

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended **June 30, 2024**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-36550

**PAR PACIFIC HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

825 Town & Country Lane, Suite 1500  
Houston, Texas  
(Address of principal executive offices)

84-1060803  
(I.R.S. Employer  
Identification No.)

77024  
(Zip Code)

(281) 899-4800

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, \$0.01 par value	PARR	New York Stock Exchange

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

56,330,868 shares of Common Stock, \$0.01 par value, were outstanding as of August 2, 2024.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
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The terms "Par," "Company," "we," "our," and "us" refer to Par Pacific Holdings, Inc. and its consolidated subsidiaries unless the context suggests otherwise.

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**PART I - FINANCIAL INFORMATION**

**Item 1. FINANCIAL STATEMENTS**

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)  
(in thousands, except share data)

ASSETS	June 30, 2024	December 31, 2023
<b>Current assets</b>		
Cash and cash equivalents	\$ 179,658	\$ 279,107
Restricted cash	343	339
Total cash, cash equivalents, and restricted cash	180,001	279,446
Trade accounts receivable, net of allowances of \$0.3 million and \$0.2 million at June 30, 2024 and December 31, 2023, respectively	486,300	367,249
Inventories	1,258,337	1,160,395
Prepaid and other current assets	51,717	182,405
<b>Total current assets</b>	<b>1,976,355</b>	<b>1,989,495</b>
<b>Property, plant, and equipment</b>		
Property, plant, and equipment	1,642,056	1,577,801
Less accumulated depreciation and amortization	(526,978)	(478,413)
<b>Property, plant, and equipment, net</b>	<b>1,115,078</b>	<b>1,099,388</b>
<b>Long-term assets</b>		
Operating lease right-of-use ("ROU") assets	349,192	346,454
Refining and logistics equity investments	88,218	87,486
Investment in Laramie Energy, LLC	15,997	14,279
Intangible assets, net	10,009	10,918
Goodwill	129,275	129,275
Other long-term assets	252,823	186,655
<b>Total assets</b>	<b>\$ 3,936,947</b>	<b>\$ 3,863,950</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Current maturities of long-term debt	\$ 4,165	\$ 4,255
Obligations under inventory financing agreements	251,058	594,362
Accounts payable	549,040	391,325
Accrued taxes	52,239	40,064
Operating lease liabilities	69,662	72,833
Other accrued liabilities	284,889	421,762
<b>Total current liabilities</b>	<b>1,211,053</b>	<b>1,524,601</b>
<b>Long-term liabilities</b>		
Long-term debt, net of current maturities	1,054,590	646,603
Finance lease liabilities	12,411	12,438
Operating lease liabilities	289,436	282,517
Other liabilities	103,677	62,367
<b>Total liabilities</b>	<b>2,671,167</b>	<b>2,528,526</b>
<b>Commitments and contingencies (Note 15)</b>		
<b>Stockholders' equity</b>		
Preferred stock, \$0.01 par value: 3,000,000 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 500,000,000 shares authorized at June 30, 2024 and December 31, 2023, 56,908,751 shares and 59,755,844 shares issued at June 30, 2024 and December 31, 2023, respectively	568	597
Additional paid-in capital	875,868	860,797
Accumulated earnings	381,279	465,856
Accumulated other comprehensive income	8,065	8,174
<b>Total stockholders' equity</b>	<b>1,265,780</b>	<b>1,335,424</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,936,947</b>	<b>\$ 3,863,950</b>

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)  
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenues</b>	\$ 2,017,468	\$ 1,783,927	\$ 3,998,303	\$ 3,469,136
<b>Operating expenses</b>				
Cost of revenues (excluding depreciation)	1,770,197	1,574,806	3,517,675	2,863,826
Operating expense (excluding depreciation)	144,080	101,843	297,340	184,963
Depreciation and amortization	32,144	28,216	64,800	52,576
General and administrative expense (excluding depreciation)	23,168	23,168	64,923	42,454
Equity earnings from refining and logistics investments	(3,744)	(425)	(9,838)	(425)
Acquisition and integration costs	(152)	7,273	91	12,544
Par West redevelopment and other costs	3,071	2,613	5,042	5,363
Loss on sale of assets, net	63	—	114	—
<b>Total operating expenses</b>	<u>1,968,827</u>	<u>1,737,494</u>	<u>3,940,147</u>	<u>3,161,301</u>
<b>Operating income</b>	48,641	46,433	58,156	307,835
<b>Other income (expense)</b>				
Interest expense and financing costs, net	(20,434)	(14,909)	(38,318)	(31,159)
Debt extinguishment and commitment costs	(1,418)	38	(1,418)	(17,682)
Other income (loss), net	(124)	379	(2,700)	344
Equity earnings (losses) from Laramie Energy, LLC	(1,360)	—	3,203	10,706
<b>Total other expense, net</b>	<u>(23,336)</u>	<u>(14,492)</u>	<u>(39,233)</u>	<u>(37,791)</u>
<b>Income before income taxes</b>	25,305	31,941	18,923	270,044
Income tax expense	(6,667)	(1,928)	(4,036)	(2,141)
<b>Net income</b>	<u>\$ 18,638</u>	<u>\$ 30,013</u>	<u>\$ 14,887</u>	<u>\$ 267,903</u>
<b>Income per share</b>				
Basic	\$ 0.33	\$ 0.50	\$ 0.26	\$ 4.45
Diluted	\$ 0.32	\$ 0.49	\$ 0.25	\$ 4.39
<b>Weighted-average number of shares outstanding</b>				
Basic	57,239	60,399	57,936	60,255
Diluted	58,045	60,993	58,402	61,020

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**  
**(in thousands)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
<b>Net income</b>	\$ 18,638	\$ 30,013	\$ 14,887	\$ 267,903
Other comprehensive income (loss):				
Other post-retirement benefits (loss), net of tax	(55)	(11)	(109)	(22)
<b>Total other comprehensive loss, net of tax</b>	<b>(55)</b>	<b>(11)</b>	<b>(109)</b>	<b>(22)</b>
<b>Comprehensive income</b>	<b>\$ 18,583</b>	<b>\$ 30,002</b>	<b>\$ 14,778</b>	<b>\$ 267,881</b>

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(in thousands)

	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net Income	\$ 14,887	\$ 267,903
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	64,800	52,576
Debt extinguishment and commitment costs	1,418	17,682
Non-cash interest expense	2,775	1,615
Deferred taxes	3,530	1,226
Loss on sale of assets, net	114	—
Stock-based compensation	19,502	6,082
Unrealized loss on derivative contracts	64,948	7,621
Equity earnings from Laramie Energy, LLC	(3,203)	(10,706)
Equity earnings from refining and logistics investments	(9,837)	(425)
Dividends received from refining and logistics investments	9,105	425
Net changes in operating assets and liabilities:		
Trade accounts receivable	(114,010)	(134,440)
Prepaid and other assets	54,805	4,630
Inventories	(101,270)	99,582
Deferred turnaround expenditures	(42,159)	—
Obligations under inventory financing agreements	3,362	(78,038)
Accounts payable, other accrued liabilities, and operating lease ROU assets and liabilities	51,988	76,507
<b>Net cash provided by operating activities</b>	<b>20,755</b>	<b>312,240</b>
<b>Cash flows from investing activities:</b>		
Acquisition of business	—	(608,223)
Capital expenditures	(59,532)	(30,729)
Proceeds from sale of assets and other	60	50
Return of capital from Laramie Energy, LLC	1,485	10,706
Return of capital from refining and logistics investments	—	2,175
<b>Net cash used in investing activities</b>	<b>(57,987)</b>	<b>(626,021)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	1,857,000	763,765
Repayments of borrowings	(1,464,163)	(702,499)
Net borrowings (repayments) on deferred payment arrangements and receivable advances	(165,459)	(31,405)
Payment of deferred loan costs	(7,234)	(9,127)
Purchase of common stock for retirement	(103,509)	(5,171)
Exercise of stock options	—	6,374
Proceeds from inventory financing agreements	203,074	—
Payments for termination of inventory financing agreements	(382,143)	—
Payments for debt extinguishment and commitment costs	(977)	(8,742)
Other financing activities, net	1,198	617
<b>Net cash provided by (used in) financing activities</b>	<b>(62,213)</b>	<b>13,812</b>
<b>Net decrease in cash, cash equivalents, and restricted cash</b>	<b>(99,445)</b>	<b>(299,969)</b>
Cash, cash equivalents, and restricted cash at beginning of period	279,446	494,926
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 180,001</u>	<u>\$ 194,957</u>
<b>Supplemental cash flow information:</b>		
<b>Net cash paid for:</b>		
Interest	\$ (27,205)	\$ (37,969)
Taxes	(10,857)	(2,810)
<b>Non-cash investing and financing activities:</b>		
Accrued capital expenditures	\$ 17,052	\$ 7,706
ROU assets obtained in exchange for new finance lease liabilities	1,619	944
ROU assets obtained in exchange for new operating lease liabilities	42,058	16,684

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(Unaudited)  
(in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated (Deficit) Earnings	Accumulated Other Comprehensive Income	Total Equity
	Shares	Amount				
<b>Balance, December 31, 2022</b>	60,471	\$ 604	\$ 836,491	\$ (200,687)	\$ 8,129	\$ 644,537
Stock-based compensation	340	—	2,317	—	—	2,317
Purchase of common stock for retirement	(81)	—	(3,114)	—	—	(3,114)
Exercise of stock options	300	6	6,368	—	—	6,374
Other comprehensive loss	—	—	—	—	(11)	(11)
Net income	—	—	—	237,890	—	237,890
<b>Balance, March 31, 2023</b>	61,030	\$ 610	\$ 842,062	\$ 37,203	\$ 8,118	\$ 887,993
Issuance of common stock for employee stock purchase plan	27	—	726	—	—	726
Stock-based compensation	115	1	3,655	—	—	3,656
Purchase of common stock for retirement	(128)	(1)	(464)	(2,601)	—	(3,066)
Other comprehensive loss	—	—	—	—	(11)	(11)
Net income	—	—	—	30,013	—	30,013
<b>Balance, June 30, 2023</b>	61,044	\$ 610	\$ 845,979	\$ 64,615	\$ 8,107	\$ 919,311

	Common Stock		Additional Paid-In Capital	Accumulated Earnings	Accumulated Other Comprehensive Income	Total Equity
	Shares	Amount				
<b>Balance, December 31, 2023</b>	59,756	\$ 597	\$ 860,797	\$ 465,856	\$ 8,174	\$ 1,335,424
Stock-based compensation	327	2	16,408	—	—	16,410
Purchase of common stock for retirement	(1,013)	(9)	(4,251)	(32,430)	—	(36,690)
Other comprehensive loss	—	—	—	—	(54)	(54)
Net loss	—	—	—	(3,751)	—	(3,751)
<b>Balance, March 31, 2024</b>	59,070	\$ 590	\$ 872,954	\$ 429,675	\$ 8,120	\$ 1,311,339
Issuance of common stock for employee stock purchase plan	56	—	1,409	—	—	1,409
Stock-based compensation	37	—	2,881	—	—	2,881
Purchase of common stock for retirement	(2,254)	(22)	(1,376)	(67,034)	—	(68,432)
Other comprehensive loss	—	—	—	—	(55)	(55)
Net income	—	—	—	18,638	—	18,638
<b>Balance, June 30, 2024</b>	56,909	\$ 568	\$ 875,868	\$ 381,279	\$ 8,065	\$ 1,265,780

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements**  
**For the Interim Periods Ended June 30, 2024 and 2023**

**Note 1—Overview**

Par Pacific Holdings, Inc. and its wholly owned subsidiaries (“Par” or the “Company”) provide both renewable and conventional fuels to the western United States. Currently, we operate in three primary business segments:

- 1) **Refining** - We own and operate four refineries. Our refineries in Kapolei, Hawaii, Newcastle, Wyoming, Tacoma, Washington, and Billings, Montana, convert crude oil into gasoline, distillate, asphalt and other products to serve the state of Hawaii and areas ranging from Washington state to the Dakotas and Wyoming.
- 2) **Retail** - We operate fuel retail outlets in Hawaii, Washington, and Idaho. We operate convenience stores and fuel retail sites under our “Hele” and “nomnom” brands, “76” branded fuel retail sites and other sites operated by third parties that sell gasoline, diesel, and retail merchandise such as soft drinks, prepared foods, and other sundries. We also operate unattended cardlock stations.
- 3) **Logistics** - We operate an extensive multi-modal logistics network spanning the Pacific, the Northwest, and the Rocky Mountain regions. This network includes a single point mooring (“SPM”) in Hawaii, a unit train-capable rail loading terminal in Washington, and other terminals, pipelines, trucking operations, marine vessels, storage facilities, loading and truck racks, and rail facilities for the movement of petroleum, refined products, and ethanol in and among the Hawaiian islands, between the U.S. West Coast and Hawaii, and in areas ranging from the state of Washington to the Dakotas and Wyoming.

As of June 30, 2024, we owned a 46.0% equity investment in Laramie Energy, LLC (“Laramie Energy”). Laramie Energy is focused on developing and producing natural gas in Garfield, Mesa, and Rio Blanco counties, Colorado. As of June 30, 2024, through the Billings Acquisition (as defined in Note 5—Acquisitions), we own a 65% and a 40% equity investment in Yellowstone Energy Limited Partnership, (“YELP”) and Yellowstone Pipeline Company (“YPLC”), respectively.

Our Corporate and Other reportable segment primarily includes general and administrative costs.

**Note 2—Summary of Significant Accounting Policies**

**Principles of Consolidation and Basis of Presentation**

The condensed consolidated financial statements include the accounts of Par and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain amounts previously reported in our condensed consolidated financial statements for prior periods have been reclassified to conform with the current presentation.

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information, the instructions to Form 10-Q, and Article 10 of Regulation S-X of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Accordingly, they do not include all of the information and notes required by GAAP for complete consolidated financial statements. The condensed consolidated financial statements contained in this report include all material adjustments of a normal recurring nature that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the complete fiscal year or for any other period. The condensed consolidated balance sheet as of December 31, 2023 was derived from our audited consolidated financial statements as of that date. These condensed consolidated financial statements should be read together with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

**Use of Estimates**

The preparation of our condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the related disclosures. Actual amounts could differ from these estimates.

**Allowance for Credit Losses**

We are exposed to credit losses primarily through our sales of refined products. Credit limits and/or prepayment requirements are set based on such factors as the customer’s financial results, credit rating, payment history, and industry and are reviewed annually for customers with material credit limits. Credit allowances are reviewed at least quarterly based on changes in the customer’s creditworthiness due to economic conditions, liquidity, and business strategy as publicly reported and



**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements**  
**For the Interim Periods Ended June 30, 2024 and 2023**

through discussions between the customer and the Company. We establish provisions for losses on trade receivables based on the estimated credit loss we expect to incur over the life of the receivable. We did not have a material change in our allowances on trade receivables during the three and six months ended June 30, 2024, or 2023.

**Cost Classifications**

Cost of revenues (excluding depreciation) includes the hydrocarbon-related costs of inventory sold, transportation costs of delivering product to customers, crude oil consumed in the refining process, costs to satisfy our environmental credit obligations, and certain hydrocarbon fees and taxes. Cost of revenues (excluding depreciation) also includes the unrealized gains and losses on derivatives and inventory valuation adjustments. Certain direct operating expenses related to our logistics segment are also included in Cost of revenues (excluding depreciation).

Operating expense (excluding depreciation) includes direct costs of labor, maintenance and services, energy and utility costs, property taxes, and environmental compliance costs, as well as chemicals and catalysts and other direct operating expenses.

The following table summarizes depreciation and finance lease amortization expense excluded from each line item in our condensed consolidated statements of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of revenues	\$ 7,161	\$ 5,022	\$ 13,904	\$ 10,021
Operating expense	17,946	16,153	36,771	28,557
General and administrative expense	564	578	1,037	1,080

**Recent Accounting Pronouncements**

There have been no developments to recent accounting pronouncements, including the expected dates of adoption and estimated effects on our financial condition, results of operations, and cash flows, from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

**Note 3—Refining and Logistics Equity Investments**

**Yellowstone Energy Limited Partnership**

On June 1, 2023, we completed the Billings Acquisition and acquired a 65% limited partnership ownership interest in YELP. YELP owns a cogeneration facility in Billings, Montana that converts petroleum coke, supplied from our Montana refinery and other nearby third-party refineries, into power production for the local utility grid. We account for our investment in YELP using the equity method as we have the ability to exert significant influence over, but do not control its operating and financial policies. Our proportionate share of YELP's net income and the depreciation of our basis difference are included in Equity earnings from refining and logistics investments on our condensed consolidated statements of operations and reported as part of our refining segment. Please read Note 19—Segment Information for further information on our reporting segments. Our proportionate share of YELP's net income (loss) is recorded on a one-month lag.

The change in our equity investment in YELP is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Beginning balance	\$ 58,676	\$ —	\$ 59,824	\$ —
Acquisition of investment	—	58,019	—	58,019
Equity earnings from YELP	2,290	—	6,755	—
Depreciation of basis difference	(348)	—	(696)	—
Dividends received	—	—	(5,265)	—
Ending balance	<u>\$ 60,618</u>	<u>\$ 58,019</u>	<u>\$ 60,618</u>	<u>\$ 58,019</u>

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements**  
**For the Interim Periods Ended June 30, 2024 and 2023**

**Yellowstone Pipeline Company**

On June 1, 2023, we completed the Billings Acquisition and acquired a 40% ownership interest in YPLC. YPLC owns a refined products pipeline that begins at our Montana refinery and transports refined product throughout Montana and the Pacific Northwest. We account for our ownership interest in YPLC using the equity method as we have the ability to exert significant influence over, but do not control, its operating and financial policies. Our proportionate share of YPLC's net income and the accretion of our basis difference is included in Equity earnings from refining and logistics investments on our condensed consolidated statements of operations, and reported as part of our logistics segment. Please read Note 19—Segment Information for further information on our reporting segments.

The change in our equity investment in YPLC is as follows (in thousands):

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 29,639	\$ —	\$ 27,662	\$ —
Acquisition of investment	—	28,581	—	28,581
Equity earnings from YPLC	1,763	425	3,702	425
Accretion of basis difference	38	—	76	—
Basis difference adjustment	—	—	—	—
Dividends received	(3,840)	(2,600)	(3,840)	(2,600)
Capital contribution in YPLC	—	—	—	—
Ending balance	<u>\$ 27,600</u>	<u>\$ 26,406</u>	<u>\$ 27,600</u>	<u>\$ 26,406</u>

**Note 4—Investment in Laramie Energy**

As of June 30, 2024, we owned a 46.0% ownership interest in Laramie Energy, an entity focused on developing and producing natural gas in Garfield, Mesa, and Rio Blanco counties, Colorado. The balance of our investment in Laramie Energy was \$16.0 million and \$14.3 million as of June 30, 2024 and December 31, 2023, respectively.

On February 21, 2023, Laramie Energy entered into a new term loan agreement which provides a \$205 million first lien term loan facility with \$160.0 million funded at closing and an optional \$45 million delayed draw commitment, subject to certain terms and conditions. Under the terms of the new term loan, Laramie is permitted to make future cash distributions to its owners, including us, subject to certain restrictions. Laramie Energy's term loan matures on February 21, 2027. As of June 30, 2024 and December 31, 2023, the term loan had an outstanding balance of \$160.0 million.

On March 1, 2023, pursuant to its new term loan agreement, Laramie Energy made a one-time cash distribution to its owners, including us, based on ownership percentage. Our share of this distribution was \$10.7 million, which was reflected as Return of capital from Laramie Energy, LLC on our condensed consolidated statements of cash flows. We recorded the cash received as Equity earnings (losses) from Laramie Energy, LLC on our condensed consolidated statements of operations because the carrying value of our investment in Laramie Energy was zero at the time of such distribution. On April 29, 2024, Laramie Energy made a one-time cash distribution to its owners, including us, based on ownership percentage. Our share of this distribution was \$1.5 million.

Effective February 21, 2023, and concurrent with the new term loan agreement noted above, we resumed the application of equity method accounting with respect to our investment in Laramie Energy. At June 30, 2024, our equity in the underlying net assets of Laramie Energy exceeded the carrying value of our investment by approximately \$68.0 million. This difference arose primarily due to other-than-temporary impairments of our equity investment in Laramie Energy.

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The change in our equity investment in Laramie Energy is as follows (in thousands):

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 18,842	\$ —	\$ 14,279	\$ —
Equity earnings (losses) from Laramie Energy	(2,975)	—	(26)	—
Accretion of basis difference	1,615	—	3,229	—
Dividends received	(1,485)	—	(1,485)	—
Ending balance	<u>\$ 15,997</u>	<u>\$ —</u>	<u>\$ 15,997</u>	<u>\$ —</u>

**Note 5—Acquisitions**

**Billings Acquisition**

On October 20, 2022, we and our subsidiaries Par Montana, LLC (“Par Montana”) and Par Montana Holdings, LLC (“Par Montana Holdings”), entered into an equity and asset purchase agreement (as amended to include Par Rocky Mountain Midstream, LLC, the “Purchase Agreement”) with Exxon Mobil Corporation, ExxonMobil Oil Corporation, and ExxonMobil Pipeline Company LLC (collectively, the “Sellers”) to purchase (i) the high-conversion, complex refinery located in Billings, Montana and certain associated distribution and logistics assets, (ii) the Sellers’ 65% limited partnership equity interest in YELP, and (iii) the Sellers’ 40% equity interest in YPLC for a base purchase price of \$310.0 million plus the value of hydrocarbon inventory and adjusted working capital at closing (collectively, the “Billings Acquisition”). On June 1, 2023, we completed the Billings Acquisition for a total purchase price of approximately \$625.4 million, including acquired working capital, consisting of a cash deposit of \$30.0 million paid on October 20, 2022, upon execution of the Purchase Agreement and \$595.4 million paid at closing on June 1, 2023. The Company funded the Billings Acquisition with cash on hand and borrowings from the ABL Credit Facility (as defined in Note 11—Debt).

We accounted for the Billings Acquisition as a business combination whereby the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. A summary of the fair value of the assets acquired and liabilities assumed is as follows (in thousands):

Trade accounts receivable	\$ 2,387
Inventories	299,176
Property, plant, and equipment	259,088
Operating lease right-of-use assets	3,562
Investment in refining and logistics subsidiaries	86,600
Other long-term assets	4,094
<b>Total assets (1)</b>	<u>654,907</u>
Current operating lease liabilities	2,081
Other current liabilities	7,056
Environmental liabilities	18,869
Long-term operating lease liabilities	1,481
<b>Total liabilities</b>	<u>29,487</u>
<b>Total</b>	<u>\$ 625,420</u>

(1) We allocated \$538.7 million and \$116.2 million of total assets to our refining and logistics segments, respectively.

As of March 31, 2024, we finalized the Billings Acquisition purchase price allocation. We incurred \$5.1 million and \$10.4 million of acquisition costs related to the Billings Acquisition for the three and six months ended June 30, 2023, respectively. These costs are included in Acquisition and integration costs on our condensed consolidated statements of operations.

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We assumed certain environmental liabilities associated with the Billings Acquisition, including costs related to hazardous waste corrective measures, ground and surface water sampling and monitoring. We expect to incur these costs over a 20 to 30 year period.

The results of operations of the Montana refinery, newly acquired logistics assets in the Rockies region, and YELP and YPLC equity investments were included in our results beginning on June 1, 2023. The following unaudited pro forma financial information presents our consolidated revenues and net income as if the Billings Acquisition had been completed on January 1, 2022 (in thousands):

	<b>Six Months Ended June 30, 2023</b>	
Revenues	\$	4,410,002
Net income		419,113

These pro forma results were based on estimates and assumptions that we believe are reasonable. The unaudited pro forma financial information is not necessarily indicative of the results of operations that would have been achieved had the Billings Acquisition been effective as of the dates presented, nor is it indicative of future operating results of the combined company. Pro forma adjustments include (i) incremental depreciation resulting from the estimated fair value of property, plant, and equipment acquired, (ii) transaction costs which were shifted from the six months ended June 30, 2023 to the six months ended June 30, 2022 and (iii) elimination of historical transactions between Par and the Montana assets.

**Note 6—Revenue Recognition**

As of June 30, 2024 and December 31, 2023, receivables from contracts with customers were \$398.2 million and \$311.1 million, respectively. Our refining segment recognizes deferred revenues when cash payments are received in advance of delivery of products to the customer. Deferred revenue was \$24.0 million and \$15.2 million as of June 30, 2024 and December 31, 2023, respectively. We have elected to apply a practical expedient not to disclose the value of unsatisfied performance obligations for (i) contracts with an original expected duration of less than one year and (ii) contracts where the variable consideration has been allocated entirely to our unsatisfied performance obligation.

The following table provides information about disaggregated revenue by major product line and includes a reconciliation of the disaggregated revenues to total segment revenues (in thousands):

<b>Three Months Ended June 30, 2024</b>	<b>Refining</b>		<b>Logistics</b>		<b>Retail</b>	
<u>Product or service:</u>						
Gasoline	\$	730,681	\$	—	\$	111,910
Distillates (1)		801,438		—		12,728
Other refined products (2)		396,944		—		—
Merchandise		—		—		27,349
Transportation and terminalling services		—		72,475		—
Other revenue		28,210		—		855
Total segment revenues (3)	\$	1,957,273	\$	72,475	\$	152,842

<b>Three Months Ended June 30, 2023</b>	<b>Refining</b>		<b>Logistics</b>		<b>Retail</b>	
<u>Product or service:</u>						
Gasoline	\$	603,598	\$	—	\$	109,265
Distillates (1)		700,048		—		12,368
Other refined products (2)		404,619		—		—
Merchandise		—		—		25,892
Transportation and terminalling services		—		64,709		—
Other revenue		276		—		871
Total segment revenues (3)	\$	1,708,541	\$	64,709	\$	148,396

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<b>Six Months Ended June 30, 2024</b>	<b>Refining</b>	<b>Logistics</b>	<b>Retail</b>
<b>Product or service:</b>			
Gasoline	\$ 1,377,867	\$ —	\$ 215,203
Distillates (1)	1,634,235	—	23,908
Other refined products (2)	800,937	—	—
Merchandise	—	—	52,142
Transportation and terminalling services	—	144,317	—
Other revenue	70,850	—	1,723
<b>Total segment revenues (3)</b>	<b>\$ 3,883,889</b>	<b>\$ 144,317</b>	<b>\$ 292,976</b>

<b>Six Months Ended June 30, 2023</b>	<b>Refining</b>	<b>Logistics</b>	<b>Retail</b>
<b>Product or service:</b>			
Gasoline	\$ 1,053,922	\$ —	\$ 209,453
Distillates (1)	1,479,101	—	23,967
Other refined products (2)	790,228	—	—
Merchandise	—	—	48,720
Transportation and terminalling services	—	117,097	—
Other revenue	702	—	1,828
<b>Total segment revenues (3)</b>	<b>\$ 3,323,953</b>	<b>\$ 117,097</b>	<b>\$ 283,968</b>

(1) Distillates primarily include diesel and jet fuel.

(2) Other refined products include fuel oil, vacuum gas oil, and asphalt.

(3) Refer to Note 19—Segment Information for the reconciliation of segment revenues to total consolidated revenues.

**Note 7—Inventories**

Inventories at June 30, 2024 and December 31, 2023, consisted of the following (in thousands):

	<b>Titled Inventory</b>	<b>Inventory Intermediation Agreement (1)</b>	<b>Supply and Offtake Agreement (1)</b>	<b>Total</b>
<b>June 30, 2024</b>				
Crude oil and feedstocks	\$ 188,057	\$ 228,407	\$ —	\$ 416,464
Refined products and blendstock	594,041	—	—	594,041
Warehouse stock and other (2)	247,832	—	—	247,832
<b>Total</b>	<b>\$ 1,029,930</b>	<b>\$ 228,407</b>	<b>\$ —</b>	<b>\$ 1,258,337</b>
<b>December 31, 2023</b>				
Crude oil and feedstocks	\$ 175,307	\$ —	\$ 168,549	\$ 343,856
Refined products and blendstock	358,236	—	133,684	491,920
Warehouse stock and other (2)	324,619	—	—	324,619
<b>Total</b>	<b>\$ 858,162</b>	<b>\$ —</b>	<b>\$ 302,233</b>	<b>\$ 1,160,395</b>

(1) Please read Note 9—Inventory Financing Agreements for further information.

(2) Includes \$160.1 million and \$237.6 million of RINs and environmental credits, reported at the lower of cost or net realizable value, as of June 30, 2024 and December 31, 2023, respectively. Our renewable volume obligation and other gross environmental credit obligations of \$164.0 million and \$286.9 million are included in Other accrued liabilities on our condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023, respectively.

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As of June 30, 2024 and December 31, 2023, there was no reserve for the lower of cost or net realizable value of inventory. As of June 30, 2024 and December 31, 2023, the current replacement cost exceeded the LIFO inventory carrying value by approximately \$54.7 million and \$36.1 million, respectively.

**Note 8—Prepaid and Other Current Assets**

Prepaid and other current assets at June 30, 2024 and December 31, 2023 consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Advances to suppliers for crude purchases	\$ —	\$ 65,531
Collateral posted with broker for derivative instruments (1)	2,353	21,763
Prepaid insurance	6,837	20,235
Derivative assets	24,539	43,356
Prepaid environmental credits	1,400	20,756
Other	16,588	10,764
<b>Total</b>	<b>\$ 51,717</b>	<b>\$ 182,405</b>

(1) Our cash margin that is required as collateral deposits on our commodity derivatives cannot be offset against the fair value of open contracts except in the event of default. Please read Note 12—Derivatives for further information.

**Note 9—Inventory Financing Agreements**

The following table summarizes our outstanding obligations under our inventory financing agreements (in thousands):

	June 30, 2024	December 31, 2023
Inventory Intermediation Agreement	\$ 251,058	\$ —
Supply and Offtake Agreement	—	594,362
LC Facility due 2024	—	—
<b>Obligations under inventory financing agreements</b>	<b>\$ 251,058</b>	<b>\$ 594,362</b>

**Inventory Intermediation Agreement**

On May 31, 2024, Par Hawaii Refining, LLC (“PHR”), our wholly owned subsidiary, entered into an inventory intermediation agreement with Citigroup Energy Inc. (“Citi”) (the “Inventory Intermediation Agreement”) to support our Hawaii refining operations. Pursuant to the Inventory Intermediation Agreement, Citi will finance and hold title to crude oil in storage tanks and certain crude oil in transit to be consumed by PHR’s refinery located in Kapolei, Hawaii (the “Hawaii Refinery”). In connection with the Inventory Intermediation Agreement, Citi will enter into certain hedging transactions, in each case, on terms and subject to conditions set forth in the Inventory Intermediation Agreement. The net cash proceeds of \$203.1 million, presented as Proceeds from inventory financing agreements in our condensed consolidated statement of cash flows, were used to settle a portion of PHR’s outstanding obligations under the prior J. Aron intermediation agreement.

Upon entry into the Inventory Intermediation Agreement, Citi purchased from PHR all the crude oil held in its Hawaii storage tanks. Though title resides with Citi, the Inventory Intermediation Agreement is accounted for similar to a product financing arrangement and the crude oil inventories will continue to be included in our consolidated balance sheets until processed and sold to a third party. Monthly, we record a liability in an amount equal to the amount we expect to pay to repurchase the inventory held by Citi as, following expiration or termination of the Inventory Intermediation Agreement, we are obligated to purchase the crude oil then-owned by Citi at then-current market prices.

The Inventory Intermediation Agreement has a term of three years with a one-year extension option upon mutual agreement. Par Petroleum, LLC, a wholly owned subsidiary, guarantees PHR’s obligations under the Inventory Intermediation Agreement and certain other related agreements pursuant to an unsecured guaranty. In connection with the Inventory Intermediation Agreement, on May 31, 2024, PHR entered into a pledge and security agreement with Citi, which grants Citi a security interest on certain collateral to secure the obligations of PHR under the Inventory Intermediation Agreement.

The Inventory Intermediation Agreement also requires PHR to comply with certain covenants that restrict PHR’s ability to take certain actions, including certain limitations on PHR’s ability to incur debt and grant liens.

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**Supply and Offtake Agreement**

Prior to May 31, 2024, we had a supply and offtake agreement with J. Aron to support our Hawaii refining operations (the “Supply and Offtake Agreement”). Under the Supply and Offtake Agreement, we paid or received certain fees from J. Aron based on changes in market prices over time. On May 31, 2024, the Supply and Offtake Agreement expired, the J. Aron Discretionary Draw Facility was terminated, and we entered into the Inventory Intermediation Agreement. We paid \$382.1 million and \$60.9 million to settle our J. Aron obligation and Discretionary Draw Facility remaining obligations, respectively. These payments are presented within Payments for termination of inventory financing agreements and Net borrowings (repayments) on deferred payment arrangements and receivable advances in our condensed consolidated statement of cash flows. In connection with the termination of the Supply and Offtake Agreement, we recognized termination costs of \$0.2 million, which are recorded in Debt extinguishment and commitment costs on our condensed consolidated statements of operations for the three and six months ended June 30, 2024. As of June 30, 2024, there were no outstanding obligations under the Supply and Offtake Agreement.

**LC Facility due 2024**

On July 26, 2023, PHR, as borrower, the lenders and letter of credit issuing banks party thereto (collectively, the “LC Facility Lenders”), MUFG Bank, Ltd., as administrative agent (the “LC Facility Agent”), sub-collateral agent, joint lead arranger and sole bookrunner, Macquarie Bank Limited, as joint lead arranger, and U.S. Bank Trust Company, National Association, as collateral agent (the “Collateral Agent”), entered into an Uncommitted Credit Agreement (the “LC Facility Agreement”) whereby the LC Facility Lenders agreed, on an uncommitted and absolutely discretionary basis, to consider making revolving credit loans and issuing and participating in letters of credit. The LC Facility was terminated on May 31, 2024, in connection with the termination of the Supply and Offtake Agreement and entry into the Inventory Intermediation Agreement. In connection with the termination of the LC Facility, we recognized debt extinguishment costs of \$0.6 million, which are included in Debt extinguishment and commitment costs on our condensed consolidated statements of operations for the three and six months ended June 30, 2024. We did not have any outstanding borrowings under the LC Facility as of the termination date.

The following table summarizes our outstanding borrowings, letters of credit, and contractual undertaking obligations under the intermediation agreements (in thousands):

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Discretionary Draw Facility</b>		
Outstanding borrowings (1)	\$ —	165,459
Borrowing capacity	—	175,891
<b>LC Facility due 2024</b>		
Outstanding borrowings	—	—
Borrowing capacity	—	120,000
LC Facility issued letters of credit	—	13,000

(1) Borrowings outstanding under the Discretionary Draw Facility are included in Obligations under inventory financing agreements on our condensed consolidated balance sheets. Changes in the borrowings outstanding under these arrangements are included within Cash flows from financing activities on the condensed consolidated statements of cash flows.

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The following table summarizes the inventory intermediation fees, which are included in Cost of revenues (excluding depreciation) on our condensed consolidated statements of operations, and Interest expense and financing costs, net related to the intermediation agreements (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net fees and expenses:</b>				
<b>Inventory Intermediation Agreement</b>				
Inventory intermediation fees (1)	\$ 6,036	\$ —	\$ 6,036	\$ —
Interest expense and financing costs, net	105	—	105	—
<b>Supply and Offtake Agreement</b>				
Inventory intermediation fees (1)	\$ 11,880	\$ 12,628	\$ 30,918	\$ 26,627
Interest expense and financing costs, net	1,088	1,895	2,872	3,620
<b>Washington Refinery Intermediation Agreement</b>				
Inventory intermediation fees	\$ —	\$ 750	\$ —	\$ 1,500
Interest expense and financing costs, net	—	3,313	—	5,972
<b>LC Facility due 2024</b>				
Interest expense and financing costs, net	\$ 524	\$ —	\$ 1,142	\$ —

(1) Inventory intermediation fees under the Inventory Intermediation Agreement include market structure fees of \$4.6 million for the three and six months ended June 30, 2024. Inventory intermediation fees under the Supply and Offtake Agreement include market structure fees of \$4.6 million and \$1.8 million for the three months ended June 30, 2024 and 2023 and \$13.5 million and \$4.2 million for the six months ended June 30, 2024 and 2023, respectively.

**Note 10—Other Accrued Liabilities**

Other accrued liabilities at June 30, 2024 and December 31, 2023 consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Accrued payroll and other employee benefits	\$ 28,003	\$ 40,533
Environmental credit obligations (1)	163,990	286,904
Derivative liabilities	33,331	27,725
Deferred revenue	24,014	15,220
Other	35,551	51,380
Total	\$ 284,889	\$ 421,762

(1) Please read Note 13—Fair Value Measurements for further information. A portion of these obligations are expected to be settled with our RINs assets and other environmental credits, which are presented as Inventories on our condensed consolidated balance sheet and are stated at the lower of cost or net realizable value. The carrying costs of these assets were \$160.1 million and \$237.6 million as of June 30, 2024 and December 31, 2023, respectively.



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**Note 11—Debt**

The following table summarizes our outstanding debt (in thousands):

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
ABL Credit Facility due 2028	\$ 525,000	\$ 115,000
Term Loan Credit Agreement due 2030	543,125	545,875
Other long-term debt	4,431	4,746
Principal amount of long-term debt	1,072,556	665,621
Less: unamortized discount and deferred financing costs	(13,801)	(14,763)
Total debt, net of unamortized discount and deferred financing costs	1,058,755	650,858
Less: current maturities, net of unamortized discount and deferred financing costs	(4,165)	(4,255)
Long-term debt, net of current maturities	<u>\$ 1,054,590</u>	<u>\$ 646,603</u>

As of June 30, 2024 and December 31, 2023, we had \$141.7 million and \$133.7 million in letters of credit outstanding under the ABL Credit Facility, as defined below, respectively. We had \$57.1 million and \$56.2 million in surety bonds outstanding as of June 30, 2024 and December 31, 2023, respectively.

Under the ABL Credit Facility and the Term Loan Credit Agreement, defined below, our subsidiaries are restricted from paying dividends or making other equity distributions, subject to certain exceptions.

**ABL Credit Facility due 2028**

On April 26, 2023, in connection with the Billings Acquisition, we entered into an Asset-Based Revolving Credit Agreement with certain lenders, and Wells Fargo Bank, National Association, as administrative agent and collateral agent (as amended from time to time, the “ABL Credit Facility”). On March 22, 2024, we entered into the Third Amendment (the “Third Amendment”) to the ABL Credit Facility. The Third Amendment provided for, among other things, (i) incremental commitments that increase the total revolver commitment under the ABL Credit Facility to \$1.4 billion, (ii) future incremental increases up to \$400 million, (iii) the joinder of PHR to the ABL Credit Facility as a Borrower and (iv) certain other amendments to the ABL Credit Facility to permit a new intermediation facility in favor of PHR. We recorded deferred financing costs of \$3.8 million related to the Third Amendment that will be amortized over the remaining term of the ABL Credit Facility. On May 31, 2024, in connection with the entry into the Inventory Intermediation Agreement, PHR entered into a Joinder Agreement, as a borrower to the ABL Credit Facility. As of June 30, 2024, the ABL Credit Facility had \$525 million outstanding in revolving loans, and a borrowing base of approximately \$1.0 billion.

**Term Loan Credit Agreement due 2030**

On February 28, 2023, we entered into a term loan credit agreement (the “Term Loan Credit Agreement”) with Wells Fargo Bank, National Association, as administrative agent (the “Agent”), and the lenders party thereto (“Lenders”). Pursuant to the Term Loan Credit Agreement, the Lenders made an initial senior secured term loan in the principal amount of \$550.0 million at a price equal to 98.5% of its face value. The initial loan bears interest at Secured Overnight Financing Rate (“SOFR”). The net proceeds were used to refinance our existing Term Loan B Facility, repurchase our outstanding 7.75% Senior Secured Notes and 12.875% Senior Secured Notes, and for general corporate purposes. We recognized an aggregate of \$2.8 million in debt modification costs in connection with the refinancing, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended June 30, 2023.

On April 8, 2024, the Term Loan Credit Agreement was amended by the Amendment No. 1 to Term Loan Credit Agreement (“Amendment No. 1 to Term Loan Credit Agreement”). Amendment No. 1 to Term Loan Credit Agreement provided for, among other things, (i) a reduction in the Applicable Margin under the Term Loan Credit Agreement by 50 basis points, such that base rate loans and SOFR loans will bear interest at the applicable base rate plus 2.75% and 3.75%, respectively, and (ii) the elimination of the Term SOFR Adjustment of 10 basis points with respect to loans under the Term Loan Credit Agreement.

The Term Loan Credit Agreement requires quarterly payments of \$1.4 million on the last business day of each March, June, September and December, commencing on June 30, 2023, with the balance due upon maturity. The Term Loan Credit Agreement matures on February 28, 2030.

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**7.75% Senior Secured Notes**

On December 21, 2017, Par Petroleum, LLC and Par Petroleum Finance Corp. (collectively, the “Issuers”), both our wholly owned subsidiaries, completed the issuance and sale of \$300 million in aggregate principal amount of 7.75% Senior Secured Notes in a private placement under Rule 144A and Regulation S of the Securities Act of 1933, as amended. On February 28, 2023, we repurchased and cancelled \$260.6 million in aggregate principal amount of the 7.75% Senior Secured Notes at a repurchase price of 102.120% of the aggregate principal amount repurchased. On March 17, 2023, we repurchased and cancelled all remaining outstanding 7.75% Senior Secured Notes at a repurchase price of 101.938% of the aggregate principal amount repurchased. In connection with the termination of the 7.75% Senior Secured Notes, we recognized debt extinguishment costs of \$5.9 million associated with debt repurchase premiums and \$3.4 million associated with unamortized deferred financing costs, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended June 30, 2023. Our 7.75% Senior Secured Notes bore interest at a rate of 7.750% per year (payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2018).

**Term Loan B Facility**

On January 11, 2019, the Issuers entered into a new term loan facility with Goldman Sachs Bank USA, as administrative agent, and the lenders party thereto from time to time (the “Term Loan B Facility”). On February 28, 2023, we terminated and repaid all amounts outstanding under the Term Loan B Facility. We recognized debt extinguishment costs of \$1.7 million associated with unamortized deferred financing costs, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended June 30, 2023. The Term Loan B Facility bore interest at a rate per annum equal to Adjusted LIBOR (as defined in the Term Loan B Facility) plus an applicable margin of 6.75% or at a rate per annum equal to Alternate Base Rate (as defined in the Term Loan B Facility) plus an applicable margin of 5.75%. In addition to the quarterly interest payments, the Term Loan B Facility required quarterly principal payments of \$3.1 million.

**12.875% Senior Secured Notes**

On June 5, 2020, the Issuers completed the issuance and sale of \$105.0 million in aggregate principal amount of 12.875% Senior Secured Notes in a private placement under Rule 144A and Regulation S of the Securities Act of 1933, as amended. On February 28, 2023, we repurchased and cancelled \$29 million in aggregate principal amount of the 12.875% Senior Secured Notes at a repurchase price of 109.044% of the aggregate principal amount repurchased. On March 17, 2023, we repurchased and cancelled all remaining outstanding 12.875% Senior Secured Notes at a repurchase price of 108.616% of the aggregate principal amount repurchased. In connection with the termination of the 12.875% Senior Secured Notes, we recognized debt extinguishment costs of \$2.8 million associated with debt repurchase premiums and \$1.1 million associated with unamortized deferred financing costs, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended June 30, 2023. The 12.875% Senior Secured Notes bore interest at an annual rate of 12.875% per year (payable semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2021).

**Other Long-Term Debt**

On June 7, 2023, we entered into two promissory notes with a third-party lender to acquire land in Kahului, Hawaii, and Hilo, Hawaii totaling \$5.1 million. The notes bear interest at a fixed rate of 4.625% per annum and are payable on the first day of each month, commencing on July 1, 2023, until maturity. The promissory notes are unsecured and mature on June 7, 2030.

**Cross Default Provisions**

Included within each of our debt agreements are affirmative and negative covenants, and customary cross default provisions, that require the repayment of amounts outstanding on demand unless the triggering payment default or acceleration is remedied, rescinded, or waived. As of June 30, 2024, we were in compliance with all of our debt instruments.

**Guarantors**

In connection with our shelf registration statement on Form S-3, which was filed with the Securities and Exchange Commission (“SEC”) and became automatically effective on February 14, 2022 (“Registration Statement”), we may sell non-convertible debt securities and other securities in one or more offerings with an aggregate initial offering price of up to \$750.0 million. Any non-convertible debt securities issued under the Registration Statement may be fully and unconditionally guaranteed (except for customary release provisions), on a joint and several basis, by some or all of our subsidiaries, other than

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subsidiaries that are “minor” within the meaning of Rule 3-10 of Regulation S-X (the “Guarantor Subsidiaries”). We have excluded the summarized financial information for the Guarantor Subsidiaries as the assets and results of operations of the Company and the Guarantor Subsidiaries are not materially different than the corresponding amounts presented on our consolidated financial statements.

**Note 12—Derivatives**

**Commodity Derivatives**

Our condensed consolidated balance sheets present derivative assets and liabilities on a net basis. Please read Note 13—Fair Value Measurements for the gross fair value and net carrying value of our derivative instruments.

Our open futures and over-the-counter (“OTC”) swaps expire in April 2025. At June 30, 2024, our open commodity derivative contracts represented (in thousands of barrels):

Contract Type	Purchases	Sales	Net
Futures	11,735	(11,996)	(261)
Swaps	19,994	(28,146)	(8,152)
<b>Total</b>	<b>31,729</b>	<b>(40,142)</b>	<b>(8,413)</b>

At June 30, 2024, we also had option collars that economically hedge a portion of our internally consumed fuel at our refineries. The following table provides information on these option collars at our refineries as of June 30, 2024:

	2024	2025
Total open option collars	1,128	90
Weighted-average strike price - floor (in dollars)	\$63.46	\$62.75
Weighted-average strike price - ceiling (in dollars)	\$86.48	\$90.00
Earliest commencement date	July 2024	January 2025
Furthest expiry date	December 2024	March 2025

**Interest Rate Derivatives**

We are exposed to interest rate volatility in our ABL Credit Facility, Term Loan Credit Agreement, and the Inventory Intermediation Agreement. We may utilize interest rate swaps to manage our interest rate risk. On April 12, 2023, we entered into an interest rate collar transaction to manage our interest rate risk related to the Term Loan Credit Agreement. The interest rate collar agreement reduces variable interest rate risk from May 31, 2023, through May 31, 2026, with a notional amount of \$300.0 million as of June 30, 2024. The terms of the agreement provide for an interest rate cap of 5.50% and floor of 2.30%, based on the three month SOFR as of the fixing date. We pay variable interest quarterly until the three month SOFR reaches the floor. If the three month SOFR is between the floor and the cap, no payment is due to either party. If the three month SOFR is greater than the cap, the counterparty pays us. The interest rate collar transaction expires on May 31, 2026.

The following table provides information on the fair value amounts (in thousands) of these derivatives as of June 30, 2024 and December 31, 2023, and their placement within our condensed consolidated balance sheets.

	Balance Sheet Location	June 30, 2024		December 31, 2023	
		<i>Asset (Liability)</i>			
Commodity derivatives (1)	Prepaid and other current assets	\$	8,926	\$	43,356
Commodity derivatives (2)	Other accrued liabilities		(30,444)		(530)
J. Aron repurchase obligation derivative	Obligations under inventory financing agreements		—		(392)
Citi repurchase obligation derivative	Obligations under inventory financing agreements		(409)		—
Interest rate derivatives	Other long-term assets		61		—
Interest rate derivatives	Other liabilities		—		(821)

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- (1) Does not include cash collateral of \$2.4 million and \$21.8 million recorded in Prepaid and other current assets as of June 30, 2024 and December 31, 2023, respectively, and \$9.5 million in Other long-term assets as of December 31, 2023. As of June 30, 2024, we had no cash collateral recorded in Other long-term assets. Does not include \$15.6 million recorded in Prepaid and other current assets as of June 30, 2024 related to realized derivatives receivable.
- (2) Does not include \$2.9 million and \$27.2 million recorded in Other accrued liabilities as of June 30, 2024 and December 31, 2023, respectively, related to realized derivatives payable.

The following table summarizes the pre-tax gains (losses) recognized in Net income (loss) on our condensed consolidated statements of operations resulting from changes in fair value of derivative instruments not designated as hedges charged directly to earnings (in thousands):

	Statement of Operations Location	Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Commodity derivatives	Cost of revenues (excluding depreciation)	\$ (10,567)	\$ (6,104)	\$ (37,297)	\$ (6,728)
J. Aron repurchase obligation derivative	Cost of revenues (excluding depreciation)	22,869	(7,852)	1,053	5,528
Citi repurchase obligation derivative	Cost of revenues (excluding depreciation)	(409)	—	(409)	—
MLC terminal obligation derivative	Cost of revenues (excluding depreciation)	—	20,490	—	3,467
Interest rate derivatives	Interest expense and financing costs, net	37	543	881	543

**Note 13—Fair Value Measurements**

**Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis**

**Purchase Price Allocation of Billings Acquisition**

The fair values of the assets acquired and liabilities assumed as a result of the Billings Acquisition were estimated as of June 1, 2023, the date of the acquisition, using valuation techniques described in notes (1) through (5) below.

	Fair Value	Valuation Technique
	(in thousands)	
Net working capital excluding operating leases	\$ 294,507	(1)
Property, plant, and equipment	259,088	(2)
Operating lease right-of-use assets	3,562	(3)
Refining and logistics equity investments	86,600	(4)
Other long-term assets	4,094	(1)
Current operating lease liabilities	(2,081)	(3)
Long-term operating lease liabilities	(1,481)	(3)
Environmental liabilities	(18,869)	(5)
Total	<u>\$ 625,420</u>	

- (1) Current assets acquired and liabilities assumed were recorded at their net realizable value. Other long-term assets includes preliminary costs for future turnarounds that were recently incurred and were recorded at their net realizable values.
- (2) The fair value of personal property was estimated using the cost approach. Key assumptions in the cost approach include determining the replacement cost by evaluating recent purchases of comparable assets or published data, and adjusting replacement cost for economic and functional obsolescence, location, normal useful lives, and capacity (if applicable). The fair value of real property was estimated using the market approach. Key assumptions in the market approach include

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determining the asset value by evaluating recent purchases of comparable assets under similar circumstances. We consider this to be a Level 3 fair value measurement.

- (3) Operating lease right-of-use assets and liabilities were recognized based on the present value of lease payments over the lease term using the incremental borrowing rate at acquisition of 9.6%.
- (4) The fair value of our investments in YELP and YPLC were determined using a combination of the income approach and the market approach. Under the income approach, we estimated the present value of expected future cash flows using a market participant discount rate. Under the market approach, we estimated fair value using observable multiples for comparable companies in the investments' industries. These valuation methods require us to make significant estimates and assumptions regarding future cash flows, capital projects, commodity prices, long-term growth rates, and discount rates. We consider this to be a Level 3 fair value measurement.
- (5) Environmental liabilities are based on management's best estimates of probable future costs using currently available information. We consider this to be a Level 3 fair value measurement.

***Equity Method Investments***

We evaluate equity method investments for impairment when factors indicate that a decrease in the value of our investment has occurred and the carrying amount of our investment may not be recoverable. An impairment loss, based on the difference between the carrying value and the estimated fair value of the investment, is recognized in earnings when an impairment is deemed to be other than temporary.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

***Derivative Instruments***

We classify financial assets and liabilities according to the fair value hierarchy. Financial assets and liabilities classified as Level 1 instruments are valued using quoted prices in active markets for identical assets and liabilities. These include our exchange traded futures. Level 2 instruments are valued using quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability. Our Level 2 instruments include OTC swaps and options. These derivatives are valued using market quotations from independent price reporting agencies and commodity exchange price curves that are corroborated with market data. Level 3 instruments are valued using significant unobservable inputs that are not supported by sufficient market activity. The valuation of the embedded derivative related to our Citi repurchase obligation is based on estimates of the prices and a weighted-average price differential assuming settlement at the end of the reporting period. Estimates of the Citi settlement prices are based on observable inputs, such as Brent indices, and unobservable inputs, such as contractual price differentials as defined in the Inventory Intermediation Agreement. Contractual price differentials are considered unobservable inputs; therefore, these embedded derivatives are classified as Level 3 instruments. We do not have other commodity derivatives classified as Level 3 at June 30, 2024, or December 31, 2023. Please read Note 12—Derivatives for further information on derivatives.

***Gross Environmental Credit Obligations***

During the quarter ended December 31, 2023, we had a change in estimate in our valuation of our gross environmental credit obligations due to the settlement of all outstanding prior period environmental credit obligations. Beginning in the fourth quarter of 2023, the portion of the estimated gross environmental credit obligations satisfied by internally generated or purchased RINs or other environmental credits is recorded at the carrying value of such internally generated or purchased RINs or other environmental credits. The remainder of the estimated gross environmental credit obligation is recorded at the market price of the RINs or other environmental credits that are needed to satisfy the remaining obligation as of the end of the reporting period and classified as Level 2 instruments as we obtain the pricing inputs for the RINs and other environmental credits from brokers based on market quotes on similar instruments. Please read Note 15—Commitments and Contingencies for further information on the U.S. Environmental Protection Agency ("EPA") regulations related to greenhouse gases.

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**Financial Statement Impact**

Fair value amounts by hierarchy level as of June 30, 2024, and December 31, 2023, are presented gross in the tables below (in thousands):

<b>June 30, 2024</b>						
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Gross Fair Value</b>	<b>Effect of Counter-Party Netting</b>	<b>Net Carrying Value on Balance Sheet (1)</b>
<b>Assets</b>						
Commodity derivatives	\$ 61,947	\$ 120,617	\$ —	\$ 182,564	\$ (173,638)	\$ 8,926
Interest rate derivatives	—	61	—	61	—	61
<b>Total</b>	<b>\$ 61,947</b>	<b>\$ 120,678</b>	<b>\$ —</b>	<b>\$ 182,625</b>	<b>\$ (173,638)</b>	<b>\$ 8,987</b>
<b>Liabilities</b>						
Commodity derivatives	\$ (53,445)	\$ (150,637)	\$ —	\$ (204,082)	\$ 173,638	\$ (30,444)
Citi repurchase obligation derivative	—	—	(409)	(409)	—	(409)
Gross environmental credit obligations (2) (3)	—	(10,352)	—	(10,352)	—	(10,352)
<b>Total liabilities</b>	<b>\$ (53,445)</b>	<b>\$ (160,989)</b>	<b>\$ (409)</b>	<b>\$ (214,843)</b>	<b>\$ 173,638</b>	<b>\$ (41,205)</b>
<b>December 31, 2023</b>						
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Gross Fair Value</b>	<b>Effect of Counter-Party Netting</b>	<b>Net Carrying Value on Balance Sheet (1)</b>
<b>Assets</b>						
Commodity derivatives	\$ 100,074	\$ 175,191	\$ —	\$ 275,265	\$ (231,909)	\$ 43,356
<b>Liabilities</b>						
Commodity derivatives	\$ (92,417)	\$ (140,022)	\$ —	\$ (232,439)	\$ 231,909	\$ (530)
J. Aron repurchase obligation derivative	—	—	(392)	(392)	—	(392)
Interest rate derivatives	—	(821)	—	(821)	—	(821)
Gross environmental credit obligations (2) (3)	—	(54,245)	—	(54,245)	—	(54,245)
<b>Total liabilities</b>	<b>\$ (92,417)</b>	<b>\$ (195,088)</b>	<b>\$ (392)</b>	<b>\$ (287,897)</b>	<b>\$ 231,909</b>	<b>\$ (55,988)</b>

- (1) Does not include cash collateral of \$2.4 million and \$31.3 million as of June 30, 2024 and December 31, 2023, respectively, included within Prepaid and other current assets and Other long-term assets on our condensed consolidated balance sheets.
- (2) Does not include RINs assets and other environmental credits of \$179.3 million and \$237.6 million included in Inventories and Other long-term assets on our condensed consolidated balance sheet and stated at the lower of cost and net realizable value as of June 30, 2024 and December 31, 2023, respectively.
- (3) Does not include environmental liabilities of \$206.5 million and \$232.7 million satisfied by internally generated or purchased environmental credits and presented at the carrying value of these credits included in Other Accrued Liabilities and Other liabilities on our condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023, respectively.

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A roll forward of Level 3 derivative instruments measured at fair value on a recurring basis is as follows (in thousands):

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Balance, at beginning of period	\$ (22,208)	\$ (5,979)	\$ (392)	\$ 2,279
Settlements	(661)	(12,243)	(661)	(16,858)
Total losses included in earnings (1)	22,460	12,638	644	8,995
Balance, at end of period	<u>\$ (409)</u>	<u>\$ (5,584)</u>	<u>\$ (409)</u>	<u>\$ (5,584)</u>

(1) Included in Cost of revenues (excluding depreciation) on our condensed consolidated statements of operations.

The carrying value and fair value of long-term debt and other financial instruments as of June 30, 2024 and December 31, 2023 are as follows (in thousands):

	<b>June 30, 2024</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
ABL Credit Facility due 2028 (2)	\$ 525,000	\$ 525,000
Term Loan Credit Agreement due 2030 (1)	529,324	544,483
Other long-term debt (1)	4,431	4,111

	<b>December 31, 2023</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
ABL Credit Facility due 2028 (2)	\$ 115,000	\$ 115,000
Term Loan Credit Agreement due 2030 (1)	531,112	545,875
Other long-term debt (1)	4,746	4,387

(1) The fair value measurements of the Term Loan Credit Agreement and Other long-term debt are considered Level 2 measurements in the fair value hierarchy as discussed below.

(2) The fair value measurements of the ABL Credit Facility are considered Level 3 measurements in the fair value hierarchy.

The fair values of the Term Loan Credit Agreement and Other long-term debt were determined using a market approach based on quoted prices and the inputs used to measure the fair value are classified as Level 2 inputs within the fair value hierarchy.

The carrying value of our ABL Credit Facility was determined to approximate fair value as of June 30, 2024. The fair value of all non-derivative financial instruments recorded in current assets, including cash and cash equivalents, restricted cash, and trade accounts receivable, and current liabilities, including accounts payable, approximate their carrying value due to their short-term nature.

**Note 14—Leases**

We have cancellable and non-cancellable finance and operating lease liabilities for the lease of land, vehicles, office space, retail facilities, and other facilities used in the storage and transportation of crude oil and refined products. Most of our leases include one or more options to renew, with renewal terms that can extend the lease term from one to 30 years or more. There are no material residual value guarantees associated with any of our leases.

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The following table provides information on the amounts (in thousands) of our right-of-use assets (“ROU assets”) and liabilities, weighted-average remaining lease term, and weighted average discount rate as of June 30, 2024, and December 31, 2023 and their placement within our condensed consolidated balance sheets:

Lease type	Balance Sheet Location	June 30, 2024	December 31, 2023
<b>Assets</b>			
Finance	Property, plant, and equipment	\$ 30,136	\$ 28,264
Finance	Accumulated amortization	(13,345)	(12,212)
Finance	Property, plant, and equipment, net	\$ 16,791	\$ 16,052
Operating	Operating lease right-of-use (“ROU”) assets	349,192	346,454
Total right-of-use assets		<u>\$ 365,983</u>	<u>\$ 362,506</u>
<b>Liabilities</b>			
<b>Current</b>			
Finance	Other accrued liabilities	\$ 1,998	\$ 1,820
Operating	Operating lease liabilities	69,662	72,833
<b>Long-term</b>			
Finance	Finance lease liabilities	12,411	12,438
Operating	Operating lease liabilities	289,436	282,517
Total lease liabilities		<u>\$ 373,507</u>	<u>\$ 369,608</u>
<b>Weighted-average remaining lease term (in years)</b>			
Finance		10.50	11.02
Operating		8.29	8.67
<b>Weighted-average discount rate</b>			
Finance		7.08 %	8.04 %
Operating		7.30 %	7.24 %

The following table summarizes the lease costs and income recognized in our condensed consolidated statements of operations (in thousands):

Lease cost (income) type	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Finance lease cost</b>				
Amortization of finance lease ROU assets	\$ 590	\$ 473	\$ 1,134	\$ 946
Interest on lease liabilities	255	145	499	292
Operating lease cost	26,550	24,421	52,367	48,290
Variable lease cost	1,451	3,121	3,413	4,563
Short-term lease cost	2,018	2,869	4,076	5,496
Net lease cost	<u>\$ 30,864</u>	<u>\$ 31,029</u>	<u>\$ 61,489</u>	<u>\$ 59,587</u>
Operating lease income (1)	\$ (1,035)	\$ (3,848)	\$ (4,900)	\$ (7,275)

(1) The majority of our lessor income comes from leases with lease terms of one year or less and the estimated future undiscounted cash flows from lessor income are not expected to be material.



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The following table summarizes the supplemental cash flow information related to leases as follows (in thousands):

Lease type	Six Months Ended June 30,	
	2024	2023
<b>Cash paid for amounts included in the measurement of liabilities</b>		
Financing cash flows from finance leases	\$ 858	\$ 899
Operating cash flows from finance leases	478	287
Operating cash flows from operating leases	51,490	48,594
<b>Non-cash supplemental amounts</b>		
ROU assets obtained in exchange for new finance lease liabilities	1,619	944
ROU assets obtained in exchange for new operating lease liabilities	42,058	16,684
ROU assets terminated in exchange for release from operating lease liabilities	—	—

The table below includes the estimated future undiscounted cash flows for finance and operating leases as of June 30, 2024 (in thousands):

For the year ending December 31,	Finance leases	Operating leases	Total
2024 (1)	\$ 1,468	\$ 51,809	\$ 53,277
2025	3,094	77,943	81,037
2026	2,620	71,469	74,089
2027	2,400	61,543	63,943
2028	1,559	56,892	58,451
2029	1,179	16,385	17,564
Thereafter	8,445	119,920	128,365
Total lease payments	20,765	455,961	476,726
Less amount representing interest	(6,356)	(96,863)	(103,219)
Present value of lease liabilities	\$ 14,409	\$ 359,098	\$ 373,507

(1) Represents the period from July 1, 2024 to December 31, 2024.

Additionally, we have \$9.3 million in future undiscounted cash flows for operating leases that have not yet commenced. These leases are expected to commence when the lessor has made the equipment or location available to us to operate or begin construction, respectively.

**Note 15—Commitments and Contingencies**

In the ordinary course of business, we are a party to various lawsuits and other contingent matters. We establish accruals for specific legal matters when we determine that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on our financial condition, results of operations, or cash flows.

**Tax and Related Matters**

We are also party to various other legal proceedings, claims, and regulatory, tax or government audits, inquiries, and investigations that arise in the ordinary course of business. From time to time, PHR has appealed various tax assessments related to its land, buildings, and fuel storage tanks, and is currently appealing the City of Honolulu's property tax assessment for tax year 2023. During the first quarter of 2022, we received a tax assessment in the amount of \$1.4 million from the Washington Department of Revenue related to its audit of certain taxes allegedly payable on certain sales of raw vacuum gas oil between 2014 and 2016. We believe the Department of Revenue's interpretation is in conflict with its prior guidance and we appealed in November 2022. By opinion dated September 22, 2021, the Hawaii Attorney General reversed a prior 1964 opinion exempting various business transactions conducted in the Hawaii foreign trade zone from certain state taxes. We and other similarly situated state taxpayers who had previously claimed such exemptions, certain of which we are contractually obligated to indemnify, are currently being audited for such prior tax periods. Similarly, on September 30, 2021, we received notice of a complaint filed on May 17, 2021, on camera and under seal in the first circuit court of the state of Hawaii alleging that PHR,

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Par Pacific Holdings, Inc. and certain unnamed defendants made false claims and statements in connection with various state tax returns related to our business conducted within the Hawaii foreign trade zone, and seeking unspecified damages, penalties, interest and injunctive relief. We dispute the allegations in the complaint and intend to vigorously defend ourselves in such proceeding. We believe the likelihood of an unfavorable outcome in these matters to be neither probable nor reasonably estimable.

**Environmental Matters**

Like other petroleum refiners, our operations are subject to extensive and periodically-changing federal, state, and local environmental laws and regulations governing air emissions, wastewater discharges, and solid and hazardous waste management activities. Many of these regulations are becoming increasingly stringent and the cost of compliance can be expected to increase over time.

Periodically, we receive communications from various federal, state, and local governmental authorities asserting violations of environmental laws and/or regulations. These governmental entities may also propose or assess fines or require corrective actions for these asserted violations. Except as disclosed below, we do not anticipate that any such matters currently asserted will have a material impact on our financial condition, results of operations, or cash flows.

***Hawaii Consent Decree***

On July 18, 2016, PHR and subsidiaries of Tesoro Corporation (“Tesoro”) entered into a consent decree with the EPA, the U.S. Department of Justice and other state governmental authorities concerning alleged violations of the federal Clean Air Act related to the ownership and operation of multiple facilities owned or formerly owned by Tesoro and its affiliates (“Consent Decree”), including our refinery in Kapolei, Hawaii, that we acquired from Tesoro in 2013. On September 29, 2023, we received a letter from EPA related to the alleged violation of certain air emission limits, controls, monitoring, and repair requirements under the Consent Decree. We are unable to predict the cost to resolve these alleged violations, but resolution will likely involve financial penalties or impose capital expenditure requirements that could be material.

***Wyoming Refinery***

Our Wyoming refinery is subject to a number of consent decrees, orders, and settlement agreements involving the EPA and/or the Wyoming Department of Environmental Quality, some of which date back to the late 1970s and several of which remain in effect, requiring further actions at the Wyoming refinery. The largest cost component arising from these various decrees relates to the investigation, monitoring, and remediation of soil, groundwater, surface water, and sediment contamination associated with the facility’s historic operations. Investigative work by Hermes Consolidated LLC, and its wholly owned subsidiary, Wyoming Pipeline Company, (collectively, “WRC” or “Wyoming Refining”) and negotiations with the relevant agencies as to remedial approaches remain ongoing on a number of aspects of the contamination, meaning that investigation, monitoring, and remediation costs are not reasonably estimable for some elements of these efforts. As of June 30, 2024, we have accrued \$13.6 million for the well-understood components of these efforts based on current information, approximately one-third of which we expect to incur in the next five years and the remainder to be incurred over approximately 30 years.

Additionally, we believe the Wyoming refinery will need to modify or close a series of wastewater impoundments in the next several years and replace those impoundments with a new wastewater treatment system. Based on current information, reasonable estimates we have received suggest costs of approximately \$11.6 million to design and construct a new wastewater treatment system.

Finally, among the various historic consent decrees, orders, and settlement agreements into which Wyoming Refining has entered, there are several penalty orders associated with exceedances of permitted limits by the Wyoming refinery’s wastewater discharges. Although the frequency of these exceedances has declined over time, Wyoming Refining may become subject to new penalty enforcement action in the next several years, which could involve penalties in excess of \$300,000.

***Washington Climate Commitment Act and Clean Fuel Standard***

In 2021, the Washington legislature passed the Climate Commitment Act (“Washington CCA”), which established a cap and invest program designed to significantly reduce greenhouse gas emissions. Rules implementing the Washington CCA by the Washington Department of Ecology set a cap on greenhouse gas emissions, provide mechanisms for the sale and tracking of tradable emissions allowances, and establish additional compliance and accountability measures. The Washington CCA became effective in January 2023 and the first auction for emissions allowances took place in February 2023. Additionally, a low carbon fuel standard (the “Clean Fuel Standard”) that limits carbon in transportation fuels and enables

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certain producers to buy or sell credits was also signed into law and became effective in 2023. We are required to purchase compliance credits or allowances if we are unable to reduce emissions at our Tacoma refinery or reduce the amount of carbon in the transportation fuels we sell in Washington, which could have a material impact on our financial condition, results of operations, or cash flows. During the third quarter of 2023, we received and responded to a civil investigative demand for information related to our compliance with the Washington CCA.

**Regulation of Greenhouse Gases**

Under the Energy Independence and Security Act (the “EISA”), the Renewable Fuel Standard (the “RFS”) requires an increasing amount of renewable fuel to be blended into the nation’s transportation fuel supply. Over time, higher annual RFS requirements have the potential to reduce demand for our refined transportation fuel products. In the near term, the RFS will be satisfied primarily with fuel ethanol blended into gasoline or by purchasing renewable credits, referred to as RINs, to maintain compliance.

The RFS may present production and logistics challenges for both the renewable fuels and petroleum refining and marketing industries in that we may have to enter into arrangements with other parties or purchase D3 waivers from the EPA to meet our obligations to use advanced biofuels, including biomass-based diesel and cellulosic biofuel, with potentially uncertain supplies of these new fuels.

There will be compliance costs and uncertainties regarding how we will comply with the various requirements contained in the EISA, RFS, and other fuel-related regulations. We may experience a decrease in demand for refined petroleum products due to an increase in combined fleet mileage or due to refined petroleum products being replaced by renewable fuels.

**Note 16—Stockholders’ Equity**

**Share Repurchase Program**

On November 10, 2021, the Board authorized and approved a share repurchase program for up to \$50 million of shares of our common stock with no specified end date. On August 2, 2023, the Board expanded the share repurchase authorization from \$50 million to \$250 million. During the three and six months ended June 30, 2024, 2,209 thousand and 3,115 thousand shares were repurchased under this share repurchase program for \$67.1 million and \$99.5 million, respectively. The repurchased shares were retired by the Company upon receipt. During the three and six months ended June 30, 2023, 110 thousand shares were repurchased under this share repurchase program for \$2.6 million. As of June 30, 2024, there was \$83.2 million of authorization remaining under this share repurchase program.

**Incentive Plans**

The following table summarizes our compensation costs recognized in General and administrative expense (excluding depreciation) and Operating expense (excluding depreciation) under the Amended and Restated Par Pacific Holdings, Inc. 2012 Long-term Incentive Plan and Stock Purchase Plan (in thousands):

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Restricted Stock Awards	\$ 2,105	\$ 2,656	\$ 6,301	\$ 4,052
Restricted Stock Units	497	477	3,218	984
Stock Option Awards	279	523	9,772	937

On February 27, 2024, William Pate, Chief Executive Officer (“CEO”), announced that he would retire from his CEO role effective May 1, 2024. During the first quarter of 2024, the Board approved the acceleration of unvested equity awards and the modification of vested stock options granted to him. For the six months June 30, 2024, we recorded a total of \$13.1 million stock-based compensation expenses resulting from the equity awards modifications.

During the three and six months ended June 30, 2024, we granted 9 thousand and 269 thousand shares of restricted stock and restricted stock units with a fair value of approximately \$0.3 million and \$10.5 million, respectively. As of June 30, 2024, there were approximately \$16.0 million of total unrecognized compensation costs related to restricted stock awards and restricted stock units, which are expected to be recognized on a straight-line basis over a weighted-average period of 1.5 years.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
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During the three and six months ended June 30, 2024, we granted 350 thousand stock option awards with a weighted-average exercise price of \$30.80 per share. As of June 30, 2024, there were approximately \$6.6 million of total unrecognized compensation costs related to stock option awards, which are expected to be recognized on a straight-line basis over a weighted-average period of 4.7 years.

During the six months ended June 30, 2024, we granted 64 thousand performance restricted stock units to executive officers; no grants were made for the three months ended June 30, 2024. These performance restricted stock units had a fair value of approximately \$2.5 million and are subject to certain annual performance targets based on three-year-performance periods as defined by our Board of Directors. As of June 30, 2024, there were approximately \$3.1 million of total unrecognized compensation costs related to the performance restricted stock units, which are expected to be recognized on a straight-line basis over a weighted-average period of 2.4 years.

**Note 17—Income (Loss) per Share**

The following table sets forth the computation of basic and diluted income (loss) per share (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 18,638	\$ 30,013	\$ 14,887	\$ 267,903
Plus: Net income effect of convertible securities	—	—	—	—
Numerator for diluted income per common share	\$ 18,638	\$ 30,013	\$ 14,887	\$ 267,903
Basic weighted-average common stock shares outstanding	57,239	60,399	57,936	60,255
Plus: dilutive effects of common stock equivalents	806	594	466	765
Diluted weighted-average common stock shares outstanding	58,045	60,993	58,402	61,020
Basic income per common share	\$ 0.33	\$ 0.50	\$ 0.26	\$ 4.45
Diluted income per common share	\$ 0.32	\$ 0.49	\$ 0.25	\$ 4.39
Diluted income per common share excludes the following equity instruments because their effect would be anti-dilutive:				
Shares of unvested restricted stock	324	321	228	254
Shares of stock options	238	108	119	54

**Note 18—Income Taxes**

Effective in the first quarter of 2024, we began calculating our income tax provision using the estimated annual effective tax rate method in accordance with Accounting Standards Codification “ASC” 740 - Income Taxes and we no longer apply the exception that allowed the use of the year-to-date effective tax rate method. We believe the change in this calculation is appropriate as it allows us to reliably calculate the estimated annual effective tax rate due to our sustained profitability and confidence in future earnings.

Our effective tax rate for the three and six months ended June 30, 2024, differs from the statutory rates primarily as a result of the differing apportionment rates for our state income taxes as well as an adjustment for equity compensation.

For the three and six months ended June 30, 2023, our effective tax rate differed from the statutory rates primarily as a result of our various state income tax apportionment factors, equity compensation, and the recording of a valuation allowance.

Our net taxable income must be apportioned to various states based upon the income tax laws of the states in which we derive our revenue. Our NOL carryforwards will not always be available to offset taxable income apportioned to the various states. The states from which our refining, retail, and logistics revenues are derived are not the same states in which our NOLs were incurred; therefore, we expect to incur state tax liabilities in connection with our refining, retail, and logistics operations.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements**  
**For the Interim Periods Ended June 30, 2024 and 2023**

**Note 19—Segment Information**

We report the results for the following four reportable segments: (i) Refining, (ii) Retail, (iii) Logistics, and (iv) Corporate and Other.

Summarized financial information concerning reportable segments consists of the following (in thousands):

<b>Three Months Ended June 30, 2024</b>	<b>Refining</b>	<b>Logistics</b>	<b>Retail</b>	<b>Corporate, Eliminations and Other (1)</b>	<b>Total</b>
Revenues	\$ 1,957,273	\$ 72,475	\$ 152,842	\$ (165,122)	\$ 2,017,468
Cost of revenues (excluding depreciation)	1,779,810	44,278	111,244	(165,135)	1,770,197
Operating expense (excluding depreciation)	116,509	4,701	22,870	—	144,080
Depreciation and amortization	21,691	7,193	2,675	585	32,144
General and administrative expense (excluding depreciation)	—	—	—	23,168	23,168
Equity earnings from refining and logistics investments	(1,943)	(1,801)	—	—	(3,744)
Acquisition and integration costs	—	—	—	(152)	(152)
Par West redevelopment and other costs	—	—	—	3,071	3,071
Loss on sale of assets, net	—	63	—	—	63
<b>Operating income (loss)</b>	<b>\$ 41,206</b>	<b>\$ 18,041</b>	<b>\$ 16,053</b>	<b>\$ (26,659)</b>	<b>\$ 48,641</b>
Interest expense and financing costs, net					(20,434)
Debt extinguishment and commitment costs					(1,418)
Other expense, net					(124)
Equity losses from Laramie Energy, LLC					(1,360)
Income before income taxes					25,305
Income tax expense					(6,667)
<b>Net income</b>					<b>\$ 18,638</b>
Capital expenditures	\$ 29,763	\$ 4,653	\$ 1,528	\$ 946	\$ 36,890

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
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<b>Three Months Ended June 30, 2023</b>	<b>Refining</b>	<b>Logistics</b>	<b>Retail</b>	<b>Corporate, Eliminations and Other (1)</b>	<b>Total</b>
Revenues	\$ 1,708,541	\$ 64,709	\$ 148,396	\$ (137,719)	\$ 1,783,927
Cost of revenues (excluding depreciation)	1,567,605	35,788	109,168	(137,755)	1,574,806
Operating expense (excluding depreciation)	76,971	3,596	21,276	—	101,843
Depreciation and amortization	19,826	5,059	2,732	599	28,216
General and administrative expense (excluding depreciation)	—	—	—	23,168	23,168
Equity earnings from refining and logistics investments	—	(425)	—	—	(425)
Acquisition and integration costs	—	—	—	7,273	7,273
Par West redevelopment and other costs	—	—	—	2,613	2,613
<b>Operating income (loss)</b>	<b>\$ 44,139</b>	<b>\$ 20,691</b>	<b>\$ 15,220</b>	<b>\$ (33,617)</b>	<b>\$ 46,433</b>
Interest expense and financing costs, net					(14,909)
Debt extinguishment and commitment costs					38
Other income, net					379
Income before income taxes					31,941
Income tax expense					(1,928)
<b>Net income</b>					<b>\$ 30,013</b>
Capital expenditures	\$ 6,301	\$ 7,124	\$ 3,104	\$ 987	\$ 17,516

(1) Includes eliminations of intersegment revenues and cost of revenues of \$165.1 million and \$137.7 million for the three months ended June 30, 2024 and 2023, respectively.

<b>Six Months Ended June 30, 2024</b>	<b>Refining</b>	<b>Logistics</b>	<b>Retail</b>	<b>Corporate, Eliminations and Other (1)</b>	<b>Total</b>
Revenues	\$ 3,883,889	\$ 144,317	\$ 292,976	\$ (322,879)	\$ 3,998,303
Cost of revenues (excluding depreciation)	3,539,205	87,075	214,296	(322,901)	3,517,675
Operating expense (excluding depreciation)	242,977	8,513	45,850	—	297,340
Depreciation and amortization	43,961	13,968	5,791	1,080	64,800
Loss (gain) on sale of assets, net	—	124	(10)	—	114
General and administrative expense (excluding depreciation)	—	—	—	64,923	64,923
Equity earnings from refining and logistics investments	(6,060)	(3,778)	—	—	(9,838)
Acquisition and integration costs	—	—	—	91	91
Par West redevelopment and other costs	—	—	—	5,042	5,042
<b>Operating income (loss)</b>	<b>\$ 63,806</b>	<b>\$ 38,415</b>	<b>\$ 27,049</b>	<b>\$ (71,114)</b>	<b>\$ 58,156</b>
Interest expense and financing costs, net					(38,318)
Debt extinguishment and commitment costs					(1,418)
Other expense, net					(2,700)
Equity earnings from Laramie Energy, LLC					3,203
Income before income taxes					18,923
Income tax expense					(4,036)
<b>Net income</b>					<b>\$ 14,887</b>
Capital expenditures	\$ 46,059	\$ 9,423	\$ 2,828	\$ 1,222	\$ 59,532

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**  
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**For the Interim Periods Ended June 30, 2024 and 2023**

Six Months Ended June 30, 2023	Refining	Logistics	Retail	Corporate, Eliminations and Other (1)	Total
Revenues	\$ 3,323,953	\$ 117,097	\$ 283,968	\$ (255,882)	\$ 3,469,136
Cost of revenues (excluding depreciation)	2,845,275	67,087	207,396	(255,932)	2,863,826
Operating expense (excluding depreciation)	135,853	7,043	42,067	—	184,963
Depreciation and amortization	35,549	10,093	5,811	1,123	52,576
General and administrative expense (excluding depreciation)	—	—	—	42,454	42,454
Equity earnings from refining and logistics investments	—	(425)	—	—	(425)
Acquisition and integration costs	—	—	—	12,544	12,544
Par West redevelopment and other costs	—	—	—	5,363	5,363
<b>Operating income (loss)</b>	<b>\$ 307,276</b>	<b>\$ 33,299</b>	<b>\$ 28,694</b>	<b>\$ (61,434)</b>	<b>\$ 307,835</b>
Interest expense and financing costs, net					(31,159)
Debt extinguishment and commitment costs					(17,682)
Other income, net					344
Equity earnings from Laramie Energy, LLC					10,706
Income before income taxes					270,044
Income tax expense					(2,141)
<b>Net income</b>					<b>\$ 267,903</b>
Capital expenditures	\$ 13,955	\$ 8,005	\$ 7,254	\$ 1,515	\$ 30,729

(1) Includes eliminations of intersegment revenues and cost of revenues of \$322.9 million and \$255.9 million for the six months ended June 30, 2024 and 2023, respectively.

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

### Overview

We are a growing energy company based in Houston, Texas, that provides both renewable and conventional fuels to the western United States. For more information, please read Note 1—Overview to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

### Recent Events Affecting Comparability of Periods

Crude oil pricing increased in the first half of 2024 compared to the first half of 2023. Brent crude oil pricing averaged \$85.03 per barrel in the first half of 2024 compared to \$77.73 per barrel in the first half of 2023. Average U.S. retail gasoline prices remained relatively stable from \$3.59 per gallon in the first half of 2023 to \$3.52 per gallon in the first half of 2024. Refined product crack spreads in the first half of 2024 decreased as compared to the first half of 2023. The U.S. Energy Information Administration ("EIA") in its June 2024 short term energy outlook forecasts average Brent crude oil pricing of \$85 per barrel in the second half of 2024 due to strong global inventory draws in the first half of 2024 driven by less Organization of the Petroleum Exporting Countries ("OPEC") production. In 2023, OPEC announced several voluntary production cuts. Russia announced on February 10, 2023, that it would cut its oil production by 500,000 barrels a day (5% of its output), as a response to imposed sanctions on the country's oil trade. In June 2023, OPEC extended oil output cuts of 3.66 million barrels a day, or about 5% of daily global demand, until the end of 2024, including a Russian cut in oil exports of 300,000 barrels a day until the end of 2023. In November 2023 OPEC announced additional voluntary production cuts of 1.7 million barrels a day, thus totaling about 2.2 million barrels a day, from January through March 2024. On March 3, 2024, OPEC announced an extension of its November 2023 voluntary production cut through June 2024, driving down supply, as demand increases due to spring and summer travel seasons in the Northern Hemisphere. On June 2, 2024, OPEC agreed to extend the latest cut of 2.2 million barrels a day until the end of September and gradually phase it out from October on a monthly basis. Additionally, geopolitical tensions in the Middle East and the Red Sea region continued to escalate in the first half of 2024 putting upward pressure on prices. The overall effect of these conflicts and associated actions taken to limit the purchase of Russian petroleum products impacted freight movements and raised the operating costs of many European and other refineries. Energy prices are, among other factors, indicators of inflation. The overall energy price index increased 4.3% year over year as of June 30, 2024. While inflation has worsened relative to the prior year, we do not believe that inflation has had a material effect on our business, financial condition, or results of operations in the first half of 2024. Please read Item 1A. — Risk Factors on our Annual Report on Form 10-K for the year ended December 31, 2023 for further information.

### Results of Operations

#### *Three months ended June 30, 2024 compared to the three months ended June 30, 2023*

**Net Income.** Our financial results for the second quarter of 2024 declined from net income of \$30.0 million for the three months ended June 30, 2023 to \$18.6 million for the three months ended June 30, 2024. The decrease was primarily driven by a \$5.5 million increase in interest expense and financing costs, net, a \$4.7 million increase in income tax expense, a \$2.9 million decrease in our refining segment operating income, a \$2.7 million decrease in our logistics segment operating income, a \$1.5 million increase in debt extinguishment and commitment costs, and a \$1.4 million decrease in equity earnings from Laramie Energy, LLC, partially offset by a \$7.4 million decrease in acquisition and integration expenses related to our Billings Acquisition. Please read the discussions of segment and consolidated results below for additional information.

**Adjusted EBITDA and Adjusted Net Income.** For the three months ended June 30, 2024, Adjusted EBITDA was \$81.6 million compared to \$150.8 million for the three months ended June 30, 2023. The \$69.2 million decrease was primarily related to a \$42.3 million increase in operating expenses and a decrease of \$29.0 million in refining segment Adjusted Gross Margin. Please read the discussion of Adjusted Gross Margin by Segment and the Discussion of Consolidated Results below for additional information.

For the three months ended June 30, 2024, Adjusted Net Income was \$28.5 million compared to \$105.0 million for the three months ended June 30, 2023. The decline was primarily related to the factors described above for the decrease in Adjusted EBITDA, an increase of \$5.0 million in interest expense and financing costs, excluding unrealized interest rate derivative losses (gains), and an increase of \$3.9 million of D&A, partially offset by a cash distribution of \$1.5 million received from Laramie Energy, LLC in the second quarter of 2024.



**Six months ended June 30, 2024 compared to the six months ended June 30, 2023**

**Net Income.** Our financial results declined from net income of \$267.9 million for the six months ended June 30, 2023 to \$14.9 million for the six months ended June 30, 2024. The decrease was driven by a \$243.5 million decrease in refining segment operating income, a \$22.5 million increase in general and administrative expenses, and a \$1.6 million decrease in retail segment operating income, partially offset by a \$12.5 million decrease in acquisitions and integration expenses related to our Billings Acquisition and a \$5.1 million increase in logistics segment operating income. Please read the discussions of segment and consolidated results below for additional information.

**Adjusted EBITDA and Adjusted Net Income.** For the six months ended June 30, 2024, Adjusted EBITDA was \$176.3 million compared to \$318.5 million for the six months ended June 30, 2023. The \$142.2 million decrease was primarily related to a \$112.3 million increase in operating expenses and a decrease of \$33.5 million in our refining segment Adjusted Gross Margin. Please read the discussion of Adjusted Gross Margin by Segment and the Discussion of Consolidated Results below for additional information.

For the six months ended June 30, 2024, Adjusted Net Income was \$70.2 million compared to \$242.5 million for the six months ended June 30, 2023. The decline was primarily related to the same factors described above for the decrease in Adjusted EBITDA, an increase of \$12.2 million of D&A, a decrease of \$9.2 million of cash distributions received from Laramie Energy, LLC, and an increase of \$7.5 million of interest expense and financing costs, excluding unrealized interest rate derivative losses (gains).

The following tables summarize our consolidated results of operations for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023 (in thousands). The following should be read in conjunction with our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

	<b>Three Months Ended June 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2024</b>	<b>2023</b>		
Revenues	\$ 2,017,468	\$ 1,783,927	\$ 233,541	13%
Cost of revenues (excluding depreciation)	1,770,197	1,574,806	195,391	12%
Operating expense (excluding depreciation)	144,080	101,843	42,237	41%
Depreciation and amortization	32,144	28,216	3,928	14%
General and administrative expense (excluding depreciation)	23,168	23,168	—	—%
Equity earnings from refining and logistics investments	(3,744)	(425)	(3,319)	(781)%
Acquisition and integration costs	(152)	7,273	(7,425)	(102)%
Par West redevelopment and other costs	3,071	2,613	458	18%
Loss on sale of assets, net	63	—	63	NM (1)
Total operating expenses	<u>1,968,827</u>	<u>1,737,494</u>		
Operating income	48,641	46,433		
Other income (expense)				
Interest expense and financing costs, net	(20,434)	(14,909)	(5,525)	37%
Debt extinguishment and commitment costs	(1,418)	38	(1,456)	(3,832)%
Other income (expense), net	(124)	379	(503)	(133)%
Equity earnings (losses) from Laramie Energy, LLC	(1,360)	—	(1,360)	NM (1)
Total other expense, net	<u>(23,336)</u>	<u>(14,492)</u>		
Income before income taxes	25,305	31,941		
Income tax expense	(6,667)	(1,928)	(4,739)	246%
<b>Net income</b>	<u>\$ 18,638</u>	<u>\$ 30,013</u>		

	<b>Six Months Ended June 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2024</b>	<b>2023</b>		
Revenues	\$ 3,998,303	\$ 3,469,136	\$ 529,167	15%
Cost of revenues (excluding depreciation)	3,517,675	2,863,826	653,849	23%
Operating expense (excluding depreciation)	297,340	184,963	112,377	61%
Depreciation and amortization	64,800	52,576	12,224	23%
General and administrative expense (excluding depreciation)	64,923	42,454	22,469	53%
Equity earnings from refining and logistics investments	(9,838)	(425)	(9,413)	(2,215)%
Acquisition and integration costs	91	12,544	(12,453)	(99)%
Par West redevelopment and other costs	5,042	5,363	(321)	(6)%
Loss on sale of assets, net	114	—	114	NM (1)
Total operating expenses	<u>3,940,147</u>	<u>3,161,301</u>		
Operating income	58,156	307,835		
Other income (expense)				
Interest expense and financing costs, net	(38,318)	(31,159)	(7,159)	23%
Debt extinguishment and commitment costs	(1,418)	(17,682)	16,264	(92)%
Other income (expense), net	(2,700)	344	(3,044)	(885)%
Equity earnings from Laramie Energy, LLC	3,203	10,706	(7,503)	(70)%
Total other expense, net	<u>(39,233)</u>	<u>(37,791)</u>		
Income before income taxes	18,923	270,044		
Income tax expense	(4,036)	(2,141)	(1,895)	89%
<b>Net income</b>	<u>\$ 14,887</u>	<u>\$ 267,903</u>		

(1) NM - Not meaningful

The following tables summarize our operating income (loss) by segment for the three and six months ended June 30, 2024 and 2023 (in thousands). The following should be read in conjunction with our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

<b>Three months ended June 30, 2024</b>	<b>Refining</b>	<b>Logistics (1)</b>	<b>Retail</b>	<b>Corporate, Eliminations and Other (2)</b>	<b>Total</b>
Revenues	\$ 1,957,273	\$ 72,475	\$ 152,842	\$ (165,122)	\$ 2,017,468
Cost of revenues (excluding depreciation)	1,779,810	44,278	111,244	(165,135)	1,770,197
Operating expense (excluding depreciation)	116,509	4,701	22,870	—	144,080
Depreciation and amortization	21,691	7,193	2,675	585	32,144
General and administrative expense (excluding depreciation)	—	—	—	23,168	23,168
Equity earnings from refining and logistics investments	(1,943)	(1,801)	—	—	(3,744)
Acquisition and integration costs	—	—	—	(152)	(152)
Par West redevelopment and other costs	—	—	—	3,071	3,071
Loss on sale of assets, net	—	63	—	—	63
<b>Operating income (loss)</b>	<u>\$ 41,206</u>	<u>\$ 18,041</u>	<u>\$ 16,053</u>	<u>\$ (26,659)</u>	<u>\$ 48,641</u>

<b>Three months ended June 30, 2023</b>	<b>Refining</b>	<b>Logistics (1)</b>	<b>Retail</b>	<b>Corporate, Eliminations and Other (2)</b>	<b>Total</b>
Revenues	\$ 1,708,541	\$ 64,709	\$ 148,396	\$ (137,719)	\$ 1,783,927
Cost of revenues (excluding depreciation)	1,567,605	35,788	109,168	(137,755)	1,574,806
Operating expense (excluding depreciation)	76,971	3,596	21,276	—	101,843
Depreciation and amortization	19,826	5,059	2,732	599	28,216
General and administrative expense (excluding depreciation)	—	—	—	23,168	23,168
Equity earnings from refining and logistics investments	—	(425)	—	—	(425)
Acquisition and integration costs	—	—	—	7,273	7,273
Par West redevelopment and other costs	—	—	—	2,613	2,613
<b>Operating income (loss)</b>	<b>\$ 44,139</b>	<b>\$ 20,691</b>	<b>\$ 15,220</b>	<b>\$ (33,617)</b>	<b>\$ 46,433</b>

(1) Our logistics operations consist primarily of intercompany transactions which eliminate on a consolidated basis.

(2) Includes eliminations of intersegment Revenues and Cost of revenues (excluding depreciation) of \$165.1 million and \$137.7 million for the three months ended June 30, 2024 and 2023, respectively.

<b>Six months ended June 30, 2024</b>	<b>Refining</b>	<b>Logistics (1)</b>	<b>Retail</b>	<b>Corporate, Eliminations and Other (2)</b>	<b>Total</b>
Revenues	\$ 3,883,889	\$ 144,317	\$ 292,976	\$ (322,879)	\$ 3,998,303
Cost of revenues (excluding depreciation)	3,539,205	87,075	214,296	(322,901)	3,517,675
Operating expense (excluding depreciation)	242,977	8,513	45,850	—	297,340
Depreciation and amortization	43,961	13,968	5,791	1,080	64,800
Loss (gain) on sale of assets, net	—	124	(10)	—	114
General and administrative expense (excluding depreciation)	—	—	—	64,923	64,923
Equity earnings from refining and logistics investments	(6,060)	(3,778)	—	—	(9,838)
Acquisition and integration costs	—	—	—	91	91
Par West redevelopment and other costs	—	—	—	5,042	5,042
<b>Operating income (loss)</b>	<b>\$ 63,806</b>	<b>\$ 38,415</b>	<b>\$ 27,049</b>	<b>\$ (71,114)</b>	<b>\$ 58,156</b>

<b>Six months ended June 30, 2023</b>	<b>Refining</b>	<b>Logistics (1)</b>	<b>Retail</b>	<b>Corporate, Eliminations and Other (2)</b>	<b>Total</b>
Revenues	\$ 3,323,953	\$ 117,097	\$ 283,968	\$ (255,882)	\$ 3,469,136
Cost of revenues (excluding depreciation)	2,845,275	67,087	207,396	(255,932)	2,863,826
Operating expense (excluding depreciation)	135,853	7,043	42,067	—	184,963
Depreciation and amortization	35,549	10,093	5,811	1,123	52,576
General and administrative expense (excluding depreciation)	—	—	—	42,454	42,454
Equity earnings from refining and logistics investments	—	(425)	—	—	(425)
Acquisition and integration costs	—	—	—	12,544	12,544
Par West redevelopment and other costs	—	—	—	5,363	5,363
<b>Operating income (loss)</b>	<b>\$ 307,276</b>	<b>\$ 33,299</b>	<b>\$ 28,694</b>	<b>\$ (61,434)</b>	<b>\$ 307,835</b>

(1) Our logistics operations consist primarily of intercompany transactions which eliminate on a consolidated basis.

(2) Includes eliminations of intersegment Revenues and Cost of revenues (excluding depreciation) of \$322.9 million and \$255.9 million for the six months ended June 30, 2024 and 2023, respectively.

Below is a summary of key operating statistics for the refining segment for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Total Refining Segment</b>				
Feedstocks Throughput (Mbpd) (1)	179.8	162.3	180.0	147.7
Refined product sales volume (Mbpd) (1)	191.2	168.8	192.0	159.1
<b>Hawaii Refinery</b>				
Feedstocks Throughput (Mbpd)	81.0	84.1	80.2	80.2
Yield (% of total throughput)				
Gasoline and gasoline blendstocks	27.3 %	26.8 %	26.2 %	26.8 %
Distillates	37.9 %	41.0 %	38.0 %	40.1 %
Fuel oils	30.0 %	28.2 %	32.0 %	28.8 %
Other products	1.4 %	0.8 %	0.1 %	1.2 %
Total yield	96.6 %	96.8 %	96.3 %	96.9 %
Refined product sales volume (Mbpd)	82.2	87.2	84.9	88.8
Adjusted Gross Margin per bbl (\$/throughput bbl) (2)	\$ 10.07	\$ 12.08	\$ 12.02	\$ 15.41
Production costs per bbl (\$/throughput bbl) (3)	4.50	4.33	4.67	4.43
D&A per bbl (\$/throughput bbl)	0.57	0.67	0.58	0.70
<b>Montana Refinery</b>				
Feedstocks Throughput (Mbpd) (1)	37.7	62.6	45.1	62.6
Yield (% of total throughput)				
Gasoline and gasoline blendstocks	56.6 %	46.3 %	51.3 %	46.3 %
Distillates	25.2 %	29.3 %	29.6 %	29.3 %
Asphalt	6.9 %	13.3 %	8.7 %	13.3 %
Other products	5.0 %	6.1 %	4.5 %	6.1 %
Total yield	93.7 %	95.0 %	94.1 %	95.0 %
Refined product sales volume (Mbpd) (1)	48.2	59.3	49.9	59.3
Adjusted Gross Margin per bbl (\$/throughput bbl) (2)	\$ 16.89	\$ 30.98	\$ 15.20	\$ 30.98
Production costs per bbl (\$/throughput bbl) (3)	16.18	8.07	14.09	8.07
D&A per bbl (\$/throughput bbl)	1.84	1.85	1.59	1.85

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Washington Refinery</b>				
Feedstocks Throughput (Mbpd)	41.2	40.9	36.3	40.3
Yield (% of total throughput)				
Gasoline and gasoline blendstocks	24.7 %	24.0 %	24.2 %	23.8 %
Distillates	34.4 %	34.8 %	34.0 %	34.6 %
Asphalt	18.0 %	19.5 %	19.3 %	19.0 %
Other products	20.0 %	18.3 %	19.1 %	18.7 %
Total yield	97.1 %	96.6 %	96.6 %	96.1 %
Refined product sales volume (Mbpd)	40.2	44.8	38.2	42.8
Adjusted Gross Margin per bbl (\$/throughput bbl) (2)	\$ 4.67	\$ 6.37	\$ 5.30	\$ 8.66
Production costs per bbl (\$/throughput bbl) (3)	3.66	3.98	4.70	4.11
D&A per bbl (\$/throughput bbl)	1.83	1.82	2.09	1.81
<b>Wyoming Refinery</b>				
Feedstocks Throughput (Mbpd)	19.9	16.7	18.4	16.8
Yield (% of total throughput)				
Gasoline and gasoline blendstocks	44.3 %	43.7 %	46.8 %	45.6 %
Distillates	48.9 %	48.7 %	47.6 %	47.3 %
Fuel oils	2.2 %	2.6 %	2.1 %	2.5 %
Other products	3.1 %	2.5 %	2.1 %	1.7 %
Total yield	98.5 %	97.5 %	98.6 %	97.1 %
Refined product sales volume (Mbpd)	20.6	17.3	19.0	17.7
Adjusted Gross Margin per bbl (\$/throughput bbl) (2)	\$ 14.74	\$ 20.56	\$ 14.83	\$ 24.05
Production costs per bbl (\$/throughput bbl) (3)	7.08	8.30	7.46	7.85
D&A per bbl (\$/throughput bbl)	2.36	2.93	2.56	2.85
<b>Market Indices (average \$ per barrel)</b>				
3-1-2 Singapore Crack Spread (4)	\$ 12.49	\$ 13.72	\$ 15.58	\$ 17.45
RVO Adjusted Pacific Northwest 3-1-1-1 (5)	22.54	25.13	21.51	25.21
RVO Adjusted USGC 3-2-1 (6)	17.93	21.65	19.63	24.09
<b>Crude Oil Prices (average \$ per barrel)</b>				
Brent	\$ 85.03	\$ 77.73	\$ 83.39	\$ 79.90
WTI	80.66	73.56	78.78	74.77
ANS	86.42	78.26	83.87	78.63
Bakken Clearbrook	79.95	75.37	77.13	77.25
WCS Hardisty	67.21	60.07	63.33	58.38
Brent M1-M3	1.30	0.44	1.18	0.48

- (1) Feedstocks throughput and sales volumes per day for the Montana refinery for the three and six months ended June 30, 2023 are calculated based on the 30-day period for which we owned the Montana refinery during the three and six months ended June 30, 2023. As such, the amounts for the total refining segment represent the sum of the Hawaii, Washington, and Wyoming refineries' throughput or sales volumes averaged over the three and six months ended June 30, 2023, plus the Montana refinery's throughput or sales volumes averaged over the period from June 1, 2023, to June 30, 2023. The 2024 amounts for the total refining segment represent the sum of the Hawaii, Montana, Washington, and Wyoming refineries' throughput or sales volumes averaged over the three and six months ended June 30, 2024.
- (2) We calculate Adjusted Gross Margin per barrel by dividing Adjusted Gross Margin by total refining throughput. Adjusted Gross Margin for our Washington refinery is determined under the last-in, first-out ("LIFO") inventory costing method. Adjusted Gross Margin for our other refineries is determined under the first-in, first-out ("FIFO") inventory costing method.
- (3) Management uses production costs per barrel to evaluate performance and compare efficiency to other companies in the industry. There are a variety of ways to calculate production costs per barrel; different companies within the industry calculate it in different ways. We calculate production costs per barrel by dividing all direct production costs, which include the costs to run the refineries including personnel costs, repair and maintenance costs, insurance, utilities, and other miscellaneous costs, by total refining throughput. Our production costs are included in Operating expense (excluding depreciation) on our condensed consolidated statements of operations, which also includes costs related to our bulk marketing operations and severance costs.
- (4) We believe the 3-1-2 Singapore Crack Spread (or three barrels of Brent crude oil converted into one barrel of gasoline and two barrels of distillates (diesel and jet fuel)) is the most representative market indicator for our operations in Hawaii.
- (5) We believe the RVO Adjusted Pacific Northwest 3-1-1-1 (or three barrels of WTI crude oil converted into one barrel of Pacific Northwest gasoline, one barrel of Pacific Northwest ULSD and one barrel of USGC VGO, less 100% of the RVO cost for gasoline and ULSD) is the most representative market indicator for our operations in Washington.
- (6) We believe the RVO Adjusted USGC 3-2-1 (or three barrels of WTI crude oil converted into two barrels of USGC gasoline and one barrel of USGC ULSD, less 100% of the RVO cost) is the most representative market indicator for our operations in Montana and Wyoming.

Below is a summary of key operating statistics for the retail segment for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Retail Segment</b>				
Retail sales volumes (thousands of gallons)	30,523	29,373	59,953	56,572

#### *Non-GAAP Performance Measures*

Management uses certain financial measures to evaluate our operating performance that are considered non-GAAP financial measures. These measures should not be considered in isolation or as substitutes or alternatives to their most directly comparable GAAP financial measures or any other measure of financial performance or liquidity presented in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies since each company may define these terms differently.

We believe Adjusted Gross Margin (as defined below) provides useful information to investors because it eliminates the gross impact of volatile commodity prices and adjusts for certain non-cash items and timing differences created by our inventory financing agreements and lower of cost and net realizable value adjustments to demonstrate the earnings potential of the business before other fixed and variable costs, which are reported separately in Operating expense (excluding depreciation) and Depreciation and amortization. Management uses Adjusted Gross Margin per barrel to evaluate operating performance and compare profitability to other companies in the industry and to industry benchmarks. We believe Adjusted Net Income (Loss) and Adjusted EBITDA (as defined below) are useful supplemental financial measures that allow investors to assess the financial performance of our assets without regard to financing methods, capital structure, or historical cost basis, the ability of our assets to generate cash to pay interest on our indebtedness, and our operating performance and return on invested capital as compared to other companies without regard to financing methods and capital structure.

Beginning with financial results reported for the second quarter of 2023, Adjusted Gross Margin, Adjusted Net Income (Loss), and Adjusted EBITDA also exclude our portion of interest, taxes, and depreciation expense from our refining and logistics investments acquired on June 1, 2023, as part of the Billings Acquisition.

Beginning with financial results reported for the fourth quarter of 2023, Adjusted Gross Margin, Adjusted Net Income (Loss), and Adjusted EBITDA excludes all hedge losses (gains) associated with our Washington ending inventory and LIFO layer increment impacts associated with our Washington inventory. In addition, we have modified our environmental obligation mark-to-market adjustment to include only the mark-to-market losses (gains) associated with our net RINs liability and net obligation associated with the Washington Climate Commitment Act (“Washington CCA”) and Clean Fuel Standard. This modification was made as part of our change in how we estimate our environmental obligation liabilities.

Beginning with financial results reported for the fourth quarter of 2023, Adjusted Net Income (loss) excludes unrealized interest rate derivative losses (gains) and all Laramie Energy related impacts with the exception of cash distributions. We have recast Adjusted Net Income (Loss) for prior periods when reported to conform to the modified presentation.

Beginning with financial results reported for the first quarter of 2024, Adjusted Net Income (loss) also excludes other non-operating income and expenses. This modification improves comparability between periods by excluding income and expenses resulting from non-operating activities.

### **Adjusted Gross Margin**

Adjusted Gross Margin is defined as operating income (loss) excluding:

- operating expense (excluding depreciation);
- depreciation and amortization (“D&A”);
- Par’s portion of interest, taxes, and depreciation expense from refining and logistics investments;
- impairment expense;
- loss (gain) on sale of assets, net;
- inventory valuation adjustment (which adjusts for timing differences to reflect the economics of our inventory financing agreements, including lower of cost or net realizable value adjustments, the impact of the embedded derivative repurchase or terminal obligations, hedge losses (gains) associated with our Washington ending inventory and intermediation obligation, purchase price allocation adjustments, and LIFO layer increment and decrement impacts associated with our Washington inventory);
- Environmental obligation mark-to-market adjustment (which represents the mark-to-market losses (gains) associated with our net RINs liability and our net obligation associated with the Washington Climate Commitment Act and Clean Fuel Standard); and
- unrealized loss (gain) on derivatives.

The following tables present a reconciliation of Adjusted Gross Margin to the most directly comparable GAAP financial measure, operating income (loss), on a historical basis, for selected segments, for the periods indicated (in thousands):

<b>Three months ended June 30, 2024</b>	<b>Refining</b>		<b>Logistics</b>		<b>Retail</b>	
<b>Operating income</b>	\$	41,206	\$	18,041	\$	16,053
Operating expense (excluding depreciation)		116,509		4,701		22,870
Depreciation and amortization		21,691		7,193		2,675
Par’s portion of interest, taxes, and depreciation expense from refining and logistics investments		661		761		—
Inventory valuation adjustment		(21,101)		—		—
Environmental obligation mark-to-market adjustments		(3,504)		—		—
Unrealized loss on derivatives		21,141		—		—
Loss on sale of assets, net		—		63		—
<b>Adjusted Gross Margin (1)</b>	<b>\$</b>	<b>176,603</b>	<b>\$</b>	<b>30,759</b>	<b>\$</b>	<b>41,598</b>

<b>Three months ended June 30, 2023</b>			
	<b>Refining</b>	<b>Logistics</b>	<b>Retail</b>
<b>Operating income</b>	\$ 44,139	\$ 20,691	\$ 15,220
Operating expense (excluding depreciation)	76,971	3,596	21,276
Depreciation and amortization	19,826	5,059	2,732
Par's portion of interest, taxes, and depreciation expense from refining and logistics investments	—	207	—
Inventory valuation adjustment	33,118	—	—
Environmental obligation mark-to-market adjustments	9,343	—	—
Unrealized loss on derivatives	22,178	—	—
<b>Adjusted Gross Margin (1)</b>	<u>\$ 205,575</u>	<u>\$ 29,553</u>	<u>\$ 39,228</u>

<b>Six months ended June 30, 2024</b>			
	<b>Refining</b>	<b>Logistics</b>	<b>Retail</b>
<b>Operating income</b>	\$ 63,806	\$ 38,415	\$ 27,049
Operating expense (excluding depreciation)	242,977	8,513	45,850
Depreciation and amortization	43,961	13,968	5,791
Par's portion of interest, taxes, and depreciation expense from refining and logistics investments	1,379	1,689	—
Loss (gain) on sale of assets, net	—	124	(10)
Inventory valuation adjustment	(20,476)	—	—
Environmental obligation mark-to-market adjustments	(13,767)	—	—
Unrealized loss on derivatives	65,833	—	—
<b>Adjusted Gross Margin (1)</b>	<u>\$ 383,713</u>	<u>\$ 62,709</u>	<u>\$ 78,680</u>

<b>Six months ended June 30, 2023</b>			
	<b>Refining</b>	<b>Logistics</b>	<b>Retail</b>
<b>Operating income</b>	\$ 307,276	\$ 33,299	\$ 28,694
Operating expense (excluding depreciation)	135,853	7,043	42,067
Depreciation and amortization	35,549	10,093	5,811
Par's portion of interest, taxes, and depreciation expense from refining and logistics investments	—	207	—
Inventory valuation adjustment	53,976	—	—
Environmental obligation mark-to-market adjustments	(123,958)	—	—
Unrealized loss on derivatives	8,508	—	—
<b>Adjusted Gross Margin (1)</b>	<u>\$ 417,204</u>	<u>\$ 50,642</u>	<u>\$ 76,572</u>

(1) For the three and six months ended June 30, 2024 and 2023, there was no impairment expense or LIFO liquidation adjustment recorded in Operating income. For the three and six months ended June 30, 2023, there was no (gain) loss on sale of assets recorded in Operating income.

***Adjusted Net Income (Loss) and Adjusted EBITDA***

Adjusted Net Income (Loss) is defined as Net income (loss) excluding:

- inventory valuation adjustment (which adjusts for timing differences to reflect the economics of our inventory financing agreements, including lower of cost or net realizable value adjustments, the impact of the embedded derivative repurchase or terminal obligations, hedge losses (gains) associated with our Washington ending inventory and intermediation obligation, purchase price allocation adjustments, and LIFO layer increment and decrement impacts associated with our Washington inventory);
- Environmental obligation mark-to-market adjustments (which represents the mark-to-market losses (gains) associated with our RINs and Washington CCA and Clean Fuel Standard);
- unrealized (gain) loss on derivatives;
- acquisition and integration costs;
- redevelopment and other costs related to Par West;



- debt extinguishment and commitment costs;
- increase in (release of) tax valuation allowance and other deferred tax items;
- changes in the value of contingent consideration and common stock warrants;
- severance costs and other non-operating expense (income);
- (gain) loss on sale of assets;
- impairment expense;
- impairment expense associated with our investment in Laramie Energy; and
- Par's share of equity losses from Laramie Energy, LLC, excluding cash distributions.

Adjusted EBITDA is defined as Adjusted Net Income (Loss) excluding:

- D&A;
- interest expense and financing costs, net, excluding interest rate derivative loss (gain);
- cash distributions from Laramie Energy, LLC to Par;
- Par's portion of interest, taxes, and depreciation expense from refining and logistics investments; and
- income tax expense (benefit) excluding the increase in (release of) tax valuation allowance.

The following table presents a reconciliation of Adjusted Net Income and Adjusted EBITDA to the most directly comparable GAAP financial measure, Net income, on a historical basis for the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net Income</b>	\$ 18,638	\$ 30,013	\$ 14,887	\$ 267,903
Inventory valuation adjustment	(21,101)	33,118	(20,476)	53,976
Environmental obligation mark-to-market adjustments	(3,504)	9,343	(13,767)	(123,958)
Unrealized loss on derivatives	21,104	21,635	64,952	7,965
Par West redevelopment and other costs	3,071	2,613	5,042	5,363
Acquisition and integration costs	(152)	7,273	91	12,544
Debt extinguishment and commitment costs	1,418	(38)	1,418	17,682
Changes in valuation allowance and other deferred tax items (1)	6,162	—	3,531	—
Severance costs and other non-operating expense (2)	—	1,070	16,138	1,070
Loss on sale of assets, net	63	—	114	—
Equity earnings from Laramie Energy, LLC, excluding cash distributions	2,845	—	(1,718)	—
<b>Adjusted Net Income (3)</b>	<b>28,544</b>	<b>105,027</b>	<b>70,212</b>	<b>242,545</b>
Depreciation and amortization	32,144	28,216	64,800	52,576
Interest expense and financing costs, net, excluding unrealized interest rate derivative loss (gain)	20,471	15,452	39,199	31,702
Laramie Energy, LLC cash distributions to Par	(1,485)	—	(1,485)	(10,706)
Par's portion of interest, taxes, and depreciation expense from refining and logistics investments	1,422	207	3,068	207
Income tax expense	505	1,928	505	2,141
<b>Adjusted EBITDA (3)</b>	<b>\$ 81,601</b>	<b>\$ 150,830</b>	<b>\$ 176,299</b>	<b>\$ 318,465</b>

(1) For the three and six months ended June 30, 2024, we recognized a non-cash deferred tax expense of \$6.2 million and \$3.5 million, respectively, related to deferred state and federal tax liabilities. This tax benefit is included in Income tax expense (benefit) on our consolidated statements of operations. For the three and six months ended June 30, 2023, we did not have any adjustments to our valuation allowance and other deferred tax items.

(2) For the six months ended June 30, 2024, we incurred \$13.1 million of stock-based compensation expenses associated with accelerated vesting of equity awards and modification of vested equity awards related to our CEO transition and \$2.3 million for an estimated legal settlement unrelated to current operating activities.

(3) For the three and six months ended June 30, 2024 and 2023, there was no change in value of contingent consideration, change in value of common stock warrants, impairment expense, impairments associated with our investment in Laramie Energy, or our share of Laramie Energy's asset impairment losses in excess of our basis difference. Please read the Non-

GAAP Performance Measures discussion above for information regarding changes to the components of Adjusted Net Income (Loss) and Adjusted EBITDA made during the reporting periods.

## Factors Impacting Segment Results

### *Operating Income*

#### *Three months ended June 30, 2024 compared to the three months ended June 30, 2023*

**Refining.** Operating income for our refining segment was \$41.2 million for the three months ended June 30, 2024, a decrease of \$2.9 million compared to operating income of \$44.1 million for the three months ended June 30, 2023. The decrease was primarily driven by lower crack spreads across all the refineries in our legacy portfolio and higher feedstock costs, partially offset by an \$11.2 million increase related to a full quarter contribution from the Billings Acquisition and an \$8.1 million decrease in environmental costs incurred by our legacy refinery portfolio. Please read the Adjusted Gross Margin discussion below for additional information.

**Logistics.** Operating income for our logistics segment was \$18.0 million for the three months ended June 30, 2024, a decrease of \$2.7 million compared to \$20.7 million for the three months ended June 30, 2023. The decrease was primarily due to a decrease of \$3.7 million in third-party contracts and vessel revenue, partially offset by a decrease in vessel and fuel costs of \$1.3 million.

**Retail.** Operating income for our retail segment was \$16.1 million for the three months ended June 30, 2024, an increase of \$0.9 million compared to \$15.2 million for the three months ended June 30, 2023. The increase was primarily due to a \$1.2 million increase in fuel margins, and increased merchandise sales of \$0.8 million, partially offset by a \$1.6 million increase in operating expenses driven by higher employee costs.

#### *Six months ended June 30, 2024 compared to the six months ended June 30, 2023*

**Refining.** Operating income for our refining segment was \$63.8 million for the six months ended June 30, 2024, a decrease of \$243.5 million compared to \$307.3 million for the six months ended June 30, 2023. The decrease in operating income was primarily driven by:

- a decrease of \$221.0 million related to lower crack spreads at our refineries in our legacy portfolio and
- an increase of \$124.3 million in consolidated environmental costs across all our refineries in our legacy portfolio, primarily associated with RIN settlement gains recorded in 2023 with no similar gains in 2024.

partially offset by:

- an increase of \$98.8 million related to favorable changes in crude oil differentials at our refineries in our legacy portfolio.

**Logistics.** Operating income for our logistics segment was \$38.4 million for the six months ended June 30, 2024, an increase of \$5.1 million compared to \$33.3 million for the six months ended June 30, 2023. The increase was primarily due to a \$7.3 million increase in contribution from the Billings Acquisition logistics assets acquired in June 2023 partially offset by a \$2.5 million decrease in third-party contracts for our logistics services. Our legacy logistics portfolio consists of our logistics assets, excluding logistics assets from the Billings Acquisition.

**Retail.** Operating income for our retail segment was \$27.0 million for the six months ended June 30, 2024, a decrease of \$1.6 million compared to \$28.7 million for the six months ended June 30, 2023. The decrease in operating income was primarily due to higher operating expenses of \$3.8 million driven by an increase in employee costs, partially offset by increased merchandise sales of \$1.8 million, and a \$0.5 million increase related to 6% higher fuel sales volumes in the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

### *Adjusted Gross Margin*

#### *Three months ended June 30, 2024 compared to the three months ended June 30, 2023*

**Refining.** For the three months ended June 30, 2024, our refining Adjusted Gross Margin was \$176.6 million, a decrease of \$29.0 million compared to \$205.6 million for the three months ended June 30, 2023. The decrease was primarily driven by a decrease of \$29.8 million related to decreased crack spreads across our legacy refining portfolio and a \$9.7 million

decline in refined product sales volumes primarily from our Hawaii and Washington refineries, partially offset by lower feedstock costs, and \$4.7 million lower environmental expenses. Other factors impacting refining results are described below.

- Adjusted Gross Margin for the Hawaii refinery decreased by \$2.01 per barrel from \$12.08 per barrel during the three months ended June 30, 2023 to \$10.07 per barrel during the three months ended June 30, 2024. The decrease in Adjusted Gross Margin was primarily due to declining crack spreads and a 5.7% decrease in refined product sales, partially offset by lower feedstock costs. The Singapore 3-1-2 index declined from \$13.72 in the second quarter of 2023 to \$12.49 in the second quarter of 2024.
- Adjusted Gross Margin for the Washington refinery decreased by \$1.70 per barrel from \$6.37 per barrel during the three months ended June 30, 2023 to \$4.67 per barrel during the three months ended June 30, 2024. The decrease was primarily due to declining crack spreads, and a 10% decrease in refined product sales, partially offset by lower feedstock costs and favorable environmental costs. The RVO Adjusted Pacific Northwest 3-1-1-1 index declined from \$25.13 in the second quarter of 2023 to \$22.54 in the second quarter of 2024.
- Adjusted Gross Margin for the Wyoming refinery decreased by \$5.82 per barrel from \$20.56 per barrel during the three months ended June 30, 2023 to \$14.74 per barrel during the three months ended June 30, 2024, primarily due to lower regional crack spreads, partially offset by a 19% increase in refined product sales, and lower feedstock costs. The RVO Adjusted USGC 3-2-1 index decreased from \$21.65 in the second quarter of 2023 to \$17.93 in the second quarter of 2024.

**Logistics.** For the three months ended June 30, 2024, our logistics Adjusted Gross Margin was \$30.8 million, an increase of \$1.2 million compared to \$29.6 million for the three months ended June 30, 2023. The increase is primarily due to a \$4.0 million increase in contribution from the Billings Acquisition logistics assets acquired in June 2023, partially offset by a decrease of \$1.8 million driven by a 3% reduction in Hawaii throughput.

**Retail.** For the three months ended June 30, 2024, our retail Adjusted Gross Margin was \$41.6 million, an increase of \$2.4 million compared to \$39.2 million for the three months ended June 30, 2023. The increase was primarily due to 9% higher merchandise sales margins and 4% higher fuel sales volumes in the three months ended June 30, 2024 compared to the comparable period in 2023.

#### ***Six months ended June 30, 2024 compared to the six months ended June 30, 2023***

**Refining.** For the six months ended June 30, 2024, our refining Adjusted Gross Margin was \$383.7 million, a decrease of \$33.5 million compared to \$417.2 million for the six months ended June 30, 2023. The decrease was primarily driven by a \$157.3 million decline due to lower crack spreads, and a \$27.0 million decrease related to a 5% decline in refined product sales volumes primarily from our Hawaii and Washington refineries, partially offset by increased Adjusted Gross Margin contributed by the Montana refinery of \$66.6 million, \$44.0 million lower purchased product expenses, \$22.1 million benefit due to favorable derivative activities, and \$12.7 million lower environmental expenses. Other factors impacting refining results are described below.

- Adjusted Gross Margin for the Hawaii refinery declined by \$3.39 per barrel from \$15.41 per barrel during the six months ended June 30, 2023 to \$12.02 per barrel during the six months ended June 30, 2024, inclusive of 10 days of reduced production for required maintenance in March 2024. The decrease was primarily due to lower crack spreads, and a 4.4% decrease in sales volumes, partially offset by \$44.0 million decrease of purchased product costs. The Singapore 3-2-1 index declined from \$17.45 in the six months ended June 30, 2023 to \$15.58 in the six months ended June 30, 2024.
- Adjusted Gross Margin for the Wyoming refinery decreased by \$9.22 from \$24.05 per barrel during the six months ended June 30, 2023 to \$14.83 per barrel during the six months ended June 30, 2024, primarily due to lower regional crack spreads and higher environmental expenses, partially offset by a 7% increase in refined product sales volumes, a favorable FIFO impact of \$9.0 million, and an \$8.0 million decline in feedstock costs. The RVO Adjusted USGC 3-2-1 index declined from \$24.09 in the six months ended June 30, 2023 to \$19.63 in the six months ended June 30, 2024.
- Adjusted Gross Margin for the Washington refinery decreased by \$3.36 per barrel from \$8.66 per barrel during the six months ended June 30, 2023 to \$5.30 per barrel during the six months ended June 30, 2024, inclusive of a 15-day planned maintenance event in March 2024. The decrease was primarily due to declining crack spreads and an 11% decrease in refined product sales, partially offset by lower feedstock costs. The RVO Adjusted Pacific Northwest 3-1-1-1 index declined from \$25.21 in the six months ended June 30, 2023 to \$21.51 in the six months ended June 30, 2024.

**Logistics.** For the six months ended June 30, 2024, our logistics Adjusted Gross Margin was \$62.7 million, an increase of \$12.1 million compared to \$50.6 million for the six months ended June 30, 2023. The increase was primarily due to a \$14.2 million increased contribution from the Billings Acquisition logistics assets acquired in June 2023 partially offset by an increase in cost of sales driven by \$1.3 million of higher fees and variable expenses.

**Retail.** For the six months ended June 30, 2024, our retail Adjusted Gross Margin was \$78.7 million, an increase of \$2.1 million compared to \$76.6 million for the six months ended June 30, 2023. The increase was primarily due to a 2% increase in merchandise sales. Other factors impacting results include a 6% increase in fuel sales volumes and a 34% decrease in fuel margins.

## Discussion of Consolidated Results

### *Three months ended June 30, 2024 compared to the three months ended June 30, 2023*

**Revenues.** For the three months ended June 30, 2024, revenues were \$2.0 billion, a \$0.2 billion increase compared to \$1.8 billion for the three months ended June 30, 2023. The increase was primarily due to a \$0.3 billion increased contribution from the Billings Acquisition, which closed June 1, 2023, and \$0.1 billion due to higher crude oil prices discussed below, partially offset by a 4% decrease in refining sales volumes primarily driven by our Hawaii and Washington refinery operations during the quarter and a decrease in average product crack spreads also discussed below. Average WTI crude oil prices increased 10% and average Brent crude oil prices increased 9% as compared to the prior period. The RVO Adjusted USGC 3-2-1, RVO Adjusted Pacific Northwest 3-1-1-1, and 3-1-2 Singapore Crack Spread declined 17%, 10%, and 9%, respectively, compared to the second quarter of 2023. Please read our key operating statistics for further information. Revenues at our retail segment increased \$4.4 million primarily due to a 4% increase in fuel sales volumes.

**Cost of Revenues (Excluding Depreciation).** For the three months ended June 30, 2024, cost of revenues (excluding depreciation) was \$1.8 billion, an increase of \$0.2 billion when compared to \$1.6 billion for the three months ended June 30, 2023. The increase was primarily driven by a \$0.3 billion increased contribution from the Billings Acquisition due to a full quarter under our ownership and higher crude oil prices, partially offset by decreases due to lower refining sales volumes, as discussed above, and lower environmental expenses.

**Operating Expense (Excluding Depreciation).** For the three months ended June 30, 2024, operating expense (excluding depreciation) was \$144.1 million, a \$42.3 million increase when compared to \$101.8 million for the three months ended June 30, 2023. The increase was driven by a \$41.1 million increased contribution from the Billings Acquisition.

**Depreciation and Amortization.** For the three months ended June 30, 2024, D&A was \$32.1 million, an increase of \$3.9 million compared to \$28.2 million for the three months ended June 30, 2023. The increase was primarily driven by the \$5.0 million of D&A attributable to the Billings Acquisition, partially offset by a \$0.9 million decrease in D&A from our Hawaii Refinery primarily driven by assets that became fully depreciated in the second half of 2023, partially offset by cogeneration equipment in Hawaii and other assets placed into service during the period.

**General and Administrative Expense (Excluding Depreciation).** For the three months ended June 30, 2024, general and administrative expense (excluding depreciation) was \$23.2 million, consistent with \$23.2 million for the three months ended June 30, 2023.

**Equity earnings from refining and logistics investments.** During the three months ended June 30, 2024, Equity earnings from refining and logistics investments, related to YELP and YPLC, were \$3.7 million, an increase of \$3.3 million compared to \$0.4 million for the three months ended June 30, 2023. For the three months ended June 30, 2024, our proportionate share of YELP's net income and YPLC's net income was \$2.3 million and \$1.8 million, respectively. During the three months ended June 30, 2023, Equity (earnings) from refining and logistics investments were \$0.4 million related to YPLC. There were no equity earnings from YELP for the three months ended June 30, 2023. Please read Note 3—Refining and Logistics Equity Investments for further information.

**Acquisition and Integration Expense.** During the three months ended June 30, 2024, we incurred an immaterial amount of acquisition and integration costs. For the three months ended June 30, 2023, we incurred \$7.3 million of acquisition and integration costs related to the Billings Acquisition, which closed on June 1, 2023. Please read Note 5—Acquisitions for further information.

**Par West redevelopment and other costs.** For the three months ended June 30, 2024, Par West redevelopment and other costs were \$3.1 million, an increase of \$0.5 million compared to \$2.6 million for the three months ended June 30, 2023, primarily due to an increase in redevelopment activities.

**Interest Expense and Financing Costs, Net.** For the three months ended June 30, 2024, our interest expense and financing costs were \$20.4 million, an increase of \$5.5 million compared to \$14.9 million for the three months ended June 30, 2023. The increase was primarily due to a \$5.6 million increase in debt costs, mainly driven by higher interest expenses due to higher ABL Credit Facility balances in 2024 to fund certain inventory purchases at our Hawaii refinery and Washington refinery and a \$4.0 million decrease in interest income from our investment accounts. The increase was partially offset by a \$4.2 million decrease in inventory financing costs due to the termination of the Washington Refinery Intermediation Agreement in the fourth quarter of 2023, and termination of our Supply and Offtake Agreement in the second quarter of 2024. Please read Note 9—Inventory Financing Agreements and Note 11—Debt for further information.

**Debt Extinguishment and Commitment Costs.** During the three months ended June 30, 2024, we incurred \$1.4 million of debt extinguishment and commitment costs related to the repricing of our Term Loan Credit Agreement, the termination of our LC Facility and the expiration of our Supply and Offtake Agreement in the second quarter of 2024. For the three months ended June 30, 2023, we incurred an immaterial amount of debt extinguishment and commitment costs. Please read Note 9—Inventory Financing Agreements, and Note 11—Debt for further information.

**Equity earnings (losses) from Laramie Energy, LLC.** For the three months ended June 30, 2024, Equity losses from Laramie Energy, LLC were \$1.4 million. For the three months ended June 30, 2024, our proportionate share of Laramie Energy's net loss was \$3.0 million, partially offset by \$1.6 million of basis difference accretion. There were no equity earnings from our investment in Laramie Energy, LLC, for the three months ended June 30, 2023. Please read Note 4—Investment in Laramie Energy for further discussion.

**Income Taxes.** For the three months ended June 30, 2024, income tax expense was \$6.7 million, an increase of \$4.7 million compared to \$1.9 million for three months ended June 30, 2023, primarily related to higher apportionment factors in the states in which we pay taxes. For three months ended June 30, 2023, we recorded an income tax expense of \$1.9 million primarily related to recording a valuation allowance on our deferred taxes. Please read Note 18—Income Taxes for further discussion.

#### **Six months ended June 30, 2024 compared to the six months ended June 30, 2023**

**Revenues.** For the six months ended June 30, 2024, revenues were \$4.0 billion, a \$0.5 billion increase compared to \$3.5 billion for the six months ended June 30, 2023. The increase was primarily due to an increase of \$0.8 billion in the contribution from the Billings Acquisition, which closed on June 1, 2023. When comparing our legacy refining operations, there were decreases of \$0.2 billion in third-party revenues at our refining segment, \$0.2 billion related to lower average crack spreads and \$0.1 billion related to a 5% decrease in sales volumes primarily from our Hawaii and Washington refineries, partially offset by a \$0.1 billion increase due to higher crude oil prices. The RVO Adjusted USGC 3-2-1, RVO Adjusted Pacific Northwest 3-1-1-1, and 3-1-2 Singapore Crack Spread declined 19%, 15%, and 11%, respectively, compared to 2023. Average WTI crude oil prices increased 5% and average Brent crude oil prices increased 4% as compared to the prior period. Revenues at our retail segment increased \$9.0 million primarily due to a 6% increase in fuel sales volumes and a \$1.2 million increase in merchandise revenue, partially offset by a 3% decrease in fuel prices.

**Cost of Revenues (Excluding Depreciation).** For the six months ended June 30, 2024, cost of revenues (excluding depreciation) was \$3.5 billion, a \$0.7 billion increase compared to \$2.9 billion for the six months ended June 30, 2023, primarily driven by a \$0.7 billion contribution from the Billings Acquisition.

**Operating Expense (Excluding Depreciation).** For the six months ended June 30, 2024, operating expense (excluding depreciation) was \$297.3 million, an increase of \$112.3 million compared to \$185.0 million for the six months ended June 30, 2023. The increase was primarily driven by a \$101.8 million increase in the contribution from the Billings Acquisition, coupled with \$6.4 million of higher employee costs and a \$4.8 million increase in outside services costs, partially offset by \$1.9 million of lower utility and maintenance expenses.

**Depreciation and Amortization.** For the six months ended June 30, 2024, D&A was \$64.8 million, an increase of \$12.2 million compared to \$52.6 million for the six months ended June 30, 2023. The increase was primarily driven by \$13.4 million of D&A attributable to the Billings Acquisition, partially offset by a \$1.0 million decrease related to catalyst in Hawaii that was fully depreciated in 2023.

**General and Administrative Expense (Excluding Depreciation).** For the six months ended June 30, 2024, general and administrative expense (excluding depreciation) was \$64.9 million, an increase of \$22.4 million compared to \$42.5 million for the six months ended June 30, 2023. The increase was primarily due to a \$18.7 million increase in employee costs driven by \$13.1 million of stock based compensation expenses related to CEO transition costs in the first quarter of 2024 and an increase

of \$5.8 million in payroll expenses due to an increase in employee headcount, a \$3.1 million increase in IT expenses, and \$2.5 million of expenses related to development of our renewable projects.

**Equity earnings from refining and logistics investments.** For the six months ended June 30, 2024, equity earnings from refining and logistics investments were \$9.8 million, an increase of \$9.4 million compared to \$0.4 million for the six months ended June 30, 2023. For the six months ended June 30, 2024, our proportionate share of YELP's net income and YPLC's net income was \$6.8 million and \$3.7 million, respectively. Our proportionate share of YPLC's net income was \$0.4 million for the six months ended June 30, 2023. There were no equity earnings from YELP for the six months ended June 30, 2023. Please read Note 3—Refining and Logistics Equity Investments for additional information.

**Acquisition and Integration Expense.** During the six months ended June 30, 2024, we incurred an immaterial amount of acquisition and integration costs. For the six months ended June 30, 2023, we incurred \$12.5 million of acquisition and integration costs related to the Billings Acquisition, which closed on June 1, 2023. Please read Note 5—Acquisitions for further information.

**Par West redevelopment and other costs.** For the six months ended June 30, 2024, Par West redevelopment and other costs were \$5.0 million, a decrease of \$0.4 million compared to \$5.4 million for the six months ended June 30, 2023, associated with the operation and decommissioning of our Par West facility. The decrease was primarily due to a decrease in redevelopment activities.

**Interest Expense and Financing Costs, Net.** For the six months ended June 30, 2024, our interest expense and financing costs were \$38.3 million, an increase of \$7.1 million compared to \$31.2 million for the six months ended June 30, 2023. The increase was primarily due to an \$8.7 million increase in debt costs, mainly driven by higher interest expenses due to higher ABL Credit Facility balances in 2024 to fund certain inventory purchases at our Hawaii refinery and Washington refinery, and a \$5.1 million decrease in interest income from our investment accounts opened in the first quarter of 2023, offset by a \$6.7 million decrease in inventory financing costs, due to the termination of the Washington Refinery Intermediation Agreement in the fourth quarter of 2023, and termination of our Supply and Offtake Agreement in the second quarter of 2024. Please read Note 9—Inventory Financing Agreements, and Note 11—Debt for further information.

**Debt Extinguishment and Commitment Costs.** During the six months ended June 30, 2024, we incurred \$1.4 million of debt extinguishment and commitment costs primarily related to the repricing of our Term Loan Credit Agreement, the termination of our LC Facility and the expiration of our Supply and Offtake Agreement in the second quarter of 2024. For the six months ended June 30, 2023, we incurred debt extinguishment and commitment costs of \$17.7 million in connection with the refinancing of our long-term debt in the first quarter of 2023. Please read Note 9—Inventory Financing Agreements, and Note 11—Debt for further information.

**Other income (expense), net.** For the six months ended June 30, 2024, other expense was \$2.7 million, a decrease of \$3.0 million compared to \$0.3 million of other income for the six months ended June 30, 2023. The decrease was primarily due to \$2.3 million of 2024 legal expenses unrelated to operating activities with no similar 2023 expenses.

**Equity Earnings from Laramie Energy, LLC.** For the six months ended June 30, 2024, Equity earnings from Laramie Energy, LLC were \$3.2 million, a decrease of \$7.5 million compared to \$10.7 million for the six months ended June 30, 2023. For the six months ended June 30, 2024, the accretion of basis difference was \$3.2 million, partially offset by our proportionate share of Laramie Energy's net loss which was immaterial. On April 29, 2024, Laramie Energy made a one-time cash distribution to its owners, including us, based on ownership percentage. Our share of this distribution was \$1.5 million. On March 1, 2023, following a refinancing of certain debt, Laramie Energy was permitted to make a one-time cash distribution to its owners based on ownership percentage. Our share of this distribution was \$10.7 million. There were no equity earnings from our investment in Laramie Energy, LLC for the six months ended June 30, 2023. Please read Note 4—Investment in Laramie Energy for further discussion.

**Income Taxes.** For the six months ended June 30, 2024, income tax expense was \$4.0 million, an increase of \$1.9 million compared to \$2.1 million for the six months ended June 30, 2023, primarily related to higher apportionment factors in the states in which we pay taxes. For the six months ended June 30, 2023, we recorded an income tax expense of \$2.1 million primarily related to recording a valuation allowance on our deferred taxes. Please read Note 18—Income Taxes for further discussion.

### ***Consolidating Condensed Financial Information***

On February 28, 2023, Par Petroleum, LLC (“Par Borrower”) entered into the Term Loan Credit Agreement (the “Term Loan Credit Agreement”) due 2030 with Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto. The Term Loan Credit Agreement was co-issued by Par Petroleum Finance Corp. (together with the Par Borrower, the “Term Loan Borrowers”), which has no independent assets or operations. The Term Loan Credit Agreement is guaranteed on a senior unsecured basis only as to payment of principal and interest by Par Pacific Holdings, Inc. (the “Parent”) and is guaranteed on a senior secured basis by all of the subsidiaries of Par Borrower. The Term Loan Credit Agreement proceeds were used to refinance our existing Term Loan B Facility and repurchase our outstanding 7.75% Senior Secured Notes and 12.875% Senior Secured Notes, all three of which had similar guarantees that were replaced by those on the Term Loan Credit Agreement.

The following supplemental condensed consolidating financial information reflects (i) the Parent’s separate accounts, (ii) Par Borrower and its consolidated subsidiaries’ accounts (which are all guarantors of the Term Loan Credit Agreement), (iii) the accounts of subsidiaries of the Parent that are not guarantors of the Term Loan Credit Agreement and consolidating adjustments and eliminations, and (iv) the Parent’s consolidated accounts for the dates and periods indicated. For purposes of the following condensed consolidating information, the Parent’s investment in its subsidiaries is accounted for under the equity method of accounting (dollar amounts in thousands).

As of June 30, 2024

	Parent Guarantor	Par Borrower and Subsidiaries	Non-Guarantor Subsidiaries and Eliminations	Par Pacific Holdings, Inc. and Subsidiaries
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 6,807	\$ 172,851	\$ —	\$ 179,658
Restricted cash	343	—	—	343
Trade accounts receivable	—	486,300	—	486,300
Inventories	—	1,258,337	—	1,258,337
Prepaid and other current assets	4,020	42,363	5,334	51,717
Due from related parties	382,382	—	(382,382)	—
<b>Total current assets</b>	<b>393,552</b>	<b>1,959,851</b>	<b>(377,048)</b>	<b>1,976,355</b>
<b>Property, plant, and equipment</b>				
Property, plant, and equipment	24,018	1,614,082	3,956	1,642,056
Less accumulated depreciation and amortization	(17,214)	(506,359)	(3,405)	(526,978)
<b>Property, plant, and equipment, net</b>	<b>6,804</b>	<b>1,107,723</b>	<b>551</b>	<b>1,115,078</b>
<b>Long-term assets</b>				
Operating lease right-of-use (“ROU”) assets	6,788	342,404	—	349,192
Refining and logistics equity investments	—	—	88,218	88,218
Investment in Laramie Energy, LLC	—	—	15,997	15,997
Investment in subsidiaries	1,043,405	—	(1,043,405)	—
Intangible assets, net	—	10,009	—	10,009
Goodwill	—	126,678	2,597	129,275
Other long-term assets	726	135,022	117,075	252,823
<b>Total assets</b>	<b>\$ 1,451,275</b>	<b>\$ 3,681,687</b>	<b>\$ (1,196,015)</b>	<b>\$ 3,936,947</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Current maturities of long-term debt	\$ —	\$ 4,165	\$ —	\$ 4,165
Obligations under inventory financing agreements	—	251,058	—	251,058
Accounts payable	4,426	544,613	1	549,040
Accrued taxes	(25)	52,264	—	52,239
Operating lease liabilities	50	69,612	—	69,662
Other accrued liabilities	(661)	282,072	3,478	284,889
Due to related parties	175,064	201,881	(376,945)	—
<b>Total current liabilities</b>	<b>178,854</b>	<b>1,405,665</b>	<b>(373,466)</b>	<b>1,211,053</b>
<b>Long-term liabilities</b>				
Long-term debt, net of current maturities	—	1,054,590	—	1,054,590
Finance lease liabilities	527	16,058	(4,174)	12,411
Operating lease liabilities	8,745	280,691	—	289,436
Other liabilities	(2,631)	160,526	(54,218)	103,677
<b>Total liabilities</b>	<b>185,495</b>	<b>2,917,530</b>	<b>(431,858)</b>	<b>2,671,167</b>
<b>Commitments and contingencies</b>				
<b>Stockholders' equity</b>				
Preferred stock	—	—	—	—
Common stock	568	—	—	568
Additional paid-in capital	875,868	177,505	(177,505)	875,868
Accumulated earnings (deficit)	381,279	580,694	(580,694)	381,279
Accumulated other comprehensive income (loss)	8,065	5,958	(5,958)	8,065
<b>Total stockholders' equity</b>	<b>1,265,780</b>	<b>764,157</b>	<b>(764,157)</b>	<b>1,265,780</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,451,275</b>	<b>\$ 3,681,687</b>	<b>\$ (1,196,015)</b>	<b>\$ 3,936,947</b>



As of December 31, 2023

	Parent Guarantor	Par Borrower and Subsidiaries	Non-Guarantor Subsidiaries and Eliminations	Par Pacific Holdings, Inc. and Subsidiaries
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 10,369	\$ 268,711	\$ 27	\$ 279,107
Restricted cash	339	—	—	339
Trade accounts receivable	—	367,249	—	367,249
Inventories	—	1,160,395	—	1,160,395
Prepaid and other current assets	4,767	177,638	—	182,405
Due from related parties	380,159	—	(380,159)	—
<b>Total current assets</b>	<b>395,634</b>	<b>1,973,993</b>	<b>(380,132)</b>	<b>1,989,495</b>
<b>Property, plant, and equipment</b>				
Property, plant, and equipment	21,350	1,552,496	3,955	1,577,801
Less accumulated depreciation and amortization	(16,487)	(458,616)	(3,310)	(478,413)
<b>Property, plant, and equipment, net</b>	<b>4,863</b>	<b>1,093,880</b>	<b>645</b>	<b>1,099,388</b>
<b>Long-term assets</b>				
Operating lease right-of-use (“ROU”) assets	7,005	339,449	—	346,454
Refining and logistics equity investments	—	—	87,486	87,486
Investment in Laramie Energy, LLC	—	—	14,279	14,279
Investment in subsidiaries	1,070,518	—	(1,070,518)	—
Intangible assets, net	—	10,918	—	10,918
Goodwill	—	126,678	2,597	129,275
Other long-term assets	726	65,323	120,606	186,655
<b>Total assets</b>	<b>\$ 1,478,746</b>	<b>\$ 3,610,241</b>	<b>\$ (1,225,037)</b>	<b>\$ 3,863,950</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Current maturities of long-term debt	\$ —	\$ 4,255	\$ —	\$ 4,255
Obligations under inventory financing agreements	—	594,362	—	594,362
Accounts payable	4,991	386,334	—	391,325
Accrued taxes	—	40,064	—	40,064
Operating lease liabilities	—	72,833	—	72,833
Other accrued liabilities	947	415,468	5,347	421,762
Due to related parties	128,922	232,803	(361,725)	—
<b>Total current liabilities</b>	<b>134,860</b>	<b>1,746,119</b>	<b>(356,378)</b>	<b>1,524,601</b>
<b>Long-term liabilities</b>				
Long-term debt, net of current maturities	—	646,603	—	646,603
Finance lease liabilities	—	16,693	(4,255)	12,438
Operating lease liabilities	8,462	274,055	—	282,517
Other liabilities	—	119,618	(57,251)	62,367
<b>Total liabilities</b>	<b>143,322</b>	<b>2,803,088</b>	<b>(417,884)</b>	<b>2,528,526</b>
<b>Commitments and contingencies</b>				
<b>Stockholders' equity</b>				
Preferred stock	—	—	—	—
Common stock	597	—	—	597
Additional paid-in capital	860,797	242,505	(242,505)	860,797
Accumulated earnings (deficit)	465,856	558,581	(558,581)	465,856
Accumulated other comprehensive income (loss)	8,174	6,067	(6,067)	8,174
<b>Total stockholders' equity</b>	<b>1,335,424</b>	<b>807,153</b>	<b>(807,153)</b>	<b>1,335,424</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,478,746</b>	<b>\$ 3,610,241</b>	<b>\$ (1,225,037)</b>	<b>\$ 3,863,950</b>

**Three Months Ended June 30, 2024**

	<b>Parent Guarantor</b>	<b>Par Borrower and Subsidiaries</b>	<b>Non-Guarantor Subsidiaries and Eliminations</b>	<b>Par Pacific Holdings, Inc. and Subsidiaries</b>
<b>Revenues</b>	\$ —	\$ 2,017,460	\$ 8	\$ 2,017,468
<b>Operating expenses</b>				
Cost of revenues (excluding depreciation)	—	1,770,197	—	1,770,197
Operating expense (excluding depreciation)	—	144,080	—	144,080
Depreciation and amortization	378	31,718	48	32,144
General and administrative expense (excluding depreciation)	4,580	18,587	1	23,168
Equity earnings from refining and logistics investments	—	—	(3,744)	(3,744)
Acquisition and integration costs (2)	—	(152)	—	(152)
Par West redevelopment and other costs	—	3,071	—	3,071
Loss on sale of assets, net	—	63	—	63
<b>Total operating expenses</b>	<u>4,958</u>	<u>1,967,564</u>	<u>(3,695)</u>	<u>1,968,827</u>
<b>Operating income (loss)</b>	(4,958)	49,896	3,703	48,641
<b>Other income (expense)</b>				
Interest expense and financing costs, net	(30)	(20,494)	90	(20,434)
Debt extinguishment and commitment costs	—	(1,418)	—	(1,418)
Other income (expense), net	(9)	(114)	(1)	(124)
Equity earnings (losses) from subsidiaries	23,635	—	(23,635)	—
Equity earnings (losses) from Laramie Energy, LLC	—	—	(1,360)	(1,360)
<b>Total other income (expense), net</b>	<u>23,596</u>	<u>(22,026)</u>	<u>(24,906)</u>	<u>(23,336)</u>
<b>Income (loss) before income taxes</b>	18,638	27,870	(21,203)	25,305
Income tax benefit (expense) (1)	—	(6,960)	293	(6,667)
<b>Net income (loss)</b>	<u>\$ 18,638</u>	<u>\$ 20,910</u>	<u>\$ (20,910)</u>	<u>\$ 18,638</u>
<b>Adjusted EBITDA</b>	\$ (4,051)	\$ 80,480	\$ 5,172	\$ 81,601

**Three Months Ended June 30, 2023**

	<b>Parent Guarantor</b>	<b>Par Borrower and Subsidiaries</b>	<b>Non-Guarantor Subsidiaries and Eliminations</b>	<b>Par Pacific Holdings, Inc. and Subsidiaries</b>
<b>Revenues</b>	\$ —	\$ 1,783,875	\$ 52	\$ 1,783,927
<b>Operating expenses</b>				
Cost of revenues (excluding depreciation)	—	1,574,806	—	1,574,806
Operating expense (excluding depreciation)	—	101,843	—	101,843
Depreciation and amortization	443	27,727	46	28,216
General and administrative expense (excluding depreciation)	8,459	14,710	(1)	23,168
Equity earnings from refining and logistics investments	—	—	(425)	(425)
Acquisition and integration costs (2)	(5,271)	12,544	—	7,273
Par West redevelopment and other costs	—	2,613	—	2,613
<b>Total operating expenses</b>	<b>3,631</b>	<b>1,734,243</b>	<b>(380)</b>	<b>1,737,494</b>
<b>Operating income</b>	<b>(3,631)</b>	<b>49,632</b>	<b>432</b>	<b>46,433</b>
<b>Other income (expense)</b>				
Interest expense and financing costs, net	(18)	(14,982)	91	(14,909)
Debt extinguishment and commitment costs	—	38	—	38
Other income (expense), net	41	337	1	379
Equity earnings (losses) from subsidiaries	34,389	—	(34,389)	—
Equity earnings (losses) from Laramie Energy, LLC	—	—	—	—
<b>Total other income (expense), net</b>	<b>34,412</b>	<b>(14,607)</b>	<b>(34,297)</b>	<b>(14,492)</b>
<b>Income (loss) before income taxes</b>	<b>30,781</b>	<b>35,025</b>	<b>(33,865)</b>	<b>31,941</b>
Income tax benefit (expense) (1)	(768)	(8,820)	7,660	(1,928)
<b>Net income (loss)</b>	<b>\$ 30,013</b>	<b>\$ 26,205</b>	<b>\$ (26,205)</b>	<b>\$ 30,013</b>
<b>Adjusted EBITDA</b>	<b>\$ (7,942)</b>	<b>\$ 158,086</b>	<b>\$ 686</b>	<b>\$ 150,830</b>

**Six Months Ended June 30, 2024**

	<b>Parent Guarantor</b>	<b>Issuer and Subsidiaries</b>	<b>Non-Guarantor Subsidiaries and Eliminations</b>	<b>Par Pacific Holdings, Inc. and Subsidiaries</b>
<b>Revenues</b>	\$ —	\$ 3,998,291	\$ 12	\$ 3,998,303
<b>Operating expenses</b>				
Cost of revenues (excluding depreciation)	—	3,517,675	—	3,517,675
Operating expense (excluding depreciation)	—	297,340	—	297,340
Depreciation and amortization	727	63,978	95	64,800
General and administrative expense (excluding depreciation)	22,365	42,570	(12)	64,923
Equity earnings from refining and logistics investments	—	—	(9,838)	(9,838)
Acquisition and integration costs (2)	—	91	—	91
Par West redevelopment and other costs	—	5,042	—	5,042
Loss on sale of assets, net	—	114	—	114
<b>Total operating expenses</b>	<b>23,092</b>	<b>3,926,810</b>	<b>(9,755)</b>	<b>3,940,147</b>
<b>Operating income (loss)</b>	<b>(23,092)</b>	<b>71,481</b>	<b>9,767</b>	<b>58,156</b>
<b>Other income (expense)</b>				
Interest expense and financing costs, net	—	(38,498)	180	(38,318)
Debt extinguishment and commitment costs	—	(1,418)	—	(1,418)
Other income (expense), net	(17)	(2,681)	(2)	(2,700)
Equity earnings (losses) from subsidiaries	37,995	—	(37,995)	—
Equity earnings (losses) from Laramie Energy, LLC	—	—	3,203	3,203
<b>Total other income (expense), net</b>	<b>37,978</b>	<b>(42,597)</b>	<b>(34,614)</b>	<b>(39,233)</b>
<b>Income (loss) before income taxes</b>	<b>14,886</b>	<b>28,884</b>	<b>(24,847)</b>	<b>18,923</b>
Income tax benefit (expense) (1)	—	(6,771)	2,735	(4,036)
<b>Net income (loss)</b>	<b>\$ 14,886</b>	<b>\$ 22,113</b>	<b>\$ (22,112)</b>	<b>\$ 14,887</b>
<b>Adjusted EBITDA</b>	<b>\$ (13,538)</b>	<b>\$ 176,909</b>	<b>\$ 12,928</b>	<b>\$ 176,299</b>

**Six Months Ended June 30, 2023**

	<b>Parent Guarantor</b>	<b>Issuer and Subsidiaries</b>	<b>Non-Guarantor Subsidiaries and Eliminations</b>	<b>Par Pacific Holdings, Inc. and Subsidiaries</b>
<b>Revenues</b>	\$ —	\$ 3,469,072	\$ 64	\$ 3,469,136
<b>Operating expenses</b>				
Cost of revenues (excluding depreciation)	—	2,863,826	—	2,863,826
Operating expense (excluding depreciation)	—	184,963	—	184,963
Depreciation and amortization	816	51,666	94	52,576
General and administrative expense (excluding depreciation)	14,309	28,146	(1)	42,454
Equity earnings from refining and logistics investments	—	—	(425)	(425)
Acquisition and integration costs (2)	—	12,544	—	12,544
Par West redevelopment and other costs	—	5,363	—	5,363
<b>Total operating expenses</b>	<u>15,125</u>	<u>3,146,508</u>	<u>(332)</u>	<u>3,161,301</u>
<b>Operating income</b>	(15,125)	322,564	396	307,835
<b>Other income (expense)</b>				
Interest expense and financing costs, net	(26)	(31,315)	182	(31,159)
Debt extinguishment and commitment costs	—	(17,682)	—	(17,682)
Other income (expense), net	34	310	—	344
Equity earnings (losses) from subsidiaries	283,933	—	(283,933)	—
Equity earnings (losses) from Laramie Energy, LLC	—	—	10,706	10,706
<b>Total other income (expense), net</b>	<u>283,941</u>	<u>(48,687)</u>	<u>(273,045)</u>	<u>(37,791)</u>
<b>Income (loss) before income taxes</b>	268,816	273,877	(272,649)	270,044
Income tax benefit (expense) (1)	(913)	(67,360)	66,132	(2,141)
<b>Net income (loss)</b>	<u>\$ 267,903</u>	<u>\$ 206,517</u>	<u>\$ (206,517)</u>	<u>\$ 267,903</u>
<b>Adjusted EBITDA</b>	\$ (13,799)	\$ 331,567	\$ 697	\$ 318,465

(1) The income tax benefit (expense) of the Parent Guarantor and Issuer and Subsidiaries is determined using the separate return method. The Non-Guarantor Subsidiaries and Eliminations column includes tax benefits recognized at the Par consolidated level that are primarily associated with changes to the consolidated valuation allowance and other deferred tax balances.

(2) The acquisition and integration expense related to the Billings Acquisition was pushed down from the Parent Guarantor to the Issuer and Subsidiaries upon consummation of the transaction.

### Non-GAAP Financial Measures

Adjusted EBITDA for the supplemental consolidating condensed financial information, which is segregated at the “Parent Guarantor,” “Par Borrower and Subsidiaries,” and “Non-Guarantor Subsidiaries and Eliminations” levels, is calculated in the same manner as for the Par Pacific Holdings, Inc. Adjusted EBITDA calculations. See “Results of Operations — Non-GAAP Performance Measures — Adjusted Net Income (Loss) and Adjusted EBITDA” above.

The following tables present a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, Net income, on a historical basis for the periods indicated (in thousands):

	Three Months Ended June 30, 2024			
	Parent Guarantor	Par Borrower and Subsidiaries	Non-Guarantor Subsidiaries and Eliminations	Par Pacific Holdings, Inc. and Subsidiaries
<b>Net income (loss)</b>	\$ 18,638	\$ 20,910	\$ (20,910)	\$ 18,638
Inventory valuation adjustment	—	(21,101)	—	(21,101)
Environmental obligation mark-to-market adjustments	—	(3,504)	—	(3,504)
Unrealized loss on derivatives	—	21,104	—	21,104
Acquisition and integration costs	—	(152)	—	(152)
Par West redevelopment and other costs	—	3,071	—	3,071
Debt extinguishment and commitment costs	—	1,418	—	1,418
Severance costs and other non-operating expense (2)	538	(538)	—	—
Loss (gain) on sale of assets, net	—	63	—	63
Equity losses from Laramie Energy, LLC, excluding cash distributions	—	—	2,845	2,845
Depreciation and amortization	378	31,718	48	32,144
Interest expense and financing costs, net, excluding unrealized interest rate derivative loss (gain)	30	20,531	(90)	20,471
Laramie Energy, LLC cash distributions to Par	—	—	(1,485)	(1,485)
Equity losses (income) from subsidiaries	(23,635)	—	23,635	—
Par's portion of interest, taxes, and depreciation expense from refining and logistics investments	—	—	1,422	1,422
Income tax expense	—	6,960	(293)	6,667
<b>Adjusted EBITDA (1)</b>	<b>\$ (4,051)</b>	<b>\$ 80,480</b>	<b>\$ 5,172</b>	<b>\$ 81,601</b>

	<b>Three Months Ended June 30, 2023</b>			
	<b>Parent Guarantor</b>	<b>Par Borrower and Subsidiaries</b>	<b>Non-Guarantor Subsidiaries and Eliminations</b>	<b>Par Pacific Holdings, Inc. and Subsidiaries</b>
<b>Net income (loss)</b>	\$ 30,013	\$ 26,205	\$ (26,205)	\$ 30,013
Inventory valuation adjustment	—	33,118	—	33,118
Environmental obligation mark-to-market adjustments	—	9,343	—	9,343
Unrealized loss on derivatives	—	21,635	—	21,635
Acquisition and integration costs	(5,271)	12,544	—	7,273
Par West redevelopment and other costs	—	2,613	—	2,613
Debt extinguishment and commitment costs	—	(38)	—	(38)
Severance costs and other non-operating expense (2)	476	594	—	1,070
Depreciation and amortization	443	27,727	46	28,216
Interest expense and financing costs, net, excluding unrealized interest rate derivative loss (gain)	18	15,525	(91)	15,452
Equity losses (income) from subsidiaries	(34,389)	—	34,389	—
Par's portion of interest, taxes, and depreciation expense from refining and logistics investments	—	—	207	207
Income tax expense (benefit)	768	8,820	(7,660)	1,928
<b>Adjusted EBITDA (1)</b>	<u>\$ (7,942)</u>	<u>\$ 158,086</u>	<u>\$ 686</u>	<u>\$ 150,830</u>

	<b>Six Months Ended June 30, 2024</b>			
	<b>Parent Guarantor</b>	<b>Issuer and Subsidiaries</b>	<b>Non-Guarantor Subsidiaries and Eliminations</b>	<b>Par Pacific Holdings, Inc. and Subsidiaries</b>
<b>Net income (loss)</b>	\$ 14,886	\$ 22,113	\$ (22,112)	\$ 14,887
Inventory valuation adjustment	—	(20,476)	—	(20,476)
Environmental obligation mark-to-market adjustments	—	(13,767)	—	(13,767)
Unrealized loss on derivatives	—	64,952	—	64,952
Acquisition and integration costs	—	91	—	91
Par West redevelopment and other costs	—	5,042	—	5,042
Debt extinguishment and commitment costs	—	1,418	—	1,418
Severance costs and other non-operating expense (2)	8,844	7,294	—	16,138
Loss on sale of assets, net	—	114	—	114
Equity earnings from Laramie Energy, LLC, excluding cash distributions	—	—	(1,718)	(1,718)
Depreciation and amortization	727	63,978	95	64,800
Interest expense and financing costs, net, excluding unrealized interest rate derivative loss (gain)	—	39,379	(180)	39,199
Equity earnings from Laramie Energy, LLC, excluding Par's share of unrealized gain on derivatives	—	—	(1,485)	(1,485)
Equity losses (income) from subsidiaries	(37,995)	—	37,995	—
Par's portion of interest, taxes, and depreciation expense from refining and logistics investments	—	—	3,068	3,068
Income tax expense	—	6,771	(2,735)	4,036
<b>Adjusted EBITDA (1)</b>	<u>\$ (13,538)</u>	<u>\$ 176,909</u>	<u>\$ 12,928</u>	<u>\$ 176,299</u>

	<b>Six Months Ended June 30, 2023</b>			
	<b>Parent Guarantor</b>	<b>Issuer and Subsidiaries</b>	<b>Non-Guarantor Subsidiaries and Eliminations</b>	<b>Par Pacific Holdings, Inc. and Subsidiaries</b>
<b>Net income (loss)</b>	\$ 267,903	\$ 206,517	\$ (206,517)	\$ 267,903
Inventory valuation adjustment	—	53,976	—	53,976
Environmental obligation mark-to-market adjustments	—	(123,958)	—	(123,958)
Unrealized loss on derivatives	—	7,965	—	7,965
Acquisition and integration costs	—	12,544	—	12,544
Par West redevelopment and other costs	—	5,363	—	5,363
Debt extinguishment and commitment costs	—	17,682	—	17,682
Severance costs and other non-operating expense (2)	476	594	—	1,070
Depreciation and amortization	816	51,666	94	52,576
Interest expense and financing costs, net, excluding unrealized interest rate derivative loss (gain)	26	31,858	(182)	31,702
Equity earnings from Laramie Energy, LLC, excluding Par's share of unrealized loss (gain) on derivatives	—	—	(10,706)	(10,706)
Equity losses (income) from subsidiaries	(283,933)	—	283,933	—
Par's portion of interest, taxes, and depreciation expense from refining and logistics investments	—	—	207	207
Income tax expense (benefit)	913	67,360	(66,132)	2,141
<b>Adjusted EBITDA (1)</b>	<u>\$ (13,799)</u>	<u>\$ 331,567</u>	<u>\$ 697</u>	<u>\$ 318,465</u>

- (1) Please read the Non-GAAP Performance Measures and Adjusted Net Income (Loss) and Adjusted EBITDA discussions above for information regarding the components of Adjusted Net Income (Loss) and Adjusted EBITDA.
- (2) For the six months ended June 30, 2024, we incurred \$13.1 million of stock-based compensation expenses associated with accelerated vesting of equity awards and modification of vested equity awards related to our CEO transition and \$2.3 million for an estimated legal settlement unrelated to current operating activities.

### Liquidity and Capital Resources

Our liquidity and capital requirements are primarily a function of our debt maturities and debt service requirements and contractual obligations, capital expenditures, turnaround outlays, and working capital needs. Examples of working capital needs include purchases and sales of commodities and associated margin and collateral requirements, facility maintenance costs, and other costs such as payroll. Our primary sources of liquidity are cash flows from operations, cash on hand, amounts available under our credit agreements, and access to capital markets.

Our liquidity position as of June 30, 2024 was \$520.4 million, consisting of \$179.7 million of cash and cash equivalents and \$340.8 million of availability under the ABL Credit Facility.

As of June 30, 2024, we had access to the ABL Credit Facility and cash on hand of \$179.7 million. Generally, the primary uses of our capital resources have been in the operations of our refining and retail segments, payments related to acquisitions, and to repay or refinance indebtedness.

During the second quarter of 2024 our Supply and Offtake Agreement with J.Aron expired and we entered into an Inventory Intermediation Agreement with Citi. We also early terminated our LC Facility. In the first quarter of 2024, we amended our asset-based loan to permit expanding its capacity from \$900 million to \$1.4 billion as we planned for the refinancing of our Supply and Offtake Agreement. We believe our cash flows from operations and available capital resources will be sufficient to meet our current capital and turnaround expenditures, working capital, and debt service requirements for the next 12 months. We may seek to raise additional debt or equity capital to fund acquisitions and any other significant changes to our business or to refinance existing debt. We cannot offer any assurances that such capital will be available in sufficient amounts or at an acceptable cost.

We may from time to time seek to retire or repurchase our common stock through cash purchases, in open market purchases, privately negotiated transactions, or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved may be material. The



Term Loan Credit Agreement may also require annual prepayments of principal with a variable percentage of our excess cash flow, 50% or 25% depending on our consolidated year end secured leverage ratio (as defined in the Term Loan Credit Agreement).

### **Cash Flows**

The following table summarizes cash activities for the six months ended June 30, 2024 and 2023 (in thousands):

	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Net cash provided by operating activities	\$ 20,755	\$ 312,240
Net cash used in investing activities	(57,987)	(626,021)
Net cash provided by (used in) financing activities	(62,213)	13,812

### **Cash flows for the six months ended June 30, 2024**

Net cash provided by operating activities for the six months ended June 30, 2024 was driven primarily by net income of \$14.9 million, non-cash charges to operations and non-operating items of approximately \$153.2 million, and net cash used for changes in operating assets and liabilities of approximately \$147.3 million. Non-cash charges to operations and non-operating items consisted primarily of the following adjustments:

- unrealized loss on derivatives contracts of \$64.9 million,
- depreciation and amortization expenses of \$64.8 million, and
- stock based compensation expenses of \$19.5 million.

Net cash used for changes in operating assets and liabilities resulted primarily from:

- a \$114.0 million increase in accounts receivable primarily related to the timing of collections and sales volumes,
  - a \$101.3 million increase in inventories primarily related to an increase in refined product, and
  - an increase in deferred turnaround expenditures of \$42.2 million driven by planned turnaround for our Montana refinery,
- partially offset by:
- a \$54.8 million decreases in prepaid and other expenses primarily related to advances to suppliers for crude purchases utilized in the first half of 2024, and a decrease in collateral for derivative instruments, and
  - a net \$52.0 million increase in our accounts payable, other accrued liabilities, and operating lease right-of-use assets and liabilities primarily driven by a \$157.7 million increase in accounts payable partially offset by a \$101.9 million decrease in environmental credit obligation liabilities.

Net cash used in investing activities for the six months ended June 30, 2024 consisted primarily of:

- \$59.5 million in additions to property, plant, and equipment driven by maintenance projects at our refineries and various profit improvement projects

partially offset by:

- a \$1.5 million cash distribution received from Laramie Energy in the second quarter of 2024.

Net cash used in financing activities was approximately \$62.2 million for the six months ended June 30, 2024 and consisted primarily of the following activities:

- payments of \$547.6 million for changes in our deferred payment arrangement and the termination of our inventory financing agreement related to the expiration of our Supply and Offtake Agreement in the second quarter of 2024,

- net borrowings of debt of \$392.8 million primarily driven by activity in our ABL Credit Facility,
- repurchases of common stock of \$103.5 million during the first half of 2024, and
- deferred loan costs payments of \$8.2 million related to the closing of the Inventory Intermediation Agreement, and the upsizing of the ABL Credit Facility,

partially offset by:

- proceeds of \$203.1 million received related to the step-in of the Inventory Intermediation Agreement in the second quarter of 2024.

### ***Cash flows for the six months ended June 30, 2023***

Net cash provided by operating activities for the six months ended June 30, 2023, was driven primarily by net income of \$267.9 million, non-cash charges to operations and non-operating items of approximately \$76.1 million, and net cash used for changes in operating assets and liabilities of approximately \$31.8 million. Non-cash charges to operations consisted primarily of the following adjustments:

- depreciation and amortization expenses of \$52.6 million,
- debt commitment and extinguishment costs of \$17.7 million,
- unrealized loss on derivatives contracts of \$7.6 million, and
- stock based compensation costs of \$6.1 million,

partially offset by:

- a gain of \$10.7 million from our equity investment in Laramie Energy.

Net cash used for changes in operating assets and liabilities resulted primarily from:

- an increase in our accounts receivable due to the Billings Acquisition,
- a decrease in gross environmental credit obligations primarily related to retirements of a portion of our prior year obligations, partially offset by increase period obligations, and
- a decrease in our inventory financing agreement obligations,

partially offset by:

- an increase in our accounts payable, and
- an increase in inventory driven by Washington CCA assets, partially offset by lower crude oil and refined product prices and lower inventory volumes at our Hawaii refinery.

Net cash used in investing activities for the six months ended June 30, 2023 consisted primarily of:

- \$608.2 million for the Billings Acquisition, and
- \$30.7 million in additions to property, plant, and equipment driven by maintenance projects at our refineries and various profit improvement projects, including construction of a flagship retail store in Washington, improved crude processing equipment at our Hawaii refinery, a co-processing unit at our Tacoma refinery, and various IT infrastructure improvements,

partially offset by:

- a \$10.7 million cash distribution received from Laramie Energy, LLC in the first quarter of 2023.

Net cash provided by financing activities was approximately \$13.8 million for the six months ended June 30, 2023 and consisted primarily of the following activities:

- net borrowings of debt of \$61.3 million primarily driven by the refinancing and consolidation of our debt,
- partially offset by:
- net repayment under the J. Aron Discretionary Draw Facility and MLC receivable advances of \$31.4 million, and
  - aggregate payments of \$17.9 million of deferred loan costs and debt extinguishment costs related to our debt refinancing.

**Cash Requirements.** There have been no material changes to the cash requirements disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, outside the ordinary course of business except as follows:

**Debt Refinancing.** On March 22, 2024, we entered into the Third Amendment to the ABL Credit Facility, conditional upon the termination of the Company's existing intermediation agreement with J. Aron, to among other things, increase our total revolver commitment to \$1.4 billion. On May 31, 2024, we entered into the Inventory Intermediation Agreement with Citi. Pursuant to the Inventory Intermediation Agreement, Citi will purchase and deliver crude oil to PHR for use at its refinery located in Kapolei, Hawaii. The Inventory Intermediation Agreement replaces the Supply and Offtake Agreement between PHR and J. Aron that was terminated on May 31, 2024. Please read Note 9—Inventory Financing Agreements and Note 11—Debt to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for more information.

#### **Critical Accounting Estimates**

There have been no material changes to critical accounting estimates disclosed in our Annual Report on Form 10-K for the six months ended June 30, 2024.

#### **Forward-Looking Statements**

Certain statements in this Quarterly Report on Form 10-Q may constitute “forward-looking” statements as defined in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Private Securities Litigation Reform Act of 1995 (“PSLRA”), or in releases made by the SEC, all of which may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties, and other important factors including, without limitation, the Russia-Ukraine war, Israel-Palestine conflict, Houthi attacks in the Red Sea, Iranian activities in the Strait of Hormuz and certain developments in the global crude oil markets, on our business, our customers, and the markets where we operate; our beliefs regarding available capital resources; our beliefs regarding the likely results or impact of certain disputes or contingencies and any potential fines or penalties; our beliefs regarding the fair value of certain assets, and our expectations with respect to laws and regulations, including environmental regulations and related compliance costs and any fines or penalties related thereto; our expectations regarding the sufficiency of our cash flows and liquidity; our expectations regarding anticipated capital expenditures, including the timing and cost of compliance with consent decrees and other enforcement actions; our expectations regarding the impact of the adoption of certain accounting standards; our estimates regarding the fair value of certain indebtedness; estimated costs to settle claims from the Delta bankruptcy; the estimated value of, and our ability to settle, legal claims remaining to be settled against third parties; our expectations regarding the synergies or other benefits of our acquisitions; our expectations regarding certain tax liabilities and debt obligations; management's assumptions about future events into our existing business, the anticipated synergies and other benefits of the recently acquired ExxonMobil Billings refinery and associated marketing and logistics assets (the “Acquisition”), including renewable growth opportunities; the anticipated financial and operating results of the Acquisition, and the effect on the Company's cash flows and profitability (including Adjusted EBITDA and Adjusted Net Income); our ability to raise additional debt or equity capital; our ability to make strategic investments in business opportunities; and the estimates, assumptions, and projections regarding future financial condition, results of operations, liquidity, and cash flows. These and other forward-looking statements could cause the actual results, performance, or achievements of Par and its subsidiaries to differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “may,” “will,” “would,” “could,” “should,” “seeks,” or “scheduled to,” or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act, and the PSLRA with the intention of obtaining the benefits of the “safe harbor” provisions of such laws.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control, including those set out in our most recent Annual Report on Form 10-K and this Quarterly Report on Form 10-Q under “Risk Factors.”

In addition, management’s assumptions about future events may prove to be inaccurate. All readers are cautioned that the forward-looking statements contained in this Quarterly Report on Form 10-Q are not guarantees of future performance; and we cannot assure any reader that such statements will be realized or that the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors described above and under Critical Accounting Estimates and Risk Factors included in our most recent Annual Report on Form 10-K and in this Quarterly Report on Form 10-Q. All forward-looking statements speak only as of the date they are made. There can be no guarantee that the operational and financial measures the Company has taken, and may take in the future, will be fully effective. We do not intend to update or revise any forward-looking statements as a result of new information, future events, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### **Commodity Price Risk**

Our earnings, cash flows, and liquidity are significantly affected by commodity price volatility. Our Revenues fluctuate with refined product prices and our Cost of revenues (excluding depreciation) fluctuates with movements in crude oil and feedstock prices. Assuming all other factors remain constant, a \$1 per barrel change in average gross refining margins, based on our throughput for the three months ended June 30, 2024 of 180 Mbpd, would change annualized operating income by approximately \$64.7 million. This analysis may differ from actual results.

In order to manage commodity price risks, we utilize exchange-traded futures, OTC options, and OTC swaps associated with:

- the price for which we sell our refined products;
- the price we pay for crude oil and other feedstocks;
- our crude oil and refined products inventory; and
- our fuel requirements for our refineries.

Substantially all of our futures and OTC swaps are executed to economically hedge our physical commodity purchases, sales, and inventory. All our open futures and OTC swaps at June 30, 2024, will settle by April 2025. Based on our net open positions at June 30, 2024, a \$1 change in the price of crude oil, assuming all other factors remain constant, would result in a change of approximately \$8.3 million to the fair value of these derivative instruments and Cost of revenues (excluding depreciation).

Our predominant variable operating cost is the cost of fuel consumed in the refining process, which is included in Cost of revenues (excluding depreciation) on our condensed consolidated statements of operations. For the three and six months ended June 30, 2024, we consumed approximately 179.8 Mbpd and 180.0 Mbpd, respectively, of crude oil during the refining process across all our refineries. We internally consumed approximately 4% of this throughput in the refining process during the three and six months ended June 30, 2024, which is accounted for as a fuel cost. We have executed option collars to economically hedge our internally consumed fuel cost at all our refineries. Please read Note 12—Derivatives to our condensed consolidated financial statements for more information.

#### **Compliance Program Price Risk**

We are exposed to market risks related to the volatility in the price of RINs required to comply with the Renewable Fuel Standard. Our RVO is based on a percentage of our Hawaii, Wyoming, Washington, and Montana refineries’ production of on-road transportation fuel. The EPA sets the RVO percentages annually. On June 21, 2023, the EPA finalized the 2023, 2024, and 2025 RVOs. To the degree we are unable to blend the required amount of biofuels to satisfy our RVO, we must purchase RINs on the open market. To mitigate the impact of this risk on our results of operations and cash flows, we may purchase RINs when we deem the price of these instruments to be favorable. Some of these contracts are derivative instruments, however, we elect the normal purchases normal sales exception and do not record these contracts at their fair values.

Additionally, we are exposed to market risks related to the volatility in the price of compliance credits required to comply with Washington CCA and Clean Fuel Standard. To the extent we are unable to reduce the amount of greenhouse gas emissions in the transportation fuels we sell in Washington, we must purchase compliance credits at auction or in the open market. The number of credits required to comply with the Washington CCA and Clean Fuel Standard is based on the amount of greenhouse gas emissions in the transportation fuels we sell in Washington compared to certain regulatory limits. To mitigate the impact of this risk on our results of operations and cash flows, we may purchase credits when we deem the price to be favorable. Some of these contracts are derivative instruments and recorded at their fair value. Please read Note 12—Derivatives for more information.

#### **Interest Rate Risk**

As of June 30, 2024, we had \$1,072.6 million in debt principal that was subject to floating interest rates. We also had interest rate exposure in connection with our liabilities under the Inventory Intermediation Agreement for which we pay charges based on the three-month SOFR. An increase of 1% in the variable rate on our indebtedness, after considering the instruments subject to minimum interest rates, would result in an increase to our Cost of revenues (excluding depreciation) and Interest expense and financing costs, net, of approximately \$1.9 million and \$10.7 million per year, respectively. We may utilize interest rate swaps to manage our interest rate risk. As of June 30, 2024 we had entered into an interest rate collar at a cap of 5.50% and floor of 2.30%, based on the three month SOFR as of the fixing date. This swap expires on May 31, 2026. Please read Note 12—Derivatives for more information.

#### **Credit Risk**

We are subject to risk of losses resulting from nonpayment or nonperformance by our counterparties. We will continue to closely monitor the creditworthiness of customers to whom we grant credit and establish credit limits in accordance with our credit policy.

### **Item 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

In connection with the preparation of this Quarterly Report on Form 10-Q, as of June 30, 2024, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of June 30, 2024.

#### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of our business. Please read Note 15—Commitments and Contingencies to our condensed consolidated financial statements for more information.

### Item 1A. RISK FACTORS

There have been no material changes from the risks factors included under Part 1, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. You should carefully consider the risk factors discussed in our 2023 Form 10-K, which could materially affect our business, financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

### Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### Dividends

We have not paid dividends on our common stock and we do not expect to do so in the foreseeable future. In addition, under the ABL Credit Facility and Term Loan Credit Agreement our subsidiaries are restricted from paying dividends or making other equity distributions, subject to certain exceptions.

#### Repurchases

The following table sets forth certain information with respect to repurchases of our common stock during the quarter ended June 30, 2024:

Period	Total number of shares (or units) purchased (1)	Average price paid per share (or unit)	Total number of shares (or units) purchased as part of publicly announced plans or programs (1)	Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (1)
April 1 - April 30, 2024	1,195,904	\$ 33.12	1,194,858	\$ 109,841,692
May 1 - May 31, 2024	376,616	28.95	340,097	100,050,526
June 1 - June 30, 2024	682,191	25.02	673,860	83,209,563
<b>Total</b>	<b>2,254,711</b>	<b>\$ 29.97</b>	<b>2,208,815</b>	

(1) On November 10, 2021, the Board authorized and approved a share repurchase program for up to \$50 million of shares of the Company's common stock, with no specified end date. On August 2, 2023, the Board expanded the Company's share repurchase program from \$50 million to \$250 million. Shares repurchased that were not associated with the share repurchase program were surrendered by employees to pay taxes withheld upon the vesting of restricted stock awards.

### Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

### Item 4. MINE SAFETY DISCLOSURE

Not applicable.

### Item 5. OTHER INFORMATION

#### Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the fiscal quarter ended June 30, 2024, no director or officer (as defined in Rule 16a-1(f) of the Securities Exchange Act) of the Company adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 105-1 trading arrangements as each term is defined in Item 408(a) of Regulation S-K.

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**Item 6. EXHIBITS**

- 2.1 [Third Amended Joint Chapter 11 Plan of Reorganization of Delta Petroleum Corporation and Its Debtor Affiliates dated August 16, 2012. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on September 7, 2012.](#)
  - 2.2 [Membership Interest Purchase Agreement dated as of June 17, 2013, by and among Tesoro Corporation, Tesoro Hawaii, LLC, and Hawaii Pacific Energy, LLC Incorporated by reference to Exhibit 2.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, filed on August 14, 2013.](#)
  - 2.3 [Agreement and Plan of Merger dated as of June 2, 2014, by and among the Company, Bogey, Inc., Koko'oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholders' Representative. Incorporated by reference to Exhibit 2.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, filed on August 11, 2014.](#)
  - 2.4 [Amendment of Agreement and Plan of Merger dated as of September 9, 2014, by and among the Company, Bogey, Inc., Koko'oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholders' Representative. Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 10, 2014.](#)
  - 2.5 [Second Amendment of Agreement and Plan of Merger dated as of December 31, 2014, by and among Par Petroleum Corporation, Bogey, Inc., Koko'oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholder's Representative. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 7, 2015.](#)
  - 2.6 [Third Amendment to Agreement and Plan of Merger dated as of March 31, 2015, by and among the Company, Bogey, Inc., Koko'oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholders' Representative. Incorporated by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K filed on April 2, 2015.](#)
  - 2.7 [Unit Purchase Agreement, dated as of June 13, 2016, between Par Wyoming, LLC and Black Elk Refining, LLC. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on June 15, 2016.](#)
  - 2.8 [First Amendment to Unit Purchase Agreement dated as of July 14, 2016, between Par Wyoming, LLC and Black Elk Refining, LLC. Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on July 15, 2016.](#)
  - 2.9 [Purchase and Sale Agreement dated as of November 26, 2018, among Par Petroleum, LLC, TrailStone NA Oil & Refining Holdings, LLC, and solely for certain purposes specified therein, the Company. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K/A filed on November 30, 2018. #](#)
  - 2.10 [Amendment No. 1 to Purchase and Sale Agreement dated as of January 11, 2019, among Par Petroleum, LLC, TrailStone NA Oil & Refining Holdings, LLC and Par Pacific Holdings, Inc. Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on January 14, 2019.](#)
  - 2.11 [Equity and Asset Purchase Agreement dated as of October 20, 2022, by and among Exxon Mobil Corporation, ExxonMobil Oil Corporation and ExxonMobil Pipeline Company, LLC, as sellers, and Par Montana, LLC and Par Montana Holdings, LLC, as purchaser entities, and solely for the limited purposes set forth therein, Par Pacific Holdings, Inc. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on October 20, 2022.](#)
  - 2.12 [First Amendment to Equity and Asset Purchase Agreement dated as of June 1, 2023, by and among Exxon Mobil Corporation, ExxonMobil Oil Corporation and ExxonMobil Pipeline Company, LLC, as sellers, and Par Montana, LLC, Par Montana Holdings, LLC, and Par Rocky Mountain Midstream, LLC, as purchaser entities, and solely for the limited purposes set forth therein, Par Pacific Holdings, Inc. Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on June 1, 2023.](#)
  - 3.1 [Restated Certificate of Incorporation of the Company dated October 20, 2015. Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on October 20, 2015.](#)
  - 3.2 [Second Amended and Restated Bylaws of the Company dated October 20, 2015. Incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed on October 20, 2015.](#)
  - 4.1 [Form of the Company's Common Stock Certificate. Incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed on March 31, 2014.](#)
  - 4.2 [Stockholders Agreement dated April 10, 2015. Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 13, 2015.](#)
  - 4.3 [Registration Rights Agreement effective as of August 31, 2012, by and among the Company, Zell Credit Opportunities Master Fund, L.P., Waterstone Capital Management, L.P., Pandora Select Partners, LP, Jam Mini-Fund 14 Limited, Whitebox Multi-Strategy Partners, LP, Whitebox Credit Arbitrage Partners, LP, HFR RVA Combined Master Trust, Whitebox Concentrated Convertible Arbitrage Partners, LP, and Whitebox Asymmetric Partners, LP. Incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on September 7, 2012.](#)
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4.4	<a href="#"><u>First Amendment to Registration Rights Agreement dated as of December 19, 2018, by and among the Company and the holders party thereto. Incorporated by reference to Exhibit 4.3 to the Company's registration statement on Form S-3 filed on December 21, 2018.</u></a>
10.1	<a href="#"><u>Amendment No. 1 to Term Loan Credit Agreement, dated as of April 8, 2024, by and among Par Pacific Holdings, Inc., Par Petroleum, LLC, Par Petroleum Finance Corp., the guarantors party thereto, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 9, 2024.</u></a>
10.2	<a href="#"><u>Inventory Intermediation Agreement, dated as of May 31, 2024, by and between Par Hawaii Refining, LLC and Citigroup Energy Inc. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 5, 2024.</u></a>
10.3	<a href="#"><u>Pledge and Security Agreement, dated May 31, 2024, by and between Par Hawaii Refining, LLC and Citigroup Energy Inc. Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 5, 2024.</u></a>
31.1	<a href="#"><u>Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a> *
31.2	<a href="#"><u>Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a> *
32.1	<a href="#"><u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.</u></a> **
32.2	<a href="#"><u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.</u></a> **
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Documents.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).*

\* Filed herewith.

\*\* Furnished herewith.

# Portions of this exhibit have been redacted in accordance with Item 601(b)(10) of Regulation S-K.

**SIGNATURES**

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

PAR PACIFIC HOLDINGS, INC.  
(Registrant)

By: /s/ William Monteleone  
William Monteleone  
President and Chief Executive Officer

By: /s/ Shawn Flores  
Shawn Flores  
Senior Vice President and Chief Financial Officer

Date: August 8, 2024

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)/15d-14(a) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, William Monteleone, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Par Pacific Holdings, Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
    - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
  5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
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- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024

/s/ William Monteleone

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William Monteleone

President and Chief Executive Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)/15d-14(a) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Shawn Flores, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Par Pacific Holdings, Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
    - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
  5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
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- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024

/s/ Shawn Flores

Shawn Flores

Senior Vice President and Chief Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Par Pacific Holdings, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, William Monteleone, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
  
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William Monteleone

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William Monteleone

President and Chief Executive Officer

August 8, 2024

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Par Pacific Holdings, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Shawn Flores, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Shawn Flores

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Shawn Flores

Senior Vice President and Chief Financial Officer

August 8, 2024