.1	**648.6**	(46.1)
Comprehensive income including non-controlling interests	**823.8**	689.0	**2,790.2**	1,733.2
Comprehensive income attributable to non-controlling interests	**—**	(4.0)	**—**	(2.0)
Comprehensive income attributable to shareholders of the Corporation	**823.8**	685.0	**2,790.2**	1,731.2

(1) For the 16 and 40-week periods ended January 31, 2021, these amounts include a gain of $42.4 (net of income taxes of $6.5) and a gain of $172.8 (net of income taxes of $26.4), respectively. For the 16 and 40-week periods ended February 2, 2020, these amounts include a gain of $6.5 (net of income taxes of $1.0) and a gain of $70.2 (net of income taxes of $10.7), respectively. These gains arise from the translation of long-term debts denominated in foreign currencies.

(2) For the 16 and 40-week periods ended January 31, 2021, these amounts are net of income tax recoveries of $5.9 and $5.0, respectively. For the 16 and 40-week periods ended February 2, 2020, these amounts are net of income tax recoveries of $9.2 and $7.6, respectively.

(3) For the 16 and 40-week periods ended January 31, 2021, these amounts are net of income tax expenses of $2.9 and $5.4, respectively. For the 16 and 40-week periods ended February 2, 2020, these amounts are net of income tax expenses (recoveries) of $1.5 and $(0.6), respectively.

(4) For each of the 16 and 40-week periods ended January 31, 2021, these amounts are net of income tax expenses of $2.4. For each of the 16 and 40-week periods ended February 2, 2020, these amounts are net of income tax expenses of $3.2.

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 40-week period ended							**January 31, 2021**
	Attributable to the shareholders of the Corporation						
	Capital stock	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive loss (Note 11)**	**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			**2,141.6**		**2,141.6**	**—**	**2,141.6**
Other comprehensive income				**648.6**	**648.6**	**—**	**648.6**
Comprehensive income					**2,790.2**	**—**	**2,790.2**
Share repurchases (Note 12)	**(12.7)**		**(500.5)**		**(513.2)**		**(513.2)**
Dividends declared			**(193.0)**		**(193.0)**		**(193.0)**
Stock option-based compensation expense		**4.1**			**4.1**		**4.1**
Exercise of stock options	**2.5**	**(2.3)**			**0.2**		**0.2**
Balance, end of period	**684.6**	**23.2**	**12,059.4**	**(612.3)**	**12,154.9**	**—**	**12,154.9**

For the 40-week period ended							February 2, 2020
	Attributable to the shareholders of the Corporation						
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 11)	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			1,777.3		1,777.3	2.0	1,779.3
Other comprehensive loss				(46.1)	(46.1)	—	(46.1)
Comprehensive income					1,731.2	2.0	1,733.2
Share repurchases (Note 12)	(12.3)		(473.5)		(485.8)		(485.8)
Dividends declared			(160.1)		(160.1)		(160.1)
Distributions to non-controlling interests						(45.5)	(45.5)
December 2018 asset exchange agreement			(7.7)		(7.7)	7.7	—
Disposal of the Corporation's interests in CAPL						(222.1)	(222.1)
Non-controlling interests in CST Fuel Supply LP						1.3	1.3
Stock option-based compensation expense		3.0			3.0		3.0
Exercise of stock options	1.3	(1.3)			—		—
Balance, end of period	695.8	21.2	10,180.0	(902.7)	9,994.3	1.3	9,995.6

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)

	16 weeks		40 weeks	
For the periods ended	**January 31, 2021**	February 2, 2020	**January 31, 2021**	February 2, 2020
	$	$	**$**	$
Operating activities				
Net earnings including non-controlling interests	**607.5**	663.9	**2,141.6**	1,779.3
Adjustments to reconcile net earnings including non-controlling interests to net cash provided by operating activities				
Depreciation, amortization, impairment and amortization of financing costs	**420.0**	407.5	**1,017.1**	1,035.5
Gain on disposal of property and equipment and other assets (Notes 4 and 7)	**(5.4)**	(74.9)	**(49.3)**	(63.8)
Deferred income taxes	**37.8**	15.3	**79.9**	81.5
Share of earnings of joint ventures and associated companies, net of dividends received	**(4.9)**	3.6	**(12.4)**	0.3
Net deferred credits	**3.3**	(7.4)	**43.9**	3.1
Other	**13.8**	7.3	**77.7**	10.6
Changes in non-cash working capital	**(483.7)**	(190.0)	**(481.6)**	(244.9)
Net cash provided by operating activities	**588.4**	825.3	**2,816.9**	2,601.6
Investing activities				
Purchase of property and equipment, intangible assets and other assets	**(391.7)**	(450.5)	**(878.4)**	(1,026.4)
Business acquisitions (Note 3)	**(384.7)**	(76.8)	**(427.6)**	(84.4)
Proceeds from disposal of property and equipment and other assets (Note 7)	**43.7**	50.6	**131.5**	77.4
Proceeds from disposal of investments in equity instruments	**21.3**	—	**21.3**	—
Investments in Fire & Flower (Note 5)	**(6.8)**	—	**(16.4)**	(19.5)
Change in restricted cash	**0.2**	(3.4)	**3.9**	28.3
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
Net cash used in investing activities	**(718.0)**	(294.9)	**(1,165.7)**	(839.4)
Financing activities				
Share repurchases (Note 12)	**(452.2)**	(64.2)	**(452.2)**	(236.9)
Principal elements of lease payments and net decrease in other debts	**(127.0)**	(131.4)	**(312.1)**	(311.7)
Cash dividends paid	**(76.3)**	(53.4)	**(193.0)**	(160.1)
Increase in delayed draw term loan (Note 9)	**7.2**	—	**7.2**	—
Settlements of derivative financial instruments	**0.5**	(102.5)	**0.2**	(102.5)
Net decrease in term revolving unsecured operating credit facility D (Note 9)	**—**	(36.0)	**(1,500.0)**	(40.0)
Repayment of senior unsecured notes (Note 9)	**—**	(941.4)	**(227.1)**	(1,241.4)
Exercise of stock options	**—**	—	**0.2**	—
Issuance of US-dollar-denominated senior unsecured notes, net of financing costs	**—**	1,486.2	**—**	1,486.2
Net increase in CAPL senior secured revolving credit facility	**—**	21.5	**—**	6.0
Distributions paid to non-controlling interests	**—**	(17.1)	**—**	(45.5)
Net cash (used in) provided by financing activities	**(647.8)**	161.7	**(2,676.8)**	(645.9)
Effect of exchange rate fluctuations on cash and cash equivalents	**6.8**	(5.9)	**103.4**	(7.3)
Net (decrease) increase in cash and cash equivalents	**(770.6)**	686.2	**(922.2)**	1,109.0
Cash and cash equivalents, beginning of period	**3,489.9**	1,129.2	**3,641.5**	706.4
Cash and cash equivalents, end of period	**2,719.3**	1,815.4	**2,719.3**	1,815.4
Supplemental information:				
Interest paid	**122.5**	125.6	**285.8**	295.8
Interest and dividends received	**16.0**	19.4	**34.4**	42.0
Income taxes paid	**228.4**	68.6	**531.0**	163.2

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 January 31, 2021	As at April 26, 2020
	$	$
Assets		
Current assets		
Cash and cash equivalents	**2,719.3**	3,641.5
Restricted cash	**4.1**	8.0
Accounts receivable	**1,666.4**	1,256.0
Inventories (Note 6)	**1,763.6**	1,237.4
Prepaid expenses	**85.1**	96.0
Assets held for sale (Note 4)	**—**	64.0
Other short-term financial assets (Notes 5 and 14)	**0.2**	38.6
Income taxes receivable	**0.4**	89.4
	6,239.1	6,430.9
Property and equipment	**10,777.9**	10,136.5
Right-of-use assets	**3,107.6**	2,513.9
Intangible assets	**730.8**	550.8
Goodwill	**5,983.0**	5,505.8
Other assets	**421.6**	350.1
Other long-term financial assets (Note 5)	**23.5**	—
Investments in joint ventures and associated companies (Note 5)	**172.5**	139.7
Deferred income taxes	**62.2**	51.8
	27,518.2	25,679.5
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**3,454.4**	2,808.3
Short-term provisions	**153.7**	108.1
Other short-term financial liabilities (Note 14)	**1.8**	—
Income taxes payable	**51.2**	222.0
Liabilities associated with assets held for sale (Note 4)	**—**	8.1
Current portion of long-term debt (Note 9)	**70.7**	214.7
Current portion of lease liabilities	**429.0**	383.1
	4,160.8	3,744.3
Long-term debt (Note 9)	**6,252.7**	7,515.8
Lease liabilities	**2,809.3**	2,265.7
Long-term provisions	**565.0**	551.3
Pension benefit liability	**106.2**	91.5
Other long-term financial liabilities (Note 14)	**109.3**	237.4
Deferred credits and other liabilities	**201.5**	161.9
Deferred income taxes	**1,158.5**	1,045.0
	15,363.3	15,612.9
Equity		
Capital stock (Note 12)	**684.6**	694.8
Contributed surplus	**23.2**	21.4
Retained earnings	**12,059.4**	10,611.3
Accumulated other comprehensive loss (Note 11)	**(612.3)**	(1,260.9)
	12,154.9	10,066.6
	27,518.2	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 “fiscal 2020 consolidated financial statements”). 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 March 17, 2021, 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 16 and 40-week periods ended January 31, 2021. 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 fiscal 2020 consolidated financial statements.

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

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 Hong Kong, for a total cash consideration of HK $2,954.8 ($381.2) 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 and 32 franchised stores in Macau.

Given the timing and the size of this transaction, the Corporation has not yet completed its fair value assessment of the assets acquired, the liabilities assumed and the goodwill related to this acquisition. Consequently, part of the fair value adjustments, mainly relating to intangible assets and deferred income taxes, is included in goodwill in the preliminary fair value assessment of the assets acquired and the liabilities assumed. Regarding the identified intangible assets, the evaluation of the reacquired rights, software, trademarks and customer relationships have not yet been finalized in the preliminary fair value assessment. The preliminary estimates thereof are subject to adjustments to the fair value of the assets, liabilities and goodwill until the process is completed.

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

The preliminary estimates of the fair value of assets acquired and liabilities assumed for the Circle K HK acquisition based on the estimated fair value on the date of acquisition and available information as at the date of the publication of these interim financial statements are as follows:

	$
Tangible assets acquired	
Cash and cash equivalents	22.4
Accounts receivable[(a)]	20.3
Inventories	23.8
Prepaid expenses	3.2
Property and equipment	13.7
Right-of-use assets	76.5
Other assets	7.5
Deferred income taxes	0.5
Total tangible assets	167.9
Liabilities assumed	
Accounts payable and accrued liabilities	108.4
Income taxes payable	0.2
Lease liabilities	67.1
Pension benefit liability	1.8
Deferred income taxes	22.5
Total liabilities	200.0
Net tangible assets acquired	(32.1)
Intangible assets	128.0
Goodwill	285.3
Total cash consideration paid	381.2
Cash and cash equivalents acquired	22.4
Net cash flow for the acquisition	358.8

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

The Circle K HK acquisition was concluded in order to penetrate new strategic markets and it generated goodwill mainly due to the strategic location of stores acquired. The Corporation expects that none of the goodwill related to this transaction will be deductible for tax purposes. For the 40-week period ended January 31, 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 loss attributable to the shareholders of the Corporation from this acquisition amounted to $66.1 and $1.4, respectively. Net loss since the date of acquisition include $2.5 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 $33,947.0 and $2,149.1, respectively.

Other acquisitions

- On August 24, 2020, 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 sites and leases the land and building for the remaining site.
- On November 12, 2020, the Corporation acquired seven company-operated stores from Pride C-Stores Inc., all located in Indiana, within the United States. The Corporation owns the land and building for all the acquired sites.
- During the 40-week period ended January 31, 2021, the Corporation also acquired seven company-operated stores through distinct transactions. The Corporation owns the land and building for two sites, owns the building and leases the land for four sites and leases the land and the building for the remaining site.

These transactions were settled for a total consideration of $68.8 using available cash and existing credit facilities. For the 40-week period ended January 31, 2021, acquisition costs of $9.5 in connection with these acquisitions and other unrealized and ongoing acquisitions are included in Operating, selling, administrative and general expenses.

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

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 interim financial statements are as follows:

	$
Tangible assets acquired	
Inventories	1.8
Property and equipment	37.3
Right-of-use assets	0.2
Total tangible assets	39.3
Liabilities assumed	
Accounts payable and accrued liabilities	0.1
Provisions	0.5
Lease liabilities	0.2
Total liabilities	0.8
Net tangible assets acquired	38.5
Goodwill	30.3
Total cash consideration paid	68.8

These acquisitions were concluded in order to expand the Corporation's market share and generated goodwill mainly due to the strategic location of stores acquired. 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 $36.4 and $1.8, 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.

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 totaled approximately $184.0.

During the first and second quarters of fiscal 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.

5. INVESTMENTS IN FIRE & FLOWER HOLDINGS CORP. ("FIRE & FLOWER")

Convertible debentures and common share purchase warrants

Additional investment

On April 28, 2020, as a result of the Corporation's right to participate in a larger private placement offering made by Fire & Flower, the Corporation invested an additional amount of CA $2.5 ($1.8). This investment is composed of secured convertible debentures which are convertible, at the option of the Corporation, into common shares of Fire & Flower at a conversion price of CA $0.50 per share at any time between the issuance and the maturity date, bear interest at an annual rate of 8% and mature on June 1, 2022 ("April 2020 debentures"), as well as additional common share purchase warrants which consist of Series A Warrants, Series B Warrants and Series C Warrants, which had the same terms and conditions as described in Note 7 of the fiscal 2020 consolidated financial statements. This additional investment did not significantly impact, on a fully diluted basis, the potential ownership interest of the Corporation in Fire & Flower which is also described in Note 7 of the fiscal 2020 consolidated financial statements.

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

September 17, 2020 amendments

On September 17, 2020, following Fire & Flower shareholders' approval, the terms and conditions of the unsecured convertible debentures described in Note 7 of the fiscal 2020 consolidated financial statements ("August 2019 debentures") and common share purchase warrants were amended. The amendments mainly consisted of the following:

- The August 2019 debentures conversion price was modified from CA $1.07 per share 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 per share. The maturity date of the August 2019 debentures was also extended to June 30, 2023.
- The Series A Warrants were broken down into the Series A-1, A-2 and A-3 Warrants. The Corporation was committed to exercise the Series A-1 and A-2 Warrants, at an amended price, no later than December 31, 2020, 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 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 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.

Valuation, conversion and exercise

On September 18, 2020, the Corporation exercised the Series A-1 Warrants for a cash consideration of CA $10.3 ($7.8) and on December 21, 2020, the Corporation exercised the Series A-2 Warrants for a cash consideration of CA $8.7 ($6.8). As at January 31, 2021, the August 2019 debentures and the April 2020 debentures were not converted and none of the Series A-3, B or C Warrants were exercised.

In March 2021, subsequent to the end of the third quarter of fiscal 2021, the CA $2.5 ($1.8) amount of principal of the April 2020 debentures and a CA $23.6 ($18.5) amount of principal of the August 2019 debentures were converted into common shares of Fire & Flower. These conversions stem from 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 as well as all or part of the August 2019 debentures at a conversion price of CA $0.75 per share. Following these conversions, the ownership interests of the Corporation in Fire & Flower increased to 19.9%.

Following the September 17, 2020 amendments, the fair value of the Series A-1 and A-2 Warrants is based on data from observable markets since the Corporation committed itself to exercise them. Such fair values are thus Level 2 measurements. For the amended August 2019 debentures, April 2020 debentures, Series A-3 Warrants and amended Series B and C Warrants, their estimated fair value at initial recognition differed from their transaction price. These 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, they 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 amended 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
	$	$	$	$	$
40-week period ended January 31, 2021					
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**
Impact of the September 17, 2020 amendments	7.8	17.5	**25.3**	(24.7)	**0.6**
Gain (loss) recognized to Net financial expenses	(0.1)	(8.7)	**(8.8)**	14.6	**5.8**
Exercise of common share purchase warrants	—	(1.2)	**(1.2)**	—	**(1.2)**
Effect of exchange rate variations	2.4	1.6	**4.0**	(2.1)	**1.9**
Balance, end of period	**31.2**	**21.4**	**52.6**	**(28.9)**	**23.7**
Current portion	—	1.0	1.0	(0.8)	0.2
Long-term portion	31.2	20.4	51.6	(28.1)	23.5

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

The following key unobservable inputs were used in establishing the Level 3 fair values of the financial assets and there were no changes in the valuation techniques described in Note 7 of the fiscal 2020 consolidated financial statements:

	As at January 31, 2021	As at September 17, 2020	As at April 26, 2020, and as at April 28, 2020
Expected volatility[(a)]	**80%**	75%	85%
Credit spread over Government of Canada rate (applicable solely to the convertible debentures)[(b)]	**30%**	30%	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, September 17, 2020 (when the amendments described above became effective) and January 31, 2021, 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 and would have had the following impacts on the fair value of the common share purchase warrants:

	5% increase	**5% decrease**
	$	**$**
For the additional common share purchase warrants issued		
As at April 28, 2020	Not significant	Not significant
For all common share purchase warrants		
As at September 17, 2020	3.9	(3.8)
As at January 31, 2021	3.5	(3.4)

(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, September 17, 2020 (when the amendments described above became effective) and January 31, 2021, 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.

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, provide significant influence over Fire & Flower. Therefore, as of September 17, 2020, Fire & Flower is considered to be an associated company of the Corporation and its existing ownership interest in Fire & Flower is 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, the Corporation therefore used Fire & Flower's financial statements for the reporting period ended October 31, 2020, 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 third quarter of fiscal 2021.

6. INVENTORIES

For the 16 and 40-week periods ended January 31, 2021, write-down to net realizable value of $10.2 and reversals of write-down to net realizable value of $3.8 and $12.9, respectively, were recorded in Cost of sales on the consolidated statement of earnings. For the 16 and 40-week periods ended February 2, 2020, no write-down or reversal of write-down to net realizable value was recorded.

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

7. DISPOSAL OF PROPERTY

During the second quarter of fiscal 2021, the Corporation disposed of a property located in Toronto, Canada, for a cash consideration of $54.7. The disposal resulted in a gain of $40.9 which is included in Gain on disposal of property and equipment and other assets in the consolidated statement of earnings.

8. FINANCIAL EXPENSES

	16 weeks		40 weeks	
For the periods ended	**January 31, 2021**	February 2, 2020	**January 31, 2021**	February 2, 2020
	$	$	**$**	$
Interest on long-term debt	**64.6**	58.7	**163.7**	161.1
Interest on lease liabilities	**27.0**	27.0	**67.1**	70.9
Accretion of provisions	**5.0**	5.6	**12.0**	13.8
Net interest on defined benefit plans	**0.7**	0.6	**1.7**	1.5
Other finance costs	**1.2**	2.4	**5.0**	10.7
	98.5	94.3	**249.5**	258.0

9. LONG-TERM DEBT

	As at January 31, 2021	As at April 26, 2020
	$	$
US-dollar-denominated senior unsecured notes, maturing from July 2022 to January 2050	**3,973.2**	3,970.7
Canadian-dollar-denominated senior unsecured notes, maturing from November 2022 to June 2025[a]	**1,287.4**	1,384.8
Euro-denominated senior unsecured notes, maturing in May 2026	**907.1**	806.8
NOK-denominated senior unsecured notes, maturing in February 2026	**78.9**	63.3
US-dollar-denominated delayed draw term loan, maturing in June 2021[b]	**7.2**	—
US-dollar-denominated term revolving unsecured operating credit facility D, maturing in December 2024[c]	**—**	1,500.0
Other debts[d]	**69.6**	4.9
	6,323.4	7,730.5
Current portion of long-term debt	**70.7**	214.7
Long-term portion of long-term debt	**6,252.7**	7,515.8

(a) Canadian-dollar-denominated senior unsecured notes

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.

(b) US-dollar-denominated delayed draw term loan

On September 25, 2020, the Corporation entered into a new loan agreement consisting of an unsecured delayed draw term loan of an aggregate maximum amount of $30.0, maturing on June 30, 2021. The delayed draw term loan is available in US dollars by way of loans bearing interest at variable rates based on LIBOR plus a fixed margin. As at January 31, 2021, amounts borrowed on the delayed draw term loan were bearing interest at 1.371% and the Corporation was in compliance with the restrictive provisions and ratios imposed by the loan agreement.

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

As at January 31, 2021, the Corporation was in compliance with the restrictive provisions and ratios imposed by the credit facility agreement.

(d) 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 equipments 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.

10. NET EARNINGS PER SHARE

The following tables present the information for the computation of basic and diluted net earnings per share:

	16-week period ended January 31, 2021			16-week period ended February 2, 2020		
	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	**607.5**	**1,108.6**	**0.55**	659.9	1,122.7	0.59
Dilutive effect of stock options	**—**	**1.3**	**—**	—	1.7	—
Diluted net earnings attributable to Class A and B shareholders	**607.5**	**1,109.9**	**0.55**	659.9	1,124.4	0.59

	40-week period ended January 31, 2021			40-week period ended February 2, 2020		
	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	**2,141.6**	**1,111.2**	**1.93**	1,777.3	1,125.2	1.58
Dilutive effect of stock options	**—**	**1.4**	**(0.01)**	—	1.7	—
Diluted net earnings attributable to Class A and B shareholders	**2,141.6**	**1,112.6**	**1.92**	1,777.3	1,126.9	1.58

When they have an antidilutive effect, stock options must be excluded from the calculation of the diluted net earnings per share. For each of the 16 and 40-week periods ended January 31, 2021, 461,250 stock options were excluded (246,668 stock options were excluded for each of the 16 and 40-week periods ended February 2, 2020).

11. 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**
	$	**$**	**$**	**$**	**$**	**$**
40-week period ended January 31, 2021						
Balance, beginning of period	**(764.9)**	**(451.0)**	**(3.7)**	**(27.3)**	**(14.0)**	**(1,260.9)**
Other comprehensive income (loss)	**478.7**	**128.1**	**(0.6)**	**20.8**	**21.6**	**648.6**
Balance, end of period	**(286.2)**	**(322.9)**	**(4.3)**	**(6.5)**	**7.6**	**(612.3)**
40-week period ended February 2, 2020						
Balance, beginning of period	(496.1)	(348.2)	(8.3)	(4.0)	—	(856.6)
Other comprehensive (loss) income	(55.5)	(17.5)	8.7	(2.9)	21.1	(46.1)
Balance, end of period	(551.6)	(365.7)	0.4	(6.9)	21.1	(902.7)

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

12. CAPITAL STOCK

Issued and outstanding shares

As at January 31, 2021, 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 843,218,046 issued and outstanding Class B subordinate voting shares (858,887,850 as at April 26, 2020), with each share comprising 1 vote.

The changes in the outstanding number of Class B subordinate voting shares are as follows:

	40-week period ended January 31, 2021
Class B subordinate voting shares (in thousands)	
Balance, beginning of period	858,888
Share repurchases[(a)]	(15,927)
Issuance of shares on stock options exercised[(b)]	257
Balance, end of period	843,218

(a) Share repurchase program

On November 24, 2020, the Toronto Stock Exchange approved the renewal of the Corporation's share repurchase program, which is described in Note 27 of the fiscal 2020 consolidated financial statements. The renewal took effect on November 27, 2020, and allows 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. All shares repurchased under the share repurchase program will be cancelled upon their repurchase and the share repurchase period will end at the latest on November 26, 2021. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange upon renewal of the share repurchase 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.

During the 16 and 40-week periods ended January 31, 2021, the Corporation repurchased 15,926,522 Class B subordinate voting shares and these repurchases were settled for net amounts of $513.2, out of which $61.0 is recorded in Accounts payable and accrued liabilities as at January 31, 2021. No automatic securities purchase plan was in effect as at January 31, 2021.

During the 16 and 40-week periods ended February 2, 2020, the Corporation repurchased 1,996,992 and 7,657,960 Class B subordinate voting shares, respectively and these repurchases were settled for net amounts of $64.2 and $236.9, respectively. An automatic securities purchase plan which gave rise to a liability of $245.6 was also in effect as at February 2, 2020.

In addition, subsequent to the end of the third quarter of fiscal 2021, the Corporation repurchased 12,366,200 Class B subordinate voting shares for net amounts of $384.7.

(b) Stock options

For the 16 and 40-week periods ended January 31, 2021, a total of nil and 271,758 stock options were exercised, respectively (nil and 60,128 for the 16 and 40-week periods ended February 2, 2020, respectively).

For the 16 and 40-week periods ended January 31, 2021, a total of 4,409 and 219,781 stock options were granted, respectively (nil and 246,668 for the 16 and 40-week periods ended February 2, 2020, respectively). The description of the Corporation's stock-based compensation plan is included in Note 28 of the fiscal 2020 consolidated financial statements.

The weighted average fair value of stock options granted for the 40-week period ended January 31, 2021, was CA $16.83 per option, which was estimated at the grant date using the Black-Scholes option pricing model on the basis of the following weighted average assumptions:

- Expected annual dividend of CA 28.14¢ per share;
- Expected volatility of 35%;
- Risk-free interest rate of 0.46%;
- Expected life of 8 years.

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

13. 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, Corner Store, 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:

	16-week period ended January 31, 2021				16-week period ended February 2, 2020			
	United States	**Europe and other regions[c]**	**Canada**	**Total**	United States	Europe and other regions[c]	Canada	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[a]								
Merchandise and service	**3,274.9**	**541.1**	**713.9**	**4,529.9**	3,197.0	419.0	672.0	4,288.0
Road transportation fuel	**5,626.3**	**1,813.7**	**1,039.5**	**8,479.5**	8,317.9	2,324.4	1,423.3	12,065.6
Other	**17.3**	**123.4**	**7.4**	**148.1**	24.6	219.4	6.6	250.6
	8,918.5	**2,478.2**	**1,760.8**	**13,157.5**	11,539.5	2,962.8	2,101.9	16,604.2
Gross profit								
Merchandise and service	**1,081.2**	**208.1**	**229.9**	**1,519.2**	1,087.7	177.2	221.4	1,486.3
Road transportation fuel	**828.1**	**335.7**	**118.3**	**1,282.1**	867.4	277.4	112.9	1,257.7
Other	**16.5**	**40.4**	**7.5**	**64.4**	24.7	40.6	6.6	71.9
	1,925.8	**584.2**	**355.7**	**2,865.7**	1,979.8	495.2	340.9	2,815.9
Total long-term assets[b]	**13,568.1**	**4,605.1**	**2,851.7**	**21,024.9**	12,921.8	3,750.2	2,693.9	19,365.9

	40-week period ended January 31, 2021				40-week period ended February 2, 2020			
	United States	**Europe and other regions[c]**	**Canada**	**Total**	United States	Europe and other regions[c]	Canada	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[a]								
Merchandise and service	**8,862.7**	**1,278.9**	**2,006.9**	**12,148.5**	8,513.4	1,103.4	1,816.0	11,432.8
Road transportation fuel	**13,970.6**	**4,492.3**	**2,592.2**	**21,055.1**	22,498.4	6,120.7	3,755.5	32,374.6
Other	**34.3**	**268.1**	**16.7**	**319.1**	84.8	536.3	16.7	637.8
	22,867.6	**6,039.3**	**4,615.8**	**33,522.7**	31,096.6	7,760.4	5,588.2	44,445.2
Gross profit								
Merchandise and service	**3,001.0**	**505.9**	**645.5**	**4,152.4**	2,890.4	460.6	596.0	3,947.0
Road transportation fuel	**2,408.0**	**855.4**	**297.3**	**3,560.7**	2,285.3	725.8	280.8	3,291.9
Other	**33.5**	**98.7**	**16.8**	**149.0**	84.9	103.8	16.6	205.3
	5,442.5	**1,460.0**	**959.6**	**7,862.1**	5,260.6	1,290.2	893.4	7,444.2

(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.

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

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

14. FAIR VALUE

The fair value of trade accounts receivable and vendor rebates receivable, credit and debit cards receivable, accounts payable and accrued liabilities, delayed draw term loan 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 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 $58.3 as at January 31, 2021 ($52.7 as at April 26, 2020) (Level 2). As at January 31, 2021, it is presented as Accounts receivable for an amount of $17.8 ($18.3 as at April 26, 2020) and Other assets for an amount of $40.5 ($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 $109.3 as at January 31, 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 investments in equity instruments, which is based on unadjusted quoted prices, was $82.0 as at January 31, 2021 ($78.5 as at April 26, 2020) (Level 1). They are presented as Other assets on the consolidated balance sheets;
- The fair value of the fuel swaps, which is determined based on market rates, was $1.8 as at January 31, 2021 ($23.8 as at April 26, 2020) (Level 2). As at January 31, 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 5 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:

	As at January 31, 2021		As at April 26, 2020	
	Carrying value	**Fair value**	Carrying value	Fair value
	$	**$**	$	$
US-dollar-denominated senior unsecured notes (Level 2)	**3,973.2**	**4,418.2**	3,970.7	4,026.3
Canadian-dollar-denominated senior unsecured notes (Level 1)	**1,287.4**	**1,394.8**	1,384.8	1,436.9
Euro-denominated senior unsecured notes (Level 2)	**907.1**	**978.7**	806.8	795.6
NOK-denominated senior unsecured notes (Level 2)	**78.9**	**87.3**	63.3	68.5

15. SUBSEQUENT EVENTS

Government grants

Subsequent to the end of the third quarter of fiscal 2021, the Corporation recognized to earnings an amount of $38.2 following the approval of various government grant requests. Government grants are recognized as a deduction of Operating, selling, administrative and general expenses. The grants proceeds will mostly be used to compensate for past and future employee-related expenses.

Dividends

During its March 17, 2021 meeting, the Board of Directors declared a quarterly dividend of CA 8.75¢ per share for the third quarter of fiscal 2021 to shareholders on record as at March 26, 2021, and approved its payment for April 9, 2021. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).