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2023

QUARTERLY REPORT

ALIMENTATION COUCHE-TARD INC.
16 AND 40-WEEK PERIODS ENDED JANUARY 29, 2023

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 30, 2023. 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 as well as supplementary financial measures. The measures that do not comply with IFRS are described in the "Non-IFRS Measures" section of this MD&A and where such measures are presented, the reader is informed. Supplementary financial measures are described where such measures are presented. This MD&A should be read in conjunction with the audited annual consolidated financial statements and related notes included in our 2022 Annual Report and the unaudited interim condensed consolidated financial statements and related notes for the 16 and 40-week periods ended January 29, 2023, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, are 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 15, 2023, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard's or the industry's outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-downs, the effect of the COVID-19 pandemic on all aspects of our business and geographies or other charges announced or occurring after forward-looking statements are made.

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

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

Our Business

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

As of January 29, 2023, our network comprised 9,255 convenience stores throughout North America, including 8,178 stores with road transportation fuel dispensing. Our North American network consists of 17 business units, including 14 in the United States covering 47 states and 3 in Canada covering all 10 provinces. Approximately 96,000 people are employed throughout our network and at our service offices in North America.

In Europe, we operate a broad retail network across Scandinavia, Ireland, Poland, and the Baltics through 9 business units. As of January 29, 2023, our network comprised 2,703 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel stations which only offer road transportation fuel. We also offer other products, including aviation fuel and energy for stationary engines. Including employees at branded franchise stores, approximately 22,000 people are employed in our retail network, terminals, and service offices across Europe. In Asia, our network comprised 383 company-operated convenience stores in Hong Kong SAR through 1 business unit, offering a strong on-the-go food offer as well as a variety of other merchandise items and services. Approximately 4,000 people are employed in our retail network and service offices in Asia.

Furthermore, under licensing agreements, close to 2,000 stores are operated under the Circle K banner in 13 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Indonesia, Jamaica, Macau, Mexico, New Zealand, Saudi Arabia, South Africa, and Vietnam), which brings the worldwide total network to more than 14,300 stores.

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

Value Creation

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

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

Exchange Rate Data

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

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

	16-week periods ended		**40-week periods ended**	
	January 29, 2023	January 30, 2022	**January 29, 2023**	January 30, 2022
Average for the period(1)				
Canadian dollar	**0.7388**	0.7932	**0.7577**	0.8000
Norwegian krone	**0.0991**	0.1142	**0.1005**	0.1156
Swedish krone	**0.0942**	0.1120	**0.0959**	0.1150
Danish krone	**0.1394**	0.1532	**0.1386**	0.1573
Zloty	**0.2201**	0.2476	**0.2189**	0.2561
Euro	**1.0368**	1.1396	**1.0307**	1.1699
Ruble	**Not applicable**	0.0136	**Not applicable**	0.0136
Hong Kong dollar	**0.1279**	0.1284	**0.1276**	0.1285

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

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

	As at January 29, 2023	As at April 24, 2022
Period end		
Canadian dollar	**0.7504**	0.7888
Norwegian krone	**0.1010**	0.1124
Swedish krone	**0.0969**	0.1052
Danish krone	**0.1461**	0.1454
Zloty	**0.2308**	0.2334
Euro	**1.0865**	1.0817
Hong Kong dollar	**0.1277**	0.1275

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

Overview of the Third Quarter of Fiscal 2023

Financial Results

Net earnings for the third quarter of fiscal 2023 amounted to $737.4 million, representing $0.73 per share on a diluted basis, compared with $746.4 million for the corresponding quarter of fiscal 2022, representing $0.70 per share on a diluted basis.

The results for the third quarter of fiscal 2023 and the third quarter of fiscal 2022 were affected by specific items disclosed in the "Non-IFRS measures" section of this MD&A. Excluding these items, adjusted net earnings[1] were approximately $741.0 million ($0.74 per share on a diluted basis[1]) for the third quarter of fiscal 2023, compared with $746.0 million ($0.70 per share on a diluted basis[1]) for the corresponding quarter of fiscal 2022, a decrease of $5.0 million, or 0.7%, driven by higher expenses and by the net negative impact from the translation of our foreign currency operations into US dollars, partly offset by higher road transportation fuel gross profit[1] and by organic growth in the convenience activities.

Changes in our Network during the Third Quarter of Fiscal 2023

Multi-site acquisitions

On January 13, 2023, we entered into a binding agreement to acquire 45 company-owned and operated convenience retail and fuel sites operating under the Big Red Stores brand and located in the state of Arkansas, United States. The transaction, which would be financed using our available cash and/or existing credit facilities, is expected to close in the first half of calendar year 2023 and is subject to customary closing conditions and regulatory approvals.

On February 8, 2023, subsequent to the end of the quarter, we acquired all of the memberships interests of True Blue Car Wash LLC ("True Blue"). True Blue operates 65 express tunnel car wash sites under the brands Clean Freak and Rainstorm, in the Midwest and Southwest regions of the United States. The transaction was settled for a consideration of $395.9 million, including debt repayment, and is subject to post closing adjustments. The transaction was financed using borrowings available under our United States commercial paper program and available cash.

Single-site acquisitions

During the third quarter of fiscal 2023, we acquired four company-operated stores, reaching a total of six company-operated stores since the beginning of fiscal 2023. We settled these transactions using our available cash.

Store construction

We completed the construction of 34 stores and the relocation or reconstruction of 4 stores, reaching a total of 91 stores since the beginning of fiscal 2023. As of January 29, 2023, another 60 stores were under construction and should open in the upcoming quarters.

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

Assets held for sale

The following transactions led to the classification of assets and liabilities as held for sale on the consolidated balance sheet as at January 29, 2023:

- In connection with obtaining the Competition Bureau (Canada) approval for the acquisition, on August 30, 2022, of all the issued and outstanding shares of Cape D'Or Holdings Limited, Barrington Terminals Limited, and other related holding entities (“Wilsons”) which operate an independent convenience store and fuel network in Atlantic Canada, we entered into a consent agreement with the Commissioner of Competition to divest 34 company-owned and operated convenience retail and fuel locations, 1 company-owned and dealer-operated location, and 12 dealer-owned and operated locations. Since the acquisition date, the assets and liabilities related to the locations to be divested were classified as held for sale on the consolidated balance sheet. On March 1, 2023, subsequent to the end of the quarter, we closed the divestiture of these locations and 5 additional dealer-owned and operated locations for a consideration, subject to post-closing adjustments, of CA $77.6 million ($57.0 million). In addition, the consideration includes a contingent consideration receivable based on the future performance of the divested locations and which can go up to a maximum amount of CA $11.3 million ($8.5 million). We assessed that the fair value of the contingent consideration receivable was not significant.

- During the quarter, as a result of the continued strategic review of our network, we entered into multiple sales agreements with various buyers for 31 sites in the United States. As at January 29, 2023, the assets and liabilities related to these sites were classified as held for sale and we expect that they will be sold during the fourth quarter of fiscal 2023.

Summary of changes in our store network

The following tables present certain information regarding changes in our store network over the 16 and 40-week periods ended January 29, 2023(1):

	16-week period ended January 29, 2023				
Type of site	**Company-operated(2)**	**CODO(3)**	**DODO(4)**	**Franchised and other affiliated(5)**	**Total**
Number of sites, beginning of period	9,879	366	834	1,288	12,367
Acquisitions	4	—	—	—	4
Openings / constructions / additions	34	—	7	20	61
Closures / disposals / withdrawals	(36)	(1)	(20)	(34)	(91)
Store conversions	6	(6)	(1)	1	—
Number of sites, end of period	**9,887**	**359**	**820**	**1,275**	**12,341**
Circle K branded sites under licensing agreements					1,991
Total network					**14,332**
Number of automated fuel stations included in the period-end figures(6)	977	—	1	—	978

	40-week period ended January 29, 2023				
Type of site	**Company-operated(2)**	**CODO(3)**	**DODO(4)**	**Franchised and other affiliated(5)**	**Total**
Number of sites, beginning of period	9,808	370	713	1,275	12,166
Acquisitions	85	2	137	—	224
Openings / constructions / additions	76	2	13	57	148
Closures / disposals / withdrawals	(97)	(4)	(33)	(63)	(197)
Store conversions	15	(11)	(10)	6	—
Number of sites, end of period	**9,887**	**359**	**820**	**1,275**	**12,341**
Circle K branded sites under licensing agreements					1,991
Total network					**14,332**

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

Share Repurchase Program

On April 22, 2022, the Toronto Stock Exchange approved the renewal of our share repurchase program, which took effect on April 26, 2022. The renewed share repurchase program allows us to repurchase up to 79.7 million shares, representing 10.0% of the shares comprising the public float as at April 20, 2022, and the share repurchase period will end no later than April 25, 2023. Following the conversion of the Class A multiple-voting shares into Common shares on September 1, 2022, the terms of the renewed share repurchase program were modified to allow us to repurchase Common shares.

During the third quarter and first three quarters of fiscal 2023, we repurchased 26.9 million and 42.6 million shares for amounts of $1.2 billion and $1.9 billion, respectively, of which $30.0 million was recorded in Accounts payable and accrued liabilities as at January 29, 2023 ($56.7 million as at April 24, 2022, which was paid during the first quarter of fiscal 2023).

As at January 29, 2023, an automatic securities purchase plan was in place and allowed a designated broker to repurchase our shares on our behalf within pre-established parameters, giving rise to a liability of $391.3 million which is recorded in Other short-term financial liabilities on the consolidated balance sheet. Subsequent to the end of the quarter, 8.1 million shares were repurchased, through the automatic securities purchase plan, for an amount of $373.0 million. The automatic securities purchase plan was pre-cleared by the Toronto Stock Exchange upon approbation of the renewed share repurchase program. All shares repurchased under the share repurchase program were cancelled upon their repurchase.

Fire & Flower Holdings Corp. (“Fire & Flower”)

During the quarter, we have entered into a loan agreement consisting of a secured loan of CA $11.0 million ($8.0 million) which was granted to Fire & Flower, bearing interest at an annual rate of 11.0% and maturing on December 31, 2023. As at January 29, 2023, our ownership interests in Fire & Flower was 35.3%. As at January 29, 2023, the secured loan was recorded under Accounts receivable on the consolidated balance sheet.

Dividends

During its March 15, 2023 meeting, the Board of Directors declared a quarterly dividend of CA 14.0¢ per share for the third quarter of fiscal 2023 to shareholders on record as at March 23, 2023, and approved its payment effective April 6, 2023. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Outstanding Shares and Stock Options

As at March 13, 2023, Couche-Tard had 982,307,555 Common shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,760,671 outstanding stock options for the purchase of Common shares.

Non-IFRS Measures

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

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

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

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

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

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

- Net interest-bearing debt/total capitalization.

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

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

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

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

	16-week periods ended		**40-week periods ended**	
(in millions of US dollars)	**January 29, 2023**	January 30, 2022	**January 29, 2023**	January 30, 2022
Revenues	**20,055.1**	18,576.4	**55,592.3**	46,375.0
Cost of sales, excluding depreciation, amortization and impairment	**16,654.6**	15,316.8	**46,448.8**	37,927.2
Gross profit	**3,400.5**	3,259.6	**9,143.5**	8,447.8

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

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

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

	16-week periods ended		40-week periods ended	
(in millions of Canadian dollars, unless otherwise noted)	**January 29, 2023**	January 30, 2022	**January 29, 2023**	January 30, 2022
Road transportation fuel revenues	**2,475.2**	2,022.8	**6,517.7**	5,017.0
Road transportation fuel cost of sales, excluding depreciation, amortization and impairment	**2,253.7**	1,835.3	**5,962.2**	4,549.3
Road transportation fuel gross profit	**221.5**	187.5	**555.5**	467.7
Total road transportation fuel volume sold	**1,769.0**	1,591.5	**4,286.5**	4,127.9
Road transportation fuel gross margin (CA cents per liter)	**12.52**	11.78	**12.96**	11.33

Normalized growth of operating, selling, general and administrative expenses ("normalized growth of expenses"). Normalized growth of expenses consists of the growth of Operating, selling, general and administrative expenses adjusted for the impact of the changes in our network, the impact from changes in accounting policies and adoption of accounting standards, the impact of more volatile items over which we have limited control including, but not limited to, the net impact of foreign exchange translation, electronic payment fees excluding acquisitions, and acquisition costs, as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. This measure is considered useful for evaluating our ability to control our expenses on a comparable basis.

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

	16-week periods ended					
(in millions of US dollars, unless otherwise noted)	**January 29, 2023**	**January 30, 2022**	**Variation**	January 30, 2022	January 31, 2021	Variation
Operating, selling, general and administrative expenses, as published	**1,916.1**	**1,801.3**	**6.4%**	1,801.3	1,582.2	13.8%
Adjusted for:						
Decrease from the net impact of foreign exchange translation	**56.2**	**—**	**3.1%**	9.4	—	0.6%
Increase from incremental expenses related to acquisitions	**(16.4)**	**—**	**(0.9%)**	(30.0)	—	(1.9%)
Increase from higher electronic payment fees, excluding acquisitions	**(15.2)**	**—**	**(0.8%)**	(46.3)	—	(2.9%)
Decrease from changes in acquisition costs recognized to earnings	**0.5**	**—**	**—%**	2.4	—	0.2%
Normalized growth of expenses	**1,941.2**	**1,801.3**	**7.8%**	1,736.8	1,582.2	9.8%

	40-week periods ended					
(in millions of US dollars, unless otherwise noted)	**January 29, 2023**	**January 30, 2022**	**Variation**	January 30, 2022	January 31, 2021	Variation
Operating, selling, general and administrative expenses, as published	**4,747.2**	**4,400.7**	**7.9%**	4,400.7	3,901.9	12.8%
Adjusted for:						
Decrease (increase) from the net impact of foreign exchange translation	**130.1**	**—**	**2.9%**	(40.0)	—	(1.0%)
Increase from higher electronic payment fees, excluding acquisitions	**(92.6)**	**—**	**(2.1%)**	(96.4)	—	(2.5%)
Increase from incremental expenses related to acquisitions	**(40.7)**	**—**	**(0.9%)**	(81.2)	—	(2.1%)
(Increase) decrease from changes in acquisition costs recognized to earnings	**(3.4)**	**—**	**(0.1%)**	4.5	—	0.1%
Normalized growth of expenses	**4,740.6**	**4,400.7**	**7.7%**	4,187.6	3,901.9	7.3%

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

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

	16-week periods ended			
(in millions of US dollars, unless otherwise noted)	**January 29, 2023**	**January 30, 2022**	January 30, 2022	January 31, 2021
Merchandise and service revenues for Europe and other regions	**713.0**	**715.9**	715.9	541.1
Adjusted for:				
Service revenues	**(61.3)**	**(61.4)**	(61.4)	(53.6)
Net foreign exchange impact	**—**	**(55.2)**	—	(26.8)
Merchandise revenues not meeting the definition of same-store	**(27.9)**	**(2.8)**	(48.8)	(77.6)
Same-store merchandise revenues from stores not included in our consolidated results, including the impact of store conversions	**92.8**	**95.7**	104.2	278.9
Total Same-store merchandise revenues for Europe and other regions	**716.6**	**692.2**	709.9	662.0
Growth of same-store merchandise revenues for Europe and other regions	**3.5%**		7.2%	

	40-week periods ended			
(in millions of US dollars, unless otherwise noted)	**January 29, 2023**	**January 30, 2022**	January 30, 2022	January 31, 2021
Merchandise and service revenues for Europe and other regions	**1,801.0**	**1,857.7**	1,857.7	1,278.9
Adjusted for:				
Service revenues	**(140.0)**	**(147.2)**	(147.2)	(123.4)
Net foreign exchange impact	**—**	**(160.5)**	—	8.3
Merchandise revenues not meeting the definition of same-store	**(68.8)**	**(38.0)**	(75.4)	(101.3)
Same-store merchandise revenues from stores not included in our consolidated results, including the impact of store conversions	**257.4**	**281.7**	321.2	785.7
Total Same-store merchandise revenues for Europe and other regions	**1,849.6**	**1,793.7**	1,956.3	1,848.2
Growth of same-store merchandise revenues for Europe and other regions	**3.1%**		5.8%	

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

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

	16-week periods ended		40-week periods ended	
(in millions of US dollars)	**January 29, 2023**	January 30, 2022	**January 29, 2023**	January 30, 2022
Net earnings	**737.4**	746.4	**2,420.2**	2,205.6
Add:				
Income taxes	**206.7**	201.3	**678.6**	595.1
Net financial expenses	**82.5**	87.9	**207.7**	229.5
Depreciation, amortization and impairment	**463.2**	456.3	**1,136.3**	1,096.3
EBITDA	**1,489.8**	1,491.9	**4,442.8**	4,126.5
Adjusted for:				
Acquisition costs	**2.7**	3.2	**9.2**	5.8
Adjusted EBITDA	**1,492.5**	1,495.1	**4,452.0**	4,132.3

Adjusted net earnings and adjusted diluted net earnings per share. Adjusted net earnings represents net earnings adjusted for net foreign exchange gains or losses, acquisition costs, the impact from changes in accounting policies and adoption of accounting standards, impairment on goodwill, investments in subsidiaries, joint ventures and associated companies as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. These measures are considered useful for evaluating the underlying performance of our operations on a comparable basis.

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

	16-week periods ended		**40-week periods ended**	
(in millions of US dollars, except per share amounts, or unless otherwise noted)	**January 29, 2023**	January 30, 2022	**January 29, 2023**	January 30, 2022
Net earnings	**737.4**	746.4	**2,420.2**	2,205.6
Adjusted for:				
Acquisition costs	**2.7**	3.2	**9.2**	5.8
Net foreign exchange loss (gain)	**1.6**	(4.2)	**1.1**	(17.7)
Impairment of our investment in Fire & Flower	**—**	—	**23.9**	—
Tax impact of the items above and rounding	**(0.7)**	0.6	**(0.4)**	3.3
Adjusted net earnings	**741.0**	746.0	**2,454.0**	2,197.0
Weighted average number of shares - diluted (in millions)	**1,005.9**	1,061.7	**1,017.3**	1,068.6
Adjusted diluted net earnings per share	**0.74**	0.70	**2.41**	2.06

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

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

The table below presents the calculation of this performance measure:

(in millions of US dollars, except ratio data)	**As at January 29, 2023**	As at April 24, 2022
Current portion of long-term debt	**0.8**	1.4
Current portion of lease liabilities	**449.3**	425.4
Long-term debt	**5,908.6**	5,963.6
Lease liabilities	**2,935.1**	3,049.5
Interest-bearing debt	**9,293.8**	9,439.9
Less: Cash and cash equivalents	**1,133.5**	2,143.9
Net interest-bearing debt	**8,160.3**	7,296.0
Equity	**12,074.4**	12,437.6
Net interest-bearing debt	**8,160.3**	7,296.0
Total capitalization	**20,234.7**	19,733.6
Net interest-bearing debt to total capitalization ratio	**0.40 : 1**	0.37 : 1

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

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

	52-week periods ended	
(in millions of US dollars, except ratio data)	**January 29, 2023**	April 24, 2022
Net interest-bearing debt	**8,160.3**	7,296.0
Adjusted EBITDA	**5,585.7**	5,266.1
Leverage ratio	**1.46 : 1**	1.39 : 1

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

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

	52-week periods ended	
(in millions of US dollars, unless otherwise noted)	**January 29, 2023**	April 24, 2022
Net earnings	**2,897.9**	2,683.3
Equity - Opening balance	**12,819.6**	12,180.9
Equity - Ending balance	**12,074.4**	12,437.6
Average equity	**12,447.0**	12,309.3
Return on equity	**23.3%**	21.8%

Return on capital employed. This measure is used to measure the relation between our profitability and capital efficiency. Earnings before interest and taxes ("EBIT") represents net earnings plus income taxes and net financial expenses. Capital employed represents total assets less short-term liabilities not bearing interest, which excludes the current portion of long-term debt and current portion of lease liabilities. Average capital employed is calculated by taking the average of the beginning and ending balance of capital employed for the 52-week period.

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

	52-week periods ended	
(in millions of US dollars, unless otherwise noted)	**January 29, 2023**	April 24, 2022
Net earnings	**2,897.9**	2,683.3
Add:		
Income taxes	**817.8**	734.3
Net financial expenses	**259.2**	281.0
EBIT	**3,974.9**	3,698.6
Capital employed - Opening balance(1)	**24,494.0**	23,971.5
Capital employed - Ending balance(1)	**23,498.8**	24,001.0
Average capital employed	**23,996.4**	23,986.3
Return on capital employed	**16.6%**	15.4%

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

(in millions of US dollars)	**As at January 29, 2023**	As at January 30, 2022	As at April 24, 2022	As at April 25, 2021
Total Assets	**28,320.7**	28,826.1	29,591.6	28,394.5
Less: Current liabilities	**(5,272.0)**	(4,951.3)	(6,017.4)	(5,949.7)
Add: Current portion of long-term debt	**0.8**	196.9	1.4	1,107.3
Add: Current portion of lease liabilities	**449.3**	422.3	425.4	419.4
Capital employed	**23,498.8**	24,494.0	24,001.0	23,971.5

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

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

(in millions of US dollars)	**As at January 29, 2023**	As at April 24, 2022
Cash and cash equivalents	**1,133.5**	2,143.9
Add: Unused portion of the term revolving unsecured operating credit facility	**2,525.0**	2,525.0
Less: Letters of credit reducing the amount that may be borrowed on the term revolving unsecured operating credit facility	**(2.8)**	(6.7)
Available liquidities	**3,655.7**	4,662.2

Summary Analysis of Consolidated Results for the Third Quarter and First Three Quarters of Fiscal 2023

The following table highlights certain information regarding our operations for the 16 and 40-week periods ended January 29, 2023 and January 30, 2022, and the results analysis in this section should be read in conjunction with this table. Europe and other regions include the results from our operations in Asia.

	16-week periods ended			40-week periods ended		
(in millions of US dollars, unless otherwise stated)	**January 29, 2023**	January 30, 2022	Variation %	**January 29, 2023**	January 30, 2022	Variation %
Statement of Operations Data:						
Merchandise and service revenues[(1)]:						
United States	**3,541.6**	3,355.5	5.5	**9,349.5**	8,938.9	4.6
Europe and other regions	**713.0**	715.9	(0.4)	**1,801.0**	1,857.7	(3.1)
Canada	**706.6**	722.5	(2.2)	**1,955.0**	2,044.2	(4.4)
Total merchandise and service revenues	**4,961.2**	4,793.9	3.5	**13,105.5**	12,840.8	2.1
Road transportation fuel revenues:						
United States	**9,411.5**	8,945.6	5.2	**27,328.9**	22,064.1	23.9
Europe and other regions	**3,475.5**	2,951.3	17.8	**9,288.9**	6,899.8	34.6
Canada	**1,828.2**	1,605.4	13.9	**4,943.1**	4,011.0	23.2
Total road transportation fuel revenues	**14,715.2**	13,502.3	9.0	**41,560.9**	32,974.9	26.0
Other revenues[(2)]:						
United States	**14.2**	14.6	(2.7)	**32.4**	36.8	(12.0)
Europe and other regions	**343.2**	257.3	33.4	**859.3**	504.9	70.2
Canada	**21.3**	8.3	156.6	**34.2**	17.6	94.3
Total other revenues	**378.7**	280.2	35.2	**925.9**	559.3	65.5
Total revenues	**20,055.1**	18,576.4	8.0	**55,592.3**	46,375.0	19.9
Merchandise and service gross profit[(1)(3)]:						
United States	**1,175.5**	1,127.0	4.3	**3,148.3**	3,026.8	4.0
Europe and other regions	**266.1**	270.6	(1.7)	**685.9**	708.8	(3.2)
Canada	**228.2**	228.5	(0.1)	**642.1**	655.8	(2.1)
Total merchandise and service gross profit	**1,669.8**	1,626.1	2.7	**4,476.3**	4,391.4	1.9
Road transportation fuel gross profit[(3)]:						
United States	**1,265.9**	1,087.9	16.4	**3,355.3**	2,684.4	25.0
Europe and other regions	**252.8**	342.0	(26.1)	**775.3**	866.7	(10.5)
Canada	**163.5**	148.8	9.9	**420.8**	372.5	13.0
Total road transportation fuel gross profit	**1,682.2**	1,578.7	6.6	**4,551.4**	3,923.6	16.0
Other revenues gross profit[(2)(3)]:						
United States	**14.2**	14.6	(2.7)	**32.4**	36.8	(12.0)
Europe and other regions	**23.6**	31.9	(26.0)	**61.8**	78.4	(21.2)
Canada	**10.7**	8.3	28.9	**21.6**	17.6	22.7
Total other revenues gross profit	**48.5**	54.8	(11.5)	**115.8**	132.8	(12.8)
Total gross profit[(3)]	**3,400.5**	3,259.6	4.3	**9,143.5**	8,447.8	8.2
Operating, selling, general and administrative expenses	**1,916.1**	1,801.3	6.4	**4,747.2**	4,400.7	7.9
Gain on disposal of property and equipment and other assets	**(4.9)**	(26.4)	(81.4)	**(38.3)**	(60.5)	(36.7)
Depreciation, amortization and impairment	**463.2**	456.3	1.5	**1,136.3**	1,096.3	3.6
Operating income	**1,026.1**	1,028.4	(0.2)	**3,298.3**	3,011.3	9.5
Net financial expenses	**82.5**	87.9	(6.1)	**207.7**	229.5	(9.5)
Net earnings	**737.4**	746.4	(1.2)	**2,420.2**	2,205.6	9.7
Per Share Data:						
Basic net earnings per share (dollars per share)	**0.73**	0.70	4.3	**2.38**	2.07	15.0
Diluted net earnings per share (dollars per share)	**0.73**	0.70	4.3	**2.38**	2.06	15.5
Adjusted diluted net earnings per share (dollars per share)[(3)]	**0.74**	0.70	5.7	**2.41**	2.06	17.0

(in millions of US dollars, unless otherwise stated)	16-week periods ended January 29, 2023	16-week periods ended January 30, 2022	Variation %	40-week periods ended January 29, 2023	40-week periods ended January 30, 2022	Variation %
Other Operating Data:						
Merchandise and service gross margin[(1)(3)]:						
Consolidated	**33.7%**	33.9%	(0.2)	**34.2%**	34.2%	—
United States	**33.2%**	33.6%	(0.4)	**33.7%**	33.9%	(0.2)
Europe and other regions	**37.3%**	37.8%	(0.5)	**38.1%**	38.2%	(0.1)
Canada	**32.3%**	31.6%	0.7	**32.8%**	32.1%	0.7
Growth of (decrease in) same-store merchandise revenues[(4)]:						
United States[(5)(6)]	**4.8%**	3.7%		**4.6%**	1.7%	
Europe and other regions[(3)]	**3.5%**	7.2%		**3.1%**	5.8%	
Canada[(5)(6)]	**2.3%**	(0.8%)		**(0.1%)**	(4.2%)	
Road transportation fuel gross margin[(3)]:						
United States (cents per gallon)	**46.85**	39.63	18.2	**48.21**	37.75	27.7
Europe and other regions (cents per liter)	**8.01**	10.83	(26.0)	**9.79**	10.60	(7.6)
Canada (CA cents per liter)	**12.52**	11.78	6.3	**12.96**	11.33	14.4
Total volume of road transportation fuel sold:						
United States (millions of gallons)	**2,702.2**	2,745.1	(1.6)	**6,959.4**	7,110.4	(2.1)
Europe and other regions (millions of liters)	**3,157.0**	3,158.2	—	**7,922.0**	8,179.8	(3.2)
Canada (millions of liters)	**1,769.0**	1,591.5	11.2	**4,286.5**	4,127.9	3.8
Growth of (decrease in) same-store road transportation fuel volume[(5)]:						
United States	**(2.3%)**	3.2%		**(2.7%)**	5.7%	
Europe and other regions	**(1.2%)**	3.2%		**(3.5%)**	2.9%	
Canada	**0.5%**	7.2%		**(1.8%)**	6.6%	

(in millions of US dollars, unless otherwise stated)	As at January 29, 2023	As at April 24, 2022	Variation $
Balance Sheet Data:			
Total assets	**28,320.7**	29,591.6	(1,270.9)
Interest-bearing debt[(3)]	**9,293.8**	9,439.9	(146.1)
Equity	**12,074.4**	12,437.6	(363.2)
Indebtedness Ratios[(3)]:			
Net interest-bearing debt/total capitalization	**0.40 : 1**	0.37 : 1	
Leverage ratio	**1.46 : 1**	1.39 : 1	
Returns[(3)]:			
Return on equity	**23.3%**	21.8%	
Return on capital employed	**16.6%**	15.4%	

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

Revenues

Our revenues were $20.1 billion for the third quarter of fiscal 2023, up by $1.5 billion, an increase of 8.0% compared with the corresponding quarter of fiscal 2022, mainly attributable to a higher average road transportation fuel and other fuel products selling price, the contribution from acquisitions, and organic growth of our convenience activities while being partly offset by lower fuel demand and the net negative impact of approximately $639.0 million from the translation of our foreign currency operations into US dollars.

For the first three quarters of fiscal 2023, our revenues increased by $9.2 billion, or 19.9%, compared with the corresponding period of fiscal 2022, 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 2023 were $5.0 billion, an increase of $167.3 million compared with the corresponding quarter of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $112.0 million. The remaining increase of approximately $279.0 million, or 5.8%, is primarily attributable to organic growth, and to the contribution from acquisitions which amounted to approximately $41.0 million. Same-store merchandise revenues increased by 4.8% in the United States, by 3.5% in Europe and other regions[1], and by 2.3% in Canada, driven by strong results of our *Fresh Food, Fast* program as well as by our diversified offer in the beverage category, partly offset by the continued softness of our cigarette and other tobacco product revenues from illicit competition and increased restrictions.

For the first three quarters of fiscal 2023, the growth in merchandise and service revenues was $264.7 million compared with the corresponding period of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $283.0 million. Same-store merchandise revenues increased by 4.6% in the United States, by 3.1% in Europe and other regions[1], and decreased by 0.1% in Canada.

Road transportation fuel revenues

Total road transportation fuel revenues for the third quarter of fiscal 2023 were $14.7 billion, an increase of $1.2 billion compared with the corresponding quarter of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $501.0 million. The remaining increase of approximately $1.7 billion, or 12.7%, is attributable to a higher average road transportation fuel selling price, which had a positive impact of approximately $1.7 billion. Same-store road transportation fuel volumes decreased by 2.3% in the United States, by 1.2% in Europe and other regions, and increased by 0.5% in Canada. During the quarter, road transportation fuel demand remained unfavorably impacted by the high retail prices driven by the increase in crude oil costs compared with the corresponding quarter of fiscal 2022, and the continued work from home trends.

For the first three quarters of fiscal 2023, the road transportation fuel revenues increased by $8.6 billion compared with the corresponding period of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $1.2 billion. Same-store road transportation fuel volumes decreased by 2.7% in the United States, by 3.5% in Europe and other regions, and by 1.8% in Canada.

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

Quarter	4th	1st	2nd	3rd	Weighted average
52-week period ended January 29, 2023					
United States (US dollars per gallon)	3.94	4.61	3.84	3.50	3.94
Europe and other regions (US cents per liter)	120.84	129.11	117.39	113.55	121.16
Canada (CA cents per liter)	150.30	179.15	149.55	143.32	154.70
52-week period ended January 30, 2022					
United States (US dollars per gallon)	2.72	2.97	3.08	3.28	3.03
Europe and other regions (US cents per liter)	79.29	79.09	86.29	96.66	86.15
Canada (CA cents per liter)	108.99	117.51	123.00	129.39	120.75

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

Other revenues

Total other revenues for the third quarter of fiscal 2023 were $378.7 million, an increase of $98.5 million compared with the corresponding quarter of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $28.0 million. The remaining increase of approximately $126.0 million, or 45.0%, is primarily driven by higher prices on our other fuel products, which had a minimal impact on gross profit[1].

For the first three quarters of fiscal 2023, total other revenues were $925.9 million, an increase of $366.6 million compared with the corresponding period of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $59.0 million. The remaining increase of approximately $426.0 million, or 76.2%, is attributable to similar factors as those of the third quarter as well as to higher demand on our other fuel products, which had a minimal impact on gross profit[1].

Gross profit[1]

Our gross profit was $3.4 billion for the third quarter of fiscal 2023, up by $140.9 million, or 4.3%, compared with the corresponding quarter of fiscal 2022, mainly attributable to higher road transportation fuel gross profit, and organic growth in our convenience activities, while being partly offset by the net negative impact of the translation of our foreign currency operations into US dollars of approximately $99.0 million.

For the first three quarters of fiscal 2023, our gross profit increased by $695.7 million, or 8.2%, compared with the first three quarters of fiscal 2022, mainly attributable to similar factors as those of the third quarter.

Merchandise and service gross profit

In the third quarter of fiscal 2023, our merchandise and service gross profit was $1.7 billion, an increase of $43.7 million compared with the corresponding quarter of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $42.0 million. The remaining increase of approximately $86.0 million, or 5.3%, is primarily due to organic growth. Our gross margin[1] decreased by 0.4% in the United States to 33.2%, impacted by the promotional efforts to support our *Fresh Food, Fast* program. In Europe and other regions, our gross margin[1] decreased by 0.5% to 37.3%, and in Canada, it increased by 0.7% to 32.3%, both impacted by a change in product mix.

During the first three quarters of fiscal 2023, our merchandise and service gross profit was $4.5 billion, an increase of $84.9 million compared with the first three quarters of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $109.0 million. Our gross margin[1] in the United States decreased by 0.2% to 33.7%, by 0.1% in Europe and other regions to 38.1%, and increased by 0.7% in Canada to 32.8%.

Road transportation fuel gross profit

In the third quarter of fiscal 2023, our road transportation fuel gross profit was $1.7 billion, an increase of $103.5 million compared with the corresponding quarter of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $53.0 million. The remaining increase in our gross profit was approximately $156.0 million, or 9.9%. In the United States, our road transportation fuel gross margin[1] was 46.85¢ per gallon, an increase of 7.22¢ per gallon, and in Canada, it was CA 12.52¢ per liter, an increase of CA 0.74¢ per liter. In Europe and other regions, our road transportation fuel gross margin[1] was US 8.01¢ per liter, a decrease of US 2.82¢ per liter driven by the impact of the translation of our foreign currency operations into US dollars as well as by the volatility of the European fuel markets. Fuel margins remained healthy throughout our network, due to favorable market conditions and the continued work on the optimization of our supply chain.

During the first three quarters of fiscal 2023, our road transportation fuel gross profit was $4.6 billion, an increase of $627.8 million compared with the first three quarters of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $128.0 million. The road transportation fuel gross margin[1] was 48.21¢ per gallon in the United States, US 9.79¢ per liter in Europe and other regions, and CA 12.96¢ per liter in Canada.

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

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

(US cents per gallon)

Quarter	4th	1st	2nd	3rd	Weighted average
52-week period ended January 29, 2023					
Before deduction of expenses related to electronic payment modes	47.55	50.95	51.11	48.39	49.45
Expenses related to electronic payment modes(1)	6.61	7.21	6.53	6.20	6.61
After deduction of expenses related to electronic payment modes	40.94	43.74	44.58	42.19	42.84
52-week period ended January 30, 2022					
Before deduction of expenses related to electronic payment modes	35.25	37.58	37.68	41.02	37.75
Expenses related to electronic payment modes(1)	5.10	5.38	5.31	5.74	5.37
After deduction of expenses related to electronic payment modes	30.15	32.20	32.37	35.28	32.38

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

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

Other revenues gross profit

In the third quarter of fiscal 2023, other revenues gross profit was $48.5 million, a decrease of $6.3 million compared with the corresponding period of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $4.0 million.

During the first three quarters of fiscal 2023, other revenues gross profit was $115.8 million, a decrease of $17.0 million compared with the corresponding period of fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $12.0 million.

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

For the third quarter and first three quarters of fiscal 2023, expenses increased by 6.4% and 7.9%, respectively, compared with the corresponding periods of fiscal 2022. Normalized growth of expenses[1] was 7.8% and 7.7%, respectively, as shown in the table below:

	16-week periods ended		40-week periods ended	
	January 29, 2023	January 30, 2022	**January 29, 2023**	January 30, 2022
Growth of expenses, as reported	**6.4%**	**13.8%**	**7.9%**	**12.8%**
Adjusted for:				
Decrease (increase) from the net impact of foreign exchange translation	**3.1%**	0.6%	**2.9%**	(1.0%)
Increase from incremental expenses related to acquisitions	**(0.9%)**	(1.9%)	**(0.9%)**	(2.1%)
Increase from higher electronic payment fees, excluding acquisitions	**(0.8%)**	(2.9%)	**(2.1%)**	(2.5%)
Decrease (increase) from changes in acquisition costs recognized to earnings	**—%**	0.2%	**(0.1%)**	0.1%
Normalized growth of expenses[1]	**7.8%**	**9.8%**	**7.7 %**	**7.3 %**

We have continued to deploy strategic efforts in order to mitigate the impact of a higher inflation level and continued pressure on wages, which is demonstrated by our normalized growth of expenses[1] of 7.8%, in line with the average inflation observed throughout our network, despite the challenging market conditions. Normalized growth of expenses[1] was mainly driven by inflationary pressures, notably on energy costs in our European operations, costs from rising minimum wages, increased usage of software as a service solutions combined with the impact of change in accounting policy, as well as by incremental investments in our stores to support our strategic initiatives, while being partly offset by the impact of lower pressure in the employment market.

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

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

During the third quarter of fiscal 2023, EBITDA stood at $1.5 billion, a decrease of $2.1 million, or 0.1%, compared with the corresponding quarter of fiscal 2022. Adjusted EBITDA for the third quarter of fiscal 2023 decreased by $2.6 million, or 0.2%, compared with the corresponding quarter of fiscal 2022, mainly due to the translation of our foreign currency operations into US dollars which had a net negative impact of approximately $43.0 million as well as higher expenses, partly offset by an increase in road transportation fuel gross profit and organic growth in our convenience operations.

During the first three quarters of fiscal 2023, EBITDA stood at $4.4 billion, an increase of $316.3 million, or 7.7%, compared with the corresponding period of fiscal 2022. Adjusted EBITDA for the first three quarters of fiscal 2023 increased by $319.7 million, or 7.7%, compared with the corresponding period of fiscal 2022, mainly attributable to an increase in road transportation fuel gross profit and organic growth in our convenience operations, partly offset by the translation of our foreign currency operations into US dollars which had a net negative impact of approximately $118.0 million as well as higher expenses.

Depreciation, amortization and impairment ("depreciation")

For the third quarter of fiscal 2023, our depreciation expense increased by $6.9 million compared with the third quarter of fiscal 2022. The translation of our foreign currency operations into US dollars had a net favorable impact of approximately $16.0 million. The remaining increase of approximately $23.0 million, or 5.0%, is mainly driven by the replacement of equipment, the ongoing improvement of our network, and the impact from investments made through acquisitions.

For the first three quarters of fiscal 2023, our depreciation expense increased by $40.0 million compared with the first three quarters of fiscal 2022. The translation of our foreign currency operations into US dollars had a net favorable impact of approximately $39.0 million. The remaining increase of approximately $79.0 million, or 7.2%, is mainly attributable to similar factors as those of the third quarter as well as the impact of the impairment on our investment in Fire & Flower of $23.9 million.

Net financial expenses

Net financial expenses for the third quarter and first three quarters of fiscal 2023 were $82.5 million and $207.7 million, respectively, a decrease of $5.4 million and $21.8 million compared with the corresponding periods of fiscal 2022. A portion of the decrease is explained by certain items that are not considered indicative of future trends, as shown in the table below:

	16-week periods ended			**40-week periods ended**		
(in millions of US dollars)	**January 29, 2023**	January 30, 2022	**Variation**	**January 29, 2023**	January 30, 2022	**Variation**
Net financial expenses, as reported	**82.5**	87.9	**(5.4)**	**207.7**	229.5	**(21.8)**
Explained by:						
Net foreign exchange (loss) gain	**(1.6)**	4.2	**(5.8)**	**(1.1)**	17.7	**(18.8)**
Change in fair value of financial instruments and amortization of deferred differences	**(0.1)**	2.2	**(2.3)**	**0.9**	(9.6)	**10.5**
Remaining variation	**80.8**	94.3	**(13.5)**	**207.5**	237.6	**(30.1)**

The remaining variations are mainly driven by increased interest revenue due to a higher interest rate on available cash compared with the corresponding periods of fiscal 2022.

Income taxes

The income tax rate for the third quarter and first three quarters of fiscal 2023 was 21.9% compared with 21.3% for the corresponding periods of fiscal 2022. The increase is mainly stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

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

Net earnings and adjusted net earnings[1]

Net earnings for the third quarter of fiscal 2023 were $737.4 million, compared with $746.4 million for the third quarter of the previous fiscal year, a decrease of $9.0 million, or 1.2%. Diluted net earnings per share stood at $0.73, compared with $0.70 for the corresponding quarter of the previous fiscal year. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $28.0 million on net earnings of the third quarter of fiscal 2023.

Adjusted net earnings for the third quarter of fiscal 2023 were approximately $741.0 million, compared with $746.0 million for the third quarter of fiscal 2022, a decrease of $5.0 million, or 0.7%. Adjusted diluted net earnings per share[1] were $0.74 for the third quarter of fiscal 2023, compared with $0.70 for the corresponding quarter of fiscal 2022, an increase of 5.7%.

For the first three quarters of fiscal 2023, net earnings stood at $2.4 billion, an increase of $214.6 million, or 9.7%, compared with the first three quarters of fiscal 2022. Diluted net earnings per share stood at $2.38, compared with $2.06 for the previous fiscal year. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $80.0 million on net earnings of the first three quarters of fiscal 2023.

Adjusted net earnings for the first three quarters of fiscal 2023 stood at $2.5 billion, an increase of $257.0 million, or 11.7%, compared with the first three quarters of fiscal 2022. Adjusted diluted net earnings per share[1] were $2.41 for the first three quarters of fiscal 2023, compared with $2.06 for the first three quarters of fiscal 2022, an increase of 17.0%.

Financial Position as at January 29, 2023

As shown by our indebtedness ratios included in the “Summary Analysis of Consolidated Results for the Third Quarter and First Three Quarters of Fiscal 2023” section and our net cash provided by operating activities, our financial position remains healthy.

Our total consolidated assets amounted to $28.3 billion as at January 29, 2023, a decrease of $1.3 billion over the balance as at April 24, 2022, primarily due to the use of our available cash for our share repurchase program and the net negative impact from the variation in exchange rates of the Canadian dollar and European currencies at the balance sheet date, partly offset by the acquisition of the Wilsons network.

For the 52-week periods ended January 29, 2023, and April 24, 2022, we recorded a return on capital employed[1] of 16.6% and 15.4%, respectively.

Significant balance sheet variations are explained as follows:

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities decreased by $1.1 billion, from $5.3 billion as at April 24, 2022, to $4.1 billion as at January 29, 2023. The decrease is mainly attributable to lower road transportation fuel costs, payments of capital expenditures, timing of payments of sales and excise taxes and interests on long-term debt, as well as to the net impact of the weakening of the Canadian and European currencies against the US dollar, which had an impact of approximately $92.0 million.

Other short-term financial liabilities

Other short-term financial liabilities increased by $308.5 million, from $85.2 million as at April 24, 2022, to $393.7 million as at January 29, 2023. The increase is mainly attributable to the liability generated by the automatic securities purchase plan as at January 29, 2023.

Equity

Equity amounted to $12.1 billion as at January 29, 2023, a decrease of $363.2 million over the balance as at April 24, 2022, reflecting the impact of the share repurchase program, the dividends declared as well as the net other comprehensive loss, partly offset by the net earnings for the first three quarters of fiscal 2023. For the 52-week periods ended January 29, 2023, and April 24, 2022, we recorded a return on equity[1] of 23.3% and 21.8%, respectively.

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

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

Our credit facility and United States commercial paper program are detailed as follows:

Term revolving unsecured operating credit facility, maturing in May 2027 ("operating credit facility")

Credit agreement consisting of a revolving unsecured facility of a maximum amount of $2.5 billion. As at January 29, 2023, our operating credit facility was not used, standby letters of credit in the amount of $2.8 million were outstanding and we were in compliance with the restrictive covenants and ratios imposed by the credit agreement at that date. During the first three quarters of fiscal 2023, the maturity of the operating credit facility was extended to May 2027.

United States commercial paper program

On May 9, 2022, we established a commercial paper program in the United States on a private placement basis. The commercial paper program allows us to issue, at our discretion, unsecured commercial paper notes with maturities not exceeding 397 days. The aggregate principal amount of unsecured commercial paper notes outstanding at any one time cannot exceed $2.5 billion and our operating credit facility serves as a liquidity backstop for the repayment of the unsecured commercial paper notes. As at January 29, 2023, there were no outstanding unsecured commercial paper notes. As at March 15, 2023, an outstanding principal of issued unsecured commercial paper notes of $494.3 million was used or is expected to be used to finance business acquisitions and for other corporate matters.

Available liquidities[1]

As at January 29, 2023, a total of approximately $2.5 billion was available under our operating credit facility. Thus, at the same date, we had access to $3.7 billion through our available cash and our operating credit facility.

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

Selected Consolidated Cash Flow Information

(in millions of US dollars)	16-week periods ended			40-week periods ended		
	January 29, 2023	January 30, 2022	Variation	**January 29, 2023**	January 30, 2022	Variation
Operating activities						
Net cash provided by operating activities	**653.9**	558.9	95.0	**2,921.7**	2,690.1	231.6
Investing activities						
Purchase of property and equipment, intangible assets and other assets	**(545.1)**	(491.3)	(53.8)	**(1,205.1)**	(1,132.4)	(72.7)
Proceeds from disposal of property and equipment and other assets	**26.4**	165.4	(139.0)	**105.9**	251.8	(145.9)
Purchase of equity instruments, other financial assets and investments and loan related to Fire & Flower	**(24.5)**	(161.7)	137.2	**(52.6)**	(196.7)	144.1
Business acquisitions and contingent consideration paid	**(14.5)**	(159.2)	144.7	**(224.8)**	(310.2)	85.4
Change in restricted cash	**1.0**	(4.8)	5.8	**12.7**	(18.0)	30.7
Proceeds from disposals of investments in equity instruments	**—**	—	—	**124.5**	—	124.5
Investment in a joint venture	**—**	—	—	**(30.1)**	—	(30.1)
Net cash used in investing activities	**(556.7)**	(651.6)	94.9	**(1,269.5)**	(1,405.5)	136.0
Financing activities						
Share repurchases	**(1,204.9)**	(499.1)	(705.8)	**(1,928.0)**	(1,053.7)	(874.3)
Principal elements of lease payments	**(120.5)**	(124.9)	4.4	**(328.0)**	(336.2)	8.2
Cash dividends paid	**(103.9)**	(90.8)	(13.1)	**(275.5)**	(238.0)	(37.5)
Net payments on other debts	**(0.5)**	(0.5)	—	**(53.3)**	(78.1)	24.8
Repayment of senior unsecured notes	**—**	—	—	**—**	(994.3)	994.3
Issuance of US-dollar-denominated senior unsecured notes, net of financing costs	**—**	—	—	**—**	990.1	(990.1)
Other financing activities	**0.2**	0.8	(0.6)	**1.0**	(2.5)	3.5
Net cash used in financing activities	**(1,429.6)**	(714.5)	(715.1)	**(2,583.8)**	(1,712.7)	(871.1)
Credit ratings						
S&P Global Ratings – Corporate and Senior unsecured notes credit ratings				**BBB**	BBB	
Moody's – Corporate and Senior unsecured notes credit ratings				**Baa2**	Baa2	

Operating activities

During the third quarter of fiscal 2023, net cash from our operations reached $653.9 million, up $95.0 million compared with the third quarter of fiscal 2022, mainly due to higher cash earnings as well as lower working capital needs. During the first three quarters of fiscal 2023, net cash from our operations reached $2.9 billion, up $231.6 million compared with the first three quarters of fiscal 2022, mainly due to higher cash earnings.

Investing activities

During the third quarter of fiscal 2023 and the first three quarters of fiscal 2023, Purchase of property and equipment, intangible assets and other assets, net of Proceeds from disposal of property and equipment and other assets amounted to $518.7 million and $1.1 billion, respectively, and business acquisitions amounted to $14.5 million and $224.8 million, respectively. These investments were primarily for the replacement of equipment in some of our stores in order to enhance our offering of products and services, for the addition of new stores, for the ongoing improvement of our network, as well as for strategic initiatives and information technology. In addition, strategic investments in the form of equity instruments, other financial assets and loans during the first three quarters of fiscal 2023 amounted to $52.6 million and we disposed of equity instruments for total proceeds of $124.5 million.

Financing activities

During the third quarter of fiscal 2023, we settled share repurchases for an amount of $1.2 billion, paid $120.5 million on the principal elements of our lease liabilities and paid dividends in the amount of $103.9 million. In the first three quarters of fiscal 2023, we settled share repurchases for an amount of $1.9 billion, paid $328.0 million on the principal elements of our lease liabilities, paid dividends in the amount of $275.5 million and repaid a net amount of $53.3 million on other debts.

Contractual Obligations and Commercial Commitments

Aside from our obligation related to an automatic securities purchase plan which is discussed in this MD&A, there were no major changes to our contractual obligations and commercial commitments during the 40-week period ended January 29, 2023. For more information, please refer to our 2022 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 29, 2023, our management, following its assessment, certifies the design of the Corporation's controls and procedures.

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

Selected Quarterly Financial Information

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

(in millions of US dollars, except per share data)	**40-week period ended January 29, 2023**			52-week period ended April 24, 2022				Extract from 52-week period ended April 25, 2021
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	**20,055.1**	16,879.5	18,657.7	16,434.9	18,576.4	14,219.7	13,578.9	12,237.4
Depreciation, amortization and impairment	**463.2**	353.9	319.2	449.4	456.3	325.7	314.3	344.9
Operating income	**1,026.1**	1,093.7	1,178.5	667.2	1,028.4	938.0	1,044.9	761.4
Share of earnings of joint ventures and associated companies	**0.5**	2.1	5.6	1.2	7.2	11.6	0.1	1.8
Net financial expenses	**82.5**	58.1	67.1	51.5	87.9	67.3	74.3	71.7
Net earnings	**737.4**	810.4	872.4	477.7	746.4	694.8	764.4	563.9
Net earnings per share								
Basic	**$0.73**	$0.79	$0.85	$0.46	$0.70	$0.65	$0.71	$0.52
Diluted	**$0.73**	$0.79	$0.85	$0.46	$0.70	$0.65	$0.71	$0.52

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

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

March 15, 2023

Consolidated Statements of Earnings

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

	16 weeks		40 weeks	
For the periods ended	**January 29, 2023**	January 30, 2022	**January 29, 2023**	January 30, 2022
	$	$	**$**	$
Revenues	**20,055.1**	18,576.4	**55,592.3**	46,375.0
Cost of sales, excluding depreciation, amortization and impairment	**16,654.6**	15,316.8	**46,448.8**	37,927.2
Operating, selling, general and administrative expenses	**1,916.1**	1,801.3	**4,747.2**	4,400.7
Gain on disposal of property and equipment and other assets	**(4.9)**	(26.4)	**(38.3)**	(60.5)
Depreciation, amortization and impairment (Note 4)	**463.2**	456.3	**1,136.3**	1,096.3
Operating income	**1,026.1**	1,028.4	**3,298.3**	3,011.3
Share of earnings of joint ventures and associated companies	**0.5**	7.2	**8.2**	18.9
Financial expenses (Note 5)	**121.4**	98.5	**280.9**	248.1
Other financial items (Note 5)	**(40.5)**	(6.4)	**(74.3)**	(0.9)
Foreign exchange loss (gain)	**1.6**	(4.2)	**1.1**	(17.7)
Net financial expenses	**82.5**	87.9	**207.7**	229.5
Earnings before income taxes	**944.1**	947.7	**3,098.8**	2,800.7
Income taxes	**206.7**	201.3	**678.6**	595.1
Net earnings	**737.4**	746.4	**2,420.2**	2,205.6
Net earnings per share (Note 7)				
Basic	**0.73**	0.70	**2.38**	2.07
Diluted	**0.73**	0.70	**2.38**	2.06
Weighted average number of shares – basic (in millions)	**1,004.0**	1,060.3	**1,015.6**	1,067.3
Weighted average number of shares – diluted (in millions)	**1,005.9**	1,061.7	**1,017.3**	1,068.6
Number of shares outstanding at the end of period (in millions)	**990.4**	1,052.2	**990.4**	1,052.2

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 29, 2023**	January 30, 2022	**January 29, 2023**	January 30, 2022
	$	$	**$**	$
Net earnings	**737.4**	746.4	**2,420.2**	2,205.6
Other comprehensive income (loss)				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in cumulative translation adjustments(1)	**231.3**	(167.5)	**(184.2)**	(262.3)
Change in fair value and net interest on cross-currency interest rate swaps designated as a hedge of the Corporation's net investment in some of its foreign operations(2)	**39.6**	(32.6)	**(46.6)**	(35.0)
Cash flow hedges				
Change in fair value of financial instruments(2)	**(12.4)**	1.2	**16.3**	6.9
Gain realized on financial instruments transferred to earnings(2)	**(1.7)**	(0.6)	**(3.2)**	(1.4)
Items that will never be reclassified to earnings				
Net actuarial (loss) gain(3)	**(10.8)**	7.3	**5.6**	8.7
Gain (loss) on investments in equity instruments measured at fair value through Other comprehensive income(4)	**9.1**	(1.6)	**(8.3)**	(1.5)
Other comprehensive income (loss)	**255.1**	(193.8)	**(220.4)**	(284.6)
Comprehensive income	**992.5**	552.6	**2,199.8**	1,921.0

(1) For the 16 and 40-week periods ended January 29, 2023, these amounts include a gain of $42.7 (net of income taxes of $2.1) and a loss of $163.3 (net of income taxes of $10.6), respectively. For the 16 and 40-week periods ended January 30, 2022, these amounts include a loss of $13.7 (net of income taxes of $2.0) and a gain of $3.6 (net of income taxes of $0.6), respectively. These gains and losses arise from the translation of long-term debts denominated in foreign currencies and designated as net investment hedges in some of the Corporation's foreign operations.

(2) For the 16 and 40-week periods ended January 29, 2023, these amounts are net of income tax (recoveries) expenses of $(3.5) and $8.3, respectively. For the 16 and 40-week periods ended January 30, 2022, these amounts are net of income tax expenses of $5.4 and $9.1, respectively.

(3) For the 16 and 40-week periods ended January 29, 2023, these amounts are net of income tax (recoveries) expenses of $(2.9) and $1.4, respectively. For the 16 and 40-week periods ended January 30, 2022, these amounts are net of income tax expenses of $1.9 and $2.2, respectively.

(4) For the 16 and 40-week periods ended January 29, 2023, these amounts are net of income tax expenses (recoveries) of $0.1 and $(1.0), respectively. For the 16 and 40-week periods ended January 30, 2022, these amounts are net of income tax recoveries of $0.4 and $1.6, respectively.

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

Consolidated Statements of Changes in Equity

(in millions of US dollars, unaudited)

For the 40-week period ended					**January 29, 2023**
	Capital stock	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive loss (Note 8)**	**Equity**
	$	**$**	**$**	**$**	**$**
Balance, beginning of period	**639.9**	**25.8**	**12,521.0**	**(749.1)**	**12,437.6**
Comprehensive income:					
Net earnings			**2,420.2**		**2,420.2**
Other comprehensive loss				**(220.4)**	**(220.4)**
					2,199.8
Share repurchases (Note 9)	**(31.9)**		**(2,260.7)**		**(2,292.6)**
Dividends declared			**(275.5)**		**(275.5)**
Transfer of realized gain on investments in equity instruments measured at fair value through other comprehensive income			**3.8**	**(3.8)**	**—**
Stock option-based compensation expense		**4.1**			**4.1**
Exercise of stock options	**1.4**	**(0.4)**			**1.0**
Balance, end of period	**609.4**	**29.5**	**12,408.8**	**(973.3)**	**12,074.4**

For the 40-week period ended					January 30, 2022
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 8)	Equity
	$	$	$	$	$
Balance, beginning of period	670.6	23.6	12,017.8	(531.1)	12,180.9
Comprehensive income:					
Net earnings			2,205.6		2,205.6
Other comprehensive loss				(284.6)	(284.6)
					1,921.0
Share repurchases (Note 9)	(20.5)		(1,026.9)		(1,047.4)
Dividends declared			(238.0)		(238.0)
Stock option-based compensation expense		2.3			2.3
Exercise of stock options	1.4	(0.6)			0.8
Balance, end of period	651.5	25.3	12,958.5	(815.7)	12,819.6

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)

For the periods ended	16 weeks **January 29, 2023**	16 weeks January 30, 2022	40 weeks **January 29, 2023**	40 weeks January 30, 2022
	$	$	**$**	$
Operating activities				
Net earnings	**737.4**	746.4	**2,420.2**	2,205.6
Adjustments to reconcile net earnings to net cash provided by operating activities				
Changes in non-cash working capital	**(568.0)**	(614.5)	**(682.1)**	(629.0)
Depreciation, amortization, impairment and amortization of financing costs	**466.0**	457.2	**1,141.1**	1,099.2
Net changes in commodity indexed deposits and fuel swaps (Note 11)	**30.1**	(16.2)	**(85.4)**	9.2
Foreign exchange (gain) loss on long-term debt	**(18.3)**	—	**63.5**	—
Gain on disposal of property and equipment and other assets	**(4.9)**	(26.4)	**(38.3)**	(60.5)
Share of earnings of joint ventures and associated companies, net of dividends received	**4.1**	(4.7)	**13.0**	(11.6)
Deferred income taxes	**(3.4)**	8.8	**43.2**	62.4
Early redemption premiums and deemed interest on repayment of senior unsecured notes	**—**	—	**—**	(33.4)
Other	**10.9**	8.3	**46.5**	48.2
Net cash provided by operating activities	**653.9**	558.9	**2,921.7**	2,690.1
Investing activities				
Purchase of property and equipment, intangible assets and other assets	**(545.1)**	(491.3)	**(1,205.1)**	(1,132.4)
Proceeds from disposal of property and equipment and other assets	**26.4**	165.4	**105.9**	251.8
Purchase of equity instruments, other financial assets and investments and loan related to Fire & Flower (Notes 4 and 11)	**(24.5)**	(161.7)	**(52.6)**	(196.7)
Business acquisitions and contingent consideration paid (Note 2)	**(14.5)**	(159.2)	**(224.8)**	(310.2)
Change in restricted cash	**1.0**	(4.8)	**12.7**	(18.0)
Proceeds from disposals of investments in equity instruments	**—**	—	**124.5**	—
Investment in a joint venture (Note 2)	**—**	—	**(30.1)**	—
Net cash used in investing activities	**(556.7)**	(651.6)	**(1,269.5)**	(1,405.5)
Financing activities				
Share repurchases (Note 9)	**(1,204.9)**	(499.1)	**(1,928.0)**	(1,053.7)
Principal elements of lease payments	**(120.5)**	(124.9)	**(328.0)**	(336.2)
Cash dividends paid	**(103.9)**	(90.8)	**(275.5)**	(238.0)
Net payments on other debts (Note 2)	**(0.5)**	(0.5)	**(53.3)**	(78.1)
Repayment of senior unsecured notes	**—**	—	**—**	(994.3)
Issuance of US-dollar-denominated senior unsecured notes, net of financing costs	**—**	—	**—**	990.1
Other financing activities	**0.2**	0.8	**1.0**	(2.5)
Net cash used in financing activities	**(1,429.6)**	(714.5)	**(2,583.8)**	(1,712.7)
Effect of exchange rate fluctuations on cash and cash equivalents	**9.6**	(22.3)	**(78.8)**	(56.6)
Net decrease in cash and cash equivalents	**(1,322.8)**	(829.5)	**(1,010.4)**	(484.7)
Cash and cash equivalents, beginning of period	**2,456.3**	3,360.6	**2,143.9**	3,015.8
Cash and cash equivalents, end of period	**1,133.5**	2,531.1	**1,133.5**	2,531.1
Supplemental information:				
Interest and early redemption premiums paid	**143.1**	125.4	**304.1**	299.3
Interest and dividends received	**44.9**	6.4	**93.0**	17.1
Income taxes paid, net	**365.2**	248.6	**533.0**	505.8

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 29, 2023	As at April 24, 2022
	$	$
Assets		
Current assets		
Cash and cash equivalents	**1,133.5**	2,143.9
Restricted cash	**6.6**	19.3
Accounts receivable	**2,202.5**	2,497.5
Inventories	**2,528.7**	2,403.0
Prepaid expenses	**115.3**	147.0
Assets held for sale (Notes 2 and 3)	**98.9**	9.3
Other short-term financial assets (Notes 4 and 11)	**39.3**	23.1
Income taxes receivable	**—**	85.2
	6,124.8	7,328.3
Property and equipment	**11,315.7**	11,286.2
Right-of-use assets	**3,195.1**	3,302.2
Intangible assets	**711.6**	687.5
Goodwill	**6,161.4**	6,094.1
Other assets	**390.8**	401.5
Other long-term financial assets (Note 11)	**178.9**	272.7
Investments in joint ventures and associated companies (Notes 2 and 4)	**190.2**	169.6
Deferred income taxes	**52.2**	49.5
	28,320.7	29,591.6
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**4,118.8**	5,256.1
Short-term provisions	**174.4**	144.7
Other short-term financial liabilities (Notes 9 and 11)	**393.7**	85.2
Income taxes payable	**121.5**	103.1
Liabilities associated with assets held for sale (Notes 2 and 3)	**13.5**	1.5
Current portion of long-term debt (Note 6)	**0.8**	1.4
Current portion of lease liabilities	**449.3**	425.4
	5,272.0	6,017.4
Long-term debt (Note 6)	**5,908.6**	5,963.6
Lease liabilities	**2,935.1**	3,049.5
Long-term provisions	**541.6**	577.0
Pension benefit liability	**86.0**	85.8
Other long-term financial liabilities (Note 11)	**68.7**	34.1
Deferred credits and other liabilities	**201.3**	243.9
Deferred income taxes	**1,233.0**	1,182.7
	16,246.3	17,154.0
Equity		
Capital stock (Note 9)	**609.4**	639.9
Contributed surplus	**29.5**	25.8
Retained earnings	**12,408.8**	12,521.0
Accumulated other comprehensive loss (Note 8)	**(973.3)**	(749.1)
	12,074.4	12,437.6
	28,320.7	29,591.6

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

1. CONSOLIDATED FINANCIAL STATEMENTS PRESENTATION AND ACCOUNTING POLICIES

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 24, 2022. 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 2022 Annual Report (the “fiscal 2022 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 sales.

On March 15, 2023, the Corporation’s interim financial statements were approved by the Board of Directors.

Recently issued accounting policies but not yet implemented

Amendments to IAS 1 Presentation of financial statements

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. The amendments also clarify the definition of a settlement and provide situations which would be considered as a settlement of a liability. In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*. These further amendments clarify how to address the effects on classification and disclosure of covenants which an entity is required to comply with on or before the reporting date and covenants which an entity must comply with only after the reporting date.

These amendments will be effective for fiscal years beginning on or after January 1, 2024, with earlier application permitted and are to be applied retrospectively. The Corporation is currently evaluating the impact of these amendments on its consolidated financial statements.

2. BUSINESS ACQUISITIONS AND INVESTMENT IN A JOINT VENTURE

Business acquisitions

Acquisition of Cape D'Or Holdings Limited, Barrington Terminals Limited and other related holding entities

On August 30, 2022, the Corporation closed the acquisition of all the issued and outstanding shares of Cape D'Or Holdings Limited, Barrington Terminals Limited, and other related holding entities which operate an independent convenience store and fuel network in Atlantic Canada under the Esso, Go! Store and Wilsons Gas Stops brands (collectively “Wilsons”). The Wilsons network comprises 79 company-owned and operated convenience retail and fuel locations, 2 company-owned and dealer-operated locations, 137 dealer-owned and operated locations, and a fuel terminal in Halifax, Canada. The transaction was settled for a consideration of CA $280.9 ($215.3), using available cash.

In connection with obtaining the Competition Bureau (Canada) approval for the transaction, the Corporation has entered into a consent agreement with the Commissioner of Competition to divest 34 company-owned and operated convenience retail and fuel locations, 1 company-owned and dealer-operated location, and 12 dealer-owned and operated locations in New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island, Canada. Since the acquisition date, the assets and liabilities related to the locations to be divested were classified as held for sale on the consolidated balance sheet. On March 1, 2023, subsequent to the end of the third quarter of fiscal 2023, the Corporation closed the divestiture of these locations and 5 additional dealer-owned and operated locations for a consideration, subject to post-closing adjustments, of CA $77.6 ($57.0). In addition, the consideration includes a contingent consideration receivable based on the future performance of the divested locations and which can go up to a maximum amount of CA $11.3 ($8.5). The Corporation assessed that the fair value of the contingent consideration receivable was not significant.

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

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, mainly relating to property and equipment, intangible assets and deferred income taxes. The preliminary estimates are therefore subject to adjustments to the fair value of the assets, liabilities and goodwill until the process is completed.

The preliminary estimates of the fair value of assets acquired and liabilities assumed for the Wilsons 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:

	Preliminary estimate	Changes	Adjusted preliminary estimate
	$	$	$
Tangible assets acquired			
Cash and cash equivalents	3.7	3.5	7.2
Accounts receivable[(a)]	16.0	(8.2)	7.8
Inventories	9.3	(0.6)	8.7
Prepaid expenses	0.7	(0.2)	0.5
Assets held for sale[(b)]	26.4	41.7	68.1
Property and equipment	70.1	(16.1)	54.0
Other assets	0.7	—	0.7
Deferred income taxes	3.0	(0.2)	2.8
Total tangible assets	129.9	19.9	149.8
Liabilities assumed			
Accounts payable and accrued liabilities	34.6	(4.8)	29.8
Liabilities associated with assets held for sale	4.6	(3.0)	1.6
Provisions	6.0	(3.5)	2.5
Long-term debt	52.6	(0.3)	52.3
Deferred credits and other liabilities	0.3	—	0.3
Total liabilities assumed	98.1	(11.6)	86.5
Net tangible assets acquired	31.8	31.5	63.3
Intangible assets	17.2	(0.1)	17.1
Goodwill	164.0	(29.1)	134.9
Total consideration	213.0	2.3	215.3
Cash and cash equivalents acquired	(3.7)	(3.5)	(7.2)
Net cash flow for the acquisition	209.3	(1.2)	208.1

(a) The fair value of acquired accounts receivable includes a provision for expected credit loss of $0.2.
(b) Includes goodwill for an amount of $33.4 in Adjusted preliminary estimate (nil in Preliminary estimate).

On August 30, 2022, the Corporation repaid all of Wilsons' borrowings for an amount of $52.3. The Wilsons acquisition was concluded in order to expand the Corporation’s market share and generated goodwill mainly due to the strategic value of the locations acquired for the Corporation. The Corporation expects that none of the goodwill related to this transaction will be deductible for tax purposes.

Since the date of acquisition, revenues and net earnings from this acquisition amounted to $270.8 and $4.1, respectively. On a pro forma basis, had the Corporation concluded the Wilsons network acquisition at the beginning of its fiscal year, total revenues and net earnings of the Corporation would have amounted to $55,883.5 and $2,425.3, respectively.

Other acquisitions

During the 40-week period ended January 29, 2023, the Corporation also acquired six company-operated stores, for which it owns the building and the land for three sites and owns the building while leasing the land for the other sites. These transactions were settled for a total consideration of $16.7 using available cash. Given the timing of these acquisitions, the Corporation has not yet completed its fair value assessment of the assets acquired, the liabilities assumed, and the resulting goodwill.

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

The preliminary estimates of the fair value of the assets acquired and the 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	0.6
Property and equipment	8.2
Right-of-use assets	1.1
Total tangible assets	9.9
Liabilities assumed	
Provisions	0.1
Lease liabilities	1.6
Total liabilities assumed	1.7
Net tangible assets acquired	8.2
Goodwill	8.5
Total consideration paid	16.7

These acquisitions were concluded in order to expand the Corporation's market share and generated goodwill mainly due to the strategic value of stores acquired for the Corporation. The Corporation expects that almost all of the goodwill related to these transactions will be deductible for tax purposes. Since the date of acquisition, revenues and net earnings from these stores were not significant to the Corporation. 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.

On January 13, 2023, the Corporation entered into a binding agreement to acquire 45 company-owned and operated convenience retail and fuel sites operating under the Big Red Stores brand and located in the state of Arkansas, United States. The transaction, which would be financed using the Corporation's available cash and/or existing credit facilities, is expected to close in the first half of calendar year 2023 and is subject to customary closing conditions and regulatory approvals.

On February 8, 2023, subsequent to the end of the third quarter of fiscal 2023, the Corporation acquired all of the memberships interests of True Blue Car Wash LLC ("True Blue"). True Blue operates 65 express tunnel car wash sites under the brands Clean Freak and Rainstorm, in the Midwest and Southwest regions of the United States. The transaction was settled for a consideration of $395.9, including debt repayment, and is subject to post closing adjustments. The transaction was financed using borrowings available under the Corporation's United States commercial paper program (Note 6) and available cash. Considering the timing and the size of this acquisition, the available financial information as at the date of publication of these interim financial statements does not allow for disclosure of the preliminary estimates of the fair value of assets acquired and liabilities assumed for this acquisition.

For the 40-week period ended January 29, 2023, acquisition costs of $9.2 in connection with these acquisitions and other unrealized and ongoing acquisitions are included in Operating, selling, general and administrative expenses.

Investment in a joint venture

During the first quarter of fiscal 2023, the Corporation invested an amount of $30.1 in a joint venture with Musket Corporation, which then acquired four road transportation fuel terminals located in Florida, Illinois, and North Carolina, United States.

3. ASSETS HELD FOR SALE

During the 16-week period ended January 29, 2023, as a result of the continued strategic review of its network, the Corporation entered into sales agreements with various buyers for 31 sites in the United States. These sites, which met the criteria for classification as held for sale as at January 29, 2023, are expected to be sold during the fourth quarter of the Corporation's fiscal year ending April 30, 2023.

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

In relation with these sales agreements, the following assets and liabilities were classified as held for sale as at January 29, 2023:

	$
Assets	
Inventories	**4.5**
Property and equipment	**16.1**
Right-of-use assets	**3.2**
Goodwill	**5.7**
	29.5
Liabilities	
Lease liabilities	**3.3**
Provisions	**0.7**
	4.0

Please refer to Note 2 for more information on the assets and liabilities that were classified as held for sale in relation with the Wilsons network business acquisition.

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

On April 28, 2022, the Corporation exercised the Series B common share warrants for a total consideration of CA $37.8 ($29.5), including a cash consideration of CA $17.3 ($13.5) as well as CA $20.5 ($16.0) representing the non-cash settlement of the principal and accrued interests of a CA $20.0 secured loan granted to Fire & Flower.

The Corporation continues to own convertible debentures and common share warrants for which there were no changes to the valuation techniques described in Note 6 of the fiscal 2022 consolidated financial statements (Level 3). Expected volatility is a key unobservable input that was used to establish the fair value and fluctuation of that input stems mainly from the developing market in which Fire & Flower operates. As at January 29, 2023, with all other variables held constant, a 5% increase or decrease in the expected volatility used of 90% would not have had a significant impact on the fair value of the convertible debentures and common share warrants, which amounted to $2.1 ($1.9 as at April 24, 2022).

The Corporation assessed that its currently existing and potential voting rights continued to provide significant influence over Fire & Flower. The accounting periods of Fire & Flower, which is a publicly traded company, do not coincide with the Corporation’s accounting periods, therefore the Corporation used Fire & Flower's financial statements for the reporting period ended October 29, 2022, adjusted to reflect significant transactions, if any, in applying the equity method of accounting for the 40-week period ended January 29, 2023. As at January 29, 2023, the Corporation's ownership interests in Fire & Flower was 35.3%.

During the 16-week period ended January 29, 2023, the Corporation entered into a loan agreement consisting of a secured loan of CA $11.0 ($8.0) which was granted to Fire & Flower, bearing interest at an annual rate of 11.0% and maturing on December 31, 2023. As at January 29, 2023, the secured loan was recorded under Accounts receivable on the consolidated balance sheet.

On October 9, 2022, the Corporation determined that the decrease in the market capitalization of Fire & Flower was an evidence of impairment on its investment and, as a result, a loss of $23.9 was recorded to Depreciation, amortization and impairment. The recoverable amount of the investment in the associated company was determined on the basis of fair value less costs of disposal, which included the Corporation's share of Fire & Flower market capitalization (Level 1), using the following observable inputs:

	As at October 9, 2022
Fire & Flower common shares closing value	**CA $1.72**
Number of Fire & Flower outstanding common shares	**45,518,025**
% of Fire & Flower common shares owned	**35.2 %**
Fair value of the Corporation's investment in Fire & Flower	**20.1**

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

5. FINANCIAL EXPENSES AND OTHER FINANCIAL ITEMS

	16 weeks		40 weeks	
For the periods ended	January 29, 2023	January 30, 2022	January 29, 2023	January 30, 2022
	$	$	$	$
Financial expenses				
Interest on long-term debt and short-term debt	80.8	66.2	186.5	167.7
Interest on lease liabilities	28.8	25.5	69.4	64.8
Accretion of provisions	5.8	4.6	14.2	11.5
Other finance costs	6.0	2.2	10.8	4.1
	121.4	98.5	280.9	248.1
Other financial items				
Financial revenues	(40.6)	(4.2)	(73.4)	(10.5)
Change in fair value of financial instruments classified at fair value through earnings or loss	0.1	(2.2)	(0.9)	9.6
	(40.5)	(6.4)	(74.3)	(0.9)

For the 16 and 40-week periods ended January 30, 2022, losses of nil and $18.2, respectively, were reclassified from Financial expenses to Other financial items in the consolidated statements of earnings. These losses are related to the change in fair value of the convertible debentures and common share warrants in Fire & Flower (Note 4) and they were reclassified in order to regroup the change in fair value of financial instruments on the same line item.

6. LONG-TERM DEBT

	As at January 29, 2023	As at April 24, 2022
	$	$
US-dollar-denominated senior unsecured notes, maturing from July 2027 to May 2051	3,969.0	3,967.5
Canadian-dollar-denominated senior unsecured notes, maturing from July 2024 to June 2025	1,049.3	1,102.5
Euro-denominated senior unsecured notes, maturing in May 2026	813.1	809.1
NOK-denominated senior unsecured notes, maturing in February 2026	68.0	75.7
Other debts	10.0	10.2
	5,909.4	5,965.0
Current portion of long-term debt	0.8	1.4
Long-term portion of long-term debt	5,908.6	5,963.6

Term revolving unsecured operating credit facility

As at January 29, 2023, the operating credit facility was not used, and the Corporation was in compliance with the restrictive covenants and ratios imposed by the credit facility agreement. During the 40-week period ended January 29, 2023, the maturity of the operating credit facility was extended to May 2027.

United States commercial paper program

On May 9, 2022, the Corporation established a commercial paper program in the United States on a private placement basis. The commercial paper program allows the Corporation to issue, at its discretion, unsecured commercial paper notes with maturities not exceeding 397 days. The aggregate principal amount of unsecured commercial paper notes outstanding at any one time cannot exceed $2,500.0 and the Corporation's term revolving unsecured operating credit facility serves as a liquidity backstop for the repayment of the unsecured commercial paper notes. As at January 29, 2023, there were no outstanding unsecured commercial paper notes. As at March 15, 2023, an outstanding principal of issued unsecured commercial paper notes of $494.3 was used or is expected to be used to finance business acquisitions and for other corporate matters.

7. 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 29, 2023			16-week period ended January 30, 2022		
	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	**737.4**	**1,004.0**	**0.73**	746.4	1,060.3	0.70
Dilutive effect of stock options	**—**	**1.9**	**—**	—	1.4	—
Diluted net earnings	**737.4**	**1,005.9**	**0.73**	746.4	1,061.7	0.70

	40-week period ended January 29, 2023			40-week period ended January 30, 2022		
	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	**2,420.2**	**1,015.6**	**2.38**	2,205.6	1,067.3	2.07
Dilutive effect of stock options	**—**	**1.7**	**—**	—	1.3	(0.01)
Diluted net earnings	**2,420.2**	**1,017.3**	**2.38**	2,205.6	1,068.6	2.06

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 29, 2023, no stock options were excluded (nil and 500,270 for the 16 and 40-week periods ended January 30, 2022, respectively).

8. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Cumulative translation adjustments[(a)]	**Net investment hedge**[(a)]	**Cash flow hedge**[(a)]	**Cumulative net actuarial gain**[(b)]	**Investments in equity instruments measured at fair value through Other comprehensive income**[(b)]	**Accumulated other comprehensive loss**
	$	**$**	**$**	**$**	**$**	**$**
40-week period ended January 29, 2023						
Balance, beginning of period	**(522.5)**	**(292.4)**	**21.2**	**33.1**	**11.5**	**(749.1)**
Other comprehensive (loss) income	**(184.2)**	**(46.6)**	**13.1**	**5.6**	**(8.3)**	**(220.4)**
Transfer of realized gain on investments in equity instruments measured at fair value through Other comprehensive income	**—**	**—**	**—**	**—**	**(3.8)**	**(3.8)**
Balance, end of period	**(706.7)**	**(339.0)**	**34.3**	**38.7**	**(0.6)**	**(973.3)**
40-week period ended January 30, 2022						
Balance, beginning of period	(257.8)	(280.6)	(8.9)	15.9	0.3	(531.1)
Other comprehensive (loss) income	(262.3)	(35.0)	5.5	8.7	(1.5)	(284.6)
Balance, end of period	(520.1)	(315.6)	(3.4)	24.6	(1.2)	(815.7)

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

9. CAPITAL STOCK

Issued and outstanding shares

As at January 29, 2023, the Corporation had 990,367,655 issued and outstanding Common shares, with each share comprising 1 vote (1,032,935,943 Class A multiple-voting shares as at April 24, 2022, with each share comprising 10 votes). On September 1, 2022, as a result of the adoption of a special resolution at the Corporation's Annual General and Special Meeting of Shareholders, all of the Corporation's issued and outstanding Class A multiple-voting shares were converted into Common shares, a newly created class of shares having an unlimited number of shares carrying one vote per share. Following the conversion, the Corporation's Class A multiple-voting shares and Class B subordinate voting shares as well as their rights, privileges, restrictions and conditions were repealed.

The changes in the number of shares are as follows:

	40-week period ended January 29, 2023
(in millions of shares)	
Balance, beginning of period	**1,032.9**
Share repurchases[a]	**(42.6)**
Issuance of shares on stock options exercised[b]	**0.1**
Balance, end of period	**990.4**

(a) Share repurchase program

On April 22, 2022, the Toronto Stock Exchange approved the renewal of the Corporation's share repurchase program, which took effect on April 26, 2022. The renewed share repurchase program allows the Corporation to repurchase up to 79,703,614 shares, representing 10.0% of the shares comprising the Corporation's public float as at April 20, 2022, and the share repurchase period will end no later than April 25, 2023. Following the conversion of the Class A multiple-voting shares into Common shares, the terms of the renewed share repurchase program were modified to allow the Corporation to repurchase Common shares.

During the 16 and 40-week periods ended January 29, 2023, the Corporation repurchased 26,909,800 and 42,646,700 shares, respectively. These repurchases were settled for amounts of $1,218.1 and $1,901.3, respectively, of which $30.0 was recorded in Accounts payable and accrued liabilities as at January 29, 2023 ($56.7 as at April 24, 2022 which was paid during the first quarter of fiscal 2023).

As at January 29, 2023, an automatic securities purchase plan was in place and allowed a designated broker to repurchase the Corporation's shares on its behalf within parameters established by the Corporation. This plan gave rise to a liability of $391.3 which is recorded in Other short-term financial liabilities on the consolidated balance sheet. Subsequent to the end of the third quarter of fiscal 2023, 8,060,100 shares were repurchased, through the automatic securities purchase plan, for an amount of $373.0. The automatic securities purchase plan was pre-cleared by the Toronto Stock Exchange upon approbation of the renewed share repurchase program.

When making such repurchases, the number of shares in circulation is reduced and the proportionate interest of all remaining shareholders in the Corporation's share capital is increased on a pro rata basis. All shares repurchased under the share repurchase program were cancelled upon their repurchase.

(b) Stock options

The table below presents the status of the Corporation's stock option plan as at January 29, 2023, and January 30, 2022, and the changes therein during the periods then ended:

For the 40-week periods ended	**January 29, 2023**	January 30, 2022
Number of stock options (in thousands)		
Outstanding, beginning of period	**3,423.7**	3,267.5
Granted	**425.7**	284.9
Exercised	**(78.4)**	(130.0)
Forfeited	**(10.3)**	—
Outstanding, end of period	**3,760.7**	3,422.4

The description of the Corporation's stock-based compensation plan is included in Note 27 of the fiscal 2022 consolidated financial statements.

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

10. SEGMENTED INFORMATION

The Corporation operates convenience stores in the United States, in Europe, in Asia, which is presented as part of Europe and other regions, and in Canada. It operates in one reportable segment, the sale of goods for immediate consumption, road transportation fuel and other products mainly through company-operated and franchised stores. The Corporation operates its convenience store chain under various banners, including Circle K, Couche-Tard, Holiday, and Ingo. Revenues from external customers mainly fall into three categories: merchandise and service, road transportation fuel and other.

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

	16-week period ended January 29, 2023				16-week period ended January 30, 2022			
	United States	**Europe and other regions**	**Canada**	**Total**	United States	Europe and other regions	Canada	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[a]								
Merchandise and service	**3,541.6**	**713.0**	**706.6**	**4,961.2**	3,355.5	715.9	722.5	4,793.9
Road transportation fuel	**9,411.5**	**3,475.5**	**1,828.2**	**14,715.2**	8,945.6	2,951.3	1,605.4	13,502.3
Other	**14.2**	**343.2**	**21.3**	**378.7**	14.6	257.3	8.3	280.2
	12,967.3	**4,531.7**	**2,556.1**	**20,055.1**	12,315.7	3,924.5	2,336.2	18,576.4
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	**1,175.5**	**266.1**	**228.2**	**1,669.8**	1,127.0	270.6	228.5	1,626.1
Road transportation fuel	**1,265.9**	**252.8**	**163.5**	**1,682.2**	1,087.9	342.0	148.8	1,578.7
Other	**14.2**	**23.6**	**10.7**	**48.5**	14.6	31.9	8.3	54.8
	2,455.6	**542.5**	**402.4**	**3,400.5**	2,229.5	644.5	385.6	3,259.6

	40-week period ended January 29, 2023				40-week period ended January 30, 2022			
	United States	**Europe and other regions**	**Canada**	**Total**	United States	Europe and other regions	Canada	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[a]								
Merchandise and service	**9,349.5**	**1,801.0**	**1,955.0**	**13,105.5**	8,938.9	1,857.7	2,044.2	12,840.8
Road transportation fuel	**27,328.9**	**9,288.9**	**4,943.1**	**41,560.9**	22,064.1	6,899.8	4,011.0	32,974.9
Other	**32.4**	**859.3**	**34.2**	**925.9**	36.8	504.9	17.6	559.3
	36,710.8	**11,949.2**	**6,932.3**	**55,592.3**	31,039.8	9,262.4	6,072.8	46,375.0
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	**3,148.3**	**685.9**	**642.1**	**4,476.3**	3,026.8	708.8	655.8	4,391.4
Road transportation fuel	**3,355.3**	**775.3**	**420.8**	**4,551.4**	2,684.4	866.7	372.5	3,923.6
Other	**32.4**	**61.8**	**21.6**	**115.8**	36.8	78.4	17.6	132.8
	6,536.0	**1,523.0**	**1,084.5**	**9,143.5**	5,748.0	1,653.9	1,045.9	8,447.8
Total long-term assets[b]	**14,560.8**	**4,060.4**	**2,963.3**	**21,584.5**	13,984.3	4,270.2	2,893.3	21,147.8

(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.

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

11. FAIR VALUE

The fair value of trade accounts receivable and vendor rebates receivable, credit and debit cards receivable, secured loan granted to Fire & Flower (Note 4) and accounts payable and accrued liabilities is comparable to their carrying amounts given their short maturity.

The estimated fair value of each class of financial instruments, the methods and assumptions that were used to determine them and their fair value hierarchy are as follows:

Financial instruments at fair value on the consolidated balance sheets:

	Estimated fair value as at		**Consolidated balance sheets classification**	**Methods and assumptions used**	**Fair value hierarchy**
	January 29, 2023	April 24, 2022			
	$	$			
Share units indexed deposits - Current	**29.0**	22.4	Accounts receivable	Fair market value of the Corporation's shares	Level 2
Share units indexed deposits - Non-current	**59.8**	62.0	Other assets		
Commodity indexed deposits	**28.2**	23.1	Other short-term financial assets	Market rates	Level 2
Currency forwards and currency swaps	**1.1**	—	Other short-term financial assets	Market rates	Level 2
Investments in equity instruments	**28.6**	166.1	Other long-term financial assets	Unadjusted quoted prices	Level 1
Investments in equity instruments	**79.5**	66.9	Other long-term financial assets	Latest transactions	Level 3
Investments in other financial assets	**33.6**	14.4	Other long-term financial assets	Latest transactions	Level 3
Forward starting interest rate swaps	**37.2**	23.4	Other long-term financial assets	Market rates	Level 2
Fuel swaps	**(2.4)**	(82.7)	Other short-term financial liabilities	Market rates	Level 2
Currency put and call options	**7.9**	(2.5)	Other short-term financial assets (liabilities)	Market rates	Level 2
Cross-currency interest rate swaps	**(68.7)**	(34.1)	Other long-term financial liabilities	Market rates	Level 2

The table below shows the amounts related to the investments in equity instruments (Level 3) and investments in other financial assets (Level 3) presented on the consolidated balance sheets:

	Estimated fair value
	$
40-week period ended January 29, 2023	
Balance, beginning of period	**81.3**
Purchases	**31.1**
Net gain recognized to Other financial items[1]	**0.7**
Balance, end of period	**113.1**

(1) Related to financial instruments still held by the Corporation as at January 29, 2023.

The valuations of those financial instruments were mainly based on prices for similar instruments stemming from larger private investments. Subsequently, in order to determine if any adjustments to their fair value is required, the Corporation performs an ongoing review of its investments. A number of factors are reviewed and monitored including, but not limited to, current operating performance of investees as well as changes in their respective market, economic and financing environment over time. As at January 29, 2023, following its review, the Corporation determined that sensitivity to unobservable inputs is not deemed to have a significant impact on the estimated fair value of those financial instruments given the limited impact of the few underlying assumptions used in their valuation.

In addition, information on the measurement of the convertible debentures and common share warrants in Fire & Flower is presented in Note 4.

The Corporation performs the valuation of its financial instruments required for financial reporting purposes, including Level 2 and Level 3 fair values. Changes in Level 2 and Level 3 fair values are analyzed at the end of each reporting period by the Corporation and reports explaining the reasons for the fair value movements are presented to the Corporation's management.

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

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 29, 2023		As at April 24, 2022	
	Carrying value	**Fair value**	Carrying value	Fair value
	$	**$**	$	$
US-dollar-denominated senior unsecured notes (Level 2)	**3,969.0**	**3,322.2**	3,967.5	3,561.5
Canadian-dollar-denominated senior unsecured notes (Level 1)	**1,049.3**	**1,026.8**	1,102.5	1,089.6
Euro-denominated senior unsecured notes (Level 2)	**813.1**	**764.9**	809.1	794.4
NOK-denominated senior unsecured notes (Level 2)	**68.0**	**67.1**	75.7	76.2

12. SUBSEQUENT EVENT

Dividends

During its March 15, 2023 meeting, the Board of Directors declared a quarterly dividend of CA 14.0¢ per share for the third quarter of fiscal 2023 to shareholders on record as at March 23, 2023, and approved its payment effective April 6, 2023. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).