

INVESTOR PRESENTATION

September 2021



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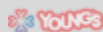
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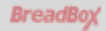
Industry and Market Data

Industry and market data used in this Investor Presentation have been obtained from third party industry publications and sources, including reports by market research firms. ARKO has not independently verified the information and data obtained from these sources and cannot assure you of the data’s accuracy or completeness. This information and data is subject to change.

Use of Non-GAAP Financial Metrics

This Investor Presentation includes both financial information presented in accordance with U.S. generally accepted accounting principles (“GAAP”) as well as certain non-GAAP financial measures for ARKO, such as Adjusted EBITDA, Free Cash Flow and Adjusted EBITDA, net of incremental bonuses. ARKO’s management uses these non-GAAP measures in the management of ARKO’s business and believes that the presentation of non-GAAP measures provides information that is useful to investors as it indicates more clearly the ability of ARKO to meet capital expenditure and working capital requirements and provides an additional tool for investors to use in evaluating ongoing operating results and trends. Other companies may calculate non-GAAP measures included herein differently, and therefore such non-GAAP measures may not be directly comparable to similarly titled measures of other companies. Investors should review ARKO’s audited annual and unaudited interim financial statements, which are prepared in accordance with GAAP, and not consider any of ARKO’s non-GAAP measures in isolation or as a substitute for our financial results reported in accordance with GAAP. See the Appendix of this Investor Presentation for reconciliations of non-GAAP measures to their most comparable GAAP financial measures.





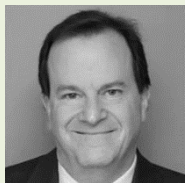
ARKO Management



ARIE KOTLER

Founder, Chairman & CEO

- Acquired GPM Investments, LLC in 2011, now a wholly owned subsidiary of ARKO, at which time it operated and supplied 320 sites
- Grew ARKO to over 3,000 current sites through a series of 19 acquisitions
- Spearheaded various real estate and fuel transactions totaling >\$2 billion
- Deep experience and expertise in convenience store operations
- Seasoned executive experienced in international financial markets and publicly-traded companies/entities



DON BASSELL

CFO

- CFO of ARKO since April 2014 and previously from 2004-2010
- Former CFO of Mid-Atlantic Convenience Stores (Catterton-backed and sold to Sunoco in 2013)
- Served in a wide variety of financial, treasury and MIS roles with major oil companies, other distributors, and service providers
- Over 35 years of experience in petroleum, convenience stores, refining and fuel distribution
- Bachelor of Arts in Accounting from Duke University and licensed Certified Public Accountant

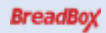
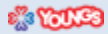


1. Company Overview Pg. 5

2. Key Highlights Pg. 9

3. Historical Financial Performance Pg. 26

COMPANY OVERVIEW



A LEADING U.S. CONVENIENCE STORE OPERATOR

6th

Largest U.S. Convenience Store Operator⁽¹⁾

3,028

Total sites as of 6/30/21, including 1,381 retail stores and 1,647 dealer-operated / ARKO-supplied sites

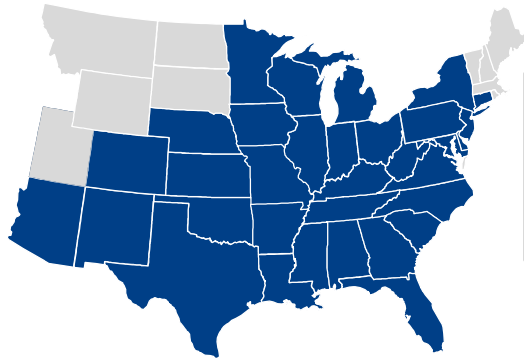
~2.0 Billion

2020 As Adjusted Fuel Gallons Sold⁽²⁾⁽³⁾

~\$1.6 Billion

2020 As Adjusted In-Store Sales⁽²⁾⁽³⁾

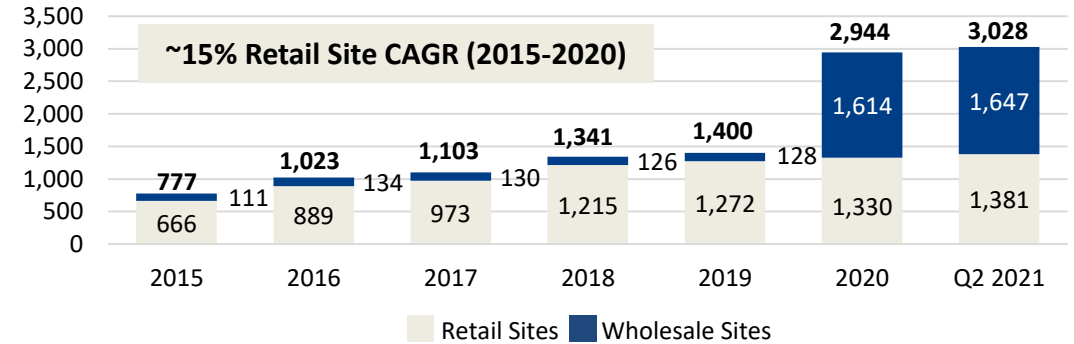
DIVERSE GEOGRAPHIC FOOTPRINT



3,028 sites across 33 states and Washington D.C.; retail network expanded ~6.7x over past nine years

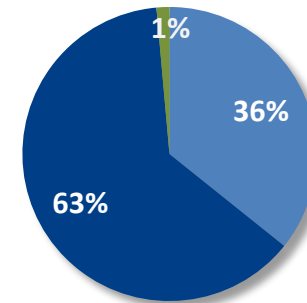
LARGE, RAPIDLY GROWING NETWORK

(location total)

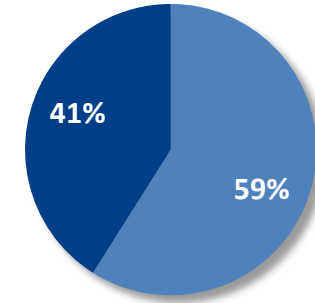


ATTRACTIVE MERCHANDISE / FUEL MIX

2019 and 2020 AVG. Revenue MIX



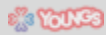
2019 and 2020 AVG. GROSS PROFIT MIX



Fuel Merchandise Other

(1) According to CSP's Top 202 Convenience Stores 2021; includes only company-operated locations based on 2021 store counts.
 (2) Includes 'Q1 - 'Q3 2020 contribution of Empire in addition to ARKO's FY2020 results.
 (3) This presentation is for illustrative purposes only and is not to be taken as a measure of financial performance as if the results for Empire were reflected for the full period.





ARKO Foundation Formed Through 19 Acquisitions

TOP U.S. CONVENIENCE STORE OPERATORS⁽¹⁾

RANK	COMPANY / CHAIN	U.S. STORE COUNT
1	(2)	13,373
2		7,142
3		2,230
4		1,704
5	(3)	1,660
6	A Family of Community Brands	1,381 ⁽⁴⁾
7		1,026
8		975
9		917
10		850

(1) According to CSP's Top 202 Convenience Stores 2021; includes only company-operated / franchise locations based on January 1, 2021 store counts with the exception of ARKO.

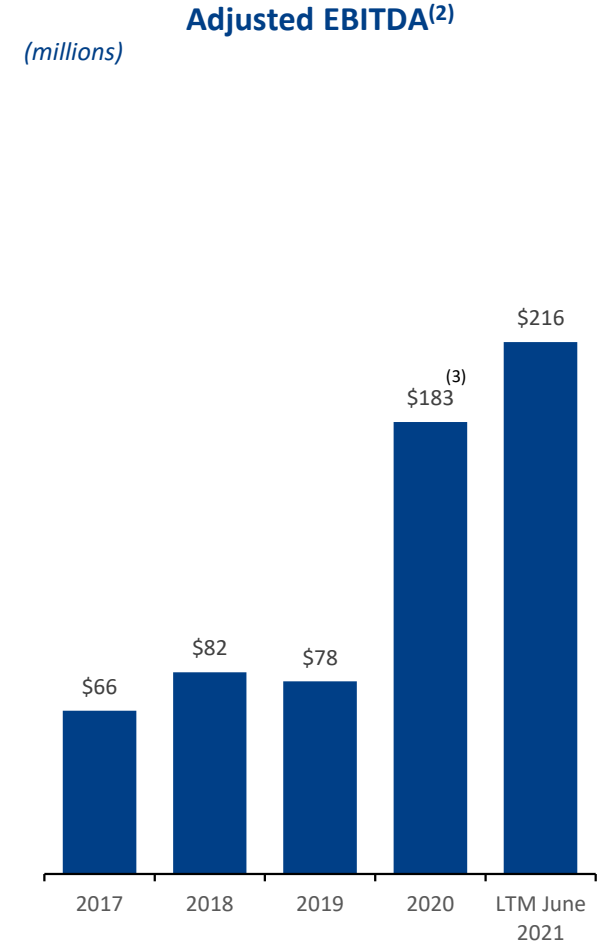
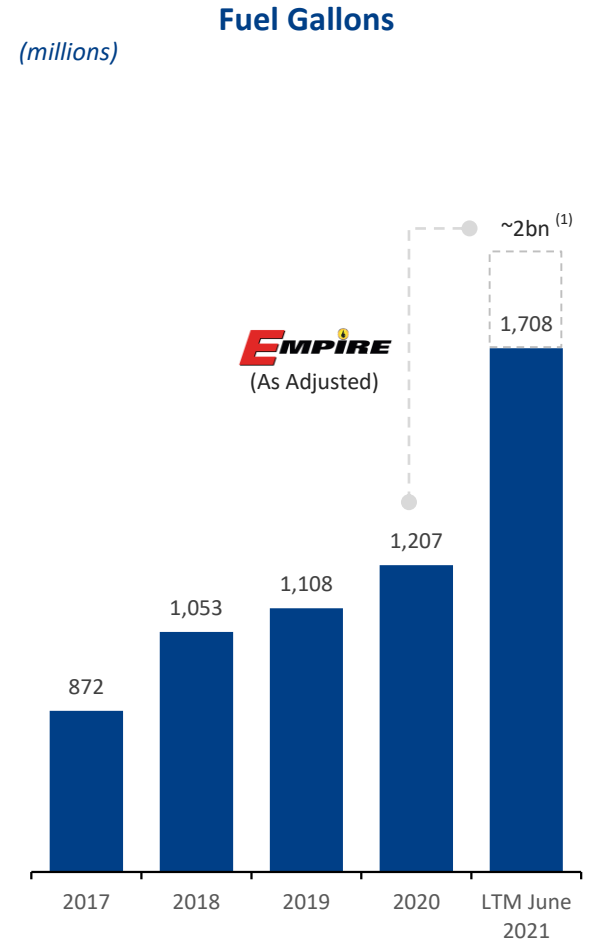
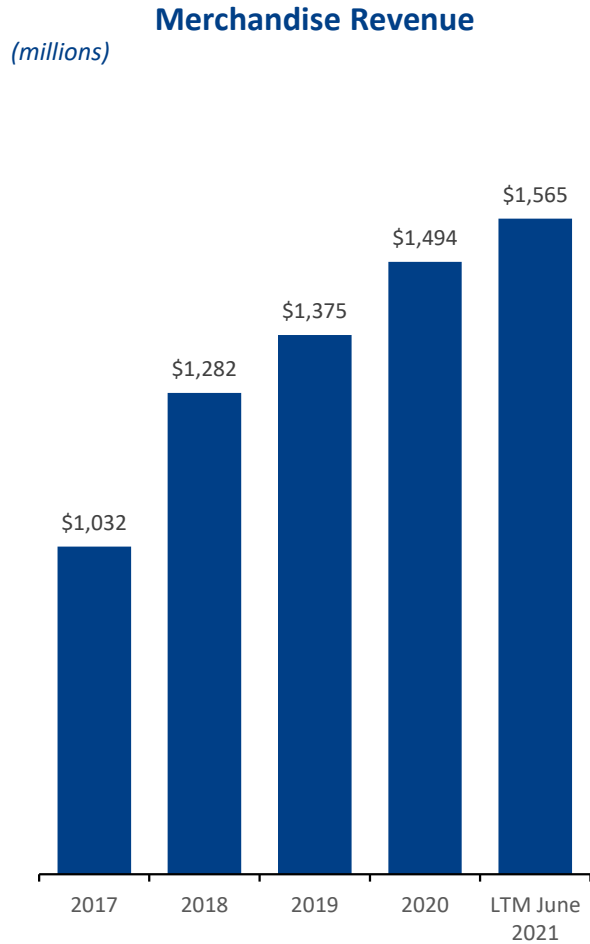
(2) 7-Eleven is combined with Speedway following recent merger.

(3) Murphy USA is combined with QuickChek following recent acquisition.

(4) Reflects ARKO's store count as of 06/30/21; excludes 1,647 wholesale locations.

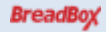
Scaled Platform Positions Company for Multi-Pronged Growth





(1) This presentation is for illustrative purposes only and is not to be taken as a measure of financial performance as if the results for Empire were reflected for the full period.
 (2) Adjusted EBITDA and Adjusted EBITDA, net of incremental bonuses are non-GAAP financial measures. See Appendix for reconciliation to the most comparable GAAP financial measure.
 (3) Adjusted EBITDA, net of incremental bonuses.

KEY HIGHLIGHTS





1 Attractive Convenience Store Industry Fundamentals

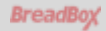
2 A Leader in the Large and Growing Convenience Store Sector

3 Differentiated Strategy Embracing Community C-Store Brands

4 Robust Wholesale Platform

5 Proven, Multi-Faceted Growth Strategy

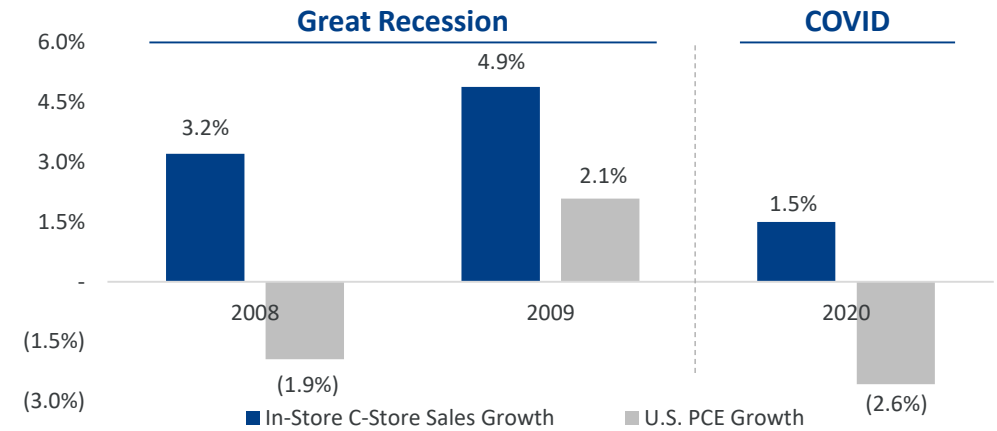
6 Founder-Led Management Team



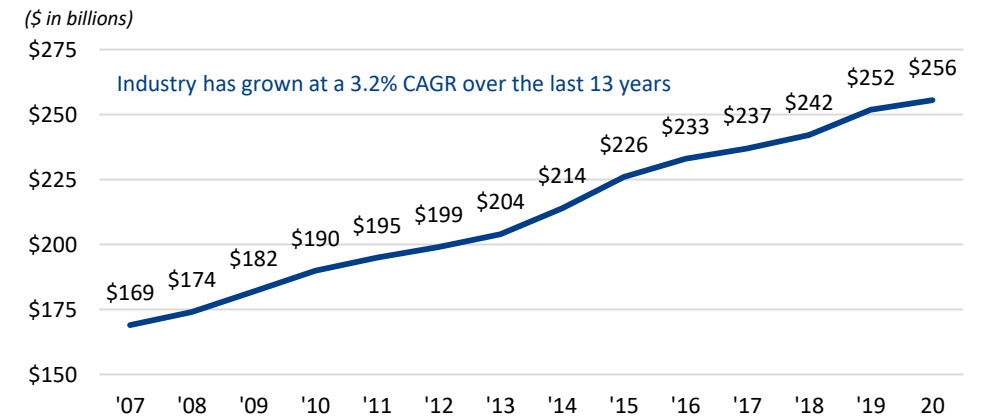
ATTRACTIVE INDUSTRY DYNAMICS:

- Strong fundamentals
- Large, mature industry
- Consistent industry-wide sales and profitability growth; acquiring share from other retail channels
- Stable industry store count
- Highly fragmented
- Recession-resistant
- Historically minimal impact of COVID-19 (net beneficial to ARKO)
- Perpetual value of convenience
- Historically adaptable in the face of headwinds

STRONG C-STORE SALES GROWTH VS. U.S. CONSUMPTION INDEX DURING GREAT RECESSION AND COVID



CONSISTENT IN-STORE SALES GROWTH OVER TIME



Source: EIA (Energy Information Administration), Department of Transportation, and Bureau of Economic Analysis.
Note: PCE = Personal Consumption Expenditures.

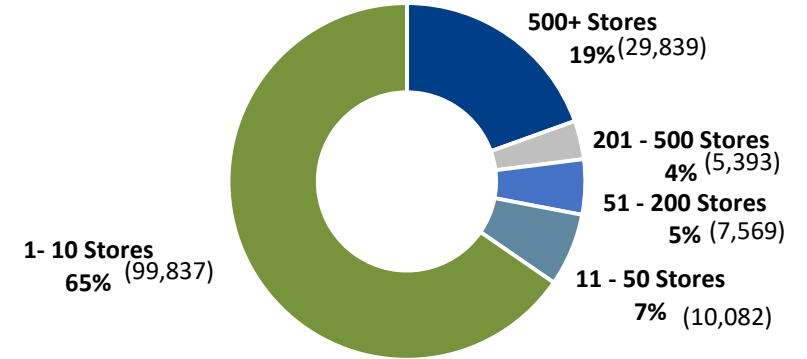


ARKO'S SUCCESSFUL HISTORY OF GROWTH

- 19 acquisitions completed since 2013
- Store count increased ~6.7x in nine years
- Highly fragmented market
 - Approximately 70% of industry comprised of <50 store chains ⁽¹⁾
- Robust current M&A activity in the sector
- Wholesale platform widens range of acquisition targets

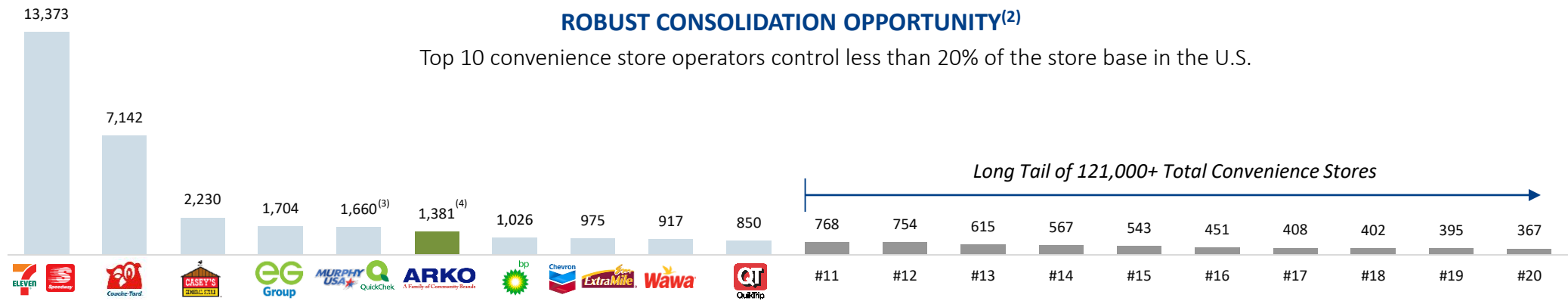
U.S. CONVENIENCE STORE COMPOSITION BY CHAIN SIZE⁽¹⁾

Fragmented industry of 152,720 convenience stores



ROBUST CONSOLIDATION OPPORTUNITY⁽²⁾

Top 10 convenience store operators control less than 20% of the store base in the U.S.



(1) National Association of Convenience Stores ("NACS") 2020 NACS State of the Industry Report. As of January 2021 there are 150,274 stores.

(2) Data from CSP's Top 202 Convenience Stores January 1, 2021.

(3) Murphy USA is combined with Quickchek following recent acquisition.

(4) Reflects ARKO's store count as of 06/30/21; excludes 1,647 wholesale locations.



~50 Years Average Local Brand History



ROI-Focused Acquiror of Choice

- ✓ Differentiated Strategy Preserves Long-Established Community Brand Equity
- ✓ Centralized Procurement and Merchandising Leverage Network Scale
- ✓ Optimized Purchasing and High-Performing In-Store Product Offerings Drive ROI
- ✓ Common Loyalty Program Enables Network-Wide Promotions and Marketing Initiatives

EMPIRE COMPANY OVERVIEW

1,537
(1,453 Wholesale / 84 Retail)

Total Stores Operated and/or Supplied⁽¹⁾

23

Acquisitions Since 2011

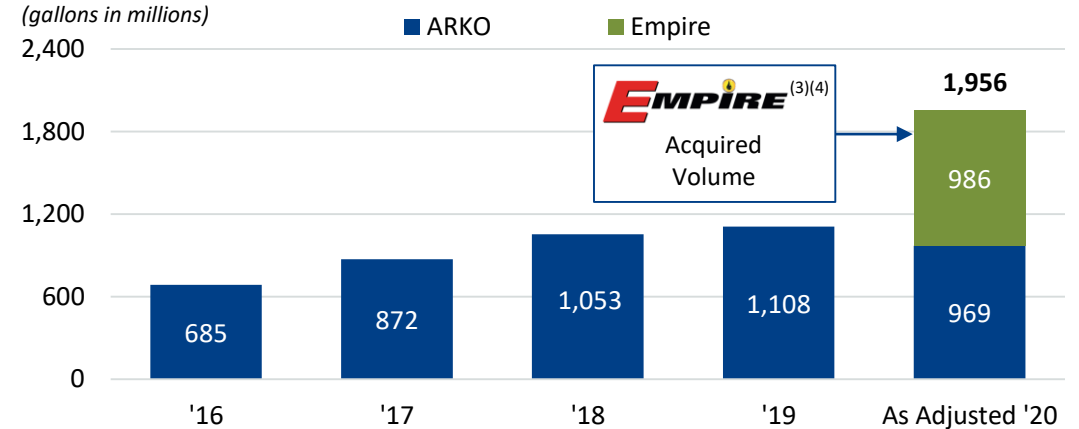
Top 10

Super-Jobbers⁽²⁾ In the U.S.

~1.0 Billion

Fuel Gallons Distributed in 2020

ARKO HISTORICAL TOTAL FUEL VOLUME



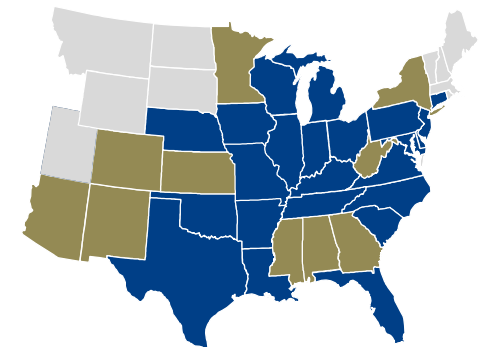
BENEFITS TO COMBINATION

- **Closed:** 10/6/20
- **Purchase Price / Multiple:** \$353 million⁽⁵⁾ / 7.6x EBITDA (pre-synergies)
- Materially increased footprint (10 new states of operation & D.C.)
- Further diversified ARKO's cash flow and provided ARKO with a scaled wholesale platform
- ARKO expects to continue to achieve significant synergies from the transaction moving forward
- Enhanced ARKO's competitiveness as an acquirer
- 872M wholesale gallons in 2020, of which approximately 83% were sold on a rack plus basis and the remaining 17% sold on a consignment basis



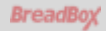
COMBINED

33 States & Washington, D.C.
2,944 Stores⁽¹⁾
(1,330 Retail, 1,614 Wholesale)



■ ARKO ■ New Empire states

(1) Empire store count at closing (as of 10/6/20).
 (2) Per management estimates; super-jobbers defined as fuel distributors with volumes greater than 1 billion gallons annually and significant scale with multiple major oil companies.
 (3) Includes 'Q1 – 'Q3 2020 contribution of Empire in addition to ARKO's FY2020 results.
 (4) This presentation is for illustrative purposes only and is not to be taken as a measure of financial performance as if the results for Empire were reflected for the full period.
 (5) Excludes five year deferred payment of \$20.0 million and potential post-closing contingent amounts of up to an additional \$45 million.

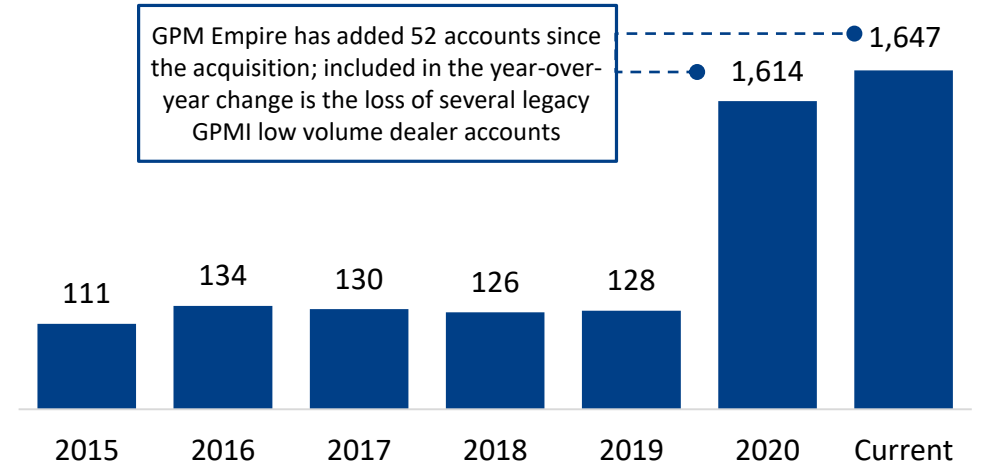




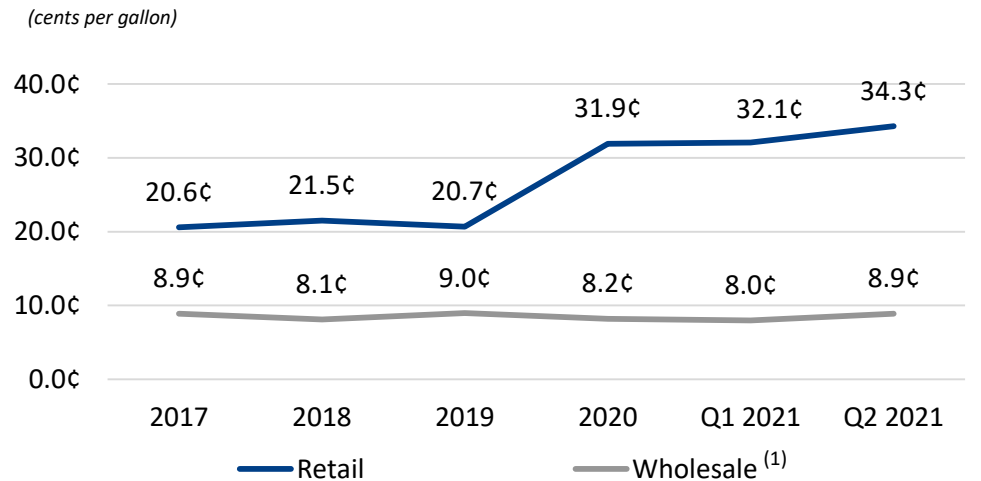
Stable, Fee-Based Cash Flows From Long-Term Contracts

- Significant site and gallon growth following Empire transaction
 - Now one of the 10 largest fuel distributors in the U.S.
- Stable cash flows and consistent fuel margin business
- Unique dealer network with attractive upside economics on consignment business
- Receive ongoing rental income from consignment agents and lessee-dealers at sites under ARKO control
- Substantial portion of wholesale customers under long-term contracts
- De minimis direct commodity risk
- Limited ongoing working capital needs; and every acquisition has created positive working capital

Wholesale Site Count



Historically Stable Fuel Margins



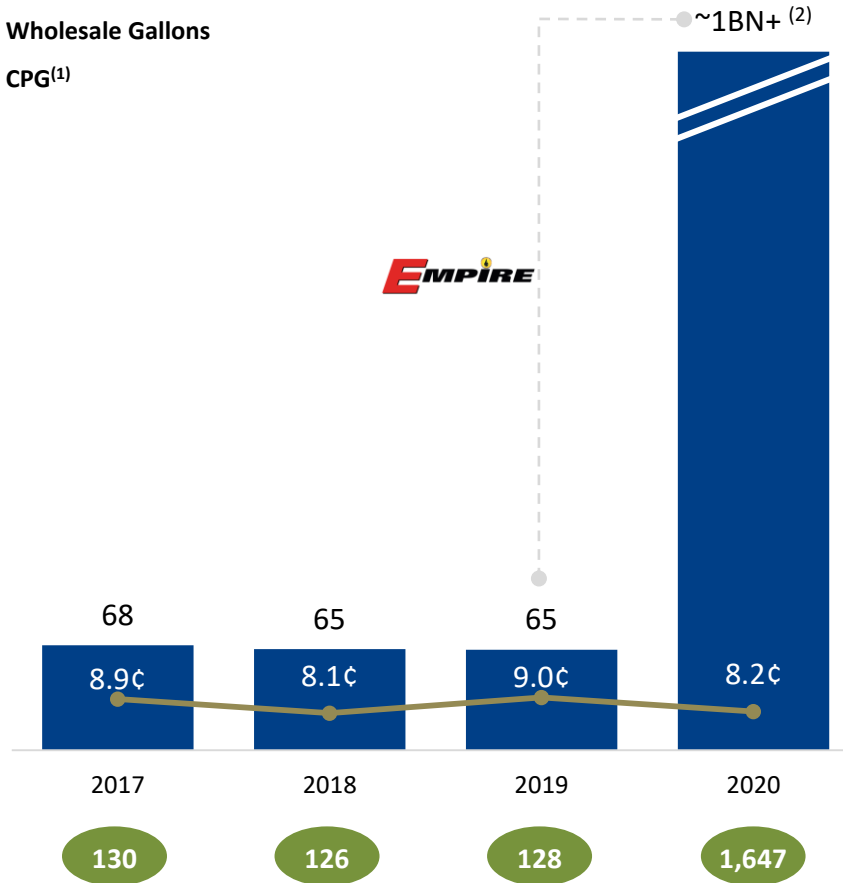
(1) Q1 and Q2 2021 CPG weighted average of consignment and non-consignment locations.



Wholesale Gallons

(millions)

■ Wholesale Gallons
— CPG⁽¹⁾



- ✓ Provides stable and diversified cash flows
- ✓ Combines fuel purchasing power
- ✓ Strategic flexibility to convert lower performing sites to consignment agent and dealer trade channels
- ✓ Vast network of consignment and wholesale partners provides M&A opportunity and inside route to future M&A

Growth Strategy

Acquire Supply Contracts From Independent Operators

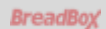
Acquire Additional Wholesale and Retail Businesses

Optimize Pricing

Leverage Scale

(1) Excludes estimated fixed margins paid to GPMP for the cost of fuel.

(2) This presentation is for illustrative purposes only and is not to be taken as a measure of financial performance as if the results for Empire were reflected for the full period.



ONGOING MERCHANDISE AND FUEL INITIATIVES DRIVING GROWTH AND PROFITABILITY

- Numerous in-store sales growth and margin enhancement opportunities exist across expansive footprint
- Enhanced customer relationship-focused loyalty program and associated promotional events in conjunction launched in November 2020
- Further fuel optimization opportunities leverage robust technology solutions
- Investigating electric charging opportunities

SUBSTANTIAL REMODEL OPPORTUNITY

- Plan to optimize acquired assets; remodel prototypes underway with strong initial results
- Traffic counts and demographics analyzed to identify ~700 store candidates (~50% of current locations)
- 360 sites targeted to be remodeled over the next three to five years ⁽¹⁾
- Foodservice and high margin items will be a key feature of store reinvestment program
- Targeting ~\$70 million of incremental EBITDA and pre-tax ROI of 20%+ over three to five years ⁽¹⁾

WHOLESALE EXPANSION

- Low overhead wholesale operations
- Enhances cash flow stability (long-term contracts) and diversification
- Widens range of acquisition targets; certain competing consolidators have difficulty acquiring wholesale operations
- Scale enhances leverage with suppliers and synergy potential

CONTINUE BOLT-ON ACQUISITION STRATEGY

- Highly fragmented U.S. convenience store industry
- Well-developed acquisition and integration capabilities
- Ability to acquire both small and large chains; ARKO reviews all opportunities
- Robust and actionable pipeline of opportunities
- In-house M&A team performs in-depth reviews of several target opportunities per annum

(1) Our targets are hypothetical and prepared based on a number of management assumptions. While we believe these assumptions are reasonable, there can be no assurance that our targets will be achieved. The assumptions are inherently uncertain and subject to a wide variety of risks. Inclusion of these targets is not a guarantee that such targets will be achieved and should not be considered a prediction of future returns.

Following significant acquisition growth, ARKO is re-investing in the in-store experience with numerous initiatives to drive sales and enhance returns

SIGNIFICANT STORE REMODEL PROGRAM ⁽¹⁾



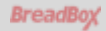
PROGRAM OVERVIEW

- Identified candidates after analysis of traffic counts, local demographic information and remodel feasibility studies
- Plans to spend ~\$360 million over next three to five years with an anticipated return on capital of at least 20%; targeting ~\$70 million of EBITDA upside over three to five years ⁽²⁾
- Program will emphasize brand development with regional brands featured alongside national ARKO brand for network consistency
- Emphasis on enhanced foodservice offering

(1) Will include select raze & rebuilds.

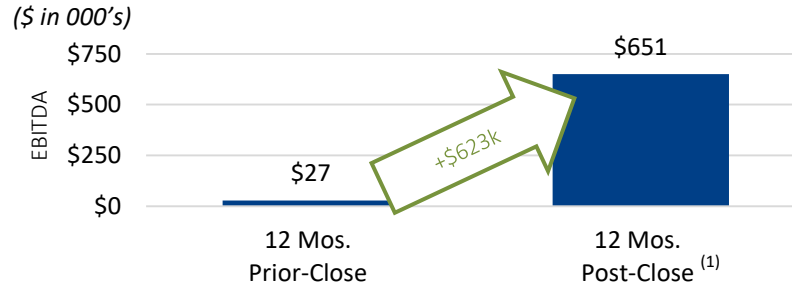
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- **Investment:** \$2,174
- **ROI:** 29%
- **Payback:** 3.5 years

RAZE & REBUILD – STORE 57 (Quinton, VA)



ARKO HAS EXPERIENCED SIGNIFICANT SUCCESS WITH PAST REMODEL EFFORTS GENERATING RETURNS IN THE ~30% TO 60% RANGE



“SOFT” REMODEL – STORE 27 (Richmond, VA)

- **Investment:** \$200
- **ROI:** 28%
- **Payback:** 3.6 years



“HARD” REMODEL – STORE 33 (King William, VA)

- **Investment:** \$359
- **ROI:** 60%
- **Payback:** 1.7 years



Note: ROI defined as EBITDA lift divided by total investment.

(1) Follows a three month re-opening period.

(2) Store #57 located in Quinton, Virginia.

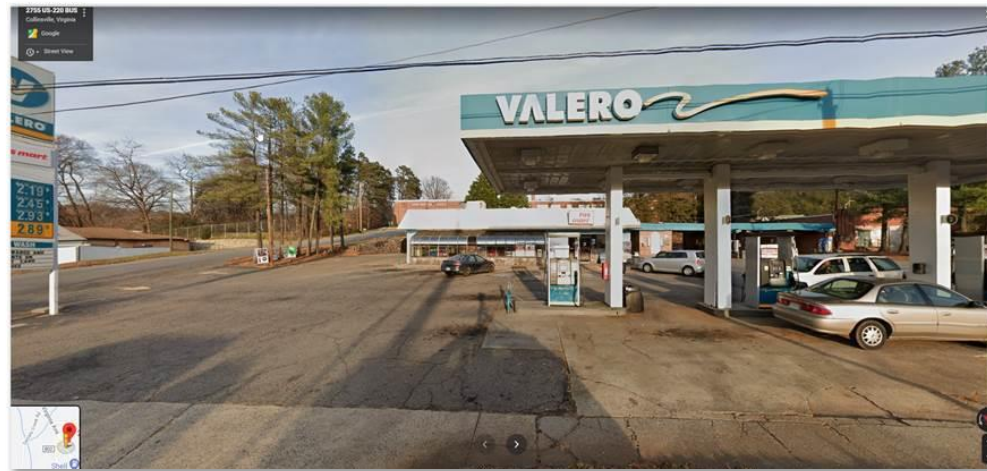
5 Illustrative Remodeling Platform (Exterior)



BEFORE



AFTER



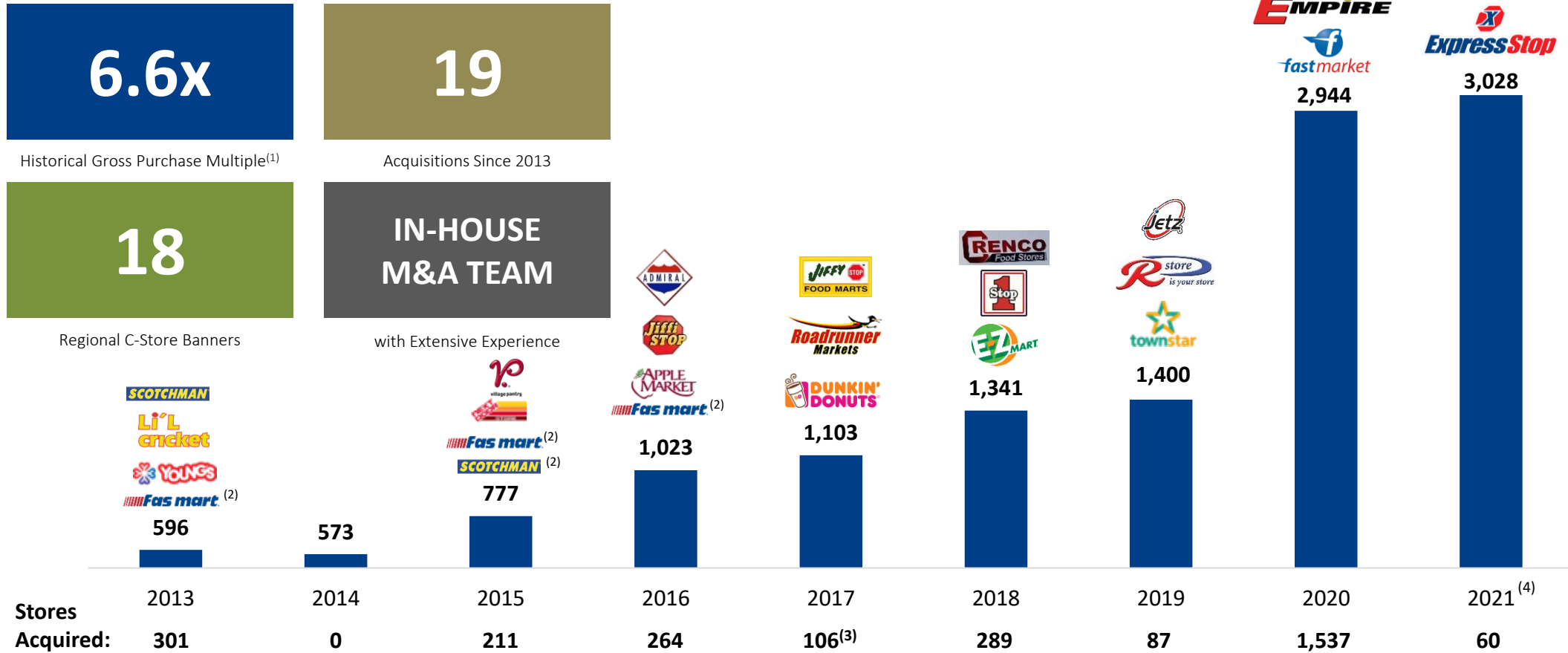
5 Illustrative Remodeling Platform (Interior)



Remodel Platform to Drive Increased Foot Traffic and Inside Sales

Dedicated M&A Team with Well-Developed Target Diligence, Transaction Execution, and Integration Capabilities

ARKO has consistently acquired quality assets at attractive multiples relative to publicly disclosed industry transactions. The Company has exercised demonstrable price discipline and creative approaches to transaction structuring which has historically resulted in attractive returns over time.

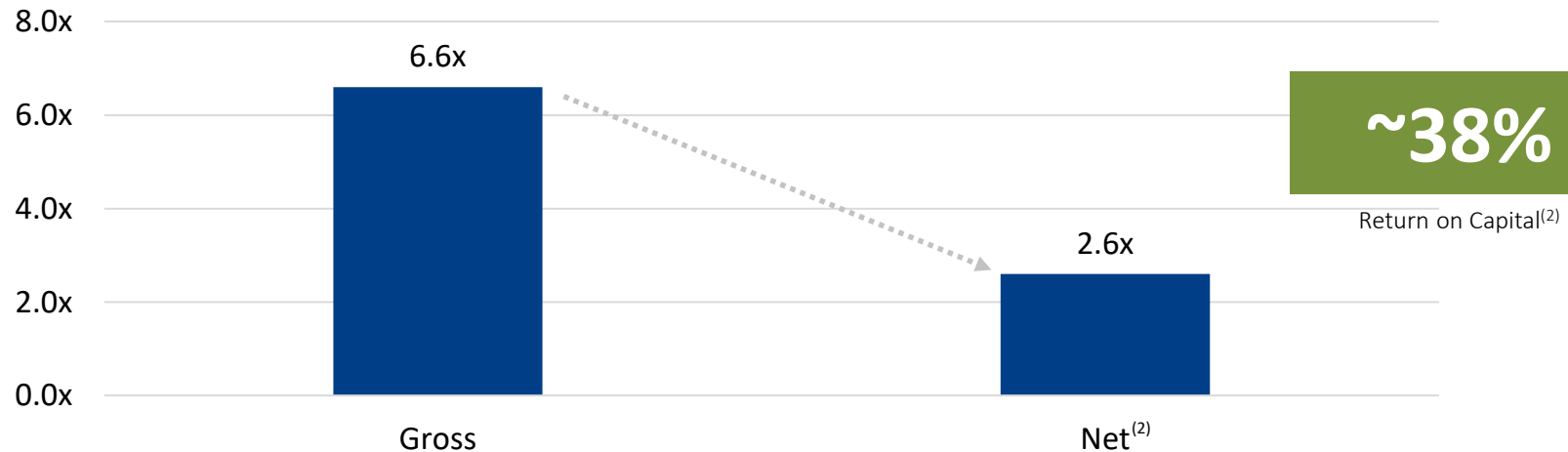


(1) Sample size based on 14 transactions completed (excludes 2019 - 2021 acquisitions for lack of visibility into post-transaction performance).
 (2) Gas Mart, Road Ranger, Arey Oil, and Hurst Harvey stores rebranded post-closing under Company's existing brands.
 (3) Includes Broyles Hospitality locations as of the acquisition date, a seven unit Dunkin' franchisee in Tennessee and Virginia.
 (4) As of 06/30/21.



ARKO has maintained purchase price discipline over time and focused intently on capturing cost savings and synergies post-transaction. Thorough diligence on the front end has been key to avoid mis-pricing assets that erode the Company's ability to meet return hurdles. Looking forward, we believe that the scale of the platform will enable the Company to achieve greater levels of synergies.

AVERAGE ARKO PURCHASE MULTIPLES FROM 2013 TO 2018⁽¹⁾



ARKO'S DISCIPLINED APPROACH TO M&A



Note: Sample size based on 14 transactions (excludes 2019 and 2020 acquisitions for lack of visibility into post-transaction performance); "Net" multiple based on EBITDA generated one-year after closing of acquisitions and is illustrated as a weighted average across all transactions.

(1) Purchase price based on store-level EBITDA.

(2) Before incremental G&A expenses from acquisitions; capital reduced by value structured real estate financing.



ARKO's scale and purchasing power are leveraged to significantly improve the performance of acquired operations

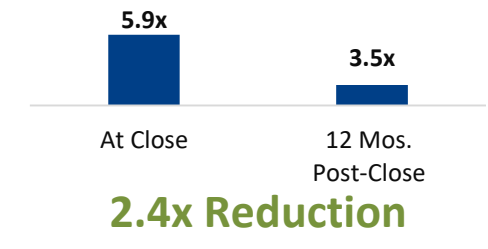
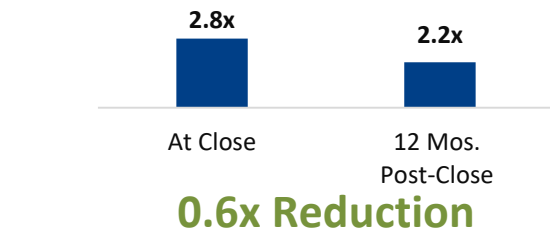
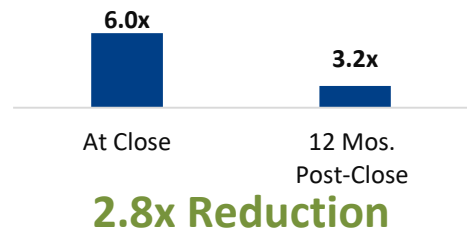
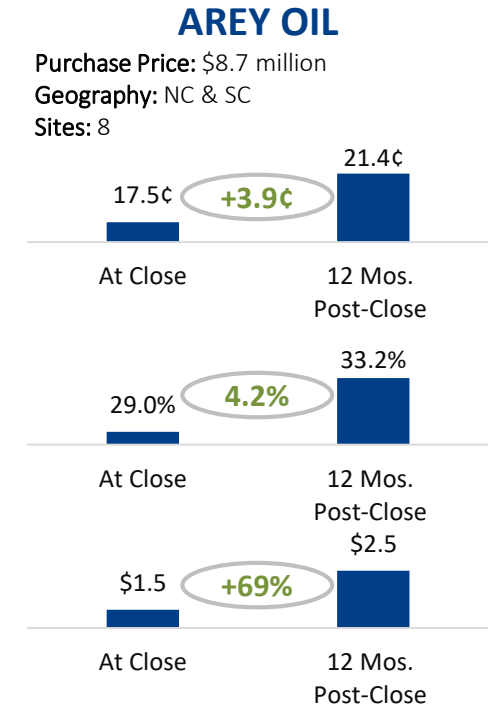
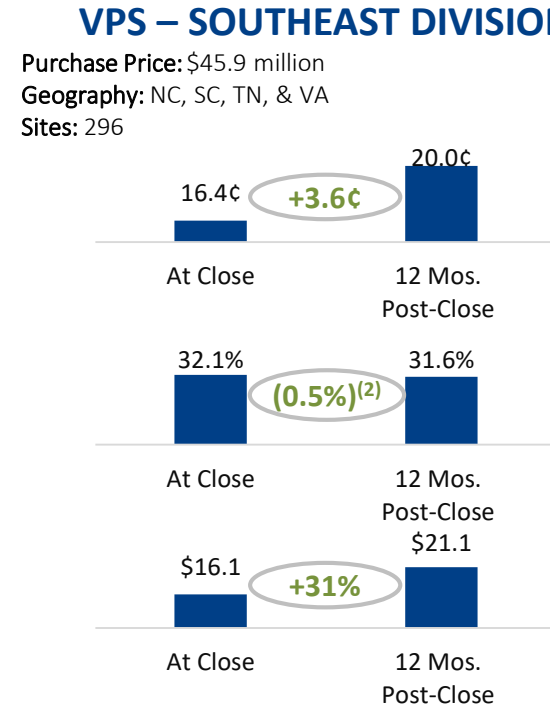
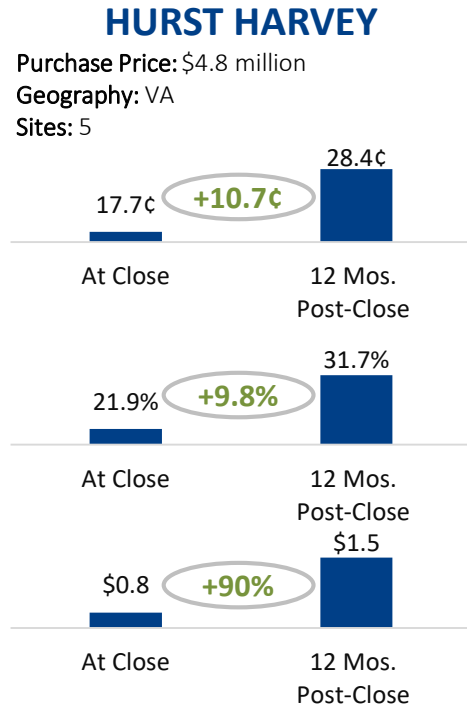


Fuel Margin

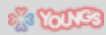
In-Store Margins⁽¹⁾

(\$ in millions)
Store-Level EBITDA

MULTIPLE REDUCTION AS SYNERGIES ARE REALIZED



(1) In-store margin does not include adjustments for inventory over/short, spoilage, or deferred loyalty sales.
(2) ARKO adopted an alternate cigarette pricing strategy post-transaction, voluntarily sacrificing profit margin for higher volumes to drive store traffic.



ARIE KOTLER
Founder, Chairman & CEO

~20 YEARS EXPERIENCE

- Acquired GPM Investments, LLC in 2011; operated and supplied 320 sites at the time
- CEO and Chairman of ARKO Holdings Ltd., a public company traded on the Tel Aviv Stock Exchange from 2005 until creation of ARKO Corp.
- Spearheaded various real estate and fuel transactions totaling over \$2 billion



EYAL NUCHAMOVITZ
Executive Vice President (GPM Investments, LLC)

~20 YEARS EXPERIENCE

- Joined GPM in January 2012 as Executive Vice President
- Served as the Executive Vice President and CFO of Tarragon Corporation
- Served as CEO of Arkos USA, a U.S. subsidiary of ARKO Holdings Ltd.



DON BASSELL
Chief Financial Officer

35+ YEARS EXPERIENCE

- Served as CFO since April 2014 and previously from 2004 through 2010
- Oversees accounting, finance, tax, treasury and financial reporting
- Served as the CFO of Mid-Atlantic Convenience Stores (Catterton-backed and sold to Sunoco)



CHRIS GIACOBONE
Chief Operating Officer (GPM Investments, LLC)

25+ YEARS EXPERIENCE

- Joined GPM with the acquisition of sites from DB Marts in 2004
- Oversees operations, fuel pricing, supply, transportation and facilities
- Served on the Board of Directors for the New England Convenience Store Association



MICHAEL BLOOM
Executive Vice President & CMO (GPM Investments, LLC)

~40 YEARS EXPERIENCE

- Joined GPM in 2019 from Fred's Inc., a publicly traded pharmacy and value general merchandise chain where he was CEO
- Oversees product assortment, merchandising, store brands, pricing, advertising, PR, in-store services, delis, store prototype development, loyalty and franchises
- Prior to working at Fred's Inc., served as President and COO of Family Dollar and EVP of Merchandising, Marketing and Supply Chain at CVS Health



MAURY BRICKS
General Counsel

~20 YEARS EXPERIENCE

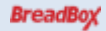
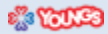
- Joined in 2013 from Greenberg Traurig, an international law firm
- Oversees legal and compliance matters including M&A, financing, governance, contracting, litigation management, licensing and risk management
- Worked in finance for the pipeline and retail natural gas divisions of Shell Oil Company

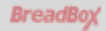
Other Senior Management

20-40 YEARS EXPERIENCE

- Experienced individuals covering operations, finance, marketing, IT, merchandising, and M&A diligence and integration

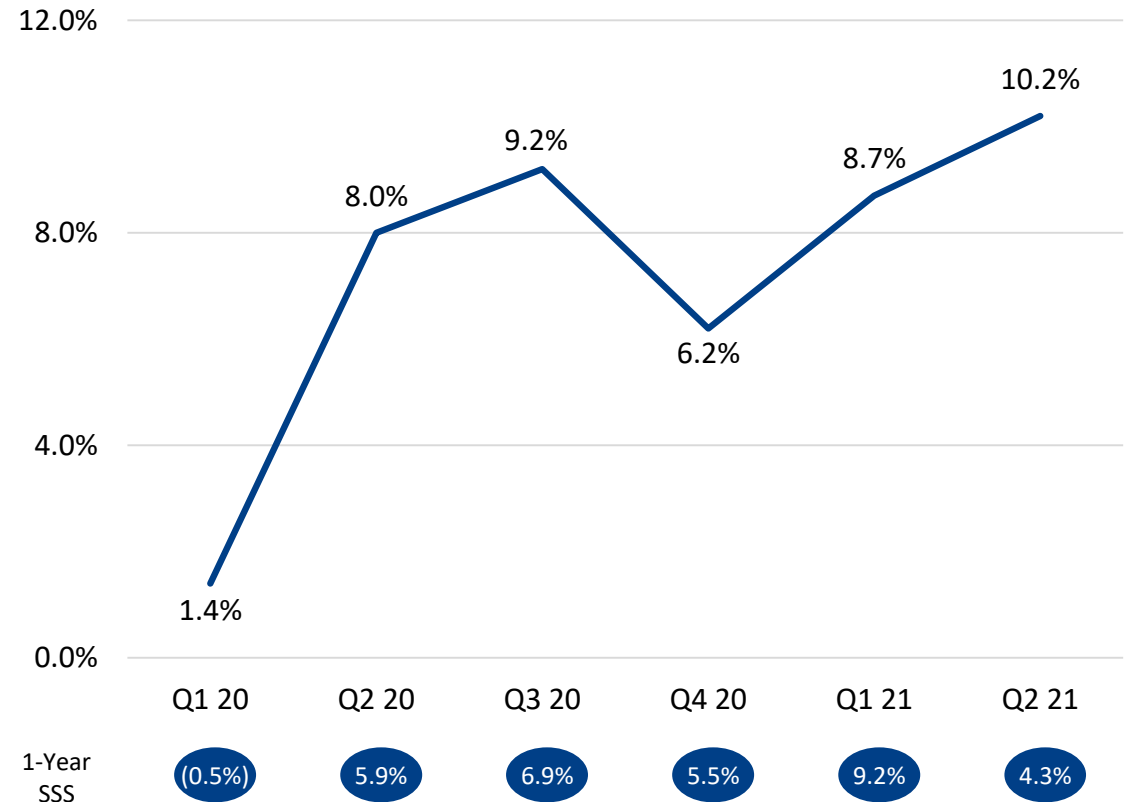
HISTORICAL FINANCIAL PERFORMANCE

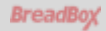




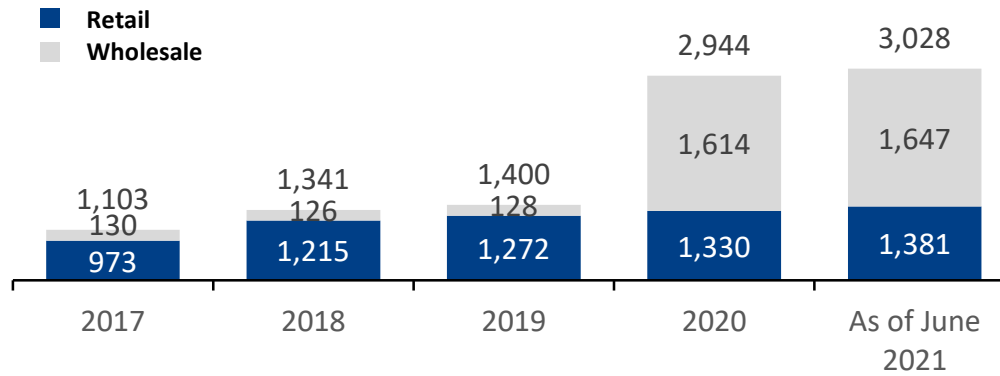
GPM has continued to post strong merchandise revenue growth, even during the peak COVID period in 2020

2-Year Stack SSS (excluding Cigarettes)



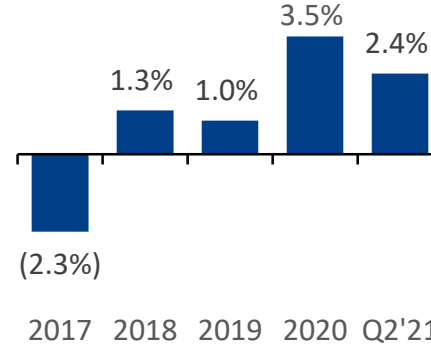


Store Count

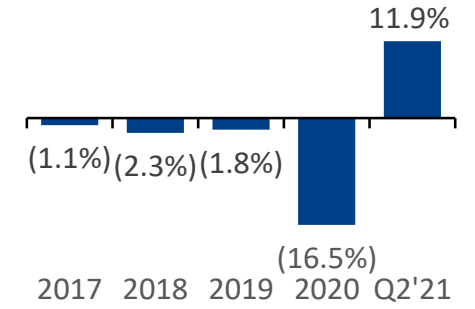


Merchandise and Fuel Gallons Same Store Sales

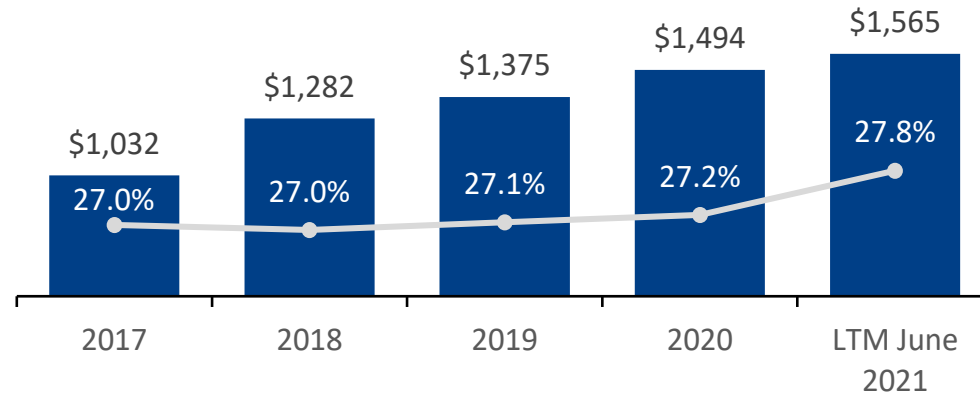
Merchandise Revenue (incl. Cigarettes)



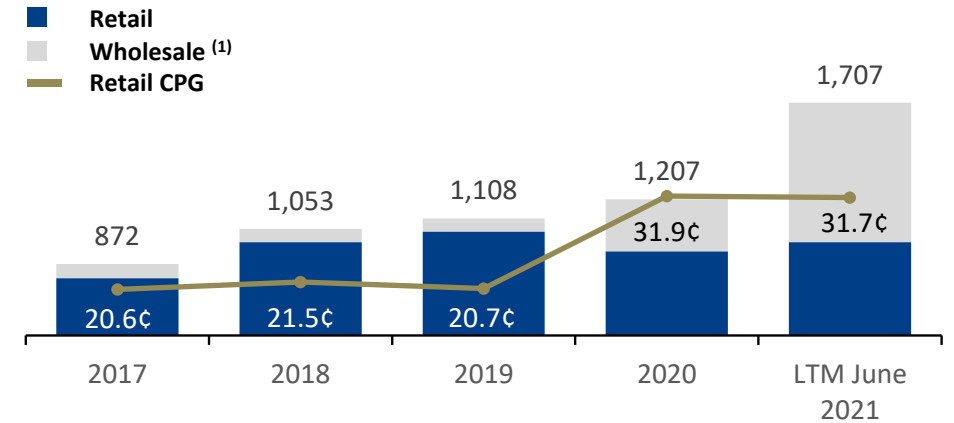
Fuel Gallons



Merchandise Revenue and Margin



Fuel Gallons Sold



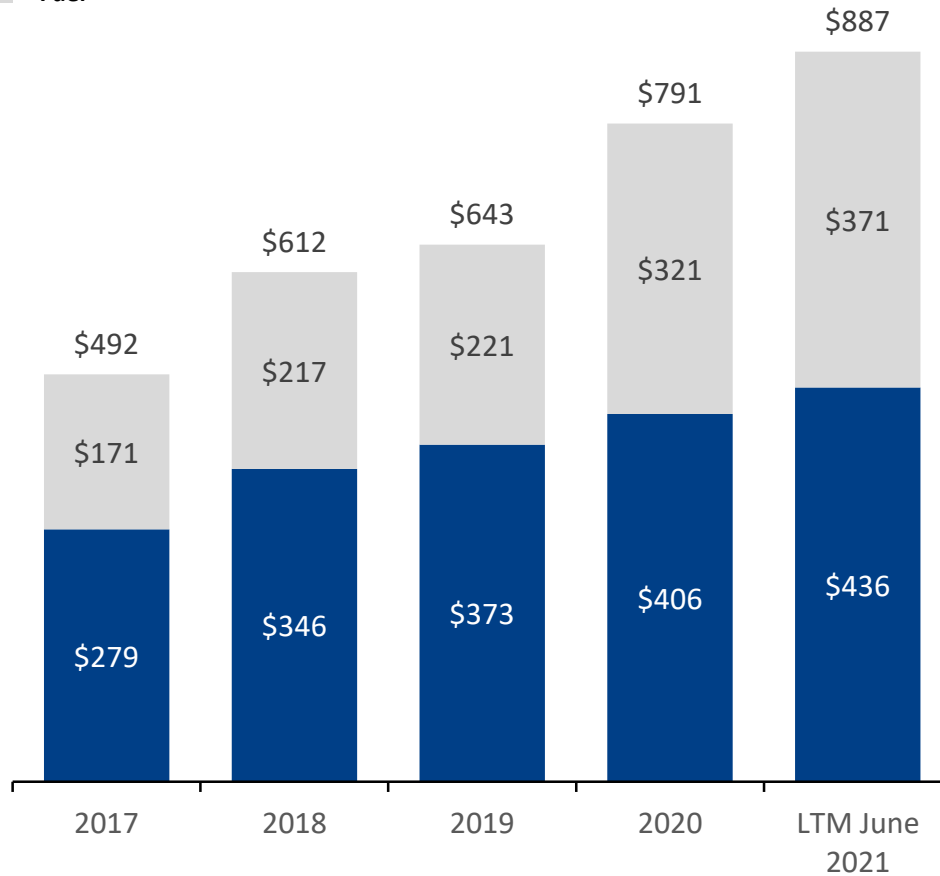
(1) Wholesale includes GPMP external gallons of 5.7mm, 3.5mm, 3.4mm, 2.9mm and 2.8mm for 2017, 2018, 2019, 2020 and LTM June 2021, respectively.



(millions)

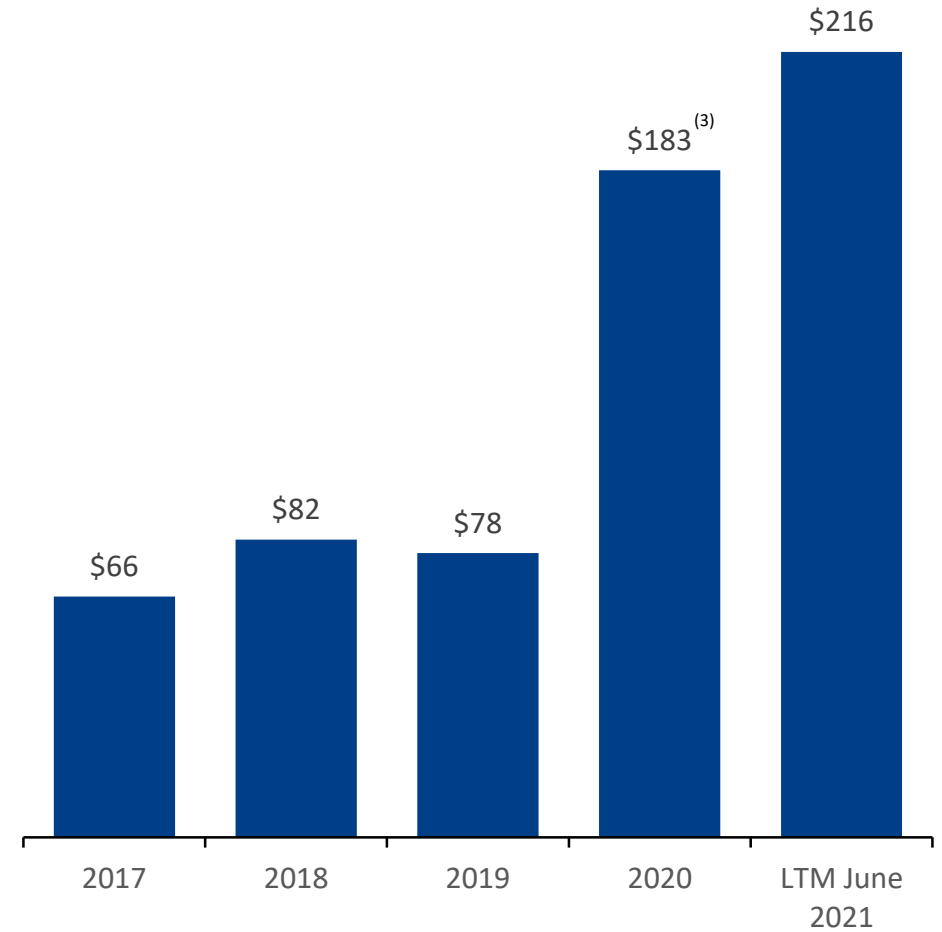
Gross Profit ⁽¹⁾

■ Merchandise
■ Fuel



(millions)

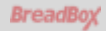
Adjusted EBITDA ⁽²⁾



(1) Includes other revenue (net) of \$42mm, \$49mm, \$50mm, \$63mm and \$80mm as of 2017, 2018, 2019, 2020 and LTM June 2021, respectively.

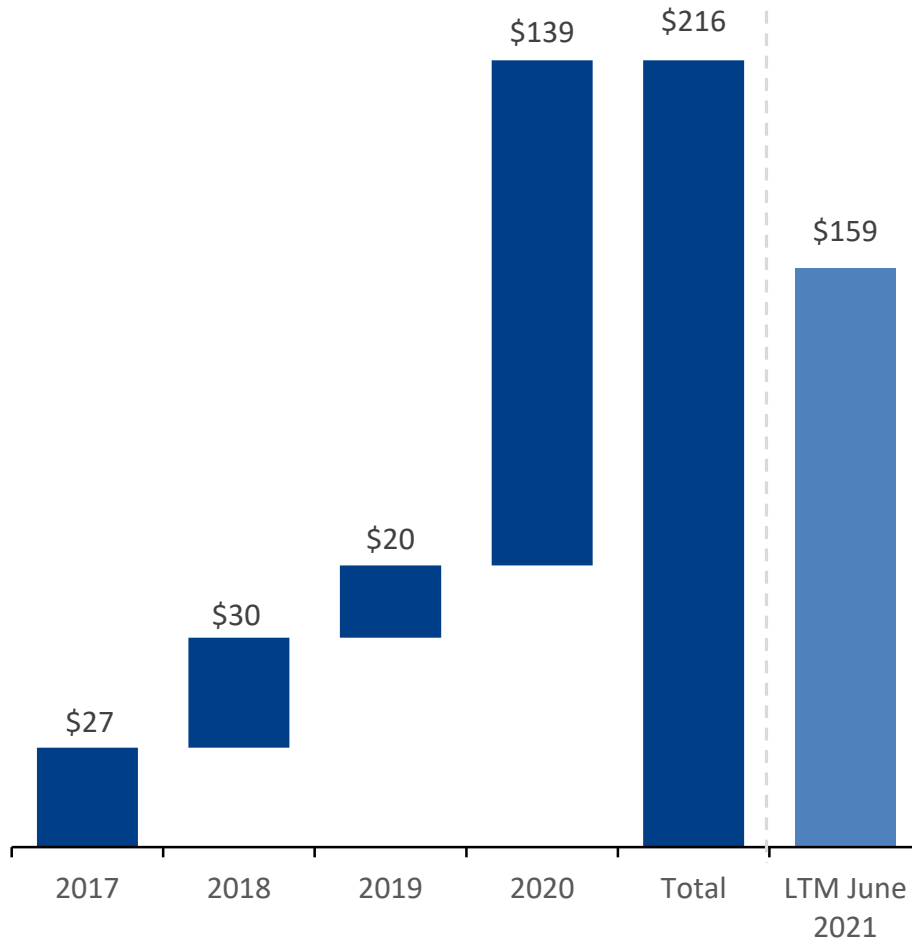
(2) Adjusted EBITDA and Adjusted EBITDA, net of incremental bonuses are non-GAAP financial measures. See Appendix for reconciliations to the most comparable GAAP financial measure.

(3) Adjusted EBITDA, net of incremental bonuses.



Cumulative Free Cash Flow ⁽¹⁾

(millions)

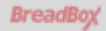


CapEx

(millions)

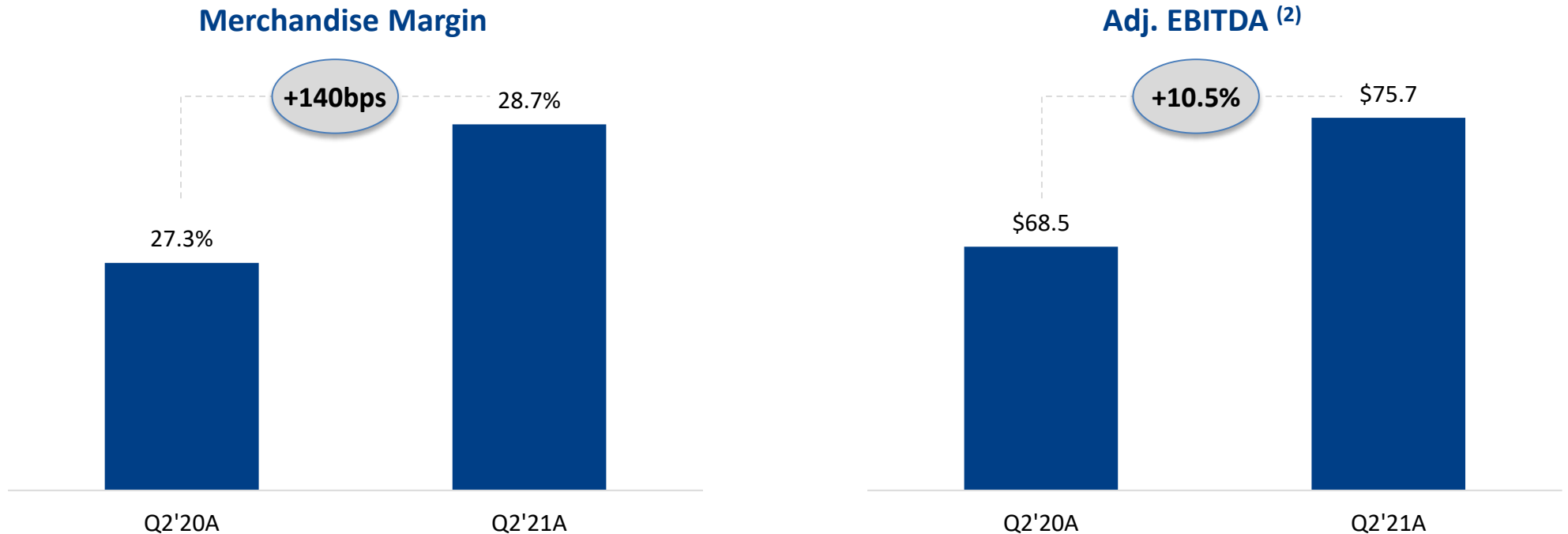


(1) Free cash flow defined as Adjusted EBITDA less capital expenditures. See Appendix for a reconciliation to the most comparable GAAP financial measure.



Q2 2021 Results

<h1>+10.2%</h1> <p>Merchandise SSS 2-Yr Stack (ex Cigarettes)</p>	<h1>+11.9%</h1> <p>Fuel Gallon SSS</p>	<h1>34.3</h1> <p>Retail Cents Per Gallon</p>	<h1>\$85M</h1> <p>Free Cash Flow ⁽¹⁾</p>
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(1) Free cash flow defined as Adjusted EBITDA less capital expenditures; represents 6-month data. See Appendix for a reconciliation to the most comparable GAAP financial measure.

(2) See Appendix for a reconciliation to the most comparable GAAP financial measure.



(\$ in millions)

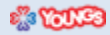
	As of 6/30/21	Maturity	Pricing
Cash and cash equivalents ⁽¹⁾	\$261		
GPM Investments			
PNC Line of Credit (\$140)	--	12/22/2022	L+125
Ares Term Loan	215	2/28/2027	L+450
M&T Loans	39	2024 - 2026	Varies
Insurance Premium Notes	5	--	--
GPM Petroleum LP			
Capital One Line of Credit (\$500)	395	7/15/2024	L+225-325
PNC Term Loan	32	12/22/2022	L+50
Financing Leases	239	--	--
Total Debt	\$925		
Total Debt (Excl. Financing Leases)	\$686		
Financials ⁽²⁾			
LTM 6/30/21 Adj. EBITDA	216		

Note: Debt reported net of ~12mm deferred financing costs.

(1) Includes cash and cash equivalents and restricted cash investments. Excludes restricted cash of ~\$15.5mm.

(2) Adj. EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP financial measure.

APPENDIX



Numerous in-store sales growth and margin enhancement opportunities exist across the Company's expansive footprint; despite its size, ARKO is extremely nimble as evidenced by its ability to fully stock stores with essential items ahead of competitors at the onset of the pandemic



PRIVATE LABEL EXPANSION & ESSENTIAL ITEMS

- High margin snacks and packaged beverages and pandemic essential items



LOYALTY PROGRAM ENHANCEMENT

- Launch of revised customer relationship-focused program in November 2020



PLANOGRAMMING

- Data-driven placement of top-selling SKUs across all categories with regional customization



ELECTRIC CHARGING

- Exploring electric vehicle charging opportunities and EV infrastructure



PRODUCT MIX OPTIMIZATION

- Optimized space planning, movement analysis and forward-looking category mix in post-pandemic world



MOBILE ORDER / CURBSIDE PICKUP

- DoorDash – expansion of delivery in over 680 stores
- We also partner with UberEats, Grub Hub, and Postmates



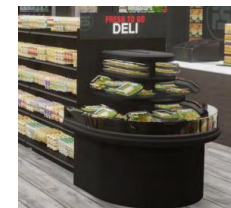
PROMOTIONAL EVENTS

- Popular promotions in tandem with loyalty program expansion



ENHANCED FOODSERVICE

- Expansion of grab 'n' go, frozen food and adding value menu



Reconciliation of ARKO GAAP Net Income to Adjusted EBITDA, Adjusted EBITDA, Net of Incremental Bonuses and Free Cash Flow

(\$ in millions)	Full year ended			6 months ended June 30,		
	2018	2019	2020	2020	2021	LTM (6/30/21)
Net income (loss)	\$23.5	(\$47.2)	\$30.1	\$19.7	\$10.9	\$21.4
Interest and other financing expenses, net	19.9	41.8	50.4	19.2	40.6	71.9
Income tax expense (benefit)	(7.9)	6.2	(1.5)	0.5	7.5	5.5
Depreciation and amortization	53.8	62.4	74.4	33.9	49.5	90.0
EBITDA	\$89.3	\$63.2	\$153.4	\$73.2	\$108.5	\$188.7
Non-cash rent expense (a)	4.7	7.6	7.1	3.5	3.3	6.9
Amortization of favorable and unfavorable leases (b)	(3.3)	--	--	--	--	--
Acquisition costs (c)	8.5	6.4	6.0	2.4	2.6	6.2
Gain on bargain purchase (d)	(24.0)	(0.4)	--	--	--	--
Loss (gain) on disposal of assets and impairment charges (e)	1.5	(1.2)	6.1	4.4	1.0	2.7
Share-based compensation expense (f)	0.5	0.5	1.9	0.3	2.5	4.2
Loss from equity investment (g)	0.5	0.5	1.3	0.4	(0.0)	0.9
Non-beneficial cost related to potential initial public offering of MLP (h)	2.0	0.1	--	--	--	--
Settlement of pension fund claim (i)	2.3	0.2	--	--	--	--
Merchandising optimization costs (j)	--	1.0	--	--	--	--
Fuel taxes paid in arrears (k)	--	--	0.8	1.1	--	(0.3)
Other (l)	--	0.3	(1.0)	0.3	0.1	(1.2)
Adj. EBITDA	\$81.8	\$78.2	\$175.6	\$85.5	\$118.0	\$208.1
Incremental bonuses (m)	--	--	7.8	--	--	7.8
Adj. EBITDA, net of incremental bonuses	\$81.8	\$78.2	\$183.4	\$85.5	\$118.0	\$215.9
Capital expenditures	(51.6)	(58.3)	(44.6)	(20.5)	(32.6)	(56.8)
Free Cash Flow (n)	\$30.2	\$19.9	\$138.8	\$65.0	\$85.4	\$159.1

- a) Eliminates the non-cash portion of rent, which reflects the extent to which our GAAP rent expense recognized exceeds (or is less than) our cash rent payments. The GAAP rent expense adjustment can vary depending on the terms of our lease portfolio, which has been impacted by our recent acquisitions. For newer leases, our rent expense recognized typically exceeds our cash rent payments, while for more mature leases, rent expense recognized is typically less than our cash rent payments.
- b) Eliminates amortization of favorable and unfavorable lease assets and liabilities.
- c) Eliminates costs incurred that are directly attributable to historical business acquisitions and salaries of employees whose primary job function is to execute our acquisition strategy and facilitate integration of acquired operations.
- d) Eliminates the gain on bargain purchase recognized as a result of the Town Star acquisition in 2019 and E-Z Mart acquisition in 2018.
- e) Eliminates the non-cash loss (gain) from the sale of property and equipment, the gain recognized upon the sale of related leased assets, including \$6.0 million related to the sale of eight stores in 2019, amortization of deferred gains on sale-leaseback transactions in 2018, and impairment charges on property and equipment and right-of-use assets related to closed and non-performing stores.
- f) Eliminates non-cash share-based compensation expense related to the equity incentive program in place to incentivize, retain, and motivate our employees, certain non-employees and members of our Board.
- g) Eliminates our share of (income) loss attributable to our unconsolidated equity investment
- h) Eliminates non-beneficial cost related to potential initial public offering of master limited partnership.
- i) Eliminates the impact of mainly timing differences related to amounts paid in settlement of a pension fund claim filed against GPM.
- j) Eliminates the one-time expense associated with our global merchandising optimization efforts in 2019.
- k) Eliminates the payment of historical fuel tax liabilities owed for multiple prior periods.
- l) Eliminates other unusual or non-recurring items that we do not consider to be meaningful in assessing operating performance.
- m) Eliminates incremental bonuses based on 2020 performance.
- n) Adjusted EBITDA, net of incremental bonuses less capital expenditures.

