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DELTA REPORT

10-Q

ARKO CORP.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2102
CHANGES	435
DELETIONS	1033
ADDITIONS	634

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, March 31, 2023 2024.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number 001-39828

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ARKO Corp.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**85-2784337**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

8565 Magellan Parkway

Suite 400

Richmond, Virginia 23227-1150

(Address of Principal Executive Offices) (Zip Code)

(804) 730-1568

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.0001 par value per share	ARKO	**Nasdaq Capital Market**
Warrants to purchase common stock	ARKOW	**Nasdaq Capital Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) ☐ YES ☐ ☒ YES ☒ NO

As of November 3, 2023 May 6, 2024, the registrant had 116,809,202 115,743,761 shares of its common stock, par value $0.0001 per share ("common stock") outstanding.

[Table of Contents](#)

TABLE OF CONTENTS

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements,” as that term is defined under the Private Securities Litigation Reform Act of 1995 (“PSLRA”), Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include statements about our expectations, beliefs or intentions regarding our product development efforts, business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those described below and in "Item 1A-Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 and this Quarterly Report on Form 10-Q, and described from time to time in our other filings with the Securities and Exchange Commission (the "SEC"). We do not undertake any obligation to update forward-looking statements, except to the extent required by applicable law. We intend that all forward-looking statements be subject to the safe-harbor provisions of the PSLRA. These forward-looking statements are only predictions and reflect our views as of the date they are made with respect to future events and financial performance.

Risks and uncertainties, the occurrence of which could adversely affect our business, include the following:

- changes in economic conditions and consumer confidence in the United States;
- our ability to make acquisitions on economically acceptable terms;
- our ability to successfully integrate acquired operations or otherwise realize the expected benefits from our acquisitions;
- our ability to successfully implement our growth strategies;
- labor, raw materials and building supply shortages and price fluctuations in the construction industry could delay or increas the costs of our store upgrade and remodel programs and our maintenance capital expenditures;
- changes in the wholesale prices of motor fuel;
- significant changes in the current consumption of, and related regulations and litigation related to, cigarettes and other toba products;
- changes in the wholesale prices of motor fuel;
- significant changes in demand for fuel-based modes of transportation;
- the highly competitive fragmented industry characterized by low entry barriers in which we operate; operate, characterized many similar competing products and services;
- negative events or developments associated with branded motor fuel suppliers;
- we depend on several principal suppliers for our fuel purchases and two one principal suppliers supplier for merchandise;
- a portion of our revenue is generated under fuel supply agreements with dealers that must be renegotiated or replaced periodically;
- the retail sale, distribution, transportation and storage of motor fuels is subject to environmental protection and operational safety laws and regulations that may expose us or our customers to significant costs and liabilities;
- business disruption and related risks resulting from global pandemics;
- failure to comply with applicable laws and regulations;
- the loss of key senior management personnel or the failure to recruit or retain qualified personnel;
- unfavorable weather conditions;
- we may be held liable for fraudulent credit card transactions;
- payment-related risks that may result in higher operating costs or the inability to process payments;

- significant disruptions of information technology systems, breaches of data security or compromised data;
- evolving laws, regulations, standards, and contractual obligations related to data privacy and security regulations, and our actual or perceived failure to comply with such obligations;
- our failure to adequately secure, maintain, and enforce our intellectual property rights;

Table of Contents

- rights and third-party claims of infringement upon their intellectual property rights;
- our dependence on third-party transportation providers for the transportation of most of our motor fuel;
- our operations present risks which may not be fully covered by insurance;

Table of Contents

- our variable rate debt;
- the agreements governing our indebtedness contain various restrictions and financial covenants;
- the majority of our principal common stock is held by a limited number of stockholders and management control us, and the interests may conflict with yours;
- our corporate structure includes Israeli subsidiaries that may have adverse tax consequences and expose us to additional liabilities;
- we may not be able to maintain an effective system of internal control over financial reporting and we may not be able to accurately report our financial results or prevent fraud;
- the market price and trading volume of our common stock may be volatile and could decline significantly;
- if securities or industry analysts do not publish research, publish inaccurate or unfavorable research, or cease publishing research about us or the convenience store industry; and
- sales of a substantial number of shares of our common stock in the public market could cause the prices of our common st to decline.

Table of Contents

PART I. FINANCIAL INFORMATION

Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to the “Company,” “ARKO,” “we,” “our,” “ours,” and “us” refer to ARKO Corp., a Delaware corporation, including our consolidated subsidiaries.

Item 1. Financial Statements

ARKO Corp.

Condensed Consolidated Balance Sheets

(Unaudited, in thousands, except share data)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Assets				
Current assets:				
Cash and cash equivalents	$ 204,237	$ 298,529	$ 184,480	$ 218,120
Restricted cash	16,203	18,240	21,234	23,301
Short-term investments	3,375	2,400	4,588	3,892
Trade receivables, net	179,529	118,140	158,712	134,735
Inventory	266,061	221,951	250,405	250,593
Other current assets	116,835	87,873	116,144	118,472
Total current assets	786,240	747,133	735,563	749,113
Non-current assets:				
Property and equipment, net	760,391	645,809	743,394	742,610
Right-of-use assets under operating leases	1,408,208	1,203,188	1,365,200	1,384,693
Right-of-use assets under financing leases, net	179,490	182,113	160,357	162,668
Goodwill	278,261	217,297	292,173	292,173
Intangible assets, net	212,807	197,123	207,416	214,552
Equity investment	2,847	2,924	2,907	2,885
Deferred tax asset	47,107	22,728	62,368	52,293

Other non-current assets	44,433	36,855	51,505	49,377
Total assets	3,719,7 $ 84	3,255,1 $ 70	$ 3,620,883	$ 3,650,364
Liabilities				
Current liabilities:				
Long-term debt, current portion	$ 15,947	$ 11,944	$ 17,297	$ 16,792
Accounts payable	249,40 6	217,37 0	233,960	213,657
Other current liabilities	187,94 3	154,09 7	150,569	179,536
Operating leases, current portion	65,433	57,563	68,403	67,053
Financing leases, current portion	9,213	5,457	9,392	9,186
Total current liabilities	527,94 2	446,43 1	479,621	486,224
Non-current liabilities:				
Long-term debt, net	812,16 6	740,04 3	867,661	828,647
Asset retirement obligation	80,442	64,909	85,063	84,710
Operating leases	1,414,6 09	1,218,0 45	1,378,302	1,395,032
Financing leases	228,42 4	225,90 7	212,174	213,032
Other non-current liabilities	269,40 1	178,94 5	236,822	266,602
Total liabilities	3,332,9 84	2,874,2 80	3,259,643	3,274,247
Commitments and contingencies - see Note 12				
Series A redeemable preferred stock (no par value) - authorized: 1,000,000 shares; issued and outstanding: 1,000,000 and 1,000,000 shares, respectively; redemption value: $100,000 and $100,000, in the aggregate respectively	100,00 0	100,00 0		
Commitments and contingencies - see Note 13				
Series A redeemable preferred stock (no par value) - authorized: 1,000,000 shares; issued and outstanding: 1,000,000 and 1,000,000 shares, respectively; redemption value: $100,000 and $100,000, in the aggregate, respectively			100,000	100,000

Shareholders' equity:				
Common stock (par value $0.0001) - authorized: 400,000,000 shares; issued: 125,268,525 and 124,727,496 shares, respectively; outstanding: 117,301,820 and 120,074,542 shares, respectively	12	12		
Treasury stock, at cost - 7,966,705 and 4,652,954 shares, respectively	(65,554)	(40,042)		
Common stock (par value $0.0001) - authorized: 400,000,000 shares; issued: 130,114,413 and 125,268,525 shares, respectively; outstanding: 115,743,761 and 116,171,208 shares, respectively			12	12
Treasury stock, at cost - 14,370,652 and 9,097,317 shares, respectively			(106,055)	(74,134)
Additional paid-in capital	243,271	229,995	267,671	245,007
Accumulated other comprehensive income	9,119	9,119	9,119	9,119
Retained earnings	99,965	81,750	90,493	96,097
Total shareholders' equity	286,813	280,834	261,240	276,101
Non-controlling interest	(13)	56	—	16
Total equity	286,800	280,890	261,240	276,117
Total liabilities, redeemable preferred stock and equity	$ 3,719,784	$ 3,255,170	$ 3,620,883	$ 3,650,364

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

[Table of Contents](#)

ARKO Corp.

Condensed Consolidated Statements of Operations

(Unaudited, in thousands, except per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Revenues:						
Fuel revenue	$ 2,086,392	$ 1,979,574	$ 5,705,156	$ 5,648,954	$ 1,631,332	$ 1,661,664
Merchandise revenue	506,425	445,822	1,391,274	1,244,558	414,655	400,408
Other revenues, net	29,237	24,251	83,141	69,209	26,467	26,424
Total revenues	2,622,054	2,449,647	7,179,571	6,962,721	2,072,454	2,088,496
Operating expenses:						
Fuel costs	1,923,869	1,824,437	5,262,854	5,250,105	1,502,302	1,537,882
Merchandise costs	345,699	306,930	952,925	866,110	279,737	277,443
Store operating expenses	226,698	189,582	637,383	534,197		
Site operating expenses					218,931	192,683
General and administrative expenses	44,116	35,954	127,192	100,695	42,158	40,416
Depreciation and amortization	33,713	26,061	94,949	75,050	31,716	28,399
Total operating expenses	2,574,095	2,382,964	7,075,303	6,826,157	2,074,844	2,076,823
Other expenses, net	3,885	951	11,561	3,269	2,476	2,720
Operating income	44,074	65,732	92,707	133,295		
Operating (loss) income					(4,866)	8,953

Interest and other financial income	9,371	2,676	18,897	2,509	22,014	7,210
Interest and other financial expenses	(23,950)	(22,472)	(67,238)	(45,619)	(24,471)	(20,812)
Income before income taxes	29,495	45,936	44,366	90,185		
Income tax expense	(7,993)	(20,898)	(10,849)	(31,060)		
Loss from equity investment	(14)	(44)	(77)	(7)		
Net income	$ 21,488	$ 24,994	$ 33,440	$ 59,118		
Loss before income taxes					(7,323)	(4,649)
Income tax benefit					6,707	2,158
Income (loss) from equity investment					22	(36)
Net loss					$ (594)	$ (2,527)
Less: Net income attributable to non-controlling interests	48	51	149	182	—	53
Net income attributable to ARKO Corp.	$ 21,440	$ 24,943	$ 33,291	$ 58,936		
Net loss attributable to ARKO Corp.					$ (594)	$ (2,580)
Series A redeemable preferred stock dividends	(1,449)	(1,449)	(4,301)	(4,301)	(1,414)	(1,418)
Net income attributable to common shareholders	$ 19,991	$ 23,494	$ 28,990	$ 54,635		
Net income per share attributable to common shareholders - basic	$ 0.17	$ 0.20	$ 0.24	$ 0.45		
Net income per share attributable to common shareholders - diluted	$ 0.17	$ 0.17	$ 0.24	$ 0.43		
Net loss attributable to common shareholders					$ (2,008)	$ (3,998)
Net loss per share attributable to common shareholders – basic and diluted					$ (0.02)	$ (0.03)
Weighted average shares outstanding:						
Basic	118,389	120,074	119,505	121,950		

Diluted	120,292	130,388	120,602	123,527		
Basic and diluted					117,275	120,253

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

Table of Contents

ARKO Corp.
Condensed Consolidated Statements of Changes in Equity
(Unaudited, in thousands, except share data)

	Common Stock		Treasury Stock, at Cost	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Par Value							
Balance at July 1, 2022	120,074,961	$ 12	$ (40,038)	$ 223,557	$ 9,119	$ 52,898	$ 245,548	$ 235	$ 245,783
Share-based compensation	—	—	—	3,145	—	—	3,145	—	3,145
Transactions with non-controlling interests	—	—	—	106	—	—	106	(106)	—
Distributions to non-controlling interests	—	—	—	—	—	—	—	(60)	(60)
Dividends on redeemable preferred stock	—	—	—	—	—	(1,449)	(1,449)	—	(1,449)
Dividends declared (2 cents per share)	—	—	—	—	—	(2,402)	(2,402)	—	(2,402)
Common stock repurchased	(419)	—	(4)	—	—	—	(4)	—	(4)
Net income	—	—	—	—	—	24,943	24,943	51	24,994
Balance at September 30, 2022	120,074,542	$ 12	$ (40,042)	$ 226,808	$ 9,119	$ 73,990	$ 269,887	$ 120	$ 270,007
Balance at July 1, 2023	118,842,462	$ 12	$ (53,804)	$ 238,617	$ 9,119	$ 83,533	$ 277,477	$ 39	$ 277,516
Share-based compensation	—	—	—	4,614	—	—	4,614	—	4,614
Transactions with non-controlling interests	—	—	—	40	—	—	40	(40)	—
Distributions to non-controlling interests	—	—	—	—	—	—	—	(60)	(60)

	Shares	Par Value	Treasury Stock, at Cost	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
Dividends on redeemable preferred stock	—	—	—	—	—	(1,449)	(1,449)	—	(1,449)
Dividends declared (3 cents per share)	—	—	—	—	—	(3,559)	(3,559)	—	(3,559)
Common stock repurchased	(1,540,642)	—	(11,750)	—	—	—	(11,750)	—	(11,750)
Net income	—	—	—	—	—	21,440	21,440	48	21,488
Balance at September 30, 2023	117,301,820	$ 12	$ (65,554)	$ 243,271	$ 9,119	$ 99,965	$ 286,813	$ (13)	$ 286,800

	Common Stock		Treasury	Additional	Accumulated Other	Retained	Total	Non-	
	Shares	**Par Value**	**Treasury Stock, at Cost**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Income**	**Retained Earnings**	**Total Shareholders' Equity**	**Non-Controlling Interests**	**Total Equity**
Balance at January 1, 2022	124,427,805	$ 12	$ —	$ 217,675	$ 9,119	$ 26,646	$ 253,452	$ 224	$ 253,676
Share-based compensation	—	—	—	9,027	—	—	9,027	—	9,027
Transactions with non-controlling interests	—	—	—	106	—	—	106	(106)	—

Distributions to non-controlling interests	—	—	—	—	—	—	—	(180)	(180)
Dividends on redeemable preferred stock	—	—	—	—	—	(4,301)	(4,301)	—	(4,301)
Dividends declared (6 cents per share)	—	—	—	—	—	(7,291)	(7,291)	—	(7,291)
Common stock repurchased	(4,652,954)	—	(40,042)	—	—	—	(40,042)	—	(40,042)
Vesting of restricted share units	286,359	—	—	—	—	—	—	—	—
Issuance of shares	13,332	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	58,936	58,936	182	59,118

										Shares	Par Value	Stock, at Cost	Paid-in Capital	Comprehensive Income	Earnings	Shareholders' Equity	Controlling Interests	Total Equity
Balance at September 30, 2022	120,074,542	$ 12	$ (40,042)	$ 226,808	$ 9,119	$ 73,990	$ 269,887	$ 120	$ 270,007									
Balance at January 1, 2023	120,074,542	$ 12	$ (40,042)	$ 229,995	$ 9,119	$ 81,750	$ 280,834	$ 56	$ 280,890	120,074,542	$ 12	$ (40,042)	$ 229,995	$ 9,119	$ 81,750	$ 280,834	$ 56	$ 280,890
Share-based compensation	—	—	—	13,238	—	—	13,238	—	13,238	—	—	—	4,069	—	—	4,069	—	4,069
Transactions with non-controlling interests	—	—	—	38	—	—	38	(38)	—	—	—	—	94	—	—	94	(94)	—
Distributions to non-controlling interests	—	—	—	—	—	—	—	(180)	(180)	—	—	—	—	—	—	—	(60)	(60)
Dividends on redeemable preferred stock	—	—	—	—	—	(4,301)	(4,301)	—	(4,301)	—	—	—	—	—	(1,418)	(1,418)	—	(1,418)

Dividends declared (9 cents per share)	—	—	—	—	—	(10,775)	(10,775)	—	(10,775)
Dividends declared (3 cents per share)	—	—	—	—	—	(3,609)	(3,609)	—	(3,609)
Common stock repurchased	(274,479)	—	(2,310)	—	—	—	(2,310)	—	(2,310)
Vesting of restricted share units	504,945	—	—	—	—	—	—	—	—
Net (loss) income	—	—	—	—	—	(2,580)	(2,580)	53	(2,527)
Balance at March 31, 2023	120,305,008	$ 12	$ (42,352)	$ 234,158	$ 9,119	$ 74,143	$ 275,080	$ (45)	$ 275,035
Balance at January 1, 2024	116,171,208	$ 12	$ (74,134)	$ 245,007	$ 9,119	$ 96,097	$ 276,101	$ 16	$ 276,117
Share-based compensation	—	—	—	3,329	—	—	3,329	—	3,329
Transactions with non-controlling interests	—	—	—	(2,984)	—	—	(2,984)	(16)	(3,000)
Dividends on redeemable preferred stock	—	—	—	—	—	(1,414)	(1,414)	—	(1,414)
Dividends declared (3 cents per share)	—	—	—	—	—	(3,596)	(3,596)	—	(3,596)

Common stock repurchased	(3,313,751)	—	(25,512)	—	—	—	(25,512)	—	(25,512)	(5,273,335)	—	(31,921)	—	—	—	(31,921)	—	(31,921)
Vesting and settlement of restricted share units	541,029	—	—	—	—	—	—	—	—	1,427,973	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	33,291	33,291	149	33,440									
Balance at September 30, 2023	117,301,820	$ 12	$ (65,554)	$ 243,271	$ 9,119	$ 99,965	$ 286,813	$ (13)	$ 286,800									
Issuance of shares										3,417,915	—	—	22,319	—	—	22,319	—	22,319
Net loss										—	—	—	—	—	(594)	(594)	—	(594)
Balance at March 31, 2024										115,743,761	$ 12	$ (106,055)	$ 267,671	$ 9,119	$ 90,493	$ 261,240	$ —	$ 261,240

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

[Table of Contents](#)

ARKO Corp.

Condensed Consolidated Statements of Cash Flows

(Unaudited, in thousands)

	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Cash flows from operating activities:				
Net income	$ 33,440	$ 59,118		
Adjustments to reconcile net income to net cash provided by operating activities:				
Net loss			$ (594)	$ (2,527)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	94,949	75,050	31,716	28,399
Deferred income taxes	(4,028)	20,728	(10,075)	(10,230)
Loss on disposal of assets and impairment charges	5,543	3,389	2,664	287
Foreign currency loss	130	241	27	34
Gain from issuance of shares as payment of deferred consideration related to business acquisition (see Note 4)			(2,681)	—
Gain from settlement related to business acquisition (see Note 4)			(6,356)	—
Amortization of deferred financing costs and debt discount	1,857	1,894	664	592
Amortization of deferred income	(6,302)	(7,269)	(1,946)	(1,860)
Accretion of asset retirement obligation	1,690	1,259	616	491
Non-cash rent	10,418	5,714	3,484	2,798
Charges to allowance for credit losses	1,021	473	327	283
Loss from equity investment	77	7		

(Income) loss from equity investment			(22)	36
Share-based compensation	13,238	9,027	3,329	4,069
Fair value adjustment of financial assets and liabilities	(11,627)	(3,848)	(10,772)	(4,228)
Other operating activities, net	2,279	855	624	329
Changes in assets and liabilities:				
Increase in trade receivables	(62,487)	(59,867)	(24,304)	(11,182)
Increase in inventory	(17,386)	(14,570)		
Increase in other assets	(28,429)	(7,367)		
Decrease (increase) in inventory			188	(2,845)
Decrease in other assets			5,095	3,545
Increase in accounts payable	29,667	37,493	21,347	5,940
Increase in other current liabilities	8,992	7,631		
Increase (decrease) in asset retirement obligation	46	(94)		
Decrease in other current liabilities			(4,152)	(127)
(Decrease) increase in asset retirement obligation			(55)	67
Increase in non-current liabilities	5,719	9,899	3,631	2,012
Net cash provided by operating activities	$ 78,807	$ 139,763	$ 12,755	$ 15,883

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

[Table of Contents](#)

ARKO Corp.

Condensed Consolidated Statements of Cash Flows (cont'd)

(Unaudited, in thousands)

	For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	2022	2024	2023
Cash flows from investing activities:				
Purchase of property and equipment	$ (75,603)	$ (72,902)	$ (29,228)	$ (23,380)
Purchase of intangible assets	(45)	(176)		
Proceeds from sale of property and equipment	307,106	140,380	2,039	208,436
Business acquisitions, net of cash	(494,904)	(191,203)	—	(338,342)
Decrease in investments, net	—	58,934		
Repayment of loans to equity investment	—	174		
Prepayment for acquisition			(1,000)	—
Loans to equity investment, net			14	—
Net cash used in investing activities	(263,446)	(64,793)	(28,175)	(153,286)
Cash flows from financing activities:				
Receipt of long-term debt, net	78,833	51,450	41,588	55,000
Repayment of debt	(16,517)	(42,372)	(6,635)	(5,592)
Principal payments on financing leases	(4,237)	(5,014)	(1,135)	(1,418)
Early settlement of deferred consideration related to business acquisition			(17,155)	—
Proceeds from sale-leaseback	80,397	—	—	51,604
Payment of Additional Consideration	—	(2,085)		
Payment of Ares Put Option	(9,808)	—		
Common stock repurchased	(25,199)	(40,042)	(31,921)	(2,310)
Dividends paid on common stock	(10,775)	(7,291)	(3,596)	(3,609)
Dividends paid on redeemable preferred stock	(4,301)	(4,301)	(1,414)	(1,418)
Distributions to non-controlling interests	—	(180)		
Net cash provided by (used in) financing activities	88,393	(49,835)		
Net (decrease) increase in cash and cash equivalents and restricted cash	(96,246)	25,135		
Net cash (used in) provided by financing activities			(20,268)	92,257

Net decrease in cash and cash equivalents and restricted cash			(35,688)	(45,146)
Effect of exchange rate on cash and cash equivalents and restricted cash	(83)	(109)	(19)	(21)
Cash and cash equivalents and restricted cash, beginning of period	316,769	272,543	241,421	316,769
Cash and cash equivalents and restricted cash, end of period	$ 220,440	$ 297,569	$ 205,714	$ 271,602
Reconciliation of cash and cash equivalents and restricted cash				
Cash and cash equivalents, beginning of period	$ 298,529	252,141	$ 218,120	$ 298,529
Restricted cash, beginning of period	18,240	20,402	23,301	18,240
Cash and cash equivalents and restricted cash, beginning of period	$ 316,769	$ 272,543	$ 241,421	$ 316,769
Cash and cash equivalents, end of period	$ 204,237	$ 283,375	$ 184,480	$ 255,852
Restricted cash, end of period	16,203	14,194	21,234	15,750
Cash and cash equivalents and restricted cash, end of period	$ 220,440	$ 297,569	$ 205,714	$ 271,602

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

Table of Contents

ARKO Corp.

Condensed Consolidated Statements of Cash Flows (cont'd)

(Unaudited, in thousands)

	For the Nine Months Ended September 30,	For the Three Months Ended March 31,

	2023	2022	2024	2023
Supplementary cash flow information:				
Cash received for interest	$ 6,209	$ 344	$ 1,650	$ 2,197
Cash paid for interest	54,354	36,109	16,724	12,174
Cash received for taxes	831	211	268	212
Cash paid for taxes	28,576	5,069	648	125
Supplementary noncash activities:				
Prepaid insurance premiums financed through notes payable	$ 10,040	$ 5,523	$ 3,073	$ 6,224
Purchases of equipment in accounts payable and accrued expenses	17,718	7,615	11,775	11,577
Purchase of property and equipment under leases	5,229	15,041	10,586	826
Disposals of leases of property and equipment	4,149	18,605	9,100	2,476
Deferred consideration related to business acquisitions	47,059	—		
Issuance of shares as payment of deferred consideration related to business acquisition			22,319	—
Deferred consideration related to business acquisition			—	45,845

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

Table of Contents

ARKO Corp.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. General

ARKO Corp. (the "Company") is a Delaware corporation whose common stock, par value $0.0001 per share ("common stock"), and publicly-traded warrants are listed on the Nasdaq Stock Market ("Nasdaq") under the symbols "ARKO" and "ARKOW," respectively.

The Company's operations are primarily performed by its wholly owned subsidiary, GPM Investments, LLC, ("GPM"), a Delaware limited liability company. company ("GPM"). Formed in 2002, GPM is primarily engaged directly and through fully owned and controlled subsidiaries (directly or indirectly) in retail activity, which includes the operations of a chain of convenience stores, most of which include adjacent gas stations. The Company GPM is also engaged in wholesale activity, which includes the supply of fuel to gas stations operated by third parties, third-parties and, in fleet fueling, which includes the operation of proprietary and third-party cardlock locations (unstaffed fueling locations) and issuance of proprietary fuel cards that provide customers access to a nationwide network of fueling sites. As of September 30, 2023 March 31, 2024, GPM's activity included the operation of 1,552 1,540 retail convenience stores, the supply of fuel to 1,825 1,816 gas stations operated by dealers and the operation of 295 296 cardlock locations, in the District of Columbia and throughout more than 30 states and the District of Columbia in the Mid-Atlantic, Midwestern, Northeastern, Southeastern and Southwestern United States ("U.S.").

The Company has four reportable segments: retail, wholesale, fleet fueling, and GPMP. Refer to Note 11 12 below for further information with respect to the segments.

2. Summary of Significant Accounting Policies

Basis of Presentation

All significant intercompany balances and transactions have been eliminated in the accompanying condensed consolidated financial statements, which are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Interim Financial Statements

The accompanying condensed consolidated financial statements ("interim financial statements") as of September 30, 2023 March 31, 2024 and for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are unaudited and have been prepared in accordance with GAAP for interim financial information and Regulation S-X set forth by the Securities and Exchange Commission (the "SEC") for interim reporting. In the opinion of management, all adjustments (consisting of normal and recurring adjustments except those otherwise described herein) considered necessary for a fair presentation have been included in the accompanying interim financial statements. However, they do not include all of the information and disclosures required by GAAP for complete financial statements. Therefore, the interim financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes of the Company included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "annual financial statements").

The same significant accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the annual financial statements.

Accounting Periods

The Company's fiscal periods end on the last day of the month, and its fiscal year ends on December 31. This results in the Company experiencing fluctuations in current assets and current liabilities due to purchasing and payment patterns which change based upon the day of the week. As a result, working capital can change from period to period not only due to changing business operations, but also due to a change in the day of the week on which each a period ends. The Company earns a disproportionate amount of its annual operating income in the second and third quarters as a result of the climate and seasonal buying patterns of its customers. Inclement weather, especially in the Midwest and Northeast regions of the U.S. during the winter months, can negatively impact financial results.

Use of Estimates

In the preparation of interim condensed consolidated financial statements, management may make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual

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[Table of Contents](#)

results could differ from those estimates. Significant estimates include right-of-use assets and lease liabilities; impairment of goodwill, intangible, right-of-use and fixed assets; environmental assets and liabilities; deferred tax assets; and asset retirement obligations.

Cash and Cash Equivalents

The Company considers all unrestricted highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents are maintained at several financial institutions, and in order to have sufficient working capital on hand, the Company maintains concentrations of cash in at several financial institutions in amounts that are above the FDIC standard deposit insurance limit of $250,000.

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to the customers. This requires the Company to identify contractual performance obligations and determine whether revenue should be recognized at a single point in time or over time, based on when control of goods and services transfers to a customer. Control is transferred to the customer over time if the customer simultaneously receives and consumes the benefits provided by the Company's performance. If a performance obligation is not satisfied over time, the Company satisfies the performance obligation at a single point in time.

Revenue is recognized in an amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services.

When the Company satisfies a performance obligation by transferring control of goods or services to the customer, revenue is recognized against contract assets in the amount of consideration to which the Company is entitled. When the consideration amount received from the customer exceeds the amounts recognized as revenue, the Company recognizes a contract liability for the excess.

An asset is recognized related to the costs incurred to obtain a contract (e.g. sales commissions) if the costs are specifically identifiable to a contract, the costs will result in enhancing resources that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. These capitalized costs are recorded as a part of other current assets and other non-current assets and are amortized on a systematic basis consistent with the pattern of transfer of the goods or services to which such costs relate. The Company expenses the costs to obtain a contract, as and when they are incurred, in cases where the expected amortization period is one year or less.

The Company evaluates if it is a principal or an agent in a transaction to determine whether revenue should be recorded on a gross or a net basis. In performing this analysis, the Company considers first whether it controls the goods before they are transferred to the customers and if it has the ability to direct the use of the goods or obtain benefits from them. The Company also considers the following indicators: (1) the primary obligor, (2) the latitude in establishing prices and selecting suppliers, and (3) the inventory risk borne by the Company before and after the goods have been transferred to the customer. When the Company acts as principal, revenue is recorded on a gross basis. When the Company acts as agent, revenue is recorded on a net basis.

Fuel revenue and fuel cost of revenue included fuel taxes of $311.9 million, $274.8 million, $883.4 272.2 million and $750.3 264.3 million for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Refer to Note 11 12 for disclosure of the revenue disaggregated by segment and product line, as well as a description of the reportable segment operations.

3. Acquisitions Limited Partnership

As of December 31, 2023, GPM, directly and through certain of its wholly owned subsidiaries, held approximately 99.8% of the limited partnership interests in the Company's subsidiary, GPM Petroleum LP ("GPMP") and all of the rights in the general partner of GPMP. A non-controlling interest had been recorded for the interests owned in GPMP by the seller in the Company's 2019 acquisition of 64 sites from a third-party (the "Riiser Seller") and was classified in the consolidated statements of changes in equity as "Non-controlling interests."

At December 31, 2023, the Riiser Seller owed GPM approximately $3.375 million with respect to a post-closing adjustment, in addition to other amounts, including interest and expenses. The Riiser Seller satisfied $3.0 million of such adjustment by tendering all of its limited partnership units in GPMP to GPM in January 2024. As a result, as of March 31, 2024, GPM, directly and through certain of its wholly owned subsidiaries, held 100% of the limited partnership interests in GPMP.

4. Transit Energy Group, LLC Acquisition

[Table of Contents](#)

On March 1, 2023, the Company completed the acquisition of certain assets from Transit Energy Group, LLC and certain of its affiliated entities (collectively, "TEG") pursuant to a purchase agreement entered on September 9, 2022, as amended (the "TEG Purchase Agreement"), including (i) 135 Company-operated convenience stores and gas stations, (ii) fuel supply rights to 181 dealer locations, (iii) a commercial, government, and industrial business, including certain bulk plants, and (iv) certain distribution and transportation assets, all in the southeastern United States (the “TEG Acquisition”).

The purchase price for the TEG Acquisition was, as of closing, approximately $370 million, as adjusted in accordance with the terms of the TEG Purchase Agreement, plus the value of inventory at the closing, of which $50 million was to be deferred and payable in two annual payments of $25 million (the “Installment Payments”), which the Company may was entitled to elect to pay in either cash or, subject to the satisfaction of certain conditions, shares of common stock (the “Installment Shares”), on the first and second anniversaries of the closing. Pursuant to the TEG Purchase Agreement, at closing, ARKO and TEG entered into a registration rights agreement, pursuant to which ARKO agreed to prepare and file a registration statement with the SEC, registering the Installment Shares, if any, for resale by TEG.

Pursuant to the TEG Purchase Agreement, on March 1, 2024, the Company issued

12 3,417,915

Table Installment Shares to TEG in respect of Contents the first installment payment (the “First Installment Shares”) at a price per share of $

7.31

The , which was based on the 10-day volume weighted average price calculation contained in the TEG Purchase Agreement. As a result, the Company paid recorded a gain of approximately $81.7 2.7 million as a component of interest and other financial income in the condensed consolidated statement of operations for the three months ended March 31, 2024.

On March 26, 2024, the Company and TEG entered into a second amendment to the TEG Purchase Agreement (the “Purchase Agreement Amendment”), pursuant to which, in full satisfaction of all Installment Payments, (i) the Company repurchased the First Installment Shares from TEG for an aggregate purchase price of approximately $19.3 million in cash, or $5.66 per share, and (ii) the Company paid to TEG an additional amount in cash equal to approximately $17.2 million in satisfaction of the non-deferred purchase price including the value of inventory and other closing adjustments, of second Installment Payment, which would have otherwise been due on March 1, 2025. The $55.0 36.5 million was financed with the Capital One Line of Credit (as defined in (refer to Note 4 5 below). An affiliate of Oak Street Real Estate Capital Net Lease Property Fund, LP (including its affiliates, “Oak Street”), The Purchase Agreement Amendment additionally terminated the registration rights agreement, terminated TEG’s indemnity obligations under the Company’s standby real estate purchase, designation TEG Purchase Agreement and lease program extended the transition services agreement with Oak Street, dated as of May 3, 2021 (as amended, the “Program Agreement”), paid the balance of the non-deferred purchase price for fee simple ownership in 104 sites. At the closing, pursuant to the Program Agreement, entered into between the Company entered into and TEG. As a master lease with Oak Street for result of this transaction, the sites Oak Street acquired in the transaction under customary lease terms. For accounting purposes, the transaction with Oak Street was treated as Company recorded a sale-leaseback. Because the sale-leaseback was off-market, a financial liability net gain of approximately $51.6 6.4 million, out of which approximately $6.5 million was recorded resulting in as a component of interest expense recognized over the lease term. Additionally, right-of-use assets and operating lease liabilities of approximately $131.3 million were recorded in connection with the operating lease, after reducing for accounting purposes from the contractual lease payments the amount attributable to the repayment of the additional financing.

The details of the TEG Acquisition were as follows:

	Amount
	(in thousands)

Fair value of consideration transferred:		
Cash	$	26,702
GPMP Capital One Line of Credit		55,000
Liability resulting from deferred purchase price		45,845
Receivable from TEG		(62)
Consideration provided by Oak Street		258,019
Total consideration	$	385,504
Assets acquired and liabilities:		
Cash and cash equivalents	$	379
Inventory		20,259
Other assets		1,304
Property and equipment, net		268,660
Intangible assets		20,000
Right-of-use assets under operating leases		69,254
Environmental receivables		2,664
Deferred tax asset		19,135
Total assets		401,655
Other liabilities		(2,087)
Environmental liabilities		(2,939)
Asset retirement obligations		(10,875)
Operating leases		(57,569)
Total liabilities		(73,470)
Total identifiable net assets		328,185
Goodwill	$	57,319
Consideration paid in cash	$	81,702
Consideration provided by Oak Street		258,019
Less: cash and cash equivalent balances acquired		(379)
Net cash outflow	$	339,342

The initial accounting treatment of the TEG Acquisition reflected in these interim other financial statements is provisional as the Company has not yet finalized the initial accounting treatment of the business combination, and, in this regard, has not finalized the valuation of some of the assets and liabilities acquired and the goodwill resulting from the TEG Acquisition, mainly due to the limited period of time between the TEG Acquisition closing date and the date of these interim financial statements. Therefore, some of the financial information presented with respect to the TEG Acquisition in these interim financial statements remains subject to change.

The Company included identifiable tangible assets and identifiable liabilities at their respective fair values based on the information available to the Company's management on the TEG Acquisition closing date, including, among other things, a preliminary valuation performed by external consultants for this purpose. The useful life of both the wholesale fuel supply contracts and the trade name was estimated at five years.

Table of Contents

As a result of the preliminary accounting treatment of the TEG Acquisition, the Company recorded goodwill of approximately $57.3 million, all of which was allocated to the GPMP segment attributable to the opportunity to add a significant amount of volume to the GPMP segment. None of the goodwill recognized is tax deductible for U.S. income tax purposes.

Acquisition-related costs amounting to approximately $0.4 million and $3.3 million have been excluded from the consideration transferred and have been recognized as an expense within other expenses, net in the condensed consolidated statements of operations for the three and nine months ended September 30, 2023, respectively. Approximately $0.3 million of acquisition-related costs were recognized for the three and nine months ended September 30, 2022.

Results of operations for the TEG Acquisition for the period subsequent to the acquisition closing date were included in the condensed consolidated statement of operations for the three and nine months ended September 30, 2023. For the period from the TEG Acquisition closing date through September 30, 2023, the Company recognized $564.3 million in revenues and $2.3 million of net loss related to the TEG Acquisition. For the three months ended September 30, 2023, the Company recognized $247.2 million in revenues and $0.4 million of net income related to the TEG Acquisition.

WTG Fuels Holdings, LLC

On June 6, 2023, certain of the Company's subsidiaries completed the acquisition of certain assets from WTG Fuels Holdings, LLC and certain other sellers party thereto (collectively, "WTG") pursuant to an asset purchase agreement entered on December 6, 2022, including (i) 24 company-operated Uncle's convenience stores located across Western Texas, and (ii) 68 proprietary GASCARD-branded cardlock sites and 43 private cardlock sites for fleet fueling operations located in Western Texas and Southeastern New Mexico (the "WTG Acquisition") March 31, 2024.

The purchase price for the WTG Acquisition was approximately $140.0 million, plus the value of inventory at the closing.The Company paid approximately $29.9 million of the purchase price including the value of inventory and other closing adjustments, of which $19.2 million was financed with the Capital One Line of Credit (as defined in Note 4 below). Oak Street, under the Program Agreement, paid the balance of the purchase price for fee simple ownership in 33 properties. At the closing, pursuant to the Program Agreement, the Company entered into master leases with Oak Street for the sites Oak Street acquired in the transaction under customary lease terms. For accounting purposes, the transaction with Oak Street was treated as a sale-leaseback. Because the sale-leaseback was off-market, a financial liability of $28.8 million was recorded, resulting in interest expense recognized over the lease term. Additionally, right-of-use assets and operating lease liabilities of approximately $49.0 million were recorded in connection with the operating lease, after reducing for accounting purposes from the contractual lease payments the amount attributable to the repayment of the additional financing.

The details of the WTG Acquisition were as follows:

Table of Contents

	Amount

		(in thousands)
Fair value of consideration transferred:		
Cash	$	11,471
GPMP Capital One Line of Credit		19,200
Consideration provided by Oak Street		115,041
Total consideration	$	145,712
Assets acquired and liabilities:		
Cash and cash equivalents	$	60
Inventory		5,694
Other assets		149
Property and equipment, net		128,396
Intangible assets		14,800
Right-of-use assets under operating leases		1,812
Environmental receivables		4
Total assets		150,915
Other liabilities		(598)
Environmental liabilities		(136)
Asset retirement obligations		(2,730)
Operating leases		(1,739)
Total liabilities		(5,203)
Total identifiable net assets		145,712
Goodwill	$	—
Consideration paid in cash	$	30,671
Consideration provided by Oak Street		115,041
Less: cash and cash equivalent balances acquired		(60)
Net cash outflow	$	145,652

The initial accounting treatment of the WTG Acquisition reflected in these interim financial statements is provisional as the Company has not yet finalized the initial accounting treatment of the business combination, and, in this regard, has not finalized the valuation of some of the assets and liabilities acquired and the goodwill resulting from the WTG Acquisition, mainly due to the limited period of time between the WTG Acquisition closing date and the date of these interim financial statements. Therefore, some of the financial information presented with respect to the WTG Acquisition in these interim financial statements remains subject to change.

The Company included identifiable tangible assets and identifiable liabilities at their respective fair values based on the information available to the Company's management on the WTG Acquisition closing date, including, among other things, a preliminary valuation performed by management. The useful life of the contracts related to the third-party cardlock sites, the customer relationships related to the proprietary cardlock sites and the proprietary fuel cards, the wholesale fuel supply contracts and the trade name was each estimated at five years.

The Company’s preliminary accounting treatment of the WTG Acquisition resulted in no goodwill being recorded.

Acquisition-related costs amounting to approximately $0.1 million and $2.2 million have been excluded from the consideration transferred and have been recognized as an expense within other expenses, net in the condensed consolidated statements of operations for the three and nine months ended September 30, 2023, respectively. No material acquisition-related costs were recognized for the three and nine months ended September 30, 2022.

Results of operations for the WTG Acquisition for the period subsequent to the acquisition closing date were included in the condensed consolidated statement of operations for the three and nine months ended September 30, 2023. For the period from the WTG Acquisition closing date through September 30, 2023, the Company recognized $68.9 million in revenues and $0.6 million of net income related to the WTG Acquisition. For the three months ended September 30, 2023, the Company recognized $54.0 million in revenues and $0.4 million of net income related to the WTG Acquisition.

Speedy Acquisition

On August 15, 2023, the Company acquired from a third party seven company-operated convenience stores located in Arkansas and Oklahoma (the “Speedy Acquisition”). Prior to the acquisition, the Company had supplied fuel to these sites, which had been

Table of Contents

operated by an independent dealer. The consideration at closing was approximately $13.7 million including cash and inventory in the stores on the closing date, of which approximately $10.4 million was paid by Oak Street under the Program Agreement for fee simple ownership in three of the properties. At the closing, pursuant to the Program Agreement, the Company entered into a master lease with Oak Street for the sites Oak Street acquired under customary lease terms. For accounting purposes, the transaction with Oak Street was treated as a sale-leaseback and the Company recorded right of use assets and operating lease liabilities of approximately $8.8 million in connection therewith. As of the closing, the Company leases the remaining four sites from the seller and Oak is expected to purchase the fee simple ownership in these sites from the seller, for approximately $10.3 million, within twenty months from the closing of the Speedy Acquisition, and then lease these sites to the Company.

Pride Convenience Holdings, LLC

On December 6, 2022, the Company acquired all of the issued and outstanding membership interests in Pride Convenience Holdings, LLC, which operated at closing 31 convenience stores and gas stations in Connecticut and Massachusetts (the “Pride Acquisition”). In the second quarter of 2023, the Company updated the initial accounting treatment of the Pride Acquisition, including the valuation of some of the assets acquired, liabilities assumed and the goodwill resulting from the acquisition. As a result, the Company primarily reduced property and equipment by approximately $4.7 million, increased accounts payable and other liabilities by a net $1.0 million, and increased the deferred tax asset by approximately $1.0 million. The adjustments to the assets acquired and liabilities assumed resulted in an increase in goodwill of approximately $3.1 million, of which $0.4 million was allocated to the GPMP segment and the remainder was allocated to the retail segment attributable to the opportunities to expand into new geographic locations. These adjustments resulted in a reduction in depreciation and amortization expenses recorded, approximately $0.2 million that related to amounts recorded for the year ended December 31, 2022 and approximately $0.6 million that related to the three months ended March 31, 2023.

Impact of Acquisitions (unaudited)

The unaudited supplemental pro forma financial information presented below was prepared based on the historical information of the Company and the acquired operations and gives pro forma effect to the acquisitions using the assumption that the Speedy Acquisition, the WTG Acquisition, the TEG Acquisition, the Pride Acquisition and the acquisition of 184 Quarles cardlock sites and 46 dealer locations on July 22, 2022 (the “Quarles Acquisition”) had occurred at the beginning of each period presented below. The unaudited supplemental pro forma financial information does not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies or cost savings that may result from the acquisitions or any integration costs. The unaudited pro forma financial information is not necessarily indicative of what the actual results of operations would have been had the acquisitions occurred at the beginning of each period presented below nor is it indicative of future results.

	For the Nine Months Ended September 30,	
	2023	2022
	(unaudited) (in thousands)	
Total revenue	$ 7,603,426	$ 8,887,740
Net income	27,417	55,843

4. 5. Debt

The components of debt were as follows:

	September 30, 2023	December 31, 2022
	(in thousands)	
Senior Notes	$ 444,230	$ 443,648
M&T debt	46,782	49,023
Capital One line of credit	331,665	256,430
Insurance premium notes	5,436	2,886
Total debt, net	$ 828,113	$ 751,987
Less current portion	(15,947)	(11,944)
Total long-term debt, net	$ 812,166	$ 740,043

Table of Contents

	March 31, 2024	December 31, 2023
	(in thousands)	

Senior Notes	$	444,634	$	444,432
M&T debt		67,164		65,228
Capital One Line of Credit		368,889		332,027
Insurance premium notes		4,271		3,752
Total debt, net	$	884,958	$	845,439
Less current portion		(17,297)		(16,792)
Total long-term debt, net	$	867,661	$	828,647

Financing agreement with a syndicate of banks led by Capital One, National Association

On May 5, 2023, GPM Petroleum LP ("GPMP") renewed the credit agreement governing its GPMP has a revolving credit facility with a syndicate of banks led by Capital One, National Association to increase the with an aggregate principal amount of availability thereunder from $500 million to of $800 million (as amended, the (the "Capital One Line of Credit") and extend the maturity date from July 15, 2024 to May 5, 2028. At GPMP's GPMP's request, availability under the Capital One Line of Credit can be increased up to $1.0 billion, subject to obtaining additional financing commitments from current lenders or from other banks, and subject to certain other terms as detailed in the Capital One Line of Credit. On March 26, 2024, GPMP, Capital One and the guarantors and lenders party thereto entered into an amendment to the Capital One Line of Credit, which facilitated the borrowing and use of up to $36.5 million of the Capital One Line of Credit for the settlement of the Installment Payments as provided for in the TEG Purchase Agreement Amendment as defined in Note 4. The other material terms of the Capital One Line of Credit remain unchanged.

Table of Contents

M&T Bank Credit Agreement

On September 28, 2023, January 31,2024, GPM amended its entered into an additional term loan under the credit agreement with M&T Bank for the purchase of real estate for $5.1 million, resulting in an aggregate original principal amount of real estate loans of $49.5 million as of March 31, 2024 (the "M&T Credit Agreement" Term Loans") to increase the line of credit for purchases of equipment thereunder from $20.0 million to $45.0 million, which may be borrowed in tranches, advanced until September 28, 2026. Concurrent with entry into such amendment, GPM borrowed approximately $4.8 million under the line of credit primarily to purchase certain equipment. The M&T Credit Agreement provides that each additional equipment loan tranche will have Company has granted a term of up to five years from the date it is advanced, payable in equal monthly payments of principal plus interest equal to SOFR (as defined mortgage in the M&T Credit Agreement) plus 2.75%. The equipment loans are secured by the equipment acquired with the proceeds of such loans along with real estate pledged of 50 sites and certain fixtures at these and other sites as collateral to support the M&T for real estate loans. Term Loans.

5. 6. Leases

As of September 30, 2023 March 31, 2024, the Company leased 1,289 1,266 of the convenience stores that it operates, 209 207 dealer locations, 156 155 cardlock locations and certain office and storage spaces, including land and buildings in certain cases. Most of the lease agreements are for long-term periods, ranging from 15 to 20 years, and generally include several renewal options for extension periods for five to 25 years each. Additionally, the Company leases certain store equipment, office equipment, automatic tank gauges and fuel dispensers.

The components of lease cost recorded on the condensed consolidated statements of operations were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Finance lease cost:				
Depreciation of right-of-use assets	$ 2,695	$ 3,020	$ 8,333	$ 9,104
Interest on lease liabilities	4,229	4,226	12,533	12,857
Operating lease costs included in store operating expenses	46,939	36,758	134,275	105,411
Operating lease costs included in general and administrative expenses	553	473	1,674	1,211
Lease cost related to variable lease payments, short-term leases and leases of low value assets	556	602	1,957	1,815
Right-of-use asset impairment charges and loss on disposals of leases	2,019	911	3,473	911
Total lease costs	$ 56,991	$ 45,990	$ 162,245	$ 131,309

Supplemental balance sheet data related to leases was as follows:

	September 30, 2023	December 31, 2022
	(in thousands)	
Operating leases		
Weighted average remaining lease term (in years)	14.2	14.1
Weighted average discount rate	7.8 %	7.7 %
Financing leases		
Weighted average remaining lease term (in years)	22.1	23.4
Weighted average discount rate	7.2 %	7.2 %

Table of Contents

As of September 30, 2023, maturities of lease liabilities for operating lease obligations and financing lease obligations having an initial or remaining non-cancelable lease terms in excess of one year were presented in the table below. The minimum lease payments presented below include periods where an option is reasonably certain to be exercised and do not take into consideration any futureconsumer price index adjustments for these agreements.

	Operating		Financing	
	(in thousands)			
October 2023 through September 2024	$	175,877	$	26,233
October 2024 through September 2025		177,272		27,100
October 2025 through September 2026		177,298		20,814
October 2026 through September 2027		174,992		20,777
October 2027 through September 2028		170,208		21,005
Thereafter		1,662,918		409,024
Gross lease payments	$	2,538,565	$	524,953
Less: imputed interest		(1,058,523)		(287,316)
Total lease liabilities	$	1,480,042	$	237,637

	For the Three Months Ended March 31,			
	2024		2023	
	(in thousands)			
Finance lease cost:				
Depreciation of right-of-use assets	$	2,452	$	2,853
Interest on lease liabilities		4,300		4,162
Operating lease costs included in site operating expenses		46,675		41,584
Operating lease costs included in general and administrative expenses		538		534
Lease cost related to variable lease payments, short-term leases and leases of low value assets		628		690
Right-of-use asset impairment charges and loss (gain) on disposals of leases		1,536		(540)
Total lease costs	$	56,129	$	49,283

6. 7. Financial Derivative Instruments

The Company makes limited use of derivative instruments (futures contracts) to manage certain risks related to diesel fuel prices. The Company does not hold any derivatives for speculative purposes, and it does not use derivatives with leveraged or complex features. The Company currently uses derivative instruments that are traded primarily over national exchanges such as the New York Mercantile Exchange (“NYMEX”). For accounting purposes, the Company has designated its derivative contracts as fair value hedges of firm commitments.

As of September 30, 2023 March 31, 2024 and December 31, 2023, the Company had fuel futures contracts in place to hedge approximately 1.8 1.3 million gallons and 1.2 million gallons, respectively, of diesel fuel for which the Company had a firm commitment to purchase. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had an asset derivatives derivative with a fair values value of approximately $0.05 0.1 million and $0.5 0.1 million, respectively, recorded in other current assets and a firm commitments commitment with a fair values value of approximately $0.05 0.1 million and $0.5 0.1 million, respectively, recorded in other current liabilities on the condensed consolidated balance sheets.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there was $0.05 3.0 million thousand and $0.5 0 million, , respectively, of cash collateral provided to counterparties that was classified as restricted cash on the condensed consolidated balance sheet. All cash flows associated with purchasing and selling fuel derivative instruments are classified as other operating activities, net cash flows in the condensed consolidated statements of cash flows.

7. 8. Equity

The Company's board of directors (the "Board") declared, and the Company paid, dividends of $0.03 per share of common stock on each of March 21, 2023, June 1, 2023 and September 1, 2023 March 21, 2024, totaling approximately $10.8 3.6 million in the nine months ended September 30, 2023. million. The amount and timing of dividends payable on the common stock are within the sole discretion of the Board, which will evaluate dividend payments within the context of the Company's overall capital allocation strategy on an ongoing basis, giving consideration to its current and forecast forecasted earnings, financial condition, cash requirements and other factors. As a result of the aggregate amount of dividends paid on the common stock through September 30, 2023 March 31, 2024, the conversion price of the Company's Series A convertible preferred stock has been adjusted from $12.00 to $11.82 11.76 per share, as

Table of Contents

were the threshold share prices in the Deferred Shares agreement (as defined in Note 10) 17 to the annual financial statements). The Board declared a quarterly dividend of $0.03 per share of common stock, to be paid on December 1, 2023 May 31, 2024 to stockholders of record as of November 17, 2023 May 20, 2024.

In February 2022, the Board authorized a share repurchase program, which was later increased in May 2023, for up to an aggregate of $50 100.0 million of outstanding shares of common stock and in stock. In May 2023, 2024, the Board increased the size of the share repurchase program to $100.0 125.0 million. The share repurchase program does not have an expiration date. In During the three and nine months ended September 30, 2023 March 31, 2024, inclusive of the repurchase of the First Installment Shares from TEG, the Company repurchased approximately 1.5 million and 3.1 4.8 million shares of common stock respectively, under the share repurchase program for approximately $11.6 million and $23.5 28.3 million, or an average share price of $7.53 5.89. As of March 31, 2024, there was $0.7 and $7.55, respectively. million remaining under the share repurchase program.

8. 9. Share-Based Compensation

The Compensation Committee of the Board has approved the grant of non-qualified stock options, restricted stock units ("RSUs"), and shares of common stock to certain employees, non-employees and members of the Board under the ARKO Corp. 2020 Incentive Compensation Plan (the "Plan"). Stock options granted under the Plan expire no later than ten years from the date of grant and the

Table of Contents

exercise price may not be less than the fair market value of the underlying shares on the date of grant. Vesting periods are assigned to stock options and restricted share units RSUs on a grant-by-grant basis at the discretion of the Board. The Company issues new shares of common stock upon exercise of stock options and vesting of RSUs.

Additionally, a non-employee director may receive RSUs in lieu of up to 100% of his or her cash fees, which are vested immediately and which RSUs will be settled in common stock upon the director's departure from the Board or an earlier change in control of the Company.

Stock Options

The following table summarizes share activity related to stock options:

	Stock Options	Weighted Average Exercise Price	Weighted Average Fair Value	Remaining Average Contractual Term (Years)	Aggregate Intrinsic Value
	(in thousands)				(in thousands)
Options Outstanding, December 31, 2022	897	$ 9.24		9.0	$ 77
Granted	409	8.58	3.27		
Options Outstanding, September 30, 2023	1,306	$ 9.03		8.6	$ —

The aggregate intrinsic value is During the difference between the exercise price and the closing price of the Company's common stock on September 30, 2023 and December 31, 2022.

In the nine three months ended September 30, 2023 March 31, 2024, 352 447 thousand stock options vested. There was no other activity related to stock options during the three months ended March 31, 2024.

As of September 30, 2023 March 31, 2024, total unrecognized compensation cost related to unvested stock options was approximately $1.9 1.3 million, which is expected to be recognized over a weighted average period of approximately 1.9 1.6 years.

The fair value of each stock option award is estimated by management on the date of the grant using the Black-Scholes option pricing model. The following table summarizes the assumptions utilized in the valuation of the stock option awards granted in the nine months ended September 30, 2023:

Expected dividend rate	1.4 %
Expected stock price volatility	28.8 %
Risk-free interest rate	4.0 %
Expected term of options (years)	10.0

The expected stock price volatility is based on the historical volatility of the Company's stock price plus the Company's peer group's stock price for the period prior to the Company's listing on Nasdaq. The volatilities are estimated for a period of time equal to the expected term of the related option. The risk-free interest rate is based on the implied yield of U.S. Treasury zero-coupon issues with an equivalent remaining term. The expected term of the options represents the estimated period of time until exercise and is determined by considering the contractual terms, vesting schedule and expectations of future employee behavior.

Restricted Stock Units

The following table summarizes share activity related to RSUs:

	Restricted Stock Units (in thousands)	Weighted Average Grant Date Fair Value	Restricted Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Nonvested RSUs, December 31, 2022	3,115	$ 8.90		
Nonvested RSUs, December 31, 2023			3,869	$ 8.65
Granted	1,750	8.39	2,621	6.48
Released	(630)	8.97	(1,426)	9.16
Forfeited	(37)	9.22	(79)	4.80
Performance-based share adjustment	144	8.13		
Nonvested RSUs, September 30, 2023	4,342	$ 8.66		
Nonvested RSUs, March 31, 2024			4,985	$ 7.42

InDuring the nine three months ended September 30, 2023 March 31, 2024, 125,246 48,406 RSUs were issued to non-employee directors. These awards are included in the table above under restricted stock both Granted and Released units. There In addition to the Nonvested RSUs shown in the table above, there were 287,332 301,956 and 198,170 303,850 RSUs issued to non-employee directors outstanding as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Table of Contents

The fair value of RSUs released during the nine three months ended September 30, 2023 March 31, 2024 was approximately $5.4 11.0 million.

In During the nine three months ended September 30, 2023 March 31, 2024, the Company granted a target of 1,134,280 1,505,244 performance-based RSUs ("PSUs"), which, subject to achieving certain performance criteria, could result in the issuance of up to 2,257,866 shares of common stock (i.e., 150% of the number of PSUs granted). The PSUs were awarded to certain members of senior management and provide for cliff vesting, generally vest at the end of a three-year period, subject to the achievement of specific key financial metrics performance criteria measured over such period. The number of PSUs that which will ultimately vest is contingent upon the achievement of these key financial metrics at recipient continuing to be in the end continuous service of the relevant Company and related entities through the last day of the performance period. period and that the Compensation Committee of the Board determines the performance criteria has been met and certifies the extent to which they have been met. The Company assesses the probability of achieving these metrics the performance criteria on a quarterly basis.

Given the Company's strong performance in 2022, in In the first quarter of 2023, 2024, the Compensation Committee of the Board approved the adjustment performance criteria

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Table of Contents

for the performance criteria for 2022 period ended December 31, 2023 such that the percentage of PSUs that vest vested with respect to the target amount for 2022 would be 125% instead of the 2021 PSU grants was 100% and would be applied to all PSUs granted as part of the 2021 and 2022 long-term incentives. As a result, the number of PSUs was adjusted for the probability of achieving these metrics, resulting in additional expense of $0.1 million being recorded in the first quarter of 2023, based on the fair value at the adjustment approval date. For PSUs with market conditions, the Company recognizes the fair value expense ratably over the performance and vesting period. .

As of September 30, 2023 March 31, 2024, total unrecognized compensation cost related to RSUs and PSUs was approximately $19.3 27.4 million, which is expected to be recognized over a weighted average period of approximately 1.8 2.3 years.

Share-Based Compensation Cost

Total share-based compensation cost recorded collectively for employees, non-employees and members of the Board for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 was $4.6 million, $3.1 million, $13.2 3.3 million and $9.0 4.1 million, respectively, and included in general and administrative expenses on the condensed consolidated statements of operations.

9. 10. Earnings per Share

The following table sets forth the computation of basic and diluted net income loss per share of common stock:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Net income available to common stockholders	$ 19,991	$ 23,494	$ 28,990	$ 54,635
Dividends on redeemable preferred stock	—	1,449	—	—
Changes in fair value of Ares Put Option (See Note 10)	—	(2,425)	—	(1,894)
Net income available to common stockholders after assumed conversions	$ 19,991	$ 22,518	$ 28,990	$ 52,741

Weighted average common shares outstanding — Basic	118,389	120,074	119,505	121,950
Effect of dilutive securities:				
Restricted share units	1,903	1,182	1,097	618
Ares Put Option	—	757	—	959
Redeemable preferred stock	—	8,375	—	—
Weighted average common shares outstanding — Diluted	120,292	130,388	120,602	123,527
Net income per share available to common stockholders — Basic	$ 0.17	$ 0.20	$ 0.24	$ 0.45
Net income per share available to common stockholders — Diluted	$ 0.17	$ 0.17	$ 0.24	$ 0.43

	For the Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Net loss available to common stockholders	$ (2,008)	$ (3,998)
Weighted average common shares outstanding — Basic and Diluted	117,275	120,253
Net loss per share available to common stockholders — Basic and Diluted	$ (0.02)	$ (0.03)

The following potential shares of common stock have been excluded from the computation of diluted net income loss per share because their effect would have been antidilutive:

	As of September 30,		As of March 31,	
	2023	2022	2024	2023
	(in thousands)		(in thousands)	
Stock options	1,306	897	1,306	1,306
Ares warrants	1,100	1,100	1,100	1,100
Public and Private warrants	17,333	17,333	17,333	17,333
Series A redeemable preferred stock			8,503	8,418
RSUs and PSUs			5,287	4,582
Ares Put Option			—	*

Table of Contents

The effect of * See Note 10 to the potential shares of common stock issuable upon conversion of the redeemable preferred stock was antidilutive for the three months ended September 30, 2023 and the nine months ended September 30, 2023 and 2022, and such shares were excluded from the computation of diluted net income per share. annual financial statements.

10. 11. Fair Value Measurements and Financial Instruments

The fair value of cash and cash equivalents, restricted cash, short-term investments, trade receivables, accounts payable and other current liabilities approximated their carrying values as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 primarily due to the short-term maturity of these instruments. On October 21, 2021, the Company completed a private offering of $450 million aggregate principal amount of 5.125% Senior Notes due 2029 (the “Senior Notes”). Based on market trades of the Senior Notes close to September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (Level 1 fair value measurement), the fair value of the Senior Notes was estimated at approximately $365.1 373.9 million and $354.7 391.8 million, respectively, compared to a gross carrying value of $450 million at September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023. The fair value values of the other long-term debt approximated their respective carrying values as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 due to the frequency with which interest rates are reset based on changes in prevailing interest rates. The fair value of fuel futures contracts was determined using NYMEX quoted values.

The contingent consideration from the acquisition of the business of Empire Petroleum Partners, LLC is measured at fair value at the end of each reporting period and amounted to $3.3 3.5 million and $3.7 3.4 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The fair value methodology for the contingent consideration liability is categorized as Level 3 because inputs to the valuation methodology are unobservable and significant to the fair value adjustment. Approximately $0.1 million $0.1 million, $0.3 million and $(0.3) million were was recorded as components of interest and other financial expenses (income) in the condensed consolidated statements of operations for the change in the fair value of the contingent consideration for each of the three and nine months ended September 30, 2023 March 31, 2024 and 2022, respectively, 2023, and approximately $1.0 0.02 million $(

1.6

) million, $(16

[0.7 Table of Contents]

) million

and $(2.1 0.7) million of expenses (income) were recorded as components of other expenses, net in the condensed consolidated statements of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

The public warrants to purchase the Company’s common stock (the “Public Warrants”), of which approximately 14.8 million were outstanding as of September 30, 2023 March 31, 2024, are measured at fair value at the end of each reporting period and amounted to $15.8 7.4 million and $25.9 16.3 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The fair value methodology for the Public Warrants is categorized as Level 1. Approximately $(6.2) million, $5.3 9.0 million, $(10.1) million and $0.1 3.8 million were recorded as components of interest and other financial (income) expenses income in the condensed consolidated statements of operations for the change in the fair value of the Public Warrants for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

The private warrants to purchase the Company's common stock (the "Private Warrants"), of which approximately 2.5 million were outstanding as of September 30, 2023 March 31, 2024, are measured at fair value at the end of each reporting period and amounted to $2.4 0.9 million and $4.5 2.5 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The fair value methodology for the Private Warrants is categorized as Level 2 because certain inputs to the valuation methodology are unobservable and significant to the fair value adjustment. The Private Warrants have been recorded at fair value based on a Black-Scholes option pricing model with the following material assumptions based on observable and unobservable inputs:

	September 30, 2023	March 31, 2024
Expected term (in years)	2.2	1.7
Expected dividend rate	1.7 %	2.1 %
Volatility	45.3 %	48.3 %
Risk-free interest rate	5.0 %	4.7 %
Strike price	$ 11.50	$ 11.50

For the change in the fair value of the Private Warrants, approximately $(1.1) million, $1.1 1.5 million, $(2.1) million and $0.3 1.0 million were recorded as components of interest and other financial (income) expenses income in the condensed consolidated statements of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

The founders of Haymaker Founders (as defined in Note 17 11 to the annual financial statements) will be entitled to up to 200 thousand shares of common stock to be issued subject to the number of incremental shares of common stock issued to the holders of the Series A redeemable preferred stock not being higher than certain thresholds (the "Deferred "Additional Deferred Shares"). The Additional Deferred Shares are measured at fair value at the end of each reporting period and amounted to $1.2 0.9 million and $1.4 1.3 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The fair value methodology for the Additional Deferred Shares is categorized as Level 3 because inputs to the valuation

Table of Contents

methodology are unobservable and significant to the fair value adjustment. The Additional Deferred Shares have been recorded at fair value based on a Monte Carlo pricing model with the following material assumptions based on observable and unobservable inputs:

	September 30, 2023	March 31, 2024
Expected term (in years)	3.7	3.2

Volatility	36.2 %	34.6 %
Risk-free interest rate	4.7 %	4.4 %
Stock price	$ 7.15	$ 5.70

Approximately $(0.1) million, $0.2 million, $(0.3) million and $0 were recorded as components of interest and other financial (income) expenses in the condensed consolidated statements of operations for For the change in the fair value of the Additional Deferred Shares, for the three and nine months ended September 30, 2023 and 2022, respectively. a

The Company entered into an agreement with Ares Capital Corporation ("Ares") and certain of its affiliates (the "Ares Put Option"), which guaranteed Ares a value of approximately pproximately $27.3 million (including all dividend payments received by Ares) at the end of February 2023 for the shares of common stock that the Company issued in consideration for its acquisition in December 2020 of equity in GPM (the "Ares Shares"). The Company and Ares agreed that in lieu of the Company issuing to Ares additional shares of common stock in accordance with the Ares Put Option or purchasing the Ares Shares, Ares would retain the Ares Shares, and the Company would pay approximately $9.8 million in cash to Ares in full satisfaction of the Company's obligations related to the Ares Put Option. The Company made this payment on April 14, 2023, and the Ares Put Option terminated. The Ares Put Option had been measured at fair value at the end of each reporting period and amounted to $8.6 million as of December 31, 2022.

Approximately $0, $(2.4) million, $1.2 0.4 million and $($1.9 0.1) million were recorded as components of interest and other financial (income) expenses income in the condensed consolidated statements of operations for the change in the fair value of the Ares Put Option for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

11. 12. Segment Reporting

The reportable segments were determined based on information reviewed by the chief operating decision maker for operational decision-making purposes, and the segment information is prepared on the same basis that the Company's chief operating decision maker reviews such financial information. The Company's reportable segments are retail, wholesale, fleet fueling and GPMP. The Company defines segment earnings as operating income.

The retail segment includes the operation of a chain of retail stores, which includes convenience stores selling fuel products and other merchandise to retail customers. At its Company operated retail convenience stores, the Company owns the merchandise and fuel inventory and employs personnel to manage the store.

[Table of Contents](#)

The wholesale segment supplies fuel to dealers, sub-wholesalers and bulk and spot purchasers, on either a cost plus or consignment basis. For consignment arrangements, the Company retains ownership of the fuel inventory at the site, is responsible for the pricing of the fuel to the end consumer, and shares the gross profit with the dealers.

The fleet fueling segment includes the operation of proprietary and third-party cardlock locations (unstaffed fueling locations), and commissions from the sales of fuel using proprietary fuel cards that provide customers access to a nationwide network of fueling sites.

The GPMP segment includes GPMP and primarily includes its sale and supply of fuel to GPM and its subsidiaries related to substantially all of its GPM’s sites that sell fuel in the retail and wholesale segments, at GPMP’s cost of fuel (including taxes and transportation) plus a fixed margin (currently 5.0 cents per gallon), and charges a fixed fee primarily to sites in the fleet fueling segment and certain Company sites which are not supplied by GPMP (currently 5.0 cents per gallon sold). GPMP also supplies fuel to a small limited number of dealers and bulk and spot purchasers.

The “All Other” segment includes the results of non-reportable segments which do not meet both quantitative and qualitative criteria as defined under ASC 280, Segment Reporting. The Company revised the composition of the “All Other” segment in the third quarter of 2022 in conjunction with the closing of the Quarles Acquisition.

The majority of general and administrative expenses, depreciation and amortization, net other expenses, net interest and other financial expenses, income taxes and minor other income items including intercompany operating leases are not allocated to the segments.

Table of Contents

With the exception of goodwill, assets and liabilities relevant to the reportable segments are not assigned to any particular segment, but rather, managed at the consolidated level. All reportable segment revenues were generated from sites within the U.S. and substantially all of the Company’s assets were within the U.S.

Inter-segment transactions primarily included the distribution of fuel by GPMP to GPM and substantially all of its GPM’s sites that sell fuel (both in the retail and wholesale segments) and charges by GPMP primarily to sites that sell fuel in the fleet fueling segment and certain Company sites which are not supplied by GPMP. The effect of these inter-segment transactions was eliminated in the condensed consolidated financial statements.

	Retail	Wholesale	Fleet Fueling	GPMP	All Other	Total	Retail	Wholesale	Fleet Fueling	GPMP	All Other	Total
For the Three Months Ended September 30, 2023			**(in thousands)**									

For the Three Months Ended March 31, 2024							For the Three Months Ended March 31, 2024					
										(in thousands)		
Revenues												
Fuel revenue	$ 1,086,405	$ 843,891	$ 145,496	$ 1,044	$ 9,556	$ 2,086,392	$ 824,428	$ 664,514	$ 132,193	$ 1,205	$ 8,992	$ 1,631,332
Merchandise revenue	506,425	—	—	—	—	506,425	414,655	—	—	—	—	414,655
Other revenues, net	19,750	6,265	2,575	253	394	29,237	16,679	6,858	2,385	207	338	26,467
Total revenues from external customers	1,612,580	850,156	148,071	1,297	9,950	2,622,054	1,255,762	671,372	134,578	1,412	9,330	2,072,454

Inter-segment	—	—	—	1,472,316	6,241	1,478,557	—	—	—	1,102,541	5,253	1,107,794
Total revenues from reportable segments	1,612,580	850,156	148,071	1,473,613	16,191	4,100,611						
Operating income	81,504	10,026	8,828	27,016	(521)	126,853						
Total revenues from segments							1,255,762	671,372	134,578	1,103,953	14,583	3,180,248
Operating income (loss)							33,767	6,960	7,977	23,327	(2)	72,029
Interest and financial expenses, net				(8,836)	—	(8,836)				(6,528)	—	(6,528)

Loss from equity investment					(14)	(14)								
Income from equity investment													22	22
Net income from segments	**Net income from segments**					$ 118,003	**Net income from segments**							$ 65,523

	Retail	Wholesale	Fleet Fueling	GPMP	All Other	Total		Retail	Wholesale	Fleet Fueling	GPMP	All Other	Total
For the Three Months Ended September 30, 2022			(in thousands)										
For the Three Months Ended March 31, 2023							**For the Three Months Ended March 31, 2023**			(in thousands)			
Revenues													

Fuel revenue	$ 1,028,323	$ 827,436	$ 120,813	$ 1,437	$ 1,565	$ 1,979,574	$ 843,473	$ 684,848	$ 127,494	$ 741	$ 5,108	$ 1,661,664
Merchandise revenue	445,822	—	—	—	—	445,822	400,408	—	—	—	—	400,408
Other revenues, net	16,651	5,693	923	261	723	24,251	18,555	6,491	951	170	257	26,424
Total revenues from external customers	1,490,796	833,129	121,736	1,698	2,288	2,449,647	1,262,436	691,339	128,445	911	5,365	2,088,496
Inter-segment	—	—	—	1,445,072	857	1,445,929	—	—	—	1,142,622	3,058	1,145,680

Total revenues from reportable segments	1,490,796	833,129	121,736	1,446,770	3,145	3,895,576
Total revenues from segments	1,262,436	691,339	128,445	1,143,533	8,423	3,234,176
Operating income	84,849	10,459	6,629	23,388	245	125,570
	41,631	7,550	8,424	22,622	324	80,551
Interest and financial expenses, net				(3,209)	—	(3,209)
				(5,250)	—	(5,250)
Loss from equity investment					(44)	(44)
					(36)	(36)
Net income from segments						$ 122,317
						$ 75,265

	Retail	Wholesale	Fleet Fueling	GPMP	All Other	Total

For the Nine Months Ended September 30, 2023			(in thousands)			
Revenues						
Fuel revenue	$ 2,945,243	$ 2,339,878	$ 394,136	$ 2,842	$ 23,057	$ 5,705,156
Merchandise revenue	1,391,274	—	—	—	—	1,391,274
Other revenues, net	57,302	18,866	5,202	700	1,071	83,141
Total revenues from external customers	4,393,819	2,358,744	399,338	3,542	24,128	7,179,571
Inter-segment	—	—	—	3,981,724	13,844	3,995,568
Total revenues from reportable segments	4,393,819	2,358,744	399,338	3,985,266	37,972	11,175,139
Operating income	200,992	24,343	26,596	76,646	(59)	328,518
Interest and financial expenses, net				(20,926)	—	(20,926)
Loss from equity investment					(77)	(77)
Net income from segments						$ 307,515

[Table of Contents](#)

	Retail	Wholesale	Fleet Fueling	GPMP	All Other	Total
For the Nine Months Ended September 30, 2022			(in thousands)			
Revenues						
Fuel revenue	$ 3,000,839	$ 2,521,567	$ 120,813	$ 4,170	$ 1,565	$ 5,648,954
Merchandise revenue	1,244,558	—	—	—	—	1,244,558
Other revenues, net	49,642	17,148	923	773	723	69,209
Total revenues from external customers	4,295,039	2,538,715	121,736	4,943	2,288	6,962,721
Inter-segment	—	—	—	4,459,036	1,461	4,460,497
Total revenues from reportable segments	4,295,039	2,538,715	121,736	4,463,979	3,749	11,423,218
Operating income	202,375	27,658	6,629	65,794	849	303,305

Interest and financial expenses, net	(7,473)	—	(7,473)
Income tax benefit		177	177
Loss from equity investment		(7)	(7)
Net income from segments			$ 296,002

A reconciliation of total revenues from reportable segments to total revenues on the condensed consolidated statements of operations was as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	
Total revenues from segments	$ 4,100,611	$ 3,895,576	$ 11,175,139	$ 11,423,218	$ 3,180,248	$ 3,234,176
Elimination of inter-segment revenues	(1,478,557)	(1,445,929)	(3,995,568)	(4,460,497)	(1,107,794)	(1,145,680)
Total revenues	$ 2,622,054	$ 2,449,647	$ 7,179,571	$ 6,962,721	$ 2,072,454	$ 2,088,496

A reconciliation of net income from reportable segments to net income on the condensed consolidated statements of operations was as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	
Net income from segments	$ 118,003	$ 122,317	$ 307,515	$ 296,002	$ 65,523	$ 75,265
Amounts not allocated to segments:						
Store operating expenses	(3,760)	576	(10,041)	1,907		
Site operating expenses					(3,350)	(2,677)
General and administrative expenses	(43,262)	(35,245)	(124,785)	(98,521)	(41,197)	(39,644)
Depreciation and amortization	(31,872)	(24,218)	(89,424)	(69,523)	(29,872)	(26,557)

Other expenses, net	(3,885)	(951)	(11,561)	(3,269)	(2,476)	(2,720)
Interest and other financial expenses, net	(5,743)	(16,587)	(27,415)	(36,241)		
Income tax expense	(7,993)	(20,898)	(10,849)	(31,237)		
Net income	$ 21,488	$ 24,994	$ 33,440	$ 59,118		
Interest and other financial income (expenses), net					4,071	(8,352)
Income tax benefit					6,707	2,158
Net loss					$ (594)	$ (2,527)

12. 13. Commitments and Contingencies

Environmental Liabilities and Contingencies

The Company is subject to certain federal and state environmental laws and regulations associated with sites at which it stores and sells fuel and other fuel products, as well as at owned and leased locations leased or subleased to dealers. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, environmental obligations totaled $14.1 12.7 million and $12.1 13.4 million, respectively. These amounts were recorded as other current and non-current liabilities in the condensed consolidated balance sheets. Environmental reserves have been established on an undiscounted basis based upon internal and external estimates in regard to each site. It is reasonably possible that these amounts will be adjusted in the future due to changes in estimates of environmental remediation costs, the timing of the payments or changes in federal and/or state environmental regulations.

The Company maintains certain environmental insurance policies and participates in various state underground storage tank funds that entitle it to be reimbursed for environmental loss mitigation. Estimated amounts that will be recovered from its insurance policies and various state funds for the exposures totaled $7.6 7.1 million and $4.9 7.5 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and were recorded as other current and non-current assets in the condensed consolidated balance sheets.

Asset Retirement Obligation

As part of the fuel operations at its operated retail convenience stores, at most of the other owned and leased locations leased to dealers, certain other dealer locations and proprietary cardlock locations, there are aboveground and underground storage tanks for which the Company is responsible. The future cost to remove a storage tank is recognized over the estimated remaining useful life of the storage tank or the termination of the applicable lease. A liability for the fair value of an asset retirement obligation with a corresponding increase to the carrying value of the related long-lived asset is recorded at the time a storage tank is installed. The estimated liability is based upon historical experience in removing storage tanks, estimated tank useful lives, external estimates as to the cost to remove the tanks in the future and current and anticipated federal and state regulatory requirements governing the removal of tanks, and discounted. The Company has recorded an asset retirement obligation of $81.0 85.7 million and $65.3 85.4 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The current portion of the asset retirement obligation is included in other current liabilities in the condensed consolidated balance sheets.

Program Agreement

On May 2, 2023, GPM, together with Oak Street, entered into a third amendment to the Program Agreement, which, among other things, (i) extended the term 19

Table of the Program Agreement and the exclusivity period thereunder through September 30, 2024 and (ii) provides for up to $ Contents 1.5 billion of capacity under the Program Agreement from the date of the third amendment through September 30, 2024, not including the funding for the WTG Acquisition.

Legal Matters

The Company is a party to various legal actions, as both plaintiff and defendant, in the ordinary course of business. The Company's management believes, based on estimations with support from legal counsel for these matters, that these legal actions are routine in nature and incidental to the operation of the Company's business and that it is not reasonably possible that the ultimate resolution of these matters will have a material adverse impact on the Company's business, financial condition, results of operations and cash flows.

13. 14. Related Party Transactions

There have been no material changes to the description of related party transactions as set forth in the annual financial statements.

15. Subsequent Events

SpeedyQ Acquisition

On April 9, 2024, the Company acquired certain assets from a third-party, including 21 SpeedyQ Markets convenience stores and eight additional landbank sites located in Michigan, pursuant to a purchase agreement entered into on November 21, 2023 (the "Purchase Agreement"). The consideration at closing was approximately $52.7 million as adjusted in accordance with terms of the Purchase Agreement, plus the value of cash and inventory in the stores on the closing date, of which $6.0 million was financed with the Capital One Line of Credit and approximately $45.0 million was paid for fee simple ownership in 19 of the properties by an affiliate of Oak Street Real Estate Capital Net Lease Property Fund, LP (including its affiliates, "Oak Street") under the standby real estate purchase, designation and lease program agreement (the "Program Agreement") (as further described in Note 8 to the annual financial statements). At the closing, pursuant to the Program Agreement, the Company entered into a master lease with Oak Street for the sites Oak Street acquired under customary lease terms. The Company leases one site from the seller, for which the seller received a put right to require the Company to purchase the site and the Company received a call right to require the seller to sell the site, both for a purchase price of $7.0 million, subject to terms set forth in the Purchase Agreement.

Table of Contents

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read this discussion together with the unaudited Condensed Consolidated Financial Statements, related notes, and other financial information included elsewhere in this Quarterly Report on Form 10-Q together with our audited consolidated financial statements, related notes, and other information contained in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "Form 10-K"). The following discussion contains assumptions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors," in Part I, Item 1A of the Form 10-K and in Part II, Item 1A of this Quarterly Report on Form 10-Q and as described from time to time in our other filings with the Securities and Exchange Commission. These risks could cause our actual results to differ materially from those anticipated in these forward-looking statements.

Overview

ARKO Corp. was incorporated under the laws of Delaware on August 26, 2020. Our shares of common stock, $0.0001 par value per share ("common stock"), and publicly-traded warrants are listed on the Nasdaq Stock Market ("Nasdaq") and trade under the symbols "ARKO" and "ARKOW," respectively. Our wholly owned subsidiary, GPM Investments, LLC, a Delaware limited liability company that was formed on June 12, 2002, which we refer to as GPM, is our primary operating entity and our indirect wholly owned subsidiary. entity.

Based in Richmond, VA, we are a leading independent convenience store operator and, as of September 30, 2023 March 31, 2024, we were the sixth largest convenience store chain in the United States ("U.S.") ranked by store count, operating 1,552 1,540 retail convenience stores. As of September 30, 2023 March 31, 2024, we operated the stores under more than 25 regional store brands including 1-Stop, Admiral, Apple Market®, BreadBox, Corner Mart, Dixie Mart, ExpressStop, E-Z Mart®, fas mart®, fastmarket®, Flash Market, Handy Mart, Jetz, Jiffi Stop®, Jiffy Stop, Li'l Cricket, Market Express, Next Door Store®, Pride, Roadrunner Markets, Rose Mart, Rstore, Scotchman®, shore stop®, Speedy's, Town Star, Uncle's, Village Pantry® and Young's. As of September 30, 2023 March 31, 2024, we also supplied fuel to 1,825 1,816 dealers and operated 295 296 cardlock locations (unstaffed fueling locations). We are well diversified geographically and as of September 30, 2023 March 31, 2024, operated in the District of Columbia and more than 30 states and the District of Columbia in the Mid-Atlantic, Midwestern, Northeastern, Southeastern and Southwestern U.S.

Our primary business is the operation of convenience stores. As such, stores, and we derive generate a significant portion of our revenue from the retail sale of products and fuel and the products offered in at our stores, resulting in stores. Consequently, our retail stores generating generate a large proportion of our profitability. We focus our marketing and merchandising initiatives at our retail stores on offering our customers an assortment of products with an attractive value proposition. Our retail stores offer offering includes a wide array of cold and hot foodservice, beverages, cigarettes and other tobacco products, candy, salty snacks, grocery, beer and general merchandise. We have foodservice offerings at approximately 1,260 company-operated stores. The foodservice category includes stores, which include hot and fresh grab-n-go foods, deli, fried chicken, bakery, pizza, roller grill items and other prepared foods. In addition, the first quarter of 2024, we launched an extensive new pizza program that offers private label pizza, at an attractive value of $4.99 for enrolled loyalty members. We currently offer our private label pizza at approximately 1,085 stores we operate as take-and-bake from the freezer, and as fresh and hot pizza either whole or by the slice at approximately 150 branded 225 stores. We supplement our foodservice offering with approximately 130 quick service restaurants consisting of major national brands. We have 18 Sbarro, the Original New York Pizza, locations brand restaurants. Relevant and delicious food offerings are currently working a key strategic priority for us, and we expect to maintain a high degree of focus on additional frozen grab-n-go and enhanced hot food offerings. capabilities. Additionally, we provide a number of traditional convenience store services, that generate additional income, including lottery, prepaid products, gift cards, money orders, ATMs, gaming, and other ancillary product and service offerings. We also generate revenues from car washes at approximately 90 95 of our locations.

Our high value We had approximated 2.09 million enrolled members in our fas REWARDS® loyalty program has reached approximately 1.85 million enrolled members, an increase at the end of more than 365,000 enrolled members in the third quarter of 2023, and an increase of approximately 50% in our enrolled membership compared to September 30, 2022, with a material enrollment uptick during the second and third quarters of 2023 after launching our new fas REWARDS app in the first quarter of 2023 and launching a special $10 enrollment promotion commencing in mid-May 2023 through September 2024, representing an increase of 54.1% from the end of the first quarter of 2023. Our fas REWARDS® loyalty program is available in the majority of our stores and offers enrolled loyalty members in store exclusive promotional pricing, in-app member only HOT deals not available in stores, as well as the ability to earn points that can be redeemed for either fuel or merchandise savings. Other in-app features include order and delivery, age verified offers on tobacco and alcohol, and a store locator with current gas prices at GPM stores close nearby to members.

We also derive generate revenue from the our wholesale distribution of fuel and the sale of fuel at cardlock locations, and we earn commissions from the sales of fuel using proprietary fuel cards that provide customers access to a nationwide network of fueling sites. We believe these revenues result in provide stable, ratable cash flows which that, together with free cash flow from our retail activity segment, can quickly be deployed to pursue accretive acquisitions and investments in our retail stores. Additionally, these locations contribute The wholesale segment adds significant fuel volumes to our overall size, robust retail fuel sales, which leads to economies we believe enhances our purchasing power for our entire platform, including our retail segment, and improves our competitiveness as an acquirer of scale with our fuel and merchandise vendors. choice.

Our reportable segments are described below.

Table of Contents

Retail Segment

The Our retail segment includes the operation of a chain of retail stores, which includes convenience stores selling fuel products and other merchandise to retail customers. At our convenience stores, we own the merchandise and fuel inventory and employ personnel to manage the store.

Wholesale Segment

The Our wholesale segment supplies fuel to dealers, on either a consignment or cost plus or consignment basis. For consignment arrangements, we retain ownership of the fuel inventory at the site, are responsible for the pricing of the fuel to the end consumer and share a portion of the gross profit earned from the sale of fuel by the consignment dealers. For cost plus arrangements, we sell fuel to dealers and bulk and spot purchasers on a fixed-fee basis. The sales price to the dealer is determined according to the terms of the relevant agreement with the dealer, which typically reflects our total fuel costs plus the cost of transportation and a margin, with us generally retaining the prompt pay discounts and rebates.

Fleet Fueling Segment

The Our fleet fueling segment includes the operation of proprietary and third-party cardlock locations (unstaffed fueling locations), and issuance of proprietary fuel cards that provide customers access to a nationwide network of fueling sites.

GPMP Segment

The Our GPMP segment includes engages in the operations wholesale distribution of GPM Petroleum LP, referred to as GPMP, which primarily sells and supplies fuel to GPM and substantially all of its subsidiaries our sites that sell fuel in the retail and wholesale segments, as well as to a limited number of third-party dealers and bulk purchasers. GPM Petroleum LP ("GPMP") sells fuel at GPMP's cost of fuel (including taxes and transportation) plus a fixed margin and charges a fixed fee charged primarily to sites in the fleet fueling segment and certain Company sites which are not supplied by GPMP.

Trends Impacting Our Business

We have achieved strong store growth over the last decade, driven primarily by implementing a highly successful acquisition strategy. From strategy, inclusive of 25 completed acquisitions from 2013 through September 30, 2023, we completed 25 acquisitions. On August 15, 2023 March 31, 2024. Recently, on March 1, 2023, we acquired seven company-operated Speedy's 135 convenience stores located in Arkansas and Oklahoma, which were previously gas stations, 181 dealer locations, operated by an independent dealer to which we supplied fuel a commercial, government, and industrial business, and certain distribution and transportation assets from Transit Energy Group, LLC (the "Speedy "TEG Acquisition"). On June 6, 2023, we completed our acquisition from WTG Fuels Holdings, LLC of 24 company-operated Uncle's convenience stores located across Western Texas, 68 proprietary GASCARD-branded cardlock sites and 43 private cardlock sites for fleet fueling operations located in Western Texas and Southeastern New Mexico from WTG Fuels Holdings, LLC (the "WTG Acquisition"). On March 1, 2023 August 15, 2023, we completed our acquisition from Transit Energy Group, LLC of 135 Company-operated acquired seven Speedy's convenience stores located in Arkansas and gas stations, 181 Oklahoma, which were previously locations operated by a dealer locations, a commercial, government, and industrial business, and certain distribution and transportation assets to which we supplied fuel (the "TEG "Speedy's Acquisition" and, together with the WTG TEG Acquisition and the Speedy WTG Acquisition, the "2023 Acquisitions"). For additional information regarding the 2023 Acquisitions, please see Note 3 to our condensed consolidated financial statements contained in this

Quarterly Report on Form 10-Q. In December 2022, we completed our acquisition of Pride Convenience Holdings, LLC, which operated at closing, 31 Pride retail convenience stores and had one store under construction at closing which is now opened (the "Pride Acquisition"), and in July 2022, we completed our acquisition of certain assets from Quarles Petroleum, Incorporated (the "Quarles Acquisition"), which included at closing 121 proprietary Quarles-branded cardlock sites and 63 third-party cardlock sites for fleet fueling operations, and 46 dealer locations (collectively, the "2022 Acquisitions"). Our store count has grown from 320 sites in 2011 to 3,672 sites as of September 30, 2023, of which 1,552 were operated as retail convenience stores, 1,825 were locations at which we supplied fuel to dealers and 295 were cardlock locations. These strategic acquisitions have had, and we expect will may continue to have, a significant impact on our reported results and can make period to period comparisons of results difficult. With

27

[Table of Contents](#)

We believe our achievement of significant size and scale we have enhanced aids our focus on efforts to successfully deploy our organic growth including implementing company-wide marketing and merchandising initiatives, strategies in our acquired assets, which we believe anticipate will result in significant value accretion to our acquired assets. accretion.

The following table provides a history of our acquisitions, site conversions and site closings for the periods noted, for the retail, wholesale and fleet fueling segments:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
Retail Segment	2023	2022	2023	2022	2024	2023
Number of sites at beginning of period	1,547	1,388	1,404	1,406	1,543	1,404
Acquired sites	7	—	166	—	—	135
Newly opened or reopened sites	1	—	4	—	1	1
Company-controlled sites converted to consignment or fuel supply locations, net	(2)	(2)	(13)	(9)	—	(5)
Closed, relocated or divested sites	(1)	(3)	(9)	(14)	(4)	(4)
Number of sites at end of period	1,552	1,383	1,552	1,383	1,540	1,531

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
Wholesale Segment [1]	2023	2022	2023	2022
Number of sites at beginning of period	1,824	1,620	1,674	1,628
Acquired sites	—	46	190	46
Newly opened or reopened sites [2]	34	20	58	60

Consignment or fuel supply locations converted from Company-controlled sites, net	2	2	13	9
Closed, relocated or divested sites	(35)	(18)	(110)	(73)
Number of sites at end of period	1,825	1,670	1,825	1,670

Table of Contents

Wholesale Segment [1]	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Number of sites at beginning of period	1,825	1,674
Acquired sites	—	192
Newly opened or reopened sites [2]	9	7
Consignment or fuel supply locations converted from Company-controlled or fleet fueling sites, net	—	5
Closed, relocated or divested sites	(18)	(26)
Number of sites at end of period	1,816	1,852

1 Excludes bulk and spot purchasers.

2 Includes all signed fuel supply agreements irrespective of fuel distribution commencement date.

Fleet Fueling Segment	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Number of sites at beginning of period	293	—	183	—	298	183
Acquired sites	—	184	111	184		
Newly opened or reopened sites	4	—	4	—		
Closed, relocated or divested sites	(2)	(1)	(3)	(1)	(2)	—
Number of sites at end of period	295	183	295	183	296	183

In recent years, the convenience store industry has focused on increasing and improving in-store foodservice offerings, including fresh foods, quick service restaurants or and proprietary food offerings. We believe consumers may be more likely to patronize convenience stores that include such new and improved food offerings, which may also lead to increased inside merchandise sales or fuel sales for such stores. sales. Our current foodservice offering, which varies by store, primarily consists of hot and fresh grab-n-go foods, deli, fried chicken, bakery, pizza, roller grill items and other prepared foods. We have historically relied upon a limited number of franchised quick service restaurants and in-store delis to drive customer traffic rather than other types of foodservice offerings. traffic. As a result, we believe that our under-penetration of foodservice presents an opportunity to expand foodservice offerings and margin in response to changing consumer behavior. In October 2023, the first quarter of 2024, we expanded our leadership team and named Richard Guidry in the newly created role of Senior Vice President of Food Service. This expansion tracks our commitment to growing our food service offering. In addition, we believe that continued investment in launched an extensive new technology platforms and applications to adapt to evolving consumer eating preferences, including contactless checkout, order ahead service, and delivery, will further drive growth in profitability. pizza program, as described above under "Overview."

Our results of operation are significantly impacted by the retail fuel margins we earn on gallons sold. These fuel margins can change rapidly as because they are influenced by many factors including: the price wholesale cost of refined products; fuel; interruptions in supply caused by severe weather; supply chain disruptions; refinery mechanical failures; and competition in the local markets in which we operate.

The cost of our main products, gasoline and diesel fuel, is greatly impacted by the wholesale cost of fuel in the United States. We attempt to pass on wholesale fuel cost changes through to our customers through retail price changes; however, we are not always able to do so. Competitive conditions primarily affect the timing of any related increase or decrease in retail prices. As a result, we tend to experience lower fuel margins when the cost of fuel is increasing gradually over a longer period and higher fuel margins when

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Table of Contents

the cost of fuel is declining or more volatile over a shorter period of time. For the year ended December 31, 2022, we experienced historically high fuel margins as a result of the volatile market for gasoline and diesel fuel. In particular, in the first quarter of 2022, the war in Ukraine significantly affected market conditions and resulted in substantially higher fuel margins. Depending on future market and geopolitical conditions, the supply of fuel, including diesel fuel in particular, may become constrained. As such, Accordingly, we maintain terminal storage of diesel fuel for short-term supply needs for our fleet fueling sites.

Additionally, throughout 2022 and the first three quarters of 2023, the U.S. economy continued continues to experience inflationary pressures, endure price inflation and the effect of higher prevailing interest rates, which began in 2022 and which has increased merchandise cost costs and reduced consumer purchasing power. We have mitigated a portion of these higher costs with retail price increases. If this trend continues The persistence of, or increases, it increase in, inflation or high interest rates could negatively impact the demand for our products and services, as well as seasonal including due to consumers reducing travel, patterns, which could reduce future sales volumes. Additionally, because of current labor market conditions and the prevailing wage rates in the markets in which we operate, we have voluntarily increased wages, which has increased our costs associated with recruiting and retaining qualified personnel, and may continue to do so in the future. personnel.

We also operate in a highly competitive retail convenience market that includes businesses with operations and services that are similar to those that we provide. We face significant competition from other large chain operators. In particular, large convenience store chains have increased their number of locations and remodeled their existing locations in recent years, enhancing their competitive position. We believe that convenience stores managed by individual operators who offer branded or non-branded fuel are also significant competitors in the local markets in which we operate. Often, operators of both chains and individual stores compete by selling unbranded fuel at lower retail prices relative to the market. The convenience store industry is also experiencing competition from other retail sectors including grocery stores, large warehouse retail stores, dollar stores and pharmacies.

We believe that we have a significant opportunity to increase our sales and profitability by continuing to execute on our organic and inorganic strategies, improving which principally seek to improve the performance of current stores through enhanced offerings to meet our customers customers' needs, and growing our store base in existing and contiguous markets through acquisitions.

Business Highlights

The 2023 Acquisitions and the 2022 Acquisitions contributed to the improvement in our results 23

Table of operations for the third quarter of 2023, as compared to the third quarter of 2022 which was partially offset by less fuel contribution on a same store basis, primarily due to market conditions in the third quarter of 2022. Store operating expenses increased in the third quarter of 2023 as compared to the third quarter of 2022, primarily as a result of expenses associated with the 2023 Acquisitions and the 2022 Acquisitions. General and administrative expenses also increased in the third quarter of 2023 as compared to the third quarter of 2022, primarily as a result of expenses associated with the 2023 Acquisitions and the 2022 Acquisitions, wage increases, and an increase in share-based compensation expense. Contents

Seasonality

Our business is seasonal, and our operating income in the second and third quarters has historically been significantly greater than in the first and fourth quarters as a result of the generally improved favorable climate and seasonal buying patterns of our customers. Inclement weather, especially in the Midwest and Northeast regions of the U.S. during the winter months, can negatively impact our financial results.

Results of Operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023

The period-to-period comparisons of our results of operations contained in this Management's Discussion and Analysis of Financial Condition and Results of Operation have been prepared using our condensed consolidated interim financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. The following discussion should be read in conjunction with such condensed consolidated interim financial statements and related notes. All figures for fuel contribution and fuel margin per gallon exclude the estimated fixed margin or fixed fee paid to GPMP for the cost of fuel (intercompany charges by GPMP).

Consolidated Results

[Table of Contents](#)

The table below shows our consolidated results for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, together with certain key metrics.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Revenues:	(in thousands)				(in thousands)	
Fuel revenue	$ 2,086,392	$ 1,979,574	$ 5,705,156	$ 5,648,954	$ 1,631,332	$ 1,661,664
Merchandise revenue	506,425	445,822	1,391,274	1,244,558	414,655	400,408
Other revenues, net	29,237	24,251	83,141	69,209	26,467	26,424
Total revenues	2,622,054	2,449,647	7,179,571	6,962,721	2,072,454	2,088,496
Operating expenses:						
Fuel costs	1,923,869	1,824,437	5,262,854	5,250,105	1,502,302	1,537,882
Merchandise costs	345,699	306,930	952,925	866,110	279,737	277,443
Store operating expenses	226,698	189,582	637,383	534,197		
Site operating expenses					218,931	192,683
General and administrative expenses	44,116	35,954	127,192	100,695	42,158	40,416
Depreciation and amortization	33,713	26,061	94,949	75,050	31,716	28,399
Total operating expenses	2,574,095	2,382,964	7,075,303	6,826,157	2,074,844	2,076,823
Other expenses, net	3,885	951	11,561	3,269	2,476	2,720

Operating income	44,074	65,732	92,707	133,295		
Operating (loss) income					(4,866)	8,953
Interest and other financial expenses, net	(14,579)	(19,796)	(48,341)	(43,110)	(2,457)	(13,602)
Income before income taxes	29,495	45,936	44,366	90,185		
Income tax expense	(7,993)	(20,898)	(10,849)	(31,060)		
Loss from equity investment	(14)	(44)	(77)	(7)		
Net income	$ 21,488	$ 24,994	$ 33,440	$ 59,118		
Loss before income taxes					(7,323)	(4,649)
Income tax benefit					6,707	2,158
Income (loss) from equity investment					22	(36)
Net loss					$ (594)	$ (2,527)
Less: Net income attributable to non-controlling interests	48	51	149	182	—	53
Net income attributable to ARKO Corp.	$ 21,440	$ 24,943	$ 33,291	$ 58,936		
Net loss attributable to ARKO Corp.					$ (594)	$ (2,580)
Series A redeemable preferred stock dividends	(1,449)	(1,449)	(4,301)	(4,301)	(1,414)	(1,418)
Net income attributable to common shareholders	$ 19,991	$ 23,494	$ 28,990	$ 54,635		
Net loss attributable to common shareholders					$ (2,008)	$ (3,998)
Fuel gallons sold	592,122	520,662	1,683,556	1,462,388	519,313	503,260
Fuel margin, cents per gallon[1]	27.4	29.8	26.3	27.3	24.8	24.6
Merchandise contribution[2]	160,726	138,892	$ 438,349	$ 378,448	$ 134,918	$ 122,965
Merchandise margin[3]	31.7 %	31.2 %	31.5 %	30.4 %	32.5 %	30.7 %
Adjusted EBITDA[4]	91,163	99,468	224,889	$ 228,621	$ 36,649	$ 47,484

[1] Calculated as fuel revenue less fuel costs divided by fuel gallons sold.

[2] Calculated as merchandise revenue less merchandise costs.

[3] Calculated as merchandise contribution divided by merchandise revenue.

[4] Refer to "*Use of Non-GAAP Measures*" below for discussion of this non-GAAP performance measure and related reconciliation to net income. income (loss).

Table of Contents

Three Months Ended September 30, 2023 March 31, 2024 versus Three Months Ended September 30, 2022 March 31, 2023

For the three months ended September 30, 2023 March 31, 2024, fuel revenue increased decreased by $106.8 million $30.3 million, or 5.4% 1.8%, compared to the third first quarter of 2022. 2023. The increase decrease in fuel revenue was attributable primarily attributable to incremental gallons sold related to the 2023 Acquisitions and the 2022 Acquisitions, which was partially offset by a decrease in the average price of fuel compared to the third first quarter of 2022 2023 and fewer gallons sold at same stores in the third first quarter of 2024 compared to the first quarter of 2023, compared which was partially offset by incremental gallons sold related to the third quarter of 2022. 2023 Acquisitions.

For the three months ended September 30, 2023 March 31, 2024, merchandise revenue increased by $60.6 million $14.2 million, or 13.6% 3.6%, compared to the third first quarter of 2022, 2023, primarily due to the 2023 Acquisitions and the Pride Acquisition. Acquisitions. Offsetting this increase was a decrease in same store merchandise revenues and a decrease in merchandise revenue from underperforming retail stores that were we closed or converted to dealers.

For the three months ended September 30, 2023 March 31, 2024, other revenue increased by $5.0 million, or 20.6%, compared to was consistent with the third first quarter of 2022, 2023, primarily due to additional revenue from the 2023 Acquisitions, which was offset by the 2022 Acquisitions and greater lottery commissions. regulatory state-wide elimination of Virginia skill gaming machines income.

For the three months ended September 30, 2023 March 31, 2024, total operating expenses increased decreased by $191.1 million $2.0 million compared to the first quarter of 2023. Fuel costs decreased $35.6 million, or 8.0% 2.3%, compared to the third first quarter of 2022. Fuel costs increased $99.4 million, or 5.5%, compared to the third quarter of 2022 2023 due to incremental gallons related to the 2023 Acquisitions and the 2022 Acquisitions, which were partially offset by both fewer gallons sold and a lower average cost of fuel on a same store basis. basis, which were partially offset by incremental gallons related to the 2023 Acquisitions. Merchandise costs increased $38.8 million $2.3 million, or 12.6% 0.8%, compared to the third first quarter of 2022, 2023, primarily due to increased costs related to the 2023 Acquisitions, and the Pride Acquisition, partially offset by a decrease in same store merchandise sales and a decrease in merchandise costs from underperforming retail stores that were we closed or converted to dealers. For the three months ended September 30, 2023 March 31, 2024, store

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site operating expenses increased $37.1 million $26.2 million, or 19.6% 13.6%, compared to the third first quarter of 2022 2023 due to incremental expenses as a result of the 2023 Acquisitions and the 2022 Acquisitions, which were partially offset by a decrease an increase in expenses at same stores. stores, including higher personnel costs offset by lower credit card fees.

For the three months ended September 30, 2023 March 31, 2024, general and administrative expenses increased $8.2 million $1.7 million, or 22.7% 4.3%, compared to the third first quarter of 2022, 2023, primarily due to approximately $7.2 million of incremental expenses associated with the 2023 Acquisitions, and the 2022 Acquisitions, annual wage increases and an increase consulting support for the development of $1.5 million our multi-year transformation plan, partially offset by a decrease of $0.7 million in share-based compensation expense primarily related to equity grants in the first quarter of 2023. and lower incentive accruals.

For the three months ended September 30, 2023 March 31, 2024, depreciation and amortization expenses increased $7.7 million $3.3 million, or 29.4% 11.7%, compared to the third first quarter of 2022 2023 primarily due to assets acquired in the previous twelve-month period, largely in connection with the 2023 Acquisitions and the 2022 Acquisitions.

For the three months ended September 30, 2023 March 31, 2024, other expenses, net increased decreased by $2.9 million $0.2 million, compared to the third first quarter of 2022 2023 primarily due to lower acquisition costs which were partially offset by greater losses on disposal of assets and impairment charges in the third first quarter of 2023 and expenses recorded 2024.

For the three months ended March 31, 2024, there was an operating loss of $4.9 million compared to operating income of $9.0 million for the fair value adjustment of contingent consideration three months ended March 31, 2023. The decrease in the third quarter of 2023, compared to operating income recorded in the third quarter of 2022, which were partially offset by lower acquisition costs.

Operating income was $44.1 million for the third quarter of 2023 compared to $65.7 million for the third quarter of 2022. The decrease was primarily due to reduced fuel contribution at same stores, wholesale sites not part of the 2023 Acquisitions (the “comparable wholesale sites”) and fleet fueling sites not part of the 2023 Acquisitions, and an increase in site operating expenses at same stores, which was partially offset with by incremental income from the 2023 Acquisitions and the 2022 Acquisitions. an increase in merchandise contribution at same stores.

For the three months ended September 30, 2023 March 31, 2024, interest and other financial expenses, net decreased by $5.2 million $11.1 million compared to the third first quarter of 2022, 2023, primarily related to an increase of $11.6 million $6.0 million in income net, recorded in the third first quarter of 2023 2024 compared to the prior year period for fair value adjustments related to the Ares Put Option, Public Warrants, Private Warrants and Additional Deferred Shares (each as defined in Note 10 11 to the unaudited condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q) and additional interest approximately $9.2 million recorded as financial income generated in related to the third quarter issuance of 2023, the First Installment Shares as payment of deferred consideration and the settlement of deferred consideration related to the TEG Acquisition, which was partially offset by greater higher average outstanding debt at balances, a higher rates outstanding in 2023. average interest rate for the first quarter of 2024 and higher interest expenses related to financial liabilities.

For the three months ended September 30, 2023 March 31, 2024, income tax expense benefit was $8.0 million $6.7 million compared to income tax expense benefit of $20.9 million $2.2 million for the three months ended September 30, 2022 March 31,

2023. The decrease was primarily due to a one-time non-cash tax expense in the amount of approximately $8.7 million for the three months ended September 30, 2022 the Company recorded in connection with its internal entity realignment and streamlining.

For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, net income loss attributable to the Company was $21.4 million $0.6 million and $24.9 million $2.6 million, respectively.

For the three months ended September 30, 2023 March 31, 2024, Adjusted EBITDA was $91.2 million $36.6 million compared to $99.5 million $47.5 million for the three months ended September 30, 2022 March 31, 2023. Approximately $22.9 million The decrease resulted primarily from approximately $6.0 million of lower fuel contribution from retail and regulatory state-wide elimination of Virginia skill gaming machines income as well as higher general and administrative expenses and

same stores and legacy wholesale sites negatively impacted Adjusted EBITDA for the third quarter of 2023, which was store site operating expenses, partially offset by incremental Adjusted EBITDA from the 2023 Acquisitions and the 2022 Acquisitions. an increase in same store merchandise contribution. Refer to “Use of Non-GAAP Measures” below for discussion of this non-GAAP performance measure and related reconciliation to net income.

Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022

For the nine months ended September 30, 2023, fuel revenue increased by $56.2 million, or 1.0%, compared to the first three quarters of 2022. The increase in fuel revenue was primarily attributable to incremental gallons sold related to the 2023 Acquisitions and the 2022 Acquisitions, which was partially offset by a decrease in the average price of fuel compared to the first three quarters of 2022 and fewer gallons sold at same stores in the first three quarters of 2023 compared to the first three quarters of 2022.

For the nine months ended September 30, 2023, merchandise revenue increased by $146.7 million, or 11.8%, compared to the first three quarters of 2022, primarily due to the 2023 Acquisitions and the Pride Acquisition and an increase in same store merchandise revenues. Offsetting these increases was a decrease in merchandise revenue from underperforming retail stores that were closed or converted to dealers.

For the nine months ended September 30, 2023, other revenue increased by $13.9 million, or 20.1%, compared to the first three quarters of 2022, primarily due to additional revenue from the 2023 Acquisitions, the 2022 Acquisitions and greater lottery commissions.

For the nine months ended September 30, 2023, total operating expenses increased by $249.1 million, or 3.6%, compared to the first three quarters of 2022. Fuel costs increased $12.7 million, or 0.2%, compared to the first three quarters of 2022 due to incremental gallons related to the 2023 Acquisitions and the 2022 Acquisitions, which were partially offset by both fewer gallons sold and a lower average cost of fuel on a same store basis. Merchandise costs increased $86.8 million, or 10.0%, compared to the first three quarters of 2022, primarily due to increased costs related to the 2023 Acquisitions and the Pride Acquisition and a corresponding increase in same store merchandise sales. For the nine months ended September 30, 2023, store operating expenses increased $103.2 million, or 19.3%, compared to the first three quarters of 2022 due to incremental expenses as a result of the 2023 Acquisitions, the 2022 Acquisitions and an increase in expenses at same stores.

For the nine months ended September 30, 2023, general and administrative expenses increased $26.5 million, or 26.3%, compared to the first three quarters of 2022, primarily due to approximately $18.7 million in expenses associated with the 2023 Acquisitions and the 2022 Acquisitions, annual wage increases and an increase of $4.2 million in share-based compensation expense primarily related to equity grants in the first quarters of 2023 and 2022.

For the nine months ended September 30, 2023, depreciation and amortization expenses increased $19.9 million, or 26.5%, compared to the first three quarters of 2022 primarily due to assets acquired in the previous twelve month period, largely in connection with the 2023 Acquisitions and the 2022 Acquisitions.

For the nine months ended September 30, 2023, other expenses, net increased by $8.3 million compared to the first three quarters of 2022 primarily due to an increase in acquisition costs, greater losses on disposal of assets and impairment charges in the first three quarters of 2023 and lower income recorded for the fair value adjustment of contingent consideration in the first three quarters of 2023.

Operating income was $92.7 million for the first three quarters of 2023 compared to $133.3 million for the first three quarters of 2022. The decrease was primarily due to reduced fuel contribution at same stores and an increase in general and administrative expenses, which was partially offset with incremental income from the 2023 Acquisitions and the 2022 Acquisitions.

For the nine months ended September 30, 2023, interest and other financial expenses, net increased by $5.2 million compared to the first three quarters of 2022, primarily due to greater debt at higher rates outstanding in 2023, which was partially offset by an increase of $9.7 million in income, net recorded for fair value adjustments related to the Ares Put Option, Public Warrants, Private Warrants and Deferred Shares and additional interest income generated in the first three quarters of 2023.

For the nine months ended September 30, 2023, income tax expense was $10.8 million compared to income tax expense of $31.1 million for the nine months ended September 30, 2022. The decrease was primarily due to a one-time non-cash tax expense in the amount of approximately $8.7 million for the nine months ended September 30, 2022.the Company recorded in connection with its internal entity realignment and streamlining.

For the nine months ended September 30, 2023 and 2022, net income attributable to the Company was $33.3 million and $58.9 million, respectively.

For the nine months ended September 30, 2023, Adjusted EBITDA was $224.9 million compared to $228.6 million for the nine months ended September 30, 2022. This decrease primarily resulted from approximately $49.6 million of lower fuel contribution from retail same stores and legacy wholesale sites, of which approximately $12.8 million was attributable to sales in March 2023, which was partially offset by incremental Adjusted EBITDA from the 2023 Acquisitions and the 2022 Acquisitions and increased merchandise contribution positively impacted Adjusted EBITDA for the first three quarters of 2023, as compared to the first three quarters of 2022. In addition, higher personnel costs at same stores and an increase in general and administrative expenses reduced Adjusted EBITDA for the first three quarters of 2023. Refer to “Use of Non-GAAP Measures” below for discussion of this non-GAAP performance measure and related reconciliation to net income.

Table of Contents

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Segment Results

Retail Segment

The table below shows the results of the retail segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, together with certain key metrics for the segment.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**
Revenues:	(in thousands)				(in thousands)	
Fuel revenue	$ 1,086,405	$ 1,028,323	$ 2,945,243	$ 3,000,839	$ 824,428	$ 843,473
Merchandise revenue	506,425	445,822	1,391,274	1,244,558	414,655	400,408
Other revenues, net	19,750	16,651	57,302	49,642	16,679	18,555
Total revenues	1,612,580	1,490,796	4,393,819	4,295,039	1,255,762	1,262,436
Operating expenses:						
Fuel costs	980,161	923,966	2,661,406	2,726,662	744,241	767,808
Merchandise costs	345,699	306,930	952,925	866,110	279,737	277,443
Store operating expenses	205,216	175,051	578,496	499,892		
Site operating expenses					198,017	175,554
Total operating expenses	1,531,076	1,405,947	4,192,827	4,092,664	1,221,995	1,220,805

Operating income	$ 81,504	$ 84,849	$ 200,992	$ 202,375	$ 33,767	$ 41,631
Fuel gallons sold	300,796	262,010	843,286	754,811	255,464	248,906
Same store fuel gallons sold decrease (%)[1]	(5.3%)	(9.7%)	(4.5%)	(8.0%)	(6.7%)	(5.8%)
Fuel margin, cents per gallon[2]	40.3	44.8	38.7	41.3		
Same store merchandise sales increase (decrease) (%)[1]	0.1%	0.7%	1.4%	(1.8%)		
Same store merchandise sales excluding cigarettes increase (%)[1]	1.0%	4.3%	3.9%	2.0%		
Merchandise contribution[3]	$ 160,726	$ 138,892	$ 438,349	$ 378,448		
Merchandise margin[4]	31.7%	31.2%	31.5%	30.4%		
Fuel contribution [2]					$ 92,933	$ 88,096
Fuel margin, cents per gallon [3]					36.4	35.4
Same store fuel contribution [1, 2]					$ 82,048	$ 84,832
Same store merchandise sales (decrease) increase (%) [1]					(4.1%)	3.8%
Same store merchandise sales excluding cigarettes (decrease) increase (%) [1]					(3.0%)	7.6%
Merchandise contribution [4]					$ 134,918	$ 122,965
Merchandise margin [5]					32.5%	30.7%

[1] Same store is a common metric used in the convenience store industry. We consider a store a same store beginning in the first quarter in which the store had a full quarter of activity in the prior year. Refer to "*Use of Non-GAAP Measures"* below for discussion of this measure.

[2] Calculated as fuel revenue less fuel costs divided by fuel gallons sold; costs; excludes the estimated fixed margin or fixed fee paid to GPMP for the cost of fuel.

[3] Calculated as fuel contribution divided by fuel gallons sold.

[4] Calculated as merchandise revenue less merchandise costs.

[4] [5] Calculated as merchandise contribution divided by merchandise revenue.

The table below shows financial information and certain key metrics of recent acquisitions in the retail segment that do not have (or have only partial) comparable information for the prior periods. period.

	For the Three Months Ended September 30, 2023

	Pride [1]	TEG [2]	Uncle's (WTG) [3]	Speedy [4]	Total
			(in thousands)		
Date of Acquisition:	Dec 6, 2022	Mar 1, 2023	Jun 6, 2023	Aug 15, 2023	
Revenues:					
Fuel revenue	$ 73,019	$ 104,850	$ 21,927	$ 3,138	$ 202,934
Merchandise revenue	16,078	39,776	9,625	1,400	66,879
Other revenues, net	1,386	1,391	203	23	3,003
Total revenues	90,483	146,017	31,755	4,561	272,816
Operating expenses:					
Fuel costs	65,818	96,593	18,797	2,798	184,006
Merchandise costs	10,523	27,218	6,258	949	44,948
Store operating expenses	10,152	18,373	5,147	696	34,368
Total operating expenses	86,493	142,184	30,202	4,443	263,322
Operating income	$ 3,990	$ 3,833	$ 1,553	$ 118	$ 9,494
Fuel gallons sold	18,486	30,126	5,809	830	55,251
Merchandise contribution [5]	5,555	12,558	3,367	451	21,931
Merchandise margin [6]	34.6 %	31.6 %	35.0 %	32.2 %	

26

33

[Table of Contents](#)

	For the Nine Months Ended September 30, 2023				
	Pride [1]	TEG [2]	Uncle's (WTG) [3]	Speedy [4]	Total
			(in thousands)		
Date of Acquisition:	Dec 6, 2022	Mar 1, 2023	Jun 6, 2023	Aug 15, 2023	
Revenues:					
Fuel revenue	$ 212,444	$ 236,052	$ 28,025	$ 3,138	$ 479,659
Merchandise revenue	45,221	92,100	12,471	1,400	151,192
Other revenues, net	4,170	3,122	257	23	7,572
Total revenues	261,835	331,274	40,753	4,561	638,423

Operating expenses:					
Fuel costs	191,117	217,210	23,817	2,798	434,942
Merchandise costs	29,906	63,344	8,185	949	102,384
Store operating expenses	30,182	41,949	6,372	696	79,199
Total operating expenses	251,205	322,503	38,374	4,443	616,525
Operating income	$ 10,630	$ 8,771	$ 2,379	$ 118	$ 21,898
Fuel gallons sold	55,764	70,183	7,523	830	134,300
Merchandise contribution [5]	15,315	28,756	4,286	451	48,808
Merchandise margin [6]	33.9 %	31.2 %	34.4 %	32.2 %	

	For the Three Months Ended March 31, 2024			
	TEG [1]	Uncle's (WTG) [2]	Speedy's [3]	Total
	(in thousands)			
Date of Acquisition:	Mar 1, 2023	Jun 6, 2023	Aug 15, 2023	
Revenues:				
Fuel revenue	$ 80,249	$ 19,769	$ 4,268	$ 104,286
Merchandise revenue	34,127	9,147	2,265	45,539
Other revenues, net	1,293	228	52	1,573
Total revenues	115,669	29,144	6,585	151,398
Operating expenses:				
Fuel costs	74,431	17,064	3,895	95,390
Merchandise costs	22,896	5,873	1,442	30,211
Site operating expenses	18,112	4,690	1,190	23,992
Total operating expenses	115,439	27,627	6,527	149,593
Operating income	$ 230	$ 1,517	$ 58	$ 1,805
Fuel gallons sold	25,616	5,821	1,416	32,853
Fuel contribution [4]	$ 7,099	$ 2,996	$ 444	$ 10,539
Merchandise contribution [5]	$ 11,231	$ 3,274	$ 823	$ 15,328
Merchandise margin [6]	32.9 %	35.8 %	36.3 %	

[1] Pride Includes only the retail stores acquired in the TEG Acquisition.

[2] Includes only the retail stores acquired in the TEG WTG Acquisition.

[3] Includes only the retail stores acquired in the WTG Acquisition.

[4] Acquisition of seven Speedy's retail stores.

[4] Calculated as fuel revenue less fuel costs; excludes the estimated fixed margin paid to GPMP for the cost of fuel.

[5] Calculated as merchandise revenue less merchandise costs.

[6] Calculated as merchandise contribution divided by merchandise revenue.

Three Months Ended September 30, 2023 March 31, 2024 versus Three Months Ended September 30, 2022 March 31, 2023

Retail Revenues

For the three months ended September 30, 2023 March 31, 2024, fuel revenue increased decreased by $58.1 million $19.0 million, or 5.6% 2.3%, compared to the third first quarter of 2022. 2023. The increase decrease in fuel revenue was attributable to the 2023 Acquisitions and the Pride Acquisition, together contributing 55.3 million gallons sold, or $202.9 million in fuel revenue. Partially offsetting this increase was a $0.31 $0.16 per gallon decrease in the average retail price of fuel in the third first quarter of 2023 as 2024 compared to the third first quarter of 2022, 2023, primarily due to market factors, as well as a decrease in gallons sold at same stores. For the third quarter stores of 2023, gallons at same stores decreased approximately 5.3% 6.7%, or 13.6 million 15.8 million gallons. Partially offsetting this decrease was an incremental 23.0 million gallons sold, or $72.2 million in fuel revenue contributed by the 2023 Acquisitions. Underperforming retail stores, which were closed or converted to dealers over the last 12 months in order to optimize profitability, also negatively impacted gallons sold during the third quarter of 2023.

For the three months ended September 30, 2023, merchandise revenue increased by $60.6 million, or 13.6%, compared to the third quarter of 2022. The 2023 Acquisitions and the Pride Acquisition contributed approximately $66.9 million of merchandise revenue. Same store merchandise sales increased 0.1% for the third quarter of 2023 compared to the third quarter of 2022, which were impacted by increased loyalty investments in customer acquisition related to expanding membership in our fas REWARDS® loyalty program, other loyalty promotions, and growth in the total loyalty membership base. Same store merchandise sales were positively impacted primarily due to higher revenue from the Company's six core destination categories (packaged beverages, candy, salty snacks, packaged sweet snacks, alternative snacks and beer), other tobacco products and franchises as a result of marketing initiatives, including expanded category assortments, new franchise food offerings and investments in coolers and freezers, which was offset by lower revenue from cigarettes. In addition, there was a decrease in merchandise revenue from underperforming retail stores that were closed or converted to dealers.

For the three months ended September 30, 2023, other revenues, net increased by $3.1 million, or 18.6%, compared to the third quarter of 2022, primarily related to additional income from the 2023 Acquisitions and the Pride Acquisition.

Retail Operating Income

For the three months ended September 30, 2023, fuel contribution increased $3.8 million, or 3.2%, compared to the same period in 2022. Incremental fuel profit from the 2023 Acquisitions and the Pride Acquisition of approximately $21.7 million (excluding intercompany charges by GPMP) was partially offset by a decrease in same store fuel contribution of $16.6 million (excluding intercompany charges by GPMP). Fuel margin per gallon at same stores for the third quarter of 2023 decreased to 40.6 cents per gallon from 44.9 cents per gallon for the third quarter of 2022 primarily due to historically high fuel margins in 2022 principally as a

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[Table of Contents](#)

result of the volatile market for gasoline and diesel fuel. In addition, a decrease in fuel contribution related to underperforming retail stores that were closed or converted to dealers decreased fuel profit compared to the third quarter of 2022.

For the three months ended September 30, 2023, merchandise contribution increased $21.8 million, or 15.7%, compared to the same period in 2022. The increase was due to $21.9 million in merchandise contribution from the 2023 Acquisitions and the Pride Acquisition and an increase in merchandise contribution at same stores of approximately $1.2 million. Merchandise margin increased 50 basis points, to 31.7% as compared to 31.2% in the prior period, primarily due to the execution of key marketing and merchandising initiatives. Merchandise margin at same stores was 31.5% in the third quarter of 2023 compared to 31.3% in the third quarter of 2022.

For the three months ended September 30, 2023, store operating expenses increased $30.2 million, or 17.2%, compared to the three months ended September 30, 2022 primarily due to $34.4 million of expenses related to the 2023 Acquisitions and the Pride Acquisition, which were partially offset by a decrease of $1.7 million in expenses at same stores, mainly driven by lower credit card fees. Same store personnel expenses were similar to the prior period, increasing by only $0.1 million, or 0.1%, as the Company has continued to appropriately balance labor expenses and providing superior customer service. The total increase in store operating expenses was also partially offset by underperforming retail stores that were closed or converted to dealers.

Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022

Retail Revenues

For the nine months ended September 30, 2023, fuel revenue decreased by $55.6 million, or 1.9%, compared to the first three quarters of 2022. The decrease in fuel revenue was attributable to a $0.49 per gallon decrease in the average retail price of fuel in the first three quarters of 2023 as compared to the first three quarters of 2022, primarily due to market factors, as well as a decrease in gallons sold at same stores. For the first three quarters of 2023, gallons at same stores decreased approximately 4.5%, or 33.7 million gallons. Offsetting these decreases, the 2023 Acquisitions and the Pride Acquisition contributed 134.3 million gallons sold, or $479.7 million in fuel revenue. Underperforming retail stores, which were we closed or converted to dealers over the last 12 months in order to optimize profitability, also negatively impacted gallons sold during the first three quarters quarter of 2023. 2024.

For the nine three months ended September 30, 2023 March 31, 2024, merchandise revenue increased by $146.7 million $14.2 million, or 11.8% 3.6%, compared to the first three quarters quarter of 2022. 2023. The 2023 Acquisitions and the Pride Acquisition contributed approximately $151.2 million $32.6 million of incremental merchandise revenue. Same store merchandise sales increased $16.9 million decreased $15.6 million, or 1.4% 4.1%, for the first three quarters quarter of 2023 2024 compared to the first three quarters quarter of 2022. 2023. Same store merchandise sales increased primarily due to higher revenue was impacted by lower revenue from cigarettes and the Company's six core destination categories other tobacco products (packaged beverages, candy, salty snacks, packaged sweet snacks, alternative snacks and franchises as a result of marketing initiatives, including expanded category assortments, new franchise food offerings and investments in coolers and freezers, beer) which was partially offset by lower higher revenue from cigarettes. other tobacco products and franchises. In addition, there was a decrease in merchandise revenue from underperforming retail stores that were we closed or converted to dealers.

For the nine three months ended September 30, 2023 March 31, 2024, other revenues, net increased decreased by $7.7 million $1.9 million, or 15.4% 10.1%, compared to the first three quarters quarter of 2022, 2023, primarily related to the regulatory state-wide elimination of Virginia skill gaming machines income, partially offset by additional income from the 2023 Acquisitions, the Pride Acquisition and greater lottery commissions. Acquisitions.

Retail Operating Income

For the nine three months ended September 30, 2023 March 31, 2024, fuel contribution increased $4.8 million, or 5.5%, compared to the same period in 2022. 2023. Incremental fuel profit contribution from the 2023 Acquisitions and the Pride Acquisition of approximately $51.4 million (excluding intercompany charges by GPMP) $7.8 million was partially offset by a decrease in same store fuel contribution of $32.5 million (excluding intercompany charges by GPMP) $2.8 million. Fuel margin per gallon at same stores for the first three quarters quarter of 2023 decreased 2024 increased to 38.7 37.0 cents per gallon from 41.4 35.7 cents per gallon for the first three quarters of 2022 primarily due to historically high fuel margins in 2022 principally as a result of the volatile market for gasoline and diesel fuel, with the first quarter of 2022 particularly impacted by 2023 and improved sequentially throughout the war in Ukraine, which significantly affected market conditions and resulted in substantially higher fuel margins. A quarter. In addition, a

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decrease in fuel profit contribution related to underperforming retail stores that were we closed or converted to dealers also partially offset the increase in decreased fuel profit contribution compared to the first three quarters quarter of 2022. 2023.

For the nine three months ended September 30, 2023 March 31, 2024, merchandise contribution increased $59.9 million $12.0 million, or 15.8% 9.7%, compared to the same period in 2022, 2023, and merchandise margin increased to 31.5% as 32.5% compared to 30.4% 30.7% in the prior period. The increase was due to $48.8 million $11.3 million in incremental merchandise contribution from the 2023 Acquisitions and the Pride Acquisition and an increase in merchandise contribution at same stores of $15.9 million approximately $0.9 million. Merchandise contribution at same stores increased in the first three quarters quarter of 2023 2024 primarily due to higher contribution from other tobacco products and franchises partially offset by lower contribution from the Company's six core destination categories and franchises. categories. Merchandise margin at same stores was 31.5% 32.3% in the first three quarters quarter of 2023 2024 compared to 30.6% 30.8% in the first three quarters quarter of 2022.

2023.

For the nine three months ended September 30, 2023 March 31, 2024, store site operating expenses increased $78.6 million $22.5 million, or 15.7% 12.8%, compared to the nine three months ended September 30, 2022 March 31, 2023 primarily due to $79.2 million $18.5 million of incremental expenses related to the 2023 Acquisitions Acquisitions. Same store site operating expenses increased $5.5 million, or 3.3%, with the increase related to hourly wage rate growth, accelerated repairs and the Pride Acquisition maintenance, and an increase of $7.5 million in expenses at same stores, including approximately $10.3 million or 5.2%, of higher personnel costs. elevated workers' compensation claims related to first quarter 2024 events. The increase in store site operating expenses was partially offset by underperforming retail stores that were we closed or converted to dealers.

Wholesale Segment

The table below shows the results of the wholesale segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, together with certain key metrics for the segment.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Revenues:	(in thousands)				(in thousands)	
Fuel revenue	$ 843,891	$ 827,436	$ 2,339,878	$ 2,521,567	$ 664,514	$ 684,848
Other revenues, net	6,265	5,693	18,866	17,148	6,858	6,491
Total revenues	850,156	833,129	2,358,744	2,538,715	671,372	691,339
Operating expenses:						
Fuel costs	830,121	812,336	2,305,098	2,479,618	655,113	674,691
Store operating expenses	10,009	10,334	29,303	31,439		
Site operating expenses					9,299	9,098
Total operating expenses	840,130	822,670	2,334,401	2,511,057	664,412	683,789
Operating income	$ 10,026	$ 10,459	$ 24,343	$ 27,658	$ 6,960	$ 7,550
Fuel gallons sold – fuel supply locations	205,836	189,537	601,399	563,642	186,731	182,427
Fuel gallons sold – consignment agent locations	45,365	41,145	127,861	115,138	37,504	37,962
Fuel margin, cents per gallon[1] – fuel supply locations	6.4	6.9	6.1	7.0	6.2	6.1
Fuel margin, cents per gallon[1] – consignment agent locations	28.9	32.7	26.9	31.4	24.4	26.4

[1] Calculated as fuel revenue less fuel costs divided by fuel gallons sold; excludes the estimated fixed margin or fixed fee paid to GPMP for the cost of fuel.

The table below shows financial information and certain key metrics of recent acquisitions in the wholesale segment that do not have (or have only partial) comparable information for the prior periods. period.

	For the Three Months Ended September 30, 2023				For the Nine Months Ended September 30, 2023				For the Three Months Ended March 31, 2024		
	Quarles [1]	TEG [2]	WTG [3]	Total	Quarles [1]	TEG [2]	WTG [3]	Total	TEG [1]	WTG [2]	Total
	(in thousands)								(in thousands)		
Date of Acquisition:	Jul 22, 2022	Mar 1, 2023	Jun 6, 2023		Jul 22, 2022	Mar 1, 2023	Jun 6, 2023		Mar 1, 2023	Jun 6, 2023	
Revenues:											
Fuel revenue	$ 20,381	$ 92,575	$ 2,796	$ 115,752	$ 57,708	$ 214,629	$ 3,444	$ 275,781	$ 80,952	$ 3,084	$ 84,036
Other revenues, net	275	645	5	925	863	1,499	6	2,368	758	15	773
Total revenues	20,656	93,220	2,801	116,677	58,571	216,128	3,450	278,149	81,710	3,099	84,809
Operating expenses:											

Fuel costs	19,693	88,503	2,556	110,752	55,757	208,282	3,178	267,217	80,424	2,959	83,383
Store operating expenses	493	833	64	1,390	1,430	1,927	81	3,438			
Site operating expenses									874	68	942
Total operating expenses	20,186	89,336	2,620	112,142	57,187	210,209	3,259	270,655	81,298	3,027	84,325
Operating income	$470	$3,884	$181	$4,535	$1,384	$5,919	$191	$7,494	$ 412	$ 72	$ 484
Fuel gallons sold	5,861	31,666	789	38,316	17,304	77,653	1,007	95,964	27,448	871	28,319

Table of Contents

[1] Quarles Acquisition; includes Includes only the wholesale business acquired in the Quarles TEG Acquisition.

[2] Includes only the wholesale business acquired in the TEG Acquisition.

[3] Includes only the wholesale business acquired in the WTG Acquisition.

Table of Contents

Three Months Ended September 30, 2023 March 31, 2024 versus Three Months Ended September 30, 2022 March 31, 2023

Wholesale Revenues

For the three months ended September 30, 2023 March 31, 2024, fuel revenue increased decreased by $16.5 million $20.3 million, or 2.0% 3.0%, compared to the third first quarter of 2022. 2023. Wholesale revenues benefited from an 8.9% increase in gallons sold, which were partially offset negatively impacted by a decrease in the average price of fuel in the third first quarter of 2024 compared to the first quarter of 2023, as compared to partially offset by the third quarter benefit of 2022. an 1.7% increase in gallons sold. Of total gallons sold, the 2023 Acquisitions and the Quarles Acquisition contributed approximately 33.3 million 17.8 million incremental gallons, which were offset by lower volumes at legacy comparable wholesale sites.

Wholesale Operating Income

For the three months ended September 30, 2023 March 31, 2024, wholesale operating income decreased $0.6 million, primarily caused by a decline in fuel contribution (excluding intercompany charges by GPMP) was similar to the third quarter of 2022. Approximately $5.8 million of total fuel contribution increase was attributable to the 2023 Acquisitions and the Quarles Acquisition. approximately $0.5 million. At fuel supply locations, fuel contribution increased by $0.1 million (excluding intercompany charges by GPMP) $0.4 million, while and fuel margin per gallon decreased also increased for the third first quarter of 2024 compared to the first quarter of 2023, as compared to the third quarter of 2022, primarily due to incremental contribution from the 2023 Acquisitions which was partially offset by decreased prompt pay discounts related to lower fuel costs and lower volumes at legacy comparable wholesale sites, which was partially offset by the incremental contribution from the 2023 Acquisitions and the Quarles Acquisition. sites. At consignment agent locations, fuel contribution decreased $0.3 million (excluding intercompany charges by GPMP) $0.9 million, and fuel margin per gallon also decreased for the third first quarter of 2023 as 2024 compared to the third first quarter of 2022, 2023, primarily due to lower rack-to-retail margins and decreased prompt pay discounts related to lower fuel costs, which was partially offset by the incremental contribution from the 2023 Acquisitions. In total, the 2023 Acquisitions and the Quarles Acquisition. added approximately $1.2 million of incremental fuel contribution.

For the three months ended September 30, 2023 March 31, 2024, store site operating expenses decreased $0.3 million increased $0.2 million compared to the three months ended September 30, 2022.

Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022

Wholesale Revenues

For the nine months ended September 30, 2023, fuel revenue decreased by $181.7 million, or 7.2%, compared to the nine months ended September 30, 2022. Wholesale revenues were negatively impacted by a decrease in the average price of fuel in the first three quarters of 2023 as compared to the first three quarters of 2022, which was partially offset by a 7.4% increase in gallons sold. Of total gallons sold, the 2023 Acquisitions and the Quarles Acquisition contributed approximately 90.9 million incremental gallons, which were offset by lower volumes at legacy wholesale sites.

Wholesale Operating Income

For the nine months ended September 30, 2023, fuel contribution decreased approximately $4.5 million (excluding intercompany charges by GPMP). Approximately $12.3 million of total fuel contribution increase was attributable to the 2023 Acquisitions and the Quarles Acquisition. At fuel supply locations, fuel contribution decreased by $2.8 million (excluding intercompany charges by GPMP), and fuel margin per gallon decreased for the first three quarters of 2023 as compared to the first three quarters of 2022, primarily due to decreased prompt pay discounts related to lower fuel costs and lower volumes at legacy wholesale sites, which was partially offset by the incremental contribution from the 2023 Acquisitions and the Quarles Acquisition. At consignment agent locations, fuel contribution decreased $1.7 million (excluding intercompany charges by GPMP) and fuel margin per gallon also decreased for the first three quarters of 2023 as compared to the first three quarters of 2022, primarily due to lower rack-to-retail margins and decreased prompt pay discounts related to lower fuel costs, which was partially offset by the incremental contribution from the 2023 Acquisitions and the Quarles Acquisition.

For the nine months ended September 30, 2023, store operating expenses decreased $2.1 million compared to the nine months ended September 30, 2022March 31, 2023.

Fleet Fueling Segment

The table below shows the results of the fleet fueling segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, together with certain key metrics for the segment. We added the fleet fueling segment only upon consummation of the Quarles

Table of Contents

Acquisition on July 22, 2022; therefore, neither the three or nine months ended September 30, 2022 reflects the operations of this segment for the entirety of such period, which affects period-over-period comparability.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Revenues:	(in thousands)				(in thousands)	
Fuel revenue	$ 145,496	$ 120,813	$ 394,136	$ 120,813	$ 132,193	$ 127,494
Other revenues, net	2,575	923	5,202	923	2,385	951
Total revenues	148,071	121,736	399,338	121,736	134,578	128,445

Operating expenses:						
Fuel costs	133,037	111,162	356,703	111,162	120,058	115,231
Store operating expenses	6,206	3,945	16,039	3,945		
Site operating expenses					6,543	4,790
Total operating expenses	139,243	115,107	372,742	115,107	126,601	120,021
Operating income	$ 8,828	$ 6,629	$ 26,596	$ 6,629	$ 7,977	$ 8,424
Fuel gallons sold – proprietary cardlock locations	34,277	26,064	97,710	26,064	33,449	31,016
Fuel gallons sold – third-party cardlock locations	2,985	1,297	6,631	1,297	3,199	1,610
Fuel margin, cents per gallon[1] – proprietary cardlock locations	39.4	41.8	42.5	41.8	40.9	44.5
Fuel margin, cents per gallon[1] – third-party cardlock locations	26.6	4.8	14.6	4.8	7.7	1.3

[1] Calculated as fuel revenue less fuel costs divided by fuel gallons sold; excludes the estimated fixed fee charged by paid to GPMP to sites in for the fleet fueling segment. cost of fuel.

The table below shows financial information and certain key metrics of recent acquisitions in the fleet fueling segment that do not have (or have only partial) comparable information for the prior periods. period.

	For the Three Months Ended September 30, 2023			**For the Nine Months Ended September 30, 2023**		
	Quarles [1]	**WTG** [2]	**Total**	**Quarles** [1]	**WTG** [2]	**Total**
			(in thousands)			
Date of Acquisition:	Jul 22, 2022	Jun 6, 2023		Jul 22, 2022	Jun 6, 2023	
Revenues:						
Fuel revenue	$ 127,305	$ 18,191	$ 145,496	$ 370,785	$ 23,351	$ 394,136
Other revenues, net	1,309	1,266	2,575	3,900	1,302	5,202
Total revenues	128,614	19,457	148,071	374,685	24,653	399,338
Operating expenses:						
Fuel costs	117,228	15,809	133,037	336,522	20,181	356,703
Store operating expenses	5,255	951	6,206	14,960	1,079	16,039

Total operating expenses	122,483	16,760	139,243	351,482	21,260	372,742
Operating income	$ 6,131	$ 2,697	$ 8,828	$ 23,203	$ 3,393	$ 26,596
Fuel gallons sold	32,522	4,740	37,262	98,136	6,205	104,341

Table of Contents

	For the Three Months Ended March 31, 2024
	WTG 1
	(in thousands)
Date of Acquisition:	Jun 6, 2023
Revenues:	
Fuel revenue	$ 16,235
Other revenues, net	1,170
Total revenues	17,405
Operating expenses:	
Fuel costs	14,738
Site operating expenses	1,111
Total operating expenses	15,849
Operating income	$ 1,556
Fuel gallons sold	4,556

[1] Includes only the fleet fueling business acquired in the Quarles Acquisition.

[2] Includes only the fleet fueling business acquired in the WTG Acquisition.

Three Months Ended September 30, 2023 March 31, 2024 versus Three Months Ended September 30, 2022 March 31, 2023

Fleet Fueling Revenues

For the three months ended September 30, 2023 March 31, 2024, fuel revenue increased by $24.7 million $4.7 million, or 20.4% 3.7%, compared to third first quarter of 2022. 2023. Fleet fueling revenues benefited from a 36.2% 12.3% increase in gallons sold, including the effect of a full quarter of the operations acquired in the Quarles Acquisition and from the WTG Acquisition, which were partially offset by a decrease in the average price of fuel in the third first quarter of 2023 as 2024 compared to the third first quarter of 2022. 2023.

Fleet Fueling Operating Income

For the three months ended September 30, 2023 March 31, 2024, fuel contribution increased by $3.3 million $0.1 million compared to third first quarter of 2022 (excluding intercompany charges by GPMP). 2023. At proprietary cardlocks, fuel contribution increased decreased by $2.6 million (excluding intercompany charges by GPMP) $0.1 million, while and fuel margin per gallon also decreased for the third first quarter of 2024 compared to the first quarter of 2023, as compared to the third quarter

of 2022. when diesel margins were at significantly elevated levels. At third-party cardlock locations, fuel contribution increased $0.7 million (excluding intercompany charges by GPMP) $0.2 million, and fuel margin per gallon also increased for the third first quarter of 2023 as 2024 compared to the third first quarter of 2022. 2023. These changes were primarily due to higher volumes and the cardlocks acquired in the WTG Acquisition.

For the three months ended September 30, 2023 March 31, 2024, store site operating expenses increased $2.3 million $1.8 million compared to the three months ended September 30, 2022 due to the effect of a full quarter of the operations acquired in the Quarles Acquisition and the recent WTG Acquisition.

Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022

Fleet Fueling Revenues

For the nine months ended September 30, 2023, fuel revenue increased by $273.3 million compared to the nine months ended September 30, 2022. Fleet fueling revenues benefited from an increase in gallons sold, including the effect of the operations acquired in the Quarles Acquisition and the WTG Acquisition, which were partially offset by a decrease in the average price of fuel in the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022.

Fleet Fueling Operating Income

For the nine months ended September 30, 2023, fuel contribution increased by $31.6 million compared to the nine months ended September 30, 2022 (excluding intercompany charges by GPMP). At proprietary cardlocks, fuel contribution increased by $30.7 million (excluding intercompany charges by GPMP), and fuel margin per gallon also increased for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022. At third-party cardlock locations, fuel contribution increased $0.9 million (excluding intercompany charges by GPMP), and fuel margin per gallon also increased for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022. These increases were March 31, 2023 primarily due to nine months of operation for the Quarles Acquisition and the cardlocks acquired in the recent WTG Acquisition.

For the nine months ended September 30, 2023, store operating expenses increased $12.1 million compared to the nine months ended September 30, 2022 due to the addition of the Quarles Acquisition and the WTG Acquisition.

GPMP Segment

The table below shows the results of the GPMP segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, together with certain key metrics for the segment.

	For the Three Months Ended September 30,	For the Nine Months Ended September 30,	For the Three Months Ended March 31,

	2023	2022	2023	2022	2024	2023
Revenues:		(in thousands)			(in thousands)	
Fuel revenue - inter-segment	$ 1,469,454	$ 1,443,638	$ 3,973,560	$ 4,457,602	$ 1,099,851	$ 1,140,065
Fuel revenue - external customers	1,044	1,437	2,842	4,170	1,205	741
Other revenues, net	253	261	700	773	207	170
Other revenues, net - inter-segment	2,862	1,434	8,164	1,434	2,690	2,557
Total revenues	1,473,613	1,446,770	3,985,266	4,463,979	1,103,953	1,143,533
Operating expenses:						
Fuel costs	1,443,902	1,420,830	3,900,688	4,390,484	1,077,821	1,118,297
General and administrative expenses	854	709	2,407	2,174	961	772
Depreciation and amortization	1,841	1,843	5,525	5,527	1,844	1,842
Total operating expenses	1,446,597	1,423,382	3,908,620	4,398,185	1,080,626	1,120,911
Operating income	$ 27,016	$ 23,388	$ 76,646	$ 65,794	$ 23,327	$ 22,622
Fuel gallons sold - inter-segment	531,899	484,734	1,514,168	1,424,201	462,508	450,219
Fuel gallons sold - external customers	361	443	1,041	1,270	357	283
Fuel margin, cents per gallon[1]	5.0	5.0	5.0	5.0	5.0	5.0

Table of Contents

[1] Calculated as fuel revenue less fuel costs divided by fuel gallons sold.

Table of Contents

Three Months Ended September 30, 2023 March 31, 2024 versus Three Months Ended September 30, 2022 March 31, 2023

GPMP Revenues

For the three months ended September 30, 2023 March 31, 2024, fuel revenue increased decreased by $25.4 million $39.8 million compared to the third first quarter of 2022. 2023. The increase decrease in fuel revenue was attributable to a decrease in the average price of fuel, which was partially offset by an increase in gallons sold as compared to the third first quarter of 2022, which was partially offset by a decrease in the average price of fuel. 2023.

For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, other revenues, net were each $0.3 million similar and primarily related to rental income from certain sites leased to dealers. Inter-segment other revenues, net related to the fixed fee primarily charged to sites in the fleet fueling segment (currently 5.0 cents per gallon sold).

GPMP Operating Income

Fuel margin increased by $2.4 million $0.7 million for the third first quarter of 2023, as 2024, compared to the third first quarter of 2022, 2023, primarily due to greater gallons sold to the retail and wholesale segments at a fixed margin.

For the three months ended September 30, 2023, total general, administrative, depreciation and amortization expenses were similar with those in the comparable prior year period.

Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022

GPMP Revenues

For the nine months ended September 30, 2023, fuel revenue decreased by $485.4 million compared to the nine months ended September 30, 2022. The decrease in fuel revenue was attributable to a decrease in the average price of fuel, which was partially offset by an increase in gallons sold as compared to the first three quarters of 2022.

For the nine months ended September 30, 2023 and 2022, other revenues, net were $0.7 million and $0.8 million, respectively, and primarily related to rental income from certain sites leased to dealers. Inter-segment other revenues, net related to the fixed fee primarily charged to sites in the fleet fueling segment (currently 5.0 cents per gallon sold), which began in July 2022.

GPMP Operating Income

Fuel margin increased by $4.4 million for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022, primarily due to greater gallons sold to the retail and wholesale segments at a fixed margin.

For the nine months ended September 30, 2023 March 31, 2024, total general, administrative, depreciation and amortization expenses increased slightly from those in $0.2 million, compared to the comparable prior year period. first quarter of 2023.

Use of Non-GAAP Measures

We disclose certain measures on a “same store basis,” which is a non-GAAP measure. Information disclosed on a “same store basis” excludes the results of any store that is not a “same store” for the applicable period. A store is considered a same store beginning in the first quarter in which the store had a full quarter of activity in the prior year. We believe that this information provides greater comparability regarding our ongoing operating performance. Neither this measure nor those described below should be considered an alternative to measurements presented in accordance with generally accepted accounting principles in the United States ("GAAP").

We define EBITDA as net income before net interest expense, income taxes, depreciation and amortization. Adjusted EBITDA further adjusts EBITDA by excluding the gain or loss on disposal of assets, impairment charges, acquisition costs, other non-cash items, and other unusual or non-recurring charges. Each of Both EBITDA and Adjusted EBITDA is a are non-GAAP financial measure. measures.

We use EBITDA and Adjusted EBITDA for operational and financial decision-making and believe these measures are useful in evaluating our performance because they eliminate certain items that we do not consider indicators of our operating performance. EBITDA and Adjusted EBITDA are also used by many of our investors, securities analysts, and other interested parties in evaluating our operational and financial performance across reporting periods. We believe that the presentation of EBITDA and Adjusted EBITDA provides useful information to investors by allowing an understanding of key measures that we use internally for operational decision-making, budgeting, evaluating acquisition targets, and assessing our operating performance.

EBITDA and Adjusted EBITDA are not recognized terms under GAAP and should not be considered as a substitute for net income or any other financial measure presented in accordance with GAAP. These measures have limitations as analytical tools, and

Table of Contents

should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP. We strongly encourage investors to review our financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

Because non-GAAP financial measures are not standardized, same store measures, EBITDA and Adjusted EBITDA, as defined by us, may not be comparable to similarly titled measures reported by other companies. It therefore may not be possible to compare our use of these non-GAAP financial measures with those used by other companies.

Table of Contents

The following table contains a reconciliation of net income loss to EBITDA and Adjusted EBITDA for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	

Net income	$ 21,488	$ 24,994	$ 33,440	$ 59,118		
Net loss					$ (594)	$ (2,527)
Interest and other financing expenses, net	14,579	19,796	48,341	43,110	2,457	13,602
Income tax expense	7,993	20,898	10,849	31,060		
Income tax benefit					(6,707)	(2,158)
Depreciation and amortization	33,713	26,061	94,949	75,050	31,716	28,399
EBITDA	77,773	91,749	187,579	208,338	26,872	37,316
Non-cash rent expense (a)	3,860	1,977	10,418	5,714	3,484	2,798
Acquisition costs (b)	1,127	1,673	7,980	3,177	680	3,576
Loss on disposal of assets and impairment charges (c)	2,265	1,418	5,543	3,389	2,664	287
Share-based compensation expense (d)	4,614	3,145	13,238	9,027	3,329	4,069
Loss from equity investment (e)	14	44	77	7		
(Income) loss from equity investment (e)					(22)	36
Fuel taxes received in arrears (f)					(565)	—
Adjustment to contingent consideration (f) (g)	952	(1,550)	(672)	(2,076)	18	(702)
Internal entity realignment and streamlining (g)	—	408	—	408		
Other (h)	558	604	726	637	189	104
Adjusted EBITDA	$ 91,163	$ 99,468	$ 224,889	$ 228,621	$ 36,649	$ 47,484

(a) Eliminates the non-cash portion of rent, which reflects the extent to which our GAAP rent expense recognized exceeds exceeded (is was less than) our cash rent payments. The GAAP rent expense adjustment can vary varies depending on the terms of our lease portfolio, which has been impacted by our recent acquisitions. For newer leases, our rent expense recognized typically exceeds ou cash rent payments, while whereas, for more mature leases, rent expense recognized is typically less than our cash rent payments

(b) Eliminates costs incurred that are directly attributable to business acquisitions and salaries of employees whose primary job functi is to execute our acquisition strategy and facilitate integration of acquired operations.

(c) Eliminates the non-cash loss (gain) from the sale of property and equipment, the loss (gain) recognized upon the sale of related leased assets and impairment charges on property and equipment and right-of-use assets related to closed and non-performing sites.

(d) Eliminates non-cash share-based compensation expense related to the equity incentive program in place to incentivize, retain, and motivate our employees, certain non-employees, and members of our board of directors (the “Board”). Board.

(e) Eliminates our share of (income) loss attributable to our unconsolidated equity investment.

(f) Eliminates the receipt of historical fuel tax amounts for multiple prior periods.

(g) Eliminates fair value adjustments to the contingent consideration owed to the seller for the 2020 acquisition of Empire.

(g) Eliminates non-recurring charges related to our internal entity realignment and streamlining. Empire acquisition.

(h) Eliminates other unusual or non-recurring items that we do not consider to be meaningful in assessing operating performance.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations, availability under our credit facilities and our cash balances. Our principal liquidity requirements are the financing of current operations, funding capital expenditures including acquisitions, (including acquisitions), and servicing debt. We finance our inventory purchases primarily from customary trade credit aided by relatively rapid inventory turnover, as well as cash generated from operations. Rapid inventory turnover allows us to conduct operations without the need for large amounts of cash and working capital. We largely rely on internally generated cash flows and borrowings for operations, which we believe are sufficient to meet our liquidity needs for the foreseeable future.

Table of Contents

Our ability to meet our debt service obligations and other capital requirements, including capital expenditures, as well as the cost of acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. As a normal part of our business, depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. indebtedness, depending on market conditions. Changes in our operating plans, lower than anticipated sales, increased expenses, acquisitions, or other events may cause us to seek additional debt or equity financing in future periods. Additional debt financing could impose increased cash payment obligations, as well as covenants that may restrict our operations. There can be no guarantee that financing will be available on

Table of Contents

acceptable terms or at all. As of March 31, 2024, approximately 48% of our debt bore interest at variable rates, an increase from approximately 46% as of December 31, 2023, which has increased our interest rate risk and may require that we use more of our cash flow for the payment of interest if prevailing interest rates continue to increase or we incur additional indebtedness under our variable rate facilities or otherwise. See also “Quantitative and Qualitative Disclosures about Market Risk—Interest Rate Risk.”

As of September 30, 2023 March 31, 2024, we were in a strong liquidity position of approximately $827 million $764 million, consisting of approximately $204 million $184 million of cash and cash equivalents and approximately $623 million $579 million of availability under our lines of credit. credit available for certain purposes. This liquidity position currently provides us with adequate funding to satisfy our contractual and other obligations from our existing cash balances. As of September 30, 2023 March 31, 2024, we had no outstanding borrowings under our $140 million $140.0 million PNC Line of Credit (as defined below), $29.4 million $21.9 million of unused availability under the M&T equipment line of credit, described below, and $461.2 million $424.7 million of unused availability under our $800 million Capital One Line of Credit (as defined below), which we may elect to increase up to $1.0 billion, subject to obtaining additional financing commitments from current lenders or other banks, and subject to certain other terms.

The Board declared, and the Company paid, dividends of $0.03 per share of common stock on each of March 21, 2023, June 1, 2023 and September 1, 2023 March 21, 2024, totaling approximately $10.8 million $3.6 million. Additionally, the Board declared a quarterly dividend of $0.03 per share of common stock, to be paid on December 1, 2023 May 31, 2024 to stockholders of record as of November 17, 2023 May 20, 2024. The amount and timing of dividends payable on our common stock are within the sole discretion of our Board, which will evaluate dividend payments within the context of our overall capital allocation strategy on an ongoing basis, giving consideration to our current and forecast earnings, financial condition, cash requirements and other factors. There can be no assurance that we will continue to pay such dividends or the amounts of such dividends.

In May 2023, we announced that our 2024, the Board authorized an increase to increased the size of our share repurchase program from $50.0 million for up to up to an aggregate of $125.0 million of our outstanding shares of common stock, from an aggregate of $100.0 million of our outstanding shares of common stock. During the nine three months ended September 30, 2023 March 31, 2024, inclusive of the repurchase of the First Installment Shares from TEG, we repurchased approximately 3.1 million 4.8 million shares of common stock under the share repurchase program for approximately $23.5 million $28.3 million, or an average share price of $7.55. $5.89. The share repurchase program does not have a stated expiration date. Whether and the extent to which we repurchase shares depends on a number of factors, including our financial condition, capital requirements, cash flows, results of operations, future business prospects and other factors management may deem relevant. The timing, volume, and nature of repurchases are subject to market conditions, applicable securities laws, and other factors, and the program may be amended, suspended or discontinued at any time. Repurchases may be effected from time to time through open market purchases, including pursuant to a pre-set trading plan meeting the requirements of Rule 10b5-1(c)of the Exchange Act, privately negotiated transactions, pursuant to accelerated share repurchase agreements entered into with one or more counterparties, or otherwise.

To date, we have funded capital expenditures primarily through funds generated from operations, funds received from vendors, sale-leaseback transactions, the issuance of debt and existing cash. Future capital required to finance operations, acquisitions, and raze-and-rebuild, functionally remodel and fully remodel and update stores is expected to come from cash on hand, cash generated by operations, availability under lines of credit, and additional long-term debt and equipment leases, as circumstances may dictate. In both the short-term and long-term, short- to medium-term, we currently expect that our capital spending program will be primarily focused on expanding our store base through acquisitions, razing-and-rebuilding, remodeling and updating stores, and maintaining our owned properties and equipment, including upgrading all fuel dispensers equipment. In the medium- to be EMV-compliant. We long-term, we currently expect to spend a total of approximately $4.5 million in the current year to upgrade substantially all that our fuel dispensers to be EMV-compliant. capital spending program will include more focus on expanding our store base through new-to-industry store builds. We do not expect such capital needs to adversely affect liquidity. We are always opportunistic on expansion of our store base thorough acquisitions and will evaluate such opportunities in concert with our capital spending program.

Cash Flows for the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

Net cash provided by (used in) operating activities, investing activities and financing activities for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 was as follows:

	For the Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ 12,755	$ 15,883
Investing activities	(28,175)	(153,286)
Financing activities	(20,268)	92,257
Effect of exchange rates	(19)	(21)
Total	$ (35,707)	$ (45,167)

Table of Contents

	For the Nine Months Ended September 30,	
	2023	2022
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ 78,807	$ 139,763
Investing activities	(263,446)	(64,793)
Financing activities	88,393	(49,835)
Effect of exchange rates	(83)	(109)
Total	$ (96,329)	$ 25,026

Operating Activities

Cash flows provided by operations are our main source of liquidity. We have historically relied primarily on cash provided by operating activities, supplemented as necessary from time to time by borrowings on our credit facilities and other debt or equity transactions to finance our operations and to fund our capital expenditures. Cash flow provided by operating activities is primarily impacted by our net income and changes in working capital.

For the nine three months ended September 30, 2023 March 31, 2024, cash flows provided by operating activities were $78.8 million $12.8 million compared to $139.8 million $15.9 million for the nine three months ended September 30, 2022 March 31, 2023.

The decrease was primarily the result of approximately $12.4 million $5.1 million of higher net interest payments approximately $22.9 million of higher net tax payments and a technical delay in receiving approximately $12.1 million from a routine credit card processor, as well as a decrease in Adjusted EBITDA of $3.7 million. $10.8 million primarily from lower fuel contribution and regulatory state-wide elimination of Virginia skill gaming machines income coupled with increases in same store site operating expenses and general and administrative expenses. Cash flows provided by operating activities for the three months ended March 31, 2023 were unfavorably impacted by the investment in working capital associated with the TEG Acquisition.

Investing Activities

Cash flows used in investing activities primarily reflect capital expenditures for acquisitions and replacing and maintaining existing facilities and equipment used in the business.

For the nine three months ended September 30, 2023 March 31, 2024, cash used in investing activities increased decreased by $198.7 million $125.1 million compared to the nine three months ended September 30, 2022 March 31, 2023. For the nine three months ended September 30, 2023 March 31, 2024, we utilized $75.6 million $29.2 million for capital expenditures, including the purchase of certain fee properties, upgrades to fuel dispensers and other investments in our stores. The net consideration paid by us for our recent acquisitions $111.5 million, reflecting $494.9 million in aggregate purchase consideration, offset by $383.4 million paid by Oak Street.

Financing Activities

Cash flows from financing activities primarily consist of increases and decreases in the principal amount of our lines of credit and debt, distributions to non-controlling interests and issuance of common and preferred stock, net of dividends paid and common stock repurchases.

For the nine three months ended September 30, 2023 March 31, 2024, financing activities consisted primarily of net receipts of $62.3 million $35.0 million for long-term debt, $80.4 million of consideration paid by Oak Street related to the 2023 Acquisitions, which transactions with Oak Street were accounted for as sale-leasebacks (see Note 3 to our condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q), payment of $9.8 million for the Ares Put Option, repayments of $4.2 million $1.1 million for financing leases, $10.8 million $3.6 million for dividend payments on common stock, $4.3 million $1.4 million for dividend payments on the Series A redeemable preferred stock and $25.2 million $31.9 million for common stock repurchases. repurchases, including the repurchase of the First Installment Shares originally issued to pay deferred consideration in the TEG Acquisition. We also made an early payment of $17.2 million, as payment in full and as a discount for the $25.0 million deferred consideration in the TEG Acquisition which would have been due on March 1, 2025. See Note 4 to our consolidated unaudited interim financial statements included in this Quarterly Report on Form 10-Q.

Credit Facilities and Senior Notes

Senior Notes

The As of March 31, 2024, the Company has had outstanding $450 million aggregate principal amount of its 5.125% Senior Notes due 2029 (the “Senior Notes”). The Issued in October 2021, the Senior Notes are guaranteed, on an unsecured senior basis, by certain of the Company’s wholly owned domestic subsidiaries (the “Guarantors”). The indenture governing the Senior Notes contains customary restrictive covenants that, among other things, generally limit the ability of the Company and substantially all of its subsidiaries to (i) create liens, (ii) pay dividends, acquire shares of capital stock and make payments on subordinated debt, (iii) place limitations on distributions from certain subsidiaries, (iv) issue or sell the capital stock of certain subsidiaries, (v) sell assets, (vi) enter into transactions with affiliates, (vii) effect mergers and (viii) incur indebtedness. The Senior Notes and the guarantees rank equally in right of payment with all of the Company's and the Guarantors' respective existing and future senior unsubordinated indebtedness and are effectively subordinated to all of the Company's and the

Table of Contents

Guarantors' existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness; and are structurally subordinated to any existing and future obligations of subsidiaries of the Company that are not Guarantors.

Financing Agreement with PNC

GPM and certain subsidiaries have a financing arrangement (as amended, the "PNC Credit Agreement") with PNC Bank National Association ("PNC") to provide a line of credit with an aggregate principal amount of up to $140 million for purposes of financing working capital (the "PNC Line of Credit").

The PNC Line of Credit bears interest, as elected by GPM at: (a) SOFR Adjusted plus Term SOFR (as defined in the PNC Credit Agreement) plus a margin of 1.25% to 1.75% or (b) a rate per annum equal to the alternate base rate (as defined in the PNC

Table of Contents

Credit Agreement) plus a margin of 0% to 0.50%. Every quarter, the SOFR margin rate and the alternate base rate margin rate are updated based on the quarterly average undrawn availability of the line of credit. The calculation of the availability under the PNC Line of Credit is determined monthly subject to terms and limitations as set forth in the PNC Credit Agreement, taking into account the balances of receivables, inventory and letters of credit, among other things. As of September 30, 2023 March 31, 2024, $7.3 million $7.1 million of letters of credit were outstanding under the PNC Credit Agreement.

Financing Agreements with M&T Bank

As of March 31, 2024, GPM has a financing arrangement with M&T Bank to provide that provides a line of credit for up to $45.0 million to purchase equipment on or before September 2026, and which line may be borrowed in tranches, as described below, and well as an aggregate original principal amount of $35.0 million $49.5 million of a real estate loan loans (the "M&T Term Loan" Loans"). As of September 30, 2023 March 31, 2024, approximately $29.4 million $21.9 million remained available under the equipment line of credit.

Each additional equipment loan tranche under such financing agreement will have a term of up to five years from the date it is advanced, payable in equal monthly payments of principal plus interest of SOFR (as defined in the agreement) plus 2.75%. The M&T Term Loan bears Loans bear interest at SOFR Adjusted (as defined in the agreement) plus 2.75% to 3.00% (depending on the loan), matures mature in June 2026 or November 2028 (depending on the loan) and is are payable in monthly installments based on a fifteen-year amortization schedule, with the balance of the each loan payable at maturity.

Financing agreement Agreement with a syndicate Syndicate of banks led Banks Led by Capital One, National Association ("Capital One")

GPMP has a revolving credit facility with a syndicate of banks led by Capital One, National Association, in an aggregate principal amount of up to $800 million (the "Capital One Line of Credit"). At GPMP's request, the Capital One Line of Credit can be increased up to $1.0 billion, subject to obtaining additional financing commitments from current lenders or from other banks, and subject to certain terms as detailed in the Capital One Line of Credit. The revolving credit facility Capital One Line of Credit is available for general GPMP purposes, including working capital, capital expenditures and permitted acquisitions.

On March 26, 2024, GPMP, Capital One and the guarantors and lenders party thereto entered into an amendment to the Capital One Line of Credit, to facilitate the borrowing and use of up to $36.5 million of the Capital One Line of Credit for the settlement of the Installment Payments as provided for in the TEG Purchase Agreement Amendment. The other material terms of the Capital One Line of Credit remain unchanged. The Capital One Line of Credit matures on May 5, 2028. As of September 30, 2023 March 31, 2024, approximately $338.3 million $374.8 million was drawn on the Capital One Line of Credit, $0.5 million of letters of credit were outstanding under the Capital One Line of Credit and approximately $461.2 million $424.7 million was available thereunder. In April 2024, we financed the SpeedyQ acquisition (as described in Note 15 to the unaudited condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q) utilizing $6.0 million under the Capital One Line of Credit.

The Capital One Line of Credit bears interest, as elected by GPMP at: (a) Adjusted Term SOFR (as defined in the agreement) plus a margin of 2.25% to 3.25% or (b) a rate per annum equal to the alternate base rate (as defined in the agreement) plus a margin of 1.25% to 2.25%. The margin is determined according to a formula in the Capital One Line of Credit that depends on GPMP's leverage.

Critical Accounting Policies and Estimates

For the nine three months ended September 30, 2023 March 31, 2024, there were no material changes to our critical accounting policies and estimates described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 that have had a material impact on our condensed consolidated financial statements and related notes.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Commodity Price Risk

We have limited exposure to commodity price risk as a result of the payment and volume-related discounts in certain of our fuel supply contracts with our fuel suppliers, which are based on the market price of motor fuel. Significant increases in fuel prices could result in significant increases in the retail price of fuel and in lower sales to consumers and dealers. When fuel prices rise, some of our dealers may have insufficient credit to purchase fuel from us at their historical volumes. In addition, significant and persistent increases in the retail price of fuel could also diminish consumer demand, which could subsequently diminish the volume of fuel we distribute. A significant percentage of our sales are made with the use of credit cards. Because the interchange fees we pay when credit cards are used to make purchases are based on transaction amounts, higher fuel prices at the pump and higher gallon movements result

Table of Contents

in higher credit card expenses. These additional fees increase operating expenses. In connection with the Quarles Acquisition, we began to We make use of derivative commodity instruments

Table of Contents

to manage risks associated with an immaterial number of gallons designed to offset changes in the price of fuel that are directly tied to firm commitments to purchase diesel fuel.

Interest Rate Risk

We may be subject to market risk from exposure to changes in interest rates based on our financing, investing, and cash management activities. The Senior Notes bear a fixed interest rate, therefore, an increase or decrease in prevailing interest rates has no impact on our debt service for the Senior Notes. As of September 30, 2023 March 31, 2024, the interest rate on our Capital One Line of Credit was 7.9% 8.2%, the interest rate on our M&T Term Loan was 8.4% 8.3% and the interest rate on the variable portion of our variable M&T equipment loan was 8.1% (approximately $15.6 million of the total loan). As of September 30, 2022 March 31, 2023, the interest rate on our Capital One Line of Credit was 5.1% 7.1% and the interest rate on our M&T Term Loan was 6.2% 7.6% (the entire M&T equipment loan had a fixed rate). As of September 30, 2023 March 31, 2024, approximately 44% 48% of our debt bore interest at variable rates. If Based on the outstanding balances as of March 31, 2024, if our applicable interest rates increase by 1%, then our debt service on an annual basis would increase by approximately $3.7 million $4.3 million. Interest rates on commercial bank borrowings and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. Although this could limit our ability to raise funds in the debt capital markets, we expect to remain competitive with respect to acquisitions and capital projects, as our competitors would likely face similar circumstances.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. The disclosure controls and procedures related to the TEG Acquisition we closed on March 1, 2023 were excluded from the evaluation of effectiveness of the Company’s disclosure controls and procedures as of September 30, 2023, due to the timing of this acquisition. This acquisition's total assets constituted approximately 11% of the Company's total assets as of September 30, 2023, and represented approximately 8% of the Company's revenue for the nine months ended September 30, 2023. Based on management's evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

Changes to the Company's Internal Control Over Financial Reporting

There have been no changes to the Company's internal control over financial reporting that occurred during the calendar quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Table of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

During the reporting period covered by this Quarterly Report on Form 10-Q, there have been no material changes to the description of legal proceedings as set forth in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 1A. Risk Factors

During the reporting period covered by this Quarterly Report on Form 10-Q, there have been no material changes to our risk factors as set forth in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents our share repurchase activity for the quarter ended September 30, 2023 March 31, 2024 (dollars in thousands, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Dollar Value that May Yet Be Purchased Under the Plans or Programs (1)
July 1, 2023 to July 31, 2023	179,491	$ 7.96	179,491	$ 47,643

August 1, 2023 to August 31, 2023	292,640	7.66	292,640	45,402
September 1, 2023 to September 30, 2023	1,068,511	7.43	1,068,511	37,468
Total	1,540,642	$ 7.53	1,540,642	$ 37,468

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (4)	Maximum Dollar Value that May Yet Be Purchased Under the Plans or Programs (4)
January 1, 2024 to January 31, 2024 (1)	243,173	$ 8.10	125,457	$ 28,008
February 1, 2024 to February 29, 2024 (2)	370,410	7.98	150,693	26,810
March 1, 2024 to March 31, 2024 (3)	4,659,752	5.79	4,534,381	655
Total	5,273,335	$ 6.05	4,810,531	$ 655

(1) All In addition to the shares of common stock we purchased under our publicly announced $100 million share repurchase progr we repurchased 118 thousand shares of our common stock at an aggregate cost of $1.0 million, or an average purchase price $8.35 per share, in connection with the net settlement of shares issued as a result of the vesting of restricted stock units.

(2) In addition to the shares of common stock we purchased under our publicly announced $100 million share repurchase program repurchased 220 thousand shares of our common stock at an aggregate cost of $1.8 million, or an average purchase price of $ per share, in connection with the net settlement of shares issued as a result of the vesting of performance based restricted stoc units.

(3) We repurchased 3.4 million shares of our common stock at a cost of $19.3 million, or a purchase price of $5.66 per share, in connection with the settlement of deferred consideration pursuant to the TEG Purchase Agreement Amendment, under our pub announced $100 million share repurchase program. In addition to the shares of common stock we repurchased, we repurchase 125 thousand shares of our common stock at an aggregate cost of $0.8 million, or an average purchase price of $6.48 per shar connection with the net settlement of shares issued as a result of the vesting of restricted stock units.

(4) Except as noted in footnotes 1, 2 and 3 above with respect to shares repurchased in connection with the vesting of restricted st units, all of the above repurchases were made on the open market at prevailing market rates prices plus related expenses unde our stock share repurchase program, which authorizes the repurchase of up to $100 million of our common stock. We publicly announced this program on February 23, 2022 and announced the increased amount authorized to be repurchased on May 16 2023. In May 2024, we increased the size of our share repurchase program for up to an aggregate of $125.0 million of our outstanding shares of common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

[Table of Contents](#)

Item 5. Other Information

During the three months ended September 30, 2023 March 31, 2024, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

[Table of Contents](#)

Item 6. Exhibits

Exhibit 10.1 10.1+	Second Amendment to Second Amended, Restated and Consolidated Credit Master Supply Agreement, dated October 14, 2021 as of March 21, 2024, by and among between GPM Investments, LLC and Core-Mark International, Inc.(incorporated by reference to Exhibit 10.1 to the other borrowers party thereto and M&T Bank. Current Report on Form 8-K, filed on March 26, 2024).
Exhibit 31.1 10.2	First Amendment to Second Amended and Restated Credit Agreement, dated as of March 26, 2024, by and among GPM Petroleum LP, the guarantors party thereto, Capital One, National Association, and the lenders party thereto (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed on March 28, 2024).
Exhibit 10.3++	Amendment No. 2 to Asset Purchase Agreement, dated as of March 26, 2024, by and among GPM Investments, LLC, Transit Energy Group, LLC and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on March 28, 2024).
Exhibit 31.1*	Certification by Arie Kotler, Chairman of the Board, President and Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2023 March 31, 2024.
Exhibit 31.2 31.2*	Certification by Donald Bassell, Robert Giammatteo, Executive Vice President and Chief Financial Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2023 March 31, 2024.

Exhibit 32.1 32.1**	Certification by Arie Kotler, Chairman of the Board, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2023 March 31, 2024.
Exhibit 32.2 32.2**	Certification by Donald Bassell, Robert Giammatteo, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2023 March 31, 2024.
101	The following financial statements from the Company's Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Changes in Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*Filed herewith.

**Furnished herewith.

47 + Pursuant to Item 601(b)(10)(iv) of Regulation S-K, portions of this exhibit have been omitted because the Company customarily and actually treats the omitted portions as private or confidential, and such portions are not material and would likely cause competitive harm to the Company if publicly disclosed. The Company will supplementally provide a copy of an unredacted copy of this exhibit to the U.S. Securities and Exchange Commission or its staff upon request.

++ Pursuant to Item 601(a)(5) of Regulation S-K, schedules and similar attachments to this exhibit have been omitted because they do not contain information material to an investment or voting decision and such information is not otherwise disclosed in such exhibit. The Company will supplementally provide a copy of any omitted schedule or similar attachment to the U.S. Securities and Exchange Commission or its staff upon request.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 6, 2023 May 7, 2024	**ARKO Corp.**
	By: /s/ Arie Kotler Robert Giammatteo
	Name: Arie Kotler Robert Giammatteo
	Title: Executive Vice President and Chief Executive Financial Officer and Chairman of the Board
	(on behalf of the Registrant and as Principal Executive Financial and Accounting Officer)

48 40

Exhibit 10.1

SECOND AMENDMENT TO SECOND AMENDED, RESTATED AND CONSOLIDATED CREDIT AGREEMENT

THIS SECOND AMENDMENT TO SECOND AMENDED, RESTATED AND CONSOLIDATED CREDIT AGREEMENT (this "Amendment") is made as of September 28, 2023, by and among GPM INVESTMENTS, LLC, a Delaware limited liability company ("GPM"), GPM SOUTHEAST, LLC, a Delaware limited liability company ("GPM Southeast"), GPM1,LLC, a Delaware limited liability company ("GPM1"), GPM2, LLC, a Delaware limited liability company ("GPM2"), GPM3, LLC, a Delaware limited liability company ("GPM3"), GPM4,LLC, a Delaware limited liability company ("GPM5"), GPM5,LLC, a Delaware limited liability company ("GPM5"), GPM6,LLC, a Delaware limited liability company ("GPM6"), GPM8**,** LLC, a Delaware limited liability company ("GPM8"), GPM9,LLC, a Delaware limited liability company ("GPM9"), GPM APPLE, LLC, a Delaware limited liability company ("GPM Apple"), GPM EMPIRE,LLC, a Delaware limited liability company ("GPM Empire"), GPM MIDWEST, LLC, a Delaware limited liability company ("GPM Midwest"), GPM MIDWEST 18, LLC, a Delaware limited liability company ("GPM Midwest 18"), GPM RE, LLC, a Delaware limited liability company ("GPM RE"), COLONIAL PANTRY HOLDINGS, LLC, a Delaware limited liability company ("Colonial Pantry"), FLORIDA CONVENIENCE STORES,LLC, a Delaware limited liability company ("Florida Convenience"), PRIDE OPERATING, a Delaware limited liability company ("Pride Operating"), VILLAGE PANTRY, LLC, an Indiana limited liability company ("Village Pantry"), and VILLAGE VARIETY STORE OPERATIONS, LLC, a Delaware limited liability company ("Village Variety") (individually and collectively, jointly and severally, whether one or more in number and in any combination, the "Borrower"), and M&T BANK, a New York banking corporation (the "Bank").

RECITALS

WHEREAS, Bank extended credit to Borrower in the aggregate original principal amount of up to Fifty-Five Million and No/100 Dollars ($55,000,000.00) (collectively, the "Loan"), pursuant to the terms and provisions of that certain Second Amended, Restated and Consolidated Credit Agreement dated as of June 24, 2021 by and among Borrower and Bank and certain other parties named therein, as modified by that certain Amendment to Second Amended, Restated and Consolidated Credit Agreement dated as of October 14, 2021, as further modified by that certain Omnibus Amendment to Loan Documents and Consent Agreement dated as of October 3, 2022 (collectively, as further modified or amended from time to time, the "Credit Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings ascribed in the Credit Agreement); and

WHEREAS, Borrower and Bank mutually desire to modify and amend the provisions of the Credit Agreement in the manner hereinafter set out, it being specifically understood that, except as herein modified and amended, the terms and provisions of the Credit Agreement shall remain unchanged and continue in full force and effect as therein written.

AGREEMENT

NOW, THEREFORE, effective as of the date first written above, Borrower and Bank, in consideration of Bank's continued extension of credit and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the foregoing, hereby agree that the Credit Agreement shall be, and the same hereby is, modified and amended as follows:

A. Conditions Precedent to Effectiveness of Modification. This Amendment shall become effective as of the date the following conditions precedent have been satisfied in Bank's sole discretion or waived by Bank, for whose sole benefit such conditions exist:

(a) Borrower shall have executed and delivered this Amendment to Bank;

(b) Bank shall have executed this Amendment; and

(c) Borrower shall have paid to Bank all fees due and payable in connection with this Amendment, including, without limitation, (i) a commitment fee in the amount of $250,000.00, and (ii) all administrative expenses, legal fees (including attorneys' fees) and/or out-of-pocket expenses.

B. Modifications. Upon satisfaction of the foregoing conditions precedent, the Credit Agreement shall be, without further act or deed, modified and amended as follows:

1. The Credit Agreement is hereby modified and amended by deleting and restating the defined term "Borrower" where it appears at the top of the first page of the Credit Agreement in its entirety as follows:

GPM INVESTMENTS, LLC, a limited liability company organized under the laws of Delaware ("GPM"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM SOUTHEAST, LLC**, a limited liability company organized under the laws of Delaware ("GPM Southeast"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM1, LLC**, a limited liability company organized under the laws of Delaware ("GPM1"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM2, LLC**, a limited liability company organized under the laws of Delaware ("GPM2"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM3, LLC**, a limited liability company organized under the laws of Delaware ("GPM3"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM4, LLC**, a limited liability company organized under the laws of Delaware ("GPM4"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM5, LLC**, a limited liability company organized under the laws of Delaware ("GPM5"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM6, LLC**, a limited liability company organized under the laws of Delaware ("GPM6"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM8, LLC**, a limited liability company organized under the laws of Delaware ("GPM8"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM9, LLC**, a limited liability company organized under the laws of Delaware ("GPM9"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM APPLE, LLC**, a limited liability company organized under the laws of Delaware ("GPM

Apple"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM EMPIRE, LLC**, a limited liability company organized under the laws of Delaware ("GPM Empire"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM MIDWEST, LLC**, a limited liability company organized under the laws of Delaware ("GPM Midwest"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM MIDWEST 18, LLC**, a limited liability company organized under the laws of Delaware ("GPM Midwest 18"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **GPM RE, LLC**, a limited liability company organized under the laws of Delaware ("GPM RE"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **COLONIAL PANTRY HOLDINGS, LLC**, a limited liability company organized under the laws of Delaware ("Colonial Pantry"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **FLORIDA CONVENIENCE STORES, LLC**, a limited liability company organized under the laws of Delaware ("Florida Convenience"); **PRIDE OPERATING, LLC**, a limited liability company organized under the laws of Delaware ("Pride Operating"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; **VILLAGE PANTRY, LLC**, a limited liability company organized under the laws of Indiana ("Village Pantry"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227; and **VILLAGE VARIETY STORE OPERATIONS, LLC**, a limited liability company organized under the laws of Delaware ("Village Variety"), having its chief executive office at 8565 Magellan Parkway, Suite 400, Richmond, Virginia 23227 (individually and collectively, jointly and severally, whether one or more in number and in any combination).

2. The Credit Agreement is hereby further modified and amended by deleting and restating the following defined terms where they appear in Section 1 of the Credit Agreement, entitled "Definitions", in their entirety as follows:

"Equipment Loan" shall mean that certain revolving line of credit from Bank to Equipment Loan Borrower in the aggregate original principal amount of up to Forty-Five Million and No/100 Dollars ($45,000,000.00), as further described in Section 9 hereinbelow.

"Equipment Loan Borrower" shall mean, individually and collectively, jointly and severally, whether one or more in number and in any combination, GPM, GPM Southeast, GPM1, GPM2, GPM3, GPM4, GPM5, GPM6, GPM Apple, GPM Empire, GPM Midwest, GPM Midwest 18, Colonial Pantry, Florida Convenience and Pride Operating, Village Pantry, and Village Variety.

"Loan" shall mean, individually and collectively, any extension of credit from Bank to Borrower that is made subject to this Agreement and which incorporates this Agreement by reference in the Loan Documents evidencing, securing or otherwise executed in connection with such extension of credit, including, without limitation, the Real Estate Loan and the Equipment Loan (and each Equipment Loan Advance thereunder). For the avoidance of doubt, this Agreement constitutes the "Credit Agreement" referenced in any of the Loan Documents containing such reference.

"Security Agreement" shall mean that certain Second Amended and Restated Security Agreement dated as of September 28, 2023 executed by Equipment Loan Borrower, as debtor, in favor of Bank, as secured party, encumbering the Collateral, as modified, amended and/or supplemented from time to time.

3. The Credit Agreement is hereby further modified and amended by deleting and restating subsection l, entitled "Equipment Collateral Releases", of Section 3 of the Credit Agreement, entitled "Affirmative Covenants", in its entirety as follows:

EquipmentCollateral Releases. Bank agrees to release individual pieces of equipment constituting the Equipment Collateral from the lien of the Security Agreement in the event of a sale of, or termination of Equipment Loan Borrower's lease for, the underlying real property on which such Equipment Collateral is located (each, an "Equipment Release") upon satisfaction of the following conditions: (i) no Event of Default, and no event that, with the giving of notice or the passage of time or both would constitute an Event of Default, shall have occurred and be continuing under the Transaction Documents; (ii) the cost to Bank of any such Equipment Release shall be borne by Equipment Loan Borrower, including the reasonable fees and costs of Bank's counsel; (iii) Equipment Loan Borrower shall have delivered to Bank at least five (5) days' prior written notice of Equipment Loan Borrower's request for such Equipment Release; (iv) Equipment Loan Borrower shall have provided satisfactory evidence to Bank of the pending sale of, or termination of the lease for, the underlying real property on which such Equipment Collateral is located; and (v) in connection with such Equipment Release, Equipment Loan Borrower shall have repaid the principal amount outstanding under each applicable Term Note evidencing the Equipment Loan Advance used to finance the acquisition of such Equipment Collateral in an amount equal to the original cost of such Equipment Collateral to be released pursuant to such Equipment Release (the "Equipment Release Fee Amount"); *provided, however*, that no payment of the Equipment Release Fee Amount shall be required in connection with the first five (5) Equipment Releases in any Equipment Release Period.

4. The Credit Agreement is hereby further modified and amended by deleting and restating Section 9 of the Credit Agreement, entitled "Equipment Loan", in its entirety as follows:

9. EQUIPMENT LOAN. Bank shall make one or more additional extensions of credit to Equipment Loan Borrower under the Equipment Loan in an aggregate amount not to exceed the maximum principal amount of the Equipment Loan to finance capital equipment expenditures, subject to the following terms and conditions:

(i) Subject to the satisfaction of the conditions precedent set forth in subsection (iii) below, Bank shall make advances of principal under the Equipment Loan (each, an "Equipment Loan Advance") to Equipment Loan Borrower from time to time until **September 28, 2026** (the "Availability Period"); *provided, however,* that the principal amount of all outstanding Equipment Loan Advances shall not exceed the maximum principal amount of the Equipment Loan. The Equipment Loan shall be a revolving credit facility. Subject to all applicable provisions in this Agreement, each Term Note, and any and all other agreements between Equipment Loan Borrower and Bank related to the Equipment Loan, the Equipment Loan Borrower may borrow, pay, prepay and reborrow under the Equipment Loan at any time during the Availability Period, and any amount of principal that has been repaid under any Term Note may be reborrowed as an additional Equipment Loan Advance after such repayment. Equipment Loan Borrower may request Equipment Loan Advances not more than once per calendar quarter to reimburse Equipment Loan Borrower for equipment purchased in the preceding one hundred twenty (120) day period (or prior to such one hundred twenty (120) day period to the extent approved by PNC); and the preceding three hundred (300) day period for the initial Equipment Loan Advance after the

date hereof; *provided, however*, that Equipment Loan Borrower may not request any Equipment Loan Advance in an amount less than $500,000.00.

(ii) Each Equipment Loan Advance shall be evidenced by a separate term note (each, as modified, amended, renewed, restated or replaced from time to time, a "Term Note") in the amount of each respective Equipment Loan Advance, made by all Equipment Loan Borrowers (jointly and severally as co-borrowers) payable to Bank in accordance with the terms thereof. Each Term Note shall (a) bear interest at a variable rate equal to 2.75% above the greater of (I) the Variable Loan Rate (as defined in the applicable Term Note), or (II) 0.00% (collectively, the "Equipment Loan Rate"), (b) be repaid in monthly payments of principal (calculated using an amortization period equal to the term of such Equipment Loan Advance) plus accrued and unpaid interest, and (c) mature on that date which is up to five (5) years after the date of the applicable Equipment Loan Advance memorialized thereby.

(iii) Prior to the end of the Availability Period, Equipment Loan Borrower shall give Bank written notice (or telephonic notice promptly confirmed in writing) of each requested Equipment Loan Advance not less than ten (10) business days prior to the making of each Equipment Loan Advance requested. Each notice shall be irrevocable and shall specify the principal amount of such Equipment Loan Advance (*provided, however*, that no Equipment Loan Advance shall exceed one hundred percent (100%) of the cost of the Equipment Collateral financed thereby, as determined by Bank), as well as the proposed date of the closing of such Equipment Loan Advance. Upon the satisfaction of the following conditions, Bank will make the proceeds of each Equipment Loan Advance available to Equipment Loan Borrower on the date specified in the applicable notice by crediting an account maintained by Equipment Loan Borrower with Bank or, at Equipment Loan Borrower's option, by delivering a wire transfer of such amount to an account designated by Equipment Loan Borrower to Bank: (1) no Event of Default, and no event that, with the giving of notice or the passage of time or both would constitute an Event of Default, shall have occurred and be continuing under the Transaction Documents; (2) Equipment Loan Borrower shall have delivered to Bank such information as Bank may reasonably request with respect to the Equipment Collateral financed with the proceeds of such Equipment Loan Advance, in form and substance satisfactory to Bank; and (3) Equipment Loan Borrower shall have executed and delivered to Bank, or caused to be executed and delivered to Bank) (A) the Term Note evidencing such Equipment Loan Advance, (B) a modification, supplement and/or joinder to the Security Agreement executed and delivered by the applicable Equipment Loan Borrower granting a security interest to Bank in the Equipment Collateral financed thereby, and (C) such other documents and/or instruments as Bank shall reasonably require, all in form and substance satisfactory to Bank. In amplification of the foregoing, Equipment Loan Borrower authorizes (both prospectively and retroactively) Bank to file financing statements, and any continuations and amendments thereof, with respect to the Equipment Collateral financed with the proceeds of each Equipment Loan Advance, without Equipment Loan Borrower's signature and at Equipment Loan Borrower's sole cost and expense.

C. Representations and Warranties; Acknowledgement of Balance. Borrowerhereby represents and warrants that no Event of has occurred and is continuing, or would exist with notice or the lapse of time or both, under any of the Transaction Documents, and that all representations and warranties herein and in the other Transaction Documents are true and correct in all material respects. As of the date hereof and after giving effect to the closing of the $4,850,000.00 Equipment Loan Advance being made by Bank to Borrower simultaneously herewith, the aggregate principal amount of all outstanding Equipment Loan Advances is **$15,558,402.98**, plus accrued and unpaid interest and other sums due and payable in connection therewith.

IT IS MUTUALLY AGREED by and between the parties hereto that this Amendment shall become a part of the Credit Agreement by reference and that nothing herein contained shall impair the security now held for said indebtedness, nor shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Credit Agreement, except as herein amended, nor affect or impair any rights, powers or remedies under the Credit Agreement, as hereby amended. Furthermore, Bank does hereby reserve all rights and remedies it may have against all parties who may be or may hereafter become primarily or secondarily liable for the repayment of the indebtedness evidenced by the Transaction Documents in addition to any other rights and remedies Bank may have under the Credit Agreement or any of the other Transaction Documents. Each Borrower promises and agrees to pay and perform all of its requirements, conditions and obligations under the terms of the Transaction Documents and the Credit Agreement, as hereby modified and amended, said documents being hereby ratified

and affirmed. The execution and delivery hereof shall not constitute a novation or modification of the lien, encumbrance or security title of any of the Security Instruments, which Security Instruments shall retain their priority as originally filed for record. Each Borrower expressly agrees that the Transaction Documents and the Credit Agreement are in full force and effect and that it has no right to setoff, counterclaim or defense to the payment thereof. Any reference contained in the Credit Agreement, as amended herein, or in any of the Transaction Documents to the Credit Agreement shall hereinafter be deemed to be a reference to such document as amended hereby.

This Amendment shall be closed without cost to Bank and all expenses incurred in connection with this closing (including, without limitation, all attorneys' fees) are to be paid by Borrower. Bank is not providing legal advice or services to Borrower.

This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflict of laws.

This Amendment shall be binding upon and inure to the benefit of any assignee or the respective heirs, executors, administrators, successors and assigns of the parties hereto.

This Amendment may be executed in any number of counterparts, each of which shall be an original but all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute any of such counterparts.

[SIGNATURE PAGES FOLLOW]

SECOND AMENDMENT TO SECOND AMENDED, RESTATED AND CONSOLIDATED CREDIT AGREEMENT

[SIGNATURE PAGE]

IN WITNESS WHEREOF, this instrument has been executed under seal by the parties hereto and delivered on the date and year first above written.

BORROWER:

GPM INVESTMENTS, LLC,

GPM SOUTHEAST, LLC,

GPM1, LLC,

GPM2, LLC,

GPM3, LLC,

GPM4, LLC,

GPM5, LLC,

GPM6, LLC,

GPM8, LLC,

GPM9, LLC,

GPM Apple, LLC,

GPM Empire, LLC,

GPM Midwest, LLC,

GPM Midwest 18, LLC,

GPM RE, LLC,

Colonial Pantry Holdings, LLC,

Florida Convenience Stores, LLC,

Pride Operating, LLC,

Village Variety Store Operations, LLC,

each a Delaware limited liability company

By: /s/ Donald P. Bassell (SEAL)

Name: Donald P. Bassell

Title: Chief Financial Officer

By: /s/ Maury Bricks (SEAL)

Name: Maury Bricks

Title: General Counsel

VILLAGE PANTRY, LLC,

an Indiana limited liability company

By: /s/ Donald P. Bassell (SEAL)

Name: Donald P. Bassell

Title: Chief Financial Officer

By: /s/ Maury Bricks (SEAL)

Name: Maury Bricks

Title: General Counsel

SECOND AMENDMENT TO SECOND AMENDED, RESTATED AND CONSOLIDATED CREDIT AGREEMENT

[SIGNATURE PAGE]

IN WITNESS WHEREOF, this instrument has been executed under seal by the parties hereto and delivered on the date and year first above written.

BANK:

M&T BANK,

a New York banking corporation

By: /s/ Drake A. Staniar (SEAL)

Name: Drake A. Staniar

Title: Senior Vice President

Exhibit 31.1

CERTIFICATION

I, Arie Kotler, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of ARKO Corp.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material f necessary to make the statements made, in light of the circumstances under which such statements were made, not mislead with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presen in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedu (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchar Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed u our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is r known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be desi under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparati financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclu about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report base such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred durin registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has mate affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control o financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons perform the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting v are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial inform and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role i registrant's internal control over financial reporting.

Date: November 6, 2023 May 7, 2024

/s/ Arie Kotler

Arie Kotler

President, Chief Executive Officer and

Chairman of the Board, President and Chief

Executive Officer

Exhibit 31.2

CERTIFICATION

I, Donald Bassell, Robert Giammatteo, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of ARKO Corp.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material f necessary to make the statements made, in light of the circumstances under which such statements were made, not mislead with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presen in this report;

(4) The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedu (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchar

Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed un our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is ma known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be desigr under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusio about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materi affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control o financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons perform the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting wh are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial informati and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in registrant's internal control over financial reporting.

Date: November 6, 2023 May 7, 2024

/s/ Donald Bassell Robert Giammatteo

Donald BassellRobert Giammatteo

Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, Arie Kotler, Chief Executive Officer of ARKO Corp. (the “Company”), hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the “Form 10-Q”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2023 May 7, 2024	/s/ Arie Kotler
	Arie Kotler
	President, Chief Executive Officer and Chairman of the Board, President and Chief Executive Officer

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Exhibit 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, Donald Bassell, Robert Giammatteo, Chief Financial Officer of ARKO Corp. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2023 May 7, 2024

/s/ Donald Bassell Robert Giammatteo

Donald Bassell Robert Giammatteo

Executive Vice President and Chief Financial Officer

DISCLAIMER

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