

# Report to Shareholders for the Second Quarter of 2024



All financial figures are unaudited and presented in Canadian dollars unless noted otherwise. Production volumes are presented on a working-interest basis, before royalties, except for production volumes from Suncor Energy Inc.'s (Suncor or the company) Libya operations, which are presented on an economic basis. Certain financial measures in this document are not prescribed by Canadian generally accepted accounting principles (GAAP). For a description of these non-GAAP financial measures, see the Non-GAAP and Other Financial Measures Advisory section of Suncor's Management Discussion and Analysis (MD&A) dated August 6, 2024. See also the Advisories section of the MD&A. References to Oil Sands operations exclude Suncor's interests in Fort Hills and Syncrude.

## Second Quarter Highlights

- **Generated \$3.4 billion in adjusted funds from operations<sup>(1)</sup> and \$1.4 billion in free funds flow<sup>(1)</sup>.**
- **Returned over \$1.5 billion to shareholders via \$825 million in share repurchases and \$698 million in dividends.**
- **Strong upstream production of 771,000 barrels per day (bbls/d) and refinery throughput of 431,000 bbls/d.**
- **Successfully executed approximately \$800 million in second quarter turnaround activity safely, efficiently and ahead of schedule.**
- **Record first half upstream production of 803,000 bbls/d and refinery throughput of 443,000 bbls/d.**
- **First half upgrader utilization<sup>(2)</sup> of 94% and refinery utilization of 95%, including the impacts of major turnaround activity.**

"Following a strong first quarter, the second quarter was about execution and momentum. High quality execution of major upstream and downstream turnaround activities and maintaining momentum in targeted improvement priorities, including operational reliability and cost management," said Rich Kruger, Suncor's President and Chief Executive Officer. "With these clear priorities and a determination to consistently achieve the highest levels of performance, the organization delivered on its commitments; operating safely, cost-effectively, reliably and profitably. With the majority of 2024's planned maintenance complete, the company is very well positioned for a strong second half of the year."

## Second Quarter Results

<b>Financial Highlights</b> (\$ millions, unless otherwise noted)	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q2 2023</b>
Net earnings	<b>1 568</b>	1 610	1 879
Per common share <sup>(1)</sup> (dollars)	<b>1.22</b>	1.25	1.44
Adjusted operating earnings <sup>(2)</sup>	<b>1 626</b>	1 817	1 253
Per common share <sup>(1)(2)</sup> (dollars)	<b>1.27</b>	1.41	0.96
Adjusted funds from operations <sup>(2)</sup>	<b>3 397</b>	3 169	2 655
Per common share <sup>(1)(2)</sup> (dollars)	<b>2.65</b>	2.46	2.03
Cash flow provided by operating activities	<b>3 829</b>	2 787	2 803
Per common share <sup>(1)</sup> (dollars)	<b>2.98</b>	2.16	2.14
Capital and exploration expenditures <sup>(3)</sup>	<b>1 964</b>	1 237	1 551
Free funds flow <sup>(2)</sup>	<b>1 350</b>	1 858	1 042
Dividend per common share <sup>(1)</sup> (dollars)	<b>0.55</b>	0.55	0.52
Share repurchases per common share <sup>(4)</sup> (dollars)	<b>0.64</b>	0.23	0.52
Returns to shareholders <sup>(5)</sup>	<b>1 523</b>	995	1 363
Net debt <sup>(2)(6)</sup>	<b>9 054</b>	9 552	11 170
	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q2 2023</b>
<b>Operating Highlights</b>			
Total upstream production (mbbls/d)	<b>770.6</b>	835.3	741.9
Refinery utilization (%)	<b>92</b>	98	85

(1) Presented on a basic per share basis.

(2) Non-GAAP financial measure or contains non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of the MD&A.

(3) Excludes capitalized interest and capital expenditures related to assets previously held for sale.

(4) Calculated as the total cost of share repurchases divided by the weighted average number of shares outstanding for the applicable period.

(5) Includes dividends paid on common shares and repurchases of common shares.

(6) Beginning in the second quarter of 2024, the company revised the definition of net debt to exclude lease liabilities to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

(1) Non-GAAP financial measure. See the Non-GAAP and Other Financial Measures Advisory section of the MD&A.

(2) Upgrader utilization is calculated using gross upgraded production, inclusive of internally consumed products and inter-asset transfers, and gross upgrader nameplate capacities, on an average basis of Oil Sands Base and Syncrude.

## Financial Results

### Adjusted Operating Earnings Reconciliation<sup>(1)</sup>

(\$ millions)	Q2 2024	Q1 2024	Q2 2023
Net earnings	<b>1 568</b>	1 610	1 879
Unrealized foreign exchange loss (gain) on U.S. dollar denominated debt	<b>103</b>	220	(244)
Unrealized gain on risk management activities	<b>(52)</b>	(2)	(10)
Gain on significant disposal	—	—	(607)
Restructuring charge	—	—	275
Income tax expense (recovery) on adjusted operating earnings adjustments	<b>7</b>	(11)	(40)
<b>Adjusted operating earnings<sup>(1)</sup></b>	<b>1 626</b>	1 817	1 253

(1) Non-GAAP financial measure. All reconciling items are presented on a before-tax basis and adjusted for income taxes in the income tax expense (recovery) on adjusted operating earnings adjustments line. See the Non-GAAP and Other Financial Measures Advisory section of the MD&A.

- Suncor's adjusted operating earnings increased to \$1.626 billion (\$1.27 per common share) in the second quarter of 2024, compared to \$1.253 billion (\$0.96 per common share) in the prior year quarter, primarily due to higher realized crude oil prices and increased Oil Sands sales volumes, as well as higher refinery production in Refining and Marketing (R&M), partially offset by higher royalties, lower Exploration and Production (E&P) volumes and lower refined product realizations.
- Net earnings were \$1.568 billion (\$1.22 per common share) in the second quarter of 2024, compared to \$1.879 billion (\$1.44 per common share) in the prior year quarter. In addition to the factors impacting adjusted operating earnings, net earnings for the second quarter of 2024 and the prior year quarter were impacted by the reconciling items shown in the table above.
- Adjusted funds from operations were \$3.397 billion (\$2.65 per common share) in the second quarter of 2024, compared to \$2.655 billion (\$2.03 per common share) in the prior year quarter, and were influenced by the same factors impacting adjusted operating earnings.
- Cash flow provided by operating activities, which includes changes in non-cash working capital, was \$3.829 billion (\$2.98 per common share) in the second quarter of 2024, compared to \$2.803 billion (\$2.14 per common share) in the prior year quarter.
- Suncor's total operating, selling and general (OS&G) expenses were \$3.153 billion in the second quarter of 2024, compared to \$3.440 billion in the prior year quarter, with the decrease primarily due to the restructuring charge of \$275 million in the prior year quarter related to the company's workforce reductions, decreased operations and maintenance costs, and lower commodity costs, partially offset by the company's increased working interest in Fort Hills and higher share-based compensation expenses.
- As at June 30, 2024, Suncor's net debt<sup>(1)</sup> was \$9.054 billion, a decrease of \$498 million compared to March 31, 2024.

(1) Beginning in the second quarter of 2024, the company revised the definition of net debt to exclude lease liabilities to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

## Operating Results

(mmbbls/d, unless otherwise noted)	Q2 2024	Q1 2024	Q2 2023
Total Oil Sands bitumen production	<b>834.4</b>	932.1	814.3
SCO and diesel production	<b>488.3</b>	572.5	521.6
Inter-asset transfers and consumption	<b>(26.6)</b>	(27.5)	(16.6)
Upgraded production – net SCO and diesel	<b>461.7</b>	545.0	505.0
Bitumen production	<b>308.2</b>	297.9	200.2
Inter-asset transfers	<b>(53.9)</b>	(57.9)	(26.1)
Non-upgraded bitumen production	<b>254.3</b>	240.0	174.1
Total Oil Sands production	<b>716.0</b>	785.0	679.1
Exploration and Production	<b>54.6</b>	50.3	62.8
Total upstream production	<b>770.6</b>	835.3	741.9
Refinery utilization (%)	<b>92</b>	98	85
Refinery crude oil processed	<b>430.5</b>	455.3	394.4

- Total Oil Sands bitumen production increased to 834,400 bbls/d in the second quarter of 2024, compared to 814,300 bbls/d in the prior year quarter, primarily due to the company's increased working interest in Fort Hills, in addition to record second quarter gross bitumen production at Fort Hills, and record quarterly production at Firebag, partially offset by lower production at Oil Sands Base as a result of planned turnaround and maintenance activities.
- The company's net synthetic crude oil (SCO) production was 461,700 bbls/d in the second quarter of 2024, representing combined upgrader utilization<sup>(1)</sup> of 86%, compared to 505,000 bbls/d and 92% in the prior year quarter, reflecting higher planned maintenance in the current period and strong upgrader utilizations outside of planned maintenance activities.
- The company leveraged its unparalleled regional integration to generate incremental value and maximize SCO production, through second highest ever quarterly SCO and bitumen inter-asset transfers of 62,500 bbls/d.
- Non-upgraded bitumen production increased to 254,300 bbls/d in the second quarter of 2024, compared to 174,100 bbls/d in the prior year quarter, primarily due to the company's increased working interest in Fort Hills, lower demand for upgrader feedstock due to planned maintenance in the quarter and record production at Firebag.
- E&P production during the second quarter of 2024 decreased compared to the prior year quarter, primarily due to the divestment of the company's U.K. portfolio, the absence of production from White Rose and lower production from Hebron, partially offset by the addition of production from Terra Nova.
- Refinery crude throughput increased to 430,500 bbls/d and refinery utilization was 92% in the second quarter of 2024, compared to 394,400 bbls/d and 85% in the prior year quarter, reflecting strong utilizations at all refineries outside of planned turnaround activities in the current quarter, including a new quarterly utilization record at the company's Edmonton refinery of 108% and improved reliability at the company's Commerce City refinery compared to the prior year quarter. Following the completion of planned turnaround activities, the company's refineries finished the quarter strong, with average utilization of over 100% through June and into July.
- Record quarterly refined product sales of 594,700 bbls/d in the second quarter of 2024, compared to 547,000 bbls/d in the prior year quarter, with the increase primarily due to the company leveraging its extensive domestic sales network and export channels in the current quarter, as well as the impacts of restart activities at the company's Commerce City refinery in the prior year quarter.

(1) Upgrader utilization is calculated using gross upgraded production, inclusive of internally consumed products and inter-asset transfers, and gross upgrader nameplate capacities, on an average basis of Oil Sands Base and Syncrude.

## Corporate and Strategy Updates

- **Investor day was held May 21<sup>st</sup>.** For further details, including the full transcript and presentation, see [www.suncor.com](http://www.suncor.com). Highlights of the update include:
  - **Free funds flow improvement of \$3.3 billion per year.** Suncor highlighted plans to grow free funds flow by \$3.3 billion per year by 2026 compared to 2023 by lowering costs and capital, growing upstream production and improving downstream reliability and margins.
  - **Grow upstream production by approximately 100,000 bbls/d.** Suncor also detailed its plan to grow Upstream production by approximately 100,000 bbls/d from 2023 to 2026.
  - **Share buybacks increased to 75% of excess funds.** Suncor has increased share buybacks to approximately 75% of excess funds and will increase buybacks further to at or near 100% of excess funds when the revised net debt target of \$8 billion is achieved.

## Corporate Guidance Updates

There have been no changes to the corporate guidance ranges previously issued on December 5, 2023.

For further details and advisories regarding Suncor's 2024 corporate guidance, see [www.suncor.com/guidance](http://www.suncor.com/guidance).

# Management's Discussion and Analysis

August 6, 2024

Suncor Energy Inc. (Suncor or the company) is an integrated energy company headquartered in Calgary, Alberta, Canada. Suncor's operations include oil sands development, production and upgrading; offshore oil production; petroleum refining in Canada and the U.S.; and the company's Petro-Canada™ retail and wholesale distribution networks (including Canada's Electric Highway™, a coast-to-coast network of fast-charging electric vehicle stations). Suncor is developing petroleum resources while advancing the transition to a lower emissions future through investments in lower emissions power, renewable fuels and emissions reduction projects. Suncor also conducts energy trading activities focused primarily on the marketing and trading of crude oil, natural gas, byproducts, refined products and power. Suncor's common shares (symbol: SU) are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE).

For a description of Suncor's segments, refer to Suncor's Management's Discussion and Analysis (MD&A) for the year ended December 31, 2023, dated March 21, 2024 (the 2023 annual MD&A).

This MD&A, for the three and six months ended June 30, 2024, should be read in conjunction with Suncor's unaudited interim Consolidated Financial Statements for the three and six months ended June 30, 2024, Suncor's audited Consolidated Financial Statements for the year ended December 31, 2023, and the 2023 annual MD&A.

Additional information about Suncor filed with Canadian securities regulatory authorities and the United States Securities and Exchange Commission (SEC), including quarterly and annual reports and Suncor's Annual Information Form dated March 21, 2024 (the 2023 AIF), which is also filed with the SEC under cover of Form 40-F, is available online at [www.sedarplus.ca](http://www.sedarplus.ca), [www.sec.gov](http://www.sec.gov) and on our website at [www.suncor.com](http://www.suncor.com). Information contained in or otherwise accessible through our website does not form part of this MD&A and is not incorporated into this document by reference.

References to "we", "our", "Suncor" or "the company" means Suncor Energy Inc., its subsidiaries, partnerships and joint arrangements, unless otherwise specified or the context otherwise requires.

## Basis of Presentation

Unless otherwise noted, all financial information is derived from the company's condensed Consolidated Financial Statements, which are based on Canadian generally accepted accounting principles (GAAP), specifically International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and are prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

All financial information is reported in Canadian dollars, unless otherwise noted. Production volumes are presented on a working-interest basis, before royalties, except for production volumes from the company's Libya operations, which are presented on an economic basis.

References to Oil Sands operations exclude Suncor's interests in Fort Hills and Syncrude. In 2023, Suncor completed two separate acquisitions of additional working interest in Fort Hills, increasing its ownership from 54.11% to 100%.

## Common Abbreviations

For a list of the abbreviations that may be used in this MD&A, please refer to the Common Abbreviations section of this MD&A.

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## 1. Second Quarter Highlights

- **Second quarter financial results.** Adjusted funds from operations<sup>(1)</sup> were \$3.397 billion (\$2.65 per common share) in the second quarter of 2024, compared to \$2.655 billion (\$2.03 per common share) in the prior year quarter. Adjusted operating earnings<sup>(1)</sup> were \$1.626 billion (\$1.27 per common share) in the second quarter of 2024, compared to \$1.253 billion (\$0.96 per common share) in the prior year quarter.
- **Strong Oil Sands production in a quarter of significant planned turnarounds.** Record second quarter Oil Sands production of 716,000 bbls/d, compared to 679,100 bbls/d in the prior year quarter, with the increase due to additional working interest in Fort Hills, compounded by record second quarter gross production at Fort Hills and record quarterly production at Firebag, partially offset by lower production at Oil Sands Base and Syncrude as a result of planned turnaround and maintenance activities. To generate incremental value and maximize SCO production during the quarter, the company leveraged its regional asset integration through second highest ever quarterly internal transfers between assets.
- **Planned maintenance and turnarounds completed ahead of schedule.** Oil Sands upgraders and refinery throughput both benefited from the efficient execution of planned maintenance and turnaround activities, which were completed ahead of schedule.
- **Record quarterly refined product sales.** The company leveraged its extensive domestic sales network and export channels to set a new refined product sales record of 594,700 bbls/d.
- **Returned value to shareholders.** Suncor returned over \$1.5 billion of value to shareholders in the second quarter of 2024 through \$698 million in dividends and \$825 million in share repurchases. As at August 1, 2024, since the start of the year, the company has repurchased approximately \$1.431 billion of Suncor's common shares, representing approximately 28 million common shares at an average price of \$51.24 per common share, or the equivalent of 2.2% of its common shares as at December 31, 2023.

(1) Non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A and the Adjusted Operating Earnings Reconciliation below for a reconciliation of net earnings to adjusted operating earnings.

## 2. Consolidated Financial and Operating Information

### Financial Highlights

(\$ millions)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Earnings (loss) before income taxes				
Oil Sands	1 792	1 267	3 163	2 744
Exploration and Production	196	956	470	1 331
Refining and Marketing	593	518	1 707	1 511
Corporate and Eliminations	(398)	(390)	(937)	(521)
Income tax expense	(615)	(472)	(1 225)	(1 134)
Net earnings	1 568	1 879	3 178	3 931
Adjusted operating earnings (loss) <sup>(1)</sup>				
Oil Sands	1 745	1 281	3 110	2 771
Exploration and Production	196	349	470	724
Refining and Marketing	588	494	1 706	1 492
Corporate and Eliminations	(295)	(359)	(614)	(789)
Income tax expense included in adjusted operating earnings	(608)	(512)	(1 229)	(1 136)
Total	1 626	1 253	3 443	3 062
Adjusted funds from (used in) operations <sup>(1)</sup>				
Oil Sands	3 108	2 557	5 551	5 145
Exploration and Production	398	521	865	1 012
Refining and Marketing	893	781	2 199	1 975
Corporate and Eliminations	(221)	(655)	(619)	(1 188)
Current income tax expense	(781)	(549)	(1 430)	(1 287)
Total	3 397	2 655	6 566	5 657
Change in non-cash working capital	432	148	50	(1 815)
Cash flow provided by operating activities	3 829	2 803	6 616	3 842
Capital and exploration expenditures <sup>(2)(3)</sup>				
Asset sustainment and maintenance	1 235	1 047	1 809	1 637
Economic investment	729	504	1 392	942
Total	1 964	1 551	3 201	2 579
Free funds flow <sup>(1)</sup>	1 350	1 042	3 208	2 958

(1) Non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

(2) Excludes capitalized interest of \$83 million and \$157 million in the second quarter and first six months of 2024, respectively, compared to \$62 million and \$120 million in the second quarter and first six months of 2023, respectively.

(3) Excludes capital expenditures related to assets previously held for sale of nil in the second quarter and first six months of 2024, compared to \$66 million and \$108 million in the second quarter and first six months of 2023, respectively.

## Operating Highlights

(mmbbls/d, unless otherwise noted)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
<b>Production volumes</b>				
Oil Sands – Upgraded – net SCO and diesel	<b>461.7</b>	505.0	<b>503.3</b>	501.5
Oil Sands – Non-upgraded bitumen	<b>254.3</b>	174.1	<b>247.2</b>	175.6
Total Oil Sands production volumes	<b>716.0</b>	679.1	<b>750.5</b>	677.1
Exploration and Production	<b>54.6</b>	62.8	<b>52.5</b>	64.9
Total upstream production	<b>770.6</b>	741.9	<b>803.0</b>	742.0
Refinery utilization (%)	<b>92</b>	85	<b>95</b>	82
Refinery crude oil processed	<b>430.5</b>	394.4	<b>442.9</b>	381.1

## Financial Results

### Net Earnings

Suncor's consolidated net earnings for the second quarter of 2024 were \$1.568 billion, compared to \$1.879 billion in the prior year quarter. Net earnings were primarily influenced by the same factors that impacted adjusted operating earnings discussed below.

Other items affecting net earnings over these periods included:

- An unrealized foreign exchange loss on the revaluation of U.S. dollar denominated debt of \$103 million recorded in financing expenses in the Corporate and Eliminations segment in the second quarter of 2024, compared to a gain of \$244 million in the second quarter of 2023.
- An unrealized gain on risk management activities of \$52 million recorded in other income (loss) in the second quarter of 2024, compared to an unrealized gain of \$10 million in the second quarter of 2023.
- During the second quarter of 2023, upon closing the sale of its U.K. E&P portfolio, Suncor recorded a gain of \$607 million.
- In the second quarter of 2023, the company recorded a restructuring charge of \$275 million in operating, selling and general (OS&G) expenses in the Corporate and Eliminations segment, related to the company's workforce reductions.
- An income tax expense related to the items noted above of \$7 million in the second quarter of 2024, compared to a recovery of \$40 million in the second quarter of 2023.

### Adjusted Operating Earnings Reconciliation<sup>(1)</sup>

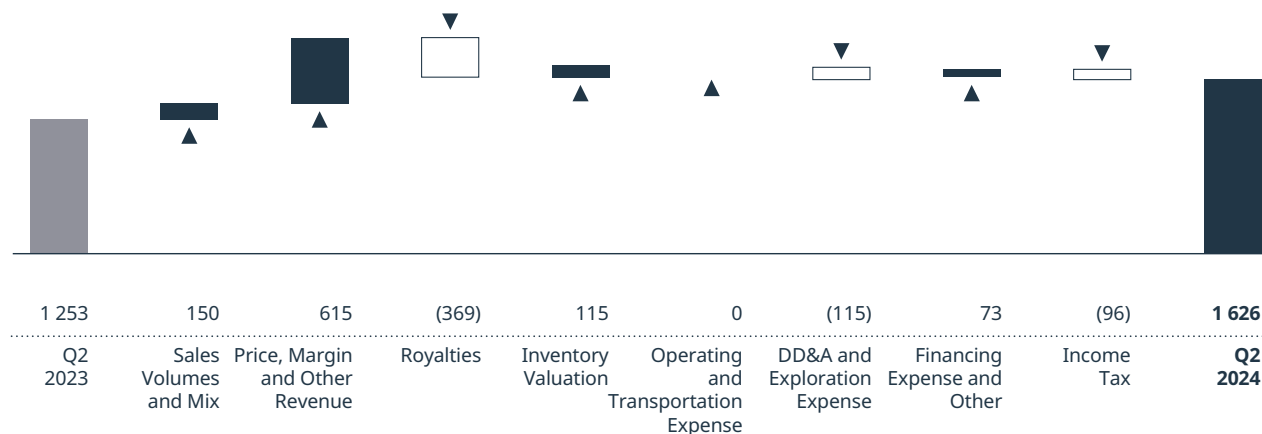
(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Net earnings	<b>1 568</b>	1 879	<b>3 178</b>	3 931
Unrealized foreign exchange loss (gain) on U.S. dollar denominated debt	<b>103</b>	(244)	<b>323</b>	(241)
Unrealized (gain) loss on risk management activities	<b>(52)</b>	(10)	<b>(54)</b>	8
Gain on significant disposal <sup>(2)</sup>	—	(607)	—	(909)
Restructuring charge	—	275	—	275
Income tax expense (recovery) on adjusted operating earnings adjustments	<b>7</b>	(40)	<b>(4)</b>	(2)
Adjusted operating earnings <sup>(1)</sup>	<b>1 626</b>	1 253	<b>3 443</b>	3 062

(1) Non-GAAP financial measure. All reconciling items are presented on a before-tax basis and adjusted for income taxes in the income tax (recovery) expense on adjusted operating earnings adjustments line. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

(2) During the first quarter of 2023, the company recorded a gain of \$302 million on the sale of its wind and solar assets in the Corporate and Eliminations segment.



## Bridge Analysis of Adjusted Operating Earnings (\$ millions)<sup>(1)</sup>



(1) For an explanation of this bridge analysis, see the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

Suncor's adjusted operating earnings increased to \$1.626 billion (\$1.27 per common share) in the second quarter of 2024 compared to \$1.253 billion (\$0.96 per common share) in the prior year quarter, primarily due to higher realized crude oil prices and increased Oil Sands sales volumes, as well as higher refinery production, partially offset by higher royalties, lower E&P volumes and lower refined product realizations.

## Adjusted Funds from Operations and Cash Flow Provided by Operating Activities

Adjusted funds from operations were \$3.397 billion (\$2.65 per common share) in the second quarter of 2024, compared to \$2.655 billion (\$2.03 per common share) in the prior year quarter, and were influenced by the same factors impacting adjusted operating earnings.

Cash flow provided by operating activities, which includes changes in non-cash working capital, was \$3.829 billion (\$2.98 per common share) in the second quarter of 2024, compared to \$2.803 billion (\$2.14 per common share) in the prior year quarter. In addition to the factors impacting adjusted funds from operations, cash flow provided by operating activities was impacted by an increased source of cash associated with the company's working capital balances in the current quarter compared to the prior year quarter. The source of cash in the second quarter of 2024 was primarily due to increased accounts payable associated with increased third party inventories, including the impacts of timing of cargo settlements, in addition to higher royalties payable due to timing. The source of cash in the second quarter of 2024 was partially offset by an increase in accounts receivables, inventories, and tax receivable due to timing of tax settlements.

## Operating, Selling and General Expenses

(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Operations, selling and corporate costs	2 669	2 678	5 484	5 404
Commodities	356	418	822	969
Share-based compensation and other <sup>(1)</sup>	128	344	287	491
<b>Total operating, selling and general (OS&amp;G) expenses</b>	<b>3 153</b>	<b>3 440</b>	<b>6 593</b>	<b>6 864</b>

(1) In the second quarter of 2024, share-based compensation expense of \$128 million included \$45 million recorded in the Oil Sands segment, \$4 million recorded in the E&P segment, \$19 million recorded in the R&M segment and \$60 million recorded in the Corporate and Eliminations segment. In the second quarter of 2023, share-based compensation expense of \$22 million included \$21 million recorded in the Oil Sands segment, \$1 million recorded in the E&P segment, \$8 million recorded in the R&M segment and an \$8 million recovery recorded in the Corporate and Eliminations segment. In the second quarter of 2023, other primarily includes costs associated with investments in the company's digital transformation and spend related to project development and a \$275 million restructuring charge related to workforce reduction.

The decrease in OS&G expenses in the second quarter of 2024 compared to the prior year quarter was primarily due to the restructuring charge recorded in the prior year quarter related to the company's workforce reductions, decreased operations and maintenance costs and lower commodity costs, partially offset by the company's increased working interest in Fort Hills and higher share-based compensation expenses. The company's exposure to commodity costs is partially mitigated by revenue from power sales that are recorded in operating revenues.

## Business Environment

Commodity prices, refining crack spreads and foreign exchange rates are important factors that affect the results of Suncor's operations. For additional details, see the Financial Information section of the 2023 annual MD&A.

		2024	Average for the three months ended June 30 2023	2024	Average for the six months ended June 30 2023
WTI crude oil at Cushing	US\$/bbl	<b>80.55</b>	73.75	<b>78.75</b>	74.90
Dated Brent crude	US\$/bbl	<b>84.90</b>	78.35	<b>84.05</b>	79.80
Dated Brent/Maya crude oil FOB price differential	US\$/bbl	<b>12.05</b>	14.75	<b>13.05</b>	16.55
MSW at Edmonton	Cdn\$/bbl	<b>105.25</b>	95.10	<b>98.75</b>	97.05
WCS at Hardisty	US\$/bbl	<b>67.00</b>	58.70	<b>62.30</b>	55.05
WTI-WCS light/heavy differential	US\$/bbl	<b>(13.55)</b>	(15.05)	<b>(16.45)</b>	(19.85)
SYN-WTI (differential) premium	US\$/bbl	<b>2.80</b>	2.90	<b>(2.30)</b>	2.50
Condensate at Edmonton	US\$/bbl	<b>77.15</b>	72.35	<b>75.00</b>	76.10
Natural gas (Alberta spot) at AEEO	Cdn\$/GJ	<b>1.10</b>	2.35	<b>1.65</b>	2.70
Alberta Power Pool Price	Cdn\$/MWh	<b>45.15</b>	159.80	<b>72.25</b>	150.95
New York Harbor 2-1-1 crack <sup>(1)</sup>	US\$/bbl	<b>24.75</b>	32.30	<b>25.90</b>	34.50
Chicago 2-1-1 crack <sup>(1)</sup>	US\$/bbl	<b>18.85</b>	28.60	<b>19.35</b>	30.05
Portland 2-1-1 crack <sup>(1)</sup>	US\$/bbl	<b>29.30</b>	37.30	<b>28.10</b>	37.35
Gulf Coast 2-1-1 crack <sup>(1)</sup>	US\$/bbl	<b>22.10</b>	29.15	<b>25.05</b>	33.40
U.S. Renewable Volume Obligation	US\$/bbl	<b>3.40</b>	7.70	<b>3.55</b>	7.95
Suncor custom 5-2-2-1 index <sup>(2)</sup>	US\$/bbl	<b>26.70</b>	34.20	<b>31.35</b>	38.55
Exchange rate (average)	US\$/Cdn\$	<b>0.73</b>	0.74	<b>0.74</b>	0.74
Exchange rate (end of period)	US\$/Cdn\$	<b>0.73</b>	0.76	<b>0.73</b>	0.76

(1) 2-1-1 crack spreads are indicators of the refining margin generated by converting two barrels of WTI into one barrel of gasoline and one barrel of diesel. The crack spreads presented here generally approximate the regions into which the company sells refined products through retail and wholesale channels.

(2) Suncor has developed an indicative 5-2-2-1 index based on publicly available pricing data to more accurately reflect the company's realized refining and marketing gross margin. For more details, including how the 5-2-2-1 index is calculated, see Suncor's 2023 annual MD&A.

### 3. Segment Results and Analysis

#### Oil Sands

#### Financial Highlights

(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Operating revenues	<b>7 432</b>	6 178	<b>14 354</b>	12 245
Less: Royalties	<b>(1 001)</b>	(599)	<b>(1 783)</b>	(871)
Operating revenues, net of royalties	<b>6 431</b>	5 579	<b>12 571</b>	11 374
Earnings before income taxes	<b>1 792</b>	1 267	<b>3 163</b>	2 744
Adjusted for:				
Unrealized (gain) loss on risk management activities	<b>(47)</b>	14	<b>(53)</b>	27
Adjusted operating earnings <sup>(1)</sup>	<b>1 745</b>	1 281	<b>3 110</b>	2 771
Adjusted funds from operations <sup>(1)</sup>	<b>3 108</b>	2 557	<b>5 551</b>	5 145
Free funds flow <sup>(1)</sup>	<b>1 671</b>	1 514	<b>3 119</b>	3 292

(1) Non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

Oil Sands segment adjusted operating earnings were \$1.745 billion in the second quarter of 2024, compared to \$1.281 billion in the prior year quarter, with the increase primarily due to higher realized crude prices and increased sales volumes, partially offset by higher royalties.

**Production Volumes**

(mmbbls/d)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Oil Sands bitumen production				
Upgrader bitumen throughput	<b>580.1</b>	640.2	<b>636.1</b>	637.2
Non-upgraded bitumen production	<b>254.3</b>	174.1	<b>247.2</b>	175.6
Total Oil Sands bitumen production	<b>834.4</b>	814.3	<b>883.3</b>	812.8
Upgraded – net SCO and diesel				
Oil Sands operations <sup>(1)</sup>	<b>321.6</b>	350.2	<b>348.1</b>	341.5
Syncrude <sup>(1)</sup>	<b>166.7</b>	171.4	<b>182.3</b>	178.1
Inter-asset transfers and consumption <sup>(2)(3)</sup>	<b>(26.6)</b>	(16.6)	<b>(27.1)</b>	(18.1)
Upgraded – net SCO and diesel production	<b>461.7</b>	505.0	<b>503.3</b>	501.5
Non-upgraded bitumen				
Oil Sands operations	<b>136.9</b>	89.9	<b>128.6</b>	99.8
Fort Hills	<b>166.9</b>	110.2	<b>172.3</b>	92.5
Syncrude	<b>4.4</b>	0.1	<b>2.2</b>	2.6
Inter-asset transfers <sup>(4)</sup>	<b>(53.9)</b>	(26.1)	<b>(55.9)</b>	(19.3)
Non-upgraded bitumen production	<b>254.3</b>	174.1	<b>247.2</b>	175.6
Oil Sands production volumes to market				
Upgraded – net SCO and diesel	<b>461.7</b>	505.0	<b>503.3</b>	501.5
Non-upgraded bitumen	<b>254.3</b>	174.1	<b>247.2</b>	175.6
Total Oil Sands production volumes	<b>716.0</b>	679.1	<b>750.5</b>	677.1

(1) Oil Sands Base upgrader yields are approximately 80% of bitumen throughput and Syncrude upgrader yield is approximately 85% of bitumen throughput. Upgrader utilization rates are calculated using total upgraded production, inclusive of internally consumed products and inter-asset transfers.

(2) Both Oil Sands operations and Syncrude produce diesel and other products, which are internally consumed in operations. In the second quarter of 2024, Oil Sands operations production volumes included 15,200 bbls/d of internally consumed products, of which 9,700 bbls/d was consumed at Oil Sands operations, 4,800 bbls/d was consumed at Fort Hills and 700 bbls/d was consumed at Syncrude. Syncrude production volumes included 2,800 bbls/d of internally consumed products.

(3) In the second quarter of 2024, upgraded inter-asset transfers consist of 8,600 bbls/d of sour SCO that was transferred from Oil Sands operations to Syncrude.

(4) In the second quarter of 2024, non-upgraded inter-asset transfers consist of 4,400 bbls/d of bitumen that was transferred from Syncrude to Oil Sands operations, 44,700 bbls/d of bitumen that was transferred from Fort Hills to Oil Sands Base and 4,800 bbls/d of bitumen that was transferred from Firebag to Syncrude.

Total Oil Sands bitumen production increased to 834,400 bbls/d in the second quarter of 2024, compared to 814,300 bbls/d in the prior year quarter, primarily due to the company's increased working interest in Fort Hills, in addition to record second quarter gross bitumen production at Fort Hills and record quarterly production at Firebag, partially offset by lower production at Oil Sands Base as a result of planned turnaround and maintenance activities.

The company's net synthetic crude oil (SCO) production was 461,700 bbls/d in the second quarter of 2024, representing combined upgrader utilization<sup>(1)</sup> of 86%, compared to 505,000 bbls/d and 92% in the prior year quarter, reflecting higher planned maintenance in the current period and strong upgrader utilizations outside of planned maintenance activities.

The company leveraged its unparalleled regional integration to generate incremental value and maximize SCO production, through second highest ever quarterly SCO and bitumen inter-asset transfers of 62,500 bbls/d.

Non-upgraded bitumen production increased to 254,300 bbls/d in the second quarter of 2024, compared to 174,100 bbls/d in the prior year quarter, primarily due to the company's increased working interest in Fort Hills, lower demand for upgrader feedstock due to planned maintenance in the quarter and record production at Firebag.

(1) Upgrader utilization is calculated using gross upgraded production, inclusive of internally consumed products and inter-asset transfers, and gross upgrader nameplate capacities, on an average basis of Oil Sands Base and Syncrude.

## Sales Volumes

(mmbbls/d)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Upgraded – net SCO and diesel	<b>453.8</b>	511.5	<b>502</b>	507.8
Non-upgraded bitumen	<b>272.6</b>	163.6	<b>253.3</b>	168.8
<b>Total</b>	<b>726.4</b>	675.1	<b>755.3</b>	676.6

SCO and diesel sales volumes were 453,800 bbls/d in the second quarter of 2024, compared to 511,500 bbls/d in the prior year quarter, primarily due to the decrease in production volumes related to the planned turnarounds and a build of inventory in the current quarter compared to a draw in the prior year quarter.

Non-upgraded bitumen sales volumes increased to 272,600 bbls/d in the second quarter of 2024, compared to 163,600 bbls/d in the prior year quarter, primarily due to the increase in non-upgraded bitumen production volumes in the current quarter compared to the prior year quarter and a draw of inventory in the current quarter compared to a build in the prior year quarter.

## Price Realizations<sup>(1)</sup>

Net of transportation costs, but before royalties (\$/bbl)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Upgraded – net SCO and diesel	<b>106.49</b>	95.36	<b>98.03</b>	97.08
Non-upgraded bitumen	<b>82.46</b>	69.91	<b>74.37</b>	60.47
Weighted average	<b>97.48</b>	89.19	<b>90.09</b>	87.95
Weighted average, relative to WTI	<b>(12.86)</b>	(9.86)	<b>(16.89)</b>	(12.98)

(1) Contains non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

Oil Sands price realizations increased in the second quarter of 2024 from the prior year quarter, primarily due to a strengthening in crude oil benchmark prices and narrower heavy crude oil differentials.

## Royalties

Royalties for the Oil Sands segment increased in the second quarter of 2024 compared to the prior year quarter, primarily due to improved bitumen pricing, narrowing of heavy crude oil differentials and higher bitumen production volumes.

## Expenses and Other Factors

Total Oil Sands operating expenses decreased in the second quarter of 2024 compared to the prior year quarter, consistent with the company's focus on asset level cost reduction, and included lower operations and maintenance costs as a result of major planned turnaround activity in the current quarter, workforce optimization impacts and lower commodity costs, partially offset by the company's increased working interest at Fort Hills.

**Cash Operating Costs**

(\$ millions, except as noted)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Oil Sands OS&G <sup>(1)</sup>	<b>2 278</b>	2 299	<b>4 760</b>	4 720
<b>Oil Sands operations cash operating costs reconciliation</b>				
Oil Sands operations OS&G	<b>1 141</b>	1 257	<b>2 419</b>	2 629
Non-production costs <sup>(3)</sup>	<b>87</b>	(10)	<b>124</b>	(61)
Excess power capacity and other <sup>(4)</sup>	<b>(40)</b>	(81)	<b>(145)</b>	(223)
Oil Sands operations cash operating costs <sup>(2)</sup>	<b>1 188</b>	1 166	<b>2 398</b>	2 345
Oil Sands operations production volumes (mbbls/d)	<b>458.5</b>	440.1	<b>476.7</b>	441.3
Oil Sands operations cash operating costs <sup>(2)</sup> (\$/bbl)	<b>28.45</b>	29.10	<b>27.65</b>	29.35
<b>Fort Hills cash operating costs reconciliation</b>				
Fort Hills OS&G	<b>546</b>	372	<b>1 159</b>	721
Non-production costs <sup>(3)</sup>	<b>(76)</b>	(41)	<b>(143)</b>	(95)
Excess power capacity <sup>(4)</sup>	<b>(5)</b>	(16)	<b>(20)</b>	(33)
Fort Hills cash operating costs <sup>(2)</sup>	<b>465</b>	315	<b>996</b>	593
Fort Hills production volumes (mbbls/d)	<b>166.9</b>	110.2	<b>172.3</b>	92.5
Fort Hills cash operating costs <sup>(2)</sup> (\$/bbl)	<b>30.60</b>	31.40	<b>31.75</b>	35.45
<b>Syncrude cash operating costs reconciliation</b>				
Syncrude OS&G	<b>642</b>	724	<b>1 298</b>	1 475
Non-production costs <sup>(3)</sup>	<b>(14)</b>	(53)	<b>(20)</b>	(111)
Excess power capacity <sup>(4)</sup>	<b>(3)</b>	(6)	<b>(11)</b>	(10)
Syncrude cash operating costs <sup>(2)</sup>	<b>625</b>	665	<b>1 267</b>	1 354
Syncrude production volumes (mbbls/d)	<b>171.1</b>	171.5	<b>184.5</b>	180.7
Syncrude cash operating costs <sup>(2)</sup> (\$/bbl)	<b>40.15</b>	42.60	<b>37.75</b>	41.35

- (1) Oil Sands inventory changes and internal transfers are presented on an aggregate basis and reflect: i) the impacts of changes in inventory levels and valuations, such that the company is able to present cost information based on production volumes; and ii) adjustments for internal diesel sales between assets. In the second quarter and first six months of 2024, Oil Sands OS&G included (\$51) million and (\$116) million, respectively, of inventory changes and internal transfers. In the second quarter and first six months of 2023, Oil Sands OS&G included (\$54) million and (\$105) million, respectively, of inventory changes and internal transfers.
- (2) Non-GAAP financial measures. Related per barrel amounts contain non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.
- (3) Non-production costs include, but are not limited to, share-based compensation adjustments, research costs, project startup costs and adjustments to reflect the cost of internal transfers in the receiving asset at the cost of production versus the cost of purchase. Non-production costs at Fort Hills and Syncrude also include, but are not limited to, an adjustment to reflect internally produced diesel from Oil Sands operations at the cost of production.
- (4) Represents excess power revenue from cogeneration units that is recorded in operating revenues. Oil Sands operations excess power capacity and other also includes, but is not limited to, the natural gas expense recorded as part of a non-monetary arrangement involving a third-party processor.

Oil Sands operations cash operating costs per barrel<sup>(1)</sup> decreased to \$28.45 in the second quarter of 2024, compared to \$29.10 in the prior year quarter, primarily due to increased production volumes, lower operations and maintenance costs as result of major planned turnaround activity in the current quarter, workforce reductions and lower natural gas prices, partially offset by a higher proportion of feedstock being transferred from Fort Hills and Syncrude, and a decrease in excess power revenues resulting from lower power prices.

Fort Hills cash operating costs per barrel<sup>(1)</sup> decreased to \$30.60 in the second quarter of 2024, compared to \$31.40 in the prior year quarter, primarily due to higher absolute production volumes and lower natural gas prices and other commodity costs, partially offset by a decrease in excess power revenues resulting from lower power prices.

Syncrude cash operating costs per barrel<sup>(1)</sup> decreased to \$40.15 in the second quarter of 2024, compared to \$42.60 in the prior year quarter, primarily due to the displacement of contractor tonnage, workforce reductions, and lower natural gas prices.

(1) Contains non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

### **Results for the First Six Months of 2024**

Oil Sands earnings before income taxes for the first six months of 2024 increased to \$3.163 billion, compared to \$2.744 billion in the prior year period. In addition to the factors impacting adjusted operating earnings, earnings before income taxes for the first six months of 2024 included a \$53 million unrealized gain on risk management activities, compared to a \$27 million unrealized loss in the prior year period.

Oil Sands adjusted operating earnings for the first six months of 2024 increased to \$3.110 billion, compared to \$2.771 billion in the prior year period, primarily due to increased volumes and higher realized crude oil prices, partially offset by higher royalties.

Oil Sands adjusted funds from operations for the first six months of 2024 increased to \$5.551 billion, compared to \$5.145 billion in the prior year period, primarily due to the same factors that influenced adjusted operating earnings.

Oil Sands operations cash operating costs per barrel decreased to \$27.65 for the first six months of 2024, compared to an average of \$29.35 for the first six months of 2023, primarily due to increased production volumes, lower operations and maintenance costs, workforce reductions, and lower natural gas prices, partially offset by a higher proportion of Fort Hills and Syncrude bitumen being directed to upgrading at Oil Sands Base and a decrease in excess power revenues resulting from lower power prices.

Fort Hills cash operating costs per barrel decreased to \$31.75 for the first six months of 2024, compared to \$35.45 in the first six months of 2023, primarily due to higher absolute production volumes, partially offset by a decrease in excess power revenues resulting from lower power prices.

Syncrude cash operating costs per barrel decreased to \$37.75 for the first six months of 2024, compared to \$41.35 in the first six months of 2023, primarily due to the displacement of contractor tonnage, workforce reductions and increased production volumes.

### **Planned Maintenance Update**

Annual planned maintenance activities at Oil Sands Base Upgrader 2 are scheduled for the third quarter of 2024 and are expected to be completed by the fourth quarter of 2024. Additionally, planned maintenance activities are scheduled at Mackay River in the third quarter of 2024. The impact of these maintenance events has been reflected in the company's 2024 guidance.

### **Asset Transactions**

On February 2, 2023, the company completed the acquisition of an additional 14.65% working interest in Fort Hills for \$712 million, bringing the company's working interest in Fort Hills to 68.76% in the first quarter of 2023.

On November 20, 2023, Suncor completed the acquisition of TotalEnergies EP Canada Ltd., which held the remaining 31.23% working interest in Fort Hills, for \$1.468 billion before closing adjustments and other closing costs, making Suncor the sole owner of Fort Hills.

## Exploration and Production

### Financial Highlights

(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Operating revenues <sup>(1)</sup>	<b>673</b>	813	<b>1 438</b>	1 547
Less: Royalties <sup>(1)</sup>	<b>(124)</b>	(116)	<b>(266)</b>	(202)
Operating revenues, net of royalties	<b>549</b>	697	<b>1 172</b>	1 345
Earnings before income taxes	<b>196</b>	956	<b>470</b>	1 331
Adjusted for:				
Gain on significant disposal	—	(607)	—	(607)
Adjusted operating earnings <sup>(2)</sup>	<b>196</b>	349	<b>470</b>	724
Adjusted funds from operations <sup>(2)</sup>	<b>398</b>	521	<b>865</b>	1 012
Free funds flow <sup>(2)</sup>	<b>169</b>	339	<b>494</b>	692

(1) Production from the company's Libya operations is presented on an economic basis. Revenue and royalties from the company's Libya operations are presented on a working-interest basis, which is required for presentation purposes in the company's Consolidated Financial Statements. In the second quarter of 2024, revenue included a gross-up amount of \$179 million, with an offsetting amount of \$89 million in royalties in the E&P segment and \$90 million in income tax expense recorded at the consolidated level. In the first six months of 2024, revenue included a gross-up amount of \$298 million, with an offsetting amount of \$151 million in royalties in the E&P segment and \$147 million in income tax expense recorded at the consolidated level. In the second quarter of 2023, revenue included a gross-up amount of \$108 million, with an offsetting amount of \$48 million in royalties in the E&P segment and \$60 million in income tax expense recorded at the consolidated level. In the first six months of 2023, revenue included a gross-up amount of \$175 million, with an offsetting amount of \$83 million in royalties in the E&P segment and \$92 million in income tax expense recorded at the consolidated level.

(2) Non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

Adjusted operating earnings for the E&P segment in the second quarter of 2024 were \$196 million, compared to \$349 million in the prior year quarter, with the decrease primarily due to lower sales volumes at E&P International as a result of the divestment of the company's U.K. portfolio in the second quarter of 2023, partially offset by higher realized crude prices.

### Volumes

(mmbbls/d)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
E&P Canada	<b>49.0</b>	45.9	<b>47.9</b>	46.3
E&P International	<b>5.6</b>	16.9	<b>4.6</b>	18.6
Total production	<b>54.6</b>	62.8	<b>52.5</b>	64.9
Total sales volumes	<b>46.8</b>	71.6	<b>55.0</b>	70.2

E&P production was 54,600 bbls/d in the second quarter of 2024, compared to 62,800 bbls/d in the prior year quarter, primarily due to the divestment of the company's U.K. portfolio, the absence of production from White Rose and lower production from Hebron, partially offset by the addition of production from Terra Nova.

Total E&P sales volumes were 46,800 bbls/d in the second quarter of 2024, compared to 71,600 bbls/d in the prior year quarter, primarily due to the same factors that impacted production volumes, as well as a build of inventory in E&P Canada in the second quarter of 2024, compared to a draw in the prior year quarter, associated with the timing of cargo sales.



## Price Realizations<sup>(1)</sup>

Net of transportation costs, but before royalties (\$/bbl)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
E&P Canada	<b>111.39</b>	105.81	<b>109.50</b>	103.63
E&P International <sup>(2)</sup>	—	102.44	—	109.01

(1) Contains non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

(2) E&P International price realizations exclude Libya.

E&P price realizations increased in the second quarter of 2024 compared to the prior year quarter, in line with the increase in benchmark prices for Brent crude.

## Royalties

In the second quarter of 2024, E&P royalties, excluding the impact of Libya, were lower compared to the prior year quarter primarily due to the timing of Hibernia sales.

## Expenses and Other Factors

Operating and transportation expenses decreased in the second quarter of 2024 compared to the prior year quarter, primarily due to lower sales volumes and the divestment of the company's U.K. portfolio, partially offset by the restart of production at Terra Nova.

Depreciation, depletion and amortization (DD&A) and exploration expense for the second quarter of 2024 increased compared to the prior year quarter, primarily due to the restart of production at Terra Nova, partially offset by lower sales volumes.

Financing expense and other in the second quarter of 2024 was comparable to the prior year quarter.

## Results for the First Six Months of 2024

Earnings before income taxes for E&P for the first six months of 2024 were \$470 million, compared to \$1.331 billion in the prior year period. In addition to the factors impacting adjusted operating earnings, earnings before income taxes for the first six months of 2023 included a gain of \$607 million on the sale of the company's U.K. portfolio, which was completed in the second quarter of 2023.

Adjusted operating earnings for E&P for the first six months of 2024 were \$470 million, compared to \$724 million for the first six months of 2023, with the decrease primarily due to decreased sales volumes, partially offset by higher realized crude prices.

Adjusted funds from operations for the first six months of 2024 were \$865 million, compared to \$1.012 billion for the first six months of 2023, due to the same factors that influenced adjusted operating earnings.

## Planned Maintenance Update for Operated Assets

There are no significant planned maintenance events for the E&P segment scheduled for the third quarter of 2024.

## Asset Transaction

During the second quarter of 2023, the company completed the sale of its U.K. E&P portfolio for gross proceeds of \$1.1 billion, before closing adjustments and other closing costs, resulting in a gain on sale of \$607 million (\$607 million after-tax).

## Refining and Marketing

### Financial Highlights

(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Operating revenues	<b>8 057</b>	7 272	<b>15 670</b>	14 445
Earnings before income taxes	<b>593</b>	518	<b>1 707</b>	1 511
Adjusted for:				
Unrealized gain on risk management activities	<b>(5)</b>	(24)	<b>(1)</b>	(19)
Adjusted operating earnings <sup>(1)</sup>	<b>588</b>	494	<b>1 706</b>	1 492
Adjusted funds from operations <sup>(1)</sup>	<b>893</b>	781	<b>2 199</b>	1 975
Free funds flow <sup>(1)</sup>	<b>518</b>	404	<b>1 656</b>	1 473

(1) Non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

R&M adjusted operating earnings in the second quarter of 2024 were \$588 million, compared to \$494 million in the prior year quarter. The increase in adjusted operating earnings was primarily due to increased refinery production and sales, and a first-in, first-out (FIFO) inventory valuation gain in the second quarter of 2024, compared to a loss in the prior year quarter, partially offset by lower benchmark crack spreads.

### Volumes

	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Crude oil processed (mbbls/d)				
Eastern North America	<b>169.8</b>	212.3	<b>193.2</b>	208.1
Western North America	<b>260.7</b>	182.1	<b>249.7</b>	173.0
Total	<b>430.5</b>	394.4	<b>442.9</b>	381.1
Refinery utilization <sup>(1)</sup> (%)				
Eastern North America	<b>76</b>	96	<b>87</b>	94
Western North America	<b>107</b>	75	<b>102</b>	71
Total	<b>92</b>	85	<b>95</b>	82
Refined product sales (mbbls/d)				
Gasoline	<b>252.9</b>	220.1	<b>248.2</b>	214.3
Distillate	<b>257.0</b>	244.4	<b>258.5</b>	238.6
Other	<b>84.8</b>	82.5	<b>81.1</b>	78.1
Total	<b>594.7</b>	547.0	<b>587.8</b>	531.0
Refinery production <sup>(2)</sup> (mbbls)	<b>41 669</b>	38 214	<b>85 743</b>	73 797
Refining and marketing gross margin – First-in, first-out (FIFO) <sup>(3)</sup> (\$/bbl)	<b>37.65</b>	38.10	<b>42.30</b>	46.45
Refining and marketing gross margin – Last-in, first-out (LIFO) <sup>(3)</sup> (\$/bbl)	<b>36.35</b>	41.10	<b>41.20</b>	49.80
Refining operating expense <sup>(3)</sup> (\$/bbl)	<b>6.95</b>	7.95	<b>7.05</b>	8.05

(1) Refinery utilization is the amount of crude oil and natural gas liquids processed by crude distillation units, expressed as a percentage of the nameplate capacity of these units.

(2) Refinery production is the output of the refining process and differs from crude oil processed as a result of volumetric adjustments for non-crude feedstock, volumetric gain associated with the refining process and changes in unfinished product inventories.

(3) Contains non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

Refinery crude throughput increased to 430,500 bbls/d and refinery utilization was 92% in the second quarter of 2024, compared to 394,400 bbls/d and 85% in the prior year quarter, reflecting strong utilizations at all refineries outside of planned turnaround activities in the current quarter, including a new quarterly utilization record at the company's Edmonton refinery of 108% and improved reliability at the company's Commerce City refinery compared to the prior year quarter. Following the completion of planned turnaround activities, the company's refineries finished the quarter strong, with average utilization of over 100% through June and into July.

Record quarterly refined product sales of 594,700 bbls/d in the second quarter of 2024, compared to 547,000 bbls/d in the prior year quarter, with the increase primarily due to the company leveraging its extensive domestic sales network and export channels in the current quarter, as well as the impacts of restart activities at the company's Commerce City refinery in the prior year quarter.

### **Refining and Marketing Gross Margins<sup>(1)</sup>**

Refining and marketing gross margins were influenced by the following:

- On a LIFO<sup>(2)</sup> basis, Suncor's refining and marketing gross margin decreased to \$36.35/bbl in the second quarter of 2024, from \$41.10/bbl in the prior year quarter, primarily due to lower benchmark crack spreads combined with lower location differentials associated with the company's regional markets, partially offset by a favourable crude slate. In the second quarter of 2024, on a LIFO basis, Suncor's refining and marketing gross margin represents a 99% margin capture compared to Suncor's 5-2-2-1 index, primarily due to record refined product sales.
- On a FIFO basis, Suncor's refining and marketing gross margin decreased to \$37.65/bbl in the second quarter of 2024, from \$38.10/bbl in the prior year quarter, due to the same factors discussed above, in addition to FIFO inventory valuation impacts. In the second quarter of 2024, the FIFO method of inventory valuation, relative to an estimated LIFO<sup>(2)</sup> accounting method, resulted in a gain of \$53 million. In the prior year quarter, FIFO resulted in a loss of \$116 million, for a favourable quarter-over-quarter impact of \$169 million.

### **Expenses and Other Factors**

Operating and transportation expenses in the second quarter of 2024 were comparable to the prior year quarter.

Refining operating expense per barrel<sup>(1)</sup> decreased to \$6.95 in the second quarter of 2024, compared to \$7.95 in the prior year quarter, primarily due to higher refinery production and lower commodity input costs.

### **Results for the First Six Months of 2024**

R&M's earnings before income taxes were \$1.707 billion for the first six months of 2024, compared to \$1.511 billion in the prior year period. In addition to the factors impacting adjusted operating earnings, earnings before income taxes for the first six months of 2024 included a \$1 million unrealized gain on risk management activities, compared to a \$19 million unrealized gain in the prior year period.

Adjusted operating earnings for R&M in the first six months of 2024 were \$1.706 billion, compared to \$1.492 billion in the first six months of 2023, with the increase primarily due to increased production and a FIFO inventory valuation gain in the current period, compared to a loss in the prior year period, partially offset by lower benchmark crack spreads. For the first six months of 2024, the impact of the FIFO method of inventory valuation, relative to an estimated LIFO method, had a positive impact to adjusted operating earnings and adjusted funds from operations of \$93 million, compared to a negative impact of \$247 million in the first six months of 2023.

R&M's adjusted funds from operations in the first six months of 2024 were \$2.199 billion, compared to \$1.975 billion in the first six months of 2023, with the increase primarily due to the same factors that influenced adjusted operating earnings.

### **Planned Maintenance**

There are no significant planned maintenance events for the R&M segment scheduled for the third quarter of 2024.

(1) Contains non-GAAP financial measures. See the non-GAAP and Other Financial Measures Advisory section of this MD&A.

(2) The estimated impact of the LIFO method is a non-GAAP financial measure. The impact of the FIFO method of inventory valuation, relative to an estimated LIFO accounting method, also includes the impact of the realized portion of commodity risk management activities. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

## Corporate and Eliminations

### Financial Highlights

(\$ millions)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Loss before income taxes	<b>(398)</b>	(390)	<b>(937)</b>	(521)
Adjusted for:				
Unrealized foreign exchange loss (gain) on U.S. dollar denominated debt	<b>103</b>	(244)	<b>323</b>	(241)
Restructuring charge		275		275
Gain on significant disposal	—	—		(302)
Adjusted operating loss <sup>(1)</sup>	<b>(295)</b>	(359)	<b>(614)</b>	(789)
Corporate	<b>(206)</b>	(324)	<b>(402)</b>	(761)
Eliminations – Intersegment profit (eliminated) realized	<b>(89)</b>	(35)	<b>(212)</b>	(28)
Adjusted funds used in operations <sup>(1)</sup>	<b>(221)</b>	(655)	<b>(619)</b>	(1 188)
Free funds deficit <sup>(1)</sup>	<b>(227)</b>	(666)	<b>(631)</b>	(1 212)

(1) Non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

Corporate incurred an adjusted operating loss of \$206 million in the second quarter of 2024 compared to \$324 million in the prior year quarter. The decreased loss was primarily attributable to the restructuring charge related to workforce reductions recorded in the prior year quarter, an operational foreign exchange gain in the second quarter of 2024, compared to a loss in the prior year quarter, and decreased spend in digital technologies. This was partially offset by an increase in share-based compensation expense in the second quarter of 2024 compared to the prior year quarter. Suncor capitalized \$83 million of its borrowing costs in the second quarter of 2024 as part of the cost of major development assets and construction projects in progress, compared to \$62 million in the prior year quarter.

Eliminations reflect the deferral or realization of profit or loss on crude oil sales from Oil Sands to Suncor's refineries. Consolidated profits and losses are only realized when the refined products from internal purchases have been sold to third parties. During the second quarter of 2024, the company eliminated \$89 million of intersegment profit, compared to \$35 million in the prior year quarter. The deferral of intersegment profit in the second quarter of 2024 was primarily driven by a strengthening in benchmark pricing at the end of the quarter.

Corporate and Eliminations adjusted funds used in operations were \$221 million for the second quarter of 2024, compared to \$655 million in the second quarter of 2023, and were influenced by the same factors impacting adjusted operating loss, excluding the impact of share-based compensation expense. Adjusted funds from operations in the prior year quarter were also impacted by the \$275 million restructuring charge related to the company's workforce reductions.

#### Results for the First Six Months of 2024

Corporate and Eliminations loss before income taxes was \$937 million for first six months of 2024, compared to \$521 million in the prior year period. In addition to the factors impacting adjusted operating loss, the loss before income taxes for the first six months of 2024 included a \$323 million unrealized foreign exchange loss on the revaluation of U.S. dollar denominated debt. Corporate and Eliminations loss before income taxes in the prior year period included a \$241 million unrealized foreign exchange gain on the revaluation of U.S. dollar denominated debt, a restructuring charge of \$275 million related to the company's workforce reductions recorded in the second quarter of 2023 and a \$302 million gain on the sale of the company's wind and solar assets in the first quarter of 2023.

The adjusted operating loss for Corporate and Eliminations for the first six months of 2024 was \$614 million, compared to \$789 million in the first six months of 2023. The decreased loss was primarily attributed to an operational foreign exchange gain in the current period, compared to a loss in the prior year period, partially offset by a larger deferral of intersegment profit and increased share-based compensation and employee benefit expenses in the first six months of 2024, as compared to the first six months of 2023.

The company capitalized \$157 million of its borrowing costs in the first six months of 2024, compared with \$120 million in the first six months of 2023.

Corporate and Eliminations adjusted funds used in operations for the first six months of 2024 were \$619 million, compared to \$1.188 billion in the prior year period, and were influenced by the same factors impacting adjusted operating loss, excluding the impact of share-based compensation.

## 4. Income Tax

(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Current income tax expense	<b>781</b>	549	<b>1 430</b>	1 287
Deferred income tax recovery	<b>(166)</b>	(77)	<b>(205)</b>	(153)
Income tax expense included in net earnings	<b>615</b>	472	<b>1 225</b>	1 134
Less: Income tax expense (recovery) on adjusted operating earnings adjustments	<b>7</b>	(40)	<b>(4)</b>	(2)
Income tax expense included in adjusted operating earnings	<b>608</b>	512	<b>1 229</b>	1 136
Effective tax rate	<b>28.2%</b>	20.1%	<b>27.8%</b>	22.4%

The provision for income taxes in the second quarter increased compared to the prior year quarter, primarily due to an increase in taxable earnings. In the second quarter of 2024, the company's effective tax rate on net earnings increased compared to the prior year quarter, as the prior year quarter included the impact of a non-taxable gain on the disposition of the company's U.K. E&P portfolio, non-taxable foreign exchange gains on the revaluation of U.S. dollar denominated debt, and other permanent items impacting total tax expense.

The provision for income taxes in the first six months of 2024 increased compared to the prior year period, primarily due to an increase in taxable earnings. In the first six months of 2024, the company's effective tax rate on net earnings increased compared to the prior year period, as the prior year period included the impact of a non-taxable gain on the disposition of the company's U.K. E&P portfolio, non-taxable foreign exchange gains on the revaluation of U.S. dollar denominated debt, and other permanent items impacting total tax expense.

## 5. Capital Investment Update

### Capital and Exploration Expenditures by Type, Excluding Capitalized Interest

(\$ millions)	Three months ended			Six months ended			
	Asset Sustainment and Maintenance <sup>(1)</sup>	Economic Investment <sup>(2)</sup>	Total	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Oil Sands</b>							
<i>Oil Sands Base</i>	436	248	684	457	632	1 137	759
<i>In Situ</i>	28	99	127	109	43	246	235
<i>Fort Hills</i>	134	69	203	96	198	347	186
<i>Syncrude</i>	298	52	350	328	447	563	568
E&P <sup>(3)</sup>	—	220	220	174	—	355	306
R&M	335	39	374	376	482	541	501
Corporate and Eliminations	4	2	6	11	7	12	24
	<b>1 235</b>	<b>729</b>	<b>1 964</b>	<b>1 551</b>	<b>1 809</b>	<b>3 201</b>	<b>2 579</b>
Capitalized interest on debt			83	62		157	120
<b>Total capital and exploration expenditures</b>			<b>2 047</b>	<b>1 613</b>		<b>3 358</b>	<b>2 699</b>

(1) Asset sustainment and maintenance capital expenditures include capital investments that deliver on existing value by ensuring compliance or maintaining relations with regulators and other stakeholders and maintaining current processing capacity.

(2) Economic investment capital expenditures include capital investments that result in an increase in value by adding reserves or improving processing capacity, utilization, cost or margin, including associated infrastructure.

(3) Excludes capital expenditures related to assets previously held for sale of nil in the second quarter and first six months of 2024, compared to \$66 million and \$108 million in the second quarter of 2023 and first six months of 2023, respectively.

During the second quarter of 2024, the company incurred \$1.964 billion of capital expenditures, excluding capitalized interest, compared to \$1.551 billion in the prior year quarter. The increase was primarily driven by increased expenditures at Oil Sands Base, related to timing of its planned turnaround, and economic investment directed towards the Upgrader 1 coke drum replacement and the new cogeneration facility and at Fort Hills related to the second North Pit mine opening and haul truck purchases.

Activity in the second quarter of 2024 is summarized by business unit below.

#### Oil Sands

Oil Sands Base capital expenditures were \$684 million in the second quarter of 2024 and were primarily directed towards asset sustainment and maintenance expenditures related to the planned turnarounds and other maintenance projects. Economic investment expenditures were primarily related to the Upgrader 1 coke drum replacement, replacing the coke-fired boilers with a new cogeneration facility and the purchase of haul trucks equipped with autonomous haul systems.

In Situ capital expenditures were \$127 million in the second quarter of 2024 and were primarily directed towards economic investment activities focused on the ongoing design and construction of well pads to develop additional reserves that are intended to maintain existing production levels.

Fort Hills capital expenditures were \$203 million in the second quarter of 2024 and were primarily directed towards asset sustainment and maintenance expenditures related to the development, progression and execution of mining and tailings management projects. Economic investment expenditures were primarily related to the second North Pit mine opening and haul truck purchases.

Syncrude capital expenditures were \$350 million in the second quarter of 2024 and were primarily directed towards asset sustainment and maintenance expenditures related to planned turnaround activities and tailings development. Economic investment expenditures were directed towards progressing the Mildred Lake West Extension mining project.

#### Exploration and Production

E&P capital and exploration expenditures were \$220 million in the second quarter of 2024 and were focused on economic investment projects, primarily the West White Rose Project and the SeaRose FPSO Asset Life Extension Project.

#### Refining and Marketing

R&M capital expenditures were \$374 million in the second quarter of 2024 and were primarily related to the company's planned turnaround program.

#### Corporate and Eliminations

Corporate and Eliminations capital expenditures were \$6 million in the second quarter of 2024 and were primarily directed towards investment in digital technologies.

## 6. Financial Condition and Liquidity

### Indicators

	Twelve months ended	
	2024	June 30 2023
Return on capital employed (ROCE) <sup>(1)(2)(3)</sup> (%)	15.6	13.2
Net debt to adjusted funds from operations <sup>(1)(4)</sup> (times)	0.6	0.8
Total debt to total debt plus shareholders' equity <sup>(1)(4)</sup> (%)	20.4	25.2
Net debt to net debt plus shareholders' equity <sup>(1)(4)</sup> (%)	16.9	21.5

- (1) Non-GAAP financial measures or contains non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.
- (2) For the twelve months ended June 30, 2024, there were no impairments or impairment reversals. As a result, ROCE excluding impairments was equal to ROCE. ROCE would have been 16.7% for the twelve months ended June 30, 2023, excluding the impact of the impairment of \$3.397 billion (\$2.586 billion after-tax) in the third quarter of 2022.
- (3) Beginning in the second quarter of 2024, the company revised the definition of ROCE to exclude lease liabilities from the calculation of average capital employed and interest on lease liabilities from net interest expense to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.
- (4) Beginning in the second quarter of 2024, the company revised the definition of net debt and total debt to exclude lease liabilities to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

### Capital Resources

Suncor's capital resources consist primarily of cash flow provided by operating activities, cash and cash equivalents, and available lines of credit. Suncor's management believes the company will have the capital resources required to fund its planned 2024 capital spending program of \$6.3 billion to \$6.5 billion, and to meet current and future working capital requirements, through cash and cash equivalents balances, cash flow provided by operating activities, available committed credit facilities, issuing commercial paper and, if needed, accessing capital markets. The company's cash flow provided by operating activities depends on several factors, including commodity prices, production, sales volumes, refining and marketing gross margins, operating expenses, taxes, royalties and foreign exchange rates.

The company has invested cash in short-term financial instruments that are presented as cash and cash equivalents. The objectives of the company's short-term investment portfolio are to ensure the preservation of capital, maintain adequate liquidity to meet Suncor's cash flow requirements and deliver competitive returns derived from the quality and diversification of investments within acceptable risk parameters. The maximum weighted average term to maturity of the short-term investment portfolio is not expected to exceed six months, and all investments are with counterparties with investment-grade debt ratings.

### Available Sources of Liquidity

For the three months ended June 30, 2024, cash and cash equivalents decreased to \$2.374 billion from \$2.464 billion as at March 31, 2024. The use of cash in the second quarter of 2024 was due to the company's capital and exploration expenditures, the repurchase of Suncor's common shares under its normal course issuer bid (NCIB), the payment of dividends and a decrease in short-term indebtedness exceeding the company's cash flow provided by operating activities.

For the six months ended June 30, 2024, cash and cash equivalents increased to \$2.374 billion from \$1.729 billion as at December 31, 2023, due to the company's cash flow provided by operating activities exceeding the company's capital and exploration expenditures, the payment of dividends, the repurchase of Suncor's common shares under its NCIB and a decrease in short-term indebtedness.

As at June 30, 2024, the company had no short-term investments presented as cash and cash equivalents.

As at June 30, 2024, available credit facilities for liquidity purposes were \$5.304 billion, compared to \$4.957 billion as at December 31, 2023. The increase in available credit facilities was primarily due to a decrease in short-term indebtedness.

### Financing Activities

Management of debt levels and liquidity continues to be a priority for Suncor given the company's long-term plans and the expected future volatility in the business environment. Suncor believes a phased and flexible approach to existing and future projects should help the company maintain its ability to manage project costs and debt levels.

### Total Debt to Total Debt Plus Shareholders' Equity

Suncor is subject to financial and operating covenants related to its bank debt and public market debt. Failure to meet the terms of one or more of these covenants may constitute an "event of default" as defined in the respective debt agreements,

potentially resulting in accelerated repayment of one or more of the debt obligations. The company is in compliance with its financial covenant that requires total debt and lease liabilities to not exceed 65% of its total debt and lease liabilities plus shareholders' equity. As at June 30, 2024, total debt and lease liabilities to total debt and lease liabilities plus shareholders' equity was 25.9% (December 31, 2023 – 26.3%). The company also continues to be in compliance with all operating covenants under its debt agreements.

### Change in Debt

(\$ millions)	Three months ended June 30, 2024	Six months ended June 30, 2024
Total debt <sup>(1)(2)</sup> – beginning of period	12 016	11 581
Increase in long-term debt	—	—
Decrease in short-term debt	(688)	(467)
Foreign exchange on debt, and other	100	314
Total debt <sup>(1)(2)</sup> – June 30, 2024	11 428	11 428
Less: Cash and cash equivalents – June 30, 2024	2 374	2 374
Net debt <sup>(1)(2)</sup> – June 30, 2024	9 054	9 054

(1) Non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A.

(2) Beginning in the second quarter of 2024, the company revised the definition of net debt and total debt to exclude lease liabilities to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

The company's total debt decreased in the second quarter of 2024, primarily due to a decrease in short-term indebtedness, partially offset by unfavourable foreign exchange rates on U.S. dollar denominated debt compared to March 31, 2024.

The company's total debt decreased in the first six months of 2024, primarily due a decrease in short-term indebtedness, partially offset by unfavourable foreign exchange rates on U.S. dollar denominated debt compared to December 31, 2023.

As at June 30, 2024, Suncor's net debt was \$9.054 billion, compared to \$9.552 billion at March 31, 2024, and \$9.852 billion at December 31, 2023. The decrease in net debt was primarily due to an increase in cash and cash equivalents, partially offset by the factors discussed above.

### Common Shares

(thousands)	June 30, 2024
Common shares	1 275 829
Common share options – exercisable	7 982
Common share options – non-exercisable	2 376

As at August 1, 2024, the total number of common shares outstanding was 1,270,032,604 and the total number of exercisable and non-exercisable common share options outstanding was 10,116,499. Once vested, each outstanding common share option is exercisable for one common share.

### Share Repurchases

In the first quarter of 2024, the TSX accepted a notice filed by Suncor to renew its NCIB to purchase the company's common shares through the facilities of the TSX, NYSE and/or alternative trading systems. The notice provides that, beginning February 26, 2024, and ending February 25, 2025, Suncor may purchase for cancellation up to 128,700,000 common shares, which is equal to approximately 10% of Suncor's public float as of February 12, 2024. As at February 12, 2024, Suncor had 1,287,461,183 common shares issued and outstanding.

Between February 26, 2024, and August 1, 2024, pursuant to Suncor's NCIB, Suncor repurchased 24,489,250 common shares on the open market, representing the equivalent of 1.9% of its common shares as at February 12, 2024, for \$1.281 billion, at a weighted average price of \$52.32 per share.

The actual number of common shares that may be purchased under the NCIB and the timing of any such purchases will be determined by Suncor. The company believes that, depending on the trading price of its common shares and other relevant



factors, repurchasing its own shares represents an attractive investment opportunity and is in the best interests of the company and its shareholders. The company does not expect the decision to allocate cash to repurchase shares will affect its long-term strategy.

(\$ millions, except as noted)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Share repurchase activities (thousands of common shares)	<b>15 561</b>	16 804	<b>21 999</b>	36 740
Weighted average repurchase price per share (dollars per share)	<b>53.00</b>	40.71	<b>50.81</b>	42.41
Share repurchase cost	<b>825</b>	684	<b>1 118</b>	1 558

## Contractual Obligations, Commitments, Guarantees and Off-Balance Sheet Arrangements

In the normal course of business, the company is obligated to make future payments, including contractual obligations and non-cancellable commitments. Suncor has included these items in the Financial Condition and Liquidity section of the 2023 annual MD&A, with no material updates to note during the six months ended June 30, 2024. Suncor does not believe it has any guarantees or off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the company's financial performance or financial condition, results of operations, liquidity or capital expenditures.

During the second quarter of 2024, the company increased its commitments as a result of new haul truck leases entered into during the quarter with planned deliveries within the next year.

## 7. Quarterly Financial Data

Trends in Suncor's quarterly revenue, earnings and adjusted funds from operations are driven primarily by production volumes, which can be significantly impacted by major maintenance events, changes in commodity prices and crude differentials, refining crack spreads, foreign exchange rates and other significant events impacting operations, such as operational incidents.

### Financial Summary

Three months ended (\$ millions, unless otherwise noted)	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sep 30 2022
<b>Total production (mmbbls/d)</b>								
Oil Sands	<b>716.0</b>	785.0	757.4	646.1	679.1	675.1	688.1	646.0
Exploration and Production	<b>54.6</b>	50.3	50.7	44.4	62.8	67.0	75.0	78.1
<b>Total upstream production</b>	<b>770.6</b>	835.3	808.1	690.5	741.9	742.1	763.1	724.1
<b>Refinery crude oil processed (mmbbls/d)</b>	<b>430.5</b>	455.3	455.9	463.2	394.4	367.7	440.0	466.6
<b>Revenues and other income</b>								
Gross revenues	<b>14 014</b>	13 305	13 589	13 911	12 434	12 272	14 754	15 869
Royalties	<b>(1 125)</b>	(924)	(779)	(1 262)	(715)	(358)	(834)	(925)
<b>Operating revenues, net of royalties</b>	<b>12 889</b>	12 381	12 810	12 649	11 719	11 914	13 920	14 944
Other income (loss)	<b>151</b>	148	1 328	(13)	(3)	342	(65)	113
	<b>13 040</b>	12 529	14 138	12 636	11 716	12 256	13 855	15 057
<b>Net earnings (loss)</b>	<b>1 568</b>	1 610	2 820	1 544	1 879	2 052	2 741	(609)
Per common share – basic (dollars)	<b>1.22</b>	1.25	2.18	1.19	1.44	1.54	2.03	(0.45)
<b>Adjusted operating earnings<sup>(1)</sup></b>	<b>1 626</b>	1 817	1 635	1 980	1 253	1 809	2 432	2 565
Per common share <sup>(2)(3)</sup> (dollars)	<b>1.27</b>	1.41	1.26	1.52	0.96	1.36	1.81	1.88
<b>Adjusted funds from operations<sup>(1)</sup></b>	<b>3 397</b>	3 169	4 034	3 634	2 655	3 002	4 189	4 473
Per common share <sup>(2)(3)</sup> (dollars)	<b>2.65</b>	2.46	3.12	2.80	2.03	2.26	3.11	3.28
<b>Cash flow provided by operating activities</b>	<b>3 829</b>	2 787	4 318	4 184	2 803	1 039	3 924	4 449
Per common share <sup>(3)</sup> (dollars)	<b>2.98</b>	2.16	3.34	3.22	2.14	0.78	2.91	3.26
<b>Free funds flow<sup>(6)</sup></b>	<b>1 350</b>	1 858	2 482	2 057	1 042	1 916	2 887	3 094
Per common share <sup>(3)</sup> (dollars)	<b>1.05</b>	1.44	1.92	1.58	0.80	1.44	2.14	2.27
<b>ROCE<sup>(2)(4)</sup> (%) for the twelve months ended</b>	<b>15.6</b>	15.7	16.3	16.5	13.2	18.5	20.2	18.2
<b>ROCE excluding impairments and impairment reversals<sup>(2)(4)</sup> (%) for the twelve months ended</b>	<b>15.6</b>	15.7	16.3	16.5	16.7	22.1	23.7	21.9
<b>Net debt<sup>(5)(6)</sup></b>	<b>9 054</b>	9 552	9 852	9 837	11 170	12 439	10 627	11 674
<b>Common share information (dollars)</b>								
Dividend per common share <sup>(3)</sup>	<b>0.55</b>	0.55	0.55	0.52	0.52	0.52	0.52	0.47
<b>Share price at the end of trading</b>								
Toronto Stock Exchange (Cdn\$)	<b>52.15</b>	49.99	42.45	46.71	38.86	41.96	42.95	38.90
New York Stock Exchange (US\$)	<b>38.10</b>	36.91	32.04	34.38	29.32	31.05	31.73	28.15

(1) Non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A. Adjusted operating earnings for each quarter are defined in the Non-GAAP and Other Financial Measures Advisory section and reconciled to GAAP measures in the Consolidated Financial Information and Segment Results and Analysis sections of each Quarterly Report to Shareholders issued by Suncor (Quarterly Reports) in respect of the relevant quarter. Adjusted funds from operations for each quarter are defined and reconciled to GAAP measures in the Non-GAAP and Other Financial Measures Advisory section of each Quarterly Report in respect of the relevant quarter, with such information being incorporated by reference herein and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

(2) Contains non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A. Non-GAAP measures included in ROCE and ROCE excluding impairments and impairment reversals are defined and reconciled to GAAP measures in the Non-GAAP and Other Financial Measures Advisory section of each Quarterly Report in respect of the relevant quarter, with such information incorporated by reference herein and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

(3) Presented on a basic per share basis.

(4) Beginning in the second quarter of 2024, the company revised the definition of ROCE to exclude lease liabilities from the calculation of average

capital employed and interest on lease liabilities from net interest expense to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

- (5) Beginning in the second quarter of 2024, the company revised the definition of net debt to exclude lease liabilities to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.
- (6) Contains non-GAAP financial measures. See the Non-GAAP and Other Financial Measures Advisory section of this MD&A. Non-GAAP measures included in net debt and free funds flow are defined and reconciled to GAAP measures in the Non-GAAP and Other Financial Measures Advisory section of each Quarterly Report in respect of the relevant quarter, with such information incorporated by reference herein and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Business Environment

(average for the three months ended)		Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sep 30 2022
WTI crude oil at Cushing	US\$/bbl	<b>80.55</b>	76.95	78.35	82.20	73.75	76.10	82.65	91.65
Dated Brent crude	US\$/bbl	<b>84.90</b>	83.25	84.05	86.70	78.35	81.25	88.65	100.95
Dated Brent/Maya FOB price differential	US\$/bbl	<b>12.05</b>	14.10	12.55	11.15	14.75	18.40	17.70	17.95
MSW at Edmonton	Cdn\$/bbl	<b>105.25</b>	92.20	99.70	107.80	95.10	99.05	110.05	116.85
WCS at Hardisty	US\$/bbl	<b>67.00</b>	57.60	56.45	69.30	58.70	51.35	57.00	71.75
WTI-WCS light/heavy differential	US\$/bbl	<b>(13.55)</b>	(19.35)	(21.90)	(12.90)	(15.05)	(24.75)	(25.65)	(19.90)
SYN-WTI (differential) premium	US\$/bbl	<b>2.80</b>	(7.40)	0.30	2.80	2.90	2.10	4.15	8.80
Condensate at Edmonton	US\$/bbl	<b>77.15</b>	72.80	76.25	77.90	72.35	79.85	83.40	87.35
Natural gas (Alberta spot) at AEEO	Cdn\$/Gj	<b>1.10</b>	2.20	2.15	2.50	2.35	3.05	4.90	4.15
Alberta Power Pool Price	Cdn\$/MWh	<b>45.15</b>	99.30	81.60	151.60	159.80	142.00	213.95	221.40
New York Harbor 2-1-1 crack <sup>(1)</sup>	US\$/bbl	<b>24.75</b>	27.05	28.60	39.95	32.30	36.70	52.75	46.70
Chicago 2-1-1 crack <sup>(1)</sup>	US\$/bbl	<b>18.85</b>	19.80	17.10	27.45	28.60	31.55	39.20	43.30
Portland 2-1-1 crack <sup>(1)</sup>	US\$/bbl	<b>29.30</b>	26.85	29.35	55.90	37.30	37.40	50.70	57.30
Gulf Coast 2-1-1 crack <sup>(1)</sup>	US\$/bbl	<b>22.10</b>	27.95	23.00	39.10	29.15	37.65	40.20	41.85
U.S. Renewable Volume Obligation	US\$/bbl	<b>3.40</b>	3.70	4.75	7.45	7.70	8.20	8.55	8.10
Suncor custom 5-2-2-1 index <sup>(2)</sup>	US\$/bbl	<b>26.70</b>	35.95	33.45	36.00	34.20	42.80	51.90	45.45
Exchange rate (average)	US\$/Cdn\$	<b>0.73</b>	0.74	0.73	0.75	0.74	0.74	0.74	0.77
Exchange rate (end of period)	US\$/Cdn\$	<b>0.73</b>	0.74	0.76	0.74	0.76	0.74	0.74	0.73

- (1) 2-1-1 crack spreads are indicators of the refining margin generated by converting two barrels of WTI into one barrel of gasoline and one barrel of diesel. The crack spreads presented here generally approximate the regions into which the company sells refined products through retail and wholesale channels.
- (2) Suncor has developed an indicative 5-2-2-1 index based on publicly available pricing data to more accurately reflect the company's realized refining and marketing gross margin. For more details, including how the custom index is calculated, see Suncor's 2023 annual MD&A.

## 8. Other Items

### Accounting Policies and New IFRS Standards

Suncor's significant accounting policies and a summary of recently announced accounting standards are described in the Accounting Policies and Critical Accounting Estimates section of Suncor's 2023 annual MD&A and in notes 3 and 5 of Suncor's audited Consolidated Financial Statements for the year ended December 31, 2023.

### Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates, judgments and assumptions that affect reported assets, liabilities, revenues and expenses, gains and losses, and disclosures of contingencies. These estimates and assumptions are subject to change based on experience and new information. Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate is made. Critical accounting estimates are also those estimates that, where a different estimate could have been used or where changes in the estimate that are reasonably likely to occur, would have a material impact on the company's financial condition, changes in financial condition or financial performance. Critical accounting estimates and judgments are reviewed annually by the Audit Committee of the Board of Directors. A detailed description of Suncor's critical accounting estimates is provided in note 4 to the audited Consolidated Financial Statements for the year ended December 31, 2023, and in the Accounting Policies and Critical Accounting Estimates section of Suncor's 2023 annual MD&A.

### Financial Instruments

Suncor periodically enters into derivative contracts such as forwards, futures, swaps, options and costless collars to manage exposure to fluctuations in commodity prices and foreign exchange rates, and to optimize the company's position with respect to interest payments. For more information on Suncor's financial instruments and the related financial risk factors, see note 27 of the audited Consolidated Financial Statements for the year ended December 31, 2023, note 10 to the unaudited interim Consolidated Financial Statements for the three and six months ended June 30, 2024, and the Financial Condition and Liquidity section of the 2023 annual MD&A.

### Control Environment

Based on their evaluation as at June 30, 2024, Suncor's Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the United States *Securities Exchange Act of 1934*, as amended (the Exchange Act)), are effective to ensure that information required to be disclosed by the company in reports that are filed or submitted to Canadian and U.S. securities authorities is recorded, processed, summarized and reported within the time periods specified in Canadian and U.S. securities laws. In addition, as at June 30, 2024, there were no changes in the internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the three-month period ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting. Management will continue to periodically evaluate the company's disclosure controls and procedures and internal control over financial reporting and will make any modifications as deemed necessary from time to time.

Based on their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements, and even those controls determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

### Corporate Guidance

There have been no changes to Suncor's previously announced 2024 corporate guidance ranges (which were originally disclosed via press release on December 5, 2023), a copy of which is also available on [www.sedarplus.ca](http://www.sedarplus.ca).

## 9. Non-GAAP and Other Financial Measures Advisory

Certain financial measures in this MD&A – namely adjusted operating earnings (loss), adjusted funds from (used in) operations, measures contained in ROCE and ROCE excluding impairments and impairment reversals, price realizations, free funds flow, Oil Sands operations cash operating costs, Fort Hills cash operating costs, Syncrude cash operating costs, refining and marketing gross margin, refining operating expense, net debt, total debt, LIFO inventory valuation methodology and related per share or per barrel amounts or metrics that contain such measures – are not prescribed by GAAP. These non-GAAP financial measures are included because management uses the information to analyze business performance, leverage and liquidity, as applicable, and it may be useful to investors on the same basis. These non-GAAP financial measures do not have any standardized meaning and, therefore, are unlikely to be comparable to similar measures presented by other companies. Therefore, these non-GAAP financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Except as otherwise indicated, these non-GAAP financial measures are calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

### Adjusted Operating Earnings (Loss)

Adjusted operating earnings (loss) is a non-GAAP financial measure that adjusts net earnings (loss) for significant items that are not indicative of operating performance. Management uses adjusted operating earnings (loss) to evaluate operating performance because management believes it provides better comparability between periods. Adjusted operating earnings (loss) is reconciled to net earnings (loss) in the Consolidated Financial and Operating Information and Segment Results and Analysis sections of this MD&A.

### Bridge Analyses of Adjusted Operating Earnings (Loss)

Within this MD&A, the company presents a chart that illustrates the change in adjusted operating earnings (loss) from the comparative period through key variance factors. These factors are analyzed in the Adjusted Operating Earnings (Loss) narratives following the bridge analysis in this MD&A. This bridge analysis is presented because management uses this presentation to evaluate performance. All reconciling items are presented on a before-tax basis and adjusted for income taxes in the Income Tax bridge factor.

- The factor for Sales Volumes and Mix is calculated based on sales volumes and mix for the Oil Sands and E&P segments and refinery production volumes for the R&M segment.
- The factor for Price, Margin and Other Revenue includes upstream price realizations before royalties, except for the company's Libya operations, which is net of royalties, and realized commodity risk management activities. Also included are refining and marketing gross margins, other operating revenue and the net impacts of sales and purchases of third-party crude, including product purchased for use as diluent in the company's Oil Sands operations and subsequently sold as part of diluted bitumen.
- The factor for Royalties excludes the impact of the company's Libya operations, as royalties in Libya are included in Price, Margin and Other Revenue as described above.
- The factor for Inventory Valuation is comprised of changes in the FIFO inventory valuation and the realized portion of commodity risk management activities reported in the R&M segment, as well as the impact of the deferral or realization of profit or loss on crude oil sales from the Oil Sands segment to Suncor's refineries reported in the Corporate and Eliminations segment.
- The factor for Operating and Transportation Expense includes project startup costs, OS&G expense and transportation expense.
- The factor for Financing Expense and Other includes financing expenses, other income, operational foreign exchange gains and losses and changes in gains and losses on disposal of assets that are not adjusted operating earnings (loss) adjustments.
- The factor for DD&A and Exploration Expense includes depreciation, depletion and amortization expense, and exploration expense.
- The factor for Income Tax includes the company's current and deferred income tax expense on adjusted operating earnings, changes in statutory income tax rates and other income tax adjustments.

## Return on Capital Employed (ROCE) and ROCE Excluding Impairments and Impairment Reversals

ROCE is a non-GAAP ratio that management uses to analyze operating performance and the efficiency of Suncor's capital allocation process. ROCE is calculated using the non-GAAP financial measures adjusted net earnings and average capital employed. Adjusted net earnings are calculated by taking net earnings (loss) and adjusting after-tax amounts for unrealized foreign exchange on U.S. dollar denominated debt and net interest expense. Average capital employed is calculated as a twelve-month average of the capital employed balance at the beginning of the twelve-month period and the month-end capital employed balances throughout the remainder of the twelve-month period. Figures for capital employed at the beginning and end of the twelve-month period are presented to show the changes in the components of the calculation over the twelve-month period.

For the twelve months ended June 30 (\$ millions, except as noted)		2024	2023
Adjustments to net earnings			
Net earnings		7 542	6 063
Add after-tax amounts for:			
Unrealized foreign exchange loss on U.S. dollar denominated debt		344	269
Net interest expense		356	440
Adjusted net earnings <sup>(1)</sup>	A	8 242	6 772
Capital employed – beginning of twelve-month period			
Net debt <sup>(2)(4)</sup>		11 170	12 791
Shareholders' equity		40 819	39 765
		51 989	52 556
Capital employed – end of twelve-month period			
Net debt <sup>(2)(4)</sup>		9 054	11 170
Shareholders' equity		44 501	40 819
		53 555	51 989
Average capital employed	B	52 962	51 183
ROCE (%) <sup>(3)(5)</sup>	A/B	15.6	13.2

(1) Total before-tax impact of adjustments is \$848 million for the twelve months ended June 30, 2024, and \$862 million for the twelve months ended June 30, 2023.

(2) Net debt is a non-GAAP financial measure.

(3) For the twelve months ended June 30, 2024, there were no impairments or impairment reversals. As a result, ROCE excluding impairments was equal to ROCE. ROCE would have been 16.7% for the twelve months ended June 30, 2023, excluding the impact of the impairment of \$3.397 billion (\$2.586 billion after-tax) in the third quarter of 2022.

(4) Beginning in the second quarter of 2024, the company revised the definition of net debt to exclude lease liabilities to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

(5) Beginning in the second quarter of 2024, the company revised the definition of ROCE to exclude lease liabilities from the calculation of average capital employed and interest on lease liabilities from net interest expense to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

## Adjusted Funds From (Used In) Operations

Adjusted funds from (used in) operations is a non-GAAP financial measure that adjusts a GAAP measure – cash flow provided by operating activities – for changes in non-cash working capital, which management uses to analyze operating performance and liquidity. Changes to non-cash working capital can be impacted by, among other factors, commodity price volatility, the timing of offshore feedstock purchases and payments for commodity and income taxes, the timing of cash flows related to accounts receivable and accounts payable, and changes in inventory, which management believes reduces comparability between periods.

Adjusted funds from (used in) operations for each quarter are separately defined and reconciled to the cash flow provided by the operating activities measure in the Non-GAAP and Other Financial Measures Advisory section of each respective MD&A or Quarterly Report to shareholders, as applicable, for the related quarter, with such information being incorporated by reference herein and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Three months ended June 30 (\$ millions)	Oil Sands		Exploration and Production		Refining and Marketing		Corporate and Eliminations		Income Taxes		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Earnings (loss) before income taxes	<b>1 792</b>	1 267	<b>196</b>	956	<b>593</b>	518	<b>(398)</b>	(390)	—	—	<b>2 183</b>	2 351
Adjustments for:												
Depreciation, depletion, amortization and impairment	<b>1 235</b>	1 183	<b>184</b>	142	<b>236</b>	224	<b>29</b>	28	—	—	<b>1 684</b>	1 577
Accretion	<b>129</b>	115	<b>17</b>	18	<b>3</b>	1	—	—	—	—	<b>149</b>	134
Unrealized foreign exchange loss (gain) on U.S. dollar denominated debt	—	—	—	—	—	—	<b>103</b>	(244)	—	—	<b>103</b>	(244)
Change in fair value of financial instruments and trading inventory	<b>(42)</b>	18	<b>15</b>	12	<b>41</b>	16	—	—	—	—	<b>14</b>	46
(Gain) loss on disposal of assets	—	—	—	(607)	—	(7)	<b>1</b>	(18)	—	—	<b>1</b>	(632)
Share-based compensation	<b>43</b>	23	<b>3</b>	1	<b>20</b>	8	<b>32</b>	(13)	—	—	<b>98</b>	19
Settlement of decommissioning and restoration liabilities	<b>(85)</b>	(65)	<b>(18)</b>	(2)	<b>(9)</b>	(5)	—	—	—	—	<b>(112)</b>	(72)
Other	<b>36</b>	16	<b>1</b>	1	<b>9</b>	26	<b>12</b>	(18)	—	—	<b>58</b>	25
Current income tax expense	—	—	—	—	—	—	—	—	<b>(781)</b>	(549)	<b>(781)</b>	(549)
Adjusted funds from (used in) operations	<b>3 108</b>	2 557	<b>398</b>	521	<b>893</b>	781	<b>(221)</b>	(655)	<b>(781)</b>	(549)	<b>3 397</b>	2 655
Change in non-cash working capital											<b>432</b>	148
Cash flow provided by operating activities											<b>3 829</b>	2 803

Six months ended June 30 (\$ millions)	Oil Sands		Exploration and Production		Refining and Marketing		Corporate and Eliminations		Income Taxes		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Earnings (loss) before income taxes	3 163	2 744	470	1 331	1 707	1 511	(937)	(521)	—	—	4 403	5 065
Adjustments for:												
Depreciation, depletion, amortization and impairment	2 420	2 321	354	269	480	444	58	59	—	—	3 312	3 093
Accretion	255	229	33	35	6	3	—	—	—	—	294	267
Unrealized foreign exchange loss (gain) on U.S. dollar denominated debt	—	—	—	—	—	—	323	(241)	—	—	323	(241)
Change in fair value of financial instruments and trading inventory	(40)	45	18	(13)	66	44	—	—	—	—	44	76
Gain on disposal of assets	—	—	—	(608)	—	(18)	(2)	(320)	—	—	(2)	(946)
Share-based compensation	(128)	(37)	6	2	(58)	(19)	(96)	(130)	—	—	(276)	(184)
Settlement of decommissioning and restoration liabilities	(197)	(189)	(20)	(4)	(18)	(12)	—	—	—	—	(235)	(205)
Other	78	32	4	—	16	22	35	(35)	—	—	133	19
Current income tax expense	—	—	—	—	—	—	—	—	(1 430)	(1 287)	(1 430)	(1 287)
Adjusted funds from (used in) operations	5 551	5 145	865	1 012	2 199	1 975	(619)	(1 188)	(1 430)	(1 287)	6 566	5 657
Change in non-cash working capital											50	(1 815)
Cash flow provided by operating activities											6 616	3 842

## Free Funds Flow

Free funds flow is a non-GAAP financial measure that is calculated by taking adjusted funds from operations and subtracting capital expenditures, including capitalized interest. Free funds flow reflects cash available for increasing distributions to shareholders and reducing debt. Management uses free funds flow to measure the capacity of the company to increase returns to shareholders and to grow Suncor's business.

Three months ended June 30 (\$ millions)	Oil Sands		Exploration and Production		Refining and Marketing		Corporate and Eliminations		Income Taxes		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Adjusted funds from (used in) operations	3 108	2 557	398	521	893	781	(221)	(655)	(781)	(549)	3 397	2 655
Capital expenditures including capitalized interest <sup>(1)</sup>	(1 437)	(1 043)	(229)	(182)	(375)	(377)	(6)	(11)	—	—	(2 047)	(1 613)
Free funds flow (deficit)	1 671	1 514	169	339	518	404	(227)	(666)	(781)	(549)	1 350	1 042

Six months ended June 30 (\$ millions)	Oil Sands		Exploration and Production		Refining and Marketing		Corporate and Eliminations		Income Taxes		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Adjusted funds from (used in) operations	5 551	5 145	865	1 012	2 199	1 975	(619)	(1 188)	(1 430)	(1 287)	6 566	5 657
Capital expenditures including capitalized interest <sup>(1)</sup>	(2 432)	(1 853)	(371)	(320)	(543)	(502)	(12)	(24)	—	—	(3 358)	(2 699)
Free funds flow (deficit)	3 119	3 292	494	692	1 656	1 473	(631)	(1 212)	(1 430)	(1 287)	3 208	2 958

(1) Excludes capital expenditures related to assets previously held for sale of nil in the second quarter and first six months of 2024, compared to \$66 million and \$108 million in the second quarter and first six months of 2023, respectively.



## Oil Sands Operations, Fort Hills and Syncrude Cash Operating Costs

Cash operating costs are calculated by adjusting Oil Sands segment OS&G expense for non-production costs and excess power capacity. Significant non-production costs include, but are not limited to, share-based compensation adjustments, research costs, project startup costs and adjustments to reflect the cost of internal transfers in the receiving asset at the cost of production versus the cost of purchase. Non-production costs at Fort Hills and Syncrude also include, but are not limited to, an adjustment to reflect internally produced diesel from Oil Sands operations at the cost of production. Excess power capacity represents excess power revenue from cogeneration units that is recorded in operating revenues. Oil Sands operations excess power capacity and other also includes, but is not limited to, the natural gas expense recorded as part of a non-monetary arrangement involving a third-party processor. Oil Sands operations, Fort Hills and Syncrude production volumes are gross of internally consumed diesel and feedstock transfers between assets. Oil Sands operations, Fort Hills and Syncrude cash operating costs are reconciled in the Segment Results and Analysis – Oil Sands – Cash Operating Costs section of this MD&A. Management uses cash operating costs to measure operating performance.

## Refining and Marketing Gross Margin and Refining Operating Expense

Refining and marketing gross margins and refining operating expense are non-GAAP financial measures. Refining and marketing gross margin, on a FIFO basis, is calculated by adjusting R&M segment operating revenue, other income and purchases of crude oil and products (all of which are GAAP measures) for intersegment marketing fees recorded in intersegment revenues. Refining and marketing gross margin, on a LIFO basis, is further adjusted for the impacts of FIFO inventory valuation recorded in purchases of crude oil and products and risk management activities recorded in other income (loss). Refinery operating expense is calculated by adjusting R&M segment OS&G expense for i) non-refining costs pertaining to the company's supply, marketing and ethanol businesses; and ii) non-refining costs that management believes do not relate to the production of refined products, including, but not limited to, share-based compensation and enterprise shared service allocations. Management uses refining and marketing gross margin and refining operating expense to measure operating performance on a production barrel basis.

(\$ millions, except as noted)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
<b>Refining and marketing gross margin reconciliation</b>				
Operating revenues	<b>8 057</b>	7 272	<b>15 670</b>	14 445
Purchases of crude oil and products	<b>(6 519)</b>	(5 797)	<b>(12 107)</b>	(11 151)
	<b>1 538</b>	1 475	<b>3 563</b>	3 294
Other income	<b>43</b>	13	<b>117</b>	169
Non-refining and marketing margin	<b>(13)</b>	(33)	<b>(55)</b>	(35)
Refining and marketing gross margin – FIFO	<b>1 568</b>	1 455	<b>3 625</b>	3 428
Refinery production <sup>(1)</sup> (mbbls)	<b>41 669</b>	38 214	<b>85 743</b>	73 797
Refining and marketing gross margin – FIFO (\$/bbl)	<b>37.65</b>	38.10	<b>42.30</b>	46.45
FIFO and risk management activities adjustment	<b>(53)</b>	116	<b>(93)</b>	247
Refining and marketing gross margin – LIFO	<b>1 515</b>	1 571	<b>3 532</b>	3 675
Refining and marketing gross margin – LIFO (\$/bbl)	<b>36.35</b>	41.10	<b>41.20</b>	49.80
<b>Refining operating expense reconciliation</b>				
Operating, selling and general expense	<b>603</b>	604	<b>1 221</b>	1 254
Non-refining costs	<b>(313)</b>	(300)	<b>(616)</b>	(660)
Refining operating expense	<b>290</b>	304	<b>605</b>	594
Refinery production <sup>(1)</sup> (mbbls)	<b>41 669</b>	38 214	<b>85 743</b>	73 797
Refining operating expense (\$/bbl)	<b>6.95</b>	7.95	<b>7.05</b>	8.05

(1) Refinery production is the output of the refining process and differs from crude oil processed as a result of volumetric adjustments for non-crude feedstock, volumetric gain associated with the refining process and changes in unfinished product inventories.

## Impact of FIFO Inventory Valuation on Refining and Marketing Net Earnings (Loss)

GAAP requires the use of a FIFO inventory valuation methodology. For Suncor, this results in a disconnect between the sales prices for refined products, which reflect current market conditions, and the amount recorded as the cost of sale for the related refinery feedstock, which reflects market conditions at the time the feedstock was purchased. This lag between purchase and sale can be anywhere from several weeks to several months and is influenced by the time to receive crude after purchase, regional crude inventory levels, the completion of refining processes, transportation time to distribution channels and regional refined product inventory levels.

Suncor prepares and presents an estimate of the impact of using a FIFO inventory valuation methodology compared to a LIFO methodology, because management uses the information to analyze operating performance and compare itself against refining peers that are permitted to use LIFO inventory valuation under U.S. GAAP.

The company's estimate is not derived from a standardized calculation and, therefore, may not be directly comparable to similar measures presented by other companies, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP or U.S. GAAP.

## Net Debt and Total Debt

Net debt and total debt are non-GAAP financial measures that management uses to analyze the financial condition of the company. Total debt includes short-term debt, current portion of long-term debt and long-term debt (all of which are GAAP measures). Net debt is equal to total debt less cash and cash equivalents (a GAAP measure).

(\$ millions, except as noted)	June 30 2024	December 31 2023
Short-term debt	38	494
Current portion of long-term debt	—	—
Long-term debt	11 390	11 087
Total debt <sup>(1)</sup>	11 428	11 581
Less: Cash and cash equivalents	2 374	1 729
Net debt <sup>(1)</sup>	9 054	9 852
Shareholders' equity	44 501	43 279
Total debt plus shareholders' equity	55 929	54 860
Total debt to total debt plus shareholders' equity <sup>(1)</sup> (%)	20.4	21.1
Net debt to net debt plus shareholders' equity <sup>(1)</sup> (%)	16.9	18.5

(1) Beginning in the second quarter of 2024, the company revised the definition of net debt and total debt to exclude lease liabilities to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

## Price Realizations

Price realizations are a non-GAAP measure used by management to measure profitability. Oil Sands price realizations are presented on a crude product basis and are derived from the Oil Sands segmented statement of net earnings (loss), after adjusting for items not directly attributable to the revenues associated with production. E&P price realizations are presented on an asset location basis and are derived from the E&P segmented statement of net earnings (loss), after adjusting for other E&P assets, such as Libya, for which price realizations are not provided.

## Oil Sands Price Realizations

Three months ended	June 30, 2024				June 30, 2023			
	Non- Upgraded Bitumen	Upgraded - Net SCO and Diesel	Average Crude	Oil Sands Segment	Non- Upgraded Bitumen	Upgraded - Net SCO and Diesel	Average Crude	Oil Sands Segment
(\$ millions, except as noted)								
Operating revenues	2 818	4 614	7 432	7 432	1 446	4 732	6 178	6 178
Other income (loss)	60	12	72	72	26	(31)	(5)	(5)
Purchases of crude oil and products	(651)	(45)	(696)	(696)	(327)	(34)	(361)	(361)
Gross realization adjustment <sup>(1)</sup>	(43)	(30)	(73)		15	(52)	(37)	
Gross realization	2 184	4 551	6 735		1 160	4 615	5 775	
Transportation and distribution	(139)	(153)	(292)	(292)	(119)	(176)	(295)	(295)
Price realization	2 045	4 398	6 443		1 041	4 439	5 480	
Sales volumes (mmbbls)	24 811	41 296	66 107		14 887	46 550	61 437	
Price realization per barrel	82.46	106.49	97.48		69.91	95.36	89.19	
Six months ended	June 30, 2024				June 30, 2023			
(\$ millions, except as noted)	Non- Upgraded Bitumen	Upgraded - Net SCO and Diesel	Average Crude	Oil Sands Segment	Non- Upgraded Bitumen	Upgraded - Net SCO and Diesel	Average Crude	Oil Sands Segment
Operating revenues	4 880	9 474	14 354	14 354	2 681	9 564	12 245	12 245
Other income (loss)	119	8	127	127	150	(40)	110	110
Purchases of crude oil and products	(1 208)	(117)	(1 325)	(1 325)	(664)	(105)	(769)	(769)
Gross realization adjustment <sup>(1)</sup>	(65)	(124)	(189)		(90)	(160)	(250)	
Gross realization	3 726	9 241	12 967		2 077	9 259	11 336	
Transportation and distribution	(297)	(287)	(584)	(584)	(228)	(337)	(565)	(565)
Price realization	3 429	8 954	12 383		1 849	8 922	10 771	
Sales volumes (mmbbls)	46 091	91 373	137 464		30 555	91 911	122 466	
Price realization per barrel	74.37	98.03	90.09		60.47	97.08	87.95	

(1) Reflects the items not directly attributed to revenues received from the sale of proprietary crude and net non-proprietary activity at its deemed point of sale.

## E&P Price Realizations

Three months ended (\$ millions, except as noted)	June 30, 2024				E&P		June 30, 2023	
	E&P International	E&P Canada	Other <sup>(1)(2)</sup>	E&P Segment	International	E&P Canada	Other <sup>(1)(2)</sup>	E&P Segment
Operating revenues	—	437	236	673	122	549	142	813
Transportation and distribution	—	(21)	(3)	(24)	(4)	(13)	(4)	(21)
Price realization	—	416	233		118	536	138	
Sales volumes (mmbbls)	—	3 748			1 155	5 065		
Price realization per barrel	—	111.39			102.44	105.81		

Six months ended (\$ millions, except as noted)	June 30, 2024				E&P		June 30, 2023	
	E&P International	E&P Canada	Other <sup>(1)(2)</sup>	E&P Segment	International	E&P Canada	Other <sup>(1)(2)</sup>	E&P Segment
Operating revenues	—	1 046	392	1 438	306	1 007	234	1 547
Transportation and distribution	—	(44)	(5)	(49)	(9)	(27)	(6)	(42)
Price realization	—	1 002	387		297	980	228	
Sales volumes (mmbbls)	—	9 180			2 729	9 454		
Price realization per barrel	—	109.50			109.01	103.63		

(1) Reflects other E&P assets, such as Libya, for which price realizations are not provided.

(2) Production from the company's Libya operations is presented on an economic basis. Revenue and royalties from the company's Libya operations are presented on a working-interest basis, which is required for presentation purposes in the company's Consolidated Financial Statements. In the second quarter of 2024, revenue included a gross-up amount of \$179 million, with an offsetting amount of \$89 million in royalties in the E&P segment and \$90 million in income tax expense recorded at the consolidated level. In the first six months of 2024, revenue included a gross-up amount of \$298 million, with an offsetting amount of \$151 million in royalties in the E&P segment and \$147 million in income tax expense recorded at the consolidated level. In the second quarter of 2023, revenue included a gross-up amount of \$108 million, with an offsetting amount of \$48 million in royalties in the E&P segment and \$60 million in income tax expense recorded at the consolidated level. In the first six months of 2023, revenue included a gross-up amount of \$175 million, with an offsetting amount of \$83 million in royalties in the E&P segment and \$92 million in income tax expense recorded at the consolidated level.

## 10. Common Abbreviations

The following is a list of abbreviations that may be used in this MD&A:

### Measurement

bbbl	barrel
bbbls/d	barrels per day
mbbls/d	thousands of barrels per day

GJ            Gigajoule

MW           megawatts

MWh         megawatts per hour

### Places and Currencies

U.S.           United States

U.K.           United Kingdom

\$ or Cdn\$    Canadian dollars

US\$           United States dollars

### Financial and Business Environment

Q2            Three months ended June 30

DD&A        Depreciation, depletion and amortization

WTI           West Texas Intermediate

WCS           Western Canadian Select

SCO           Synthetic crude oil

SYN           Synthetic crude oil benchmark

MSW           Mixed Sweet Blend

## 11. Advisories

### Forward-Looking Statements

*This MD&A contains certain forward-looking statements and other information based on Suncor's current expectations, estimates, projections and assumptions that were made by the company in light of information available at the time the statement was made and consider Suncor's experience and its perception of historical trends, including expectations and assumptions concerning: the accuracy of reserves estimates; commodity prices and interest and foreign exchange rates; the performance of assets and equipment; uncertainty related to geopolitical conflict; capital efficiencies and cost savings; applicable laws and government policies; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour, services and infrastructure; the satisfaction by third parties of their obligations to Suncor; the development and execution of projects; and the receipt, in a timely manner, of regulatory and third-party approvals. All statements and information that address expectations or projections about the future, and other statements and information about Suncor's strategy for growth, expected and future expenditures or investment decisions, commodity prices, costs, schedules, production volumes, operating and financial results, future financing and capital activities, and the expected impact of future commitments are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects", "anticipates", "will", "estimates", "plans", "scheduled", "intends", "believes", "projects", "indicates", "could", "focus", "vision", "goal", "outlook", "proposed", "target", "objective", "continue", "should", "may", "future", "potential", "opportunity", "would", "priority", "strategy" and similar expressions. Forward-looking statements in this MD&A include references to:*

- *Suncor's strategy, focus, goals and priorities and the expected benefits therefrom;*
- *Suncor's expectation that its indicative 5-2-2-1 index will continue to be an appropriate measure of Suncor's actual results;*
- *expectations regarding planned maintenance events, specifically the expectation that scheduled maintenance activities at Mackay River will be completed in the third quarter of 2024, and that significant planned turnaround activities at Oil Sands Base Upgrader 2 will start in the third quarter of 2024 and be completed in the fourth quarter of 2024;*
- *Suncor's expectation that In Situ design and construction of new well pads will maintain existing production levels;*
- *Suncor's expectation that additional haul trucks will be delivered within the next year as a result of new haul truck leases;*
- *statements regarding Suncor's planned 2024 capital spending program of \$6.3 billion to \$6.5 billion, including Suncor's management's belief that it will have the capital resources to fund it and to meet current and future working capital requirements through cash and cash equivalents balances, cash flow provided by operating activities, available committed credit facilities, issuing commercial paper and, if needed, accessing capital markets;*
- *the objectives of Suncor's short-term investment portfolio and Suncor's expectation that the maximum weighted average term to maturity of the short-term investment portfolio will not exceed six months, and that all investments will be with counterparties with investment-grade debt ratings;*
- *the company's priority regarding the management of debt levels and liquidity given the company's long-term plans and future expected volatility in the pricing environment, and Suncor's belief that a phased and flexible approach to existing and future projects should help the company manage project costs and debt levels;*
- *the company's belief that it does not have any guarantees or off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the company's financial performance or financial condition, results of operations, liquidity or capital expenditures; and*
- *statements about the NCIB, including the amount, timing and manner of purchases under the NCIB, that depending on the trading price of its common shares and other relevant factors, repurchasing its common shares represents an attractive investment opportunity and is in the best interest of the company and its shareholders and the expectation that the decision to allocate cash to repurchase shares will not affect its long-term strategy.*

*Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Suncor. Suncor's actual results may differ materially from those expressed or implied by its forward-looking statements, so readers are cautioned not to place undue reliance on them. The financial and operating performance of the company's reportable operating segments, specifically Oil Sands, E&P and R&M, may be affected by a number of factors.*

*Factors that affect Suncor's Oil Sands segment include, but are not limited to, volatility in the prices for crude oil and other production, and the related impacts of fluctuating light/heavy and sweet/sour crude oil differentials; changes in the demand for refinery feedstock and diesel fuel, including the possibility that refiners that process the company's proprietary production will be closed, experience equipment failure or other accidents; Suncor's ability to operate its Oil Sands facilities reliably in order to meet production targets; the output of newly commissioned facilities, the performance of which may be difficult to predict during initial operations; Suncor's dependence on pipeline capacity and other logistical constraints, which may affect the company's ability to distribute products to market and which may cause the company to delay or cancel planned growth projects in the event of insufficient takeaway capacity; Suncor's ability to finance Oil Sands economic investment and asset sustainment and maintenance capital expenditures; the availability of bitumen*

*feedstock for upgrading operations, which can be negatively affected by poor ore grade quality, unplanned mine equipment and extraction plant maintenance, tailings storage, and In Situ reservoir and equipment performance, or the unavailability of third-party bitumen; changes in operating costs, including the cost of labour, natural gas and other energy sources used in oil sands processes; and the company's ability to complete projects, including planned maintenance events, both on time and on budget, which could be impacted by competition from other projects (including other oil sands projects) for goods and services and demands on infrastructure in Alberta's Wood Buffalo region and the surrounding area (including housing, roads and schools).*

*Factors that affect Suncor's E&P segment include, but are not limited to, volatility in crude oil and natural gas prices; operational risks and uncertainties associated with oil and gas activities, including unexpected formations or pressures, premature declines of reservoirs, fires, blow-outs, equipment failures and other accidents, uncontrollable flows of crude oil, natural gas or well fluids, and pollution and other environmental risks; adverse weather conditions, which could disrupt output from producing assets or impact drilling programs, resulting in increased costs and/or delays in bringing on new production; political, economic and socioeconomic risks associated with Suncor's foreign operations, including the unpredictability of operating in Libya due to ongoing political unrest; and market demand for mineral rights and producing properties, potentially leading to losses on disposition or increased property acquisition costs.*

*Factors that affect the R&M segment include, but are not limited to, fluctuations in demand and supply for refined products that impact the company's margins; market competition, including potential new market entrants; the company's ability to reliably operate refining and marketing facilities to meet production or sales targets; and risks and uncertainties affecting construction or planned maintenance schedules, including the availability of labour and other impacts of competing projects drawing on the same resources during the same time period.*

*Additional risks, uncertainties and other factors that could influence the financial and operating performance of all of Suncor's operating segments and activities include, but are not limited to, changes in general economic, market and business conditions, such as commodity prices, interest rates and currency exchange rates (including as a result of demand and supply effects resulting from the actions of OPEC+); fluctuations in supply and demand for Suncor's products; the successful and timely implementation of capital projects, including growth projects and regulatory projects; risks associated with the development and execution of Suncor's major projects and the commissioning and integration of new facilities; the possibility that completed maintenance activities may not improve operational performance or the output of related facilities; the risk that projects and initiatives intended to achieve cash flow growth and/or reductions in operating costs may not achieve the expected results in the time anticipated or at all; competitive actions of other companies, including increased competition from other oil and gas companies or from companies that provide alternative sources of energy; labour and material shortages; actions by government authorities, including the imposition or reassessment of, or changes to, taxes, fees, royalties, duties and other government-imposed compliance costs; changes to laws and government policies that could impact the company's business, including environmental (including climate change), royalty and tax laws and policies; the ability and willingness of parties with whom Suncor has material relationships to perform their obligations to the company; the unavailability of, or outages to, third-party infrastructure that could cause disruptions to production or prevent the company from being able to transport its products; the occurrence of a protracted operational outage, a major safety or environmental incident, or unexpected events such as fires (including forest fires), equipment failures and other similar events affecting Suncor or other parties whose operations or assets directly or indirectly affect Suncor; the potential for security breaches of Suncor's information technology and infrastructure by malicious persons or entities, and the unavailability or failure of such systems to perform as anticipated as a result of such breaches; security threats and terrorist or activist activities; the risk that competing business objectives may exceed Suncor's capacity to adopt and implement change; risks and uncertainties associated with obtaining regulatory, third-party and stakeholder approvals outside of Suncor's control for the company's operations, projects, initiatives and exploration and development activities and the satisfaction of any conditions to approvals; the potential for disruptions to operations and construction projects as a result of Suncor's relationships with labour unions that represent employees at the company's facilities; the company's ability to find new oil and gas reserves that can be developed economically; the accuracy of Suncor's reserves, resources and future production estimates; market instability affecting Suncor's ability to borrow in the capital debt markets at acceptable rates or to issue other securities at acceptable prices; the ability to maintain an optimal debt to cash flow ratio; the success of the company's marketing and logistics activities using derivatives and other financial instruments; the cost of compliance with current and future environmental laws, including climate change laws; risks relating to increased activism and public opposition to fossil fuels and oil sands; risks and uncertainties associated with closing a transaction for the purchase or sale of a business, asset or oil and gas property, including estimates of the final consideration to be paid or received; the ability of counterparties to comply with their obligations in a timely manner; risks associated with joint arrangements in which the company has an interest; risks associated with land claims and Indigenous consultation requirements; the risk that the company may be subject to litigation; the impact of technology and risks associated with developing and implementing new technologies; and the accuracy of cost estimates, some of which are provided at the conceptual or other preliminary stage of projects and prior to commencement or conception of the detailed engineering that is needed to reduce the margin of error and increase the level of accuracy. The foregoing important factors are not exhaustive.*

*Many of these risk factors and other assumptions related to Suncor's forward-looking statements are discussed in further detail throughout this MD&A, and in the company's 2023 annual MD&A, the 2023 AIF and Form 40-F on file with Canadian securities commissions at [www.sedarplus.ca](http://www.sedarplus.ca) and the United States Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). Readers are also referred to the risk factors and assumptions described in other MD&As that Suncor files from time to time with securities regulatory authorities. Copies of these MD&As are available without charge from the company.*

*The forward-looking statements contained in this MD&A are made as of the date of this MD&A. Except as required by applicable securities laws, we assume no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing risks and assumptions affecting such forward-looking statements, whether as a result of new information, future events or otherwise.*



# Consolidated Statements of Comprehensive Income

(unaudited)

(\$ millions)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
<b>Revenues and Other Income</b>				
Gross revenues (note 4)	14 014	12 434	27 319	24 706
Less: royalties	(1 125)	(715)	(2 049)	(1 073)
Other income (loss) (note 5)	151	(3)	299	339
	<b>13 040</b>	<b>11 716</b>	<b>25 569</b>	<b>23 972</b>
<b>Expenses</b>				
Purchases of crude oil and products	5 162	4 377	9 520	8 446
Operating, selling and general	3 153	3 440	6 593	6 864
Transportation and distribution	438	441	848	832
Depreciation, depletion, amortization and impairment	1 684	1 577	3 312	3 093
Exploration	15	7	74	49
Loss (gain) on disposal of assets (note 11)	1	(632)	(2)	(946)
Financing expenses (note 7)	404	155	821	569
	<b>10 857</b>	<b>9 365</b>	<b>21 166</b>	<b>18 907</b>
<b>Earnings before Income Taxes</b>	<b>2 183</b>	<b>2 351</b>	<b>4 403</b>	<b>5 065</b>
<b>Income Tax Expense (Recovery)</b>				
Current	781	549	1 430	1 287
Deferred	(166)	(77)	(205)	(153)
	<b>615</b>	<b>472</b>	<b>1 225</b>	<b>1 134</b>
<b>Net Earnings</b>	<b>1 568</b>	<b>1 879</b>	<b>3 178</b>	<b>3 931</b>
<b>Other Comprehensive Income</b>				
Items That May be Subsequently Reclassified to Earnings:				
Foreign currency translation adjustment	11	30	(5)	82
Items That Will Not be Reclassified to Earnings:				
Actuarial gain (loss) on employee retirement benefit plans, net of income taxes (note 13)	91	(17)	490	25
<b>Other Comprehensive Income</b>	<b>102</b>	<b>13</b>	<b>485</b>	<b>107</b>
<b>Total Comprehensive Income</b>	<b>1 670</b>	<b>1 892</b>	<b>3 663</b>	<b>4 038</b>
<b>Per Common Share (dollars) (note 8)</b>				
Net earnings – basic	1.22	1.44	2.47	2.98
Net earnings – diluted	1.22	1.43	2.47	2.98
Cash dividends	0.55	0.52	1.10	1.04

See accompanying notes to the condensed interim consolidated financial statements.

# Consolidated Balance Sheets

(unaudited)

(\$ millions)	June 30 2024	December 31 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	2 374	1 729
Accounts receivable	6 749	5 735
Inventories	5 530	5 365
Income taxes receivable	667	980
Total current assets	15 320	13 809
Property, plant and equipment, net	67 710	67 650
Exploration and evaluation	1 742	1 758
Other assets	2 009	1 710
Goodwill and other intangible assets	3 498	3 528
Deferred income taxes	109	84
Total assets	90 388	88 539
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Short-term debt	38	494
Current portion of long-term lease liabilities	435	348
Accounts payable and accrued liabilities	9 121	7 731
Current portion of provisions	904	983
Income taxes payable	19	41
Total current liabilities	10 517	9 597
Long-term debt	11 390	11 087
Long-term lease liabilities	3 703	3 478
Other long-term liabilities	1 224	1 488
Provisions (note 12)	11 068	11 610
Deferred income taxes	7 985	8 000
Equity	44 501	43 279
Total liabilities and shareholders' equity	90 388	88 539

See accompanying notes to the condensed interim consolidated financial statements.

# Consolidated Statements of Cash Flows

(unaudited)

(\$ millions)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
<b>Operating Activities</b>				
Net Earnings	1 568	1 879	3 178	3 931
Adjustments for:				
Depreciation, depletion, amortization and impairment	1 684	1 577	3 312	3 093
Deferred income tax recovery	(166)	(77)	(205)	(153)
Accretion (note 7)	149	134	294	267
Unrealized foreign exchange loss (gain) on U.S. dollar denominated debt (note 7)	103	(244)	323	(241)
Change in fair value of financial instruments and trading inventory	14	46	44	76
Loss (gain) on disposal of assets (note 11)	1	(632)	(2)	(946)
Share-based compensation	98	19	(276)	(184)
Settlement of decommissioning and restoration liabilities	(112)	(72)	(235)	(205)
Other	58	25	133	19
Decrease (increase) in non-cash working capital	432	148	50	(1 815)
Cash flow provided by operating activities	3 829	2 803	6 616	3 842
<b>Investing Activities</b>				
Capital and exploration expenditures	(2 047)	(1 613)	(3 358)	(2 699)
Capital expenditures on assets held for sale	—	(66)	—	(108)
Acquisitions, net of cash acquired (note 11)	—	—	—	(712)
Proceeds from disposal of assets (note 11)	15	1 092	23	1 829
Other investments	(2)	(28)	(3)	(47)
Decrease in non-cash working capital	246	348	215	229
Cash flow used in investing activities	(1 788)	(267)	(3 123)	(1 508)
<b>Financing Activities</b>				
Net (decrease) increase in short-term debt	(688)	446	(467)	1 408
Repayment of long-term debt	—	—	—	(5)
Lease liability payments	(107)	(82)	(205)	(164)
Issuance of common shares under share option plans	177	20	307	56
Repurchase of common shares (note 9)	(825)	(684)	(1 118)	(1 558)
Distributions relating to non-controlling interest	(4)	(4)	(8)	(8)
Dividends paid on common shares	(698)	(679)	(1 400)	(1 369)
Cash flow used in financing activities	(2 145)	(983)	(2 891)	(1 640)
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	<b>(104)</b>	<b>1 553</b>	<b>602</b>	<b>694</b>
Effect of foreign exchange on cash and cash equivalents	14	(71)	43	(64)
Cash and cash equivalents at beginning of period	2 464	1 128	1 729	1 980
<b>Cash and Cash Equivalents at End of Period</b>	<b>2 374</b>	<b>2 610</b>	<b>2 374</b>	<b>2 610</b>
<b>Supplementary Cash Flow Information</b>				
Interest paid	316	303	452	462
Income taxes paid	959	645	984	1 876

See accompanying notes to the condensed interim consolidated financial statements.

# Consolidated Statements of Changes in Equity

(unaudited)

(\$ millions)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total	Number of Common Shares (thousands)
At December 31, 2022	22 257	571	974	15 565	39 367	1 337 471
Net earnings	—	—	—	3 931	3 931	—
Foreign currency translation adjustment	—	—	82	—	82	—
Actuarial gain on employee retirement benefit plans, net of income taxes of \$9	—	—	—	25	25	—
Total comprehensive income	—	—	82	3 956	4 038	—
Issued under share option plans	56	—	—	—	56	1 386
Repurchase of common shares for cancellation (note 9)	(615)	—	—	(943)	(1 558)	(36 740)
Change in liability for share repurchase commitment	104	—	—	172	276	—
Share-based compensation	—	9	—	—	9	—
Dividends paid on common shares	—	—	—	(1 369)	(1 369)	—
At June 30, 2023	21 802	580	1 056	17 381	40 819	1 302 117
At December 31, 2023	21 661	569	1 048	20 001	43 279	1 290 100
Net earnings	—	—	—	3 178	3 178	—
Foreign currency translation adjustment	—	—	(5)	—	(5)	—
Actuarial gain on employee retirement benefit plans, net of income taxes of \$155 (note 13)	—	—	—	490	490	—
Total comprehensive income	—	—	(5)	3 668	3 663	—
Issued under share option plans	351	(48)	—	—	303	7 728
Repurchase of common shares for cancellation <sup>(1)</sup> (note 9)	(372)	—	—	(761)	(1 133)	(21 999)
Change in liability for share repurchase commitment (note 9)	(60)	—	—	(158)	(218)	—
Share-based compensation (note 6)	—	7	—	—	7	—
Dividends paid on common shares	—	—	—	(1 400)	(1 400)	—
<b>At June 30, 2024</b>	<b>21 580</b>	<b>528</b>	<b>1 043</b>	<b>21 350</b>	<b>44 501</b>	<b>1 275 829</b>

(1) Includes \$15 million of taxes on share repurchases for the six months ended June 30, 2024.

See accompanying notes to the condensed interim consolidated financial statements.

# Notes to the Consolidated Financial Statements

(unaudited)

## 1. Reporting Entity and Description of the Business

Suncor is an integrated energy company headquartered in Calgary, Alberta, Canada. Suncor's operations include oil sands development, production and upgrading; offshore oil production; petroleum refining in Canada and the U.S.; and the company's Petro-Canada™ retail and wholesale distribution networks (including Canada's Electric Highway™, a coast-to-coast network of fast-charging electric vehicle stations). Suncor is developing petroleum resources while advancing the transition to a low-emissions future through investments in power and renewable fuels. Suncor also conducts energy trading activities focused primarily on the marketing and trading of crude oil, natural gas, byproducts, refined products and power. Suncor's common shares (symbol: SU) are listed on the TSX and NYSE.

The address of the company's registered office is 150 – 6th Avenue S.W., Calgary, Alberta, Canada, T2P 3E3.

## 2. Basis of Preparation

### (a) Statement of Compliance

These condensed interim consolidated financial statements are based on International Financial Reporting Standards as issued by the International Accounting Standards Board, and have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. They are condensed as they do not include all of the information required for full annual financial statements, and they should be read in conjunction with the audited consolidated financial statements of the company for the year ended December 31, 2023.

### (b) Basis of Measurement

The consolidated financial statements are prepared on a historical cost basis except as detailed in the accounting policies disclosed in the company's audited consolidated financial statements for the year ended December 31, 2023.

### (c) Functional Currency and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the company's functional currency.

### (d) Use of Estimates, Assumptions and Judgments

The timely preparation of financial statements requires that management make estimates and assumptions and use judgment. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Significant estimates and judgment used in the preparation of the financial statements are described in the company's audited consolidated financial statements for the year ended December 31, 2023.

### (e) Income Taxes

The company recognizes the impacts of income tax rate changes in earnings in the period that the applicable rate change is enacted or substantively enacted.

## 3. New IFRS Standards

### (a) Adoption of New IFRS Standards

In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The company adopted the amendments on the effective date January 1, 2024, and there was no material impact to the consolidated financial statements as a result of the initial application.

In September 2022, the IASB issued *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*. The amendments add subsequent measurement requirements for sale and leaseback transactions. The company adopted the amendments on the effective date January 1, 2024, and there was no impact to the consolidated financial statements as a result of the initial application.

## (b) Recently Announced Accounting Pronouncements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* which will replace IAS 1 *Presentation of Financial Statements*. The new standard will establish a revised structure for the consolidated statements of comprehensive income and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard will be applied retroactively, with certain transition provisions. The company is currently evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

## 4. Segmented Information

The company's operating segments are reported based on the nature of their products and services and management responsibility.

Intersegment sales of crude oil and natural gas are accounted for at market values and are included, for segmented reporting, in revenues of the segment making the transfer and expenses of the segment receiving the transfer. Intersegment amounts are eliminated on consolidation.

Three months ended June 30 (\$ millions)	Oil Sands		Exploration and Production		Refining and Marketing		Corporate and Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Revenues and Other Income</b>										
Gross revenues	5 319	4 365	673	813	8 022	7 258	—	(2)	14 014	12 434
Intersegment revenues	2 113	1 813	—	—	35	14	(2 148)	(1 827)	—	—
Less: Royalties	(1 001)	(599)	(124)	(116)	—	—	—	—	(1 125)	(715)
Operating revenues, net of royalties	6 431	5 579	549	697	8 057	7 272	(2 148)	(1 829)	12 889	11 719
Other income (loss)	72	(5)	(5)	(22)	43	13	41	11	151	(3)
	6 503	5 574	544	675	8 100	7 285	(2 107)	(1 818)	13 040	11 716
<b>Expenses</b>										
Purchases of crude oil and products	696	361	—	—	6 519	5 797	(2 053)	(1 781)	5 162	4 377
Operating, selling and general	2 278	2 299	120	143	603	604	152	394	3 153	3 440
Transportation and distribution	292	295	24	21	132	135	(10)	(10)	438	441
Depreciation, depletion, amortization and impairment	1 235	1 183	184	142	236	224	29	28	1 684	1 577
Exploration	13	4	2	3	—	—	—	—	15	7
(Gain) loss on disposal of assets	—	—	—	(607)	—	(7)	1	(18)	1	(632)
Financing expenses (income)	197	165	18	17	17	14	172	(41)	404	155
	4 711	4 307	348	(281)	7 507	6 767	(1 709)	(1 428)	10 857	9 365
<b>Earnings (Loss) before Income Taxes</b>	1 792	1 267	196	956	593	518	(398)	(390)	2 183	2 351
<b>Income Tax Expense (Recovery)</b>										
Current	—	—	—	—	—	—	—	—	781	549
Deferred	—	—	—	—	—	—	—	—	(166)	(77)
	—	—	—	—	—	—	—	—	615	472
<b>Net Earnings</b>	—	—	—	—	—	—	—	—	1 568	1 879
<b>Capital and Exploration Expenditures<sup>(1)</sup></b>										
	1 437	1 043	229	182	375	377	6	11	2 047	1 613

(1) Excludes capital expenditures related to assets previously held for sale of \$66 million for the three months ended June 30, 2023.

Six months ended June 30 (\$ millions)	Oil Sands		Exploration and Production		Refining and Marketing		Corporate and Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Revenues and Other Income</b>										
Gross revenues	10 257	8 749	1 438	1 547	15 625	14 414	(1)	(4)	27 319	24 706
Intersegment revenues	4 097	3 496	—	—	45	31	(4 142)	(3 527)	—	—
Less: Royalties	(1 783)	(871)	(266)	(202)	—	—	—	—	(2 049)	(1 073)
Operating revenues, net of royalties	12 571	11 374	1 172	1 345	15 670	14 445	(4 143)	(3 531)	25 270	23 633
Other income	127	110	1	10	117	169	54	50	299	339
	12 698	11 484	1 173	1 355	15 787	14 614	(4 089)	(3 481)	25 569	23 972
<b>Expenses</b>										
Purchases of crude oil and products	1 325	769	—	—	12 107	11 151	(3 912)	(3 474)	9 520	8 446
Operating, selling and general	4 760	4 720	261	276	1 221	1 254	351	614	6 593	6 864
Transportation and distribution	584	565	49	42	235	244	(20)	(19)	848	832
Depreciation, depletion, amortization and impairment	2 420	2 321	354	269	480	444	58	59	3 312	3 093
Exploration	70	39	4	10	—	—	—	—	74	49
Gain on disposal of assets	—	—	—	(608)	—	(18)	(2)	(320)	(2)	(946)
Financing expenses	376	326	35	35	37	28	373	180	821	569
	9 535	8 740	703	24	14 080	13 103	(3 152)	(2 960)	21 166	18 907
<b>Earnings (Loss) before Income Taxes</b>	<b>3 163</b>	<b>2 744</b>	<b>470</b>	<b>1 331</b>	<b>1 707</b>	<b>1 511</b>	<b>(937)</b>	<b>(521)</b>	<b>4 403</b>	<b>5 065</b>
<b>Income Tax Expense (Recovery)</b>										
Current	—	—	—	—	—	—	—	—	1 430	1 287
Deferred	—	—	—	—	—	—	—	—	(205)	(153)
	—	—	—	—	—	—	—	—	1 225	1 134
<b>Net Earnings</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3 178</b>	<b>3 931</b>
<b>Capital and Exploration Expenditures<sup>(1)</sup></b>	<b>2 432</b>	<b>1 853</b>	<b>371</b>	<b>320</b>	<b>543</b>	<b>502</b>	<b>12</b>	<b>24</b>	<b>3 358</b>	<b>2 699</b>

(1) Excludes capital expenditures related to assets previously held for sale of \$108 million for the six months ended June 30, 2023.

**Disaggregation of Revenue from Contracts with Customers and Intersegment Revenue**

The company's revenues are from the following major commodities:

Three months ended June 30 (\$ millions)	North America	2024 International	Total	North America	2023 International	Total
<b>Oil Sands</b>						
Synthetic crude oil and diesel	4 614	—	4 614	4 732	—	4 732
Bitumen	2 818	—	2 818	1 446	—	1 446
	7 432	—	7 432	6 178	—	6 178
<b>Exploration and Production</b>						
Crude oil and natural gas liquids	437	236	673	549	263	812
Natural gas	—	—	—	—	1	1
	437	236	673	549	264	813
<b>Refining and Marketing</b>						
Gasoline	3 519	—	3 519	3 343	—	3 343
Distillate	3 813	—	3 813	3 223	—	3 223
Other	725	—	725	706	—	706
	8 057	—	8 057	7 272	—	7 272
<b>Corporate and Eliminations</b>						
	(2 148)	—	(2 148)	(1 829)	—	(1 829)
<b>Total Revenue from Contracts with Customers</b>	<b>13 778</b>	<b>236</b>	<b>14 014</b>	<b>12 170</b>	<b>264</b>	<b>12 434</b>
<b>Six months ended June 30 (\$ millions)</b>						
	<b>North America</b>	<b>2024 International</b>	<b>Total</b>	<b>North America</b>	<b>2023 International</b>	<b>Total</b>
<b>Oil Sands</b>						
Synthetic crude oil and diesel	9 474	—	9 474	9 564	—	9 564
Bitumen	4 880	—	4 880	2 681	—	2 681
	14 354	—	14 354	12 245	—	12 245
<b>Exploration and Production</b>						
Crude oil and natural gas liquids	1 046	392	1 438	1 007	534	1 541
Natural gas	—	—	—	—	6	6
	1 046	392	1 438	1 007	540	1 547
<b>Refining and Marketing</b>						
Gasoline	6 509	—	6 509	6 161	—	6 161
Distillate	7 774	—	7 774	7 009	—	7 009
Other	1 387	—	1 387	1 275	—	1 275
	15 670	—	15 670	14 445	—	14 445
<b>Corporate and Eliminations</b>						
	(4 143)	—	(4 143)	(3 531)	—	(3 531)
<b>Total Revenue from Contracts with Customers</b>	<b>26 927</b>	<b>392</b>	<b>27 319</b>	<b>24 166</b>	<b>540</b>	<b>24 706</b>



## 5. Other Income (Loss)

Other income (loss) consists of the following:

(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Energy trading and risk management	83	(12)	139	267
Investment and interest income	68	9	107	68
Insurance proceeds and other	—	—	53	4
	<b>151</b>	<b>(3)</b>	<b>299</b>	<b>339</b>

## 6. Share-Based Compensation

The following table summarizes the share-based compensation expense for all plans recorded within operating, selling and general expense:

(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Equity-settled plans	4	4	7	9
Cash-settled plans	124	18	280	114
	<b>128</b>	<b>22</b>	<b>287</b>	<b>123</b>

## 7. Financing Expenses

(\$ millions)	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Interest on debt	184	191	365	388
Interest on lease liabilities	69	50	125	96
Capitalized interest	(83)	(62)	(157)	(120)
Interest expense	170	179	333	364
Interest on partnership liability	12	13	24	25
Interest on pension and other post-retirement benefits	5	(3)	11	3
Accretion	149	134	294	267
Foreign exchange loss (gain) on U.S. dollar denominated debt	103	(244)	323	(241)
Operational foreign exchange and other	(35)	76	(164)	151
	<b>404</b>	<b>155</b>	<b>821</b>	<b>569</b>

In the second quarter of 2023, the company extended the maturity of its syndicated credit facilities from June 2024 and June 2025 to June 2026, and reduced the size of its \$3.0 billion tranche by \$200 million, to \$2.8 billion.

## 8. Earnings Per Common Share

(\$ millions)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Net earnings	<b>1 568</b>	1 879	<b>3 178</b>	3 931
(millions of common shares)				
Weighted average number of common shares	<b>1 283</b>	1 309	<b>1 286</b>	1 319
Dilutive securities:				
Effect of share options	<b>2</b>	1	<b>2</b>	2
Weighted average number of diluted common shares	<b>1 285</b>	1 310	<b>1 288</b>	1 321
(dollars per common share)				
Basic earnings per share	<b>1.22</b>	1.44	<b>2.47</b>	2.98
Diluted earnings per share	<b>1.22</b>	1.43	<b>2.47</b>	2.98

## 9. Normal Course Issuer Bid

During the first quarter of 2024, the TSX accepted a notice filed by Suncor to renew its normal course issuer bid (NCIB) to purchase the company's common shares through the facilities of the TSX, NYSE and/or alternative trading systems. The notice provided that, beginning February 26, 2024, and ending February 25, 2025, Suncor may purchase for cancellation up to 128,700,000 common shares, which is equal to approximately 10% of Suncor's public float as of February 12, 2024. As at February 12, 2024, Suncor had 1,287,461,183 common shares issued and outstanding.

A share buyback tax was substantively enacted during the second quarter of 2024, with an effective date of January 1, 2024, and the company has prospectively applied this tax on its share repurchase activities.

For the three months ended June 30, 2024, the company repurchased 15.6 million common shares under the 2024 renewed NCIB at an average price of \$53.00 per share, for a total repurchase cost of \$0.8 billion, including taxes. For the six months ended June 30, 2024, the company repurchased 3.4 million common shares under the previous 2023 NCIB and 18.6 million under the 2024 renewed NCIB at an average price of \$50.81 per share, for a total repurchase cost of \$1.1 billion, including taxes.

For the three months ended June 30, 2023, the company repurchased 16.8 million common shares under the 2023 renewed NCIB at an average price of \$40.71 per share, for a total repurchase cost of \$0.7 billion. For the six months ended June 30, 2023, the company repurchased 8.3 million common shares under the previous 2022 NCIB and 28.4 million under the 2023 renewed NCIB at an average price of \$42.41 per share, for a total repurchase cost of \$1.6 billion.

The following table summarizes the share repurchase activities during the period:

(\$ millions, except as noted)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Share repurchase activities (thousands of common shares)				
Shares repurchased	<b>15 561</b>	16 804	<b>21 999</b>	36 740
Amounts charged to:				
Share capital	<b>264</b>	281	<b>372</b>	615
Retained earnings <sup>(1)</sup>	<b>576</b>	403	<b>761</b>	943
Share repurchase cost	<b>840</b>	684	<b>1 133</b>	1 558

(1) Includes \$15 million of taxes on share repurchases for the three and six months ended June 30, 2024.

Under an automatic repurchase plan agreement with an independent broker, the company has recorded the following liability for share repurchases that may take place during its internal blackout period:

(\$ millions)	June 30 2024	December 31 2023
Amounts charged to:		
Share capital	120	60
Retained earnings	248	90
Liability for share purchase commitment	368	150

## 10. Financial Instruments

### Derivative Financial Instruments

#### (a) Non-Designated Derivative Financial Instruments

The company uses derivative financial instruments, such as physical and financial contracts, to manage certain exposures to fluctuations in interest rates, commodity prices and foreign currency exchange rates, as part of its overall risk management program, as well as for trading purposes.

The changes in the fair value of non-designated derivatives are as follows:

(\$ millions)	Total
Fair value outstanding at December 31, 2023	(20)
Changes in fair value recognized in earnings during the year	(46)
Cash settlements – paid (received) during the year	34
Fair value outstanding at June 30, 2024	(32)

#### (b) Fair Value Hierarchy

To estimate the fair value of derivatives, the company uses quoted market prices when available, or third-party models and valuation methodologies that utilize observable market data. In addition to market information, the company incorporates transaction-specific details that market participants would utilize in a fair value measurement, including the impact of non-performance risk. However, these fair value estimates may not necessarily be indicative of the amounts that could be realized or settled in a current market transaction. The company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1 consists of instruments with a fair value determined by an unadjusted quoted price in an active market for identical assets or liabilities. An active market is characterized by readily and regularly available quoted prices where the prices are representative of actual and regularly occurring market transactions to assure liquidity.
- Level 2 consists of instruments with a fair value that is determined by quoted prices in an inactive market, prices with observable inputs or prices with insignificant non-observable inputs. The fair value of these positions is determined using observable inputs from exchanges, pricing services, third-party independent broker quotes and published transportation tolls. The observable inputs may be adjusted using certain methods, which include extrapolation over the quoted price term and quotes for comparable assets and liabilities.
- Level 3 consists of instruments with a fair value that is determined by prices with significant unobservable inputs. As at June 30, 2024, the company does not have any derivative instruments measured at fair value Level 3.

In forming estimates, the company utilizes the most observable inputs available for valuation purposes. If a fair value measurement reflects inputs of different levels within the hierarchy, the measurement is categorized based upon the lowest level of input that is significant to the fair value measurement.

The following table presents the company's derivative financial instruments measured at fair value for each hierarchy level as at June 30, 2024:

(\$ millions)	Level 1	Level 2	Level 3	Total Fair Value
Accounts receivable	56	48	—	104
Accounts payable	(101)	(35)	—	(136)
	(45)	13	—	(32)

During the second quarter of 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

## Non-Derivative Financial Instruments

At June 30, 2024, the carrying value of fixed-term debt accounted for under amortized cost was \$11.4 billion (December 31, 2023 – \$11.1 billion) and the fair value was \$11.2 billion (December 31, 2023 – \$11.1 billion). The estimated fair value of long-term debt is based on pricing sourced from market data.

## 11. Asset Transactions and Valuations

### Oil Sands

#### Fort Hills:

During the first quarter of 2023, the company completed the acquisition of an additional 14.65% working interest in Fort Hills from Teck Resources Limited for \$712 million, bringing the company's working interest in Fort Hills to 68.76%.

During the fourth quarter of 2023, the company completed the acquisition of TotalEnergies Canada, which held the remaining 31.23% working interest in Fort Hills, for \$1.468 billion before closing adjustments and other closing costs, making Suncor the sole owner of Fort Hills.

### Exploration and Production

#### Sale of United Kingdom Operations:

During the second quarter of 2023, the company completed the sale of its United Kingdom (U.K.) operations, including its interests in Buzzard and Rosebank located in the U.K. sector of the North Sea, for gross proceeds of \$1.1 billion, before closing adjustments and other closing costs, resulting in an after-tax gain on sale of \$607 million (\$607 million before-tax).

## 12. Provisions

Suncor's decommissioning and restoration provision decreased by \$519 million for the six months ended June 30, 2024. The decrease was primarily due to an increase in the credit-adjusted risk-free interest rate to 5.50% (December 31, 2023 – 5.20%).

## 13. Pensions and Other Post-Retirement Benefits

For the six months ended June 30, 2024, the actuarial gain on employee retirement benefit plans was \$490 million (net of taxes of \$155 million), mainly due to an increase in the discount rate to 5.00% (December 31, 2023 – 4.60%).

# Supplemental Financial and Operating Information

## Quarterly Financial Summary

(unaudited)

(\$ millions, except per share amounts)	Quarter Ended					Six Months Ended		Year Ended
	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Jun 30 2024	Jun 30 2023	Dec 31 2023
<b>Gross revenues</b>	<b>14 014</b>	13 305	13 589	13 911	12 434	<b>27 319</b>	24 706	52 206
<b>Less: Royalties</b>	<b>(1 125)</b>	(924)	(779)	(1 262)	(715)	<b>(2 049)</b>	(1 073)	(3 114)
<b>Operating revenues, net of royalties</b>	<b>12 889</b>	12 381	12 810	12 649	11 719	<b>25 270</b>	23 633	49 092
<b>Earnings (loss) before income taxes</b>								
Oil Sands	<b>1 792</b>	1 371	2 660	1 407	1 267	<b>3 163</b>	2 744	6 811
Exploration and Production	<b>196</b>	274	133	227	956	<b>470</b>	1 331	1 691
Refining and Marketing	<b>593</b>	1 114	598	1 274	518	<b>1 707</b>	1 511	3 383
Corporate and Eliminations	<b>(398)</b>	(539)	(1)	(774)	(390)	<b>(937)</b>	(521)	(1 296)
Income tax expense	<b>(615)</b>	(610)	(570)	(590)	(472)	<b>(1 225)</b>	(1 134)	(2 294)
Net earnings	<b>1 568</b>	1 610	2 820	1 544	1 879	<b>3 178</b>	3 931	8 295
<b>Adjusted operating earnings (loss)<sup>(A)</sup></b>								
Oil Sands	<b>1 745</b>	1 365	1 526	1 670	1 281	<b>3 110</b>	2 771	5 967
Exploration and Production	<b>196</b>	274	133	227	349	<b>470</b>	724	1 084
Refining and Marketing	<b>588</b>	1 118	598	1 277	494	<b>1 706</b>	1 492	3 367
Corporate and Eliminations	<b>(295)</b>	(319)	(42)	(518)	(359)	<b>(614)</b>	(789)	(1 349)
Income tax expense included in adjusted operating earnings	<b>(608)</b>	(621)	(580)	(676)	(512)	<b>(1 229)</b>	(1 136)	(2 392)
Total	<b>1 626</b>	1 817	1 635	1 980	1 253	<b>3 443</b>	3 062	6 677
<b>Adjusted funds from (used in) operations<sup>(A)</sup></b>								
Oil Sands	<b>3 108</b>	2 443	2 651	2 929	2 557	<b>5 551</b>	5 145	10 725
Exploration and Production	<b>398</b>	467	228	372	521	<b>865</b>	1 012	1 612
Refining and Marketing	<b>893</b>	1 306	811	1 482	781	<b>2 199</b>	1 975	4 268
Corporate and Eliminations	<b>(221)</b>	(398)	10	(368)	(655)	<b>(619)</b>	(1 188)	(1 546)
Current income tax (expense) recovery	<b>(781)</b>	(649)	334	(781)	(549)	<b>(1 430)</b>	(1 287)	(1 734)
Total	<b>3 397</b>	3 169	4 034	3 634	2 655	<b>6 566</b>	5 657	13 325
Change in non-cash working capital	<b>432</b>	(382)	284	550	148	<b>50</b>	(1 815)	(981)
<b>Cash flow provided by operating activities</b>	<b>3 829</b>	2 787	4 318	4 184	2 803	<b>6 616</b>	3 842	12 344
<b>Free funds flow (deficit)<sup>(A)(B)</sup></b>								
Oil Sands	<b>1 671</b>	1 448	1 583	1 754	1 514	<b>3 119</b>	3 292	6 629
Exploration and Production	<b>169</b>	325	67	185	339	<b>494</b>	692	944
Refining and Marketing	<b>518</b>	1 138	506	1 287	404	<b>1 656</b>	1 473	3 266
Corporate and Eliminations	<b>(227)</b>	(404)	(8)	(388)	(666)	<b>(631)</b>	(1 212)	(1 608)
Current income tax (expense) recovery	<b>(781)</b>	(649)	334	(781)	(549)	<b>(1 430)</b>	(1 287)	(1 734)
Total	<b>1 350</b>	1 858	2 482	2 057	1 042	<b>3 208</b>	2 958	7 497
<b>Per common share</b>								
Net earnings – basic	<b>1.22</b>	1.25	2.18	1.19	1.44	<b>2.47</b>	2.98	6.34
Net earnings – diluted	<b>1.22</b>	1.25	2.18	1.19	1.43	<b>2.47</b>	2.98	6.33
Adjusted operating earnings <sup>(A)(C)</sup>	<b>1.27</b>	1.41	1.26	1.52	0.96	<b>2.68</b>	2.32	5.10
Cash dividends <sup>(C)</sup>	<b>0.55</b>	0.55	0.55	0.52	0.52	<b>1.10</b>	1.04	2.11
Adjusted funds from operations <sup>(A)(C)</sup>	<b>2.65</b>	2.46	3.12	2.80	2.03	<b>5.11</b>	4.29	10.19
Cash flow provided by operating activities <sup>(C)</sup>	<b>2.98</b>	2.16	3.34	3.22	2.14	<b>5.14</b>	2.91	9.44
Free funds flow <sup>(A)(B)(C)</sup>	<b>1.05</b>	1.44	1.92	1.58	0.80	<b>2.49</b>	2.24	5.73
<b>Returns to shareholders</b>								
Dividends paid on common shares	<b>698</b>	702	704	676	679	<b>1 400</b>	1 369	2 749
Repurchase of common shares	<b>825</b>	293	375	300	684	<b>1 118</b>	1 558	2 233
Total returns to shareholders	<b>1 523</b>	995	1 079	976	1 363	<b>2 518</b>	2 927	4 982
<b>Capital and exploration expenditures (including capitalized interest)</b>								
Oil Sands	<b>1 437</b>	995	1 068	1 175	1 043	<b>2 432</b>	1 853	4 096
Exploration and Production <sup>(D)</sup>	<b>229</b>	142	161	187	182	<b>371</b>	320	668
Refining and Marketing	<b>375</b>	168	305	195	377	<b>543</b>	502	1 002
Corporate and Eliminations	<b>6</b>	6	18	20	11	<b>12</b>	24	62
Total capital and exploration expenditures	<b>2 047</b>	1 311	1 552	1 577	1 613	<b>3 358</b>	2 699	5 828

See accompanying footnotes and definitions to the quarterly operating summaries.

# Supplemental Financial and Operating Information (continued)

## Quarterly Financial Summary

(unaudited)

	Jun 30 2024	For the twelve months ended			Jun 30 2023
		Mar 31 2024	Dec 31 2023	Sep 30 2023	
Return on capital employed (ROCE) <sup>(A)(E)</sup> (%)	<b>15.6</b>	15.7	16.3	16.5	13.2
ROCE excluding impairments and impairment reversals <sup>(A)(E)</sup> (%)	<b>15.6</b>	15.7	16.3	16.5	16.7

(A) Non-GAAP financial measures or contains non-GAAP financial measures. See the Operating Summary Information – Non-GAAP and Other Financial Measures section of this Quarterly Report.

(B) Beginning in the second quarter of 2024, the company included the presentation of free funds flow by segment and on a basic per share basis.

(C) Presented on a basic per share basis.

(D) Excludes capital expenditures related to assets previously held for sale of \$66 million in the second quarter of 2023 and \$42 million in the first quarter of 2023.

(E) Beginning in the second quarter of 2024, the company revised the definition of ROCE to exclude lease liabilities from the calculation of average capital employed and interest on lease liabilities from net interest expense to better align with how management and industry monitors capital structure. Prior period comparatives have been restated to reflect this change.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Summary

(unaudited)

		Quarter Ended				Six Months Ended		Year Ended
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Jun 30	Jun 30	Dec 31
	2024	2024	2023	2023	2023	2024	2023	2023
<b>Oil Sands</b>								
<b>Production volumes (mbbls/d)</b>								
<b>Total Oil Sands bitumen production</b>	<b>834.4</b>	932.1	866.2	787.0	814.3	<b>883.3</b>	812.8	819.8
<b>Oil Sands production volumes<sup>(A)</sup></b>								
Oil Sands operations – SCO, diesel and other products	321.6	374.6	288.9	288.9	350.2	348.1	341.5	314.9
Oil Sands operations – Bitumen	136.9	120.3	171.5	121.6	89.9	128.6	99.8	123.4
Syncrude – SCO, diesel and bitumen	171.1	197.9	208.1	200.0	171.5	184.5	180.7	192.6
Fort Hills – Bitumen	166.9	177.6	154.1	86.1	110.2	172.3	92.5	106.4
Inter-asset transfers and consumption	(80.5)	(85.4)	(65.2)	(50.5)	(42.7)	(83.0)	(37.4)	(47.7)
<b>Total Oil Sands production volumes</b>	<b>716.0</b>	785.0	757.4	646.1	679.1	<b>750.5</b>	677.1	689.6
<b>Oil Sands – upgraded – net SCO and diesel</b>								
Oil Sands operations	321.6	374.6	288.9	288.9	350.2	348.1	341.5	314.9
Syncrude	166.7	197.9	206.7	200.0	171.4	182.3	178.1	190.9
Inter-asset transfers and consumption	(26.6)	(27.5)	(19.9)	(19.6)	(16.6)	(27.1)	(18.1)	(18.8)
<b>Total Oil Sands – upgraded – net SCO and diesel production</b>	<b>461.7</b>	545.0	475.7	469.3	505.0	<b>503.3</b>	501.5	487.0
<b>Oil Sands – non-upgraded bitumen</b>								
Oil Sands operations	136.9	120.3	171.5	121.6	89.9	128.6	99.8	123.4
Fort Hills	166.9	177.6	154.1	86.1	110.2	172.3	92.5	106.4
Syncrude	4.4	—	1.4	—	0.1	2.2	2.6	1.7
Inter-asset transfers	(53.9)	(57.9)	(45.3)	(30.9)	(26.1)	(55.9)	(19.3)	(28.9)
<b>Total Oil Sands – non-upgraded bitumen production</b>	<b>254.3</b>	240.0	281.7	176.8	174.1	<b>247.2</b>	175.6	202.6
<b>Oil Sands production volumes to market</b>								
Upgraded – net SCO and diesel	461.7	545.0	475.7	469.3	505.0	503.3	501.5	487.0
Non-upgraded bitumen	254.3	240.0	281.7	176.8	174.1	247.2	175.6	202.6
<b>Total Oil Sands production volumes</b>	<b>716.0</b>	785.0	757.4	646.1	679.1	<b>750.5</b>	677.1	689.6
<b>Oil Sands sales volumes (mbbls/d)</b>								
Upgraded – net SCO and diesel	453.8	550.3	457.3	474.1	511.5	502.0	507.8	486.6
Non-upgraded bitumen	272.6	233.8	277.5	181.6	163.6	253.3	168.8	199.4
<b>Total Oil Sands sales volumes</b>	<b>726.4</b>	784.1	734.8	655.7	675.1	<b>755.3</b>	676.6	686.0
<b>Oil Sands operations cash operating costs<sup>(1)(B)</sup> (\$ millions)</b>								
Cash costs	1 123	1 107	1 199	1 020	1 082	2 230	2 106	4 325
Natural gas	65	103	107	80	84	168	239	426
	<b>1 188</b>	1 210	1 306	1 100	1 166	<b>2 398</b>	2 345	4 751
<b>Oil Sands operations cash operating costs<sup>(1)(B)</sup> (\$/bbl)*</b>								
Cash costs	26.90	24.55	28.30	27.00	27.00	25.70	26.35	27.05
Natural gas	1.55	2.30	2.50	2.15	2.10	1.95	3.00	2.65
	<b>28.45</b>	26.85	30.80	29.15	29.10	<b>27.65</b>	29.35	29.70
<b>Fort Hills cash operating costs<sup>(1)(B)(C)</sup> (\$ millions)</b>								
Cash costs	453	505	382	331	301	958	561	1 274
Natural gas	12	26	16	13	14	38	32	61
	<b>465</b>	531	398	344	315	<b>996</b>	593	1 335
<b>Fort Hills cash operating costs<sup>(1)(B)(C)</sup> (\$/bbl)*</b>								
Cash costs	29.80	31.20	26.95	41.80	29.95	30.50	33.55	32.85
Natural gas	0.80	1.65	1.15	1.60	1.45	1.25	1.90	1.55
	<b>30.60</b>	32.85	28.10	43.40	31.40	<b>31.75</b>	35.45	34.40
<b>Syncrude cash operating costs<sup>(1)(B)</sup> (\$ millions)</b>								
Cash costs	615	620	629	592	647	1 235	1 302	2 523
Natural gas	10	22	19	17	18	32	52	88
	<b>625</b>	642	648	609	665	<b>1 267</b>	1 354	2 611
<b>Syncrude cash operating costs<sup>(1)(B)</sup> (\$/bbl)*</b>								
Cash costs	39.50	34.45	32.85	32.20	41.45	36.80	39.80	35.90
Natural gas	0.65	1.25	1.00	0.95	1.15	0.95	1.55	1.25
	<b>40.15</b>	35.70	33.85	33.15	42.60	<b>37.75</b>	41.35	37.15

(A) Beginning in the first quarter of 2024, to better reflect the company's individual asset performance, the company revised the presentation of its production volumes to include a gross production view for individual assets. Prior period amounts have been revised to reflect this change.

(B) Non-GAAP financial measures or contains non-GAAP financial measures. See the Quarterly Operating Metrics Reconciliation and the Operating Summary Information – Non-GAAP and Other Financial Measures sections of this Quarterly Report.

(C) On February 2, 2023, the company completed the acquisition of an additional 14.65% working interest in Fort Hills. On November 20, 2023, Suncor completed the acquisition of the remaining 31.23% working interest in Fort Hills.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Summary (continued)

(unaudited)

Oil Sands Segment Operating Netbacks <sup>(A)(B)</sup>	Jun 30 2024	Quarter Ended				Jun 30 2023	Six Months Ended		Year Ended
		Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023		Jun 30 2024	Jun 30 2023	Dec 31 2023
Non-upgraded bitumen (\$/bbl)									
Average price realized	<b>88.08</b>	72.52	70.76	97.75	77.93	<b>80.80</b>	67.96	75.78	
Royalties	<b>(13.29)</b>	(10.41)	(10.62)	(15.44)	(10.07)	<b>(11.96)</b>	(6.89)	(10.16)	
Transportation and distribution costs	<b>(5.62)</b>	(7.41)	(7.79)	(8.40)	(8.02)	<b>(6.43)</b>	(7.49)	(7.81)	
Net operating expenses	<b>(19.94)</b>	(22.74)	(17.91)	(21.46)	(21.65)	<b>(21.23)</b>	(22.31)	(20.56)	
Operating netback	<b>49.23</b>	31.96	34.44	52.45	38.19	<b>41.18</b>	31.27	37.25	
Upgraded – net SCO and diesel (\$/bbl)									
Average price realized	<b>110.20</b>	93.64	100.97	109.80	99.14	<b>101.18</b>	100.74	103.02	
Royalties	<b>(16.25)</b>	(11.19)	(8.80)	(19.56)	(9.64)	<b>(13.47)</b>	(7.18)	(10.60)	
Transportation and distribution costs	<b>(3.71)</b>	(2.67)	(4.65)	(2.61)	(3.78)	<b>(3.15)</b>	(3.66)	(3.62)	
Net operating expenses	<b>(39.28)</b>	(34.49)	(40.96)	(37.42)	(38.66)	<b>(36.66)</b>	(38.69)	(38.92)	
Operating netback	<b>50.96</b>	45.29	46.56	50.21	47.06	<b>47.90</b>	51.21	49.88	
Average Oil Sands segment (\$/bbl)									
Average price realized	<b>101.90</b>	87.34	89.56	106.46	94.00	<b>94.34</b>	92.56	95.10	
Royalties	<b>(15.14)</b>	(10.96)	(9.49)	(18.42)	(9.74)	<b>(12.97)</b>	(7.11)	(10.48)	
Transportation and distribution costs	<b>(4.42)</b>	(4.10)	(5.84)	(4.21)	(4.81)	<b>(4.25)</b>	(4.61)	(4.83)	
Net operating expenses	<b>(32.02)</b>	(30.98)	(32.26)	(33.00)	(34.54)	<b>(31.48)</b>	(34.60)	(33.58)	
Operating netback	<b>50.32</b>	41.30	41.97	50.83	44.91	<b>45.64</b>	46.24	46.21	

(A) Contains non-GAAP financial measures. See the Quarterly Operating Metrics Reconciliation and the Operating Summary Information – Non-GAAP and Other Financial Measures sections of this Quarterly Report.

(B) Netbacks are based on sales volumes. Impact of inventory writedown is excluded until product is sold.

See accompanying footnotes and definitions to the quarterly operating summaries.



# Quarterly Operating Summary (continued)

(unaudited)

Exploration and Production	Jun 30 2024	Quarter Ended			Jun 30 2023	Six Months Ended		Year Ended
		Mar 31 2024	Dec 31 2023	Sep 30 2023		Jun 30 2024	Jun 30 2023	Dec 31 2023
<b>Production volumes</b>								
E&P Canada (mbbls/d)	<b>49.0</b>	46.7	45.3	39.8	45.9	<b>47.9</b>	46.3	44.4
E&P International (mbbls/d)	<b>5.6</b>	3.6	5.4	4.6	16.9	<b>4.6</b>	18.6	11.7
<b>Total production volumes (mbbls/d)</b>	<b>54.6</b>	50.3	50.7	44.4	62.8	<b>52.5</b>	64.9	56.1
<b>Total sales volumes (mbbls/d)</b>								
	<b>46.8</b>	63.3	29.2	42.7	71.6	<b>55.0</b>	70.2	52.9
<b>Operating netbacks<sup>(A)(B)</sup></b>								
E&P Canada (\$/bbl)								
Average price realized	<b>117.08</b>	111.73	118.20	120.59	108.44	<b>114.32</b>	106.56	111.49
Royalties	<b>(9.43)</b>	(14.68)	(15.10)	(16.33)	(13.46)	<b>(12.54)</b>	(12.60)	(13.82)
Transportation and distribution costs	<b>(5.69)</b>	(4.21)	(8.69)	(3.38)	(2.63)	<b>(4.82)</b>	(2.93)	(3.87)
Operating costs	<b>(27.23)</b>	(21.46)	(31.23)	(20.18)	(18.57)	<b>(23.82)</b>	(17.60)	(20.17)
Operating netback	<b>74.73</b>	71.38	63.18	80.70	73.78	<b>73.14</b>	73.43	73.63
E&P International (excluding Libya) (\$/bbl) <sup>(C)</sup>								
Average price realized	—	—	—	—	105.63	—	112.16	112.16
Transportation and distribution costs	—	—	—	—	(3.19)	—	(3.15)	(3.16)
Operating costs	—	—	—	—	(19.16)	—	(15.03)	(15.03)
Operating netback	—	—	—	—	83.28	—	93.98	93.97

(A) Contains non-GAAP financial measures. See the Quarterly Operating Metrics Reconciliation and the Operating Summary Information – Non-GAAP and Other Financial Measures sections of this Quarterly Report.

(B) Netbacks are based on sales volumes.

(C) In the second quarter of 2023, Suncor completed the divestment of its U.K. portfolio.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Summary (continued)

(unaudited)

	Jun 30 2024	Quarter Ended			Jun 30 2023	Six Months Ended Jun 30 2024	Jun 30 2023	Year Ended Dec 31 2023
		Mar 31 2024	Dec 31 2023	Sep 30 2023				
<b>Refining and Marketing</b>								
Refined product sales (mbbls/d)	594.7	581.0	575.5	574.1	547.0	587.8	531.0	553.1
Crude oil processed (mbbls/d)	430.5	455.3	455.9	463.2	394.4	442.9	381.1	420.7
Rack forward sales volume (ML)	5 592	5 108	5 286	5 445	5 073	10 700	9 727	20 458
Utilization of refining capacity (%)	92	98	98	99	85	95	82	90
Refining and marketing gross margin – first-in, first-out (FIFO) (\$/bbl) <sup>(A)</sup>	37.65	46.65	37.45	50.10	38.10	42.30	46.45	45.00
Refining and marketing gross margin – last-in, first-out (LIFO) (\$/bbl) <sup>(A)</sup>	36.35	45.75	47.05	42.45	41.10	41.20	49.80	47.00
Rack forward gross margin (cpl) <sup>(A)</sup>	6.25	5.00	6.90	5.95	6.35	5.65	6.75	6.55
Refining operating expense (\$/bbl) <sup>(A)(B)</sup>	6.95	7.15	7.65	6.20	7.95	7.05	8.05	7.45
Rack forward operating expense (cpl) <sup>(A)</sup>	3.10	3.20	4.20	3.10	3.10	3.15	3.20	3.45
<b>Eastern North America</b>								
<b>Refined product sales (mbbls/d)</b>								
Transportation fuels								
Gasoline	112.9	112.6	115.2	112.6	108.9	112.7	110.4	112.2
Distillate	105.0	118.4	110.1	101.1	104.0	111.7	103.0	104.3
Total transportation fuel sales	217.9	231.0	225.3	213.7	212.9	224.4	213.4	216.5
Petrochemicals	10.3	13.7	8.1	8.6	14.5	12.1	13.0	10.6
Asphalt	15.3	15.8	17.6	22.5	18.9	15.5	16.8	18.4
Other	23.4	24.6	21.9	19.4	21.2	24.0	24.9	22.9
<b>Total refined product sales</b>	<b>266.9</b>	<b>285.1</b>	<b>272.9</b>	<b>264.2</b>	<b>267.5</b>	<b>276.0</b>	<b>268.1</b>	<b>268.4</b>
<b>Crude oil supply and refining</b>								
Processed at refineries (mbbls/d)	169.8	216.5	217.8	215.4	212.3	193.2	208.1	212.4
Utilization of refining capacity (%)	76	98	98	97	96	87	94	96
<b>Western North America</b>								
<b>Refined product sales (mbbls/d)</b>								
Transportation fuels								
Gasoline	140.0	130.9	129.0	126.0	111.2	135.5	103.9	115.8
Distillate	152.0	141.7	141.3	145.9	140.4	146.8	135.6	139.6
Total transportation fuel sales	292.0	272.6	270.3	271.9	251.6	282.3	239.5	255.4
Asphalt	13.4	5.4	11.6	19.3	9.7	9.4	6.1	10.8
Other	22.4	17.9	20.7	18.7	18.2	20.1	17.3	18.5
<b>Total refined product sales</b>	<b>327.8</b>	<b>295.9</b>	<b>302.6</b>	<b>309.9</b>	<b>279.5</b>	<b>311.8</b>	<b>262.9</b>	<b>284.7</b>
<b>Crude oil supply and refining</b>								
Processed at refineries (mbbls/d)	260.7	238.8	238.1	247.8	182.1	249.7	173.0	208.3
Utilization of refining capacity (%)	107	98	98	102	75	102	71	85

(A) Contains non-GAAP financial measures. See the Quarterly Operating Metrics Reconciliation and the Operating Summary Information – Non-GAAP and Other Financial Measures sections of this Quarterly Report.

(B) In the first quarter of 2023, refining operating expense per barrel excluded costs associated with repair activities at the company's Commerce City refinery, as the repair costs are classified as non-refining costs that do not relate to the production of refined products.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Metrics Reconciliation

(unaudited)

## Oil Sands Operating Netbacks<sup>(A)(B)</sup>

(\$ millions, except per barrel amounts)

Quarter ended	June 30, 2024			March 31, 2024		
	Non- Upgraded Bitumen	Upgraded – Net SCO and Diesel	Oil Sands Segment	Non- Upgraded Bitumen	Upgraded – Net SCO and Diesel	Oil Sands Segment
Operating revenues	2 818	4 614	7 432	2 062	4 860	6 922
Other income (loss)	60	12	72	59	(4)	55
Purchases of crude oil and products	(651)	(45)	(696)	(557)	(72)	(629)
Gross realization adjustment <sup>(2)</sup>	(43)	(30)		(22)	(94)	
Gross realizations	2 184	4 551		1 542	4 690	
Royalties	(330)	(671)	(1 001)	(222)	(560)	(782)
Transportation and distribution	(139)	(153)	(292)	(158)	(134)	(292)
Operating, selling and general (OS&G)	(572)	(1 706)	(2 278)	(582)	(1 900)	(2 482)
OS&G adjustment <sup>(3)</sup>	77	81		98	174	
Net operating expenses	(495)	(1 625)		(484)	(1 726)	
Operating netback	1 220	2 102		678	2 270	
Sales volumes (mmbbls)	24 811	41 296		21 280	50 077	
<b>Operating netback per barrel</b>	<b>49.23</b>	<b>50.96</b>		31.96	45.29	

Quarter ended	December 31, 2023			September 30, 2023		
	Non- Upgraded Bitumen	Upgraded – Net SCO and Diesel	Oil Sands Segment	Non- Upgraded Bitumen	Upgraded – Net SCO and Diesel	Oil Sands Segment
Operating revenues	2 646	4 341	6 987	1 891	4 912	6 803
Other income (loss)	1 374	(11)	1 363	(5)	1	(4)
Purchases of crude oil and products	(820)	(29)	(849)	(274)	(43)	(317)
Gross realization adjustment <sup>(2)</sup>	(1 395)	(52)		22	(82)	
Gross realizations	1 805	4 249		1 634	4 788	
Royalties	(271)	(370)	(641)	(258)	(853)	(1 111)
Transportation and distribution	(199)	(195)	(394)	(140)	(114)	(254)
OS&G <sup>(C)</sup>	(573)	(1 823)	(2 396)	(426)	(1 787)	(2 213)
OS&G adjustment <sup>(3)</sup>	116	100		66	154	
Net operating expenses	(457)	(1 723)		(360)	(1 633)	
Operating netback	878	1 961		876	2 188	
Sales volumes (mmbbls)	25 529	42 070		16 711	43 620	
<b>Operating netback per barrel</b>	<b>34.44</b>	<b>46.56</b>		52.45	50.21	

(A) Non-GAAP financial measures. See the Operating Summary Information – Non-GAAP and Other Financial Measures section of this Quarterly Report.

(B) Impact of inventory writedown is excluded until product is sold.

(C) On November 20, 2023 (quarter ended Dec 31), Suncor completed the acquisition of the remaining 31.23% working interest in Fort Hills.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Metrics Reconciliation (continued)

(unaudited)

## Oil Sands Operating Netbacks<sup>(A)(B)</sup>

(\$ millions, except per barrel amounts)

Quarter ended	June 30, 2023		
	Non- Upgraded Bitumen	Upgraded - Net SCO and Diesel	Oil Sands Segment
Operating revenues	1 446	4 732	6 178
Other income (loss)	26	(31)	(5)
Purchases of crude oil and products	(327)	(34)	(361)
Gross realization adjustment <sup>(2)</sup>	15	(52)	
Gross realizations	1 160	4 615	
Royalties	(150)	(449)	(599)
Transportation and distribution	(119)	(176)	(295)
OS&G	(386)	(1 913)	(2 299)
OS&G adjustment <sup>(3)</sup>	63	114	
Net operating expenses	(323)	(1 799)	
Operating netback	568	2 191	
Sales volumes (mbbls)	14 887	46 550	
Operating netback per barrel	38.19	47.06	

(A) Non-GAAP financial measures. See the Operating Summary Information – Non-GAAP and Other Financial Measures section of this Quarterly Report.

(B) Impact of inventory writedown is excluded until product is sold.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Metrics Reconciliation (continued)

(unaudited)

## Oil Sands Operating Netbacks<sup>(A)(B)</sup>

(\$ millions, except per barrel amounts)

Year to date	June 30, 2024			June 30, 2023		
	Non- Upgraded Bitumen	Upgraded – Net SCO and Diesel	Oil Sands Segment	Non – Upgraded Bitumen	Upgraded – Net SCO and Diesel	Oil Sands Segment
Operating revenues	4 880	9 474	14 354	2 681	9 564	12 245
Other income (loss)	119	8	127	150	(40)	110
Purchases of crude oil and products	(1 208)	(117)	(1 325)	(664)	(105)	(769)
Gross realization adjustment <sup>(2)</sup>	(65)	(124)		(90)	(160)	
Gross realizations	3 726	9 241		2 077	9 259	
Royalties	(552)	(1 231)	(1 783)	(211)	(660)	(871)
Transportation and distribution	(297)	(287)	(584)	(228)	(337)	(565)
OS&G <sup>(C)</sup>	(1 154)	(3 606)	(4 760)	(860)	(3 860)	(4 720)
OS&G adjustment <sup>(3)</sup>	175	255		178	304	
Net operating expenses	(979)	(3 351)		(682)	(3 556)	
Operating netback	1 898	4 372		956	4 706	
Sales volumes (mmbbls)	46 091	91 373		30 555	91 911	
<b>Operating netback per barrel</b>	<b>41.18</b>	<b>47.90</b>		31.27	51.21	

Year ended	December 31, 2023		
	Non- Upgraded Bitumen	Upgraded – Net SCO and Diesel	Oil Sands Segment
Operating revenues	7 218	18 817	26 035
Other income (loss)	1 519	(50)	1 469
Purchases of crude oil and products	(1 758)	(177)	(1 935)
Gross realization adjustment <sup>(2)</sup>	(1 463)	(294)	
Gross realizations	5 516	18 296	
Royalties	(740)	(1 883)	(2 623)
Transportation and distribution	(567)	(646)	(1 213)
OS&G <sup>(C)</sup>	(1 859)	(7 470)	(9 329)
OS&G adjustment <sup>(3)</sup>	360	558	
Net operating expenses	(1 499)	(6 912)	
Operating netback	2 710	8 855	
Sales volumes (mmbbls)	72 795	177 601	
<b>Operating netback per barrel</b>	<b>37.25</b>	<b>49.88</b>	

(A) Non-GAAP financial measures. See the Operating Summary Information – Non-GAAP and Other Financial Measures section of this Quarterly Report.

(B) Impact of inventory writedown is excluded until product is sold.

(C) On February 2, 2023, the company completed the acquisition of an additional 14.65% working interest in Fort Hills. On November 20, 2023, Suncor completed the acquisition of the remaining 31.23% working interest in Fort Hills.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Metrics Reconciliation (continued)

(unaudited)

## Exploration and Production Operating Netbacks<sup>(A)(B)</sup>

(\$ millions, except per barrel amounts)

Quarter ended	June 30, 2024				March 31, 2024			
	International <sup>(C)</sup>	E&P Canada	Other <sup>(4)(5)</sup>	E&P Segment	International <sup>(C)</sup>	E&P Canada	Other <sup>(4)(5)</sup>	E&P Segment
Operating revenues	—	437	236	673	—	609	156	765
Royalties	—	(35)	(89)	(124)	—	(80)	(62)	(142)
Transportation and distribution	—	(21)	(3)	(24)	—	(23)	(2)	(25)
OS&G	—	(109)	(11)	(120)	—	(128)	(13)	(141)
Non-production costs <sup>(6)</sup>	—	7			—	11		
Operating netback	—	279			—	389		
Sales volumes (mbbls)	—	3 748			—	5 432		
<b>Operating netback per barrel</b>	—	<b>74.73</b>			—	<b>71.38</b>		

Quarter ended	December 31, 2023				September 30, 2023			
	International <sup>(C)</sup>	E&P Canada	Other <sup>(4)(5)</sup>	E&P Segment	International <sup>(C)</sup>	E&P Canada	Other <sup>(4)(5)</sup>	E&P Segment
Operating revenues	—	259	236	495	—	423	224	647
Royalties	—	(33)	(105)	(138)	—	(57)	(94)	(151)
Transportation and distribution	—	(19)	(3)	(22)	—	(12)	—	(12)
OS&G	(5)	(75)	(17)	(97)	—	(83)	(19)	(102)
Non-production costs <sup>(6)</sup>	5	6			—	13		
Operating netback	—	138			—	284		
Sales volumes (mbbls)	—	2 191			—	3 504		
Operating netback per barrel	—	63.18			—	80.70		

Quarter ended	June 30, 2023			
	International <sup>(C)</sup>	E&P Canada	Other <sup>(4)(5)</sup>	E&P Segment
Operating revenues	122	549	142	813
Royalties	—	(68)	(48)	(116)
Transportation and distribution	(4)	(13)	(4)	(21)
OS&G	(27)	(103)	(13)	(143)
Non-production costs <sup>(6)</sup>	5	9		
Operating netback	96	374		
Sales volumes (mbbls)	1 155	5 065		
Operating netback per barrel	83.28	73.78		

(A) Non-GAAP financial measures. See the Operating Summary Information – Non-GAAP and Other Financial Measures section of this Quarterly Report.

(B) Netbacks are based on sales volumes.

(C) In the second quarter of 2023, Suncor completed the divestment of its U.K. portfolio.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Metrics Reconciliation (continued)

(unaudited)

## Exploration and Production Operating Netbacks<sup>(A)(B)</sup>

(\$ millions, except per barrel amounts)

Year to date	June 30, 2024				June 30, 2023			
	E&P International <sup>(C)</sup>	E&P Canada	Other <sup>(4)(5)</sup>	E&P Segment	E&P International <sup>(C)</sup>	E&P Canada	Other <sup>(4)(5)</sup>	E&P Segment
Operating revenues	—	1 046	392	1 438	306	1 007	234	1 547
Royalties	—	(115)	(151)	(266)	—	(119)	(83)	(202)
Transportation and distribution	—	(44)	(5)	(49)	(9)	(27)	(6)	(42)
OS&G	—	(237)	(24)	(261)	(53)	(184)	(39)	(276)
Non-production costs <sup>(6)</sup>	—	18			12	18		
Operating netback	—	668			256	695		
Sales volumes (mmbbls)	—	9 180			2 729	9 454		
<b>Operating netback per barrel</b>	<b>—</b>	<b>73.14</b>			<b>93.98</b>	<b>73.43</b>		

Year ended	December 31, 2023			
	E&P International <sup>(C)</sup>	E&P Canada	Other <sup>(4)(5)</sup>	E&P Segment
Operating revenues	306	1 689	694	2 689
Royalties	—	(209)	(282)	(491)
Transportation and distribution	(9)	(58)	(9)	(76)
OS&G	(58)	(342)	(75)	(475)
Non-production costs <sup>(6)</sup>	17	37		
Operating netback	256	1 117		
Sales volumes (mmbbls)	2 729	15 149		
Operating netback per barrel	93.97	73.63		

(A) Non-GAAP financial measures. See the Operating Summary Information – Non-GAAP and Other Financial Measures section of this Quarterly Report.

(B) Netbacks are based on sales volumes.

(C) In the second quarter of 2023, Suncor completed the divestment of its U.K. portfolio.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Quarterly Operating Metrics Reconciliation (continued)

(unaudited)

## Refining and Marketing

(\$ millions, except as noted)

Refining and marketing gross margin reconciliation	Quarter Ended					Six Months Ended		Year Ended
	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Jun 30 2024	Jun 30 2023	Dec 31 2023
Operating revenues	<b>8 057</b>	7 613	8 053	8 570	7 272	<b>15 670</b>	14 445	31 068
Purchases of crude oil and products	<b>(6 519)</b>	(5 588)	(6 448)	(6 268)	(5 797)	<b>(12 107)</b>	(11 151)	(23 867)
	<b>1 538</b>	2 025	1 605	2 302	1 475	<b>3 563</b>	3 294	7 201
Other income (loss)	<b>43</b>	74	81	(26)	13	<b>117</b>	169	224
Non-refining and marketing margin <sup>(7)</sup>	<b>(13)</b>	(42)	(11)	(4)	(33)	<b>(55)</b>	(35)	(50)
Refining and marketing gross margin – FIFO <sup>(A)</sup>	<b>1 568</b>	2 057	1 675	2 272	1 455	<b>3 625</b>	3 428	7 375
Refinery production (mmbbls) <sup>(8)</sup>	<b>41 669</b>	44 074	44 756	45 342	38 214	<b>85 743</b>	73 797	163 895
Refining and marketing gross margin – FIFO (\$/bbl) <sup>(A)</sup>	<b>37.65</b>	46.65	37.45	50.10	38.10	<b>42.30</b>	46.45	45.00
FIFO (gain) loss and risk management activities adjustment <sup>(B)</sup>	<b>(53)</b>	(40)	431	(348)	116	<b>(93)</b>	247	330
Refining and marketing gross margin – LIFO <sup>(A)(B)</sup>	<b>1 515</b>	2 017	2 106	1 924	1 571	<b>3 532</b>	3 675	7 705
Refining and marketing gross margin – LIFO (\$/bbl) <sup>(A)(B)(C)</sup>	<b>36.35</b>	45.75	47.05	42.45	41.10	<b>41.20</b>	49.80	47.00
<b>Rack forward gross margin</b>								
Refining and marketing gross margin – FIFO <sup>(A)</sup>	<b>1 568</b>	2 057	1 675	2 272	1 455	<b>3 625</b>	3 428	7 375
Refining and supply gross margin	<b>(1 218)</b>	(1 802)	(1 311)	(1 948)	(1 133)	<b>(3 020)</b>	(2 772)	(6 031)
Rack forward gross margin <sup>(A)(9)</sup>	<b>350</b>	255	364	324	322	<b>605</b>	656	1 344
Sales volume (ML)	<b>5 592</b>	5 108	5 286	5 445	5 073	<b>10 700</b>	9 727	20 458
Rack forward gross margin (cpl) <sup>(A)</sup>	<b>6.25</b>	5.00	6.90	5.95	6.35	<b>5.65</b>	6.75	6.55
<b>Refining and rack forward operating expense reconciliation</b>								
Operating, selling and general	<b>603</b>	618	694	610	604	<b>1 221</b>	1 254	2 558
Less: Rack forward operating expense <sup>(A)(10)</sup>	<b>174</b>	165	222	170	157	<b>339</b>	313	705
Less: Other operating expenses <sup>(D)(11)</sup>	<b>139</b>	138	129	159	143	<b>277</b>	347	635
Refining operating expense <sup>(A)(D)</sup>	<b>290</b>	315	343	281	304	<b>605</b>	594	1 218
Refinery production (mmbbls) <sup>(8)</sup>	<b>41 669</b>	44 074	44 756	45 342	38 214	<b>85 743</b>	73 797	163 895
Refining operating expense (\$/bbl) <sup>(A)(D)</sup>	<b>6.95</b>	7.15	7.65	6.20	7.95	<b>7.05</b>	8.05	7.45
Sales volume (ML)	<b>5 592</b>	5 108	5 286	5 445	5 073	<b>10 700</b>	9 727	20 458
Rack forward operating expense (cpl) <sup>(A)</sup>	<b>3.10</b>	3.20	4.20	3.10	3.10	<b>3.15</b>	3.20	3.45

(A) Non-GAAP financial measures or contains non-GAAP financial measures. See the Operating Summary Information – Non-GAAP and Other Financial Measures section of this Quarterly Report.

(B) Refining and marketing gross margin – LIFO excludes the impact of risk management activities.

(C) The Suncor 5-2-2-1 index is most comparable to the company's realized refining and marketing margin presented on a LIFO basis.

(D) In the first quarter of 2023, refining operating expense per barrel excluded costs associated with repair activities at the company's Commerce City refinery, as the repair costs are classified as non-refining costs that do not relate to the production of refined products.

See accompanying footnotes and definitions to the quarterly operating summaries.



# Quarterly Operating Metrics Reconciliation (continued)

(unaudited)

## Refining and Marketing

### Suncor custom 5-2-2-1 index<sup>(A)(12)</sup>

(US\$/bbl, except as noted)

(average for the three months, six months and twelve months ended)	Quarter Ended					Six Months Ended		Year Ended	
	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Jun 30 2024	Jun 30 2023	Dec 31 2023	
WTI crude oil at Cushing	<b>80.55</b>	76.95	78.35	82.20	73.75	<b>78.75</b>	74.90	77.60	
SYN crude oil at Edmonton	<b>83.35</b>	69.55	78.65	85.00	76.65	<b>76.45</b>	77.40	79.60	
WCS at Hardisty	<b>67.00</b>	57.60	56.45	69.30	58.70	<b>62.30</b>	55.05	59.00	
New York Harbor 2-1-1 crack <sup>(B)</sup>	<b>24.75</b>	27.05	28.60	39.95	32.30	<b>25.90</b>	34.50	34.40	
Chicago 2-1-1 crack <sup>(B)</sup>	<b>18.85</b>	19.80	17.10	27.45	28.60	<b>19.35</b>	30.05	26.15	
<b>Product value</b>									
New York Harbor 2-1-1 crack <sup>(C)</sup>	40%	<b>42.10</b>	41.60	42.80	48.85	42.40	<b>41.85</b>	43.75	44.80
Chicago 2-1-1 crack <sup>(D)</sup>	40%	<b>39.75</b>	38.70	38.20	43.85	40.95	<b>39.25</b>	42.00	41.50
WTI	20%	<b>16.10</b>	15.40	15.65	16.45	14.75	<b>15.75</b>	15.00	15.50
Seasonality factor		<b>5.00</b>	6.50	6.50	5.00	5.00	<b>5.75</b>	5.75	5.75
		<b>102.95</b>	102.20	103.15	114.15	103.10	<b>102.60</b>	106.50	107.55
<b>Crude value</b>									
SYN	40%	<b>33.35</b>	27.80	31.45	34.00	30.65	<b>30.60</b>	30.95	31.85
WCS	40%	<b>26.80</b>	23.05	22.60	27.70	23.50	<b>24.90</b>	22.00	23.60
WTI	20%	<b>16.10</b>	15.40	15.65	16.45	14.75	<b>15.75</b>	15.00	15.50
		<b>76.25</b>	66.25	69.70	78.15	68.90	<b>71.25</b>	67.95	70.95
<b>Suncor custom 5-2-2-1 index</b>		<b>26.70</b>	35.95	33.45	36.00	34.20	<b>31.35</b>	38.55	36.60
<b>Suncor custom 5-2-2-1 index (Cdn\$/bbl)<sup>(A)</sup></b>		<b>36.55</b>	48.50	45.55	48.25	45.95	<b>42.60</b>	51.95	49.40

(A) The Suncor 5-2-2-1 index is most comparable to the company's realized refining and marketing margin presented on a LIFO basis.

(B) 2-1-1 crack spreads are indicators of the refining margin generated by converting two barrels of WTI into one barrel of gasoline and one barrel of diesel.

(C) Product value of the New York Harbor 2-1-1 crack is calculated by adding the values of the New York Harbor 2-1-1 crack and WTI, multiplying it by 40% and rounding to the nearest nickel.

(D) Product value of the Chicago 2-1-1 crack is calculated by adding the values of the Chicago 2-1-1 crack and WTI, multiplying it by 40% and rounding to the nearest nickel.

See accompanying footnotes and definitions to the quarterly operating summaries.

# Operating Summary Information

## **Non-GAAP and Other Financial Measures**

Certain financial measures in this Supplemental Financial and Operating Information – namely adjusted operating earnings (loss), adjusted funds from (used in) operations, free funds flow, measures contained in return on capital employed (ROCE) and ROCE excluding impairments and impairment reversals, Oil Sands operations cash operating costs, Fort Hills cash operating costs, Syncrude cash operating costs, refining and marketing gross margin, rack forward gross margin, refining operating expense, rack forward operating expense, net debt, total debt and operating netbacks – are not prescribed by generally accepted accounting principles (GAAP). Suncor uses this information to analyze business performance, leverage and liquidity and includes these financial measures because investors may find such measures useful on the same basis. These non-GAAP financial measures do not have any standardized meaning and, therefore, are unlikely to be comparable to similar measures presented by other companies. The additional information should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Adjusted operating earnings (loss), Oil Sands operations cash operating costs, Fort Hills cash operating costs and Syncrude cash operating costs are defined in the Non-GAAP and Other Financial Measures Advisory section and reconciled to GAAP measures in the Consolidated Financial Information and Segment Results and Analysis sections of each respective Quarterly Report to Shareholders in respect of the relevant quarter (Quarterly Report). Adjusted funds from (used in) operations, free funds flow and measures contained in ROCE and ROCE excluding impairments and impairment reversals, net debt and total debt are defined and reconciled to GAAP measures in the Non-GAAP and Other Financial Measures Advisory section of each respective Quarterly Report. Refining and marketing gross margin, rack forward gross margin, refining operating expense and rack forward operating expense are defined in the Non-GAAP and Other Financial Measures Advisory section and reconciled to GAAP measures in the Quarterly Operating Metrics Reconciliation section of each respective Quarterly Report. Operating netbacks are defined below and are reconciled to GAAP measures in the Quarterly Operating Metrics Reconciliation section of each respective Quarterly Report. The remainder of the non-GAAP financial measures not otherwise mentioned in this paragraph are defined and reconciled in this Quarterly Report.

## **Oil Sands Operating Netbacks**

Oil Sands operating netbacks are a non-GAAP measure, presented on a crude product and sales barrel basis, and are derived from the Oil Sands segmented statement of net earnings (loss), after adjusting for items not directly attributable to the revenues and costs associated with production and delivery. Management uses Oil Sands operating netbacks to measure crude product profitability on a sales barrel basis.

## **Exploration and Production (E&P) Operating Netbacks**

E&P operating netbacks are a non-GAAP measure, presented on an asset location and sales barrel basis, and are derived from the E&P segmented statement of net earnings (loss), after adjusting for items not directly attributable to the revenues and costs associated with production and delivery. Management uses E&P operating netbacks to measure asset profitability by location on a sales barrel basis.

## **Definitions**

- (1) Cash operating costs are calculated by adjusting Oil Sands segment operating, selling and general expense for non-production costs and excess power capacity. Significant non-production costs include, but are not limited to, share-based compensation adjustments, research costs, project startup costs and adjustments to reflect the cost of internal transfers in the receiving asset at the cost of production versus the cost of purchase. Non-production costs at Fort Hills and Syncrude also include, but are not limited to, an adjustment to reflect internally produced diesel from Oil Sands operations at the cost of production. Excess power capacity represents excess power revenue from cogeneration units that is recorded in operating revenues. Oil Sands operations excess power capacity and other also includes, but is not limited to, the natural gas expense recorded as part of a non-monetary arrangement involving a third-party processor. Oil Sands operations, Fort Hills and Syncrude production volumes are gross of internally consumed diesel and feedstock transfers between assets. Oil Sands operations, Fort Hills and Syncrude cash operating costs are reconciled in the Segment Results and Analysis – Oil Sands section of this MD&A. Management uses cash operating costs to measure operating performance.
- (2) Reflects the items not directly attributed to revenues received from the sale of proprietary crude and net non-proprietary activity at its deemed point of sale.
- (3) Reflects adjustments for general and administrative costs not directly attributed to the production of each crude product type, as well as the revenues associated with excess power generated from cogeneration units and sold that is recorded in operating revenue.
- (4) Reflects other E&P assets, such as Libya, for which netbacks are not provided.
- (5) Production from the company's Libya operations has been presented in this document on an economic basis. Revenue and royalties from the company's Libya operations are presented under the working-interest basis, which is required for presentation purposes in the company's financial statements. Under the working-interest basis, revenue includes a gross-up amount with offsetting amounts presented in royalties in the E&P segment and income tax expense reported at the total consolidated level.
- (6) Reflects adjustments for general and administrative costs not directly attributed to production.
- (7) Reflects adjustments for intersegment marketing fees.
- (8) Refining production is the output of the refining process and differs from crude oil processed as a result of volumetric adjustment for non-crude feedstock, volumetric gain associated with the refining process and changes in unfinished product inventories.

- (9) Rack forward operating revenues, other income less purchases of crude oil and products.
- (10) Rack forward operating expense reflects operating, selling and general expenses associated with retail and wholesale operations.
- (11) Reflects operating, selling and general expenses associated with the company's ethanol businesses and certain general and administrative costs not directly attributable to refinery production.
- (12) The custom 5-2-2-1 index is designed to represent Suncor's Refining and Marketing business based on publicly available pricing data and approximates the gross margin on five barrels of crude oil of varying grades that is refined to produce two barrels of both gasoline and distillate and one barrel of secondary product. The index is a single value that is calculated by taking the product value of refined products less the crude value of refinery feedstock incorporating the company's refining, product supply and rack forward businesses, but excluding the impact of first-in, first-out accounting. The product value is influenced by New York Harbor 2-1-1 crack, Chicago 2-1-1 crack, WTI benchmarks and seasonal factors. The seasonal factor is an estimate and reflects the location, quality and grade differentials for refined products sold in the company's core markets during the winter and summer months. The crude value is influenced by SYN, WCS and WTI benchmarks.

### **Explanatory Notes**

- \* Users are cautioned that the Oil Sands operations, Fort Hills and Syncrude cash operating costs per barrel measures may not be fully comparable to one another or to similar information calculated by other entities due to the differing operations of each entity as well as other entities' respective accounting policy choices.

### **Abbreviations**

bbl	-	barrel
bbls/d	-	barrels per day
mbbls	-	thousands of barrels
mbbls/d	-	thousands of barrels per day
cpl	-	cents per litre
ML	-	million litres
WTI	-	West Texas Intermediate
SYN	-	Synthetic crude oil benchmark
WCS	-	Western Canadian Select

### **Metric Conversion**

1 m<sup>3</sup> (cubic metre) = approximately 6.29 barrels



Suncor Energy Inc.  
150 - 6 Avenue S.W.,  
Calgary, Alberta, Canada T2P 3E3  
T: 403-296-8000  
Suncor.com