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UNITED STATESSECURITIES AND EXCHANGE COMMISSIONWASHINGTON, DC 20549____FORM 10-Q____(Mark One)â˜’QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the quarterly period ended June 30, 2024 â˜TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934Â For the transition period from to Commission File No. 001-36550 ____PAR PACIFIC HOLDINGS, INC. (Exact name of registrant as specified in its charter)____Delaware84-1060803(State or other jurisdiction of(I.R.S. Employerincorporation or organization)Identification No.)825 Town & Country Lane, Suite 1500Â Houston,Texas77024(Address of principal executive offices)(Zip Code)(281)Â 899-4800Â (Registrantâ€™s telephone number, including area code)(Former name, former address and former fiscal year, if changed since last report)Securities registered pursuant to Section 12(b) of the Act:Title of Each ClassTrading Symbol(s)Name of Each Exchange on Which RegisteredCommon stock, $0.01 par valuePARRNew York Stock ExchangeIndicate by check mark whether the registrant (1)Â has filed all reports required to be filed by SectionÂ 13 or 15(d)Â of the Securities Exchange Act of 1934 during the preceding 12Â months (or for such shorter period that the registrant was required to file such reports), and (2)Â has been subject to such filing requirements for the past 90Â days.Â Â Â Â YesÂ Â â˜’Â Â Â Â NoÂ Â â˜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 (Â§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).Â Â Â Â YesÂ Â â˜’Â Â Â Â NoÂ Â â˜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 â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting company,â€ and â€œemerging growth companyâ€ in RuleÂ 12b-2 of the Exchange Act.Â Large accelerated filerâ˜’Accelerated filerâ˜Non-accelerated filerâ˜SmallerÂ reportingÂ companyâ˜Emerging growth companyâ˜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 Securities Act.Â Â Â¨Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).Â Â Â Â YesÂ Â â˜Â Â Â Â NoÂ Â â˜’56,330,868 shares of Common Stock, $0.01 par value, were outstanding as of AugustÂ 2, 2024. PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESTABLE OF CONTENTSPART I FINANCIAL INFORMATIONPage No.ItemÂ 1.Financial StatementsCondensed Consolidated Balance Sheets1Condensed Consolidated Statements of Operations2Condensed Consolidated Statements of Comprehensive Income (Loss)3Condensed Consolidated Statements of Cash Flows4Condensed Consolidated Statements of Changes in Stockholdersâ€™ Equity5Notes to Condensed Consolidated Financial Statements6ItemÂ 2.Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations30ItemÂ 3.Quantitative and Qualitative Disclosures About Market Risk58ItemÂ 4.Controls and Procedures59PART II OTHER INFORMATIONItemÂ 1.Legal Proceedings60ItemÂ 1A.Risk Factors60ItemÂ 2.Unregistered Sales of Equity Securities and Use of Proceeds60ItemÂ 3.Defaults Upon Senior Securities60ItemÂ 4.Mine Safety Disclosures60ItemÂ 5.Other Information60ItemÂ 6.Exhibits62The terms â€œPar,â€ â€œCompany,â€ â€œwe,â€ â€œour,â€ and â€œusâ€ refer to Par Pacific Holdings, Inc. and its consolidated subsidiaries unless the context suggests otherwise.PART I - FINANCIAL INFORMATIONÂ Item 1. FINANCIAL STATEMENTS PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS(Unaudited)(in thousands, except share data)Â June 30, 2024December 31, 2023ASSETSÂ Â Current assetsÂ Cash and cash equivalents$179,658Â $279,107Â Restricted cash343Â 339Â Total cash, cash equivalents, and restricted cash180,001Â 279,446Â Trade accounts receivable, net of allowances of $0.3 million and $0.2 million at JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively486,300Â 367,249Â Inventories1,258,337Â 1,160,395Â Prepaid and other current assets51,717Â 182,405Â Total current assets1,976,355Â 1,989,495Â Property, plant, and equipmentÂ Property, plant, and equipment1,642,056Â 1,577,801Â Less accumulated depreciation and amortization(526,978)(478,413)Property, plant, and equipment, net1,115,078Â 1,099,388Â Long-term assetsÂ Operating lease right-of-use (â€œROUâ€) assets349,192Â 346,454Â Refining and logistics equity investments88,218Â 87,486Â Investment in Laramie Energy, LLC15,997Â 14,279Â Intangible assets, net10,009Â 10,918Â Goodwill129,275Â 129,275Â Other long-term assets252,823Â 186,655Â Total assets$3,936,947Â $3,863,950Â LIABILITIES AND STOCKHOLDERSâ€™ EQUITYÂ Current liabilitiesÂ Current maturities of long-term debt$4,165Â $4,255Â Obligations under inventory financing agreements251,058Â 594,362Â Accounts payable549,040Â 391,325Â Accrued taxes52,239Â 40,064Â Operating lease liabilities69,662Â 72,833Â Other accrued liabilities284,889Â 421,762Â Total current liabilities1,211,053Â 1,524,601Â Long-term liabilitiesÂ Long-term debt, net of current maturities1,054,590Â 646,603Â Finance lease liabilities12,411Â 12,438Â Operating lease liabilities289,436Â 282,517Â Other liabilities103,677Â 62,367Â Total liabilities2,671,167Â 2,528,526Â Commitments and contingencies (Note 15)Stockholdersâ€™ equityPreferred stock, $0.01 par value: 3,000,000 shares authorized, none issuedâ€”Â â€”Â Common stock, $0.01 par value; 500,000,000 shares authorized at JuneÂ 30, 2024 and DecemberÂ 31, 2023, 56,908,751 shares and 59,755,844 shares issued at JuneÂ 30, 2024 and DecemberÂ 31, 2023,Â respectively568Â 597Â Additional paid-in capital875,868Â 860,797Â Accumulated earnings381,279Â 465,856Â Accumulated other comprehensive income8,065Â 8,174Â Total stockholdersâ€™ equity1,265,780Â 1,335,424Â Total liabilities and stockholdersâ€™ equity$3,936,947Â $3,863,950Â Â See accompanying notes to the condensed consolidated financial statements. 1PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESCONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS(Unaudited)(inÂ thousands,Â exceptÂ perÂ shareÂ amounts)Three Months EndedSix Months EndedJuneÂ 30,JuneÂ 30,2024202320242023Revenues$2,017,468Â $1,783,927Â $3,998,303Â $3,469,136Â Operating expensesÂ Â Cost of revenues (excluding depreciation)1,770,197Â 1,574,806Â 3,517,675Â 2,863,826Â Operating expense (excluding depreciation)144,080Â 101,843Â 297,340Â 184,963Â Depreciation and amortization32,144Â 28,216Â 64,800Â 52,576Â General and administrative expense (excluding depreciation)23,168Â 23,168Â 64,923Â 42,454Â Equity earnings from refining and logistics investments(3,744)(425)(9,838)(425)Acquisition and integration costs(152)7,273Â 91Â 12,544Â Par West redevelopment and other costs3,071Â 2,613Â 5,042Â 5,363Â Loss on sale of assets, net63Â â€"Â 114Â â€"Â Total operating expenses1,968,827Â 1,737,494Â 3,940,147Â 3,161,301Â Operating income48,641Â 46,433Â 58,156Â 307,835Â Other income (expense)Â Interest expense and financing costs, net(20,434)(14,909)(38,318)(31,159)Debt extinguishment and commitment costs(1,418)38Â (1,418)(17,682)Other income (loss), net(124)379Â (2,700)344Â Equity earnings (losses) from Laramie Energy, LLC(1,360)â€"Â 3,203Â 10,706Â Total other expense, net(23,336)(14,492)(39,233)(37,791)Income before income taxes25,305Â 31,941Â 18,923Â 270,044Â Income tax expense(6,667)(1,928)(4,036)(2,141)Net income$18,638Â $30,013Â $14,887Â $267,903Â Income per shareBasic$0.33Â $0.50Â $0.26Â $4.45Â Diluted$0.32Â $0.49Â $0.25Â $4.39Â Weighted-average number of shares outstandingÂ Â BasicÂ 57,239Â 60,399Â 57,936Â 60,255Â Diluted58,045Â 60,993Â 58,402Â 61,020Â Â See accompanying notes to the condensed consolidated financial statements.2PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESCONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME(Unaudited)(inÂ thousands)Three Months EndedSix Months EndedJuneÂ 30,JuneÂ 30,2024202320242023Net income$18,638Â $30,013Â $14,887Â $267,903Â Other comprehensive income (loss):Other post-retirement benefits (loss), net of tax(55)(11)(109)(22)Total other comprehensive loss, net of tax(55)(11)(109)(22)Comprehensive income$18,583Â $30,002Â $14,778Â $267,881Â See accompanying notes to the condensed consolidated financial statements.3PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESCONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS(Unaudited)(in thousands)Six Months Ended JuneÂ 30,Â 20242023Cash flows from operating activities:Â Â Net Income$14,887Â $267,903Â Adjustments to reconcile net income to cash provided by operating activities:Â Â Depreciation and amortization64,800Â 52,576Â Debt extinguishment and commitment costs1,418Â 17,682Â Non-cash interest expense2,775Â 1,615Â Deferred taxes3,530Â 1,226Â Loss on sale of assets, net114Â â€"Â Stock-based compensation19,502Â 6,082Â Unrealized loss on derivative contracts64,948Â 7,621Â Equity earnings from Laramie Energy, LLC(3,203)(10,706)Equity earnings from refining and logistics investments(9,837)(425)Dividends received from refining and logistics investments9,105Â 425Â Net changes in operating assets and liabilities:Â Trade accounts receivable(114,010)(134,440)Prepaid and other assets54,805Â 4,630Â Inventories (101,270)99,582Â Deferred turnaround expenditures(42,159)â€"Â Obligations under inventory financing agreements3,362Â (78,038)Accounts payable, other accrued liabilities, and operating lease ROU assets and liabilities51,988Â 76,507Â Net cash provided by operating activities20,755Â 312,240Â Cash flows from investing activities:Â Acquisition of businessâ€”Â (608,223)Capital expenditures(59,532)(30,729)Proceeds from sale of assets and other60Â 50Â Return of capital from Laramie Energy, LLC1,485Â 10,706Â Return of capital from refining and logistics investmentsâ€”Â 2,175Â Net cash used in investing activities(57,987)(626,021)Cash flows from financing activities:Â Proceeds from borrowings1,857,000Â 763,765Â Repayments of borrowings(1,464,163)(702,499)Net borrowings (repayments) on deferred payment arrangements and receivable advances(165,459)(31,405)Payment of deferred loan costs(7,234)(9,127)Purchase of common stock for retirement(103,509)(5,171)Exercise of stock optionsâ€”Â 6,374Â Proceeds from inventory financing agreements203,074Â â€”Â Payments for termination of inventory financing agreements(382,143)â€”Â Payments for debt extinguishment and commitment costs(977)(8,742)Other financing activities, net1,198Â 617Â Net cash provided by (used in) financing activities(62,213)13,812Â Net decrease in cash, cash equivalents, and restricted cash(99,445)(299,969)Cash, cash equivalents, and restricted cash at beginning of period279,446Â 494,926Â Cash, cash equivalents, and restricted cash at end of period$180,001Â $194,957Â Supplemental cash flow information:Â Â Net cash paid for:Interest$(27,205)$(37,969)Taxes(10,857)(2,810)Non-cash investing and financing activities:Â Â Accrued capital expenditures$17,052Â $7,706Â ROU assets obtained in exchange for new finance lease liabilities1,619Â 944Â ROU assets obtained in exchange for new operating lease liabilities42,058Â 16,684Â See accompanying notes to the condensed consolidated financial statements. 4PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESCONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERSâ€™ EQUITY(Unaudited)(in thousands)AccumulatedAdditionalAccumulatedOtherCommonÂ StockPaid-In(Deficit)ComprehensiveTotalSharesAmountCapitalEarningsIncomeEquityBalance, December 31, 202260,471Â $604Â $836,491Â $(200,687)$8,129Â $644,537Â Stock-based compensation340Â â€”Â 2,317Â â€”Â â€”Â 2,317Â Purchase of common stock for retirement(81)â€”Â (3,114)â€”Â â€”Â (3,114)Exercise of stock options300Â 6Â 6,368Â â€”Â â€”Â 6,374Â Other comprehensive lossâ€”Â â€”Â â€”Â â€”Â (11)(11)Net incomeâ€”Â â€”Â â€”Â 237,890Â â€”Â 237,890Â Balance, March 31, 202361,030Â $610Â $842,062Â $37,203Â $8,118Â $887,993Â Issuance of common stock for employee stock purchase plan27Â â€”Â 726Â â€”Â â€”Â 726Â Stock-based compensation115Â 1Â 3,655Â â€”Â â€”Â 3,656Â Purchase of common stock for retirement(128)(1)(464)(2,601)â€”Â (3,066)Other comprehensive lossâ€”Â â€”Â â€”Â â€”Â (11)(11)Net incomeâ€”Â â€”Â â€”Â 30,013Â â€”Â 30,013Â Balance, June 30, 202361,044Â $610Â $845,979Â $64,615Â $8,107Â $919,311Â AccumulatedAdditionalOtherCommonÂ StockPaid-InAccumulatedComprehensiveTotalSharesAmountCapitalEarningsIncomeEquityBalance, December 31, 202359,756Â $597Â $860,797Â $465,856Â $8,174Â $1,335,424Â Stock-based compensation327Â 2Â 16,408Â â€”Â â€”Â 16,410Â Purchase of common stock for retirement(1,013)(9)(4,251)(32,430)â€”Â (36,690)Other comprehensive lossâ€”Â â€”Â â€”Â â€”Â (54)(54)Net lossâ€”Â â€”Â â€”Â (3,751)â€”Â (3,751)Balance, March 31, 202459,070Â $590Â $872,954Â $429,675Â $8,120Â $1,311,339Â Issuance of common stock for employee stock purchase plan56Â 1Â 1,409Â â€”Â â€”Â 1,409Â Stock-based compensation37Â â€”Â 2,881Â â€”Â â€”Â 2,881Â Purchase of common stock for retirement(2,254)(22)(1,376)(67,034)â€”Â (68,432)Other comprehensive lossâ€”Â â€”Â â€”Â â€”Â (55)(55)Net incomeâ€”Â â€”Â â€”Â 18,638Â â€”Â 18,638Â Balance, June 30, 202456,909Â $568Â $875,868Â $381,279Â $8,065Â $1,265,780Â See accompanying notes to the condensed consolidated financial statements. 5PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Note 1â€”OverviewPar Pacific Holdings, Inc. and its wholly owned subsidiaries (â€œParâ€ or the â€œCompanyâ€) provide both renewable and conventional fuels to the western United States. Currently, we operate in three primary business segments:1) Refining - We own and operate four refineries. Our refineries in Kapolei, Hawaii, Newcastle, Wyoming, Tacoma, Washington, and Billings, Montana, convert crude oil into gasoline, distillate, asphalt and other products to serve the state of Hawaii and areas ranging from Washington state to the Dakotas and Wyoming.2) Retail - We operate fuel retail outlets in Hawaii, Washington, and Idaho. We operate convenience stores and fuel retail sites under our â€œHeleâ€ and â€œnomnomâ€ brands, â€œ76â€ branded fuel retail sites and other sites operated by third parties that sell gasoline, diesel, and retail merchandise such as soft drinks, prepared foods, and other sundries. We also operate unattended cardlock stations.3) Logistics - We operate an extensive multi-modal logistics network spanning the Pacific, the Northwest, and the Rocky Mountain regions. This network includes a single point mooring (â€œSPMâ€) in Hawaii, a unit train-capable rail loading terminal in Washington, and other terminals, pipelines, trucking operations, marine vessels, storage facilities, loading and truck racks, and rail facilities for the movement of petroleum, refined products, and ethanol in and among the Hawaiian islands, between the U.S. West Coast and Hawaii, and in areas ranging from the state of Washington to the Dakotas and Wyoming.As of JuneÂ 30, 2024, we owned a 46.0% equity investment in Laramie Energy, LLC (â€œLaramie Energyâ€). Laramie Energy is focused on developing and producing natural gas in Garfield, Mesa, and Rio Blanco counties, Colorado. As of JuneÂ 30, 2024, through the Billings Acquisition (as defined in Note 5â€”Acquisitions), we own a 65% and a 40% equity investment in Yellowstone Energy Limited Partnership, (â€œYELPâ€) and Yellowstone Pipeline Company (â€œYPLCâ€), respectively.Our Corporate and Other reportable segment primarily includes general and administrative costs.Note 2â€”Summary of Significant Accounting PoliciesPrinciples of Consolidation and Basis of PresentationThe condensed consolidated financial statements include the accounts of Par and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain amounts previously reported in our condensed consolidated financial statements for prior periods have been reclassified to conform with the current presentation.The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (â€œGAAPâ€)Â for interim financial information, the instructions to FormÂ 10-Q, and ArticleÂ 10 of RegulationÂ S-X of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€). Accordingly, they do not include all of the information and notes required by GAAP for complete consolidated financial statements. The condensed consolidated financial statements contained in this report include all material adjustments of a normal recurring nature that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the complete fiscal year or for any other period. The condensed consolidated balance sheet as of DecemberÂ 31, 2023 was derived from our audited consolidated financial statements as of that date. These condensed consolidated financial statements should be read together with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended DecemberÂ 31, 2023.Use of EstimatesThe preparation of our condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the related disclosures. Actual amounts could differ from these estimates.Allowance for Credit LossesWe are exposed to credit losses primarily through our sales of refined products.Â Credit limits and/or prepayment requirements are set based on such factors as the customerâ€™s financial results, credit rating, payment history, and industry and are reviewed annually for customers with material credit limits. Credit allowances are reviewed at least quarterly based on changes in the customerâ€™s creditworthiness due to economic conditions, liquidity, and business strategy as publicly reported and 6PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023through discussions between the customer and the Company. We establish provisions for losses on trade receivables based on the estimated credit loss we expect to incur over the life of the receivable. We did not have a material change in our allowances on trade receivables during the three and six months ended JuneÂ 30, 2024, or 2023.Cost ClassificationsCost of revenues (excluding depreciation) includes the hydrocarbon-related costs of inventory sold, transportation costs of delivering product to customers, crude oil consumed in the refining process, costs to satisfy our environmental credit obligations, and certain hydrocarbon fees and taxes. Cost of revenues (excluding depreciation) also includes the unrealized gains and losses on derivatives and inventory valuation adjustments. Certain direct operating expenses related to our logistics segment are also included in Cost of revenues (excluding depreciation).Operating expense (excluding depreciation) includes direct costs of labor, maintenance and services, energy and utility costs, property taxes, and environmental compliance costs, as well as chemicals and catalysts and other direct operating expenses.The following table summarizes depreciation and finance lease amortization expense excluded from each line item in our condensed consolidated statements of operations (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Cost of revenues$7,161Â $5,022Â $13,904Â $10,021Â Operating expense17,946Â 16,153Â 36,771Â 28,557Â General and administrative expense564Â 578Â 1,037Â 1,080Â Recent Accounting PronouncementsThere have been no developments to recent accounting pronouncements, including the expected dates of adoption and estimated effects on our financial condition, results of operations, and cash flows, from those disclosed in our Annual Report on Form 10-K for the year ended DecemberÂ 31, 2023.Note 3â€”Refining and Logistics Equity Investments Yellowstone Energy Limited PartnershipOn JuneÂ 1, 2023, we completed the Billings Acquisition and acquired a 65% limited partnership ownership interest in YELP. YELP owns a cogeneration facility in Billings, Montana that converts petroleum coke, supplied from our Montana refinery and other nearby third-party refineries, into power production for the local utility grid. We account for our investment in YELP using the equity method as we have the ability to exert significant influence over, but do not control its operating and financial policies. Our proportionate share of YELPâ€™s net income and the depreciation of our basis difference are included in Equity earnings from refining and logistics investments on our condensed consolidated statements of operations and reported as part of our refining segment. Please read Note 19â€”Segment Information for further information on our reporting segments. Our proportionate share of YELPâ€™s net income (loss) is recorded on a one-month lag.The change in our equity investment in YELP is as follows (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Beginning balance$58,676Â $â€”Â $59,824Â $â€”Â Acquisition of investmentâ€”Â 58,019Â â€”Â 58,019Â Equity earnings from YELP2,290Â â€”Â 6,755Â â€”Â Depreciation of basis difference(348)â€”Â (696)â€”Â Dividends receivedâ€”Â â€”Â (5,265)â€”Â Ending balance$60,618Â $58,019Â $60,618Â $58,019Â 7PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Yellowstone Pipeline CompanyOn JuneÂ 1, 2023, we completed the Billings Acquisition and acquired a 40% ownership interest in YPLC. YPLC owns a refined products pipeline that begins at our Montana refinery and transports refined product throughout Montana and the Pacific Northwest. We account for our ownership interest in YPLC using the equity method as we have the ability to exert significant influence over, but do not control, its operating and financial policies. Our proportionate share of YPLCâ€™s net income and the accretion of our basis difference is included in Equity earnings from refining and logistics investments on our condensed consolidated statements of operations, and reported as part of our logistics segment. Please read Note 19â€”Segment Information for further information on our reporting segments. The change in our equity investment in YPLC is as follows (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Beginning balance$29,639Â $â€”Â $27,662Â $â€”Â Acquisition of investmentâ€”Â 28,581Â â€”Â 28,581Â Equity earnings from YPLC1,763Â 425Â 3,702Â 425Â Accretion of basis difference38Â â€”Â 76Â â€”Â Basis difference adjustmentâ€”Â â€”Â â€”Â â€”Â Dividends received(3,840)(2,600)(3,840)(2,600)Capital contribution in YPLCâ€”Â â€”Â â€”Â â€”Â Ending balance$27,600Â $26,406Â $27,600Â $26,406Â Note 4â€”Investment in Laramie EnergyAs of JuneÂ 30, 2024, we owned a 46.0% ownership interest in Laramie Energy, an entity focused on developing and producing natural gas in Garfield, Mesa, and Rio Blanco counties, Colorado. The balance of our investment in Laramie Energy was $16.0 million and $14.3 million as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively.On FebruaryÂ 21, 2023, Laramie Energy entered into a new term loan agreement which provides a $205 million first lien term loan facility with $160.0 million funded at closing and an optional $45 million delayed draw commitment, subject to certain terms and conditions. Under the terms of the new term loan, Laramie is permitted to make future cash distributions to its owners, including us, subject to certain restrictions. Laramie Energyâ€™s term loan matures on FebruaryÂ 21, 2027. As of JuneÂ 30, 2024 and DecemberÂ 31, 2023, the term loan had an outstanding balance of $160.0 million.On March 1, 2023, pursuant to its new term loan agreement, Laramie Energy made a one-time cash distribution to its owners, including us, based on ownership percentage. Our share of this distribution was $10.7 million, which was reflected as Return of capital from Laramie Energy, LLC on our condensed consolidated statements of cash flows. We recorded the cash received as Equity earnings (losses) from Laramie Energy, LLC on our condensed consolidated statements of operations because the carrying value of our investment in Laramie Energy was zero at the time of such distribution. On April 29, 2024, Laramie Energy made a one-time cash distribution to its owners, including us, based on ownership percentage. Our share of this distribution was $1.5 million.Effective FebruaryÂ 21, 2023, and concurrent with the new term loan agreement noted above, we resumed the application of equity method accounting with respect to our investment in Laramie Energy. At JuneÂ 30, 2024, our equity in the underlying net assets of Laramie Energy exceeded the carrying value of our investment by approximately $68.0 million. This difference arose primarily due to other-than-temporary impairments of our equity investment in Laramie Energy.8PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023The change in our equity investment in Laramie Energy is as follows (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Beginning balance$18,842Â $â€”Â $14,279Â $â€”Â Equity earnings (losses) from Laramie Energy(2,975)â€”Â (26)â€”Â Accretion of basis difference1,615Â â€”Â 3,229Â â€”Â Dividends received(1,485)â€”Â (1,485)â€”Â Ending balance$15,997Â $â€”Â $15,997Â $â€”Â Note 5â€”AcquisitionsBillings AcquisitionOn OctoberÂ 20, 2022, we and our subsidiaries Par Montana, LLC (â€œPar Montanaâ€) and Par Montana Holdings, LLC (â€œPar Montana Holdingsâ€), entered into an equity and asset purchase agreement (as amended to include Par Rocky Mountain Midstream, LLC, the â€œPurchase Agreementâ€) with Exxon Mobil Corporation, ExxonMobil Oil Corporation, and ExxonMobil Pipeline Company LLC (collectively, the â€œSellersâ€) to purchase (i) the high-conversion, complex refinery located in Billings, Montana and certain associated distribution and logistics assets, (ii) the Sellersâ€™ 65% limited partnership equity interest in YELP, and (iii) the Sellersâ€™ 40% equity interest in YPLC for a base purchase price of $310.0 million plus the value of hydrocarbon inventory and adjusted working capital at closing (collectively, the â€œBillings Acquisitionâ€). On JuneÂ 1, 2023, we completed the Billings Acquisition for a total purchase price of approximately $625.4 million, including acquired working capital, consisting of a cash deposit of $30.0 million paid on OctoberÂ 20, 2022, upon execution of the Purchase Agreement and $595.4 million paid at closing on JuneÂ 1, 2023. The Company funded the Billings Acquisition with cash on hand and borrowings from the ABL Credit Facility (as defined in Note 11â€”Debt).We accounted for the Billings Acquisition as a business combination whereby the purchase price wasÂ allocated to the assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. A summary of the fair value of the assets acquired and liabilities assumed is as follows (in thousands):Trade accounts receivable$2,387Â Inventories299,176Â Property, plant, and equipment259,088Â Operating lease right-of-use assets3,562Â Investment in refining and logistics subsidiaries86,600Â Other long-term assets4,094Â Total assets (1)654,907Â Current operating lease liabilities2,081Â Other current liabilities7,056Â Environmental liabilities18,869Â Long-term operating lease liabilities1,481Â Total liabilities29,487Â Total$625,420Â ____(1)We allocated $538.7 million and $116.2 million of total assets to our refining and logistics segments, respectively.As of March 31, 2024, we finalized the Billings Acquisition purchase price allocation. We incurred $5.1 million and $10.4 million of acquisition costs related to the Billings Acquisition for the three and six months ended JuneÂ 30, 2023, respectively. These costs are included in Acquisition and integration costs on our condensed consolidated statements of operations.9PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023We assumed certain environmental liabilities associated with the Billings Acquisition, including costs related to hazardous waste corrective measures, ground and surface water sampling and monitoring. We expect to incur these costs over a 20 to 30 year period.The results of operations of the Montana refinery, newly acquired logistics assets in the Rockies region, and YELP and YPLC equity investments were included in our results beginning on JuneÂ 1, 2023. The following unaudited pro forma financial information presents our consolidated revenues and net income as if the Billings Acquisition had been completed on January 1, 2022 (in thousands):Six Months EndedJune 30, 2023Revenues$4,410,002Â Net income419,113Â These pro forma results were based on estimates and assumptions that we believe are reasonable. The unaudited pro forma financial information is not necessarily indicative of the results of operations that would have been achieved had the Billings Acquisition been effective as of the dates presented, nor is it indicative of future operating results of the combined company. Pro forma adjustments include (i) incremental depreciation resulting from the estimated fair value of property, plant, and equipment acquired, (ii) transaction costs which were shifted from the six months ended JuneÂ 30, 2023 to the six months ended JuneÂ 30, 2022 and (iii) elimination of historical transactions between Par and the Montana assets.Note 6â€”Revenue RecognitionAs of JuneÂ 30, 2024 and DecemberÂ 31, 2023, receivables from contracts with customers were $398.2 million andÂ $311.1 million, respectively. Our refining segment recognizes deferred revenues when cash payments are received in advance of delivery of products to the customer. Deferred revenue was $24.0 million and $15.2 million as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively. We have elected to apply a practical expedient not to disclose the value of unsatisfied performance obligations for (i) contracts with an original expected duration of less than one year and (ii) contracts where the variable consideration has been allocated entirely to our unsatisfied performance obligation.The following table provides information about disaggregated revenue by major product line and includes a reconciliation of the disaggregated revenues to total segment revenues (in thousands):Three Months Ended June 30, 2024RefiningLogisticsRetailProduct or service:Gasoline$730,681Â $â€"Â $111,910Â Distillates (1)801,438Â â€"Â 12,728Â Other refined products (2)396,944Â â€"Â â€"Â Merchandiseâ€"Â â€"Â 27,349Â Transportation and terminalling servicesâ€"Â 72,475Â â€"Â Other revenue28,210Â â€"Â 855Â Total segment revenues (3)$1,957,273Â $72,475Â $152,842Â Three Months Ended June 30, 2023RefiningLogisticsRetailProduct or service:Gasoline$603,598Â $â€"Â $109,265Â Distillates (1)700,048Â â€"Â 12,368Â Other refined products (2)404,619Â â€"Â â€"Â Merchandiseâ€"Â â€"Â 25,892Â Transportation and terminalling servicesâ€"Â 64,709Â â€"Â Other revenue276Â â€"Â 871Â Total segment revenues (3)$1,708,541Â $64,709Â $148,396Â 10PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Six Months Ended June 30, 2024RefiningLogisticsRetailProduct or service:Gasoline$1,377,867Â $â€"Â $215,203Â Distillates (1)1,634,235Â â€"Â 23,908Â Other refined products (2)800,937Â â€"Â â€"Â Merchandiseâ€"Â â€"Â 52,142Â Transportation and terminalling servicesâ€"Â 144,317Â â€"Â Other revenue70,850Â â€"Â 1,723Â Total segment revenues (3)$3,883,889Â $144,317Â $292,976Â Six Months Ended June 30, 2023RefiningLogisticsRetailProduct or service:Gasoline$1,053,922Â $â€"Â $209,453Â Distillates (1)1,479,101Â â€"Â 23,967Â Other refined products (2)790,228Â â€"Â â€"Â Merchandiseâ€"Â â€"Â 48,720Â Transportation and terminalling servicesâ€"Â 117,097Â â€"Â Other revenue702Â â€"Â 1,828Â Total segment revenues (3)$3,323,953Â $117,097Â $283,968Â ____(1)Distillates primarily include diesel and jet fuel.(2)Other refined products include fuel oil, vacuum gas oil, and asphalt.(3)Refer to Note 19â€"Segment Information for the reconciliation of segment revenues to total consolidated revenues. Note 7â€"InventoriesInventories at JuneÂ 30, 2024 and DecemberÂ 31, 2023, consisted of the following (in thousands):Titled InventoryInventory Intermediation Agreement (1)Supply and Offtake Agreement (1)TotalJune 30, 2024Crude oil and feedstocks$188,057Â $228,407Â $â€"Â $416,464Â Refined products and blendstock594,041Â â€"Â â€"Â 594,041Â Warehouse stock and other (2)247,832Â â€"Â â€"Â 247,832Â Total$1,029,930Â $228,407Â $â€"Â $1,258,337Â December 31, 2023Crude oil and feedstocks$175,307Â $â€"Â $168,549Â $343,856Â Refined products and blendstock358,236Â â€"Â 133,684Â 491,920Â Warehouse stock and other (2)324,619Â â€"Â â€"Â 324,619Â Total$858,162Â $â€"Â $302,233Â $1,160,395Â ____(1)Please read Note 9â€"Inventory Financing Agreements for further information.(2)Includes $160.1 million and $237.6 million of RINs and environmental credits, reported at the lower of cost or net realizable value, as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively. Our renewable volume obligation and other gross environmental credit obligations of $164.0 million and $286.9 million are included in Other accrued liabilities on our condensed consolidated balance sheets as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively.11PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023As of JuneÂ 30, 2024 and DecemberÂ 31, 2023, there was no reserve for the lower of cost or net realizable value of inventory. As of JuneÂ 30, 2024 and DecemberÂ 31, 2023, the current replacement cost exceeded the LIFO inventory carrying value by approximately $54.7 million and $36.1 million, respectively.Note 8â€"Prepaid and Other Current AssetsPrepaid and other current assets at JuneÂ 30, 2024 and DecemberÂ 31, 2023 consisted of the following (in thousands):June 30, 2024December 31, 2023Advances to suppliers for crude purchases$â€"Â $65,531Â Collateral posted with broker for derivative instruments (1)2,353Â 21,763Â Prepaid insurance6,837Â 20,235Â Derivative assets24,539Â 43,356Â Prepaid environmental credits1,400Â 20,756Â Other16,588Â 10,764Â Total$51,717Â $182,405Â ____(1)Our cash margin that is required as collateral deposits on our commodity derivatives cannot be offset against the fair value of open contracts except in the event of default. Please read Note 12â€"Derivatives for further information.Note 9â€"Inventory Financing AgreementsThe following table summarizes our outstanding obligations under our inventory financing agreements (in thousands):June 30, 2024December 31, 2023Inventory Intermediation Agreement$251,058Â $â€"Â Supply and Offtake Agreementâ€"Â 594,362Â LC Facility due 2024â€"Â â€"Â Obligations under inventory financing agreements$251,058Â $594,362Â Inventory Intermediation Agreement On MayÂ 31, 2024, Par Hawaii Refining, LLC (â€œPHRâ€œ), our wholly owned subsidiary, entered into an inventory intermediation agreement with Citigroup Energy Inc. (â€œCitiâ€) (the â€œInventory Intermediation Agreementâ€) to support our Hawaii refining operations. Pursuant to the Inventory Intermediation Agreement, Citi will finance and hold title to crude oil in storage tanks and certain crude oil in transit to be consumed by PHRâ€™s refinery located in Kapolei, Hawaii (the â€œHawaii Refineryâ€). In connection with the Inventory Intermediation Agreement, Citi will enter into certain hedging transactions, in each case, on terms and subject to conditions set forth in the Inventory Intermediation Agreement. The net cash proceeds of $203.1 million, presented as Proceeds from inventory financing agreements in our condensed consolidated statement of cash flows, were used to settle a portion of PHRâ€™s outstanding obligations under the prior J. Aron intermediation agreement.Upon entry into the Inventory Intermediation Agreement, Citi purchased from PHR all the crude oil held in its Hawaii storage tanks. Though title resides with Citi, the Inventory Intermediation Agreement is accounted for similar to a product financing arrangement and the crude oil inventories will continue to be included in our consolidated balance sheets until processed and sold to a third party. Monthly, we record a liability in an amount equal to the amount we expect to pay to repurchase the inventory held by Citi as, following expiration or termination of the Inventory Intermediation Agreement, we are obligated to purchase the crude oil then-owned by Citi at then-current market prices.The Inventory Intermediation Agreement has a term of three years with a one-year extension option upon mutual agreement. Par Petroleum, LLC, a wholly owned subsidiary, guarantees PHRâ€™s obligations under the Inventory Intermediation Agreement and certain other related agreements pursuant to an unsecured guaranty. In connection with the Inventory Intermediation Agreement, on May 31, 2024, PHR entered into a pledge and security agreement with Citi, which grants Citi a security interest on certain collateral to secure the obligations of PHR under the Inventory Intermediation Agreement. The Inventory Intermediation Agreement also requires PHR to comply with certain covenants that restrict PHRâ€™s ability to take certain actions, including certain limitations on PHRâ€™s ability to incur debt and grant liens.12PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Supply and Offtake AgreementPrior to May 31, 2024, we had a supply and offtake agreement with J. Aron to support our Hawaii refining operations (the â€œSupply and Offtake Agreement"). Under the Supply and Offtake Agreement, we paid or received certain fees from J. Aron based on changes in market prices over time. On MayÂ 31, 2024, the Supply and Offtake Agreement expired, the J. Aron Discretionary Draw Facility was terminated, and we entered into the Inventory Intermediation Agreement. We paid $382.1Â million and $60.9Â million to settle our J. Aron obligation and Discretionary Draw Facility remaining obligations, respectively. These payments are presented within Payments for termination of inventory financing agreements and Net borrowings (repayments) on deferred payment arrangements and receivable advances in our condensed consolidated statement of cash flows. In connection with the termination of the Supply and Offtake Agreement, we recognized termination costs of $0.2Â million, which are recorded in Debt extinguishment and commitment costs on our condensed consolidated statements of operations for the three and six months ended JuneÂ 30, 2024. As of JuneÂ 30, 2024, there were no outstanding obligations under the Supply and Offtake Agreement.LC Facility due 2024On JulyÂ 26, 2023, PHR, as borrower, the lenders and letter of credit issuing banks party thereto (collectively, the â€œLC Facility Lendersâ€), MUFG Bank, Ltd., as administrative agent (the â€œLC Facility Agentâ€), sub-collateral agent, joint lead arranger and sole bookrunner, Macquarie Bank Limited, as joint lead arranger, and U.S. Bank Trust Company, National Association, as collateral agent (the â€œCollateral Agentâ€), entered into an Uncommitted Credit Agreement (the â€œLC Facility Agreementâ€) whereby the LC Facility Lenders agreed, on an uncommitted and absolutely discretionary basis, to consider making revolving credit loans and issuing and participating in letters of credit. The LC Facility was terminated on May 31, 2024, in connection with the termination of the Supply and Offtake Agreement and entry into the Inventory Intermediation Agreement. In connection with the termination of the LC Facility, we recognized debt extinguishment costs of $0.6Â million, which are included in Debt extinguishment and commitment costs on our condensed consolidated statements of operations for the three and six months ended JuneÂ 30, 2024. We did not have any outstanding borrowings under the LC Facility as of the termination date. The following table summarizes our outstanding borrowings, letters of credit, and contractual undertaking obligations under the intermediation agreements (in thousands):June 30, 2024December 31, 2023Discretionary Draw FacilityOutstanding borrowings (1)$â€"Â 165,459Â Borrowing capacityâ€"Â 175,891Â LC Facility due 2024Outstanding borrowingsâ€"Â â€"Â Borrowing capacityâ€"Â 120,000Â LC Facility issued letters of creditâ€"Â 13,000Â ____(1)Borrowings outstanding under the Discretionary Draw Facility are included in Obligations under inventory financing agreements on our condensed consolidated balance sheets. Changes in the borrowings outstanding under these arrangements are included within Cash flows from financing activities on the condensed consolidated statements of cash flows.13PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023The following table summarizes the inventory intermediation fees, which are included in Cost of revenues (excluding depreciation) on our condensed consolidated statements of operations, and Interest expense and financing costs, net related to the intermediation agreements (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Net fees and expenses:Inventory Intermediation AgreementInventory intermediation fees (1)$6,036Â $â€"Â $6,036Â $â€"Â Interest expense and financing costs, net105Â â€"Â 105Â â€"Â Supply and Offtake AgreementInventory intermediation fees (1)$11,880Â $12,628Â $30,918Â $26,627Â Interest expense and financing costs, net1,088Â 1,895Â 2,872Â 3,620Â Washington Refinery Intermediation AgreementInventory intermediation fees$â€"Â $750Â $â€"Â $1,500Â Interest expense and financing costs, netâ€"Â 3,313Â â€"Â 5,972Â LC Facility due 2024Interest expense and financing costs, net$524Â $â€"Â $1,142Â $â€"Â ____(1)Inventory intermediation fees under the Inventory Intermediation Agreement include market structure fees of $4.6 million for the three and six months ended JuneÂ 30, 2024. Inventory intermediation fees under the Supply and Offtake Agreement include market structure fees of $4.6 million and $1.8 million for the three months ended JuneÂ 30, 2024 and 2023 and $13.5 million and $4.2 million for the six months ended JuneÂ 30, 2024 and 2023, respectively. Note 10â€"Other Accrued LiabilitiesOther accrued liabilities at JuneÂ 30, 2024 and DecemberÂ 31, 2023 consisted of the following (in thousands):June 30, 2024December 31, 2023Accrued payroll and other employee benefits$28,003Â $40,533Â Environmental credit obligations (1)163,990Â 286,904Â Derivative liabilities33,331Â 27,725Â Deferred revenue24,014Â 15,220Â Other35,551Â 51,380Â Total$284,889Â $421,762Â ____(1)Please read Note 13â€"Fair Value Measurements for further information. A portion of these obligations are expected to be settled with our RINs assets and other environmental credits, which are presented as Inventories on our condensed consolidated balance sheet and are stated at the lower of cost or net realizable value. The carrying costs of these assets were $160.1 million and $237.6 million as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively.14PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Note 11â€"DebtThe following table summarizes our outstanding debt (in thousands):June 30, 2024December 31, 2023ABL Credit Facility due 2028$525,000Â $115,000Â Term Loan Credit Agreement due 2030543,125Â 545,875Â Other long-term debt4,431Â 4,746Â Principal amount of long-term debt1,072,556Â 665,621Â Less: unamortized discount and deferred financing costs(13,801)(14,763)Total debt, net of unamortized discount and deferred financing costs1,058,755Â 650,858Â Less: current maturities, net of unamortized discount and deferred financing costs(4,165)(4,255)Long-term debt, net of current maturities$1,054,590Â $646,603Â As of JuneÂ 30, 2024 and DecemberÂ 31, 2023, we had $141.7Â million and $133.7 million in letters of credit outstanding under the ABL Credit Facility, as defined below, respectively. We had $57.1 million and $56.2 million in surety bonds outstanding as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively. Under the ABL Credit Facility and the Term Loan Credit Agreement, defined below, our subsidiaries are restricted from paying dividends or making other equity distributions, subject to certain exceptions.Â Â Â Â ABL Credit Facility due 2028On AprilÂ 26, 2023, in connection with the Billings Acquisition, we entered into an Asset-Based Revolving Credit Agreement with certain lenders, and Wells Fargo Bank, National Association, as administrative agent and collateral agent (as amended from time to time, the â€œABL Credit Facilityâ€). On MarchÂ 22, 2024, we entered into the Third Amendment (the â€œThird Amendmentâ€) to the ABL Credit Facility. The Third Amendment provided for, among other things, (i) incremental commitments that increase the total revolver commitment under the ABL Credit Facility to $1.4Â billion, (ii) future incremental increases up to $400Â million, (iii) the joinder of PHR to the ABL Credit Facility as a Borrower and (iv) certain other amendments to the ABL Credit Facility to permit a new intermediation facility in favor of PHR. We recorded deferred financing costs of $3.8 million related to the Third Amendment that will be amortized over the remaining term of the ABL Credit Facility. On MayÂ 31, 2024, in connection with the entry into the Inventory Intermediation Agreement, PHR entered into a Joinder Agreement, as a borrower to the ABL Credit Facility. As of JuneÂ 30, 2024, the ABL Credit Facility had $525 million outstanding in revolving loans, and a borrowing base of approximately $1.0 billion.Term Loan Credit Agreement due 2030On FebruaryÂ 28, 2023, we entered into a term loan credit agreement (the â€œTerm Loan Credit Agreementâ€) with Wells Fargo Bank, National Association, as administrative agent (the â€œAgentâ€), and the lenders party thereto (â€œLendersâ€). Pursuant to the Term Loan Credit Agreement, the Lenders made an initial senior secured term loan in the principal amount of $550.0 million at a price equal to 98.5% of its face value. The initial loan bears interest at Secured Overnight Financing Rate (â€œSOFRâ€). The net proceeds were used to refinance our existing Term Loan B Facility, repurchase our outstanding 7.75% Senior Secured Notes and 12.875% Senior Secured Notes, and for general corporate purposes. We recognized an aggregate of $2.8Â million in debt modification costs in connection with the refinancing, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended JuneÂ 30, 2023.On April 8, 2024, the Term Loan Credit Agreement was amended by the Amendment No. 1 to Term Loan Credit Agreement (â€œAmendment No. 1 to Term Loan Credit Agreementâ€). Amendment No. 1 to Term Loan Credit Agreement provided for, among other things, (i) a reduction in the Applicable Margin under the Term Loan Credit Agreement by 50 basis points, such that base rate loans and SOFR loans will bear interest at the applicable base rate plus 2.75% and 3.75%, respectively, and (ii) the elimination of the Term SOFR Adjustment of 10 basis points with respect to loans under the Term Loan Credit Agreement.The Term Loan Credit Agreement requires quarterly payments of $1.4Â million on the last business day of each March, June, September and December, commencing on June 30, 2023, with the balance due upon maturity. The Term Loan Credit Agreement matures on FebruaryÂ 28, 2030.15PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 20237.75% Senior Secured NotesOn December 21, 2017, Par Petroleum, LLC and Par Petroleum Finance Corp. (collectively, the â€œIssuersâ€), both our wholly owned subsidiaries, completed the issuance and sale of $300Â million in aggregate principal amount of 7.75% Senior Secured Notes in a private placement under Rule 144A and Regulation S of the Securities Act of 1933, as amended. On FebruaryÂ 28, 2023, we repurchased and cancelled $260.6 million in aggregate principal amount of the 7.75% Senior Secured Notes at a repurchase price of 102.120% of the aggregate principal amount repurchased. On MarchÂ 17, 2023, we repurchased and cancelled all remaining outstanding 7.75% Senior Secured Notes at a repurchase price of 101.938% of the aggregate principal amount repurchased. In connection with the termination of the 7.75% Senior Secured Notes, we recognized debt extinguishment costs of $5.9 million associated with debt repurchase premiums and $3.4 million associated with unamortized deferred financing costs, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended JuneÂ 30, 2023. Our 7.75% Senior Secured Notes bore interest at a rate of 7.750% per year (payable semi-annually in arrears on JuneÂ 15 and December 15 of each year, beginning on June 15, 2018).Term Loan B FacilityOn January 11, 2019, the Issuers entered into a new term loan facility with Goldman Sachs Bank USA, as administrative agent, and the lenders party thereto from time to time (the â€œTerm Loan B Facilityâ€). On FebruaryÂ 28, 2023, we terminated and repaid all amounts outstanding under the Term Loan B Facility. We recognized debt extinguishment costs of $1.7Â million associated with unamortized deferred financing costs, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended JuneÂ 30, 2023. The Term Loan B Facility bore interest at a rate per annum equal to Adjusted LIBOR (as defined in the Term Loan B Facility) plus an applicable margin of 6.75% or at a rate per annum equal to Alternate Base Rate (as defined in the Term Loan B Facility) plus an applicable margin of 5.75%. In addition to the quarterly interest payments, the Term Loan B Facility required quarterly principal payments of $3.1 million.12.875% Senior Secured NotesOn June 5, 2020, the Issuers completed the issuance and sale of $105.0Â million in aggregate principal amount of 12.875% Senior Secured Notes in a private placement under Rule 144A and Regulation S of the Securities Act of 1933, as amended. On FebruaryÂ 28, 2023, we repurchased and cancelled $29 million in aggregate principal amount of the 12.875% Senior Secured Notes at a repurchase price of 109.044% of the aggregate principal amount repurchased. On MarchÂ 17, 2023, we repurchased and cancelled all remaining outstanding 12.875% Senior Secured Notes at a repurchase price of 108.616% of the aggregate principal amount repurchased. In connection with the termination of the 12.875% Senior Secured Notes, we recognized debt extinguishment costs of $2.8 million associated with debt repurchase premiums and $1.1 million associated with unamortized deferred financing costs, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended JuneÂ 30, 2023. The

12.875% Senior Secured Notes bore interest at an annual rate of 12.875% per year (payable semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2021).Other Long-Term DebtOn June 7, 2023, we entered into two promissory notes with a third-party lender to acquire land in Kahului, Hawaii, and Hilo, Hawaii totaling $5.1 million. The notes bear interest at a fixed rate of 4.625% per annum and are payable on the first day of each month, commencing on July 1, 2023, until maturity. The promissory notes are unsecured and mature on June 7, 2030.Cross Default ProvisionsIncluded within each of our debt agreements are affirmative and negative covenants, and customary cross default provisions, that require the repayment of amounts outstanding on demand unless the triggering payment default or acceleration is remedied, rescinded, or waived. As of JuneÂ 30, 2024, we were in compliance with all of our debt instruments.GuarantorsIn connection with our shelf registration statement on Form S-3, which was filed with the Securities and Exchange Commission (â€œSECâ€) and became automatically effective on February 14, 2022 (â€œRegistration Statementâ€), we may sell non-convertible debt securities and other securities in one or more offerings with an aggregate initial offering price of up to $750.0 million. Any non-convertible debt securities issued under the Registration Statement may be fully and unconditionally guaranteed (except for customary release provisions), on a joint and several basis, by some or all of our subsidiaries, other than 16PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023subsidiaries that are â€œminorâ€ within the meaning of RuleÂ 3-10 of Regulation S-X (the â€œGuarantor Subsidiariesâ€). We have excluded the summarized financial information for the Guarantor Subsidiaries as the assets and results of operations of the Company and the Guarantor Subsidiaries are not materially different than the corresponding amounts presented on our consolidated financial statements.Note 12â€"DerivativesCommodity DerivativesOur condensed consolidated balance sheets present derivative assets and liabilities on a net basis. Please read Note 13â€"Fair Value Measurements for the gross fair value and net carrying value of our derivative instruments.Our open futures and over-the-counter (â€œOTCâ€) swaps expire in April 2025. At JuneÂ 30, 2024, our open commodity derivative contracts represented (in thousands of barrels):Contract TypePurchasesSalesNetFutures11,735Â (11,996)(261)Swaps19,994Â (28,146)(8,152)Total31,729Â (40,142)(8,413)At JuneÂ 30, 2024, we also had option collars that economically hedge a portion of our internally consumed fuel at our refineries. The following table provides information on these option collars at our refineries as of JuneÂ 30, 2024:20242025Total open option collars1,12890Weighted-average strike price - floor (in dollars)$63.46$62.75Weighted-average strike price - ceiling (in dollars)$86.48$90.00Earliest commencement dateJuly 2024January 2025Furthest expiry dateDecember 2024March 2025Interest Rate DerivativesWe are exposed to interest rate volatility in our ABL Credit Facility, Term Loan Credit Agreement, and the Inventory Intermediation Agreement. We may utilize interest rate swaps to manage our interest rate risk. On April 12, 2023, we entered into an interest rate collar transaction to manage our interest rate risk related to the Term Loan Credit Agreement. The interest rate collar agreement reduces variable interest rate risk from May 31, 2023, through May 31, 2026, with a notional amount of $300.0 million as of JuneÂ 30, 2024. The terms of the agreement provide for an interest rate cap of 5.50% and floor of 2.30%, based on the three month SOFR as of the fixing date. We pay variable interest quarterly until the three month SOFR reaches the floor. If the three month SOFR is between the floor and the cap, no payment is due to either party. If the three month SOFR is greater than the cap, the counterparty pays us. The interest rate collar transaction expires on MayÂ 31, 2026.The following table provides information on the fair value amounts (in thousands) of these derivatives as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, and their placement within our condensed consolidated balance sheets.Balance Sheet LocationJune 30, 2024December 31, 2023Asset (Liability)Commodity derivatives (1)Prepaid and other current assets$8,926Â $43,356Â Commodity derivatives (2)Other accrued liabilities(30,444)(530)J. Aron repurchase obligation derivativeObligations under inventory financing agreementsâ€"Â (392)Citi repurchase obligation derivativeObligations under inventory financing agreements(409)â€"Â Interest rate derivativesOther long-term assets61Â â€"Â Interest rate derivativesOther liabilitiesâ€"Â (821)17PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023____(1)Does not include cash collateral of $2.4 million and $21.8 million recorded in Prepaid and other current assets as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively, and $9.5 million in Other long-term assets as of DecemberÂ 31, 2023. As of JuneÂ 30, 2024, we had no cash collateral recorded in Other long-term assets. Does not include $15.6Â million recorded in Prepaid and other current assets as of JuneÂ 30, 2024 related to realized derivatives receivable.(2)Does not include $2.9Â million and $27.2 million recorded in Other accrued liabilities as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively, related to realized derivatives payable.The following table summarizes the pre-tax gains (losses) recognized in Net income (loss) on our condensed consolidated statements of operations resulting from changes in fair value of derivative instruments not designated as hedges charged directly to earnings (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,Statement of Operations Location2024202320242023Commodity derivativesCost of revenues (excluding depreciation)$(10,567)$(6,104)$(37,297)$(6,728)J. Aron repurchase obligation derivativeCost of revenues (excluding depreciation)22,869Â (7,852)1,053Â 5,528Â Citi repurchase obligation derivativeCost of revenues (excluding depreciation)(409)â€"Â (409)â€"Â MLC terminal obligation derivativeCost of revenues (excluding depreciation)â€"Â 20,490Â â€"Â 3,467Â Interest rate derivativesInterest expense and financing costs, net37Â 543Â 881Â 543Â Note 13â€"Fair Value MeasurementsAssets and Liabilities Measured at Fair Value on a Nonrecurring BasisPurchase Price Allocation of Billings AcquisitionThe fair values of the assets acquired and liabilities assumed as a result of the Billings Acquisition were estimated as of JuneÂ 1, 2023, the date of the acquisition, using valuation techniques described in notes (1) through (5) below.ValuationFairÂ ValueTechnique(inÂ thousands)Net working capital excluding operating leases$294,507Â (1)Property, plant, and equipment259,088Â (2)Operating lease right-of-use assets3,562Â (3)Refining and logistics equity investments86,600Â (4)Other long-term assets4,094Â (1)Current operating lease liabilities(2,081)(3)Long-term operating lease liabilities(1,481)(3)Environmental liabilities(18,869)(5)Total$625,420Â (1)Current assets acquired and liabilities assumed were recorded at their net realizable value. Other long-term assets includes preliminary costs for future turnarounds that were recently incurred and were recorded at their net realizable values.(2)The fair value of personal property was estimated using the cost approach. Key assumptions in the cost approach include determining the replacement cost by evaluating recent purchases of comparable assets or published data, and adjusting replacement cost for economic and functional obsolescence, location, normal useful lives, and capacity (if applicable). The fair value of real property was estimated using the market approach. Key assumptions in the market approach include 18PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023determining the asset value by evaluating recent purchases of comparable assets under similar circumstances. We consider this to be a Level 3 fair value measurement.(3)Operating lease right-of-use assets and liabilities were recognized based on the present value of lease payments over the lease term using the incremental borrowing rate at acquisition of 9.6%.(4)The fair value of our investments in YELP and YPLC were determined using a combination of the income approach and the market approach. Under the income approach, we estimated the present value of expected future cash flows using a market participant discount rate. Under the market approach, we estimated fair value using observable multiples for comparable companies in the investmentsâ€™ industries. These valuation methods require us to make significant estimates and assumptions regarding future cash flows, capital projects, commodity prices, long-term growth rates, and discount rates. We consider this to be a Level 3 fair value measurement.(5)Environmental liabilities are based on managementâ€™s best estimates of probable future costs using currently available information. We consider this to be a Level 3 fair value measurement.Equity Method InvestmentsWe evaluate equity method investments for impairment when factors indicate that a decrease in the value of our investment has occurred and the carrying amount of our investment may not be recoverable. An impairment loss, based on the difference between the carrying value and the estimated fair value of the investment, is recognized in earnings when an impairment is deemed to be other than temporary.Assets and Liabilities Measured at Fair Value on a Recurring BasisDerivative InstrumentsWe classify financial assets and liabilities according to the fair value hierarchy. Financial assets and liabilities classified as Level 1 instruments are valued using quoted prices in active markets for identical assets and liabilities. These include our exchange traded futures. Level 2 instruments are valued using quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability. Our Level 2 instruments include OTC swaps and options. These derivatives are valued using market quotations from independent price reporting agencies and commodity exchange price curves that are corroborated with market data. Level 3 instruments are valued using significant unobservable inputs that are not supported by sufficient market activity. The valuation of the embedded derivative related to our Citi repurchase obligation is based on estimates of the prices and a weighted-average price differential assuming settlement at the end of the reporting period. Estimates of the Citi settlement prices are based on observable inputs, such as Brent indices, and unobservable inputs, such as contractual price differentials as defined in the Inventory Intermediation Agreement. Contractual price differentials are considered unobservable inputs; therefore, these embedded derivatives are classified as Level 3 instruments. We do not have other commodity derivatives classified as Level 3 at JuneÂ 30, 2024, or DecemberÂ 31, 2023. Please read Note 12â€"Derivatives for further information on derivatives.Gross Environmental Credit ObligationsDuring the quarter ended DecemberÂ 31, 2023, we had a change in estimate in our valuation of our gross environmental credit obligations due to the settlement of all outstanding prior period environmental credit obligations. Beginning in the fourth quarter of 2023, the portion of the estimated gross environmental credit obligations satisfied by internally generated or purchased RINs or other environmental credits is recorded at the carrying value of such internally generated or purchased RINs or other environmental credits. The remainder of the estimated gross environmental credit obligation is recorded at the market price of the RINs or other environmental credits that are needed to satisfy the remaining obligation as of the end of the reporting period and classified as Level 2 instruments as we obtain the pricing inputs for the RINs and other environmental credits from brokers based on market quotes on similar instruments. Please read Note 15â€"Commitments and Contingencies for further information on the U.S. Environmental Protection Agency (â€œEPAâ€) regulations related to greenhouse gases.19PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Financial Statement ImpactFair value amounts by hierarchy level as of JuneÂ 30, 2024, and DecemberÂ 31, 2023, are presented gross in the tables below (in thousands):June 30, 2024LevelÂ 1LevelÂ 2LevelÂ 3Gross Fair ValueEffect of Counter-Party NettingNet Carrying Value on Balance Sheet (1)AssetsCommodity derivatives$61,947Â $120,617Â $â€"Â $182,564Â $(173,638)$8,926Â Interest rate derivativesâ€"Â 61Â â€"Â 61Â â€"Â 61Â Total$61,947Â $120,678Â $â€"Â $182,625Â $(173,638)$8,987Â LiabilitiesCommodity derivatives$(53,445)$(150,637)$â€"Â $(204,082)173,638Â $(30,444)Citi repurchase obligation derivativeâ€"Â â€"Â (409)(409)â€"Â (409)Gross environmental credit obligations (2)(3)â€"Â (10,352)â€"Â (10,352)â€"Â (10,352)Total liabilities$(53,445)$(160,989)(409)(214,843)$173,638Â $(41,205)December 31, 2023LevelÂ 1LevelÂ 2LevelÂ 3Gross Fair ValueEffect of Counter-Party NettingNet Carrying Value on Balance Sheet (1)AssetsCommodity derivatives$100,074Â $175,191Â $â€"Â $275,265Â $(231,909)$43,356Â LiabilitiesCommodity derivatives$(92,417)$(140,022)$â€"Â $(232,439)$231,909Â $(530)J. Aron repurchase obligation derivativeâ€"Â â€"Â (392)(392)â€"Â (392)Interest rate derivativesâ€"Â (821)â€"Â (821)â€"Â (821)Gross environmental credit obligations (2) (3)â€"Â (54,245)â€"Â (54,245)â€"Â (54,245)Total liabilities$(92,417)$(195,088)(392)(287,897)$231,909Â $(55,988)____(1)Does not include cash collateral of $2.4 million and $31.3Â million as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively, included within Prepaid and other current assets and Other long-term assets on our condensed consolidated balance sheets. (2)Does not include RINs assets and other environmental credits of $179.3 million and $237.6 million included in Inventories and Other long-term assets on our condensed consolidated balance sheet and stated at the lower of cost and net realizable value as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively.(3)Does not include environmental liabilities of $206.5 million and $232.7 million satisfied by internally generated or purchased environmental credits and presented at the carrying value of these credits included in Other Accrued Liabilities and Other liabilities on our condensed consolidated balance sheets as of JuneÂ 30, 2024 and DecemberÂ 31, 2023, respectively.20PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023A roll forward of Level 3 derivative instruments measured at fair value on a recurring basis is as follows (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Balance, at beginning of period$(22,208)$(5,979)(392)2,279Â Settlements(661)(12,243)(661)(16,858)Total losses included in earnings (1)22,460Â 12,638Â 644Â 8,995Â Balance, at end of period(409)(5,584)(409)(5,584)____(1)Included in Cost of revenues (excluding depreciation) on our condensed consolidated statements of operations.The carrying value and fair value of long-term debt and other financial instruments as of JuneÂ 30, 2024 and DecemberÂ 31, 2023 are as follows (in thousands):June 30, 2024CarryingÂ ValueFairÂ ValueABL Credit Facility due 2028 (2)$525,000Â $525,000Â Term Loan Credit Agreement due 2030 (1)529,324Â 544,483Â Other long-term debt (1)4,431Â 4,111Â December 31, 2023CarryingÂ ValueFairÂ ValueABL Credit Facility due 2028 (2)$115,000Â $115,000Â Term Loan Credit Agreement due 2030 (1)531,112Â 545,875Â Other long-term debt (1)4,746Â 4,387Â ____(1)The fair value measurements of the Term Loan Credit Agreement andÂ Other long-term debt are considered Level 2 measurements in the fair value hierarchy as discussed below.(2)The fair value measurements of the ABL Credit Facility are considered Level 3 measurements in the fair value hierarchy. The fair values of the Term Loan Credit Agreement and Other long-term debt were determined using a market approach based on quoted prices and the inputs used to measure the fair value are classified as Level 2 inputs within the fair value hierarchy.The carrying value of our ABL Credit Facility was determined to approximate fair value as of JuneÂ 30, 2024. The fair value of all non-derivative financial instruments recorded in current assets, including cash and cash equivalents, restricted cash, and trade accounts receivable, and current liabilities, including accounts payable, approximate their carrying value due to their short-term nature.Note 14â€"LeasesWe have cancellable and non-cancellable finance and operating lease liabilities for the lease of land, vehicles, office space, retail facilities, and other facilities used in the storage and transportation of crude oil and refined products. Most of our leases include one or more options to renew, with renewal terms that can extend the lease term from one to 30 years or more. There are no material residual value guarantees associated with any of our leases.21PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023The following table provides information on the amounts (in thousands) of our right-of-use assets (â€œROU assetsâ€) and liabilities, weighted-average remaining lease term, and weighted average discount rate as of JuneÂ 30, 2024, and DecemberÂ 31, 2023 and their placement within our condensed consolidated balance sheets:Lease typeBalance Sheet LocationJune 30, 2024December 31, 2023AssetsFinanceProperty, plant, and equipment$30,136Â $28,264Â FinanceAccumulated amortization(13,345)(12,212)FinanceProperty, plant, and equipment, net$16,791Â $16,052Â OperatingOperating lease right-of-use (â€œROUâ€) assets349,192Â 346,454Â Total right-of-use assets$365,983Â $362,506Â LiabilitiesCurrentFinanceOther accrued liabilities$1,998Â $1,820Â OperatingOperating lease liabilities69,662Â 72,833Â Long-termFinanceFinance lease liabilities12,411Â 12,438Â OperatingOperating lease liabilities289,436Â 282,517Â Total lease liabilities$373,507Â $369,608Â Weighted-average remaining lease term (in years)Finance10.5011.02Operating8.298.67Weighted-average discount rateFinance7.08Â %8.04Â %Operating7.30Â %7.24Â %The following table summarizes the lease costs and income recognized in our condensed consolidated statements of operations (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,Lease cost (income) type2024202320242023Finance lease costAmortization of finance lease ROU assets$590Â $473Â $1,134Â $946Â Interest on lease liabilities255Â 145Â 499Â 292Â Operating lease cost26,550Â 24,421Â 52,367Â 48,290Â Variable lease cost1,451Â 3,121Â 3,413Â 4,563Â Short-term lease cost2,018Â 2,869Â 4,076Â 5,496Â Net lease cost$30,864Â $31,029Â $61,489Â $59,587Â Operating lease income (1)$(1,035)$(3,848)$(4,900)$(7,275)____(1)The majority of our lessor income comes from leases with lease terms of one year or less and the estimated future undiscounted cash flows from lessor income are not expected to be material.22PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023The following table summarizes the supplemental cash flow information related to leases as follows (in thousands):Six Months Ended JuneÂ 30,Lease type20242023Cash paid for amounts included in the measurement of liabilitiesFinancing cash flows from finance leases$858Â $899Â Operating cash flows from finance leases478Â 287Â Operating cash flows from operating leases51,490Â 48,594Â Non-cash supplemental amountsROU assets obtained in exchange for new finance lease liabilities1,619Â 944Â ROU assets obtained in exchange for new operating lease liabilities42,058Â 16,684Â ROU assets terminated in exchange for release from operating lease liabilitiesâ€"Â â€"Â The table below includes the estimated future undiscounted cash flows for finance and operating leases as of JuneÂ 30, 2024 (in thousands):For the year ending December 31, Finance leasesOperating leasesTotal2024 (1)$1,468Â $51,809Â $53,277Â 20253,094Â 77,943Â 81,037Â 20262,620Â 71,469Â 74,089Â 20272,400Â 61,543Â 63,943Â 20281,559Â 56,892Â 58,451Â 20291,179Â 16,385Â 17,564Â Thereafter lease payments20,765Â 455,961Â 476,726Â Less amount representing interest(6,356)(96,863)(103,219)Present value of lease liabilities$14,409Â $359,098Â $373,507Â ____(1)Represents the period from JulyÂ 1, 2024 to DecemberÂ 31, 2024.Additionally, we have $9.3 million in future undiscounted cash flows for operating leases that have not yet commenced. These leases are expected to commence when the lessor has made the equipment or location available to us to operate or begin construction, respectively.Note 15â€"Commitments and Contingencies In the ordinary course of business, we are a party to various lawsuits and other contingent matters. We establish accruals for specific legal matters when we determine that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on our financial condition, results of operations, or cash flows.Tax and Related MattersWe are also party to various other legal proceedings, claims, and regulatory, tax or government audits, inquiries, and investigations that arise in the ordinary course of business. From time to time, PHR has appealed various tax assessments related to its land, buildings, and fuel storage tanks, and is currently appealing the City of Honoluluâ€™s property tax assessment for tax year 2023. During the first quarter of 2022, we received a tax assessment in the amount of $1.4Â million from the Washington Department of Revenue related to its audit of certain taxes allegedly payable on certain sales of raw vacuum gas oil between 2014 and 2016. We believe the Department of Revenueâ€™s interpretation is in conflict with its prior guidance and we appealed in November 2022. By opinion dated September 22, 2021, the Hawaii Attorney General reversed a prior 1964 opinion exempting various business transactions conducted in the Hawaii foreign trade zone from certain state taxes. We and other similarly situated state taxpayers who had previously claimed such exemptions, certain of which we are contractually obligated to indemnify, are currently being audited for such prior tax periods. Similarly, on September 30, 2021, we received notice of a complaint filed on May 17, 2021, on camera and under seal in the first circuit court of the state of Hawaii alleging that PHR, 23PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Par Pacific Holdings, Inc. and certain unnamed defendants made false claims and statements in connection with various state tax returns related to our business conducted within the Hawaii foreign trade zone, and seeking unspecified damages, penalties, interest and injunctive relief. We dispute the allegations in the complaint and intend to vigorously defend ourselves in such proceeding. We believe the likelihood of an unfavorable outcome in these matters to be neither probable nor reasonably estimable.Environmental Matters Like other petroleum refiners, our operations are subject to extensive and periodically-changing federal, state, and local environmental laws and regulations governing air emissions, wastewater discharges, and solid and hazardous waste management activities.Â Many of these regulations are becoming increasingly stringent and the cost of compliance can be expected to increase over time.Periodically, we receive communications from various federal, state, and local governmental authorities asserting violations of environmental laws and/or regulations.Â These governmental entities may also propose or assess fines or require corrective actions for these asserted violations.Â Except as disclosed below, we do not anticipate that any such matters currently asserted will have a material impact on our financial condition, results of operations, or cash flows. Hawaii Consent DecreeOn July 18, 2016, PHR and subsidiaries of Tesoro Corporation (â€œTesoroâ€) entered into a consent decree with the EPA, the U.S. Department of Justice and other state governmental authorities concerning alleged violations of the federal Clean Air Act related to the ownership and operation of multiple facilities owned or formerly owned by Tesoro and its affiliates (â€œConsent Decreeâ€), including our refinery in Kapolei, Hawaii, that we acquired from Tesoro in 2013. On September 29, 2023, we received a letter from EPA related to the alleged violation of certain air emission limits, controls, monitoring, and repair requirements under the Consent Decree. We are unable to predict the cost to resolve these alleged violations, but resolution will likely involve financial penalties or impose capital expenditure requirements that could be material.Wyoming RefineryOur Wyoming refinery is subject to a number of consent decrees, orders, and settlement agreements involving the EPA and/or the Wyoming Department of Environmental Quality, some of which date back to the late 1970s and several of which remain in effect, requiring further actions at the Wyoming refinery. The largest cost component arising from these various decrees relates to the investigation, monitoring, and remediation of soil, groundwater, surface water, and sediment contamination associated with the facilityâ€™s historic operations. Investigative work by Hermes Consolidated LLC, and its wholly owned subsidiary, Wyoming Pipeline Company, (collectively, â€œWRCâ€ or â€œWyoming Refiningâ€) and negotiations with the relevant agencies as to remedial approaches remain ongoing on a number of aspects of the contamination, meaning that investigation, monitoring, and remediation costs are not reasonably estimable for some elements of these efforts. As of JuneÂ 30, 2024, we have accrued $13.6 million for the well-understood components of these efforts based on current information, approximately one-third of which we expect to incur in the next five years and the remainder to be incurred over approximately 30 years. Additionally, we believe the Wyoming refinery will need to modify or close a series of wastewater impoundments in the next several years and replace those impoundments with a new wastewater treatment system. Based on current information, reasonable estimates we have received suggest costs of approximately $11.6 million to design and construct a new wastewater treatment system.Finally, among the various historic consent decrees, orders, and settlement agreements into which Wyoming Refining has entered, there are several penalty orders associated with exceedances of permitted limits by the Wyoming refineryâ€™s wastewater discharges. Although the frequency of these exceedances has declined over time, Wyoming Refining may become subject to new penalty enforcement action in the next several years, which could involve penalties in excess of $300,000.Washington Climate Commitment Act and Clean Fuel StandardIn 2021, the Washington legislature passed the Climate Commitment Act (â€œWashington CCAâ€), which established a cap and invest program designed to significantly reduce greenhouse gas emissions. Rules implementing the Washington CCA by the Washington Department of Ecology set a cap on greenhouse gas emissions, provide mechanisms for the sale and tracking of tradable emissions allowances, and establish additional compliance and accountability measures. The Washington CCA became effective in January 2023 and the first auction for emissions allowances took place in February 2023. Additionally, a low carbon fuel standard (the â€œClean Fuel Standardâ€) that limits carbon in transportation fuels and enables 24PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023certain producers to buy or sell credits was also signed into law and became effective in 2023. We are required to purchase compliance credits or allowances if we are unable to reduce emissions at our Tacoma refinery or reduce the amount of carbon in the transportation fuels we sell in Washington, which could have a material impact on our financial condition, results of operations, or cash flows. During the third quarter of 2023, we received and responded to a civil investigative demand for information related to our compliance with the Washington CCA.Regulation of Greenhouse GasesUnder the Energy Independence and Security Act (the â€œEISAâ€), the Renewable Fuel Standard (the â€œRFSâ€) requires an increasing amount of renewable fuel to be blended into the nationâ€™s transportation fuel supply. Over time, higher annual RFS requirements have the potential to reduce demand for our refined transportation fuel products. In the near term, the RFS will be satisfied primarily with fuel ethanol blended into gasoline or by purchasing renewable credits, referred to as RINs, to maintain compliance. The RFS may present production and logistics challenges for both the renewable fuels and petroleum refining and marketing industries in that we may have to enter into arrangements with other parties or purchase D3 waivers from the EPA to meet our obligations to use advanced biofuels, including biomass-based diesel and cellulosic biofuel, with potentially uncertain supplies of these new fuels.There will be compliance costs and uncertainties regarding how we will comply with the various requirements contained in the EISA, RFS, and other fuel-related regulations. We may experience a decrease in demand for refined petroleum products due to an increase in combined fleet mileage or due to refined petroleum products being replaced by renewable fuels.Note 16â€"Stockholdersâ€™ EquityShare Repurchase ProgramOn November 10, 2021, the Board authorized and approved a share repurchase program for up to $50Â million of shares of our common stock with no specified end date. On August 2, 2023, the Board expanded the share repurchase authorization from $50Â million to $250Â million. During the three and six months ended JuneÂ 30, 2024, 2,209 thousand and 3,115 thousand shares were repurchased under this share repurchase program for $67.1 million and $99.5 million, respectively. The repurchased shares were retired by the Company upon receipt. During the three and six months ended JuneÂ 30, 2023, 110Â thousand shares were repurchased under this share repurchase program for $2.6 million. As of JuneÂ 30, 2024, there was $83.2 million of authorization remaining under this share repurchase program.Incentive PlansThe following table summarizes our compensation costs recognized in General and administrative expense (excluding depreciation) and Operating expense (excluding depreciation) under the Amended and Restated Par Pacific Holdings, Inc. 2012 Long-term Incentive Plan and Stock Purchase Plan (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Restricted Stock Awards$2,105Â $2,656Â $6,301Â $4,052Â Restricted Stock Units497Â 477Â 3,218Â 984Â Stock Option Awards279Â 523Â 9,772Â 937Â On FebruaryÂ 27, 2024, William Pate, Chief Executive Officer (â€œCEOâ€), announced that he would retire from his CEO role effective MayÂ 1, 2024. During the first quarter of 2024, the Board approved the acceleration of unvested equity awards and the modification of vested stock options granted to him. For the six months JuneÂ 30, 2024, we recorded a total of $13.1 million stock-based compensation expenses resulting from the equity awards modifications. During the three and six months ended JuneÂ 30, 2024, we granted 9 thousand and 269 thousand shares of restricted stock and restricted stock units with a fair value of approximately $0.3 million and $10.5 million, respectively. As of JuneÂ 30, 2024, there were approximately $16.0Â million of total unrecognized compensation costs related to restricted stock awards and restricted stock units, which are expected to be recognized on a straight-line basis over a weighted-average period of 1.5 years.25PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023During the three and six months ended JuneÂ 30, 2024, we granted 350 thousand stock option awards with a weighted-average exercise price of $30.80 per share. As of JuneÂ 30, 2024, there were approximately $6.6 million of total unrecognized compensation costs related to stock option awards, which are expected to be recognized on a straight-line basis over a weighted-average period of 4.7 years.During the six months ended JuneÂ 30, 2024, we granted 64 thousand performance restricted stock units to executive officers; no grants were made for the three months ended June 30, 2024. These performance restricted stock units had a fair value of approximately $2.5 million and are subject to certain annual performance targets based on three-year-performance periods as defined by our Board of Directors. As of JuneÂ 30, 2024, there were approximately $3.1 million of total unrecognized compensation costs related to the performance restricted stock units, which are expected to be recognized on a straight-line basis over a weighted-average period of 2.4 years.Note 17â€"Income (Loss) per Share The following table sets forth the computation of basic and diluted income (loss) per share (in thousands, except per share amounts):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Net income$18,638Â $30,013Â $14,887Â $267,903Â Plus: Net income effect of convertible securitiesâ€"Â â€"Â â€"Â â€"Â Numerator for diluted income per common share$18,638Â $30,013Â $14,887Â $267,903Â Basic weighted-average common stockÂ shares outstanding57,239Â 60,399Â 57,936Â 60,255Â Plus: dilutive effects of common stock equivalents806Â 594Â 466Â 765Â Diluted weighted-average common stock shares outstanding58,045Â 60,993Â 58,402Â 61,020Â Basic income per common share$0.33Â $0.50Â $0.26Â $4.45Â Diluted income per common share$0.32Â $0.49Â $0.25Â $4.39Â Diluted income per common share excludes the following equity instruments because their effect would be anti-dilutive:Shares of unvested restricted stock324Â 321Â 228Â 254Â Shares of stock options238Â 108Â 119Â 54Â Note 18â€"Income TaxesEffective in the first quarter of 2024, we began calculating our income tax provision using the estimated annual effective tax rate method in accordance with Accounting Standards Codification â€œASCâ€ 740 - Income Taxes and we no longer apply the exception that allowed the use of the year-to-date effective tax rate method. We believe the change in this calculation is appropriate as it allows us to reliably calculate the estimated annual effective tax rate due to our sustained profitability and confidence in future earnings.Our effective tax rate for the three and six months ended JuneÂ 30, 2024, differs from the statutory rates primarily as a result of the differing apportionment rates for our state income taxes as well as an adjustment for equity compensation.For the three and six months ended JuneÂ 30, 2023, our effective tax rate differed from the statutory rates primarily as a result of our various state income tax apportionment factors, equity compensation, and the recording of a valuation allowance.Our net taxable income must be apportioned to various states based upon the income tax laws of the states in which we derive our revenue. Our NOL carryforwards will not always be available to offset taxable income apportioned to the various states.Â The states from which our refining, retail, and logistics revenues are derived are not the same states in which our NOLs were incurred; therefore, we expect to incur state tax liabilities in connection with our refining, retail, and logisticsÂ operations.26PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Note 19â€"Segment InformationWe report the results for the following four reportable segments: (i) Refining, (ii) Retail, (iii) Logistics, and (iv) Corporate and Other.Summarized financial information concerning reportable segments consists of the following (in thousands):Three Months Ended June 30, 2024RefiningLogisticsRetailCorporate, Eliminations and Other (1)TotalRevenues$1,957,273Â $72,475Â $152,842Â $(165,122)$2,017,468Â Cost of revenues (excluding depreciation)1,779,810Â 44,278Â 111,244Â (165,135)1,770,197Â Operating expense (excluding depreciation)116,509Â 4,701Â 22,870Â â€"Â 144,080Â Depreciation and amortization21,691Â 7,193Â 2,675Â 585Â 32,144Â General and administrative expense (excluding depreciation)â€"Â â€"Â â€"Â 23,168Â 23,168Â Equity earnings from refining and logistics investments(1,943)(1,801)â€"Â â€"Â (3,744)Acquisition and integration costsâ€"Â â€"Â â€"Â (152)(152)Par West redevelopment and other costsâ€"Â â€"Â â€"Â 3,071Â 3,071Â Loss on sale of assets, netâ€"Â 63Â â€"Â â€"Â 63Â Operating income (loss)$41,206Â $18,041Â $16,053Â $(26,659)$48,641Â Interest expense and financing costs, net(20,434)Debt extinguishment and commitment costs(1,418)Other expense, net(124)Equity losses from Laramie Energy, LLC(1,360)Income before income taxes25,305Â Income tax expense(6,667)Net income$18,638Â Capital expenditures$29,763Â $4,653Â $1,528Â $946Â $36,890Â 27PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Three Months Ended June 30, 2023RefiningLogisticsRetailCorporate, Eliminations and Other (1)TotalRevenues$1,708,541Â $64,709Â $148,396Â $(137,719)$1,783,927Â Cost of revenues (excluding depreciation)1,567,605Â 35,788Â 109,168Â (137,755)1,574,806Â Operating expense (excluding depreciation)76,971Â 3,596Â 21,276Â â€"Â 101,843Â Depreciation and amortization19,826Â 5,059Â 2,732Â 599Â 28,216Â General and administrative expense (excluding depreciation)â€"Â â€"Â â€"Â 23,168Â 23,168Â Equity earnings from refining and logistics investmentsâ€"Â (425)â€"Â â€"Â (425)Acquisition and integration costsâ€"Â â€"Â â€"Â 7,273Â 7,273Â Par West redevelopment and other costsâ€"Â â€"Â â€"Â 2,613Â 2,613Â Operating income (loss)$44,139Â $20,691Â $15,220Â $(33,617)$46,433Â Interest expense and financing costs, net(14,909)Debt extinguishment and commitment costs38Â Other income, net379Â Income before income taxes31,941Â Income tax expense(1,928)Net income$30,013Â Capital expenditures$6,301Â $7,124Â $3,104Â $987Â $17,516Â ____(1)Includes eliminations of intersegment revenues and cost of revenues of $165.1 million and $137.7 million for the three months ended June 30, 2024 and 2023, respectively.Six Months Ended June 30, 2024RefiningLogisticsRetailCorporate, Eliminations and Other (1)TotalRevenues$3,883,889Â $144,317Â $292,976Â $(322,879)$3,998,303Â Cost of revenues (excluding depreciation)3,539,205Â 87,075Â 214,296Â (322,901)3,517,675Â Operating expense (excluding depreciation)242,977Â 8,513Â 45,850Â â€"Â 297,340Â Depreciation and amortization43,961Â 13,968Â 5,791Â 1,080Â 64,800Â Loss (gain) on sale of assets, netâ€"Â 124Â (10)â€"Â 114Â General and administrative expense (excluding depreciation)â€"Â â€"Â â€"Â 64,923Â 64,923Â Equity earnings from refining and logistics investments(6,060)(3,778)â€"Â â€"Â (9,838)Acquisition and integration costsâ€"Â â€"Â â€"Â 91Â 91Â Par West redevelopment and other costsâ€"Â â€"Â â€"Â 5,042Â 5,042Â Operating income (loss)$63,806Â $38,415Â $27,049Â $(71,114)$58,156Â Interest expense and financing costs, net(38,318)Debt extinguishment and commitment costs(1,418)Other expense, net(2,700)Equity earnings from Laramie Energy, LLC3,203Â Income before income taxes18,923Â Income tax expense(4,036)Net income$14,887Â Capital expenditures$46,059Â $9,423Â $2,828Â $1,222Â $59,532Â 28PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIESNotes to Condensed Consolidated Financial StatementsFor the Interim Periods Ended JuneÂ 30, 2024 and 2023Six Months Ended June 30, 2023RefiningLogisticsRetailCorporate, Eliminations and Other (1)TotalRevenues$3,323,953Â $117,097Â $283,968Â $(255,882)$3,469,136Â Cost of revenues (excluding depreciation)2,845,275Â 67,087Â 207,396Â (255,932)2,863,826Â Operating expense (excluding depreciation)135,853Â 7,043Â 42,067Â â€"Â 184,963Â Depreciation and amortization35,549Â 10,093Â 5,811Â 1,123Â 52,576Â General and administrative expense (excluding depreciation)â€"Â â€"Â â€"Â 42,454Â 42,454Â Equity earnings from refining and logistics investmentsâ€"Â (425)â€"Â â€"Â (425)Acquisition and integration costsâ€"Â â€"Â â€"Â 12,544Â 12,544Â Par West redevelopment and other costsâ€"Â â€"Â â€"Â 5,363Â 5,363Â Operating income (loss)$307,276Â $33,299Â $28,694Â $(61,434)$307,835Â Interest expense and financing costs, net(31,159)Debt extinguishment and commitment costs(17,682)Other income, net344Â Equity earnings from Laramie Energy, LLC10,706Â Income before income taxes270,044Â Income tax expense(2,141)Net income$267,903Â Capital expenditures$13,955Â $8,005Â $7,254Â $1,515Â $30,729Â ____Â (1)Includes eliminations of intersegment revenues and cost of revenues of $322.9 million and $255.9 million for the six months ended JuneÂ 30, 2024 and 2023, respectively.29ItemÂ 2. MANAGEMENTâ€™S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONSOverviewWe are a growing energy company based in Houston, Texas, that provides both renewable and conventional fuels to the western United States. For more information, please readÂ Note 1â€"Overview to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.Recent Events Affecting Comparability of PeriodsCrude oil pricing increased in the first half of 2024 compared to the first half of 2023. Brent crude oil pricing averaged $85.03 per barrel in the first half of 2024 compared to $77.73 per barrel in the first half of 2023. Average U.S. retail gasoline prices remained relatively stable from $3.59 per gallon in the first half of 2023 to $3.52 per gallon in the first half of 2024. Refined product crack spreads in the first half of 2024 decreased as compared to the first half of 2023. The U.S. Energy Information Administration (â€œEIAâ€) in its June 2024 short term energy outlook forecasts average Brent crude oil pricing of $85 per barrel in the second half of 2024 due to strong global inventory draws in the first half of 2024 driven by less Organization of the Petroleum Exporting Countries (â€œOPECâ€) production. In 2023, OPEC announced several voluntary production cuts. Russia announced on February 10, 2023, that it would cut its oil production by 500,000 barrels a day (5% of its output), as a response to imposed sanctions on the countryâ€™s oil trade. In June 2023, OPEC extended oil output cuts of 3.66 million barrels a day, or about 5% of daily global demand, until the end of 2024, including a Russian cut in oil exports of 300,000 barrels a day until the end of 2023. In November 2023 OPEC announced additional voluntary production cuts of 1.7 million barrels a day, thus totaling about 2.2 million barrels a day, from January through March 2024. On March 3, 2024, OPEC announced an extension of its November 2023 voluntary production cut through June 2024, driving down supply, as demand increases due to spring and summer travel seasons in the Northern Hemisphere. On June 2, 2024, OPEC agreed to extend the latest cut of 2.2 million barrels a day until the end of September and gradually phase it out from October on a monthly basis. Additionally, geopolitical tensions in the Middle East and the Red Sea region continued to escalate in the first half of 2024 putting upward pressure on prices. The overall effect of these conflicts and associated actions taken to limit the purchase of Russian petroleum products impacted freight movements and raised the operating costs of many European and other refineries. Energy prices are, among other factors, indicators of inflation. The overall energy price index increased 4.3% year over year as of JuneÂ 30, 2024. While inflation has worsened relative to the prior year, we do not believe that inflation has had a material effect on our business, financial condition, or results of operations in the first half of 2024. Please read Item 1A. â€" Risk Factors on our Annual Report on Form 10-K for the year ended DecemberÂ 31, 2023 for further information.Results of OperationsThree months ended JuneÂ 30, 2024 compared to the three months ended JuneÂ 30, 2023Net Income. Our financial results for the second quarter of 2024 declined from net income of $30.0Â million for the three months ended June 30, 2023 to $18.6Â million for the three months ended June 30, 2024. The decrease was primarily driven by a $5.5Â million increase in interest expense and financing costs, net, a $4.7Â million increase in income tax expense, a $2.9Â million decrease in our refining segment operating income, a $2.7Â million decrease in our logistics segment operating income, a $1.5Â million increase in debt extinguishment and commitment costs, and a $1.4Â million decrease in equity earnings from Laramie Energy, LLC, partially offset by a $7.4Â million decrease in acquisition and integration expenses related to our Billings Acquisition. Please read the discussions of segment and consolidated results below for additional information.Adjusted EBITDA and Adjusted Net Income. For the three months ended June 30, 2024, Adjusted EBITDA was $81.6 million compared to $150.8Â million for the three months ended June 30, 2023. The $69.2 million decrease was primarily related to a $42.3 million increase in operating expenses and a decrease of $29.0Â million in refining segment Adjusted Gross Margin. Please read the discussion of Adjusted Gross Margin by Segment and the Discussion of Consolidated Results below for additional information.For the three months ended June 30, 2024, Adjusted Net Income was $28.5Â million compared to $105.0 millionÂ for the three months ended June 30, 2023. The decline was primarily related to the factors described above for the decrease in Adjusted EBITDA, an increase of $5.0 million in interest expense and financing costs, excluding unrealized interest rate derivative losses (gains), and an increase of $3.9 million of D&A, partially offset by a cash distribution of $1.5 million received from Laramie Energy, LLC in the second quarter of 2024.30Six months ended JuneÂ 30, 2024 compared to the six months ended JuneÂ 30, 2023Net Income. Our financial results declined from net income of $267.9Â million for the six months ended JuneÂ 30, 2023 to $14.9Â million for the six months ended JuneÂ 30, 2024. The decrease was driven by a $243.5 million decrease in refining segment operating income, a $22.5 million increase in general and administrative expenses, and a $1.6 million decrease in retail segment operating income, partially offset by a $12.5 million decrease in acquisitions and integration expenses related to our Billings Acquisition and a $5.1 million increase in logistics segment operating income. Please read the discussions of segment and consolidated results below for additional information. Adjusted EBITDA and Adjusted Net Income. For the six months ended JuneÂ 30, 2024, Adjusted EBITDA was $176.3Â million compared to $318.5Â million for the six months ended JuneÂ 30, 2023. The $142.2Â million decrease was primarily related to a $112.3 million increase in operating expenses and a decrease of $33.5Â million in our refining segment Adjusted Gross Margin. Please read the discussion of Adjusted Gross Margin by Segment and the Discussion of Consolidated Results below for additional information.For the six months ended JuneÂ 30, 2024, Adjusted Net Income was $70.2Â million compared to $242.5Â million for the six months ended JuneÂ 30, 2023. The decline was primarily related to the same factors described above for the decrease in Adjusted EBITDA, an increase of $12.2Â million of D&A, a decrease of $9.2 million of cash distributions received from Laramie Energy, LLC, and an increase of $7.5 million of interest expense and financing costs, excluding unrealized interest rate derivative losses (gains) .The following tables summarize our consolidated results of operations for the three and six months ended JuneÂ 30, 2024 compared to the three and six months ended JuneÂ 30, 2023 (in thousands). The following should be read in conjunction with our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.Three Months Ended JuneÂ 30,20242023$ Change% ChangeRevenues$2,017,468Â $1,783,927Â $233,541Â 13%Cost of revenues (excluding depreciation)1,770,197Â 1,574,806Â 195,391Â 12%Operating expense (excluding depreciation)144,080Â 101,843Â 42,237Â 41%Depreciation and amortization 32,144Â 28,216Â 3,928Â 14%General and administrative expense (excluding depreciation)23,168Â 23,168Â â€"Â â€"%Equity earnings from refining and logistics investments(3,744)(425)(3,319)(781)%Acquisition and integration costs(152)7,273Â (7,425)(102)%Par West redevelopment and other costs3,071Â 2,613Â 458Â 18%Loss on sale of assets, net63Â â€"Â 63Â NM (1)Total operating expenses1,968,827Â 1,737,494Â Operating income48,641Â 46,433Â Other income (expense)Interest expense and financing costs, net(20,434)(14,909)(5,525)37%Debt extinguishment and commitment costs(1,418)38Â (1,456)(3,832)%Other income (expense), net(124)379Â (503)(133)%Equity earnings (losses) from Laramie Energy, LLC(1,360)â€"Â (1,360)NM (1)Total other expense, net(23,336)(14,492)Income before income taxes25,305Â 31,941Â Income tax expense(6,667)(1,928)(4,739)246%Net income$18,638Â $30,013Â 31Six Months Ended JuneÂ 30,20242023$ Change% ChangeRevenues$3,998,303Â $3,469,136Â $529,167Â 15%Cost of revenues (excluding depreciation)3,517,675Â 2,863,826Â 653,849Â 23%Operating expense (excluding depreciation)297,340Â 184,963Â 112,377Â 61%Depreciation and amortization 64,800Â 52,576Â 12,224Â 23%General and administrative expense (excluding depreciation)64,923Â 42,454Â 22,469Â 53%Equity earnings from refining and logistics investments(9,838)(425)(9,413)(2,215)%Acquisition and integration costs91Â 12,544Â (12,453)(99)%Par West redevelopment and other costs5,042Â 5,363Â (321)(6)%Loss on sale of assets, net114Â â€"Â 114Â NM (1)Total operating expenses3,940,147Â 3,161,301Â Operating income58,156Â 307,835Â Other income (expense)Interest expense and financing costs, net(38,318)(31,159)(7,159)23%Debt extinguishment and commitment costs(1,418)(17,682)16,264Â (92)%Other income (expense), net(2,700)344Â (3,044)(885)%Equity earnings from Laramie Energy, LLC3,203Â 10,706Â (7,503)(70)%Total other expense, net(39,233)(37,791)Income before income taxes18,923Â 270,044Â Income tax expense(4,036)(2,141)(1,895)89%Net income$14,887Â $267,903Â ____(1)NM - Not meaningfulThe following tables summarize our operating income (loss) by segment for the three and six months ended JuneÂ 30, 2024 and 2023 (in thousands). The following should be read in conjunction with our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.Three months ended JuneÂ 30, 2024RefiningLogistics (1)RetailCorporate, Eliminations and Other (2)TotalRevenues$1,957,273Â $72,475Â $152,842Â $(165,122)$2,017,468Â Cost of revenues (excluding depreciation)1,779,810Â 44,278Â 111,244Â (165,135)1,770,197Â Operating expense (excluding depreciation)116,509Â 4,701Â 22,870Â â€"Â 144,080Â Depreciation and amortization21,691Â 7,193Â 2,675Â 585Â 32,144Â General and administrative expense (excluding depreciation)â€"Â â€"Â â€"Â 23,168Â 23,168Â Equity earnings from refining and logistics investments(1,943)(1,801)â€"Â â€"Â (3,744)Acquisition and integration costsâ€"Â â€"Â â€"Â (152)(152)Par West redevelopment and other costsâ€"Â â€"Â â€"Â 3,071Â 3,071Â Loss on sale of assets, netâ€"Â 63Â â€"Â â€"Â 63Â Operating income (loss)$41,206Â $18,041Â $16,053Â $(26,659)$48,641Â 32Three 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$137.7Â million for the three months ended JuneÂ 30, 2024 and 2023, respectively.Six months ended JuneÂ 30, 2024RefiningLogistics (1)RetailCorporate, Eliminations and Other (2)TotalRevenues$3,883,889Â $144,317Â $292,976Â $(322,879)$3,998,303Â Cost of revenues (excluding depreciation)3,539,205Â 87,075Â 214,296Â (322,901)3,517,675Â Operating expense (excluding depreciation)242,977Â 8,513Â 45,850Â â€"Â 297,340Â Depreciation and amortization43,961Â 13,968Â 5,791Â 1,080Â 64,800Â Loss (gain) on sale of assets, netâ€"Â 124Â (10)â€"Â 114Â General and administrative expense (excluding depreciation)â€"Â â€"Â â€"Â 64,923Â 64,923Â Equity earnings from refining and logistics investments(6,060)(3,778)â€"Â â€"Â (9,838)Acquisition and integration costsâ€"Â â€"Â â€"Â 91Â 91Â Par West redevelopment and other costsâ€"Â â€"Â â€"Â 5,042Â 5,042Â Operating income (loss)$63,806Â $38,415Â $27,049Â $(71,114)$58,156Â Six months ended JuneÂ 30, 2023RefiningLogistics (1)RetailCorporate, Eliminations and Other (2)TotalRevenues$3,323,953Â $117,097Â $283,968Â $(255,882)$3,469,136Â Cost of revenues (excluding depreciation)2,845,275Â 67,087Â 207,396Â (255,932)2,863,826Â Operating expense (excluding depreciation)135,853Â 7,043Â 42,067Â â€"Â 184,963Â Depreciation and amortization35,549Â 10,093Â 5,811Â 1,123Â 52,576Â General and administrative expense (excluding depreciation)â€"Â â€"Â â€"Â 42,454Â 42,454Â Equity earnings from refining and logistics investmentsâ€"Â (425)â€"Â â€"Â (425)Acquisition and integration costsâ€"Â â€"Â â€"Â 12,544Â 12,544Â Par West redevelopment and other costsâ€"Â â€"Â â€"Â 5,363Â 5,363Â Operating income (loss)$307,276Â $33,299Â $28,694Â $(61,434)$307,835Â ____(1)Our logistics operations consist primarily of intercompany transactions which eliminate on a consolidated basis.(2)Includes eliminations of intersegment Revenues and Cost of revenues (excluding depreciation) of $322.9 million and $255.9 million for the six months ended JuneÂ 30, 2024 and 2023, respectively.33Below is a summary of key operating statistics for the refining segment for the three and six months ended JuneÂ 30, 2024 and 2023:Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Total Refining SegmentFeedstocks Throughput (Mbpd) (1)179.8Â 162.3Â 180.0Â 147.7Â Refined product sales volume (Mbpd) (1)191.2Â 168.8Â 192.0Â 159.1Â Hawaii RefineryFeedstocks Throughput (Mbpd)81.0Â 84.1Â 80.2Â 80.2Â Yield (% of total throughput)Gasoline and gasoline blendstocks27.3Â %26.8Â %26.2Â %26.8Â %Distillates37.9Â %41.0Â %38.0Â %40.1Â %Fuel oils30.0Â %28.2Â %32.0Â %28.8Â %Other products1.4Â %0.8Â %0.1Â %1.2Â %Total yield96.6Â %96.8Â %96.3Â %96.9Â %Refined product sales volume (Mbpd)82.2Â 87.2Â 84.9Â 88.8Â Adjusted Gross Margin per bbl ($/throughput bbl) (2)$10.07Â $12.08Â $12.02Â $15.41Â Production costs per bbl ($/throughput bbl) (3)4.50Â 4.33Â 4.67Â 4.43Â D&A per bbl ($/throughput bbl)0.57Â 0.67Â 0.58Â 0.70Â Montana RefineryFeedstocks Throughput (Mbpd) (1)37.7Â 62.6Â 45.1Â 62.6Â Yield (% of total throughput)Gasoline and gasoline blendstocks56.6Â %46.3Â %51.3Â %46.3Â %Distillates25.2Â %29.3Â %29.6Â %29.3Â %Asphalt6.9Â %13.3Â %8.7Â %13.3Â %Other products5.0Â %6.1Â %4.5Â %6.1Â %Total yield93.7Â %95.0Â %94.1Â %95.0Â %Refined product sales volume (Mbpd) (1)48.2Â 59.3Â 49.9Â 59.3Â Adjusted Gross Margin per bbl ($/throughput bbl) (2)$16.89Â $30.98Â $15.20Â $30.98Â Production costs per bbl ($/throughput bbl) (3)16.18Â 8.07Â 14.09Â 8.07Â D&A per bbl ($/throughput bbl)1.84Â 1.85Â 1.59Â 1.85Â 34Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Washington RefineryFeedstocks Throughput (Mbpd)41.2Â 40.9Â 36.3Â 40.3Â Yield (% of total throughput)Gasoline and gasoline blendstocks24.7Â %24.0Â %24.2Â %23.8Â %Distillates34.4Â %34.8Â %34.0Â %34.6Â %Asphalt18.0Â %19.5Â %19.3Â %19.0Â %Other products20.0Â %18.3Â %19.1Â %18.7Â %Total yield97.1Â %96.6Â %96.6Â %96.1Â %Refined product sales volume (Mbpd)40.2Â 44.8Â 38.2Â 42.8Â Adjusted Gross Margin per bbl ($/throughput bbl) (2)$4.67Â $6.37Â $5.30Â $8.66Â Production costs per bbl ($/throughput bbl) (3)3.66Â 3.98Â 4.70Â 4.11Â D&A per bbl ($/throughput bbl)1.83Â 1.82Â 2.09Â 1.81Â Wyoming RefineryFeedstocks Throughput (Mbpd)19.9Â 16.7Â 18.4Â 16.8Â Yield (% of total throughput)Gasoline and gasoline blendstocks44.3Â %43.7Â %46.8Â %45.6Â %Distillates48.9Â %48.7Â %47.6Â %47.3Â %Fuel oils2.2Â %2.6Â %2.1Â %2.5Â %Other products3.1Â %2.5Â %2.1Â %1.7Â %Total yield98.5Â %97.5Â %98.6Â %97.1Â %Refined product sales volume (Mbpd)20.6Â 17.3Â 19.0Â 17.7Â Adjusted Gross Margin per bbl ($/throughput bbl) (2)$14.74Â $20.56Â $14.83Â $24.05Â Production costs per bbl ($/throughput bbl) (3)7.08Â 8.30Â 7.46Â 7.85Â D&A per bbl ($/throughput bbl)2.36Â 2.93Â 2.56Â 2.85Â Market Indices (average $ per barrel)3-1-2 Singapore Crack Spread (4)$12.49Â $13.72Â $15.58Â $17.45Â RVO Adjusted Pacific Northwest 3-1-1-1 (5)22.54Â 25.13Â 21.51Â 25.21Â RVO Adjusted USGC 3-2-1 (6)17.93Â 21.65Â 19.63Â 24.09Â Crude Oil Prices (average $ per barrel)Brent$85.03Â $77.73Â $83.39Â $79.90Â WTI80.66Â 73.56Â 78.78Â 74.77Â ANS86.42Â 78.26Â 83.87Â 78.63Â Bakken Clearbrook79.95Â 75.37Â 77.13Â 77.25Â WCS Hardisty67.21Â 60.07Â 63.33Â 58.38Â Brent M1-M31.30Â 0.44Â 1.18Â 0.48Â 35____(1)Feedstocks throughput and sales volumes per day for the Montana refinery for the three and six months ended JuneÂ 30, 2023 are calculated based on the 30-day period for which we owned the Montana refinery during the three and six months ended JuneÂ 30, 2023. As such, the amounts for the total refining segment represent the sum of the Hawaii, Washington, and Wyoming refineriesâ€™ throughput or sales volumes averaged over the three and six months ended JuneÂ 30, 2023, plus the Montana refineryâ€™s throughput or sales volumes averaged over the period from JuneÂ 1, 2023, to JuneÂ 30, 2023. The 2024 amounts for the total refining segment represent the sum of the Hawaii, Montana, Washington, and Wyoming refineriesâ€™ throughput or sales volumes averaged over the three and six months ended JuneÂ 30, 2024. (2)We calculate Adjusted Gross Margin per barrel by dividing Adjusted Gross Margin by total refining throughput. Adjusted Gross Margin for our Washington refinery is determined under the last-in, first-out (â€œLIFOâ€) inventory costing method. Adjusted Gross Margin for our other refineries is determined under the first-in, first-out (â€œFIFOâ€) inventory costing method. (3)Management uses production costs per barrel to evaluate performance and compare efficiency to other companies in the industry. There are a variety of ways to calculate production costs per barrel; different companies within the industry calculate it in different ways. We calculate production costs per barrel by dividing all direct production costs, which include the costs to run the refineries including personnel costs, repair and maintenance costs, insurance, utilities, and other miscellaneous costs, by total refining throughput. Our production costs are included in Operating expense (excluding depreciation) on our condensed consolidated statements of operations, which also includes costs related to our bulk marketing operations and severance costs. (4)We believe the 3-1-2 Singapore Crack Spread (or three barrels of Brent crude oil converted into one barrel of gasoline and two barrels of distillates (diesel and jet fuel)) is the most representative market indicator for our operations in Hawaii.(5)We believe the RVO Adjusted Pacific Northwest 3-1-1-1 (or three barrels of WTI crude oil converted into one barrel of Pacific Northwest gasoline, one barrel of Pacific Northwest ULSD and one barrel of USGC VGO, less 100% of the RVO cost for gasoline and ULSD) is the most representative market indicator for our operations in Washington. (6)We believe the RVO Adjusted USGC 3-2-1 (or three barrels of WTI crude oil converted into two barrels of USGC gasoline and one barrel of USGC ULSD, less 100% of the RVO cost) is the most representative market indicator for our operations in Montana and Wyoming.Below is a summary of key operating statistics for the retail segment for the three and six months ended JuneÂ 30, 2024 and 2023:Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Retail SegmentRetail sales volumes (thousands of gallons)30,523Â 29,373Â 59,953Â 56,572Â Non-GAAP Performance MeasuresManagement uses certain financial measures to evaluate our operating performance that are considered non-GAAP financial measures. These measures should not be considered in isolation or as substitutes or alternatives to their most directly comparable GAAP financial measures or any other measure of financial performance or liquidity presented in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies since each company may define these terms differently.We believe Adjusted Gross Margin (as defined below) provides useful information to investors because it eliminates the gross impact of volatile commodity prices and adjusts for certain non-cash items and timing differences created by our inventory financing agreements and lower of cost and net realizable value adjustments to demonstrate the earnings potential of the business before other fixed and variable costs, which are reported separately in Operating expense (excluding depreciation) and Depreciation and amortization. Management uses Adjusted Gross Margin per barrel to evaluate operating performance and compare profitability to other companies in the industry and to industry benchmarks. We believe Adjusted Net Income (Loss) and Adjusted EBITDA (as defined below) are useful supplemental financial measures that allow investors to assess the financial performance of our assets without regard to financing methods, capital structure, or historical cost basis, the ability of our assets to generate cash to pay interest on our indebtedness, and our operating performance and return on invested capital as compared to other companies without regard to financing methods and capital structure.36Beginning with financial results reported for the second quarter of 2023, Adjusted Gross Margin, Adjusted Net Income (Loss), and Adjusted EBITDA also exclude our portion of interest, taxes, and depreciation expense from our refining and logistics investments acquired on June 1, 2023, as part of the Billings Acquisition.Beginning with financial results reported for the fourth quarter of 2023, Adjusted Gross Margin, Adjusted Net Income (Loss), and Adjusted EBITDA excludes all hedge losses (gains) associated with our Washington ending inventory and LIFO layer increment impacts associated with our Washington inventory. In addition, we have modified our environmental obligation mark-to-market adjustment to include only the mark-to-market losses (gains) associated with our net RINs liability and net obligation associated with the Washington Climate Commitment Act (â€œWashington CCAâ€) and Clean Fuel Standard. This modification was made as part of our change in how we estimate our environmental obligation liabilities.Beginning with financial results reported for the fourth quarter of 2023, Adjusted Net Income (loss) excludes unrealized interest rate derivative losses (gains) and all Laramie Energy related impacts with the exception of cash distributions. We have recast Adjusted Net Income (Loss) for prior periods when reported to conform to the modified presentation.Beginning with financial results reported for the first quarter of 2024, Adjusted Net Income (loss) also excludes other non-operating income and expenses. This modification improves comparability between periods by excluding income and expenses resulting from non-operating activities. Adjusted Gross MarginAdjusted Gross Margin is defined as operating income (loss) excluding: â€¢operating expense (excluding depreciation); â€¢depreciation and amortization (â€œD&Aâ€); â€¢Parâ€™s portion of interest, taxes, and depreciation expense from refining and logistics investments;â€¢impairment expense; â€¢loss (gain) on sale of assets, net; â€¢inventory valuation adjustment (which adjusts for timing differences to reflect the economics of our inventory financing agreements, including lower of cost or net realizable value adjustments, the impact of the embedded derivative repurchase or terminal obligations, hedge losses (gains) associated with our Washington ending inventory and intermediation obligation, purchase price allocation adjustments, and LIFO layer increment and decrement impacts associated with our Washington inventory);â€¢Environmental obligation mark-to-market adjustment (which represents the mark-to-market losses (gains) associated with our net RINs liability and our net obligation associated with the Washington Climate Commitment Act and Clean Fuel Standard); and â€¢unrealized loss (gain) on derivatives. Â Â Â Â The following tables present a reconciliation of Adjusted Gross Margin to the most directly comparable GAAP financial measure, operating income (loss), on a historical basis, for selected segments, for the periods indicated (in thousands):Three months ended JuneÂ 30, 2024RefiningLogisticsRetailOperating income$41,206Â $18,041Â $16,053Â Operating expense (excluding depreciation)116,509Â 4,701Â 22,870Â Depreciation and amortization21,691Â 7,193Â 2,675Â Parâ€™s portion of interest, taxes, and depreciation expense from refining and logistics investments661Â 761Â â€”Â Inventory valuation adjustment(21,101)â€”Â â€”Â Environmental obligation mark-to-market adjustments(3,504)â€”Â â€”Â Unrealized loss on derivatives21,141Â â€”Â â€”Â Loss on sale of assets, netâ€”Â 63Â â€”Â Adjusted Gross Margin (1)$176,603Â $30,759Â $41,598Â 37Three months ended JuneÂ 30, 2023RefiningLogisticsRetailOperating income$44,139Â $20,691Â $15,220Â Operating expense (excluding depreciation)76,971Â 3,596Â 21,276Â Depreciation and amortization19,826Â 5,059Â 2,732Â Parâ€™s portion of interest, taxes, and depreciation expense from refining and logistics investmentsâ€”Â 207Â â€”Â Inventory valuation adjustment33,118Â â€”Â â€”Â Environmental obligation mark-to-market adjustments9,343Â â€”Â â€”Â Unrealized loss on derivatives22,178Â â€”Â â€”Â Adjusted Gross Margin (1)$205,575Â $29,553Â $39,228Â Six months ended JuneÂ 30, 2024RefiningLogisticsRetailOperating income$63,806Â $38,415Â $27,049Â Operating expense (excluding depreciation)242,977Â 8,513Â 45,850Â Depreciation and amortization43,961Â 13,968Â 5,791Â Parâ€™s portion of interest, taxes, and depreciation expense from refining and logistics investments1,379Â 1,689Â â€”Â Loss (gain) on sale of assets, netâ€”Â 124Â (10)Inventory valuation adjustment(20,476)â€”Â â€”Â Environmental obligation mark-to-market adjustments(13,767)â€”Â â€”Â Unrealized loss on derivatives65,833Â â€”Â â€”Â Adjusted Gross Margin (1)$383,713Â $62,709Â $78,680Â Six months ended JuneÂ 30, 2023RefiningLogisticsRetailOperating income$307,276Â $33,299Â $28,694Â Operating expense (excluding depreciation)135,853Â 7,043Â 42,067Â Depreciation and amortization35,549Â 10,093Â 5,811Â Parâ€™s portion of interest, taxes, and depreciation expense from refining and logistics investmentsâ€”Â 207Â â€”Â Inventory valuation adjustment53,976Â â€”Â â€”Â Environmental obligation mark-to-market adjustments(123,958)â€”Â â€”Â Unrealized loss on derivatives8,508Â â€”Â â€”Â Adjusted Gross Margin (1)$417,204Â $50,642Â $76,572Â ____(1)For the three and six months ended JuneÂ 30, 2024 and 2023, there was no impairment expense or LIFO liquidation adjustment recorded in Operating income. For the three and six months ended JuneÂ 30, 2023, there was no (gain) loss on sale of assets recorded in Operating income.Adjusted Net Income (Loss) and Adjusted EBITDAÂ Â Â Â Adjusted Net Income (Loss) is defined as Net income (loss) excluding:â€¢inventory valuation adjustment (which adjusts for timing differences to reflect the economics of our inventory financing agreements, including lower of cost or net realizable value adjustments, the impact of the embedded derivative repurchase or terminal obligations, hedge losses (gains) associated with our Washington ending inventory and intermediation obligation, purchase price allocation adjustments, and LIFO layer increment and decrement impacts associated with our Washington inventory);â€¢Environmental obligation mark-to-market adjustments (which represents the mark-to-market losses (gains) associated with our RINs and Washington CCA and Clean Fuel Standard);â€¢unrealized (gain) loss on derivatives;â€¢acquisition and integration costs;â€¢redevelopment and other costs related to Par West;38â€¢debt extinguishment and commitment costs;â€¢increase in (release of) tax valuation allowance and other deferred tax items;â€¢changes in the value of contingent consideration and common stock warrants;â€¢severance costs and other non-operating expense (income);â€¢(gain) loss on sale of assets;â€¢impairment expense; â€¢impairment expense associated with our investment in Laramie Energy; and â€¢Parâ€™s share of equity losses from Laramie Energy, LLC, excluding cash distributions.Adjusted EBITDA is defined as Adjusted Net Income (Loss) excluding:â€¢D&A;â€¢interest expense and financing costs, net, excluding interest rate derivative loss (gain);â€¢cash distributions from Laramie Energy, LLC to Par; â€¢Par's portion of interest, taxes, and depreciation expense from refining and logistics investments; andâ€¢income tax expense (benefit) excluding the increase in (release of) tax valuation allowance.Â Â Â Â The following table presents a reconciliation of Adjusted Net Income and Adjusted EBITDA to the most directly comparable GAAP financial measure, Net income, on a historical basis for the periods indicated (in thousands):Three Months Ended JuneÂ 30,Six Months Ended JuneÂ 30,2024202320242023Net Income$18,638Â $30,013Â $14,887Â $267,903Â Inventory valuation adjustment(21,101)33,118Â (20,476)53,976Â Environmental obligation mark-to-market adjustments(3,504)9,343Â (13,767)(123,958)Unrealized loss on derivatives21,104Â 21,635Â 64,952Â 7,965Â Par West redevelopment and other costs3,071Â 2,613Â 5,042Â 5,363Â Acquisition and integration costs(152)7,273Â 91Â 12,544Â Debt extinguishment and commitment costs1,418Â (38)1,418Â 17,682Â Changes in valuation allowance and other deferred tax items (1)6,162Â â€”Â 3,531Â â€”Â Severance costs and other non-operating expense (2)â€”Â 1,070Â 16,138Â 1,070Â Loss on sale of assets, net63Â â€”Â 114Â â€”Â Equity earnings from Laramie Energy, LLC, excluding cash distributions2,845Â â€”Â (1,718)â€”Â Adjusted Net Income (3)28,544Â 105,027Â 70,212Â 242,545Â Depreciation and amortization32,144Â 28,216Â 64,800Â 52,576Â Interest expense and financing costs, net, excluding unrealized interest rate derivative loss (gain)20,471Â 15,452Â 39,199Â 31,702Â Laramie Energy, LLC cash distributions to Par(1,485)â€”Â (1,485)(10,706)Par's portion of interest, taxes, and depreciation expense from refining and logistics investments1,422Â 207Â 3,068Â 207Â Income tax expense505Â 1,928Â 505Â 2,141Â Adjusted EBITDA (3)$81,601Â $150,830Â $176,299Â $318,465Â ____(1)For the three and six months ended JuneÂ 30, 2024, we recognized a non-cash deferred tax expense of $6.2 million and $3.5 million, respectively, related to deferred state and federal tax liabilities. This tax benefit is included in Income tax expense (benefit) on our consolidated statements of operations. For the three and six months ended JuneÂ 30, 2023, we did not have any adjustments to our valuation allowance and other deferred tax items. (2)For the six months ended JuneÂ 30, 2024, we incurred $13.1 million of stock-based compensation expenses associated with accelerated vesting of equity awards and modification of vested equity awards related to our CEO transition and $2.3 million for an estimated legal settlement unrelated to current operating activities.(3)For the three and six months ended JuneÂ 30, 2024 and 2023, there was no change in value of contingent consideration, change in value of common stock warrants, impairment expense, impairments associated with our investment in Laramie Energy, or our share of Laramie Energyâ€™s asset impairment losses in excess of our basis difference. Please read the Non-39GAAP Performance Measures discussion above for information regarding changes to the components of Adjusted Net Income (Loss) and Adjusted EBITDA made during the reporting periods.Factors Impacting Segment ResultsOperating IncomeThree months ended JuneÂ 30, 2024 compared to the three months ended JuneÂ 30, 2023Refining. Operating income for our refining segment was $41.2Â million for the three months ended JuneÂ 30, 2024, a decrease of $2.9Â million compared to operating income of $44.1Â million for the three months ended JuneÂ 30, 2023. The decrease was primarily driven by lower crack spreads across all the refineries in our legacy portfolio and higher feedstock costs, partially offset by an $11.2Â million increase related to a full quarter contribution from the Billings Acquisition and an $8.1 million decrease in environmental costs incurred by our legacy refinery portfolio. Please read the Adjusted Gross Margin discussion below for additional information.Logistics. Operating income for our logistics segment was $18.0Â million for the three months ended JuneÂ 30, 2024, a decrease of $2.7Â million compared to $20.7Â million for the three months ended JuneÂ 30, 2023. The decrease was primarily due to a decrease of $3.7Â million in third-party contracts and vessel revenue, partially offset by a decrease in vessel and fuel costs of $1.3Â million.Retail. Operating income for our retail segment was $16.1Â million for the three months ended JuneÂ 30, 2024, an increase of $0.9Â million compared to $15.2Â million for the three months ended JuneÂ 30, 2023. The increase was primarily due to a $1.2Â million increase in fuel margins, and increased merchandise sales of $0.8Â million, partially offset by a $1.6Â million increase in operating expenses driven by higher employee costs. Six months ended JuneÂ 30, 2024 compared to the six months ended JuneÂ 30, 2023Refining. Operating income for our refining segment was $63.8Â million for the six months ended JuneÂ 30, 2024, a decrease of $243.5Â million compared to $307.3 million for the six months ended JuneÂ 30, 2023. The decrease in operating income was primarily driven by:â€¢a decrease of $221.0 million related to lower crack spreads at our refineries in our legacy portfolio andâ€¢an increase of $124.3 million in consolidated environmental costs across all our refineries in our legacy portfolio, primarily associated with RIN settlement gains recorded in 2023 with no similar gains in 2024.partially offset by:â€¢an increase of $98.8 million related to favorable changes in crude oil differentials at our refineries in our legacy portfolio.Logistics. Operating income for our logistics segment was $38.4Â million for the six months ended JuneÂ 30, 2024, an increase of $5.1 million compared to $33.3 million for the six months ended JuneÂ 30, 2023. The increase was primarily due to a $7.3Â million increase in contribution from the Billings Acquisition logistics assets acquired in June 2023 partially offset by a $2.5 million decrease in third-party contracts for our logistics services. Our legacy logistics portfolio consists of our logistics assets, excluding logistics assets from the Billings Acquisition.Retail. Operating income for our retail segment was $27.0Â million for the six months ended JuneÂ 30, 2024, a decrease of $1.6Â million compared to $28.7 million for the six months ended JuneÂ 30, 2023. The decrease in operating income was primarily due to higher operating expenses of $3.8 million driven by an increase in employee costs, partially offset by increased merchandise sales of $1.8 million, and a $0.5 million increase related to 6% higher fuel sales volumes in the six months ended JuneÂ 30, 2024 compared to the six months ended JuneÂ 30, 2023.Adjusted Gross MarginThree months ended JuneÂ 30, 2024 compared to the three months ended JuneÂ 30, 2023Refining. For the three months ended June 30, 2024, our refining Adjusted Gross Margin was $176.6Â million, a decrease of $29.0Â million compared to $205.6Â million for the three months ended June 30, 2023. The decrease was primarily driven by a decrease of $29.8Â million related to decreased crack spreads across our legacy refining portfolio and a $9.7Â million 40decline in refined product sales volumes primarily from our Hawaii and Washington refineries, partially offset by lower feedstock costs, and $4.7 million lower environmental expenses. Other factors impacting refining results are described below.â€¢Adjusted Gross Margin for the Hawaii refinery decreased by $2.01 per barrel from $12.08 per barrel during the three months ended June 30, 2023 to $10.07 per barrel during the three months ended June 30, 2024. The decrease in Adjusted Gross Margin was primarily due to declining crack spreads and a 5.7% decrease in refined product sales, partially offset by lower feedstock costs. The Singapore 3-1-2 index declined from $13.72 in the second quarter of 2023 to $12.49 in the second quarter of 2024. â€¢Adjusted Gross Margin for the Washington refinery decreased by $1.70 per barrel from $6.37 per barrel during the three months ended June 30, 2023 to $4.67 per barrel during the three months ended June 30, 2024. The decrease was primarily due to declining crack spreads, and a 10% decrease in refined product sales, partially offset by lower feedstock costs and favorable environmental costs. The RVO Adjusted Pacific Northwest 3-1-1-1 index declined from $25.13 in the second quarter of 2023 to $22.54 in the second quarter of 2024.â€¢Adjusted Gross Margin for the Wyoming refinery decreased by $5.82 per barrel from $20.56 per barrel during the three months ended June 30, 2023 to $14.74 per barrel during the three months ended June 30, 2024, primarily due to lower regional crack spreads, partially offset by a 19% increase in refined product sales, and lower feedstock costs. The RVO Adjusted USGC 3-2-1 index decreased from $21.65 in the second quarter of 2023 to $17.93 in the second quarter of 2024.Logistics. For the three months ended June 30, 2024, our logistics Adjusted Gross Margin was $30.8Â million, an increase of $1.2Â million compared to $29.6Â million for the three months ended June 30, 2023. The increase is primarily due to a $4.0Â million increase in contribution from the Billings Acquisition logistics assets acquired in June 2023, partially offset by a decrease of $1.8Â million driven by a 3% reduction in Hawaii throughput.Retail. For the three months ended June 30, 2024, our retail Adjusted Gross Margin was $41.6Â million, an increase of $2.4 million compared to $39.2Â million for the three months ended June 30, 2023. The increase was primarily due to 9% higher merchandise sales margins and 4% higher fuel sales volumes in the three months ended June 30, 2024 compared to the comparable period in 2023.Six months ended JuneÂ 30, 2024 compared to the six months ended JuneÂ 30, 2023Refining. For the six months ended JuneÂ 30, 2024, our refining Adjusted Gross Margin was $383.7Â million, a decrease of $33.5Â million compared to $417.2 million for the six months ended JuneÂ 30, 2023. The decrease was primarily driven by a $157.3 million decline due to lower crack spreads, and a $27.0 million decrease related to a 5% decline in refined product sales volumes primarily from our Hawaii and Washington refineries, partially offset by increased Adjusted Gross Margin contributed by the Montana refinery of $66.6Â million, $44.0Â million lower purchased product expenses, $22.1 million benefit due to favorable derivative activities, and $12.7 million lower environmental expenses. Other factors impacting refining results are described below.â€¢Adjusted Gross Margin for the Hawaii refinery declined by $3.39 per barrel from $15.41 per barrel during the six months ended JuneÂ 30, 2023 to $12.02 per barrel during the six months ended JuneÂ 30, 2024, inclusive of 10 days of reduced production for required maintenance in March 2024. The decrease was primarily due to lower crack spreads, and a 4.4% decrease in sales volumes, partially offset by $44.0 million decrease of purchased product costs. The Singapore 3-2-1 index declined from $17.45 in the six months ended JuneÂ 30, 2023 to $15.58 in the six months ended JuneÂ 30, 2024.â€¢Adjusted Gross Margin for the Wyoming refinery decreased by $9.22 from $24.05 per barrel during the six months ended JuneÂ 30, 2023 to $14.83 per barrel during the six months ended JuneÂ 30, 2024, primarily due to lower regional crack spreads and higher environmental expenses, partially offset by a 7% increase in refined product sales volumes, a favorable FIFO impact of $9.0Â million, and an $8.0Â million decline in feedstock costs. The RVO Adjusted USGC 3-2-1 index declined from $24.09 in the six months ended JuneÂ 30, 2023 to $19.63 in the six months ended JuneÂ 30, 2024.â€¢Adjusted Gross Margin for the Washington refinery decreased by $3.36 per barrel from $8.66 per barrel during the six months ended JuneÂ 30, 2023 to $5.30 per barrel during the six months ended JuneÂ 30, 2024, inclusive of a 15-day planned maintenance event in March 2024. The decrease was primarily due to declining crack spreads and an 11% decrease in refined product sales, partially offset by lower feedstock costs. The RVO Adjusted Pacific Northwest 3-1-1-1 index declined from $25.21 in the six months ended JuneÂ 30, 2023 to $21.51 in the six months ended JuneÂ 30, 2024.41Logistics. For the six months ended JuneÂ 30, 2024, our logistics Adjusted Gross Margin was $62.7Â million, an increase of $12.1 million compared to $50.6 million for the six months ended JuneÂ 30, 2023. The increase was primarily due to a $14.2 million increased contribution from the Billings Acquisition logistics assets acquired in June 2023 partially offset by an increase in cost of sales driven by $1.3 million of higher fees and variable expenses.Retail. For the six months ended JuneÂ 30, 2024, our retail Adjusted Gross Margin was $78.7Â million, an increase of $2.1 million compared to $76.6 million for the six months ended JuneÂ 30, 2023. The increase was primarily due to a 2% increase in merchandise sales. Other factors impacting results include a 6% increase in fuel sales volumes and a 34% decrease in fuel margins.Discussion of Consolidated ResultsThree months ended JuneÂ 30, 2024 compared to the three months ended JuneÂ 30, 2023 Revenues. For the three months ended June 30, 2024, revenues were $2.0 billion, a $0.2 billion increase compared to $1.8 billion for the three months ended June 30, 2023. The increase was primarily due to a $0.3 billion increased contribution from the Billings Acquisition, which closed

JuneÂ 1, 2023, and $0.1 billion due to higher crude oil prices discussed below, partially offset by a 4% decrease in refining sales volumes primarily driven by our Hawaii and Washington refinery operations during the quarter and a decrease in average product crack spreads also discussed below. Average WTI crude oil prices increased 10% and average Brent crude oil prices increased 9% as compared to the prior period. The RVO Adjusted USGC 3-2-1, RVO Adjusted Pacific Northwest 3-1-1-1, and 3-1-2 Singapore Crack Spread declined 17%, 10%, and 9%, respectively, compared to the second quarter of 2023. Please read our key operating statistics for further information. Revenues at our retail segment increased $4.4 million primarily due to a 4% increase in fuel sales volumes.Cost of Revenues (Excluding Depreciation). For the three months ended June 30, 2024, cost of revenues (excluding depreciation) was $1.8 billion, an increase of $0.2 billion when compared to $1.6 billion for the three months ended June 30, 2023. The increase was primarily driven by a $0.3 billion increased contribution from the Billings Acquisition due to a full quarter under our ownership and higher crude oil prices, partially offset by decreases due to lower refining sales volumes, as discussed above, and lower environmental expenses.Operating Expense (Excluding Depreciation). For the three months ended June 30, 2024, operating expense (excluding depreciation) was $144.1 million, a $42.3 million increase when compared to $101.8 million for the three months ended June 30, 2023. The increase was driven by a $41.1 million increased contribution from the Billings Acquisition.Depreciation and Amortization.Â For the three months ended June 30, 2024, D&A was $32.1 million, an increase of $3.9 million compared to $28.2 million for the three months ended June 30, 2023. The increase was primarily driven by the $5.0 million of D&A attributable to the Billings Acquisition, partially offset by a $0.9 million decrease in D&A from our Hawaii Refinery primarily driven by assets that became fully depreciated in the second half of 2023, partially offset by cogeneration equipment in Hawaii and other assets placed into service during the period.General and Administrative Expense (Excluding Depreciation). For the three months ended June 30, 2024, general and administrative expense (excluding depreciation) was $23.2 million, consistent with $23.2Â million for the three months ended June 30, 2023.Equity earnings from refining and logistics investments. During the three months ended June 30, 2024, Equity earnings from refining and logistics investments, related to YELP and YPLC, were $3.7 million, an increase of $3.3 million compared to $0.4 million for the three months ended June 30, 2023. For the three months ended JuneÂ 30, 2024, our proportionate share of YELPâ€™s net income and YPLCâ€™s net income was $2.3 million and $1.8Â million, respectively. During the three months ended JuneÂ 30, 2023, Equity (earnings) from refining and logistics investments were $0.4 million related to YPLC. There were no equity earnings from YELP for the three months ended JuneÂ 30, 2023. Please read Note 3â€”Refining and Logistics Equity Investments for further information.Acquisition and Integration Expense. During the three months ended June 30, 2024, we incurred an immaterial amount of acquisition and integration costs. For the three months ended June 30, 2023, we incurred $7.3Â million of acquisition and integration costs related to the Billings Acquisition, which closed on JuneÂ 1, 2023. Please read Note 5â€”Acquisitions for further information.Par West redevelopment and other costs. For the three months ended June 30, 2024, Par West redevelopment and other costs were $3.1 million, an increase of $0.5 million compared to $2.6Â million for the three months ended June 30, 2023, primarily due to an increase in redevelopment activities.42Interest Expense and Financing Costs, Net. For the three months ended June 30, 2024, our interest expense and financing costs were $20.4 million, an increase of $5.5 million compared to $14.9 million for the three months ended June 30, 2023. The increase was primarily due to a $5.6 million increase in debt costs, mainly driven by higher interest expenses due to higher ABL Credit Facility balances in 2024 to fund certain inventory purchases at our Hawaii refinery and Washington refinery and a $4.0 million decrease in interest income from our investment accounts. The increase was partially offset by a $4.2 million decrease in inventory financing costs due to the termination of the Washington Refinery Intermediation Agreement in the fourth quarter of 2023, and termination of our Supply and Offtake Agreement in the second quarter of 2024. Please read Note 9â€”Inventory Financing Agreements and Note 11â€”Debt for further information.Debt Extinguishment and Commitment Costs. During the three months ended June 30, 2024, we incurred $1.4 million of debt extinguishment and commitment costs related to the repricing of our Term Loan Credit Agreement, the termination of our LC Facility and the expiration of our Supply and Offtake Agreement in the second quarter of 2024. For the three months ended June 30, 2023, we incurred an immaterial amount of debt extinguishment and commitment costs. Please read Note 9â€”Inventory Financing Agreements, and Note 11â€”Debt for further information.Equity earnings (losses) from Laramie Energy, LLC. For the three months ended June 30, 2024, Equity losses from Laramie Energy, LLC were $1.4 million. For the three months ended June 30, 2024, our proportionate share of Laramie Energyâ€™s net loss was $3.0 million, partially offset by $1.6 million of basis difference accretion. There were no equity earnings from our investment in Laramie Energy, LLC, for the three months ended June 30, 2023. Please read Note 4â€”Investment in Laramie Energy for further discussion.Income Taxes. For the three months ended June 30, 2024, income tax expense was $6.7Â million, an increase of $4.7Â million compared to $1.9Â million for three months ended June 30, 2023, primarily related to higher apportionment factors in the states in which we pay taxes. For three months ended June 30, 2023, we recorded an income tax expense of $1.9 million primarily related to recording a valuation allowance on our deferred taxes. Please read Note 18â€”Income Taxes for further discussion.Six months ended JuneÂ 30, 2024 compared to the six months ended JuneÂ 30, 2023Revenues. For the six months ended JuneÂ 30, 2024, revenues were $4.0 billion, a $0.5 billion increase compared to $3.5Â billion for the six months ended JuneÂ 30, 2023. The increase was primarily due to an increase of $0.8 billion in the contribution from the Billings Acquisition, which closed on JuneÂ 1, 2023. When comparing our legacy refining operations, there were decreases of $0.2 billion in third-party revenues at our refining segment, $0.2 billion related to lower average crack spreads and $0.1 billion related to a 5% decrease in sales volumes primarily from our Hawaii and Washington refineries, partially offset by a $0.1 billion increase due to higher crude oil prices. The RVO Adjusted USGC 3-2-1, RVO Adjusted Pacific Northwest 3-1-1-1, and 3-1-2 Singapore Crack Spread declined 19%, 15%, and 11%, respectively, compared to 2023. Average WTI crude oil prices increased 5% and average Brent crude oil prices increased 4% as compared to the prior period. Revenues at our retail segment increased $9.0 million primarily due to a 6% increase in fuel sales volumes and a $1.2 million increase in merchandise revenue, partially offset by a 3% decrease in fuel prices. Cost of Revenues (Excluding Depreciation). For the six months ended JuneÂ 30, 2024, cost of revenues (excluding depreciation) was $3.5 billion, a $0.7 billion increase compared to $2.9 billion for the six months ended JuneÂ 30, 2023, primarily driven by a $0.7 billion contribution from the Billings Acquisition.Operating Expense (Excluding Depreciation). For the six months ended JuneÂ 30, 2024, operating expense (excluding depreciation) was $297.3 million, an increase of $112.3 million compared to $185.0 million for the six months ended JuneÂ 30, 2023. The increase was primarily driven by a $101.8 million increase in the contribution from the Billings Acquisition, coupled with $6.4 million of higher employee costs and a $4.8 million increase in outside services costs, partially offset by $1.9 million of lower utility and maintenance expenses.Depreciation and Amortization.Â For the six months ended JuneÂ 30, 2024, D&A was $64.8 million, an increase of $12.2 million compared to $52.6 million for the six months ended JuneÂ 30, 2023. The increase was primarily driven by $13.4 million of D&A attributable to the Billings Acquisition, partially offset by a $1.0 million decrease related to catalyst in Hawaii that was fully depreciated in 2023.General and Administrative Expense (Excluding Depreciation).Â For the six months ended JuneÂ 30, 2024, general and administrative expense (excluding depreciation) was $64.9 million, an increase of $22.4 million compared to $42.5 million for the six months ended JuneÂ 30, 2023. The increase was primarily due to a $18.7 million increase in employee costs driven by $13.1 million of stock based compensation expenses related to CEO transition costs in the first quarter of 2024 and an increase 43of $5.8 million in payroll expenses due to an increase in employee headcount, a $3.1 million increase in IT expenses, and $2.5 million of expenses related to development of our renewable projects.Equity earnings from refining and logistics investments. For the six months ended JuneÂ 30, 2024, equity earnings from refining and logistics investments were $9.8 million, an increase of $9.4 million compared to $0.4 million for the six months ended JuneÂ 30, 2023. For the six months ended JuneÂ 30, 2024, our proportionate share of YELPâ€™s net income and YPLCâ€™s net income was $6.8 million and $3.7 million, respectively. Our proportionate share of YPLCâ€™s net income was $0.4 million for the six months ended JuneÂ 30, 2023. There were no equity earnings from YELP for the six months ended JuneÂ 30, 2023. Please read Note 3â€”Refining and Logistics Equity Investments for additional information. Acquisition and Integration Expense. During the six months ended JuneÂ 30, 2024, we incurred an immaterial amount of acquisition and integration costs. For the six months ended JuneÂ 30, 2023, we incurred $12.5 million of acquisition and integration costs related to the Billings Acquisition, which closed on JuneÂ 1, 2023. Please read Note 5â€”Acquisitions for further information. Par West redevelopment and other costs. For the six months ended JuneÂ 30, 2024, Par West redevelopment and other costs were $5.0 million, a decrease of $0.4 million compared to $5.4 million for the six months ended JuneÂ 30, 2023, associated with the operation and decommissioning of our Par West facility. The decrease was primarily due to a decrease in redevelopment activities.Interest Expense and Financing Costs, Net. For the six months ended JuneÂ 30, 2024, our interest expense and financing costs were $38.3 million, an increase of $7.1 million compared to $31.2 million for the six months ended JuneÂ 30, 2023. The increase was primarily due to an $8.7 million increase in debt costs, mainly driven by higher interest expenses due to higher ABL Credit Facility balances in 2024 to fund certain inventory purchases at our Hawaii refinery and Washington refinery, and a $5.1 million decrease in interest income from our investment accounts opened in the first quarter of 2023, offset by a $6.7 million decrease in inventory financing costs, due to the termination of the Washington Refinery Intermediation Agreement in the fourth quarter of 2023, and termination of our Supply and Offtake Agreement in the second quarter of 2024. Please read Note 9â€”Inventory Financing Agreements, and Note 11â€”Debt for further information.Debt Extinguishment and Commitment Costs. During the six months ended JuneÂ 30, 2024, we incurred $1.4 million of debt extinguishment and commitment costs primarily related to the repricing of our Term Loan Credit Agreement, the termination of our LC Facility and the expiration of our Supply and Offtake Agreement in the second quarter of 2024. For the six months ended JuneÂ 30, 2023, we incurred debt extinguishment and commitment costs of $17.7 million in connection with the refinancing of our long-term debt in the first quarter of 2023. Please read Note 9â€”Inventory Financing Agreements, and Note 11â€”Debt for further information.Other income (expense), net. For the six months ended JuneÂ 30, 2024, other expense was $2.7 million, a decrease of $3.0 million compared to $0.3 million of other income for the six months ended JuneÂ 30, 2023. The decrease was primarily due to $2.3 million of 2024 legal expenses unrelated to operating activities with no similar 2023 expenses.Equity Earnings from Laramie Energy, LLC. For the six months ended JuneÂ 30, 2024, Equity earnings from Laramie Energy, LLC were $3.2 million, a decrease of $7.5 million compared to $10.7 million for the six months ended JuneÂ 30, 2023. For the six months ended JuneÂ 30, 2024, the accretion of basis difference was $3.2 million, partially offset by our proportionate share of Laramie Energyâ€™s net loss which was immaterial. On April 29, 2024, Laramie Energy made a one-time cash distribution to its owners, including us, based on ownership percentage. Our share of this distribution was $1.5 million. On March 1, 2023, following a refinancing of certain debt, Laramie Energy was permitted to make a one-time cash distribution to its owners based on ownership percentage. Our share of this distribution was $10.7 million. There were no equity earnings from our investment in Laramie Energy, LLC for the six months ended JuneÂ 30, 2023. Please read Note 4â€”Investment in Laramie Energy for further discussion.Income Taxes. For the six months ended JuneÂ 30, 2024, income tax expense was $4.0 million, an increase of $1.9 million compared to $2.1 million for the six months ended JuneÂ 30, 2023, primarily related to higher apportionment factors in the states in which we pay taxes. For the six months ended JuneÂ 30, 2023, we recorded an income tax expense of $2.1 million primarily related to recording a valuation allowance on our deferred taxes. Please read Note 18â€”Income Taxes for further discussion.44Consolidating Condensed Financial Information On FebruaryÂ 28, 2023, Par Petroleum, LLC (â€œPar Borrowerâ€) entered into the Term Loan Credit Agreement (the â€œTerm Loan Credit Agreementâ€) due 2030 with Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto. The Term Loan Credit Agreement was co-issued by Par Petroleum Finance Corp. (together with the Par Borrower, the â€œTerm Loan Borrowersâ€), which has no independent assets or operations. The Term Loan Credit Agreement is guaranteed on a senior unsecured basis only as to payment of principal and interest by Par Pacific Holdings, Inc. (the â€œParentâ€) and is guaranteed on a senior secured basis by all of the subsidiaries of Par Borrower. The Term Loan Credit Agreement proceeds were used to refinance our existing Term Loan B Facility and repurchase our outstanding 7.75% Senior Secured Notes and 12.875% Senior Secured Notes, all three of which had similar guarantees that were replaced by those on the Term Loan Credit Agreement.The following supplemental condensed consolidating financial information reflects (i) the Parentâ€™s separate accounts, (ii) Par Borrower and its consolidated subsidiariesâ€™ accounts (which are all guarantors of the Term Loan Credit Agreement), (iii) the accounts of subsidiaries of the Parent that are not guarantors of the Term Loan Credit Agreement and consolidating adjustments and eliminations, and (iv) the Parentâ€™s consolidated accounts for the dates and periods indicated. For purposes of the following condensed consolidating information, the Parentâ€™s investment in its subsidiaries is accounted for under the equity method of accounting (dollar amounts in thousands).45As of June 30, 2024Parent GuarantorPar Borrower and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesASSETSCurrent assetsCash and cash equivalents$6,807Â $172,851Â $â€”Â $179,658Â Restricted cash343Â â€”Â â€”Â 343Â Trade accounts receivableâ€”Â 486,300Â â€”Â 486,300Â Inventoriesâ€”Â 1,258,337Â â€”Â 1,258,337Â Prepaid and other current assets4,020Â 42,363Â 5,334Â 51,717Â Due from related parties382,382Â â€”Â (382,382)â€”Â Total current assets393,552Â 1,959,851Â (377,048)1,976,355Â Property, plant, and equipmentÂ Property, plant, and equipment24,018Â 1,614,082Â 3,956Â 1,642,056Â Less accumulated depreciation and amortization(17,214)(506,359)(3,405)(526,978)Property, plant, and equipment, net6,804Â 1,107,723Â 551Â 1,115,078Â Long-term assetsÂ Operating lease right-of-use (â€œROUâ€) assets6,788Â 342,404Â â€”Â 349,192Â Refining and logistics equity investmentsâ€”Â â€”Â 88,218Â 88,218Â Investment in Laramie Energy, LLCâ€”Â â€”Â 15,997Â 15,997Â Investment in subsidiaries1,043,405Â â€”Â (1,043,405)â€”Â Intangible assets, netâ€”Â 10,009Â â€”Â 10,009Â Goodwillâ€”Â 126,678Â 2,597Â 129,275Â Other long-term assets726Â 135,022Â 117,075Â 252,823Â Total assets$1,451,275Â $3,681,687Â $(1,196,015)$3,936,947Â LIABILITIES AND STOCKHOLDERSâ€™ EQUITYÂ Current liabilitiesÂ Current maturities of long-term debt$â€”Â $4,165Â $â€”Â $4,165Â Obligations under inventory financing agreementsâ€”Â 251,058Â â€”Â 251,058Â Accounts payable4,426Â 544,613Â 1Â 549,040Â Accrued taxes(25)52,264Â â€”Â 52,239Â Operating lease liabilities50Â 69,612Â â€”Â 69,662Â Other accrued liabilities(661)282,072Â 3,478Â 284,889Â Due to related parties175,064Â 201,881Â (376,945)â€”Â Total current liabilities178,854Â 1,405,665Â (373,466)1,211,053Â Long-term liabilitiesÂ Long-term debt, net of current maturitiesâ€”Â 1,054,590Â â€”Â 1,054,590Â Finance lease liabilities527Â 16,058Â (4,174)12,411Â Operating lease liabilities8,745Â 280,691Â â€”Â 289,436Â Other liabilities(2,631)160,526Â (54,218)103,677Â Total liabilities185,495Â 2,917,530Â (431,858)2,671,167Â Commitments and contingenciesStockholdersâ€™ equityPreferred stockâ€”Â â€”Â â€”Â â€”Â Common stock568Â â€”Â â€”Â 568Â Additional paid-in capital875,868Â 177,505Â (177,505)875,868Â Accumulated earnings (deficit)381,279Â 580,694Â (580,694)381,279Â Accumulated other comprehensive income (loss)8,065Â 5,958Â (5,958)8,065Â Total stockholdersâ€™ equity1,265,780Â 764,157Â (764,157)1,265,780Â Total liabilities and stockholdersâ€™ equity$1,451,275Â $3,681,687Â $(1,196,015)$3,936,947Â 46As of December 31, 2023Parent GuarantorPar Borrower and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesASSETSCurrent assetsCash and cash equivalents$10,369Â $268,711Â $27Â $279,107Â Restricted cash339Â â€”Â â€”Â 339Â Trade accounts receivableâ€”Â 367,249Â â€”Â 367,249Â Inventoriesâ€”Â 1,160,395Â â€”Â 1,160,395Â Prepaid and other current assets4,767Â 177,638Â â€”Â 182,405Â Due from related parties380,159Â â€”Â (380,159)â€”Â Total current assets395,634Â 1,973,993Â (380,132)1,989,495Â Property, plant, and equipmentÂ Property, plant, and equipment21,350Â 1,552,496Â 3,955Â 1,577,801Â Less accumulated depreciation and amortization(16,487)(458,616)(3,310)(478,413)Property, plant, and equipment, net4,863Â 1,093,880Â 645Â 1,099,388Â Long-term assetsÂ Operating lease right-of-use (â€œROUâ€) assets7,005Â 339,449Â â€”Â 346,454Â Refining and logistics equity investmentsâ€”Â â€”Â 87,486Â 87,486Â Investment in Laramie Energy, LLCâ€”Â â€”Â 14,279Â 14,279Â Investment in subsidiaries1,070,518Â â€”Â (1,070,518)â€”Â Intangible assets, netâ€”Â 10,918Â â€”Â 10,918Â Goodwillâ€”Â 126,678Â 2,597Â 129,275Â Other long-term assets726Â 65,323Â 120,606Â 186,655Â Total assets$1,478,746Â $3,610,241Â $(1,225,037)$3,863,950Â LIABILITIES AND STOCKHOLDERSâ€™ EQUITYÂ Current liabilitiesÂ Current maturities of long-term debt$â€”Â $4,255Â $â€”Â $4,255Â Obligations under inventory financing agreementsâ€”Â 594,362Â â€”Â 594,362Â Accounts payable4,991Â 386,334Â â€”Â 391,325Â Accrued taxesâ€”Â 40,064Â â€”Â 40,064Â Operating lease liabilitiesâ€”Â 72,833Â â€”Â 72,833Â Other accrued liabilities947Â 415,468Â 5,347Â 421,762Â Due to related parties128,922Â 232,803Â (361,725)â€”Â Total current liabilities134,860Â 1,746,119Â (356,378)1,524,601Â Long-term liabilitiesÂ Long-term debt, net of current maturitiesâ€”Â 646,603Â â€”Â 646,603Â Finance lease liabilitiesâ€”Â 16,693Â (4,255)12,438Â Operating lease liabilities8,462Â 274,055Â â€”Â 282,517Â Other liabilitiesâ€”Â 119,618Â (57,251)62,367Â Total liabilities143,322Â 2,803,088Â (417,884)2,528,526Â Commitments and contingenciesStockholdersâ€™ equityPreferred stockâ€”Â â€”Â â€”Â â€”Â Common stock597Â â€”Â â€”Â 597Â Additional paid-in capital860,797Â 242,505Â (242,505)860,797Â Accumulated earnings (deficit)465,856Â 558,581Â (558,581)465,856Â Accumulated other comprehensive income (loss)8,174Â 6,067Â (6,067)8,174Â Total stockholdersâ€™

equity1,335,424Â 807,153Â (807,153)1,335,424Â Total liabilities and stockholdersâ€™ equity$1,478,746Â $3,610,241Â $(1,225,037)$3,863,950Â 47Three Months Ended June 30, 2024Parent GuarantorPar Borrower and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesRevenues$â€”Â $2,017,460Â $8Â $2,017,468Â Operating expensesCost of revenues (excluding depreciation)â€”Â 1,770,197Â â€”Â 1,770,197Â Operating expense (excluding depreciation)â€”Â 144,080Â â€”Â 144,080Â Depreciation and amortization378Â 31,718Â 48Â 32,144Â General and administrative expense (excluding depreciation)4,580Â 18,587Â 1Â 23,168Â Equity earnings from refining and logistics investmentsâ€”Â â€”Â (3,744)(3,744)Acquisition and integration costs (2)â€”Â (152)â€”Â (152)Par West redevelopment and other costsâ€”Â 3,071Â â€”Â 3,071Â Loss on sale of assets, netâ€”Â 63Â â€”Â 63Â Total operating expenses4,958Â 1,967,564Â (3,695)1,968,827Â Operating income (loss)(4,958)49,896Â 3,703Â 48,641Â Other income (expense)Interest expense and financing costs, net(30)(20,494)90Â (20,434)Debt extinguishment and commitment costsâ€”Â (1,418)â€”Â (1,418)Other income (expense), net(9)(114)(1)(124)Equity earnings (losses) from subsidiaries23,635Â â€”Â (23,635)â€”Â Equity earnings (losses) from Laramie Energy, LLCâ€”Â â€”Â (1,360)(1,360)Total other income (expense), net23,596Â (22,026)(24,906)(23,336)Income (loss) before income taxes18,638Â 27,870Â (21,203)25,305Â Income tax benefit (expense) (1)â€”Â (6,960)293Â (6,667)Net income (loss)$18,638Â $20,910Â $(20,910)$18,638Â Adjusted EBITDA$(4,051)$80,480Â $5,172Â $81,601Â 48Three Months Ended June 30, 2023Parent GuarantorPar Borrower and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesRevenues$â€”Â $1,783,875Â $52Â $1,783,927Â Operating expensesCost of revenues (excluding depreciation)â€”Â 1,574,806Â â€”Â 1,574,806Â Operating expense (excluding depreciation)â€”Â 101,843Â â€”Â 101,843Â Depreciation and amortization443Â 27,727Â 46Â 28,216Â General and administrative expense (excluding depreciation)8,459Â 14,710Â (1)23,168Â Equity earnings from refining and logistics investmentsâ€”Â â€”Â (425)(425)Acquisition and integration costs (2)(5,271)12,544Â â€”Â 7,273Â Par West redevelopment and other costsâ€”Â 2,613Â â€”Â 2,613Â Total operating expenses3,631Â 1,734,243Â (380)1,737,494Â Operating income(3,631)49,632Â 432Â 46,433Â Other income (expense)Interest expense and financing costs, net(18)(14,982)91Â (14,909)Debt extinguishment and commitment costsâ€”Â 38Â â€”Â 38Â Other income (expense), net41Â 337Â 1Â 379Â Equity earnings (losses) from subsidiaries34,389Â â€”Â (34,389)â€”Â Equity earnings (losses) from Laramie Energy, LLCâ€”Â â€”Â â€”Â â€”Â Total other income (expense), net34,412Â (14,607)(34,297)(14,492)Income (loss) before income taxes30,781Â 35,025Â (33,865)31,941Â Income tax benefit (expense) (1)(768)(8,820)7,660Â (1,928)Net income (loss)$30,013Â $26,205Â $(26,205)$30,013Â Adjusted EBITDA$(7,942)$158,086Â $686Â $150,830Â 49Six Months Ended June 30, 2024Parent GuarantorIssuer and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesRevenues$â€”Â $3,998,291Â $12Â $3,998,303Â Operating expensesCost of revenues (excluding depreciation)â€”Â 3,517,675Â â€”Â 3,517,675Â Operating expense (excluding depreciation)â€”Â 297,340Â â€”Â 297,340Â Depreciation and amortization727Â 63,978Â 95Â 64,800Â General and administrative expense (excluding depreciation)22,365Â 42,570Â (12)64,923Â Equity earnings from refining and logistics investmentsâ€”Â â€”Â (9,838)(9,838)Acquisition and integration costs (2)â€”Â 91Â â€”Â 91Â Par West redevelopment and other costsâ€”Â 5,042Â â€”Â 5,042Â Loss on sale of assets, netâ€”Â 114Â â€”Â 114Â Total operating expenses23,092Â 3,926,810Â (9,755)3,940,147Â Operating income (loss)(23,092)71,481Â 9,767Â 58,156Â Other income (expense)Interest expense and financing costs, netâ€”Â (38,498)180Â (38,318)Debt extinguishment and commitment costsâ€”Â (1,418)â€”Â (1,418)Other income (expense), net(17)(2,681)(2)(2,700)Equity earnings (losses) from subsidiaries37,995Â â€”Â (37,995)â€”Â Equity earnings (losses) from Laramie Energy, LLCâ€”Â â€”Â 3,203Â 3,203Â Total other income (expense), net37,978Â (42,597)(34,614)(39,233)Income (loss) before income taxes14,886Â 28,884Â (24,847)18,923Â Income tax benefit (expense) (1)â€”Â (6,771)2,735Â (4,036)Net income (loss)$14,886Â $22,113Â $(22,112)$14,887Â Adjusted EBITDA$(13,538)$176,909Â $12,928Â $176,299Â 50Six Months Ended June 30, 2023Parent GuarantorIssuer and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesRevenues$â€”Â $3,469,072Â $64Â $3,469,136Â Operating expensesCost of revenues (excluding depreciation)â€”Â 2,863,826Â â€”Â 2,863,826Â Operating expense (excluding depreciation)â€”Â 184,963Â â€”Â 184,963Â Depreciation and amortization816Â 51,666Â 94Â 52,576Â General and administrative expense (excluding depreciation)14,309Â 28,146Â (1)42,454Â Equity earnings from refining and logistics investmentsâ€”Â â€”Â (425)(425)Acquisition and integration costs (2)â€”Â 12,544Â â€”Â 12,544Â Par West redevelopment and other costsâ€”Â 5,363Â â€”Â 5,363Â Total operating expenses15,125Â 3,146,508Â (332)3,161,301Â Operating income(15,125)322,564Â 396Â 307,835Â Other income (expense)Interest expense and financing costs, net(26)(31,315)182Â (31,159)Debt extinguishment and commitment costsâ€”Â (17,682)â€”Â (17,682)Other income (expense), net34Â 310Â â€”Â 344Â Equity earnings (losses) from subsidiaries283,933Â â€”Â (283,933)â€”Â Equity earnings (losses) from Laramie Energy, LLCâ€”Â â€”Â 10,706Â 10,706Â Total other income (expense), net283,941Â (48,687)(273,045)(37,791)Income (loss) before income taxes268,816Â 273,877Â (272,649)270,044Â Income tax benefit (expense) (1)(913)(67,360)66,132Â (2,141)Net income (loss)$267,903Â $206,517Â $(206,517)$267,903Â Adjusted EBITDA$(13,799)$331,567Â $697Â $318,465Â ____(1)Â Â Â Â The income tax benefit (expense) of the Parent Guarantor and Issuer and Subsidiaries is determined using the separate return method. The Non-Guarantor Subsidiaries and Eliminations column includes tax benefits recognized at the Par consolidated level that are primarily associated with changes to the consolidated valuation allowance and other deferred tax balances.(2)Â Â Â Â The acquisition and integration expense related to the Billings Acquisition was pushed down from the Parent Guarantor to the Issuer and Subsidiaries upon consummation of the transaction.51Non-GAAP Financial Measures Adjusted EBITDA for the supplemental consolidating condensed financial information, which is segregated at the â€œParent Guarantor,â€ â€œPar Borrower and Subsidiaries,â€ and â€œNon-Guarantor Subsidiaries and Eliminationsâ€ levels, is calculated in the same manner as for the Par Pacific Holdings, Inc. Adjusted EBITDA calculations. See â€œResults of Operations â€” Non-GAAP Performance Measures â€” Adjusted Net Income (Loss) and Adjusted EBITDAâ€ above. The following tables present a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, Net income, on a historical basis for the periods indicated (in thousands):Three Months Ended June 30, 2024Parent GuarantorPar Borrower and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesNet income (loss)$18,638Â $20,910Â $(20,910)$18,638Â Inventory valuation adjustmentâ€”Â (21,101)â€”Â (21,101)Environmental obligation mark-to-market adjustmentsâ€”Â (3,504)â€”Â (3,504)Unrealized loss on derivativesâ€”Â 21,104Â â€”Â 21,104Â Acquisition and integration costsâ€”Â (152)â€”Â (152)Par West redevelopment and other costsâ€”Â 3,071Â â€”Â 3,071Â Debt extinguishment and commitment costsâ€”Â 1,418Â â€”Â 1,418Â Severance costs and other non-operating expense (2)538Â (538)â€”Â â€”Â Loss (gain) on sale of assets, netâ€”Â 63Â â€”Â 63Â Equity losses from Laramie Energy, LLC, excluding cash distributionsâ€”Â â€”Â 2,845Â 2,845Â Depreciation and amortization378Â 31,718Â 48Â 32,144Â Interest expense and financing costs, net, excluding unrealizedinterest rate derivative loss (gain)30Â 20,531Â (90)20,471Â Laramie Energy, LLC cash distributions to Parâ€”Â â€”Â (1,485)(1,485)Equity losses (income) from subsidiaries(23,635)â€”Â 23,635Â â€”Â Par's portion of interest, taxes, and depreciation expense from refining and logistics investmentsâ€”Â â€”Â 1,422Â 1,422Â Income tax expenseâ€”Â 6,960Â (293)6,667Â Adjusted EBITDA (1)$(4,051)$80,480Â $5,172Â $81,601Â 52Three Months Ended June 30, 2023Parent GuarantorPar Borrower and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesNet income (loss)$30,013Â $26,205Â $(26,205)$30,013Â Inventory valuation adjustmentâ€”Â 33,118Â â€”Â 33,118Â Environmental obligation mark-to-market adjustmentsâ€”Â 9,343Â â€”Â 9,343Â Unrealized loss on derivativesâ€”Â 21,635Â â€”Â 21,635Â Acquisition and integration costs(5,271)12,544Â â€”Â 7,273Â Par West redevelopment and other costsâ€”Â 2,613Â â€”Â 2,613Â Debt extinguishment and commitment costsâ€”Â (38)â€”Â (38)Severance costs and other non-operating expense (2)476Â 594Â â€”Â 1,070Â Depreciation and amortization443Â 27,727Â 46Â 28,216Â Interest expense and financing costs, net, excluding unrealizedinterest rate derivative loss (gain)18Â 15,525Â (91)15,452Â Equity losses (income) from subsidiaries(34,389)â€”Â 34,389Â â€”Â Par's portion of interest, taxes, and depreciation expense from refining and logistics investmentsâ€”Â â€”Â 207Â 207Â Income tax expense (benefit)768Â 8,820Â (7,660)1,928Â Adjusted EBITDA (1)$(7,942)$158,086Â $686Â $150,830Â Six Months Ended June 30, 2024Parent GuarantorIssuer and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesNet income (loss)$14,886Â $22,113Â $(22,112)$14,887Â Inventory valuation adjustmentâ€”Â (20,476)â€”Â (20,476)Environmental obligation mark-to-market adjustmentsâ€”Â (13,767)â€”Â (13,767)Unrealized loss on derivativesâ€”Â 64,952Â â€”Â 64,952Â Acquisition and integration costsâ€”Â 91Â â€”Â 91Â Par West redevelopment and other costsâ€”Â 5,042Â â€”Â 5,042Â Debt extinguishment and commitment costsâ€”Â 1,418Â â€”Â 1,418Â Severance costs and other non-operating expense (2)8,844Â 7,294Â â€”Â 16,138Â Loss on sale of assets, netâ€”Â 114Â â€”Â 114Â Equity earnings from Laramie Energy, LLC, excluding cash distributionsâ€”Â â€”Â (1,718)(1,718)Depreciation and amortization727Â 63,978Â 95Â 64,800Â Interest expense and financing costs, net, excluding unrealizedinterest rate derivative loss (gain)â€”Â 39,379Â (180)39,199Â Equity earnings from Laramie Energy, LLC, excluding Parâ€™s share of unrealized gain on derivativesâ€”Â â€”Â (1,485)(1,485)Equity losses (income) from subsidiaries(37,995)â€”Â 37,995Â â€”Â Par's portion of interest, taxes, and depreciation expense from refining and logistics investmentsâ€”Â â€”Â 3,068Â 3,068Â Income tax expenseâ€”Â 6,771Â (2,735)4,036Â Adjusted EBITDA (1)$(13,538)$176,909Â $12,928Â $176,299Â 53Six Months Ended June 30, 2023Parent GuarantorIssuer and SubsidiariesNon-Guarantor Subsidiaries and EliminationsPar Pacific Holdings, Inc. and SubsidiariesNet income (loss)$267,903Â $206,517Â $(206,517)$267,903Â Inventory valuation adjustmentâ€”Â 53,976Â â€”Â 53,976Â Environmental obligation mark-to-market adjustmentsâ€”Â (123,958)â€”Â (123,958)Unrealized loss on derivativesâ€”Â 7,965Â â€”Â 7,965Â Acquisition and integration costsâ€”Â 12,544Â â€”Â 12,544Â Par West redevelopment and other costsâ€”Â 5,363Â â€”Â 5,363Â Debt extinguishment and commitment costsâ€”Â 17,682Â â€”Â 17,682Â Severance costs and other non-operating expense (2)476Â 594Â â€”Â 1,070Â Depreciation and amortization816Â 51,666Â 94Â 52,576Â Interest expense and financing costs, net, excluding unrealizedinterest rate derivative loss (gain)26Â 31,858Â (182)31,702Â Equity earnings from Laramie Energy, LLC, excluding Parâ€™s share of unrealized loss (gain) on derivativesâ€”Â â€”Â (10,706)(10,706)Equity losses (income) from subsidiaries(283,933)â€”Â 283,933Â â€”Â Par's portion of interest, taxes, and depreciation expense from refining and logistics investmentsâ€”Â â€”Â 207Â 207Â Income tax expense (benefit)913Â 67,360Â (66,132)2,141Â Adjusted EBITDA (1)$(13,799)$331,567Â $697Â $318,465Â ____(1)Please read the Non-GAAP Performance Measures and Adjusted Net Income (Loss) and Adjusted EBITDA discussions above for information regarding the components of Adjusted Net Income (Loss) and Adjusted EBITDA.(2)For the six months ended JuneÂ 30, 2024, we incurred $13.1 million of stock-based compensation expenses associated with accelerated vesting of equity awards and modification of vested equity awards related to our CEO transition and $2.3 million for an estimated legal settlement unrelated to current operating activities.Liquidity and Capital ResourcesOur liquidity and capital requirements are primarily a function of our debt maturities and debt service requirements and contractual obligations, capital expenditures, turnaround outlays, and working capital needs. Examples of working capital needs include purchases and sales of commodities and associated margin and collateral requirements, facility maintenance costs, and other costs such as payroll. Our primary sources of liquidity are cash flows from operations, cash on hand, amounts available under our credit agreements, and access to capital markets.Our liquidity position as ofÂ JuneÂ 30, 2024 was $520.4 million, consisting of $179.7 million of cash and cash equivalents and $340.8 million of availability under the ABL Credit Facility.As of JuneÂ 30, 2024, we had access to the ABL Credit Facility and cash on hand of $179.7 million. Generally, the primary uses of our capital resources have been in the operations of our refining and retail segments, payments related to acquisitions, and to repay or refinance indebtedness.During the second quarter of 2024 our Supply and Offtake Agreement with J.Aron expired and we entered into an Inventory Intermediation Agreement with Citi. We also early terminated our LC Facility. In the first quarter of 2024, we amended our asset-based loan to permit expanding its capacity from $900 million to $1.4 billion as we planned for the refinancing of our Supply and Offtake Agreement. We believe our cash flows from operations and available capital resources will be sufficient to meet our current capital and turnaround expenditures, working capital, and debt service requirements for the next 12 months. We may seek to raise additional debt or equity capital to fund acquisitions and any other significant changes to our business or to refinance existing debt. We cannot offer any assurances that such capital will be available in sufficient amounts or at an acceptable cost. We may from time to time seek to retire or repurchase our common stock through cash purchases, in open market purchases, privately negotiated transactions, or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved may be material. The 54Term Loan Credit Agreement may also require annual prepayments of principal with a variable percentage of our excess cash flow, 50% or 25% depending on our consolidated year end secured leverage ratio (as defined in the Term Loan Credit Agreement).Cash FlowsThe following table summarizes cash activities for the six months ended JuneÂ 30, 2024 and 2023 (in thousands):Six Months Ended JuneÂ 30,Â 20242023Net cash provided by operating activities$20,755Â $312,240Â Net cash used in investing activities(57,987)(626,021)Net cash provided by (used in) financing activities(62,213)13,812Â Cash flows for the six months ended JuneÂ 30, 2024Net cash provided by operating activities for the six months ended JuneÂ 30, 2024 was driven primarily by net income of $14.9 million, non-cash charges to operations and non-operating items of approximately $153.2Â million, and net cash used for changes in operating assets and liabilitiesÂ of approximately $147.3 million. Non-cash charges to operations and non-operating items consisted primarily of the following adjustments:â€¢unrealized loss on derivatives contracts of $64.9 million,â€¢depreciation and amortization expenses of $64.8 million, andâ€¢stock based compensation expenses of $19.5 million.Net cash used for changes in operating assets and liabilities resulted primarily from:â€¢a $114.0 million increase in accounts receivable primarily related to the timing of collections and sales volumes,â€¢a $101.3Â million increase in inventories primarily related to an increase in refined product, andâ€¢an increase in deferred turnaround expenditures of $42.2 million driven by planned turnaround for our Montana refinery,partially offset by:â€¢a $54.8Â million decreases in prepaid and other expenses primarily related to advances to suppliers for crude purchases utilized in the first half of 2024, and a decrease in collateral for derivative instruments, andâ€¢a net $52.0 million increase in our accounts payable, other accrued liabilities, and operating lease right-of-use assets and liabilities primarily driven by a $157.7 million increase in accounts payable partially offset by a $101.9 million decrease in environmental credit obligation liabilities.Net cash used in investing activities for the six months ended JuneÂ 30, 2024 consisted primarily of:â€¢$59.5 million in additions to property, plant, and equipment driven by maintenance projects at our refineries and various profit improvement projectspartially offset by:â€¢a $1.5 million cash distribution received from Laramie Energy in the second quarter of 2024.Net cash used in financing activities was approximately $62.2 million for the six months ended JuneÂ 30, 2024 and consisted primarily of the following activities:â€¢payments of $547.6 million for changes in our deferred payment arrangement and the termination of our inventory financing agreement related to the expiration of our Supply and Offtake Agreement in the second quarter of 2024,55â€¢net borrowings of debt of $392.8 million primarily driven by activity in our ABL Credit Facility,â€ ¢repurchases of common stock of $103.5 million during the first half of 2024, andâ€¢deferred loan costs payments of $8.2 million related to the closing of the Inventory Intermediation Agreement, and the upsizing of the ABL Credit Facility, partially offset by:â€¢proceeds of $203.1 million received related to the step-in of the Inventory Intermediation Agreement in the second quarter of 2024.Cash flows for the six months ended JuneÂ 30, 2023Net cash provided by operating activities for the six months ended JuneÂ 30, 2023, was driven primarily by net income of $267.9Â million, non-cash charges to operations and non-operating items of approximately $76.1 million, and net cash used for changes in operating assets and liabilitiesÂ of approximately $31.8 million. Non-cash charges to operations consisted primarily of the following adjustments:â€¢depreciation and amortization expenses of $52.6 million,â€¢debt commitment and extinguishment costs of $17.7 million,â€¢unrealized loss on derivatives contracts of $7.6 million, andâ€¢stock based compensation costs of $6.1 million,partially offset by:â€¢a gain of $10.7 million from our equity investment in Laramie Energy.Net cash used for changes in operating assets and liabilities resulted primarily from:â€¢an increase in our accounts receivable due to the Billings Acquisition,â€¢a decrease in gross environmental credit obligations primarily related to retirements of a portion of our prior year obligations, partially offset by increase period obligations, andâ€¢a decrease in our inventory financing agreement obligations,partially offset by:â€¢an increase in our accounts payable, andâ€¢an increase in inventory driven by Washington CCA assets, partially offset by lower crude oil and refined product prices and lower inventory volumes at our Hawaii refinery.Net cash used in investing activities for the six months ended JuneÂ 30, 2023 consisted primarily of:â€¢$608.2 million for the Billings Acquisition, and â€¢$30.7 million in additions to property, plant, and equipment driven by maintenance projects at our refineries and various profit improvement projects, including construction of a flagship retail store in Washington, improved crude processing equipment at our Hawaii refinery, a co-processing unit at our Tacoma refinery, and various IT infrastructure improvements,partially offset by:â€¢a $10.7 million cash distribution received from Laramie Energy, LLC in the first quarter of 2023.56Net cash provided by financing activities was approximately $13.8 million for the six months ended JuneÂ 30, 2023 and consisted primarily of the following activities:â€¢net borrowings of debt of $61.3 million primarily driven by the refinancing and consolidation of our debt,partially offset by:â€¢net repayment under the J. Aron Discretionary Draw Facility and MLC receivable advances of $31.4 million, andâ€¢aggregate payments of $17.9 million of deferred loan costs and debt extinguishment costs related to our debt refinancing.Cash Requirements. There have been no material changes to the cash requirements disclosed in our Annual Report on Form 10-K for the year ended DecemberÂ 31, 2023, outside the ordinary course of business except as follows:Debt Refinancing. On MarchÂ 22, 2024, we entered into the Third Amendment to the ABL Credit Facility, conditional upon the termination of the Companyâ€™s existing intermediation agreement with J. Aron, to among other things, increase our total revolver commitment to $1.4Â billion. On May 31, 2024, we entered into the Inventory Intermediation Agreement with Citi. Pursuant to the Inventory Intermediation Agreement, Citi will purchase and deliver crude oil to PHR for use at its refinery located in Kapolei, Hawaii. The Inventory Intermediation Agreement replaces the Supply and Offtake Agreement between PHR and J. Aron that was terminated on May 31, 2024. Please read Note 9â€"Inventory Financing Agreements and Note 11â€"Debt to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for more information.Critical Accounting Estimates There have been no material changes to critical accounting estimates disclosed in our Annual Report on Form 10-K for the six months ended JuneÂ 30, 2024.Forward-Looking Statements Certain statements in this Quarterly Report on Form 10-Q may constitute â€œforward-lookingâ€ statements as defined in SectionÂ 27A of the Securities Act of 1933, as amended (the â€œSecurities Actâ€), SectionÂ 21E of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), the Private Securities Litigation Reform Act of 1995 (â€œPSLRAâ€), or in releases made by the SEC, all of which may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties, and other important factors including, without limitation, the Russia-Ukraine war, Israel-Palestine conflict, Houthi attacks in the Red Sea, Iranian activities in the Strait of Hormuz and certain developments in the global crude oil markets, on our business, our customers, and the markets where we operate; our beliefs regarding available capital resources; our beliefs regarding the likely results or impact of certain disputes or contingencies and any potential fines or penalties; our beliefs regarding the fair value of certain assets, and our expectations with respect to laws and regulations, including environmental regulations and related compliance costs and any fines or penalties related thereto; our expectations regarding the sufficiency of our cash flows and liquidity; our expectations regarding anticipated capital expenditures, including the timing and cost of compliance with consent decrees and other enforcement actions; our expectations regarding the impact of the adoption of certain accounting standards; our estimates regarding the fair value of certain indebtedness; estimated costs to settle claims from the Delta bankruptcy; the estimated value of, and our ability to settle, legal claims remaining to be settled against third parties; our expectations regarding the synergies or other benefits of our acquisitions; our expectations regarding certain tax liabilities and debt obligations; managementâ€™s assumptions about future events into our existing business, the anticipated synergies and other benefits of the recently acquired ExxonMobil Billings refinery and associated marketing and logistics assets (the â€œAcquisitionâ€), including renewable growth opportunities; the anticipated financial and operating results of the Acquisition, and the effect on the Companyâ€™s cash flows and profitability (including Adjusted EBITDA and Adjusted Net Income); our ability to raise additional debt or equity capital; our ability to make strategic investments in business opportunities; and the estimates, assumptions, and projections regarding future financial condition, results of operations, liquidity, and cash flows. These and other forward-looking statements could cause the actual results, performance, or achievements of Par and its subsidiaries to differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words â€œplan,â€ â€œbelieve,â€ â€œexpect,â€ â€œanticipate,â€ â€œintend,â€ â€œestimate,â€ â€œproject,â€ â€œmay,â€ â€œwill,â€ â€œwould,â€ â€œcould,â€ â€œshould,â€ â€œseeks,â€ or â€œscheduled to,â€ or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act, and the PSLRA with the intention of obtaining the benefits of the â€œsafe harborâ€ provisions of such laws.57The forward-looking statements contained in this Quarterly Report on Form 10-Q are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control, including those set out in our most recent Annual Report on Form 10-K and this Quarterly Report on Form 10-Q under â€œRisk Factors.â€In addition, managementâ€™s assumptions about future events may prove to be inaccurate. All readers are cautioned that the forward-looking statements contained in this Quarterly Report on Form 10-Q are not guarantees of future performance; and we cannot assure any reader that such statements will be realized or that the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors described above and under Critical Accounting Estimates and Risk Factors included in our most recent Annual Report on Form 10-K and in this Quarterly Report on Form 10-Q. All forward-looking statements speak only as of the date they are made. There can be no guarantee that the operational and financial measures the Company has taken, and may take in the future, will be fully effective. We do not intend to update or revise any forward-looking statements as a result of new information, future events, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.ItemÂ 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKCommodity Price RiskOur earnings, cash flows, and liquidity are significantly affected by commodity price volatility. Our Revenues fluctuate with refined product prices and our Cost of revenues (excluding depreciation) fluctuates with movements in crude oil and feedstock prices. Assuming all other factors remain constant, a $1 per barrel change in average gross refining margins, based on our throughput for the three months ended JuneÂ 30, 2024 of 180 Mbpd, would change annualized operating income by approximately $64.7Â million. This analysis may differ from actual results.In order to manage commodity price risks, we utilize exchange-traded futures, OTC options, and OTC swaps associated with:â€¢the price for which we sell our refined products;â€¢the price we pay for crude oil and other feedstocks;â€¢our crude oil and refined products inventory; andâ€¢our fuel requirements for our refineries.Substantially all of our futures and OTC swaps are executed to economically hedge our physical commodity purchases, sales, and inventory. All our open futures and OTC swaps at JuneÂ 30, 2024, will settle by April 2025. Based on our net open positions at JuneÂ 30, 2024, a $1 change in the price of crude oil, assuming all other factors remain constant, would result in a change of approximately $8.3 million to the fair value of these derivative instruments and Cost of revenues (excluding depreciation).Our predominant variable operating cost is the cost of fuel consumed in the refining process, which is included in Cost of revenues (excluding depreciation) on our condensed consolidated statements of operations. For the three and six months ended JuneÂ 30, 2024, we consumed approximately 179.8 Mbpd and 180.0 Mbpd, respectively, of crude oil during the refining process across all our refineries. We internally consumed approximately 4% of this throughput in the refining process during the three and six months ended JuneÂ 30, 2024, which is accounted for as a fuel cost. We have executed option collars to economically hedge our internally consumed fuel cost at all our refineries. Please read Note 12â€"Derivatives to our condensed consolidated financial statements for more information.Compliance Program Price RiskWe are exposed to market risks related to the volatility in the price of RINs required to comply with the Renewable Fuel Standard. Our RVO is based on a percentage of our Hawaii, Wyoming, Washington, and Montana refineriesâ€™ production of on-road transportation fuel. The EPA sets the RVO percentages annually. On June 21, 2023, the EPA finalized the 2023, 2024, and 2025 RVOs. To the degree we are unable to blend the required amount of biofuels to satisfy our RVO, we must purchase RINs on the open market. To mitigate the impact of this risk on our results of operations and cash flows, we may purchase RINs when we deem the price of these instruments to be favorable. Some of these contracts are derivative instruments, however, we elect the normal purchases normal sales exception and do not record these contracts at their fair values.58Additionally, we are exposed to market risks related to the volatility in the price of compliance credits required to comply with Washington CCA and Clean Fuel Standard. To the extent we are unable to reduce the amount of greenhouse gas emissions in the transportation fuels we sell in Washington, we must purchase compliance credits at auction or in the open market. The number of credits required to comply with the Washington CCA and Clean Fuel Standard is based on the amount of greenhouse gas emissions in the transportation fuels we sell in Washington compared to certain regulatory limits. To mitigate the impact of this risk on our results of operations and cash flows, we may purchase credits when we deem the price to be favorable. Some of these contracts are derivative instruments and recorded at their fair value. Please read Note 12â€"Derivatives for more information.Interest Rate RiskAs of JuneÂ 30, 2024, we had $1,072.6Â million in debt principal that was subject to floating interest rates. We also had interest rate exposure in connection with our liabilities under the Inventory Intermediation Agreement for which we pay charges based on the three-month SOFR. An increase of 1% in the variable rate on our indebtedness, after considering the instruments subject to minimum interest rates, would result in an increase to our Cost of revenues (excluding depreciation) and Interest expense and financing costs, net, of approximately $1.9Â million and $10.7Â million per year, respectively. We may utilize interest rate swaps to manage our interest rate risk. As of JuneÂ 30, 2024 we had entered into an interest rate collar at a cap of 5.50% and floor of 2.30%, based on the three month SOFR as of the fixing date. This swap expires on May 31, 2026. Please read Note 12â€"Derivatives for more information.Credit RiskWe are subject to risk of losses resulting from nonpayment or nonperformance by our counterparties. We will continue to closely monitor the creditworthiness of customers to whom we grant credit and establish credit limits in accordance with our credit policy.ItemÂ 4. CONTROLS AND PROCEDURESEvaluation of Disclosure Controls and ProceduresIn connection with the preparation of this Quarterly Report on Form 10-Q, as of JuneÂ 30, 2024, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of JuneÂ 30, 2024.Changes in Internal Control over Financial ReportingThere were no changes in our internal control over financial reporting during the quarter ended JuneÂ 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.59PART II â€" OTHER INFORMATIONItemÂ 1. LEGAL PROCEEDINGSFrom time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of our business. Please read Note 15â€"Commitments and Contingencies to our condensed consolidated financial statements for more information.ItemÂ 1A. RISK FACTORS There have been no material changes from the risks factors included under Part 1, Item 1A of our Annual Report on Form 10-K for the year ended DecemberÂ 31, 2023. You should carefully consider the risk factors discussed in our 2023 Form 10-K, which could materially affect our business, financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.ItemÂ 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDSDividendsWe have not paid dividends on our common stock and we do not expect to do so in the foreseeable future. In addition, under the ABL Credit Facility and Term Loan Credit Agreement our subsidiaries are restricted from paying dividends or making other equity distributions, subject to certain exceptions.RepurchasesÂ Â Â The following table sets forth certain information with respect to repurchases of our common stock during the quarter ended JuneÂ 30, 2024:PeriodTotal number of shares (or units) purchased (1)Average price paid per share (or unit)Total number of shares (or units) purchased as part of publicly announced plans or programs (1)Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (1)April 1 - April 30, 20241,195,904Â $33.12Â 1,194,858Â $109,841,692Â May 1 - May 31, 2024376,616Â 28.95Â 340,097Â 100,050,526Â June 1 - June 30, 2024682,191Â 25.02Â 673,860Â 83,209,563Â Total2,254,711Â $29.97Â 2,208,815Â ____(1)On November 10, 2021, the Board authorized and approved a share repurchase program for up to $50Â million of shares of the Companyâ€™s common stock, with no specified end date. On August 2, 2023, the Board expanded the Companyâ€™s share repurchase program from $50Â million to $250Â million. Shares repurchased that were not associated with the share repurchase program were surrendered by employees to pay taxes withheld upon the vesting of restricted stock awards. ItemÂ 3. DEFAULTS UPON SENIOR SECURITIESNot applicable.ItemÂ 4. MINE SAFETY DISCLOSURENot applicable.ItemÂ 5. OTHER INFORMATIONRule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements60During the fiscal quarter ended JuneÂ 30, 2024, no director or officer (as defined in Rule 16a-1(f) of the Securities Exchange Act) of the Company adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 105-1 trading arrangements as each term is defined in Item 408(a) of Regulation S-K. ItemÂ 6. EXHIBITS2.1Third Amended Joint Chapter 11 Plan of Reorganization of Delta Petroleum Corporation and Its Debtor Affiliates dated August 16, 2012. Incorporated by reference to Exhibit 2.1 to the Companyâ€™s Current Report on Form 8-K filed on September 7, 2012. 2.2Membership Interest Purchase Agreement dated as of June 17, 2013, by and among Tesoro Corporation, Tesoro Hawaii, LLC, and Hawaii Pacific Energy, LLCÂ Incorporated by reference to Exhibit 2.4 to the Companyâ€™s Quarterly Report on Form 10-Q for the quarterly period ended JuneÂ 30, 2013, filed on AugustÂ 14, 2013. 2.3Agreement and Plan of Merger dated as of June 2, 2014, by and among the Company, Bogey, Inc., Kokoâ€™oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholdersâ€™ Representative. Incorporated by reference to Exhibit 2.5 to the Companyâ€™s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, filed on August 11, 2014. 2.4Amendment of Agreement and Plan of Merger dated as of SeptemberÂ 9, 2014, by and among the Company, Bogey, Inc., Kokoâ€™oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholdersâ€™ Representative. Incorporated by reference to Exhibit 10.2 to the Companyâ€™s Current Report on Form 8-K filed on September 10, 2014. 2.5Second Amendment of Agreement and Plan of Merger dated as of December 31, 2014, by and among Par Petroleum Corporation, Bogey, Inc., Kokoâ€™oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholderâ€™s Representative. Incorporated by reference to Exhibit 10.1 to the Companyâ€™s Current Report on Form 8-K filed on January 7, 2015. 2.6Third Amendment to Agreement and Plan of Merger dated as of MarchÂ 31, 2015, by and among the Company, Bogey, Inc., Kokoâ€™oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholdersâ€™ Representative. Incorporated by reference to Exhibit 2.4 to the Companyâ€™s Current Report on Form 8-K filed on April 2, 2015. 2.7Unit Purchase Agreement, dated as of June 13, 2016, between Par Wyoming, LLC and Black Elk Refining, LLC. Incorporated by reference to Exhibit 2.1 to the Companyâ€™s Current Report on Form 8-K filed on June 15, 2016. 2.8First Amendment to Unit Purchase Agreement dated as of JulyÂ 14, 2016, between Par Wyoming, LLC and Black Elk Refining, LLC. Incorporated by reference to Exhibit 2.2 to the Companyâ€™s Current Report on Form 8-K filed on July 15, 2016. 2.9Purchase and Sale Agreement dated as of November 26, 2018, among Par Petroleum, LLC, TrailStone NA Oil & Refining Holdings, LLC, and solely for certain purposes specified therein, the Company. Incorporated by reference to Exhibit 2.1 to the Companyâ€™s Current Report on Form 8-K/A filed on November 30, 2018. #2.10Amendment No. 1 to Purchase and Sale Agreement dated as of January 11, 2019, among Par Petroleum, LLC, TrailStone NA Oil & Refining Holdings, LLC and Par Pacific Holdings, Inc. Incorporated by reference to Exhibit 2.2 to the Companyâ€™s Current Report on Form 8-K filed on January 14, 2019.2.11Equity and Asset Purchase Agreement dated as of October 20, 2022, by and among Exxon Mobil Corporation, ExxonMobil Oil Corporation and ExxonMobil Pipeline Company, LLC, as sellers, and Par Montana, LLC and Par Montana Holdings, LLC, as purchaser entities, and solely for the limited purposes set forth therein, Par Pacific Holdings, Inc. Incorporated by reference to Exhibit 2.1 to the Companyâ€™s Current Report on Form 8-K filed on October 20, 2022.2.12First Amendment to Equity and Asset Purchase Agreement dated as of June 1, 2023, by and among Exxon Mobil Corporation, ExxonMobil Oil Corporation and ExxonMobil Pipeline Company, LLC, as sellers, and Par Montana, LLC, Par Montana Holdings, LLC, and Par Rocky Mountain Midstream, LLC, as purchaser entities, and solely for the limited purposes set forth therein, Par Pacific Holdings, Inc. Incorporated by reference to Exhibit 2.2 to the Companyâ€™s Current Report on Form 8-K filed on June 1, 2023.3.1Restated Certificate of Incorporation of the Company dated October 20, 2015. Incorporated by reference to Exhibit 3.2 to the Companyâ€™s Current Report on Form 8-K filed on October 20, 2015.3.2Second Amended and Restated Bylaws of the Company dated October 20, 2015. Incorporated by reference to Exhibit 3.3 to the Companyâ€™s Current Report on Form 8-K filed on October 20, 2015.4.1Form of the Companyâ€™s Common Stock Certificate. Incorporated by reference to Exhibit 4.1 to the Companyâ€™s Annual Report on Form 10-K filed on March 31, 2014.4.2Stockholders Agreement dated AprilÂ 10, 2015. Incorporated by reference to Exhibit 4.1 to the Companyâ€™s Current Report on Form 8-K filed on April 13, 2015.4.3Registration Rights Agreement effective as of August 31, 2012, by and among the Company, Zell Credit Opportunities Master Fund, L.P., Waterstone Capital Management, L.P., Pandora Select Partners, LP, Iam Mini-Fund 14 Limited, Whitebox Multi-Strategy Partners, LP, Whitebox Credit Arbitrage Partners, LP, HFR RVA Combined Master Trust, Whitebox Concentrated Convertible Arbitrage Partners, LP, and Whitebox Asymmetric Partners, LP. Incorporated by reference to Exhibit 4.3 to the Companyâ€™s Current Report on Form 8-K filed on September 7, 2012.4.4First Amendment to Registration Rights Agreement dated as of December 19, 2018, by and among the Company and the holders party thereto. Incorporated by reference to Exhibit 4.3 to the Companyâ€™s registration statement on Form S-3 filed on December 21, 2018.10.1Amendment No. 1 to Term Loan Credit Agreement, dated as of April 8, 2024, by and among Par Pacific Holdings, Inc., Par Petroleum, LLC, Par Petroleum Finance Corp., the guarantors party thereto, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto. Incorporated by reference to Exhibit 10.1 to the Companyâ€™s Current Report on Form 8-K filed on April 9, 2024.10.2Inventory Intermediation Agreement, dated as of May 31, 2024, by and between Par Hawaii Refining, LLC and Citigroup Energy Inc. Incorporated by reference to Exhibit 10.1 to the Companyâ€™s Current Report on Form 8-K filed on June 5, 2024.10.3Pledge and Security Agreement, dated May 31, 2024, by and between Par Hawaii Refining, LLC and Citigroup Energy Inc. Incorporated by reference to Exhibit 10.2 to the Companyâ€™s Current Report on

Form 8-K filed on June 5, 2024.31.1Certification of Chief Executive Officer Pursuant to SectionÂ 302 of the Sarbanes-Oxley Act of 2002. *31.2Certification of Chief Financial Officer Pursuant to SectionÂ 302 of the Sarbanes-Oxley Act of 2002. *32.1Certification of Chief Executive Officer Pursuant to 18Â U.S.C. SectionÂ 1350. **32.2Certification of Chief Financial Officer Pursuant to 18Â U.S.C. SectionÂ 1350. **101.INSInline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.*101.SCHInline XBRL Taxonomy Extension Schema Documents.*101.CALInline XBRL Taxonomy Extension Calculation Linkbase Document.*101.LABInline XBRL Taxonomy Extension Label Linkbase Document.*101.PREInline XBRL Taxonomy Extension Presentation Linkbase Document.*101.DEFInline XBRL Taxonomy Extension Definition Linkbase Document.*104Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).** Â Â Â Â Filed herewith.**Â Â Â Â Furnished herewith. # Â Â Â Â Portions of this exhibit have been redacted in accordance with Item 601(b)(10) of Regulation S-K.SIGNATURESPursuant to the requirements of the Securities Exchange of Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.PAR PACIFIC HOLDINGS, INC.(Registrant)Â Â By:/s/ William MonteleoneWilliam MonteleonePresident and Chief Executive OfficerÂ Â By:/s/ Shawn FloresShawn FloresSenior Vice President and Chief Financial OfficerDate: AugustÂ 8, 2024DocumentExhibit 31.1Â CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)/15d-14(a) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDEDÂ I, William Monteleone, certify that:1.I have reviewed this quarterly report on Form 10-Q of Par Pacific Holdings, Inc.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading 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 all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange 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 under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made 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 designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):Â a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Â Date: AugustÂ 8, 2024 /s/ William MonteleoneWilliam MonteleonePresident and Chief Executive OfficerDocumentExhibit 31.2Â CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)/15d-14(a) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDEDÂ I, Shawn Flores, certify that:1.I have reviewed this quarterly report on Form 10-Q of Par Pacific Holdings, Inc.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading 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 all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange 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 under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made 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 designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andÂ d)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Â Date: AugustÂ 8, 2024 /s/ Shawn FloresShawn FloresSenior Vice President and Chief Financial OfficerÂ DocumentExhibit 32.1Â CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICERPURSUANT TO 18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TO SECTION 906OF THE SARBANES-OXLEY ACT OF 2002Â In connection with the Quarterly Report of Par Pacific Holdings, Inc. (the â€œCompanyâ€) on Form 10-Q for the period ended JuneÂ 30, 2024 (the â€œReportâ€), as filed with the Securities and Exchange Commission on the date hereof, I, William Monteleone, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Â§1350, as adopted pursuant to Â§906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:Â 1.The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; andÂ 2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Â /s/ William MonteleoneWilliam MonteleonePresident and Chief Executive OfficerÂ AugustÂ 8, 2024 Â Â DocumentExhibit 32.2Â CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICERPURSUANT TO 18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TO SECTION 906OF THE SARBANES-OXLEY ACT OF 2002Â In connection with the Quarterly Report of Par Pacific Holdings, Inc. (the â€œCompanyâ€) on Form 10-Q for the period ended JuneÂ 30, 2024 (the â€œReportâ€), as filed with the Securities and Exchange Commission on the date hereof, I, Shawn Flores, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Â§1350, as adopted pursuant to Â§906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:Â 1.The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; andÂ 2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Â /s/ Shawn FloresShawn FloresSenior Vice President and Chief Financial OfficerÂ AugustÂ 8, 2024 Â