TSX: SPB **November 11, 2021**

Superior Plus Corp. Announces 2021 Third Quarter Results

Superior Plus Corp. (“Superior”) (TSX:SPB) announced today its financial and operating results for the third quarter ended September 30, 2021. Unless otherwise expressed, all financial figures are expressed in Canadian dollars.

“During the third quarter, we were successful in our continued progress towards our Superior Way Forward acquisition and operational improvement initiatives,” said Luc Desjardins, President and Chief Executive Officer. “In the past twelve months, we have announced or closed eight acquisitions for an investment of approximately $625 million, and we continue to see a robust pipeline of acquisition opportunities in the U.S. and Canada.”

“Although our third quarter is our seasonally lowest, our results were modestly higher than the prior year quarter, and we are confirming our 2021 Adjusted EBITDA guidance,” added Desjardins. “Our sales volumes were higher due to acquisitions completed in the past twelve months and modest improvement in commercial and wholesale demand as COVID-19 restrictions are eased.”

Financial Highlights:

- Superior achieved third quarter Adjusted EBITDA of $13.0 million, a $2.2 million or 20% increase over the prior year quarter primarily due to lower corporate costs, and to a lesser extent, a higher realized gain on foreign currency hedging contracts partially offset by lower EBITDA from operations.
- Net loss from continuing operations of $35.9 million in the third quarter increased $9.8 million compared to the third quarter of 2020 primarily due to higher selling, distribution and administrative costs (“SD&A costs”), and lower gains on derivatives and foreign currency translation of borrowings, partially offset by higher gross profit and lower finance expense. Gross profit and SD&A costs increased primarily due to the impact of acquisitions completed in the past twelve months. Gains on derivatives and foreign currency translation of borrowings decreased due to the impact from the stronger Canadian dollar on the translation of U.S. denominated borrowings and foreign currency forward sales contracts. Finance expense decreased primarily due to lower average debt levels and lower average interest rates related to the senior unsecured notes.
- U.S. Propane EBITDA from operations was ($7.8) million, a decrease of $3.8 million compared to the prior year quarter primarily due to the higher operating costs, partially offset by higher adjusted gross profit. Operating costs and adjusted gross profit increased primarily due to the impact of acquisitions completed in the past twelve months. Due to the seasonality of the U.S. Propane business, the increase in operating costs more than offset the

increase in gross profit. Adjusted gross profit increased $8.9 million primarily due to higher sales associated with acquisitions completed in the last twelve months, and, to a lesser extent, higher average unit margins and higher other services gross profit. Sales volumes increased due to the contribution from acquisitions completed in the last twelve months Average unit margins increased due to sales and marketing initiatives, including focused sales growth in higher margin propane customers, partially offset by the impact of the stronger Canadian dollar on U.S. denominated gross profit. Operating costs increased by $12.7 million primarily due to the impact of acquisitions completed in the past twelve months, partially offset by cost-saving initiatives, realized synergies and the impact of the stronger Canadian dollar on the translation of U.S. denominated operating costs.

- Canadian Propane EBITDA from operations of $21.2 million, decreased $0.4 million or 2% from the prior year quarter primarily due to higher operating costs, partially offset by higher adjusted gross profit. Operating costs increased $7.6 million primarily due to the impact from the lower Canadian Emergency Wage Subsidy ("CEWS") benefit recorded during the quarter compared to the prior year quarter and higher volume-related costs, partially offset by lower incentive plan costs and cost-saving initiatives. Adjusted gross profit increased $7.2 million primarily due to higher average unit margins and higher sales volumes. Average unit margins increased primarily due to the timing of sales of carbon offset credits and stronger wholesale propane market fundamentals in the California market compared to the prior year quarter and customer mix. Sales volumes have increased primarily due to higher wholesale sales volumes in California related to increased demand as COVID restrictions were lifted.
- Corporate costs for the third quarter of 2021 were $1.0 million, a $6.1 million decrease compared to the prior year quarter due to long-term incentive plan recovery of $3.3 million in the current quarter compared to a long-term incentive plan cost of $2.6 million in the prior year quarter. The long-term incentive plan recovery in the current quarter was due to the decrease in the liability related to the lower share price at September 30, 2021 compared to June 30, 2021.
- AOCF before transaction and other costs during the third quarter was ($4.8) million, a $7.9 million increase compared to the prior year quarter primarily due to lower interest costs, and, to a lesser extent, higher Adjusted EBITDA and lower cash taxes. AOCF before transaction and other costs per share was ($0.02), $0.04 higher than the prior year due to an increase in AOCF before transaction and other costs, partially offset by an increase in weighted average shares outstanding. Weighted average shares outstanding, which assumes the exchange of the preferred shares into common shares, were higher than the prior comparable period due to the issuance of preferred shares to Brookfield Asset Management (the "Preferred Shares") that are reflected on an as converted basis.
- Superior's Total Net Debt to Adjusted EBITDA leverage ratio for the trailing twelve months ended September 30, 2021, was 3.5x, which is within Superior's long-term target range of 3.0x to 3.5x. Total Net Debt to Adjusted EBITDA increased from 3.3x at June 30, 2021 primarily due to higher total debt. Total debt increased due to the acquisition of Williams Energy Group, lower cash flow from operations in the third quarter related to seasonality and higher net working capital.
- Superior is confirming its previously disclosed Adjusted EBITDA range of $390 million to $420 million.

Strategic Developments and Highlights:

- On July 7, 2021, Superior acquired the assets of a retail propane distribution company based in North Carolina, operating under the tradename, Williams Energy Group ("Williams Energy"). Founded in 1998, Williams Energy is an established independent retail propane distributor delivering approximately 7 million gallons of propane annually to 12,000 retail and commercial customers in North Carolina.

- On July 14, 2021, Superior announced that one of its wholly-owned subsidiaries entered into an agreement to acquire the equity interests of Kamps Propane, Inc., High Country Propane, Inc., Pick Up Propane, Inc., Kiva Energy, Inc., Competitive Capital, Inc. and Propane Construction and Meter Services (collectively, "Kamps") for an aggregate purchase price of approximately US $240 million (CDN $299 million) before adjustments for working capital. Founded in 1969 by John Kamps, Kamps is an established independent family owned and operated retail and wholesale propane distributor based in California servicing approximately 45,000 residential, commercial and wholesale customers. Kamps has 14 retail branch offices, 5 company-operated rail terminals, over 375 vehicles and approximately 280 employees.
- On September 23, 2021, Superior announced it had received a request for additional information ("second request") from the United States Federal Trade Commission ("FTC") in connection with the pending acquisition of Kamps. Kamps has also received a similar second request from the FTC. The second requests were issued under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"). Superior and Kamps are in the process of supplying the FTC with information related to the second request. Superior expects the second request may delay the closing of Kamps until the first quarter of 2022.

Financial Overview

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars, except per share amounts)	**2021**	2020	**2021**	2020 [(1)]
Revenue	**362.6**	256.8	**1,567.7**	1,245.0
Gross Profit	**132.6**	120.7	**630.8**	636.2
Net earnings (loss) from continuing operations attributable to common shareholders	**(35.9)**	(26.1)	**3.4**	(25.1)
Net earnings (loss) from continuing operations per share attributable to common shareholders, diluted [(4)]	**$ (0.24)**	$ (0.18)	**$ (0.08)**	$ (0.17)
EBITDA from operations [(2)]	**$13.4**	$17.6	**$266.8**	$255.9
Adjusted EBITDA [(2)]	**$13.0**	$10.8	**$256.2**	$235.3
Net cash flows from operating activities	**(3.3)**	17.2	**226.2**	289.6
Net cash flows from operating activities per share, diluted [(4)]	**$ (0.02)**	$ 0.09	**$ 1.10**	$ 1.57
AOCF before transaction and other costs [(2)(3)]	**($4.8)**	($12.7)	**$189.5**	$158.2
AOCF before transaction and other costs per share, diluted [(2)(3)(4)]	**$ (0.02)**	$ (0.06)	**$ 0.92**	$ 0.86
AOCF [(2)]	**(11.7)**	(17.2)	**168.9**	143.1
AOCF per share, basic and diluted [(2)(4)]	**$ (0.06)**	$ (0.09)	**$ 0.82**	$ 0.78
Cash dividends declared on common shares	**31.7**	31.7	**95.1**	94.8
Cash dividends declared per share	**$ 0.18**	$ 0.18	**$ 0.54**	$ 0.54

(1) Comparative figures have been reclassified to exclude the results of the Specialty Chemicals segment due to the divestiture of the segment subsequent to the end of the first quarter. See the unaudited condensed interim consolidated financial statement for the three and nine months ended, third quarter, 2021 and 2020.

(2) EBITDA from operations, Adjusted EBITDA, interest expense, AOCF before transaction and other costs, and AOCF are Non-IFRS measures. See "Non-IFRS Financial Measures".

(3) Transaction and other costs for the three and nine months ended, third quarter, 2021 and 2020 are related to acquisition activity, restructuring and the integration of acquisitions and the divestiture of the Specialty Chemical segment. See "Transaction and Other Costs" for further details.

(4) The weighted average number of shares outstanding for the three and nine months ended, third quarter, 2021 was 206.0 million (three and nine months ended, September 30, 2020 was 201.8 million, and 184.2 million). The weighted average number of shares assumes the exchange of the preferred shares into common shares. There were no other dilutive instruments with respect to AOCF per share and AOCF before transaction and other costs per share for the three and nine months ended, third quarter, 2021 and 2020.

Segmented Information

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2021**	2020[(1)]	**2021**	2020[(1)]
EBITDA from operations[(1)]				
U.S. Propane Distribution	**(7.8)**	(4.0)	**146.3**	126.5
Canadian Propane Distribution	**21.2**	21.6	**120.5**	129.4
	13.4	17.6	**266.8**	255.9

(1) See "Non-IFRS Financial Measures". Comparative figures have been reclassified to exclude the results of the Specialty Chemicals segment as a result of the announced divestiture and subsequent closing of the transaction. See the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended, third quarter, 2021 and 2020.

MD&A and Financial Statements

Superior's MD&A, the unaudited Interim Condensed Consolidated Financial Statements and the Notes to the Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2021 provide a detailed explanation of Superior's operating results. These documents are available online at Superior's website at www.superiorplus.com under the Investor Relations section and on SEDAR under Superior's profile at www.sedar.com.

2021 Third Quarter Conference Call

Superior will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the Third Quarter Results at 10:30 a.m. EST on Friday, November 12, 2021. To participate in the call, dial: 1-844-389-8661. Internet users can listen to the call live, or as an archived call on Superior's website at www.superiorplus.com under the Events section.

Non-IFRS Financial Measures

Throughout the first quarter earnings release, Superior has used the following terms that are not defined by International Financial Reporting Standards ("Non-IFRS Financial Measures"), but are used by management to evaluate the performance of Superior and its business: AOCF before and after transaction and other costs, earnings before interest, taxes, depreciation and amortization ("EBITDA") from operations, Adjusted Gross Profit, Adjusted EBITDA, Total Debt to Adjusted EBITDA leverage ratio, Senior Debt, Credit Facility EBITDA and Senior Debt to Credit Facility EBITDA leverage ratio. These measures may also be used by investors, financial institutions and credit rating agencies to assess Superior's performance and ability to service debt. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that Non-IFRS financial measures are clearly defined, qualified and reconciled to their most comparable IFRS financial measures. Except as otherwise indicated, these Non-IFRS financial measures are calculated and disclosed on a consistent basis from period to period. Specific items may only be relevant in certain periods. See "Non-IFRS Financial Measures" in the MD&A for a discussion of Non-IFRS financial measures and certain reconciliations to IFRS financial measures.

The intent of Non-IFRS financial measures is to provide additional useful information to investors and analysts, and the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-IFRS financial measures differently. Investors should be cautioned that AOCF, EBITDA from operations, Adjusted EBITDA and Credit Facility EBITDA should not be construed as alternatives to net earnings, cash flow from operating activities or other measures of financial results determined in accordance with IFRS as an indicator of Superior's performance.

Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share

AOCF is equal to cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital, other expenses, non-cash interest expense, current income taxes and finance costs. Superior may deduct or include additional items in its calculation of AOCF; these items would generally, but not necessarily, be infrequent in nature and could distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. AOCF and AOCF per share are presented before and after transaction and other costs.

AOCF per share before transaction and other costs is calculated by dividing AOCF before transaction and other costs by the weighted average number of shares outstanding. AOCF per share is calculated by dividing AOCF by the weighted average number of shares outstanding.

AOCF is a performance measure used by management and investors to evaluate Superior's ongoing performance of its businesses and ability to generate cash flow. AOCF represents cash flow generated by Superior that is available for, but not necessarily limited to, changes in working capital requirements, investing activities and financing activities of Superior.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized AOCF. Adjustments recorded by Superior as part of its calculation of AOCF include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Energy Distribution segment, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenues and expenses, which can differ significantly from quarter to quarter. AOCF is reconciled to cash flow from operating activities. Please refer to the Financial Overview section of the MD&A for the reconciliation.

EBITDA from operations

EBITDA from operations is defined as Adjusted EBITDA excluding costs that are not considered representative of Superior's underlying core operating performance, including gains and losses on foreign currency hedging contracts, corporate costs and transaction and other costs. Management uses EBITDA from operations to set targets for Superior (including annual guidance and variable compensation targets). EBITDA from operations is reconciled to net earnings before income taxes. Please refer to the Results of Operating Segments in the MD&A for the reconciliations.

Adjusted EBITDA

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, restructuring costs, transaction and other costs, and unrealized gains (losses) on derivative financial instruments. Adjusted EBITDA is used by Superior and investors to assess its consolidated results and ability to service debt. Adjusted EBITDA is reconciled to net earnings before income taxes.

Adjusted EBITDA is a significant performance measure used by management and investors to evaluate Superior's ongoing performance of its businesses. Adjusted EBITDA is also used as one component in determining short-term incentive compensation for certain management employees.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized Adjusted EBITDA.

Total Net Debt to Adjusted EBITDA Leverage Ratio and Pro Forma Adjusted EBITDA

Adjusted EBITDA for the Total Net Debt to Adjusted EBITDA Leverage Ratio is defined as Adjusted EBITDA calculated on a 12-month trailing basis giving pro forma effect to acquisitions and dispositions adjusted to the first day of the calculation period ("Pro Forma Adjusted EBITDA"). Pro Forma Adjusted EBITDA is used by Superior to calculate its Total Net Debt to Adjusted EBITDA Leverage Ratio.

Total Net Debt is determined by taking the sum of borrowings before deferred financing fees and lease liabilities and reducing this by the cash and cash equivalents balance.

To calculate the Total Net Debt to Adjusted EBITDA Leverage Ratio divide Total Net Debt by Pro Forma Adjusted EBITDA. Total Net Debt to Adjusted EBITDA Leverage Ratio is used by Superior and investors to assess its ability to service debt.

Forward Looking Information

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior, Superior LP and its businesses. Such information is typically identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "plan", "forecast", "future", "outlook, "guidance", "may", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: future financial position, expected Adjusted EBITDA and the anticipated closing of the Kamps acquisition and the associated timing.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources, and the historic performance of Superior's businesses. Such assumptions include the time required to complete the regulatory process for the Kamps acquisition, anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, utilization of tax basis, regulatory developments, currency, exchange and interest rates, future commodity prices relating to the oil and gas industry, future oil rig activity levels, trading data, cost estimates, our ability to obtain financing on acceptable terms, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior or Superior LP, the assumptions set forth under the "Financial Outlook" sections of our MD&A. The forward looking information is also subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, Superior's or Superior LP's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, the anticipated impact of the COVID-19 pandemic and the expected economic recession, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) our MD&A under the heading "Risk Factors" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on our forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither Superior nor Superior LP undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

For more information about Superior, visit our website at www.superiorplus.com or contact:

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF 2021 THIRD QUARTER RESULTS
NOVEMBER 11, 2021

This Management's Discussion and Analysis (MD&A) contains information about the performance and financial position of Superior Plus Corp. (Superior) as at and for the three and nine months ended September 30, 2021 and 2020, as well as forward-looking information about future periods. The information in this MD&A is current to November 11, 2021, and should be read in conjunction with Superior's unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2021 and 2020.

The accompanying unaudited condensed interim consolidated financial statements of Superior were prepared by and are the responsibility of Superior's management. Superior's unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2021 and 2020 were prepared in accordance with International Accounting Standards (IAS) 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB).

All financial amounts in this MD&A are expressed in millions of Canadian dollars except where otherwise noted. All tables are for the three and nine months ended September 30 of the period indicated, unless otherwise stated. This MD&A includes forward-looking statements and assumptions. See "Forward-Looking Information" for more details.

Overview of Superior

Superior is a distributor and marketer of propane and distillates and related products and services. Superior holds 99.9% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc. (Superior GP) as general partner and Superior as limited partner. Superior owns 100% of the shares of Superior GP and Superior GP holds 0.1% of Superior LP. The cash flow of Superior is solely dependent on the results of Superior LP and is derived from the allocation of Superior LP's income to Superior by means of partnership allocations.

Superior, through its ownership of Superior LP and Superior GP, has two operating segments: U.S. Propane Distribution, and Canadian Propane Distribution. The U.S. Propane Distribution segment distributes propane gas and liquid fuels primarily in the Eastern United States, as well as the Midwest and California. The Canadian Propane Distribution segment includes the Canadian retail propane distribution business and the wholesale natural gas liquid marketing businesses with operations located in Canada and California. The previously disclosed Specialty Chemicals segment has been divested, see the Basis of Presentation and Divestiture section below for further details.

Non-IFRS Financial Measures

Throughout the MD&A, Superior has used the following terms that are not defined under International Financial Reporting Standards (IFRS), but are used by management to evaluate the performance of Superior and its businesses: adjusted operating cash flow (AOCF) before and after transaction and other costs, earnings before interest, taxes, depreciation and amortization (EBITDA) from operations, Adjusted EBITDA, Operating Costs, Interest expense, Total Net Debt to Adjusted EBITDA, Leverage Ratio and Adjusted Gross Profit. These measures may also be used by investors, financial institutions and credit rating agencies to assess Superior's performance and ability to service debt. Non-IFRS financial measures do not have standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that Non-IFRS financial measures are clearly defined, qualified and reconciled to their most comparable IFRS financial measures. Except as otherwise indicated, these Non-IFRS financial measures are calculated and disclosed on a consistent basis from period to period. Specific items may only be relevant in certain periods.

The intent of using Non-IFRS financial measures is to provide additional useful information to investors and analysts; the measures do not have standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-IFRS financial measures differently. See "Non-IFRS Financial Measures" for more information about these measures.

Forward-Looking Information

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior, Superior LP and its businesses. Such information is typically identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "plan", "forecast", "future", "outlook", "guidance", "may", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: future financial position, consolidated and business segment outlooks, updated 2021 Adjusted EBITDA guidance range, expected Adjusted EBITDA, the duration and anticipated impact of the COVID-19 pandemic, estimates of the impact COVID-19 may have on our operations, the markets for our products and our financial results, expected total net debt to Adjusted EBITDA ratio, business strategy and objectives, development plans and programs, organic growth, weather, economic activity in Western Canada, product pricing and sourcing, volumes and pricing, wholesale propane market fundamentals, exchange rates, expected synergies from acquisitions, expected seasonality of demand, and future economic conditions.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third party industry analysts and other third-party sources, and the historic performance of Superior's businesses. Such assumptions include the acquisition of Kamps Propane Inc., High Country Propane, Inc., Pick Up Propane, Inc., Kiva Energy, Inc., Competitive Capital, Inc. and Propane Construction and Meter Services ("collectively, Kamps") closing in the first quarter of 2022 in accordance with the terms of the agreement, anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, utilization of tax basis, regulatory developments, currency, exchange and interest rates, future commodity prices relating to the oil and gas industry, future oil rig activity levels, trading data, cost estimates, our ability to obtain financing on acceptable terms, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior or Superior LP, the assumptions set forth under the "Financial Outlook" sections in this MD&A. The forward-looking information is also subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, Superior's or Superior LP's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include risk relating to satisfaction of the conditions to and completion of the Kamps acquisition, incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, the anticipated impact of the COVID-19 pandemic and the economic recession, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) this MD&A under "Risk Factors to Superior" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on Superior's forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither Superior nor Superior LP undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

Basis of Presentation and Divestiture

On April 9, 2021 (the "closing date") Superior completed the previously announced sale of its Specialty Chemicals business for total consideration of $725.0 million (the "Transaction"). Superior received $600.0 million in cash proceeds less working capital and other adjustments of approximately $17.0 million and $125.0 million in the form of a 6% unsecured note ("Vendor Note"). The principal amount of the Vendor Note and accrued and unpaid interest are due October 9, 2026.

The Transaction purchase price is subject to adjustment based on the average EBITDA of the business, excluding the impact of IFRS 16 (the "average EBITDA"), for the three consecutive twelve-month periods following the closing date. The Transaction purchase price may be adjusted through the issuance of an additional note from either Superior or the Specialty Chemicals business. If the average EBITDA is higher than $115 million, the buyer will issue an additional note to Superior. The amount of the additional note will be the difference between the average EBITDA and $115 million, multiplied by 4.5, up to a maximum of $100 million, including accumulated interest. The additional note will bear interest at the same rate as the Vendor Note and interest will accrue from the closing date. If the average EBITDA is lower than $100 million, an additional note will be issued by Superior to the Specialty Chemicals business. The amount of the additional note will be the difference between the average EBITDA and $100 million, multiplied by 4.5, up to a maximum of $100 million, including accumulated interest. The additional note will bear interest at the same rate as the Vendor Note and interest will accrue from the closing date.

Superior now presents the results of operations from this business as discontinued operations, (see Note 4 in the unaudited condensed interim consolidated financial statements). The Specialty Chemicals segment operated as a distinct segment, and has no impact on the operations of the Energy Distribution segments. This MD&A reflects the results of continuing operations, unless otherwise noted.

FINANCIAL OVERVIEW

Summary of AOCF

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars except per share amounts)	**2021**	2020[1]	**2021**	2020[1]
Revenue	**362.6**	256.8	**1,567.7**	1,245.0
Gross profit	**132.6**	120.7	**630.8**	636.2
EBITDA from operations [2]	**13.4**	17.6	**266.8**	255.9
Corporate administrative costs [2]	**(1.0)**	(7.1)	**(19.5)**	(14.7)
Realized gains (losses) on foreign currency hedging contracts	**0.6**	0.3	**8.9**	(5.9)
Adjusted EBITDA [2]	**13.0**	10.8	**256.2**	235.3
Interest expense [2]	**(16.5)**	(20.9)	**(58.4)**	(69.2)
Cash income tax expense	**(1.3)**	(2.6)	**(8.3)**	(7.9)
AOCF before transaction and other costs [2]	**(4.8)**	(12.7)	**189.5**	158.2
Transaction and other costs [3]	**(6.9)**	(4.5)	**(20.6)**	(15.1)
AOCF[2]	**(11.7)**	(17.2)	**168.9**	143.1
AOCF per share before transaction and other costs [2][3][4]	**($0.02)**	($0.06)	**$0.92**	$0.86
AOCF per share [2][3][4]	**($0.06)**	($0.09)	**$0.82**	$0.78
Dividends declared per common share	**$0.18**	$0.18	**$0.54**	$0.54

(1) Comparative figures have been reclassified to exclude the results of the divested Specialty Chemicals segment. See the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended, September 30, 2021 and 2020.

(2) EBITDA from operations, Corporate administration costs, Adjusted EBITDA, Interest expense, AOCF before transaction and other costs, and AOCF are Non-IFRS measures. See "Non-IFRS Financial Measures".

(3) Transaction and other costs for the three and nine months ended September 30, 2021 and 2020 are related to acquisition activity, restructuring and the integration of acquisitions and the divestiture of the Specialty Chemical segment. See "Transaction and Other Costs" for further details.

(4) The weighted average number of shares outstanding for the three and nine months ended, September 30, 2021 was 206.0 million (three and nine months ended September 30, 2020 was 201.8 million, and 184.2 million). The weighted average number of shares assumes the exchange of the preferred shares into common shares. There were no other dilutive instruments with respect to AOCF per share and AOCF before transaction and other costs per share for the three and nine months ended, September 30, 2021 and 2020.

Comparable IFRS Financial Information

	Three Months Ended September 30		**Nine Months Ended September 30**	
(millions of dollars except per share amounts)	**2021**	2020[1]	**2021**	2020[1]
Net earnings (loss) from continuing operations for the period	**(35.9)**	(26.1)	**3.4**	(25.1)
Net earnings (loss) from continuing operations for the period attributable to common shareholders	**(42.1)**	(31.5)	**(14.5)**	(30.5)
Net earnings from continuing operations for the period attributable to non-controlling interest	**6.2**	5.4	**17.9**	5.4
Net earnings from continuing operations per share attributable to Superior, basic and diluted	**($0.24)**	($0.18)	**($0.08)**	($0.17)
Net earnings from discontinued operations, net of tax expense	**2.3**	4.7	**177.1**	22.6
Cash flows from continuing operating activities	**(3.3)**	17.2	**226.2**	289.6
Cash flows from continuing operating activities per share[1]	**($0.02)**	$0.09	**$1.10**	$1.57

(1) Comparative figures have been reclassified to exclude the results of the divested Specialty Chemicals segment. See the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2021 and 2020.

(2) The weighted average number of shares outstanding for the three and nine months ended, September 30, 2021 was 206.0 million (three and nine months ended September 30, 2020 was 201.8 million, and 184.2 million). The weighted average number of shares assumes the exchange of the preferred shares into common shares. There were no other dilutive instruments with respect to AOCF per share and AOCF before transaction and other costs per share for the three and nine months ended, September 30, 2021 and 2020.

Segmented Information

	Three Months Ended September 30		**Nine Months Ended September 30**	
(millions of dollars)	**2021**	2020[1]	**2021**	2020[1]
EBITDA from operations[1]				
U.S. Propane Distribution	**(7.8)**	(4.0)	**146.3**	126.5
Canadian Propane Distribution	**21.2**	21.6	**120.5**	129.4
	13.4	17.6	**266.8**	255.9

(1)EBITDA from operations is a Non-IFRS measure. See "Non-IFRS Financial Measures". Comparative figures have been reclassified to exclude the results of the divested Specialty Chemicals segment. See the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2021 and 2020.

AOCF Reconciled to Cash Flows from Operating Activities (1)

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2021**	2020	**2021**	2020
Cash flows from operating activities	**(3.3)**	17.2	**226.2**	289.6
Non-cash interest expense, loss on redemption, interest on vendor note and other	**0.1**	1.6	**79.4**	5.3
Changes in non-cash operating working capital	**(10.1)**	(26.1)	**(62.7)**	(80.1)
Income taxes paid	**1.5**	1.4	**15.0**	8.4
Interest paid	**18.0**	40.3	**86.2**	91.6
Cash income tax expense	**(1.3)**	(2.6)	**(8.3)**	(7.9)
Finance expense recognized in net earnings	**(16.6)**	(24.3)	**(139.8)**	(80.2)
	(11.7)	7.5	**196.0**	226.7
Less AOCF from Discontinued operations	**-**	(22.7)	**(27.1)**	(83.6)
AOCF(1)	**(11.7)**	(17.2)	**168.9**	143.1

(1) AOCF is a Non-IFRS measure. See "Non-IFRS Financial Measures". See the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2021 and 2020.

RECENTLY COMPLETED AND ANNOUNCED ACQUISITIONS

On July 7, 2021, a wholly-owned subsidiary of Superior acquired the assets of a retail propane distribution company based in North Carolina, operating under the tradename, Williams Energy Group ("Williams Energy") for an aggregate purchase price of approximately US $38.9 million (CDN $48.6 million).

On July 14, 2021, Superior announced that one of its wholly owned subsidiaries entered into an agreement to acquire the equity interest of Kamps Propane Inc., High Country Propane, Inc., Pick Up Propane, Inc., Kiva Energy, Inc., Competitive Capital, Inc. and Propane Construction and Meter Services ("collectively, Kamps") for an aggregate purchase price of approximately US $240 million (CDN $299 million) before adjustments for working capital. As a result of a second request from the United States Federal Trade Commission review, Superior expects this may delay the closing until the first quarter of 2022.

Consolidated Statement of Net Earnings

(millions of dollars except per share amounts)	Three Months Ended September 30 2021	Three Months Ended September 30 2020 [1]	Nine Months Ended September 30 2021	Nine Months Ended September 30 2020 [1]
Revenue	**362.6**	256.8	**1,567.7**	1,245.0
Cost of sales (includes products and services)	**(230.0)**	(136.1)	**(936.9)**	(608.8)
Gross profit	**132.6**	120.7	**630.8**	636.2
Expenses				
Selling, distribution and administrative costs ("SD&A")	**(184.5)**	(165.8)	**(583.7)**	(534.9)
Finance expense	**(16.6)**	**(22.5)**	**(137.8)**	(74.5)
Gains (losses) on derivatives and foreign currency translation of borrowings	**17.4**	**26.6**	**92.5**	(20.4)
	(183.7)	(161.7)	**(629.0)**	(629.8)
Earnings before income taxes	**(51.1)**	(41.0)	**1.8**	6.4
Income tax(expense)	**15.2**	**14.9**	**1.6**	(31.5)
Net earnings (loss) from continuing operations	**(35.9)**	(26.1)	**3.4**	(25.1)
Net earnings (loss) from continuing operations attributable to:				
Superior	**(42.1)**	**(31.5)**	**(14.5)**	**(30.5)**
Non-controlling interest	**6.2**	**5.4**	**17.9**	**5.4**
Net earnings (loss) from continuing operations per share attributable to Superior, fully diluted	**($0.24)**	($0.18)	**($0.08)**	($0.17)

[1] Comparative figures have been reclassified to exclude the results of the divested Specialty Chemicals segment. See the unaudited condensed interim consolidated financial statements for the three and nine months ended, September 30, 2021 and 2020.

Q3 2021 Summary of Results Compared to the Prior Year Quarter

Adjusted EBITDA for the three months ended September 30, 2021 was $13.0 million, an increase of $2.2 million or 20% compared to the prior year quarter Adjusted EBITDA of $10.8 million. The increase is primarily due to lower corporate costs and to a lesser extent a higher realized gain on foreign currency hedging contracts partially offset by lower EBITDA from operations. Corporate administrative costs were $1.0 million, a decrease of $6.1 million from the prior year quarter of $7.1 million primarily due to a recovery in long-term incentive plan costs related to the decrease in the share price in the current quarter. Realized gains on foreign currency hedging contracts of were $0.6 million, an increase of $0.3 million compared to $0.3 million in the prior year quarter due to changes in foreign exchange rates relative to amounts hedged. EBITDA from operations decreased $4.2 million or 24% compared to the prior year quarter primarily due to lower U.S. Propane Distribution (U.S. Propane) EBITDA from operations and modestly lower Canadian Propane Distribution (Canadian Propane) EBITDA from operations. U.S. Propane EBITDA from operations was ($7.8) million, a decrease of $3.8 million compared to the prior year quarter due primarily to the higher operating costs, partially offset by higher adjusted gross profit. Operating costs and adjusted gross profit increased primarily due to acquisitions completed in the trailing twelve months. Due to the seasonality of the U.S. Propane business, the increase in operating costs more than offset the increase in gross profit. Canadian Propane EBITDA from operations was $21.2 million, a decrease of $0.4 million or 2% compared to the prior year quarter primarily due to higher operating costs, partially offset by higher adjusted gross profit. Operating costs increased due primarily to the impact of lower Canadian Emergency Wage Subsidy ("CEWS") recorded in the current period compared to the prior year quarter and higher volume-related expenses. Adjusted gross profit increased due primarily to higher sales volumes, and higher average margins related to stronger wholesale propane market fundamentals compared to the prior year quarter.

AOCF before transaction and other costs for the three months ended September 30, 2021 was ($4.8) million, an increase of $7.9 million or 62% from the prior year quarter of ($12.7) million. The increase from the prior year quarter is primarily due to lower interest and to a lesser extent higher Adjusted EBITDA discussed above and lower cash taxes. Interest expense decreased primarily due to lower average debt balances and to a lesser extent, the impact of lower average interest rates compared to the prior year quarter. Cash income tax expense decreased by $1.3 million due primarily to the timing of taking certain tax deductions. AOCF per share before transaction and other costs was ($0.02) per share, an increase of $0.04 per share from the prior year quarter results of ($0.06) per share, due to lower AOCF before transaction and other costs discussed above.

AOCF for the three months ended September 30, 2021 was ($11.7) million, an increase of $5.5 million or 32% from the prior year quarter AOCF of ($17.2) million due to higher AOCF before transaction and other costs discussed above partially offset by higher transaction and other costs incurred due to timing of acquisitions and integration activity. AOCF per share for the three months ended September 30, 2021 was $($0.06) per share, an increase of $0.03 per share from the prior year quarter results of ($0.09) per share. Transaction and other costs for the three months ended September 30, 2021 were $6.9 million, $2.4 million more than the $4.5 million in the prior year quarter due to timing of acquisition and integration activity.

Revenue for the three months ended September 30, 2021, was $362.6 million, an increase of $105.8 million or 41% from the prior year quarter revenue of $256.8 million due to higher revenue in both the Canadian Propane Distribution and U.S. Propane Distribution segments. Canadian Propane Distribution revenue for the three months ended September 30, 2021 was $214.1 million, an increase of $67.5 million or 46% primarily due to higher wholesale propane prices passed through to customers and to a lesser extent, higher sales volumes. U.S. Propane Distribution revenue for the three months ended September 30, 2021 was $152.9 million, an increase of $40.7 million or 36% from the prior year quarter primarily due to higher sales volumes related to acquisitions completed in the last twelve month and higher wholesale propane prices passed through to customers, partially offset by the impact of the stronger Canadian dollar on the translation of U.S. denominated revenues.

Gross profit for the three months ended September 30, 2021 was $132.6 million, an increase of $11.9 million or 10% from $120.7 million in the prior year quarter primarily due to higher U.S. Propane and Canadian Propane gross profit. U.S. Propane Distribution gross profit increased primarily due to the increase in sales volumes related to acquisitions partially offset by the impact of the stronger Canadian dollar on the translation of U.S. denominated gross profit. Canadian Propane gross profit increased due to higher average unit margins related to stronger wholesale propane market fundamentals, the timing of the sale of carbon offsets and higher sales volumes.

Selling, distribution and administrative costs ("SD&A") for the three months ended September 30, 2021 were $184.5 million, an increase of $18.7 million or 11% from the prior year quarter primarily due to increases in SD&A in U.S. Propane and to a lesser extent an increase in Canadian Propane SD&A partially offset by a decrease in corporate SD&A. U.S. Propane Distribution SD&A costs were $114.4 million, an increase of $16.1 million from $98.3 million in the prior year quarter primarily due to the impact of acquisitions partially offset by the impact of the stronger Canadian dollar on the translation of U.S. denominated SD&A. Canadian Propane costs were $66.4 million for the three months ended September 30, 2021, an increase of $7.4 million or 13% from $59.0 million in the prior year quarter due primarily to the impact of a lower CEWS recovery in the current period compared to the prior year quarter and to a lesser extent, higher volume related expenses. Corporate SD&A costs were $3.7 million for the three months ended September 30, 2021, a decrease of $4.8 million or 56% from $8.5 million in the prior year quarter primarily due to a recovery in long-term incentive plan costs compared to an expense in the prior year quarter.

Finance expense for the three months ended September 30, 2021 was $16.6 million, a decrease of $5.9 million or 26% from $22.5 million in the prior year quarter. The decrease is primarily due to the impact of lower average debt balances and lower average interest rates and to a lesser extent the interest earned on the Vendor Note that was recorded as a reduction to the finance expense. Average debt balances were lower as the net proceeds from the divestiture of the Specialty Chemicals business in the second quarter were used primarily to reduce debt and were impacted by the timing of acquisitions.

Gains (losses) on derivative and foreign currency translation of borrowings consists of unrealized gains (losses) on derivative financial instruments and foreign currency translation of borrowings, net of realized gains (losses) on derivative financial instruments. Superior recognized a gain on derivatives and foreign currency translation of borrowings of $17.4 million for the three months ended September 30, 2021 compared to a gain of $26.6 million in the prior year quarter. This is mainly related to changes in market prices of commodities, timing of maturities of underlying financial instruments and foreign exchange rates relative to amounts hedged and U.S. denominated debt. For additional details, refer to Note 13 of the 2021 unaudited condensed interim consolidated financial statements.

Total income tax recovery for the three months ended September 30, 2021 was $15.2 million, a change of $0.3 million from a $14.9 million income tax recovery in the prior year quarter. Current income tax expense was $1.3 million, a decrease of $1.3 million from the prior year quarter expense of $2.6 million. Deferred income tax recovery was $16.5 million, a decrease of $1.0 million from a $17.5 million income tax recovery in the prior year quarter.

The net loss from continuing operations for the three months ended September 30, 2021 was $35.9 million, a $9.8 million increase from the net loss of $26.1 million in the prior year quarter. The increase in the loss from the prior year quarter is primarily due to a decrease in unrealized gains on derivatives and foreign currency translation of borrowings recorded in the current quarter compared to the prior year quarter and higher SD&A costs partially due to a reduction of CEWS recorded in the current quarter. Basic and diluted loss per share was $0.24, compared to a loss per share of $0.18 in the prior year quarter.

Net earnings from discontinued operations of $2.3 million was a decrease of $2.4 million from $4.7 million in the prior year quarter. The decrease was primarily due to finalizing the realized gain on the disposal of the Specialty Chemical segment compared to a full quarter of operations in the prior comparable quarter.

Year-to-date Comparison to the Prior Year-to-date

Adjusted EBITDA for the nine months ended September 30, 2021 was $256.2 million, an increase of $20.9 million or 9% compared to the prior comparable period Adjusted EBITDA of $235.3 million. The increase is due to a realized gain on foreign currency hedging contracts compared to a loss in the prior comparable period and higher EBITDA from operations partially offset by higher corporate costs. Superior realized a gain on foreign currency hedging contracts of $8.9 million compared to a loss of $5.9 million in the prior year due to the weaker Canadian dollar than the average hedge rate. EBITDA from operations increased $10.9 million or 4% compared to the prior year primarily due to higher U.S. Propane EBITDA from operations, partially offset by lower Canadian Propane EBITDA from operations. U.S. Propane EBITDA from operations was $146.3 million, an increase of $19.8 million or 16% primarily due to the impact of completed acquisitions, colder weather in the first quarter, and additional synergies. Canadian Propane EBITDA from operations was $120.5 million, a decrease of $8.9 million or 7% primarily due to the weaker market fundamentals within the supply portfolio management business partially offset by the impact of the CEWS program. Corporate administrative costs were $19.5 million compared to $14.7 million in the prior comparable period. The increase is primarily due to higher incentive plan costs than in the prior comparable period due to appreciation in the share price.

AOCF before transaction and other costs for the nine months ended September 30, 2021 was $189.5 million, an increase of $31.3 million or 20% from the prior comparable period AOCF before transaction and other costs of $158.2 million. The increase from the prior year is primarily due to higher Adjusted EBITDA discussed above and lower interest expense, partially offset by marginally higher cash taxes. Interest expense decreased by $10.8 million or 16% primarily to due to lower average debt balances and lower average interest rates. Cash income tax expense increased by $0.4 million as a result of utilizing expiring Canadian federal tax credits in the prior comparable period. AOCF per share before transaction and other costs was $0.92 per share, an increase of $0.06 per share or 7% from the prior year to date results of $0.86 per share primarily due to higher AOCF before transaction costs discussed above partially offset by the increase in the weighted average shares outstanding. Weighted average shares outstanding were higher than the prior comparable period due to the issuance of preferred shares to Brookfield Asset Management (the "Preferred Shares") that are reflected on an as converted basis.

AOCF for the nine months ended September 30, 2021 was $168.9 million, an increase of $25.8 million or 18% from the prior year AOCF of $143.1 million due to the increased AOCF before transaction and other costs discussed above. AOCF per share for nine months ended September 30, 2021 was $0.82 per share, an increase of $0.04 per share or 5% from the prior comparable quarter results of $0.78 per share. Transaction and other costs for the nine months ended September 30, 2021 were $20.6 million, $5.5 million higher than the prior comparable period. Costs incurred in the current year related primarily to the integration of acquisitions.

Revenue for the nine months ended September 30, 2021 was $1,567.7 million, an increase of $322.7 million or 26% from the prior year quarter due to higher revenue in the U.S. Propane Distribution and Canadian Propane Distribution segments. U.S. Propane Distribution revenue for the nine months ended September 30, 2021 was $781.4 million, an increase of $176.9 million or 29% primarily due to the impact of increases to wholesale propane prices that are passed through to the customer and the additional revenues from acquisitions partially offset by the impact of the stronger Canadian dollar on U.S. denominated sales. Canadian Propane Distribution revenue for the nine months ended September 30, 2021 was $805.7 million, an increase of $153.4 million or 24% primarily due to the impact of increases to wholesale propane prices that are passed through to the customer and the impact of higher sales volumes.

Consolidated gross profit was $630.8 million, a decrease of $5.4 million or 1% from $636.2 million primarily due to lower Canadian Propane gross profit partially offset by higher U.S. Propane gross profit. Canadian Propane gross profit decreased primarily due to weaker market fundamentals within the supply portfolio management business and to a lesser extent competitive pressure. U.S. Propane Distribution gross profit increased primarily due to the impact of completed acquisitions in the current and prior years and colder weather in Q1 partially offset by the impact of the stronger Canadian dollar on the translation of U.S. denominated transactions.

SD&A was $583.7 million for the nine months ended September 30, 2021, an increase of $48.8 million or 9% from the prior comparable period, primarily due to an increase in U.S. Propane, Corporate SD&A and to a lesser extent Canadian Propane SD&A. U.S. Propane Distribution SD&A costs were $343.5 million, an increase of $40.1 million or 13% from $303.4 million in the prior year primarily due to the impact of completed acquisitions and higher volume related expenses partially offset by the impact of the weaker Canadian dollar on the translation of U.S. denominated SD&A and to a lesser extent workforce optimization and the realization of incremental synergies and lower transaction and restructuring costs. Corporate SD&A costs were $27.0 million, an increase of $6.9 million or 34% from $20.1 million in the prior year primarily due to higher incentive plan costs related to share price appreciation and higher transaction costs. Canadian Propane Distribution SD&A costs of $213.2 million an increase of $1.8 million or 1% from $211.4 million in the prior comparable period primarily due to higher volume related expenses partially offset by the impact of the CEWS program recorded in the current period.

Finance expense for the nine months ended September 30, 2021 was $137.8 million, an increase of $63.3 million or 85% from $74.5 million in the prior year comparable period. The increase is primarily due to $58.6 million in early call premiums related to the redemption of the US$350 million, $400 million and $370 million senior unsecured notes and to a lesser extent the impact of the stronger Canadian dollar on the translation of U.S. denominated finance expense partially offset by lower average debt balances and lower average interest rates. Debt balances are lower primarily as the net proceeds from the divestiture of Specialty Chemicals in the prior quarter were used to reduce debt and fund acquisitions.

Gains (losses) on derivative and foreign currency translation of borrowings consists of unrealized gains (losses) on derivative financial instruments and foreign currency translation of borrowings, net of realized gains (losses) on derivative financial instruments. Superior incurred a gain on derivatives and foreign currency translation of borrowings of $92.5 million for the nine months ended September 30, 2021 compared to a loss of $20.4 million in the prior year comparable period. This is mainly related to changes in market prices of commodities, timing of maturities of underlying financial instruments and foreign exchange rates relative to amounts hedged. For additional details, refer to Note 13 of the 2021 unaudited condensed interim consolidated financial statements.

Total income tax recovery of $1.6 million was $33.1 million lower than the prior year expense of $31.5 million. Current income tax expense was $8.3 million, an increase of $0.4 million from the comparable prior year's expense of $7.9 million. Deferred income tax recovery was $9.9 million, a decrease of $33.5 million from the prior comparable period expense of $23.6 million primarily due to the impact of the Specialty Chemical divestiture.

The net earnings from continuing operations for the nine months ended September 30, 2021 was $3.4 million, compared to a net loss of $25.1 million in the prior comparable period. The increase from the prior comparable period is primarily due to gains on derivatives and foreign currency translation of borrowings compared to a loss in the prior comparable period and to a lesser extent lower tax expense partially offset by lower gross profit, higher finance expense and higher SD&A. Basic and diluted loss per share was $0.08, compared to basic and diluted loss per share of $0.17 in the prior comparable period.

Net earnings from discontinued operations for the nine months ended September 30, 2021 was $177.1 million an increase of $154.5 million from $22.6 million in the prior comparable period. The increase is primarily due to a gain on disposal of the Specialty Chemical segment partially offset by lower net earnings as a result of approximately six months less operations.

RESULTS OF SUPERIOR'S OPERATING SEGMENTS

Superior's operating segments consists of U.S. Propane and Canadian Propane.

U.S. PROPANE DISTRIBUTION

U.S. Propane Distribution's condensed operating results:

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2021**	2020	**2021**	2020
Revenue	**152.9**	112.2	**781.4**	604.5
Cost of Sales	**(85.8)**	(51.5)	**(417.7)**	(254.1)
Gross profit	**67.1**	60.7	**363.7**	350.4
Realized gains (losses) on derivatives related to commodity risk management	**2.3**	(0.2)	**22.8**	(17.2)
Adjusted gross profit(1)	**69.4**	60.5	**386.5**	333.2
Selling, distribution and administrative costs	**(114.4)**	(98.3)	**(343.5)**	(303.4)
Add back (deduct):				
Amortization and depreciation included in selling, distribution and administrative costs	**32.8**	30.0	**93.2**	85.0
Transaction and other costs	**4.3**	3.2	**9.9**	9.8
Loss on disposal of assets and other	**0.1**	0.6	**0.2**	1.9
Operating costs(1)	**(77.2)**	(64.5)	**(240.2)**	(206.7)
EBITDA from operations(1)	**(7.8)**	(4.0)	**146.3**	126.5
Add back (deduct):				
Loss on disposal of assets and other	**(0.1)**	(0.6)	**(0.2)**	(1.9)
Transaction and other costs	**(4.3)**	(3.2)	**(9.9)**	(9.8)
Amortization and depreciation included in selling, distribution and administrative costs	**(32.8)**	(30.0)	**(93.2)**	(85.0)
Unrealized gains on derivative financial instruments	**30.8**	2.2	**47.0**	11.4
Finance expense	**(1.4)**	(1.3)	**(3.8)**	(4.2)
Earnings (Loss) before income tax	**(15.6)**	(36.9)	**86.2**	37.0

(1) Adjusted Gross Profit, EBITDA from operations and Operating Costs are Non-IFRS financial measures. See "Non-IFRS Financial Measures" and "Reconciliation of Earnings (Loss) before Income Taxes to EBITDA from Operations".

Revenue for three months ended September 30, 2021 was $152.9 million, an increase of $40.7 million or 36% from the prior year quarter primarily due to higher sales volume related to acquisitions and higher wholesale commodity prices that are passed through to the customer, partially offset by the impact of the stronger Canadian dollar on the translation of U.S. denominated revenues. Wholesale supply prices were higher than the prior year quarter due to wholesale propane market fundamentals and an increase in average West Texas Intermediate ("WTI") crude oil prices and higher export demand, compared to the prior year. WTI crude oil prices decreased significantly during the end of the first quarter in the prior year due to the global reaction to COVID-19 and excess supply globally.

U.S. Propane Adjusted Gross Profit

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2021**	2020	**2021**	2020
Propane distribution	**61.3**	56.6	**347.9**	338.0
Realized gain (loss) on derivatives related to commodity risk management	**2.3**	(0.2)	**22.8**	(17.2)
Propane distribution adjusted gross profit	**63.6**	56.4	**370.7**	320.8
Other services	**5.8**	4.1	**15.8**	12.4
Adjusted gross profit[(1)]	**69.4**	60.5	**386.5**	333.2

[(1)] Adjusted gross profit from operations is a Non-IFRS financial measure. See "Non-IFRS Financial Measures".

U.S. Propane distribution adjusted gross profit for the three months ended September 30, 2021 was $63.6 million an increase of $7.2 million or 13% from the prior year quarter primarily due to higher sales volumes associated with acquisitions completed in the last twelve months and to a lesser extent higher average unit margins.

Total sales volumes were 168 million litres, an increase of 13 million litres or 8% from the prior year primarily due to higher commercial sales volumes. Residential sales volumes increased by 2 million litres or 3% due to the impact of acquisitions completed in the current and prior year. Commercial volumes increased by 12 million litres or 13% compared to the prior year quarter primarily due to the impact of acquisitions completed in the current and prior year and to a lesser extent the impact of reduced COVID-19 restrictions on commercial customers. Wholesale volumes were consistent with the prior year quarter. Average weather, as measured by degree days, across markets where U.S. propane operates for 2021 was 17% warmer than the prior year and 21% colder than the five-year average. Sales volumes are highest in the first and fourth quarter due to the demand from heating end-use customers. Fluctuations in the weather during the third quarter does not have a significant impact on total annual sales volumes.

U.S. Propane average sales margins were 37.9 cents per litre, an increase of 4% from 36.4 cents per litre in the prior year quarter primarily due to the impact of focusing on higher margin propane customers partially offset by the impact of the stronger Canadian dollar on the translation of U.S. denominated gross profit.

Other services gross profit primarily includes equipment rental, billable repairs and maintenance work, installation fees and customer minimum use charges. Other services gross profit was $5.8 million, an increase of $1.7 million or 40% over the prior year quarter primarily due to the impact of acquisitions completed in the past twelve months.

U.S. Propane Distribution Sales Volumes
End-Use Application

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of litres)	**2021**	2020	**2021**	2020
Residential	**61**	59	**500**	413
Commercial	**103**	91	**408**	332
Wholesale	**4**	5	**19**	22
Total	**168**	155	**927**	767

U.S. Propane Distribution Sales Volumes
Volumes by Region [(1)]

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of litres)	**2021**	2020	**2021**	2020
Northeast	**117**	121	**740**	616
Southeast	**34**	15	**101**	68
Midwest	**11**	13	**59**	60
West	**6**	6	**27**	23
Total	**168**	155	**927**	767

(1) Regions: Northeast region consists of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia; Southeast region consists of North Carolina, South Carolina, Georgia, Tennessee, Florida, Alabama; Midwest region consists of Ohio, Michigan, Minnesota; West region consists primarily of California

Operating Costs and Selling, Distribution and Administrative Costs
Operating costs were $77.2 million, an increase of $12.7 million or 20% over the prior year quarter primarily due to the impact of acquisitions completed in the past twelve months, partially offset by the impact of the stronger Canadian dollar on the translation of U.S. denominated operating costs and realized synergies on acquisitions and cost saving initiatives. SD&A costs were $114.4 million, an increase $16.1 million or 16% over the prior year quarter. SD&A costs increased for the above reasons and higher depreciation and amortization expense caused by an increased asset base related to completed acquisitions and to a lesser extent higher integration related costs.

Earnings before tax
Loss before tax of $15.6 million is a decrease of $21.3 million or 58% over the prior year quarter due to the aforementioned reasons.

Financial Outlook
EBITDA from operations in 2021 for U.S. Propane is anticipated to be higher than 2020. The contributions from completed acquisitions and cost saving initiatives are expected to be partially offset by the impact of the stronger Canadian dollar on the translation of U.S. denominated EBITDA. Average weather for the remainder of 2021 in the Eastern U.S. and California, as measured by degree days, is anticipated to be consistent with the five-year average.

In addition to the significant assumptions referred to above, refer to “Forward-Looking Information” and “Risk Factors to Superior” for a detailed review of significant business risks affecting the Propane Distribution businesses.

CANADIAN PROPANE DISTRIBUTION

Canadian Propane Distribution's condensed operating results:

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2021**	2020	**2021**	2020
Revenue[(1)]	**214.1**	146.6	**805.7**	652.3
Cost of Sales[(1)]	**(148.6)**	(86.6)	**(538.6)**	(366.5)
Gross profit[(1)]	**65.5**	60.0	**267.1**	285.8
Realized gains (losses) on derivatives related to commodity risk management	**2.4**	0.7	**6.7**	(2.1)
Adjusted gross profit[(2)]	**67.9**	60.7	**273.8**	283.7
Selling, distribution and administrative costs	**(66.4)**	(59.0)	**(213.2)**	(211.4)
Add back (deduct):				
Amortization and depreciation included in selling, distribution and administrative costs	**19.0**	18.9	**55.3**	55.8
Transaction and other costs	**0.2**	0.2	**3.8**	0.5
Loss on disposal of assets and other	**0.5**	0.8	**0.8**	0.8
Operating costs[(2)]	**(46.7)**	(39.1)	**(153.3)**	(154.3)
EBITDA from operations[(2)]	**21.2**	21.6	**120.5**	129.4
Add back (deduct):				
Loss on disposal of assets and other	**(0.5)**	(0.8)	**(0.8)**	(0.8)
Transaction and other costs	**(0.2)**	(0.2)	**(3.8)**	(0.5)
Amortization and depreciation included in selling, distribution and administrative costs	**(19.0)**	(18.9)	**(55.3)**	(55.8)
Unrealized gains on derivative financial instruments	**8.3**	0.3	**13.7**	3.2
Finance expense	**(1.1)**	(1.0)	**(3.1)**	(3.4)
Earnings before income tax	**8.7**	1.0	**71.2**	72.1

(1) Revenue and gross profit in the prior year quarter have been adjusted to reflect the treatment of intersegment sales. This did not have an impact on the results of the operating segments. See the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three months ended September 30, 2021 and 2020.

(2) Adjusted gross profit, EBITDA from operations and operating costs are Non-IFRS financial measures. See "Non-IFRS Financial Measures" and "Reconciliation of Earnings (Loss) before Income Taxes to EBITDA from Operations".

Revenue for three months ended September 30, 2021 was $214.1 million, an increase of $67.5 million or 46% from the prior year quarter primarily due to higher wholesale propane prices which are passed through to the customer, export demand, and to a lesser extent higher sales volumes. Wholesale supply prices were higher than the prior year quarter due to wholesale propane market fundamentals and an increase in average West Texas Intermediate ("WTI") crude oil prices and higher export demand, compared to the prior year. WTI crude oil prices decreased significantly during the end of the first quarter in the prior year due to the global reaction to COVID-19 and excess supply globally.

Canadian Propane Adjusted Gross Profit

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2021**	2020	**2021**	2020
Propane distribution	**62.5**	56.9	**256.2**	275.2
Realized gains (losses) on derivatives related to commodity risk management	**2.4**	0.7	**6.7**	(2.1)
Propane distribution adjusted gross profit	**64.9**	57.6	**262.9**	273.1
Other services	**3.0**	3.1	**10.9**	10.6
Adjusted gross profit[(1)]	**67.9**	60.7	**273.8**	283.7

(1) Adjusted gross profit is a Non-IFRS financial measure. See "Non-IFRS Financial Measures".

Propane distribution adjusted gross profit for three months ended September 30, 2021 was $64.9 million, an increase of $7.3 million or 13% from the prior year quarter primarily due to the timing of the sale of carbon offsets, higher sales volumes and to a lesser extent stronger wholesale propane market fundamentals compared to the prior year quarter.

Total sales volumes were 352 million litres, an increase of 11 million litres or 3%, primarily due to the increased demand from wholesale customers as public health measures and restrictions related to COVID-19 were eased and to a lesser extent the impact of acquisitions completed earlier in the year. Average weather across Canada for the three months ended September 30, 2021, as measured by degree days was 15% warmer than the prior year and 16% warmer than the five-year average. Sales volumes are highest in the first and fourth quarter due to the demand from heating end-use customers. Fluctuations in the weather during the third quarter does not have a significant impact on total annual sales volumes. Residential sales volumes were consistent with the prior year quarter as the impact of recently completed acquisitions was offset by the impact of warmer weather. Commercial sales volumes decreased by 1 million litres or 1% and were generally inline with the prior year. Wholesale propane volumes were 12 million litres or 7% higher compared to the prior year quarter due to reduced COVID-19 restrictions and to a lesser extent sales and marketing efforts to increase third-party spot-price wholesale propane sales.

Average propane sales margins were 18.4 cents per litre, an increase of 9% from 16.9 cents per litre in the prior year quarter due primarily to the timing of sales of carbon offsets and to a lesser extent weaker wholesale propane market fundamentals in the prior year quarter.

Other services gross profit primarily includes equipment rental, billable repairs and maintenance work, installation fees and customer minimum use charges. Other services gross profit was $3.0 million, consistent with the prior year quarter.

Canadian Propane Distribution Sales Volumes

Volumes by End-Use Application (1)

	Three Months Ended September 30		**Nine Months Ended September 30**	
(millions of litres)	**2021**	2020	**2021**	2020
Residential	**20**	20	**121**	113
Commercial	**149**	150	**608**	627
Wholesale	**183**	171	**732**	690
Total	**352**	341	**1,461**	1,430

(1) Canadian Propane volumes by end user were condensed to be consistent with US Propane Distribution.

Volumes by Region (1)

	Three Months Ended September 30		**Nine Months Ended September 30**	
(millions of litres)	**2021**	2020	**2021**	2020
Western Canada	**99**	100	**458**	498
Eastern Canada	**83**	77	**360**	320
Atlantic Canada	**24**	25	**104**	97
United States	**146**	139	**539**	515
Total	**352**	341	**1,461**	1,430

(1) Regions: Western Canada region consists of British Columbia, Alberta, Saskatchewan, Manitoba, Northwest Ontario, Yukon and Northwest Territories; Eastern Canada region consists of Ontario (except for Northwest Ontario) and Quebec; Atlantic Canada region consists of New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island. United States region consists primarily of California, Colorado, Delaware, Illinois, Kansas, Maine, Maryland, Michigan, Minnesota, Montana, Nevada, New Hampshire, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Utah and Washington.

Operating Costs and Selling, Distribution and Administrative Costs

Operating costs were $46.7 million, an increase of $7.6 million or 19% compared to the prior year. The increase in operating costs was primarily due to the impact of the lower CEWS benefit recorded during the quarter, compared to the prior year quarter and higher volume related costs partially offset by lower incentive plan costs and cost saving initiatives. SD&A costs were $66.4 million, an increase of $7.4 million or 13% from the prior year quarter. SD&A costs increased for the above reasons, partially offset by a lower loss on disposal of assets. The Canadian Propane Distribution segment recorded a total of $8.2 million related to the CEWS program during the three months ended September 30, 2021 (2020 - $13.7 million).

Earnings before tax

Earnings before income tax of $8.7 million, increased by $7.7 million or 770% over the prior year quarter, due to a higher unrealized gain on derivative financial instruments as a result of the increased commodity prices and the aforementioned reasons.

Financial Outlook

EBITDA from operations in 2021 for Canadian Propane Distribution is anticipated to be lower than 2020. The anticipated decrease in EBITDA is primarily due to weaker wholesale propane market fundamentals and higher operating costs due to an expected decrease in proceeds related to the CEWS program compared to the prior year and a slower than anticipated COVID-19 economic recovery.

In addition to the significant assumptions referred to above, refer to "Forward-Looking Information" and "Risk Factors to Superior" for a detailed review of significant business risks affecting the Canadian Propane Distribution business.

CONSOLIDATED CAPITAL EXPENDITURE SUMMARY

Superior classifies its capital expenditures into three main categories: efficiency, process improvement and growth-related; maintenance capital; and investment in leased assets.

Efficiency, process improvement and growth-related expenditures include expenditures such as the acquisition of new customer equipment to facilitate growth, system upgrades and initiatives to facilitate improvements in customer service. These capital expenditures are discretionary and non-recurring.

Maintenance capital expenditures include required regulatory spending on tank refurbishments, and any other required expenditures related to maintaining operations.

Investment in leased assets generally includes vehicles to support growth and replace aging vehicles, renewing railcar leases in the wholesale business and timing of renewing property leases.

Superior's capital expenditures from continuing operations for three months ended September 30, 2021 and 2020:

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2021**	2020	**2021**	2020
Efficiency, process improvement and growth-related	**6.5**	9.3	**23.9**	33.4
Maintenance capital	**10.3**	8.0	**27.7**	21.2
	16.8	17.3	**51.6**	54.6
Proceeds on disposition of assets	**(0.2)**	(1.5)	**(2.2)**	(7.8)
Property, plant and equipment acquired through acquisition	**6.2**	84.2	**141.3**	92.7
Total net capital expenditures	**22.8**	100.0	**190.7**	139.5
Investment in leased assets net of proceeds from refinanced vehicles	**11.0**	16.8	**22.7**	36.8
Total expenditures including finance leases	**33.8**	116.8	**213.4**	176.3

Efficiency, process improvement and growth-related expenditures were $6.5 million for the three months ended September 30, 2021 compared to $9.3 million in the prior year quarter. The decrease over the prior year quarter is primarily due to timing of integration activity.

Maintenance capital expenditures were $10.3 million for the three months ended September 30, 2021 compared to $8.0 million in the prior year quarter and were primarily related to required maintenance capital. The increase is primarily due to timing of expenditures, the impact of acquisitions and the impact from deferring expenditures in the prior year quarter related to capital preserving initiatives in response to the COVID-19 pandemic.

Property, plant and equipment acquired through acquisition is the allocation of fair value to acquired assets.

Superior entered into new leases with capital-equivalent value of $11.0 million for the three months ended September 30, 2021 compared to a net investment of $16.8 million in the prior year quarter. The decrease is primarily due to timing of renewing property leases and acquiring vehicles leases.

Capital expenditures were funded from a combination of operating cash flow and revolving-term bank credit facilities and credit provided through lease liabilities.

Corporate Administrative costs and SD&A

Corporate administrative costs for the three months ended September 30, 2021 were $1.0 million a decrease of $6.1 million or 86% compared to $7.1 million in the prior year quarter. The decrease is primarily due to a recovery in long-term incentive plan costs related to the decreased share price during the quarter compared to an expense in the prior comparable period. Corporate administration costs included in Adjusted EBITDA exclude depreciation, amortization and transaction and other costs. Corporate SD&A costs for the three months ended September 30, 2021 were $3.7 million a decrease of $4.8 million or 56% from $8.5 million in the prior year quarter for the above noted reasons partially offset by higher transaction and other costs.

Finance and Interest Expense

Finance expense was $16.6 million, a decrease of $5.9 million, compared to $22.5 million in the prior year quarter. The decrease is due to lower average debt balances and lower average interest rates as a result of refinancing the senior unsecured notes earlier in the year and the divestiture of the Specialty Chemical business.

Interest expense included in AOCF excludes interest earned on the Vendor Note, premiums and other losses on the redemption of senior unsecured notes and the unwinding of discounts on decommissioning liabilities and non-cash financing expenses. Interest expense was $16.5 million, a decrease of $4.4 million, compared to $20.9 million in the prior year quarter. The decrease is due to lower average debt balances and lower average interest rates as a result of refinancing the senior unsecured notes earlier in the year and the divestiture of the Specialty Chemical business.

Transaction and Other Costs

Superior's transaction and other costs have been categorized together and excluded from segmented results. The table below summarizes these costs:

	Three Months Ended September 30		**Nine Months Ended September 30**	
(millions of dollars)	**2021**	2020	**2021**	2020
Total transaction and other costs	**6.9**	4.5	**20.6**	15.1

For the quarter ended September 30, 2021, Superior incurred $6.9 million in costs related primarily to the acquisition and integration of tuck-in acquisitions. The costs in the prior year related primarily to the acquisition and integration of acquisitions and the strategic review of the Specialty Chemicals segment.

Income Taxes

Consistent with prior periods, Superior recognizes a provision for income taxes for its subsidiaries that are subject to current and deferred income taxes, including Canadian, U.S., and Luxembourg income tax.

Total income tax recovery for the three months ended September 30, 2021 of $15.2 million, was comprised of $1.3 million cash income tax expense and $16.5 million deferred income tax recovery. This compares to a total income tax recovery of $14.9 million in the prior year quarter, which consisted of cash income tax expense of $2.6 million and $17.5 million deferred income tax recovery.

Cash income taxes for the three months ended September 30, 2021 were $1.3 million (2020 – $2.6 million), consisting of income taxes in Canada of $2.0 million (2020 – $1.7 million), in the U.S. $1.3 million recovery (2020 – $0.3 million expense), and in Luxembourg $0.6 million (2020 – $0.6 million). Deferred income tax expense for the three months ended September 30, 2021 was $16.5 million recovery (2020 – $17.5 million recovery), resulting in a net deferred income tax liability of $96.0 million as at September 30, 2021.

Financial Outlook

Superior is confirming the previously disclosed Adjusted EBITDA guidance in the range of $390 million to $420 million. Superior expects the contribution from acquisitions completed in 2021 will be partially offset by the impact of the stronger than anticipated Canadian dollar and warmer weather in the first and second quarter compared to the five-year average. As a result of the ongoing impact of the COVID-19 pandemic on commercial demand in Canada, the impact from reduced oil and gas drilling activity to the broader macro-economy in Western Canada and the regulatory review related to the Kamps Propane acquisition, results may differ from these assumptions.

Achieving Superior's Adjusted EBITDA depends on the operating results of its segments. In addition to the operating results of Superior's segments, significant assumptions underlying the achievement of Superior's 2021 guidance are:

- Weather for the fourth quarter of 2021 is expected to be consistent with the average temperature for the last five years;
- Economic growth in Canada and the U.S. is expected to begin to stabilize in the fourth quarter of 2021;
- Superior is expected to continue to attract capital and obtain financing on acceptable terms;
- Superior estimates maintenance and non-recurring capital expenditures net of disposals and including vehicle leases to be in the range of $120 million to $140 million in 2021;
- Superior is substantively hedged for its estimated U.S. dollar exposure for 2021, and due to the hedge position, a change in the Canadian to U.S, dollar exchange rate for 2021 would not have a material impact to Superior.
- The foreign currency exchange rate between the Canadian dollar and U.S. dollar is expected to average $0.80 for the fourth quarter of 2021 on all unhedged foreign currency transactions;
- Financial and physical counterparties are expected to continue fulfilling their obligations to Superior;
- Regulatory authorities are not expected to impose any new regulations impacting Superior; and
- Canadian and U.S. based cash taxes are expected to be in the range of $5 million to $15 million for 2021 based on existing statutory income tax rates and the ability to use available tax basis. This excludes cash taxes related to the divestiture of Specialty Chemicals.

U.S. Propane Distribution

- Wholesale propane prices will remain higher than 2020, impacting margin opportunities;
- Wholesale propane prices are not anticipated to significantly affect demand for propane and related services;
- Continue to realize synergies from acquisitions primarily through supply chain efficiencies, margin management improvements and operational expense savings; and
- Continue to implement cost-saving initiatives related to workforce optimization.

Canadian Propane Distribution

- Wholesale propane and natural gas liquid fundamentals related to basis differentials are anticipated to remain weaker than 2020;
- Wholesale propane prices are not anticipated to significantly affect demand for propane and related services;
- Commercial and wholesale volumes are anticipated to be impacted by COVID-19 until all public health restrictions are lifted which is assumed to occur in the fourth quarter; and

- SD&A expenditures are expected to be higher due to a decrease in the CEWS received compared to 2020 and will be partially offset by continuous improvement initiatives and restructuring activities.

In addition to Superior's significant assumptions detailed above, refer to "Forward-Looking Information", and for a detailed review of Superior's significant business risks, refer to "Risk Factors to Superior."

LIQUIDITY AND CAPITAL RESOURCES

Debt Management Update

Superior's Total Net Debt to Adjusted EBITDA Leverage Ratio for the trailing twelve months excluding the EBITDA from the Specialty Chemicals segment was 3.5x as at September 30, 2021, compared to 3.3x at June 30, 2021. The increase in the Total Net Debt to Adjusted EBITDA Leverage Ratio from June 30, 2021 is due to an increase in Total Net Debt. Total Net Debt increased due to the impact of acquisitions made during the quarter.

Total Net Debt to Adjusted EBITDA Leverage Ratio is a Non-IFRS measure, see "Non-IFRS Financial Measures".

Borrowing

Superior's revolving syndicated bank facility ("credit facility"), term loans and lease obligations (collectively "borrowing") before deferred financing fees from continuing operations was $1,549.0 million as at September 30, 2021, a decrease of $301.6 million from $1,850.6 million as at December 31, 2020. The decrease is primarily due to the net proceeds received related to the sale of the Specialty Chemicals segment, a reduction in leases from the sale of the Specialty Chemicals segment and to a lesser extent the impact of the stronger Canadian dollar on U.S. denominated debt partially offset by acquisitions completed in the last nine months.

Superior's total and available sources of credit are detailed below:

	As at September 30, 2021			
(millions of dollars)	Total Amount	Borrowing	Letters of Credit Issued	Amount Available
Revolving term bank credit facilities(1)	750.0	83.2	22.4	644.4
Term loans(1)	1,260.8	1,260.8	–	–
Deferred Consideration	37.4	37.4	–	–
Lease liabilities (continuing operations)	167.6	167.6	–	–
Total	**2,215.8**	**1,549.0**	**22.4**	**644.4**

(1) Revolving term bank credit facilities and term loan balances are presented before deferred financing fees.

Net Working Capital

Consolidated net working capital was ($111.5) million as at September 30, 2021, a decrease of $133.8 million from $22.3 million as at December 31, 2020. The decrease from December 31, 2020 is primarily due to timing of customer receipts compared to the timing of supplier payments, partially offset by the impact from the sale of the Specialty Chemicals business. Net working capital is defined in the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended, September 30, 2021 and 2020 see Note 21.

Compliance

In accordance with the credit facility, Superior must maintain certain covenants and ratios that represent Non-IFRS financial measures. Superior is in compliance with the lender covenants as at September 30, 2021 and the covenant details are found in the credit facility documents filed in the System for Electronic Document Analysis and Retrieval ("SEDAR").

Pension Plans
As at September 30, 2021, Superior's Energy Distribution segment defined benefit pension plans had an estimated net defined benefit going concern surplus of approximately $4.1 million (December 31, 2020 – $3.4 million surplus) and a net pension solvency surplus of approximately $5.2 million (December 31, 2020 – $4.9 million surplus). Funding requirements by applicable pension legislation are based upon going concern and solvency actuarial assumptions. These assumptions differ from the going concern actuarial assumptions used in Superior's year end audited consolidated financial statements.

Contractual Obligations and Other Commitments

		As at September 30, 2021				
(millions of dollars)	Note [1]	Total	Current	Years 2-3	Years 4-5	Thereafter
Borrowings	11	1,381.4	10.8	16.9	92.1	1,261.6
Lease Liabilities (continuing operations)	12	167.6	39.4	55.5	32.3	40.4
Operating leases[2]	12	4.0	3.0	1.0	–	–
US$ foreign currency forward sales contracts	13	239.5	107.5	126.0	6.0	–
US$/CAD call options[3]	13	42.0	–	33.0	9.0	–
Propane, WTI, butane, propane, heating oil and diesel wholesale purchase and sale contracts [4]	13	267.2	232.2	35.0	–	–
Total contractual obligations		**2,101.7**	**392.9**	**267.4**	**139.4**	**1,302.0**

(1) Notes to the September 30, 2021 unaudited condensed interim consolidated financial statements.
(2) Operating leases comprise Superior's off-balance-sheet obligations and are contracts that do not meet the definition of a lease under IFRS 16 or are exempt.
(3) USD/CAD call options expire in December 2023 and 2024 with strikes ranging from 1.40 to 1.47.
(4) Does not include the impact of financial derivatives.

In the normal course of business, Superior is subject to lawsuits and claims. Superior believes the resolution of these matters will not have a material adverse effect, individually or in the aggregate, on Superior's liquidity, consolidated financial position or results of operations. Superior records costs as they are incurred or when they become determinable.

Shareholders' Capital

As at September 30, 2021, the following shares were issued and outstanding:

	Common shares		Preferred shares	
	Issued number (Millions)	Share capital	Issued number (Millions)	Equity Attributable to NCI
Balance as at December 31, 2020	176.0	$2,350.3	0.3	$330.9
Balance as at September 30, 2021	**176.0**	**$2,350.3**	**0.3**	**$329.7**

Dividends Declared to Common Shareholders
Dividends declared to Superior's common shareholders depend on its cash flow from operating activities with consideration for Superior's changes in working capital requirements, investing activities and financing activities. See "Summary of AOCF" for 2021, above, and "Summary of Cash Flow" for additional details.

Dividends declared to common shareholders for the three and nine months ended September 30 2021 were $31.7 million and $95.1 million or $0.18 and $0.54 per common share compared to $31.7 million and $94.8 million or $0.18 and $0.54 per common share for the prior year quarter. Dividends to shareholders are declared at the discretion of Superior's Board of Directors.

Superior has a Dividend Reinvestment and Optional Share Purchase Plan ("DRIP") that was suspended after payment of the May 2020 dividend on June 15, 2020. Superior's DRIP program will remain in place should Superior elect to reactivate the DRIP, subject to regulatory approval, at a future date.

Dividends Declared to Preferred Shareholders

Dividends to preferred shareholders for the three and nine months ended September 30 2021 were US$4.7 million and US$14.1 million (CDN$6.2 and CDN$17.9 million) or US$18.1 and US$54.4 (CDN$23.8 and CDN$68.9) per preferred share.

SUMMARY OF CASH FLOW

Superior's primary sources and uses of cash are detailed below:

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2021**	2020	**2021**	2020
Cash flows from operating activities	**(3.3)**	17.2	**226.2**	289.6
Investing activities:				
Purchase of property, plant and equipment and intangible assets	**(16.8)**	(30.6)	**(59.0)**	(85.9)
Proceeds on disposal of property, plant and equipment	**0.2**	1.5	**2.2**	7.8
Acquisitions, net of cash acquired	**(42.2)**	(234.7)	**(284.2)**	(258.4)
Proceeds on sale of assets	**(0.7)**	–	**571.7**	–
Cash flows used in investing activities	**(59.5)**	(263.8)	**230.7**	(336.5)
Financing activities:				
Proceeds of revolving term bank credits and other debt	**237.7**	869.2	**1,035.7**	1,953.7
Repayment of revolving term bank credit facilities and other debt	**(167.9)**	(895.7)	**(1,300.7)**	(2,126.4)
Issuance of 4.5% senior unsecured notes	**–**	–	**753.7**	–
Repayment of 7.0% senior unsecured notes	**–**	–	**(472.3)**	–
Redemption of 5.25% senior unsecured notes	**–**	–	**(410.5)**	–
Redemption of 5.125% senior unsecured notes	**–**	–	**(384.2)**	–
Proceeds received from vehicle refinancing	**–**	0.8	**–**	18.1
Principal repayment of lease obligations	**(9.1)**	(13.8)	**(33.9)**	(39.0)
Issuance of 4.25% senior unsecured notes	**–**	–	**500.0**	–
Debt issuance costs, facility & senior notes	**–**	(18.1)	**(23.6)**	(18.1)
Proceeds from share issuance	**–**	353.8	**–**	353.8
Dividends paid to shareholders	**(37.8)**	(35.1)	**(113.0)**	(87.6)
Cash flows used in financing activities	**22.9**	261.1	**(448.8)**	54.5
Net increase in cash and cash equivalents during the period	**(39.9)**	14.5	**8.1**	7.6
Cash and cash equivalents, beginning of the period	**71.8**	20.8	**24.1**	26.5
Effect of translation of foreign currency-denominated cash and cash equivalents	**0.8**	(1.9)	**0.5**	(0.7)
Cash and cash equivalents, end of the period	**32.7**	33.4	**32.7**	33.4

Cash flows from operating activities for three months ended September 30, 2021 were ($3.3) million, a decrease of $20.5 million from the prior year quarter. The decrease is primarily a result of changes in non-cash working capital, and the impact of the divestiture of the Specialty Chemicals business, partially offset by lower finance expense.

Cash flows used in investing activities for 2021 were $59.5 million, a decrease of $204.3 million from the prior year quarter due to the timing of acquisitions.

Cash flows used in financing activities were $22.9 million, a decrease of $238.2 million from the prior year quarter, primarily due to the issuance of preferred shares in the prior year quarter.

FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Derivative and non-financial derivatives are used by Superior to manage its exposure to fluctuations in foreign currency exchange rates, interest rates, share-based compensation and commodity prices. Superior assesses the inherent risks of these instruments by grouping derivative and non-financial derivatives related to the exposures these instruments mitigate. Superior's policy is not to use derivative or non-financial derivative instruments for speculative purposes. Superior does not formally designate its derivatives as hedges and, as a result, Superior does not apply hedge accounting and is required to designate its derivatives and non-financial derivatives as held for trading.

As at September 30, 2021 Superior has hedged approximately 111% of estimated U.S. dollar exposure for calendar 2021 and approximately 66% for calendar 2022. A summary of Superior's U.S. dollar forward contracts and options for the rolling twelve months is provided in the table below. The over exposure in 2021 is temporary resulting from the recent divestiture of the Specialty Chemicals segment and the forward contracts will be settled or extended to outbound years.

	As at September 30, 2021					
(US$ millions except exchange rates)	Current	2022	2023	2024	2025	Total
Net US$ forward sales	107.5	93.0	33.0	6.0	–	239.5
USD/CAD Call Options	–	6.0	27.0	9.0	–	42.0
Net average external US$/CDN$ exchange rate	1.32	1.34	1.35	1.34	–	1.34

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded, summary of fair values, notional balances, effective rates and terms, and significant assumptions used in the calculation of the fair value of Superior's financial instruments, see Note 13 to the unaudited condensed interim consolidated financial statements for the quarter ended September 30, 2021.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures (DC&P) are designed by or under the supervision of Superior's President and Chief Executive Officer (CEO) and the Executive Vice President and Chief Financial Officer (CFO) in order to provide reasonable assurance that all material information relating to Superior is communicated to them by others in the organization as it becomes known and is appropriately disclosed as required under the continuous disclosure requirements of securities legislation and regulation. In essence, these types of controls are related to the quality, reliability and transparency of financial and non-financial information that is filed or submitted under securities legislation and regulation. The CEO and CFO are assisted in this responsibility by a Disclosure Committee, which is composed of senior leadership of Superior. The Disclosure Committee has established procedures so that it becomes aware of any material information affecting Superior in order to evaluate and discuss this information and determine the appropriateness and timing of its public release.

Internal Controls over Financial Reporting (ICFR) are also designed by or under the supervision of Superior's CEO and CFO and effected by Superior's Board of Directors, management and other personnel in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues within a company have been detected.

Accordingly, Superior's disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of the corporation's disclosure control system are met.

Changes in Internal Controls over Financial Reporting
No changes were made in Superior's ICFR that have materially affected, or are reasonably likely to materially affect, Superior's ICFR in the three and nine months ended September 30, 2021. However, management continues the process of harmonizing and integrating acquired businesses on to Superior's existing information technology platform.

Effectiveness
An evaluation of the design effectiveness of Superior's DC&P and ICFR was conducted as at September 30, 2021 by and under the supervision of Superior's management, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that Superior's DC&P and ICFR were designed effectively at September 30, 2021 with the following exception:

Section 3.3(1) of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, states that a company may limit its design of disclosure controls and procedures and internal controls over financial reporting for a business that it acquired not more than 365 days before the end of the financial period to which the certificate relates. Under this section, Superior's CEO and CFO have limited the scope of the design, and subsequent evaluation, of DC&P and ICFR to exclude controls, policies and procedures of Freeman effective June 16, 2021. Summary financial information pertaining to these acquisitions that were included in the unaudited condensed interim consolidated financial statements of Superior as at September 30, 2021, is as follows:

(millions of Canadian dollars)	**For the Three Months Ended September 30, 2021**	**For the Nine Months Ended September 30, 2021**
Sales	12.8	54.8
Net income for the period	0.5	8.4

	September 30, 2021
Current assets	4.3
Non-current assets	220.4
Current liabilities	-
Non-current liabilities	17.0

Government Grants
In response to the impact of COVID-19 on the Canadian economy, the Government of Canada implemented the CEWS program. The CEWS program offers qualifying organizations government assistance in the form of a payroll subsidy to offset the cost of employees. The payroll subsidy was recognized as an offset to salary expense as follows:

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2021	2020	**2021**	2020
Discontinued operations	**-**	3.5	**1.4**	3.5
Selling, distribution and administrative costs	**8.6**	14.1	**21.7**	14.1
Total	**$8.6**	$17.6	**$23.1**	$17.6

There are no unfulfilled conditions attached to this government assistance. As at September 30, 2021, the amount of $8.6 million is included in trade and other receivables.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Superior's audited consolidated financial statements were prepared in accordance with IFRS. The significant accounting policies are described in the audited consolidated financial statements for the year ended December 31, 2020. Certain of these accounting policies, as well as estimates made by management in applying such policies, are recognized as critical because they require management to make subjective or complex judgments about matters that are inherently uncertain. Superior's critical accounting estimates relate to the allowance for doubtful accounts, employee future benefits, deferred income tax assets and liabilities, the valuation of financial and non-financial derivatives, asset impairments, the purchase price allocation for business combinations and the assessment of potential provision for asset retirement obligations.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee effective for accounting periods beginning on or after January 1, 2021, or latter periods.

Adoption of Interest Rate Benchmark Reform

Various interest rate and other indices that are deemed to be "benchmarks" (including LIBOR) are the subject of international regulatory guidance and proposals for reform. Regulators in various jurisdictions have pushed for the transition from Interbank Offered Rates ("IBORs") to alternative benchmark rates (alternative rates), based upon risk free rates determined using actual market transactions.

In March 2021, the Financial Conduct Authority and the ICE Benchmark Administration announced that US dollar one-week and two-month settings will stop being published after December 31, 2021 and all remaining US dollar LIBOR settings will stop being published after June 30, 2023.

The transition from current reference rates to alternative rates may adversely affect the value of contracts linked to existing benchmarks. These developments may cause some LIBOR and other benchmarks to be discontinued. Superior is monitoring these developments and the impact this may have on our LIBOR based borrowings.

The IASB addressed interest rate benchmark reform and its effects on financial reporting in two phases. The first phase focuses on issues affecting financial reporting in the period before the interest rate benchmark reform, while the second phase focuses on the issues that affect financial reporting once the existing rate is replaced with an alternative rate.

In September 2019, the IASB finalized the first phase through the issuance of "Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7". This did not have any impact on Superior. In August 2020, the IASB finalized the second phase through the issuance of "Interest Rate Benchmark Reform: Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16" (Phase 2 amendments), which addresses the issues that affect financial reporting once the existing rate is replaced with an alternative rate. The Phase 2 amendments are effective and have been adopted on January 1, 2021.

For financial instruments measured using amortized cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognized. For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. These expedients are only applicable to changes that are required by interest rate benchmark reform when made on an economically equivalent basis.

Superior does not expect changes related to interest rate benchmark reform to have a material impact to Superior's results. Superior's exposure is limited to borrowings with a variable interest rate, see Note 11 of the unaudited condensed interim consolidated financial statements as at September 30, 2021.

NON-IFRS FINANCIAL MEASURES

Throughout the MD&A, Superior has used the following terms that are not defined by IFRS, but are used by management to evaluate the performance of Superior and its business. These measures may also be used by investors, financial institutions and credit rating agencies to assess Superior's performance and ability to service debt. Non-IFRS financial measures do not have standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that Non-IFRS financial measures be clearly defined, qualified and reconciled to their most comparable IFRS financial measures. Except as otherwise indicated, these Non-IFRS financial measures are calculated and disclosed on a consistent basis from period to period. Specific items may only be relevant in certain periods.

The intent of non-IFRS financial measures is to provide additional useful information to investors and analysts, and the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate non-IFRS financial measures differently. Investors should be cautioned that AOCF, EBITDA from operations, and Adjusted EBITDA should not be construed as alternatives to net earnings, cash flow from operating activities or other measures of financial results determined in accordance with IFRS as an indicator of Superior's performance. Non-IFRS financial measures are identified and defined as follows:

AOCF and AOCF per Share

AOCF is equal to cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital, other expenses, non-cash interest expense, current income taxes and finance costs. Interest expense included in AOCF is equal to finance expense as defined by IFRS, adjusted for unwinding of discount on debentures, borrowing and decommissioning liabilities and other non-recurring items. Superior may deduct or include additional items in its calculation of AOCF; these items would generally, but not necessarily, be infrequent in nature and could distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. AOCF and AOCF per share are presented before and after transaction and other costs.

AOCF per share before transaction and other costs is calculated by dividing AOCF before transaction and other costs by the weighted average number of shares outstanding. AOCF per share is calculated by dividing AOCF by the weighted average number of shares outstanding.

AOCF is a performance measure used by management and investors to evaluate Superior's ongoing performance of its businesses and ability to generate cash flow. AOCF represents cash flow generated by Superior that is available for, but not necessarily limited to, changes in working capital requirements, investing activities and financing activities.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized AOCF. Adjustments recorded by Superior as part of its calculation of AOCF include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Propane Distribution segments, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenue and expenses, which can differ significantly from quarter to quarter.

Adjusted EBITDA

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, restructuring costs, transaction and other costs, and unrealized gains (losses) on derivative financial instruments. Adjusted EBITDA is used by Superior and investors to assess its consolidated results and ability to service debt. Adjusted EBITDA is reconciled to earnings before income taxes.

Adjusted EBITDA is a significant performance measure used by management and investors to evaluate Superior's ongoing performance of its businesses. Adjusted EBITDA is also used as one component in determining short-term incentive compensation for certain management employees.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized Adjusted EBITDA.

EBITDA from operations

EBITDA from operations is defined as Adjusted EBITDA excluding costs that are not considered representative of Superior's underlying core operating performance, including gains and losses on foreign currency hedging contracts, corporate costs and transaction and other costs. Management uses EBITDA from operations to set targets for Superior (including annual guidance and variable compensation targets). EBITDA from operations is reconciled to earnings before income taxes.

Adjusted Gross Profit

Adjusted gross profit represents revenue less cost of sales adjusted for realized gains and losses on commodity derivative instruments related to risk management. Management uses Adjusted Gross Profit to set margin targets and measure results. Unrealized gains and losses on commodity derivative instruments are excluded because of the accounting mis-match that exists as a result of the customer contract not being included in the determination of the fair value for this risk management activity.

Operating Costs

Operating costs are defined as SD&A expenses adjusted for amortization and depreciation, gains or losses on disposal of assets and transaction, restructuring and other costs. Operating costs include wages and benefits for employees, drivers, service and administrative labour, fleet maintenance and operating costs, freight and distribution expenses excluded from cost of sales, along with the costs associated with owning and maintaining land, buildings and equipment, such as repairs and maintenance, environmental, utilities, insurance and property tax costs.

Interest expense

Interest expense is defined as Finance expense excluding unwinding of discount on decommissioning liabilities, non-cash finance expenses and premiums on the early redemption of borrowings. Management uses interest expense in the calculation of AOCF because it better reflects the cost of financing operations, including acquisitions.

Total Net Debt to Adjusted EBITDA Leverage Ratio and Pro Forma Adjusted EBITDA

Adjusted EBITDA for the Total Net Debt to Adjusted EBITDA Leverage Ratio is defined as Adjusted EBITDA calculated on a 12-month trailing basis giving pro forma effect to acquisitions and dispositions adjusted to the first day of the calculation period ("Pro Forma Adjusted EBITDA"). Pro Forma Adjusted EBITDA is used by Superior to calculate its Total Net Debt to Adjusted EBITDA Leverage Ratio.

Total Net Debt is determined by taking the sum of borrowings before deferred financing fees and lease liabilities and reducing this by the cash and cash equivalents balance.

To calculate the Total Net Debt to Adjusted EBITDA Leverage Ratio divide Total Net Debt by Pro Forma Adjusted EBITDA. Total Net Debt to Adjusted EBITDA Leverage Ratio is used by Superior and investors to assess its ability to service debt.

QUARTERLY FINANCIAL AND OPERATING INFORMATION

IFRS Measures

(millions of dollars, except per share amounts)	**Q3 2021**	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Revenue (1)	**$362.6**	365.6	839.5	561.9	256.8	305.6	682.6	659.8
Gross profit (1)	**$132.6**	149.1	349.1	277.5	120.7	169.3	346.2	311
Net earnings (loss) from continuing operations (1)	**(35.9)**	(36.1)	75.4	87.9	(26.1)	(0.1)	1.1	73.5
Per share, basic (1)	**($0.24)**	(0.24)	0.36	0.43	(0.18)	–	0.01	0.43
Per share, diluted (1)	**($0.24)**	(0.24)	0.36	0.43	(0.18)	–	0.01	0.43
Net working capital (deficit) (2)	**($111.5)**	(65.1)	36.9	22.3	(14.9)	(0.8)	144.7	49.9

(1) Prior periods have been restated to comply with the current presentation.

(2) Net working capital is comprised of trade and other receivables, prepaid expenses and deposits and inventories, less trade and other payables, contract liabilities, and dividends payable.

Non-IFRS Financial Measures (1)

(millions of dollars, except per share amounts)	**Q3 2021**	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Adjusted EBITDA	**$13.0**	31.6	211.6	144.1	10.8	39.1	185.4	142.7
AOCF before transaction and other costs	**($4.8)**	9.0	185.3	120.2	(12.7)	14.5	156.4	113.6
Per share, basic	**($0.02)**	0.04	0.90	0.58	(0.06)	0.08	0.89	0.65
Per share, diluted	**($0.02)**	0.04	0.90	0.58	(0.06)	0.08	0.89	0.65
AOCF	**($11.7)**	4.7	175.9	111.8	(17.2)	9.5	150.8	106.9
Per share, basic	**($0.06)**	0.02	0.85	0.54	(0.09)	0.05	0.86	0.61
Per share, diluted	**($0.06)**	0.02	0.85	0.54	(0.09)	0.05	0.86	0.61

(1) Net AOCF before transaction and other costs, AOCF and the related per share amounts, are Non-IFRS financial measures. Prior periods have been restated to comply with the current presentation.

Fluctuations in Superior's individual quarterly results is subject to seasonality. Sales typically peak in the first quarter when approximately one-third of annual propane and other refined fuels sales volumes and gross profits are generated due to the demand of heating from end-use customers. They then decline through the second and third quarters, rising seasonally again in the fourth quarter with heating demand. In addition, acquisitions and divestitures may impact quarterly results. For information on acquisitions see Note 5 in the 2021 unaudited condensed interim consolidated financial statements.

Volumes

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
U.S. propane sales volumes (millions of litres)	**168**	212	547	386	155	190	422	361
Canadian propane sales volumes (millions of litres)	**352**	392	717	608	341	360	729	753

U.S. propane sales by end-use application are as follows [1]:

(millions of litres)	**Q3 2021**	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Residential	**61**	97	342	224	59	97	257	215
Commercial	**103**	110	195	155	91	88	153	137
Wholesale	**4**	5	10	7	5	5	12	9
Total	**168**	212	547	386	155	190	422	361

(1) Comparative figures have been reclassified to reflect the current period presentation of end use.

Canadian propane sales by end-use application are as follows:

(millions of litres)	**Q3 2021**	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Residential	**20**	27	74	58	20	27	66	59
Commercial	**149**	170	289	254	150	161	316	319
Wholesale	**183**	195	354	296	171	172	347	375
Total	**352**	392	717	608	341	360	729	753

RECONCILIATION OF EARNINGS (LOSS) BEFORE INCOME TAXES TO ADJUSTED EBITDA

(millions of dollars) **For the Three Months Ended September 30, 2021**	**U.S. Propane Distribution**	**Canadian Propane Distribution**	**Corporate**	**Total**
Earnings (loss) from continuing operations before income taxes	**(15.6)**	**8.7**	**(44.2)**	**(51.1)**
Add: Depreciation and amortization included in selling, distribution and administrative costs	**32.8**	**19.0**	**0.3**	**52.1**
Loss on disposal of assets and other	**0.1**	**0.5**	**–**	**0.6**
Finance expense	**1.4**	**1.1**	**14.1**	**16.6**
Unrealized (gains) on derivative financial instruments	**(30.8)**	**(8.3)**	**27.0**	**(12.1)**
Transaction and other costs	**4.3**	**0.2**	**2.4**	**6.9**
Adjusted EBITDA	**(7.8)**	**21.2**	**(0.4)**	**13.0**

(millions of dollars) For the Three Months Ended September 30, 2020	U.S. Propane Distribution	Canadian Propane Distribution	Corporate	Total
Earnings (loss) from continuing operations before income	(36.9)	1.0	(5.1)	(41.0)
Add: Depreciation and amortization included in selling, distribution and administrative costs	30.0	18.9	0.3	49.2
Loss on disposal of assets and other	0.6	0.8	–	1.4
Finance expense	1.3	1.0	20.2	22.5
Unrealized (gains) on derivative financial instruments	(2.2)	(0.3)	(23.3)	(25.8)
Transaction and other costs	3.2	0.2	1.1	4.5
Adjusted EBITDA	(4.0)	21.6	(6.8)	10.8

For the Nine Months Ended September 30, 2021	**U.S. Propane Distribution**	**Canadian Propane Distribution**	**Corporate**	**Total**
Earnings (loss) from continuing operations before income taxes	**86.2**	**71.2**	**(155.6)**	**1.8**
Add: Depreciation and amortization included in selling, distribution and administrative costs	**93.2**	**55.3**	**0.6**	**149.1**
Loss on disposal of assets and other	**0.2**	**0.8**	**–**	**1.0**
Finance expense	**3.8**	**3.1**	**130.9**	**137.8**
Unrealized (gains) on derivative financial instruments and a foreign exchange gain on the settlement of the US$350 million senior unsecured notes.	**(47.0)**	**(13.7)**	**6.6**	**(54.1)**
Transaction and other costs	**9.9**	**3.8**	**6.9**	**20.6**
Adjusted EBITDA	**146.3**	**120.5**	**(10.6)**	**256.2**

For the Nine Months Ended September 30, 2020	U.S. Propane Distribution	Canadian Propane Distribution	Corporate	Total
Earnings (loss) from continuing operations before income taxes	37	72.1	(102.7)	6.4
Add: Depreciation and amortization included in selling, distribution and administrative costs	85.0	55.8	0.6	141.4
Loss on disposal of assets and other	1.9	0.8	–	2.7
Finance expense	4.2	3.4	66.9	74.5
Unrealized (gains) losses on derivative financial instruments	(11.4)	(3.2)	9.8	(4.8)
Transaction and other costs	9.8	0.5	4.8	15.1
Adjusted EBITDA	126.5	129.4	(20.6)	235.3

Risk Factors to Superior

The risks factors and uncertainties detailed below are a summary of Superior's assessment of its material risk factors as detailed in Superior's most recent Annual Information Form ("AIF") under "Risks associated with our business" which is filed on the Canadian Securities Administrators' website, www.sedar.com, and on Superior's website, www.superiorplus.com. The AIF describes some of the most material risks to Superior's business by type of risk: financial; strategic; operational; and legal.

General risks to Superior are as follow:

Catastrophic Events, Natural Disasters, Severe Weather and Disease
Superior may be negatively impacted to varying degrees by a number of events which are beyond our control, including cyber-attacks, unauthorized access, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other natural or manmade catastrophes. While we engage in emergency preparedness, including business continuity planning, to mitigate risks, such events can evolve very rapidly and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that our operations and ability to carry on business will not be disrupted. The occurrence of such events may not release us from performing our obligations to third parties. A catastrophic event, including an outbreak of infectious disease, a pandemic or a similar health threat, such as the evolving 2019 Novel Coronavirus outbreak, or fear of any of the foregoing, could adversely impact us by causing operating or supply chain delays and disruptions, labour shortages, expansion project delays and facility shutdowns which could have a negative impact on our ability to conduct our business and increase our costs. In addition, liquidity and volatility, credit availability and market and financial conditions generally could change at any time as a result. Any of these events in isolation or in combination, could have a material negative impact on our financial condition, operating results and cash flows.

Cash Dividends to Shareholders are Dependent on the Performance of Superior LP
Superior depends entirely on the operations and assets of Superior LP. Superior's ability to make dividend payments to its shareholders depends on Superior LP's ability to make distributions on its outstanding limited partnership units, as well as on the operations and business of Superior LP.

There is no assurance regarding the amount of cash to be distributed by Superior LP or generated by Superior LP and, therefore, there is no assurance regarding funds available for dividends to shareholders. The amount distributed in respect of the limited partnership units will depend on a variety of factors including, without limitation, the performance of Superior LP's operating businesses, the effect of acquisitions or dispositions on Superior LP, and other factors that may be beyond the control of Superior LP or Superior. In the event significant sustaining capital expenditures are required by Superior LP or the profitability of Superior LP declines, there would be a decrease in the amount of cash available for dividends to shareholders and such decrease could be material.

Superior's dividend policy and the distribution policy of Superior LP are subject to change at the discretion of the Board of Directors of Superior or the Board of Directors of Superior General Partner Inc., the general partner of Superior LP, as applicable. Superior's dividend policy and the distribution policy of Superior LP are also limited by contractual agreements including agreements with lenders to Superior and its affiliates and by restrictions under corporate law.

Additional Shares
In the event the Board of Directors of Superior decides to issue additional common shares, preferred shares or securities convertible into common shares, existing shareholders may suffer significant dilution.

Access to Capital
The credit facilities and U.S. notes of Superior LP contain covenants that require Superior LP to meet certain financial tests and that restrict, among other things, the ability of Superior LP to incur additional debt, dispose of assets or pay

dividends/distributions in certain circumstances. These restrictions may preclude Superior LP from returning capital or making distributions on the limited partnership units.

The payout by Superior LP of substantially all of its available cash flow means that capital expenditures to fund growth opportunities can only be made in the event that other sources of financing are available. Lack of access to such additional financing could limit the future growth of the business of Superior LP and, over time, have a material adverse effect on the amount of cash available for dividends to shareholders.

To the extent that external sources of capital, including public and private markets, become limited or unavailable, Superior's and Superior LP's ability to make the necessary capital investments to maintain or expand the current business and to make necessary principal payments and debenture redemptions under its term credit facilities may be impaired.

Interest Rates

Superior maintains floating interest rate exposure through a combination of floating interest rate borrowing and uses derivative instruments at times, to mitigate this risk. Demand for a significant portion of Propane Distribution's sales are affected by general economic trends. Generally speaking, when the economy is strong, interest rates increase, as does demand from Superior's customers, thereby increasing Superior's sales and its ability to pay higher interest costs. The opposite is also true. In this way, there is a common relationship among economic activity levels, interest rates and Superior's ability to pay higher or lower rates. Increased interest rates will, however, affect Superior's borrowing costs, which will have an adverse effect.

Foreign Exchange Risk

A portion of Superior's net cash flow is denominated in U.S. dollars. Accordingly, fluctuations in the Canadian/U.S. dollar exchange rate can impact profitability. Superior attempts to mitigate this risk with derivative financial instruments.

Changes in Legislation and Expected Tax Profile

There can be no assurance that income tax laws, rules or associated regulations applicable to Superior, given the number of jurisdictions in which Superior operates, will not be changed, interpreted or administered in a manner which adversely affects Superior and its shareholders. In addition, there can be no assurance that the CRA (or a provincial tax agency), the U.S. Internal Revenue Service (or a state or local tax agency), the Chilean Internal Revenue Service or the Luxembourg Tax Authorities (collectively, the "tax agencies") will agree with how Superior calculates its income for tax purposes or that these various tax agencies referenced herein will not change their administrative practices to the detriment of Superior or its shareholders.

Acquisitions and Divestitures

Superior may not be able to find or buy appropriate acquisition targets on economically acceptable terms. Superior's acquisition agreements will contain certain representations, warranties and indemnities from the respective vendors subject to certain applicable limitations and thresholds and Superior will conduct due diligence prior to completion of such acquisitions. If, however such representations and warranties are inaccurate or limited in applicability or if any liabilities that are discovered exceed such limits or are not covered by the representations, warranties or indemnities, or the applicable vendors default in their obligations or if certain liabilities are not identified in such agreements, Superior could become liable for any such liabilities which may have an adverse effect on Superior. In addition, there may be liabilities or risks that were not discovered in such due diligence investigations which could have an adverse effect on Superior.

Acquiring complementary businesses is required to optimally execute Superior's business strategy. Distribution systems, technologies, key personnel or businesses of companies Superior acquires may not be effectively assimilated into its business, or its alliances may not be successful. There is also no assurance regarding the completion of a planned acquisition as Superior may be unable to obtain shareholder approval for a planned acquisition or Superior may be unable to obtain government and regulatory approvals required for a planned acquisition, or required government and/or regulatory approvals may result in delays. There may be penalties associated with not completing a planned acquisition. Superior may not be able to successfully complete certain divestitures on satisfactory terms, if at all. Divestitures may reduce Superior's total revenue and net earnings by more than the sales price. The terms and conditions, representations, warranties and indemnities, if any, associated with divestiture activity may hold future risks.

As part of the material terms of the Specialty Chemical divestiture, a Vendor Note of $125 million was issued by the buyer. Its principal amount and accrued and unpaid interest are due October 2026. The collectability of the amounts owed to Superior is subject to the going concern of the buyer. As of September 30, 2021, Superior does not have any concerns about the financial strength of the buyer. Superior will continuously monitor the credit risk associated with this Vendor Note. Based on the current valuation, Superior has estimated a liability of $1.4 million related to the contingent consideration included in the divestiture. The fair value has been calculated based on an estimate of the EBITDA during the thirty-six-months subsequent to the divestiture. This estimate is subject to change and will be updated as new information becomes available.

Information Technology and Cyber Security

Superior utilizes a number of information technology systems for the management of its business and the operation of its facilities. The reliability and security of these systems is critical. If the function of these systems is interrupted or fails and cannot be restored quickly, or if the technologies are no longer supported, Superior's ability to operate its facilities and conduct its business could be compromised. Superior has continued to mature its approach to technology planning. Superior continually assesses and monitors its cyber security risk. In an effort to mitigate such risks, Superior has employed a fully managed third party cyber security service that deploys industry leading technology, conducted comprehensive employee training and utilizes monitoring software to protect its systems.

Although the technology systems Superior utilizes are intended to be secure and Superior has employed various methods to mitigate cyber risks, there is still a risk that an unauthorized third party could access the systems. Such a security breach could lead to a number of adverse consequences, including but not limited to, the unavailability, disruption or loss of key function within Superior's control systems and the unauthorized disclosure, corruption or loss of sensitive company, customer or personal information. Superior attempts to prevent such breaches through the implementation of various technology security measures, segregation of control systems from its general business network, engaging skilled consultants and employees to manage Superior's technology applications, conducting periodic audits and adopting policies and procedures as appropriate.

To date, Superior has not been subject to a cyber-security breach that has resulted in a material impact on its business or operations; there is no guarantee, however, that the measures it takes to protect its business systems and operational control systems will be effective in protecting against a breach in the future.

Competition

Propane is sold in competition with other energy sources such as natural gas, electricity and fuel oil, some of which are less costly on an energy-equivalent basis. While propane is usually more cost-effective than electricity, electricity is a major competitor in most areas. Fuel oil is also used as a residential, commercial and industrial source of heat and, in general, is less costly on an equivalent-energy basis, although operating efficiencies, environmental and air quality factors help make propane competitive with fuel oil. Except for certain industrial and commercial applications, propane is generally not competitive with natural gas in areas with natural gas service. Other alternative energy sources such as compressed natural gas, methanol and ethanol are available or could be further developed and could have an impact on the future of the propane industry in general and Canadian propane distribution in particular. The trend towards increased conservation measures and technological advances in energy efficiency may have a detrimental effect on propane demand and Canadian Propane Distribution's sales. Increases in the cost of propane encourage customers to reduce fuel consumption and to invest in more energy efficient equipment, reducing demand. Propane commodity prices are affected by crude oil and natural gas commodity prices.

Automotive propane demand depends on propane pricing, the market's acceptance of propane conversion options and the availability of infrastructure. Superior Propane has strategic partnerships with companies focused on after-market conversion technologies. This segment has been impacted by the development of more fuel efficient and complicated engines which increase the cost of converting engines to propane and reduce the savings per kilometre driven.

Competition in the U.S. propane distribution business' markets generally occurs on a local basis between large, full-service, national marketers and smaller, independent local marketers. Marketers primarily compete based on price and service and tend to operate in close proximity to customers, typically within a 60-kilometer marketing radius from a central depot, in order to minimize delivery costs and provide prompt service.

Volume Variability, Weather Conditions and Economic Demand
Weather, general economic conditions and the volatility in the cost of propane affect propane market volumes. Weather influences the demand for propane, primarily for home and facility heating uses and also for agricultural applications, such as crop drying.

Harsh weather can create conditions that exacerbate demand for propane, impede the transportation and delivery of propane, or restrict the ability of Superior to obtain propane from its suppliers. Such conditions may also increase Superior's operating costs and may reduce customers demand for propane, any of which may have an adverse effect on Superior. Conversely, low prices tend to make customers less price sensitive and less focused on their consumption volume.

Spikes in demand caused by weather or other factors can stress the supply chain and hamper Superior's ability to obtain additional quantities of propane. Transportation providers (railways and trucking companies) have limited ability to provide resources in times of extreme peak demand. Changes in propane supply costs are normally passed through to customers, but timing lags (between when Superior purchases the propane and when the customer purchases the propane) may result in positive or negative gross margin fluctuations.

For U.S. propane distribution, demand from end-use heating applications is predictable. Weather and general economic conditions, however, affect distillates and propane market volumes. Weather influences the immediate demand, primarily for heating, while longer-term demand declines due to economic conditions as customer's trend towards conservation and supplement heating with alternative sources such as electricity and to a lesser extent wood pellets and solar energy.

Demand, Supply and Pricing
Superior offers its customers various fixed-price propane and heating oil programs. In order to mitigate the price risk from offering these services, Superior uses its physical inventory position, supplemented by forward commodity transactions with various third parties having terms and volumes substantially the same as its customer's contracts. In periods of high propane price volatility, the fixed-price programs create exposure to over or under-supply positions as the demand from customers may significantly exceed or fall short of supply procured. In addition, if propane prices decline significantly subsequent to customers signing up for a fixed-price program, there is a risk that customers will default on their commitments. Current unit margins may not be sustainable if market conditions change significantly.

Political uncertainties
Unforeseen political events, legal proceedings or political uncertainty in markets where we own and operate assets, sell or transport our products and may look to for further growth of our businesses may create economic uncertainty or otherwise impact our operations and have a negative impact on our financial performance. An uncertain political environment may arise from frequent changes in governments and related governmental priorities and policies, political conflict or the implementation, or threat, of protectionist measures. In addition, political outcomes in the markets in which we operate may also result in legal uncertainty and potentially divergent national, state and/or provincial laws and regulations, which can contribute to general economic uncertainty. Such uncertainty could cause disruptions to our businesses, including affecting the business of and/or our relationships with our customers and suppliers.

Currently there is uncertainty resulting from the on-going legal proceedings related to the continuing operations of the Line 5 Pipeline in Michigan which we utilize to transport natural gas liquids in our businesses. The Line 5

Pipeline delivers light oil and natural gas liquids to Michigan, Ohio, Ontario and elsewhere. If these proceedings result in a disruption of service, this could have an adverse effect on Superior's ability to service customer demand and have a negative impact on our financial condition, operating results and cash flows.

Transportation network disruptions

Both of Superior's business segments rely on rail as a mode of delivering product and/or receiving materials and goods across Canada and the US to service customer demand. Due to the integrated nature of North America's freight transportation infrastructure, Superior's operations may be negatively affected by service disruptions with their transportation provider or other transportation links such as railroads that interchange with our transportation provider(s). A significant prolonged service disruption of one or more of these entities could have an adverse effect on Superior's ability to carry on its business and service customer demand and on our results of operations. Service disruptions can be caused by, but are not limited to, severe weather and natural disasters such as extreme cold or heat, flooding, droughts, fires, hurricanes and earthquakes as well as labour disruptions and political disruptions, which include protests and intentional blockades and acts of terrorism.

Current Economic Conditions

During the first quarter of 2020, the rapid outbreak of the novel strain of the coronavirus, specifically identified as the COVID-19 pandemic, caused governments worldwide to enact emergency measures and restrictions to combat the spread of the virus. These measures and restrictions, which include the implementation of travel bans, mandated and voluntary business closures, self-imposed and mandatory quarantine periods, isolation orders and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. Superior monitors applicable government relief programs to determine if Superior qualifies to participate in them. Superior continues to apply for the Canadian Emergency Wage Subsidy ("CEWS") program wherein Superior is allowed to recover a portion of eligible employee costs incurred. The Government of Canada continues to make amendments to the CEWS program and Superior may be eligible for future applications and claims.

COVID-19 has also resulted in a significant decrease on global demand for crude oil. In addition to the impact of COVID-19, production levels during March and April of 2020 by OPEC+ countries, contributed to excess global supply and caused the price of oil to be exceptionally volatile. Propane is a derivative of natural gas processing and oil refining, so continued volatility in the price of oil could lead to disruptions in the supply of propane if the production of oil and natural gas is further curtailed. In addition to the risk on the supply of propane, demand for Superior's products from our customers in the oil and gas industry have been impacted as the combined impact of COVID-19 and volatile oil prices has had a significantly negative impact on the energy industry. U.S. propane inventories are currently below the three-year average.

The future impact of these events on liquidity, volatility, credit availability and market and financial conditions generally, could change at any time. The duration and ultimate impact on the economy are unknown at this time, and, as a result, it is difficult to estimate the longer-term impact on our operations and the markets for our products. At the current time, we expect an impact to our business as it relates to our customers that operate in industries governments have classified as non-essential and customers required to operate at reduced capacities. During the quarter ended September 30, 2021, the impact of these events caused a decrease in sales volumes and sales prices for our Canadian Propane Distribution operating segment and to a lesser extent our U.S. Propane Distribution operating segment. Management has taken steps to reduce capital and selling, distribution and administrative costs to minimize the impact these events have had on our business. The impact of COVID-19 on the Canadian Propane Distribution segment has been lessened by the CEWS recorded.

Superior's operating segments provide essential services in all provinces, states and territories in which Superior operates. In response to COVID-19, and in-line with recommendations from local health authorities, enhanced operating procedures and protocols were instituted to protect our employees and customers and to maintain our sites and facilities to even higher levels of cleanliness.

Management is continuing to monitor these situations and may be required to take further actions that may materially alter operations.

Health, Safety and Environment
Superior's operations are subject to the risks associated with handling, storing and transporting propane in bulk. To mitigate risks, Superior has established a comprehensive environmental, health and safety protection program. It consists of an environmental policy, codes of practice, periodic self-audits, employee training, quarterly and annual reporting and emergency prevention and response.

The U.S. propane distribution business, through a centralized safety and environment management system, ensures that safety practices and regulatory compliance are an important part of its business. The storage and delivery of refined fuels pose the risk of spills which could adversely affect the soil and water of storage facilities and customer properties.

Superior's fuel distribution businesses are based and operate in Canada and the United States and, as a result, such operations could be affected by changes to laws, rules or policies which could either be more favourable to competing energy sources or increase compliance costs or otherwise negatively affect the operations of Propane Distribution in comparison with such competing energy sources. Any such changes could have an adverse effect on the operations of Propane Distribution.

Employee and Labour Relations
Approximately 3% of the U.S. propane distribution business employees and 19% of Superior's Canadian propane distribution business employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the renegotiation process that could have an adverse impact on Superior.

Superior Plus Corp.
Condensed Consolidated Balance Sheets

(Unaudited, millions of Canadian dollars)	Note	As at September 30 2021	As at December 31 2020
Assets			
Current Assets			
Cash and cash equivalents		**32.7**	24.1
Trade and other receivables	**6**	**181.1**	312.9
Prepaids and deposits		**46.9**	45.5
Inventories	**7**	**109.7**	124.0
Other current financial assets	**13**	**106.0**	43.7
Total Current Assets		**476.4**	550.2
Non-current Assets			
Property, plant and equipment	**5**	**1,050.4**	1,647.8
Intangible assets	**5**	**459.1**	425.4
Goodwill	**5**	**1,314.8**	1,152.8
Notes, finance lease receivables and other investments	**4**	**128.7**	1.1
Employee future benefits		**8.1**	7.5
Deferred tax assets	**14**	**9.6**	28.3
Other non-current financial assets	**13**	**11.0**	13.2
Total Non-current Assets		**2,981.7**	3,276.1
Total Assets		**3,458.1**	3,826.3
Liabilities and Equity			
Current Liabilities			
Trade and other payables	**9**	**415.9**	428.3
Contract liabilities		**20.7**	19.1
Lease liabilities	**12**	**39.4**	53.3
Borrowings	**11**	**10.8**	7.1
Dividends payable		**12.6**	12.6
Other current financial liabilities	**13**	**17.1**	11.1
Total Current Liabilities		**516.5**	531.5
Non-current Liabilities			
Lease liabilities	**12**	**128.2**	213.5
Borrowings	**11**	**1,347.4**	1,554.4
Other liabilities	**10**	**13.5**	14.5
Provisions	**8**	**10.1**	126.4
Employee future benefits		**6.7**	29.0
Deferred tax liabilities	**14**	**105.6**	75.3
Other non-current financial liabilities	**13**	**0.9**	1.6
Total Non-current Liabilities		**1,612.4**	2,014.7
Total Liabilities		**2,128.9**	2,546.2
Equity			
Capital		**2,350.3**	2,350.3
Deficit		**(1,408.1)**	(1,475.6)
Accumulated other comprehensive earnings		**57.3**	74.5
Non-controlling interest		**329.7**	330.9
Total Equity	**15**	**1,329.2**	1,280.1
Total Liabilities and Equity		**3,458.1**	3,826.3

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Changes in Equity

(Unaudited, millions of Canadian dollars)	Share Capital (Note 15)	Contributed Surplus	**Total Capital**	**Deficit**	**Accumulated Other Comprehensive Earnings**	**Non-controlling Interest (Note 15)**	**Total**
As at January 1, 2021	**2,349.1**	**1.2**	**2,350.3**	**(1,475.6)**	**74.5**	**330.9**	**1,280.1**
Net earnings for the period	**–**	**–**	**–**	**162.6**	**–**	**17.9**	**180.5**
Unrealized foreign currency loss on translation of foreign operations	**–**	**–**	**–**	**–**	**(7.8)**	**(1.2)**	**(9.0)**
Realized foreign currency gain reclassified to net income					**(20.8)**	**–**	**(20.8)**
Actuarial defined-benefit gain	**–**	**–**	**–**	**–**	**15.4**	**–**	**15.4**
Income tax expense on other comprehensive loss	**–**	**–**	**–**	**–**	**(4.0)**	**–**	**(4.0)**
Total comprehensive earnings (loss)	**–**	**–**	**–**	**162.6**	**(17.2)**	**16.7**	**162.1**
Dividends and dividend equivalent declared to common shareholders	**–**	**–**	**–**	**(95.1)**	**–**	**–**	**(95.1)**
Dividends to non-controlling interest shareholders	**–**	**–**	**–**	**–**	**–**	**(17.9)**	**(17.9)**
As at September 30, 2021	**2,349.1**	**1.2**	**2,350.3**	**(1,408.1)**	**57.3**	**329.7**	**1,329.2**
As at January 1, 2020	2,338.7	1.2	2,339.9	(1,406.2)	105.3	–	1,039.0
Net earnings for the period	–	–	–	(7.9)	–	5.4	(2.5)
Unrealized foreign currency gain on translation of foreign operations	–	–	–	–	41.8	(7.5)	34.3
Actuarial defined-benefit loss	–	–	–	–	(11.9)	–	(11.9)
Income tax recovery on other comprehensive loss	–	–	–	–	3.2	–	3.2
Total comprehensive earnings	–	–	–	(7.9)	33.1	(2.1)	23.1
Common shares issued under dividend reinvestment plan	10.4	–	10.4	–	–	–	10.4
Preferred shares issued and issuance costs incurred	–	–	–	(18.1)	–	353.8	335.7
Dividends and dividend equivalent declared to common shareholders	–	–	–	(94.8)	–	–	(94.8)
Dividends to preferred shareholders	–	–	–	–	–	(5.4)	(5.4)
As at September 30, 2020	2,349.1	1.2	2,350.3	(1,527.0)	138.4	346.3	1,308.0

Superior Plus Corp.
Condensed Consolidated Statements of Net Earnings (Loss) and Total Comprehensive Earnings

(Unaudited, millions of Canadian dollars, except per share amounts)	Note	Three Months September 30 2021	Three Months September 30 2020[(i)]	Nine Months Ended September 30 2021	Nine Months Ended September 30 2020[(i)]
Revenue	**16, 19**	**362.6**	256.8	**1,567.7**	1,245.0
Cost of sales (includes products and services)	**16**	**(230.0)**	(136.1)	**(936.9)**	(608.8)
Gross profit		**132.6**	120.7	**630.8**	636.2
Expenses					
Selling, distribution and administrative costs	**16,17**	**(184.5)**	(165.8)	**(583.7)**	(534.9)
Finance expense	**16**	**(16.6)**	(22.5)	**(137.8)**	(74.5)
Gains (loss) on derivatives and foreign currency translation of borrowings	**13, 16**	**17.4**	26.6	**92.5**	(20.4)
		(183.7)	(161.7)	**(629.0)**	(629.8)
Earnings (loss) before income taxes	**16**	**(51.1)**	(41.0)	**1.8**	6.4
Income tax (expense) recovery	**14**	**15.2**	14.9	**1.6**	(31.5)
Net earnings (loss) from continuing operations	**16**	**(35.9)**	(26.1)	**3.4**	(25.1)
Net earnings from discontinued operations, net of tax expense	**4**	**2.3**	4.7	**177.1**	22.6
Net earnings (loss)		**(33.6)**	(21.4)	**180.5**	(2.5)
Net earnings (loss) attributable to:					
Superior		**(39.8)**	(26.8)	**162.6**	(7.9)
Non-controlling interest		**6.2**	5.4	**17.9**	5.4
Net earnings (loss) per share from continuing operations attributable to Superior					
Basic and diluted	**18**	**(0.24)**	**(0.18)**	**(0.08)**	**(0.17)**
Net earnings (loss) per share attributable to Superior					
Basic and diluted	**18**	**(0.23)**	**(0.15)**	**0.87**	**(0.05)**
Other comprehensive earnings (loss)					
Items that may be reclassified subsequently to net earnings					
Unrealized foreign currency loss (gain) on translation of foreign operations		**36.6**	(32.2)	**(9.0)**	34.3
Realized foreign currency gain reclassified to net earnings		**–**	–	**(20.8)**	–
Items that will not be reclassified to net earnings (loss)					
Actuarial defined-benefit gain (loss)		**(1.9)**	(9.2)	**15.4**	(11.9)
Income tax recovery (expense) on other comprehensive loss		**0.6**	2.5	**(4.0)**	3.2
Other comprehensive earnings (loss) for the period		**35.3**	(38.9)	**(18.4)**	25.6
Total comprehensive earnings (loss) for the period		**1.7**	(60.3)	**162.1**	23.1
Total comprehensive earnings (loss) for the year attributable to:					
Superior		**(11.9)**	(58.2)	**145.4**	25.2
Non-controlling interest		**13.6**	(2.1)	**16.7**	(2.1)

[(i)] The comparative figures have been restated to conform with the current year's presentation, see Note 2 and Note 4.

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Cash Flows

(Unaudited, millions of Canadian dollars)	Note	Three Months Ended September 30 2021	Three Months Ended September 30 2020[(i)]	Nine Months Ended September 30 2021	Nine Months Ended September 30 2020[(i)]
OPERATING ACTIVITIES					
Net earnings for the period		**(33.6)**	(21.4)	**180.5**	(2.5)
Adjustments for:					
Depreciation included in selling, distribution and administrative		**27.2**	27.4	**85.2**	82.3
Depreciation of right-of-use assets included in selling, administrative costs		**4.3**	4.7	**11.6**	12.5
Depreciation and amortization included in discontinued operations		**–**	18.1	**9.6**	53.3
Amortization of intangible assets included in selling, distribution administrative costs		**20.6**	17.1	**52.3**	46.6
Loss (gain) on disposal of assets, impairments, and other non-cash items		**0.6**	1.4	**1.0**	2.7
Unrealized loss on financial and non-financial derivatives and foreign exchange gain on US. Dollar debt and lease liabilities	**13**	**(12.1)**	(26.8)	**(54.1)**	(3.4)
Gain on disposal of discontinued operations	**4**	**(0.6)**	–	**(229.3)**	–
Finance expense recognized in net earnings		**16.6**	24.3	**139.8**	80.2
Income tax expense recognized in net earnings	**14**	**(16.9)**	(11.9)	**68.1**	37.8
Changes in non-cash operating working capital and other	**20**	**10.1**	26.1	**62.7**	80.1
Net cash flows from operating activities before income taxes and interest paid		**16.2**	58.9	**327.4**	389.6
Income taxes paid		**(1.5)**	(1.4)	**(15.0)**	(8.4)
Interest paid		**(18.0)**	(40.3)	**(86.2)**	(91.6)
Cash flows from operating activities		**(3.3)**	17.2	**226.2**	289.6
INVESTING ACTIVITIES					
Acquisitions, net of cash acquired	**5**	**(42.2)**	(234.7)	**(284.2)**	(258.4)
Purchase of property, plant and equipment and intangible assets	**21**	**(16.8)**	(30.6)	**(59.0)**	(85.9)
Proceeds on disposal of property, plant and equipment		**0.2**	1.5	**2.2**	7.8
Proceeds on divestiture	**5**	**(0.7)**	–	**571.7**	–
Cash flows used in investing activities		**(59.5)**	(263.8)	**230.7**	(336.5)
FINANCING ACTIVITIES					
Proceeds of revolving term bank credit facilities and other debt		**237.7**	869.2	**1,035.7**	1,953.7
Repayment of revolving term bank credit facilities and other debt		**(167.9)**	(895.7)	**(1,300.7)**	(2,126.4)
Principal repayment of lease obligations		**(9.1)**	(13.8)	**(33.9)**	(39.0)
Redemption of 7% senior unsecured debentures		**–**	–	**(472.3)**	–
Redemption of 5.25% senior unsecured debentures		**–**	–	**(410.5)**	–
Redemption of 5.125% senior unsecured debentures		**–**	–	**(384.2)**	–
Issuance of 4.5% senior unsecured notes		**–**	–	**753.7**	–
Issuance of 4.25% senior unsecured debenture		**–**	–	**500.0**	–
Proceeds from preferred share issuance		**–**	353.8	**–**	353.8
Debt issue costs credit facility		**–**	–	**(1.6)**	–
Debt issue costs 4.25% senior unsecured note		**–**	(18.1)	**(8.7)**	(18.1)
Debt issue costs 4.5% senior unsecured note		**–**	–	**(13.3)**	–
Proceeds from vehicle refinancing		**–**	0.8	**–**	18.1
Dividends paid to shareholders		**(37.8)**	(35.1)	**(113.0)**	(87.6)
Cash flows from (used in) financing activities		**22.9**	261.1	**(448.8)**	54.5
Net increase in cash and cash equivalents from continuing operations		**(39.9)**	14.5	**8.1**	7.6
Cash and cash equivalents, beginning of the period		**71.8**	20.8	**24.1**	26.5
Effect of translation of foreign currency-denominated cash and		**0.8**	(1.9)	**0.5**	(0.7)
Cash and cash equivalents, end of the period		**32.7**	33.4	**32.7**	33.4

(i) The comparative figures have been restated to conform with the current year's presentation, see Note 2 and Note 4.

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

1. ORGANIZATION

Superior Plus Corp. ("Superior" or the "Company") is a diversified business corporation, incorporated under the *Canada Business Corporations Act*. The registered office is located at Suite 401, 200 Wellington Street West, Toronto, Ontario. Superior's investment in Superior Plus LP is financed by share capital. Superior is a publicly traded company with its common shares trading on the Toronto Stock Exchange under the exchange symbol SPB.

These unaudited condensed consolidated financial statements were authorized for issue by the Board of Directors on November 11, 2021.

Reportable Operating Segments

Superior operates two reportable operating segments: Canadian Propane Distribution and United States ("U.S.") Propane Distribution. The Canadian Propane Distribution segment includes the Canadian retail business and the wholesale business with operations in Canada and California. The U.S. Propane Distribution segment distributes propane gas and liquid fuels along the Eastern U.S., and into the Midwest and California. In prior years, Superior included its Specialty Chemicals business as an operating segment however, this segment was divested on April 9, 2021 and its net earnings have been reported as a discontinued operation, see Note 4.

References to Energy Distribution in the notes below refers to both Canadian Propane Distribution and U.S. Propane Distribution because of the inherent similarities of the businesses.

2. BASIS OF PRESENTATION

(a) Preparation of Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting,* as issued by the International Accounting Standards Board ("IASB") using accounting policies Superior adopted in its annual consolidated financial statements as at and for the year ended December 31, 2020, except for our policy on Interest Rate Benchmark Reform disclosed below. The unaudited condensed consolidated financial statements were prepared on a going concern basis.

The unaudited condensed consolidated financial statements were prepared on the historical cost basis, except for the revaluation of certain financial instruments and incorporate the accounts of Superior and its subsidiaries. Subsidiaries are all entities over which Superior has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The results of subsidiaries are included in Superior's consolidated statements of net earnings and total comprehensive earnings from date of acquisition, or in the case of disposals, up to the effective date of disposal. Where Superior's interest is less than 100 percent, the interest attributable to outside shareholders is reflected in non-controlling interest ("NCI"). A subsidiary of Superior has outstanding cumulative preference shares that are classified as equity and are held by non-controlling interest. Superior computes its share of net earnings after deducting for the dividend entitlement on these NCI on preference shares. The NCI is translated using exchange rates prevailing at the end of each reporting period with the foreign exchange translation included in other comprehensive earnings for the period.

All transactions and balances between Superior and Superior's subsidiaries are eliminated upon consolidation. The assets and liabilities of Superior's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognized in other comprehensive earnings for the period.

If Superior loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Reclassification of Comparative Figures

As a result of the transaction disclosed in Note 4, the net earnings of the Specialty Chemicals operating segment have been reported as a discontinued operation. Management has restated the comparative figures in the condensed consolidated statements of net earnings to conform to this presentation.

(c) Significant Accounting Judgments, Estimates and Assumptions

The preparation of Superior's unaudited condensed consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosure. The estimates and associated assumptions are based on historical experience and various other factors deemed reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the consolidated financial statements are consistent with those disclosed in Superior's 2020 annual consolidated financial statements with the exception of the contingent consideration related to the divestiture of the Specialty Chemicals business, see Note 4.

COVID-19

The outbreak of the novel strain of the coronavirus in the first quarter of 2020, specifically identified as the COVID-19 pandemic, has caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. COVID-19 did not significantly impact the carrying values of the Company's assets and liabilities as at September 30, 2021, except for the employee future benefits and provisions in relation to the decommissioning costs that were affected by lower interest rates. At this time, given the continued uncertainty surrounding COVID-19, it is not possible to reliably estimate the full impact this will have on Superior's financial position and operating results. Certain expenses were eligible under the Canadian Emergency Wage Subsidy ("CEWS") program instituted by the Government of Canada. The CEWS program allowed Superior to recover a portion of eligible employee costs incurred, see Note 17. The Government of Canada continues to make amendments to the CEWS program and Superior may be eligible for future claims. Judgments, estimates and assumptions made by management during the preparation of these consolidated financial statements may also change as conditions related to COVID-19 change. Changes in assumptions including, but not limited to, foreign exchange rates, interest rates and commodity prices could impact the measurement of items including derivative and non-derivative instruments, allowance for doubtful accounts, provisions and employee future benefits.

(d) Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's unaudited condensed consolidated financial statements are disclosed in the Company's annual consolidated financial statements.

(e) Interest Rate Benchmark Reform

Various interest rate and other indices that are deemed to be "benchmarks" (including LIBOR) are the subject of international regulatory guidance and proposals for reform. Regulators in various jurisdictions have pushed for the transition from Interbank Offered Rates ("IBORs") to alternative benchmark rates (alternative rates), based upon risk free rates determined using actual market transactions.

In March 2021, the Financial Conduct Authority and the ICE Benchmark Administration announced that US dollar one-week and two-month settings will stop being published after December 31, 2021 and all remaining US dollar LIBOR settings will stop being published after June 30, 2023.

The transition from current reference rates to alternative rates may adversely affect the value of contracts linked to existing benchmarks. These developments may cause some LIBOR and other benchmarks to be discontinued. Superior is monitoring these developments and the impact this may have on our LIBOR based borrowings.

The IASB addressed interest rate benchmark reform and its effects on financial reporting in two phases. The first phase focuses on issues affecting financial reporting in the period before the interest rate benchmark reform, while the second phase focuses on the issues that affect financial reporting once the existing rate is replaced with an alternative rate.

In September 2019, the IASB finalized the first phase through the issuance of "Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7". This did not have any impact on Superior. In August 2020, the IASB finalized the second phase through the issuance of "Interest Rate Benchmark Reform: Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16" (Phase 2 amendments), which addresses the issues that affect financial reporting once the existing rate is replaced with an alternative rate. The Phase 2 amendments are effective and have been adopted on January 1, 2021, and the effects of adoption has no impact on Superior's unaudited condensed consolidated financial statements.

For financial instruments measured using amortized cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognized. For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. These expedients are only applicable to changes that are required by interest rate benchmark reform when made on an economically equivalent basis.

Superior does not expect changes related to interest rate benchmark reform to have a material impact to Superior's results. Superior's exposure is limited to borrowings with a variable interest rate, see Note 11 of the unaudited condensed consolidated financial statements as at September 30, 2021.

3. SEASONALITY OF OPERATIONS

Sales typically peak in the first quarter when approximately one-third of annual propane and other refined fuels sales volumes and gross profits are generated due to the demand of heating from end-use customers. They then decline through the second and third quarters, rising seasonally again in the fourth quarter with heating demand. Similarly, net working capital is typically at seasonal highs during the first and fourth quarters, and normally declines to seasonal lows in the second and third quarters. Net working capital is also significantly influenced by wholesale propane prices and other refined fuels.

For the 12 months ended September 30, 2021, Superior reported gross profit of $908.3 million (September 30, 2020 – $947.1 million) and net earnings of $91.2 million (September 30, 2020 – 48.3 million) from continuing operations.

4. Discontinued Operations

On April 9, 2021, Superior completed the previously announced sale of its Specialty Chemicals business for total consideration of $725.0 million (the "Transaction"). Superior received $600 million in cash proceeds, less working capital adjustment of $17.0 million and a $125 million in the form of a 6% unsecured note ("Vendor Note"). The principal amount of the Vendor Note and accrued and unpaid interest are due October 9, 2026. The purchase price is subject to adjustment based on the average EBITDA of the business for the three consecutive twelve-month periods following the closing date. If the average EBITDA, adjusted to remove the impact of IFRS 16, is higher than $115 million the purchase price will be increased by multiplying the difference by 4.5 and the buyer will issue an additional note to Superior, up to a maximum of $100 million which includes accumulated interest. The note will bear interest at the same rate as the Vendor Note and interest will accrue from the closing date. If the average EBITDA, adjusted to remove the impact of IFRS 16, is lower than $100 million, the purchase price will be decreased by multiplying the difference by 4.5 and a note will be issued by the seller up to a maximum of $100 million which includes accumulated interest. The note will bear interest at the same rate as the Vendor Note and interest will accrue from the closing date. The fair value of the contingent consideration at April 9, 2021 was estimated to be a liability of $1.4 million and has been included in costs to sell and on the balance sheet as part of other non-current financial liabilities. Changes in the fair value of the contingent consideration are recorded in the consolidated statements of net earnings as part of gains (loss) on derivatives and foreign currency translation of borrowings. Interest earned on the vendor note is recorded net of finance expense, see Note 16. There was no change in the estimated fair value from the date of acquisition to September 30, 2021.

The Transaction included all assets and liabilities Superior held in its Specialty Chemical operating segment. Management has presented the results of the Specialty Chemicals operating segment as a discontinued operation and no longer presents these results in the Reportable Segment Information note. The consideration received exceeded the carrying amount of the net assets and therefore, no impairment was required to be recorded.

The gain on sale of Specialty Chemicals is calculated as follows:

Cash proceeds (net of working capital adjustments of $17.0 million and cash of $2.6 million)	**580.4**
Vendor note [1]	**125.0**
Costs to sell	**(10.1)**
Net proceeds	**695.3**
Trade and other receivables	74.1
Prepaid expenses	3.6
Inventories	49.4
Property, plant and equipment	624.1
Employee future benefits	7.4
Intangible assets and goodwill	4.8
Trade and other payables	(59.3)
Lease liability (Note 12)	(105.3)
Other liabilities	(1.2)
Provisions (Note 8)	(98.1)
Employee future benefits	(12.7)
Carrying value of the net assets	**486.8**
Recognition of foreign currency translation gain previously recorded in AOCI	**(20.8)**
Gains on sale of ERCO	**229.3**

[1] $125.0 million of vendor note is included in Notes, Finance Lease Receivables and Other Investments on the Condensed Consolidated Balance Sheets.

Net earnings reported in the consolidated statement of net earnings and total comprehensive income for the comparative period has been restated to separately present results from the Specialty Chemical segment as discontinued operations. Net earnings from discontinued operations reported in the consolidated statements of net earnings for the three and nine months ended 2021 and 2020 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	**2021**	2020
Revenues	**-**	142.6	**157.5**	445.4
Cost of sales	**-**	(86.4)	**(101.2)**	(265.7)
Depreciation included in COS	**-**	(10.6)	**(5.6)**	(30.6)
Gross profit	**-**	45.6	**50.7**	149.1
EXPENSES				
Selling, distribution and administrative costs	**-**	(29.6)	**(27.8)**	(90.4)
Depreciation included in SD&A	**-**	(1.8)	**(1.0)**	(5.7)
Depreciation of right-of-use asset included in SD&A	**-**	(5.5)	**(2.9)**	(16.2)
Amortization of intangible assets included in SD&A	**-**	(0.2)	**(0.1)**	(0.8)
Finance expense	**-**	(1.8)	**(2.0)**	(5.7)
Unrealized gain (losses) on foreign currency translation of leases	**-**	1.0	**0.6**	(1.4)
	-	(37.9)	**(33.2)**	(120.2)
Net earnings from discontinued operations before income taxes	**-**	7.7	**17.5**	28.9
Income tax (expense) recovery	**1.7**	(3.0)	**(69.7)**	(6.3)
Gain on disposal including $20.8 million currency translation	**0.6**		**229.3**	-
Net earnings from discontinued operations	**2.3**	**4.7**	**177.1**	22.6
Other comprehensive earnings from discontinued operations				
Items that may be reclassified subsequently to net earnings				
Unrealized foreign currency gain (loss) on translation of foreign operations	**-**	**(2.0)**	**-**	**3.2**
Realized foreign currency gain (loss) on translation of foreign operations	**-**	**-**	**(20.8)**	**-**
Items that will not be reclassed to net earnings				
Actuarial defined-benefit gain (loss)	**(1.9)**	**(8.8)**	**15.1**	**(12.2)**
Income tax expense (recovery) on other comprehensive earnings loss	**0.6**	**2.3**	**(4.0)**	**3.2**
Other comprehensive earnings related to discontinued operations	**(1.3)**	**(8.5)**	**(9.7)**	**(5.8)**
Total comprehensive earnings related to discontinued operations	**1.0**	(3.8)	**167.4**	16.8

Cash flows from discontinued operations reported in the consolidated statement of cash flows for three and nine months ended 2021 and 2020 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Cash flows from operating activities	-	17.5	17.4	71.8
Cash flows used in investing activities	-	(13.3)	(7.4)	(31.3)
Cash flows used in financing activities	-	(5.2)	(6.7)	(15.3)
Cashflows from discontinued operations	-	**(1.0)**	**3.3**	**25.2**

5. ACQUISITIONS

	Williams	Freeman Gas	Holden Oil	Miller Propane	Highlands Propane
Year of acquisition	**2021**	**2021**	**2021**	**2021**	**2021**
Cash	**0.1**	**-**	**-**	**-**	**-**
Accounts receivable	**-**	**-**	**0.9**	**0.3**	**0.6**
Inventories	**0.4**	**3.9**	**0.2**	**0.4**	**0.4**
Property, plant and equipment	**11.5**	**68.5**	**6.0**	**2.3**	**7.9**
Intangible assets	**15.1**	**53.3**	**7.3**	**2.4**	**1.6**
Trade and other payables and contract liabilities	**-**	**(1.7)**	**(1.3)**	**(0.4)**	**-**
Long-term debt and Lease liabilities	**(0.5)**	**(16.0)**	**(1.1)**	**-**	**(1.5)**
Provisions and other liabilities	**(0.3)**	**(1.0)**	**-**	**(0.5)**	**-**
Deferred tax liabilities	**-**	**-**	**-**	**(0.9)**	**-**
Net identifiable assets and liabilities	**26.3**	**107.0**	**12.0**	**3.6**	**9.0**
Consideration transferred					
Fair value of deferred consideration	**11.0**	**-**	**5.1**	**-**	**3.2**
Cash paid on acquisition	**37.6**	**211.5**	**17.3**	**7.5**	**11.8**
Total consideration transferred	**48.6**	**211.5**	**22.4**	**7.5**	**15.0**
Goodwill arising on acquisition	**22.3**	**104.5**	**10.4**	**3.9**	**6.0**

	Champagne	Rymes	Central Cost	Southern Propane
Year of acquisition	**2020**	**2020**	**2020**	**2020**
Cash	**-**	**-**	**0.2**	**-**
Accounts receivable	**0.5**	**0.9**	**0.2**	**0.2**
Inventories	**0.4**	**2.3**	**-**	**0.1**
Other assets	**-**	**0.3**	**-**	**-**
Property, plant and equipment	**11.0**	**82.7**	**1.9**	**6.5**
Intangible assets	**11.8**	**55.0**	**7.5**	**1.4**
Trade and other payables and contract liabilities	**(1.9)**	**(8.4)**	**(0.3)**	**(0.5)**
Lease liabilities	**(0.8)**	**(1.3)**	**(0.3)**	**(1.0)**
Deferred tax liabilities	**-**	**-**	**(2.5)**	**-**
Net identifiable assets and liabilities	**21.0**	**131.5**	**6.7**	**6.7**
Consideration transferred				
Fair value of deferred consideration	**-**	**-**	**2.0**	**-**
Cash paid on acquisition	**35.3**	**196.3**	**15.1**	**8.1**
Total consideration transferred	**35.3**	**196.3**	**17.1**	**8.1**
Goodwill arising on acquisition	**14.3**	**64.8**	**10.4**	**1.4**

The acquisition costs directly attributable to the following acquisitions were expensed and are included in selling, distribution and administrative costs. The goodwill recognized represents the expected synergies from operations and the intangible assets that do not qualify for separate recognition. Goodwill arising on acquisition is deductible for tax purposes unless otherwise noted.

Revenue and net earnings from continuing operations for the nine months ended September 30, 2021, would have increased by $55.3 million and $11.5 million, if the 2021 acquisitions had occurred on January 1, 2021.

The following purchase price allocations noted below, are considered preliminary, and as a result, may be adjusted during the 12-month period following the acquisition once all the required information pertaining to the ownership, remaining useful lives and a final count of tanks, cylinders, vehicles and intangibles is obtained and assessed. Superior has allocated the purchase price to the identified assets and liabilities based on fair value estimates using current information available. The amounts presented are based on their estimated fair value and management expects that any further changes will relate to finalizing the fair value of property, plant and equipment, intangible assets and goodwill.

Freeman Gas and Electric Co., Inc. ("Freeman")

On June 16, 2021 Superior acquired the assets of a retail propane distribution company based in South Carolina, operating under the tradename, Freeman Gas and Electric Co., Inc. for an aggregate purchase price of approximately US $172.2 million (C$211.5 million) before adjustments for working capital. Goodwill arising on this acquisition forms part of the US. Propane Distribution segment.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of US$10.2 million and US$0.4 million respectively (C$12.8 million and C$0.5 million), and US$11.5 million and US$0.5 million (C$14.4 million and C$0.7 million) for the three months and nine months ended September 30, 2021.

During the three months ended September 30, 2021, the estimated purchase price was updated from the prior estimate. Property, plant and equipment decreased $1.2 million and intangible assets increased by $0.3 million primarily due to updating the estimated fair value of tanks, working capital amounts decreased by approximately $2.1 million, lease and other liabilities increased by $0.6 million and cash paid on acquisition increased by $3.8 million. These changes resulted in a net increase to goodwill in the amount of $7.4 million

Williams Energy Group ("Williams")

On July 7, 2021, Superior acquired the assets of a retail propane distribution company based in North Carolina, operating under the tradename, Williams Energy Group ("Williams Energy") for an aggregate purchase price of approximately US $38.9 million (C $48.6 million). Goodwill arising on this acquisition forms part of the US. Propane Distribution segment.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of US$2.5 million and US$0.3 million (C$3.2million and C$0.3 million), respectively to the U.S. Propane Distribution segment for the nine months ended September 30, 2021.

The following purchase price allocations for acquisitions completed in 2021, are considered final and there were not any changes to the previously disclosed fair values.

Holden Oil ("Holden")

On January 26, 2021 Superior acquired 100% interest in the assets of a retail propane and distillate distribution company, operating in Massachusetts under the tradename Holden Oil ("Holden") for a total consideration of US$17.7 million (C $22.4 million). Goodwill arising on this acquisition forms part of the US. Propane Distribution segment.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of US$11.0 million and US$1.5 million respectively (C$13.8 million and C$1.9 million), and US$2.3 million and US$0.1 million respectively (C$2.9 million and C$0.1 million) for the nine months and three months ended September 30, 2021.

Miller Propane ("Miller")

On February 1, 2021 Superior acquired a 100% equity interests of a retail propane distribution company, operating in Quebec under the tradename Miller Propane ("Miller") for a total consideration of $7.5 million. Goodwill arising on this acquisition forms part of the Canadian Propane Distribution segment and is not deductible for tax purposes.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of $3.1 million and $0.5 million respectively, and $1.3 million and $0.2 million respectively to the Canadian Propane Distribution segment for the nine months and three months ended September 30, 2021.

Highlands Propane ("Highlands")

On February 11, 2021, Superior acquired the assets and shares of an Ontario retail propane distribution company, operating under the tradename Highlands Propane ("Highlands") for a total consideration of $15.0 million. Goodwill arising on the acquisition forms part of the Canadian Propane Distribution segment.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of $5.4 million and $0.3 million respectively, and $1.3 million and ($0.2) million respectively, to the Canadian Propane Distribution segment for the nine months and three months ended September 30, 2021.

Acquisitions in 2020

Superior has finalized the following acquisitions completed in 2020. As a result, the following adjustments were made to the purchase price allocations:

Purchase Price Adjustments	Champagne	Rymes	Southern Propane	Central Coast	Total
Accounts receivable	**0.5**	**(1.3)**	**0.1**	**-**	**(0.7)**
Property, plant and equipment	**(1.5)**	**(20.6)**	**(1.0)**	**(0.3)**	**(23.4)**
Intangible assets	**1.1**	**5.6**	**-**	**-**	**6.7**
Trade and other payables and contract liabilities	**(1.2)**	**(1.2)**	**(0.2)**	**(0.3)**	**(2.9)**
Net identifiable assets and liabilities	**(1.1)**	**(17.5)**	**(1.1)**	**(0.6)**	**(20.3)**
Consideration transferred					
Cash paid on acquisition	**(1.1)**	**(0.4)**	**0.1**	**-**	**(1.4)**
Total consideration transferred	**(1.1)**	**(0.4)**	**0.1**	**-**	**(1.4)**
Goodwill arising on acquisition	**-**	**17.1**	**1.2**	**0.6**	**18.9**

Working capital including accounts receivables and trade payables was decreased by $3.6 million. Property, plant and equipment and intangibles changed by a net decrease of $16.7 million as a result of updating estimates to the assumed age and quantity of the tanks and equipment acquired. Cash paid was decreased by $1.4 million as a result of finalizing the consideration paid related to working capital acquired. As a result of these adjustments, goodwill was increased by $18.9 million.

6. TRADE AND OTHER RECEIVABLES

A summary of trade and other receivables is as follows:

	September 30 2021	December 31 2020
Trade receivables, net of allowances	**146.6**	270.7
Accounts receivable – other[1]	**34.5**	42.2
Trade and other receivables	**181.1**	312.9

[1] This balance consists of accounts receivable related to CEWS, indirect tax, final settlements related to acquisitions and other miscellaneous balances. The amount of CEWS included in this balance is $8.6 million (December 31, 2020 - $15.7 million), see Note 17.

Pursuant to their respective terms, trade receivables, before the deduction for an allowance for doubtful accounts, are aged as follows:

	September 30 2021	December 31 2020
Current	**106.2**	209.9
Past due less than 90 days	**33.5**	56.9
Past due over 90 days	**22.7**	15.9
Trade receivables	**162.4**	282.7

Superior's trade receivables are stated after deducting an allowance of $15.8 million as at September 30, 2021 (December 31, 2020 – $12.0 million). The movement in the allowance for doubtful accounts is as follows:

	September 30 2021	December 31 2020
Allowance for doubtful accounts, January 1	**(12.0)**	(9.3)
Impairment losses recognized on receivables	**(5.2)**	(5.3)
Amounts written off during the year as uncollectible	**1.6**	1.5
Impact of divestiture (Note 4)	**1.7**	–
Amounts recovered	**0.4**	0.5
Foreign exchange impact and other	**(2.3)**	0.6
Allowance for doubtful accounts, end of the quarter	**(15.8)**	(12.0)

7. INVENTORIES

A summary of inventories is as follows:

Summary of inventories	**September 30 2021**	December 31 2020
Propane, heating oil and other refined fuels	**96.3**	65.9
Propane retailing materials, supplies, appliances and other	**13.4**	11.0
Chemical finished goods and raw materials	**–**	27.6
Chemical stores, supplies and other	**–**	19.5
	109.7	124.0

8. PROVISIONS

A summary of provisions is as follows:

	Restructuring	**Decommissioning**	**Other**	**Total**
Balance as at December 31, 2020	2.3	122.9	**5.5**	130.7
Additions	**2.8**	**(0.4)**	**–**	**2.4**
Utilization	**(1.8)**	**(0.1)**	**(0.7)**	**(2.6)**
Unwinding of discount	**–**	**0.4**	**–**	**0.4**
Impact of change in discount rate	**–**	**(17.7)**	**–**	**(17.7)**
Divestiture (Note 4)	**(0.8)**	**(97.3)**	**–**	**(98.1)**
Net foreign currency exchange difference	**–**	**(0.8)**	**-**	**(0.8)**
Balance as at September 30, 2021	**2.5**	**7.0**	**4.8**	**14.3**

	September 30 2021	December 31 2020
Current (Note 9)	**4.2**	4.3
Non-current	**10.1**	126.4
	14.3	130.7

Superior is subject to various claims and potential claims in the normal course of business, but the Company does not expect the ultimate settlement of any of these to have a material effect on its financial results. The outcomes of all the proceedings and claims against Superior are subject to future resolution that includes the uncertainties of litigation. It is not possible for Superior to predict the result or magnitude of the claims due to the various factors and uncertainties involved in the legal process. Based on information currently known to Superior, it is not probable that the ultimate resolution of any proceedings and claims, individually or in total, will have a material effect on the consolidated statements of net earnings and total comprehensive earnings or consolidated balance sheets. If it becomes probable that Superior is liable, Superior will record a provision in the period the change in probability occurs, and the resulting impact could be material to the condensed consolidated statements of net earnings and total comprehensive earnings or condensed consolidated balance sheets.

9. Trade and Other Payables

A summary of trade and other payables is as follows:

	September 30 2021	December 31 2020
Trade payables	**251.1**	281.9
Provisions (Note 8)	**4.2**	4.3
Accrued liabilities and other payables	**120.5**	111.8
Current taxes payable	**19.4**	15.2
Share-based payments, current portion	**20.7**	15.1
Trade and other payables	**415.9**	428.3

10. Other Liabilities

A summary of other liabilities is as follows:

	September 30 2021	December 31 2020
Quebec cap and trade payable	**2.5**	–
California cap and trade payable	**4.8**	3.8
Nova Scotia cap and trade payable	**1.6**	1.1
Share-based payments and others	**4.6**	8.4
Other long-term payables	**–**	1.2
Other liabilities	**13.5**	14.5

Superior operates in California, Nova Scotia, and Quebec, and is required to participate in the respective government cap and trade programs, which requires Superior to settle any liability with compliance instruments at the end of each compliance period. Intangible assets are recorded when compliance instruments are purchased, and cap and trade liabilities are recorded upon the import of propane. These are included in the consolidated statements of cash flows net of the liability that has been accrued related to cap and trade as part of changes in non-cash working capital.

11. BORROWINGS

A summary of borrowings is as follows:

	Year of Maturity	Effective Interest Rate	**September 30 2021**	December 31 2020
Revolving Term Bank Credit Facilities (1)				
Bankers' Acceptances ("BA")	2026	Floating BA rate plus 1.70%	**21.0**	225.0
Canadian Prime Rate Loan (Prime and Swing line)	2026	Prime rate plus 0.70%	**–**	7.1
LIBOR Loans (US$42 million; 2020 – US$75.0 million)	2026	Floating LIBOR rate plus 1.70%	**53.3**	95.4
U.S. Base Rate Loans (Prime and Swing line) (US $7.0 million; 2020 – US$12.6 million)	2026	U.S. Prime rate plus 0.70%	**8.9**	16.1
			83.2	343.6
Other Debt				
Deferred consideration and other	2021–2026	1.74%-8.74%	**37.4**	24.8
			37.4	24.8
Senior Unsecured Notes				
Senior unsecured notes(3)	2024	5.250%	**–**	400.0
Senior unsecured notes(3)	2025	5.125%	**–**	370.0
Senior unsecured notes(2)	2026	7.000%	**–**	445.4
Senior unsecured notes(3)	2028	4.250%	**500.0**	–
Senior unsecured notes(2)	2029	4.500%	**760.8**	–
			1,260.8	1,215.4
Total borrowings before deferred financing fees			**1,381.4**	1,583.8
Deferred financing fees and discounts			**(23.2)**	(22.3)
Total borrowings before current maturities			**1,358.2**	1,561.5
Current maturities			**(10.8)**	(7.1)
Total non-current borrowings			**1,347.4**	1,554.4

(1) As at September 30, 2021, Superior had $22.4 million of outstanding letters of credit (December 31, 2020 – $40.6 million) and $304.5 million of outstanding financial guarantees on behalf of its businesses (December 31, 2020 – $289.0 million). The fair value of Superior's revolving term bank credit facilities, other debt, letters of credit, and financial guarantees approximates their carrying value as a result of the market-based interest rates and the short-term nature of the underlying debt instruments. On April 9, 2021, Superior extended and restated its syndicated credit facility with 10 lenders, with no material changes to the financial covenants to May 8, 2026. The credit facilities are secured by substantially all of the assets of Superior. The lender commitments remain at $750.0 million and can be expanded to $1,050.0 million on condition that no event of default has occurred and lender consent is provided.

(2) On March 11, 2021, Superior's subsidiaries, Superior Plus LP and Superior General Partner Inc issued at par US$600 million of 4.5% senior unsecured notes due March 15, 2029, and redeemed in full Superior's US$350 million senior unsecured notes at a redemption price of 107.444% plus accrued and unpaid interest, if any, to but excluding the redemption date. The fair value of the outstanding US$600 million senior unsecured notes is $787.8 million (December 31, 2020 – $nil million), and the redeemed 7.00% notes (December 31, 2020 - $476.8 million) based on prevailing market prices. Upon redemption of the US$350 million senior unsecured note, a realized foreign exchange translation gain was $5.8 million, see Note 13. There was an unrealized foreign exchange translation loss on the US$600 million senior unsecured note of $7.1 million for the nine months ended September 30, 2021

(3) On May 18, 2021, Superior's wholly-owned subsidiary, Superior Plus LP has completed a private placement of CDN$500 million of 4.25% senior unsecured notes, at par value, due May 18, 2028, which are guaranteed by Superior and certain of its subsidiaries. The proceeds from the notes issuance along with borrowing under its credit facility and cash on hand were used to redeem the CDN $400 million of 5.25% senior unsecured notes and the CDN $370 million of 5.125% senior unsecured notes, at the respective prescribed rates in their indentures along with accrued and unpaid interest. The fair value of the senior unsecured notes based on prevailing market rates is as follows: 4.25% notes, is $514.1 million (December 31, 2020 – $nil million), redeemed 5.25% notes (December 31, 2020 - $413.5 million), redeemed 5.125% notes (December 31, 2020 - $386.9 million).

Repayment requirements of borrowings before deferred financing fees are as follows:

Current maturities	10.8
2022–2023	10.5
2023–2024	6.4
2024–2025	5.4
2025–2026	86.7
2026–2027	0.9
Thereafter	1,260.7
Total	1,381.4

12. LEASING ARRANGEMENTS

The lease liabilities by operating segment are as follows:

	Propane Distribution		Discontinued		
	Canada	**U.S.**	**Operations**	**Corporate**	**Total**
Lease liabilities as at December 31, 2020	76.5	76.9	112.1	1.3	266.8
Lease liabilities assumed as part of a business combination	**0.3**	**17.6**	**-**	**–**	**17.9**
Additions	**11.6**	**11.1**	**1.7**	**–**	**24.4**
Finance expense on lease liabilities	**2.9**	**2.8**	**1.6**	**–**	**7.3**
Lease payments	**(16.4)**	**(15.9)**	**(8.7)**	**(0.2)**	**(41.2)**
Impact of changes in foreign exchange rates and other	**-**	**(0.9)**	**(1.4)**	**–**	**(2.3)**
Divestiture (Note 4)	**-**	**-**	**(105.3)**	**–**	**(105.3)**
Lease liabilities as at September 30, 2021	**74.9**	**91.6**	**-**	**1.1**	**167.6**

	2021	2020
Current portion of lease liabilities	**39.4**	53.3
Non-current portion of lease liabilities	**128.2**	213.5
Total lease liabilities	**167.6**	266.8

Included in the above lease liabilities, as at September 30, 2021, are vehicle and other fleet lease obligations of $85.3 million (December 31, 2020 – 85.7 million).

The present value of lease payments are as follows:

	Minimum Rental Payments		Present Value of Minimum Rental Payments	
	2021	2020	**2021**	2020
Not later than one year	**43.1**	62.4	**39.4**	53.3
Later than one year and not later than five years	**104.9**	176.5	**87.8**	147.3
Later than five years	**54.1**	97.2	**40.4**	66.2
Less: future finance charges	**(34.5)**	(69.3)	**–**	–
Present value of minimum rental payments	**167.6**	266.8	**167.6**	266.8

Future minimum lease payments under non-cancellable, low-value, short-term leases and leases with variable lease payments are summarized below.

	September 30 2021	December 31 2020
Not later than one year	**3.0**	3.6
Later than one year and not later than five years	**1.0**	3.8
	4.0	7.4

13. FINANCIAL INSTRUMENTS

IFRS requires disclosure around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Superior's market assumptions. These two types of input create the following fair value hierarchy:

- *Level 1* – Quoted prices in active markets for identical instruments.
- *Level 2* – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- *Level 3* – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined by reference to quoted bid or ask prices, as appropriate, in the most advantageous active market for that instrument to which Superior has immediate access (Level 1). Where bid and ask prices are unavailable, Superior uses the closing price of the instrument's most recent transaction. In the absence of an active market, Superior estimates fair values based on prevailing market rates (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal or external valuation models, such as discounted cash flow analysis using, to the extent possible, observable market-based inputs (Level 2). Superior uses internally developed methodologies and unobservable inputs to determine the fair value of some financial instruments when required (Level 3).

Fair values determined using valuation models require assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, Superior looks primarily to available readily observable external market inputs including forecast commodity price curves, interest rate yield curves, currency rates and price and rate volatilities as applicable.

All financial and non-financial derivatives are designated as FVTPL upon their initial recognition.

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period. During the quarter ended September 30, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

				As at September 30, 2021
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Foreign currency forward contracts, net sale	**15.0**	**–**	**–**	**15.0**
Equity derivative contract		**4.8**	**–**	**4.8**
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	**–**	**97.2**	**–**	**97.2**
Total assets	**15.0**	**102.0**	**–**	**117.0**
Liabilities				
Foreign currency forward contracts, net sale	**1.2**	**–**	**–**	**1.2**
Equity derivative contract	**–**	**0.2**	**–**	**0.2**
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	**–**	**15.2**	**–**	**15.2**
Contingent consideration (Note 4)	**–**	**–**	**1.4**	**1.4**
Total liabilities	**1.2**	**15.4**	**1.4**	**18.0**
Total net assets	**13.8**	**86.6**	**(1.4)**	**99.0**
Current portion of assets	**5.9**	**100.1**	**–**	**106.0**
Current portion of liabilities	**0.4**	**15.3**	**1.4**	**17.1**

				As at December 31, 2020
	Level 1	Level 2	Level 3	Total
Assets				
Foreign currency forward contracts, net sale	22.0	–	–	22.0
Equity derivative contract	–	4.4	–	4.4
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	–	30.5	–	30.5
Total assets	22.0	34.9	–	56.9
Liabilities				
Foreign currency forward contracts	1.1	–	–	1.1
Cross-currency interest rate swaps	1.0	–	–	1.0
Equity derivative contract	–	0.6	–	0.6
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	–	10.0	–	10.0
Total liabilities	2.1	10.6	–	12.7
Total net assets	19.9	24.3	–	44.2
Current portion of assets	11.6	32.1	–	43.7
Current portion of liabilities	0.9	10.2	–	11.1

The following table outlines quantitative information about how the fair values of these financial and non-financial assets and liabilities are determined, including valuation techniques and inputs used:

Description	Notional	Term	Effective Rates	Valuation Technique(s) and Key Input(s)
Level 1 fair value hierarchy:				
Foreign currency forward contracts	US$239.5	2021–2024	$1.33	Quoted bid prices in the active market.
Foreign currency options USD/CAD calls	US$42.0	2023-2024	$1.40–$1.47	Quoted bid prices in the active market.
Level 2 fair value hierarchy:				
Equity derivative contracts	C$17.7	2020–2023	$10.48	Discounted cash flows – Future cash flows are estimated based on the share price.
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	156.3 USG(ii)	2021–2024	$0.72–$1.99	Quoted bid prices for similar products in an active market.
Level 3 fair value hierarchy:				
Contingent consideration	C$100.0(ii)	2021–2026		Weighted average EBITDA outcomes based on scenarios using current and future earnings assumptions such as foreign exchange rates, average price assumptions and forecasted demand.

(i) Millions of United States gallons ("USG") purchased.

(ii) Maximum adjustment including 6% interest.

Superior's realized and unrealized financial instrument gains (losses) for the three and nine months ended September 30, 2021 and 2020 are as follows:

		Three Months Ended September 30 2021			Three Months Ended September 30 2020	
Description	**Realized Gain**	**Unrealized Gain (Loss)**	**Total**	Realized Gain	Unrealized Gain	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD calls	**0.6**	**(7.4)**	**(6.8)**	0.3	12.8	13.1
Equity derivative contracts	**–**	**(2.9)**	**(2.9)**		1.3	1.3
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	**4.8**	**39.2**	**44.0**	0.5	2.5	3.0
Total gains (losses) on financial and non-financial derivatives	**5.4**	**28.9**	**34.3**	0.8	16.6	17.4
Foreign exchange gain (loss) on U.S. dollar debt and lease liabilities	**–**	**(16.9)**	**(16.9)**	–	9.2	9.2
Total gains	**5.4**	**12.0**	**17.4**	0.8	25.8	26.6

		Nine Months Ended September 30 2021			Nine Months Ended September 30 2020	
Description	**Realized Gain**	**Unrealized Gain (Loss)**	**Total**	Realized Loss	Unrealized Gain (Loss)	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD calls	**8.9**	**(6.2)**	**2.7**	(5.9)	(0.7)	(6.6)
Cross-currency interest rate swaps	**–**	**–**	**–**		5.8	5.8
Equity derivative contracts	**–**	**0.9**	**0.9**	–	2.1	2.1
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	**29.5**	**60.8**	**90.3**	(19.3)	14.6	(4.7)
Total gains (losses) on financial and non-financial derivatives	**38.4**	**55.5**	**93.9**	(25.2)	21.8	(3.4)
Foreign exchange gain (loss) on U.S. dollar debt and lease liabilities	**20.0**	**(21.4)**	**(1.4)**	–	(17.0)	(17.0)
Total gains (losses)	**58.4**	**34.1**	**92.5**	(25.2)	4.8	(20.4)

The following summarizes Superior's classification and measurement of financial assets and liabilities:

	Classification	Measurement
Financial Assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Derivative assets, including contingent consideration	FVTPL	Fair Value
Notes and finance lease receivable	Loans and receivables	Amortized cost
Financial liabilities		
Trade and other payables	Other liabilities	Amortized cost
Dividends payable	Other liabilities	Amortized cost
Borrowings	Other liabilities	Amortized cost
Derivative liabilities, including contingent consideration	FVTPL	Fair Value

The fair value of cash and cash equivalents, trade and other receivables, trade and other payables, dividends payable and revolving term bank credit facilities correspond to the respective carrying amounts due to their short-term nature and/or the interest rate on the asset is commensurate with market interest rates for the type of asset with similar duration and credit risk. The fair value of senior unsecured notes disclosed in Note 11 are determined by quoted market prices (Level 2 fair value hierarchy). The fair value of the Note receivable approximates the carrying value as the interest rate on the asset is commensurate with market interest rates for this type of asset with this type with a similar duration and credit risk. This estimate is subject to change and will be updated as new information becomes available (Level 3 fair value hierarchy).

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the consolidated balance sheets when Superior currently has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, Superior enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting, but do, however, still allow for the related amount to be set off in certain circumstances, such as bankruptcy or the termination of contracts. As at September 30, 2021 and 2020, Superior has not recorded any amount against other current and non-current financial liabilities.

Financial Instruments – Risk Management

Market Risk
Financial derivatives and non-financial derivatives are used by Superior to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. Superior assesses the inherent risks of these instruments by grouping financial and non-financial derivatives according to the exposures these instruments mitigate. Superior's policy is not to use financial derivative or non-financial derivative instruments for speculative purposes. Superior does not formally designate its derivatives as hedges and, as a result, Superior does not apply hedge accounting and is required to designate its financial derivatives and non-financial derivatives as held for trading.

Energy Distribution enters into various propane forward purchase and sale agreements to manage the economic exposure of its wholesale customer supply contracts. Energy Distribution monitors its fixed-price propane positions on a daily basis to monitor compliance with established risk management policies. Energy Distribution maintains a substantially balanced fixed-price propane position in relation to its wholesale customer supply commitments.

Superior, on behalf of its operating divisions, enters into foreign currency forward contracts to manage the economic exposure of its operations to movements in foreign currency exchange rates. Energy Distribution contracts a portion of its fixed-price natural gas, and propane purchases and sales in U.S. dollars and enters into forward U.S.-dollar purchase contracts to create an effective Canadian-dollar fixed-price purchase cost. Superior enters into U.S.-dollar forward sales contracts on an ongoing basis to mitigate the impact of foreign exchange fluctuations on sales margins on production from its Canadian plants that is sold in U.S. dollars. Interest expense on Superior's U.S.-dollar debt is also used to mitigate the impact of foreign exchange fluctuations.

Superior manages its overall liquidity risk in relation to its general funding requirements by utilizing a mix of short-term and long-term debt instruments. Superior reviews its mix of short-term and long-term debt instruments on an ongoing basis to ensure it is able to meet its liquidity requirements.

Credit Risk
Superior utilizes a variety of counterparties in relation to its financial derivative and non-financial derivative instruments in order to mitigate its counterparty risk. Superior assesses the creditworthiness of its significant counterparties at the inception and throughout the term of a contract. Superior is also exposed to customer credit risk. Energy Distribution deals with a large number of small customers, thereby reducing this risk. Energy Distribution actively monitors the creditworthiness of its commercial customers. Overall, Superior's credit quality is enhanced by its portfolio of customers, which is diversified across geographical (primarily Canada and the U.S.) and end-use (primarily commercial, residential and industrial) markets.

Allowances for doubtful accounts and past due receivables are reviewed by Superior as at each consolidated balance sheet date. Superior updates its estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of trade and other receivables with each customer, considering historical collection trends of past due accounts, current economic conditions and future forecasts. Trade and other receivables are written off once it is determined they are uncollectible.

As part of the material terms of the divestiture disclosed in Note 4, a Vendor Note of $125 million was issued by the buyer. Its principal amount and accrued and unpaid interest are due October 2026. The collectability of the amounts owed to Superior is subject to the going concern of the buyer. As of September 30, 2021, Superior does not have any concerns about the financial strength of the buyer. Superior will continuously monitor the credit risk associated with this Vendor Note.

Based on the current valuation, Superior has estimated a liability of $1.4 million related to this contingent consideration. The fair value has been calculated based on an estimate of the EBITDA during the thirty-six-months subsequent to the divestiture. If Superiors EBITDA assumptions used to value the contingent consideration were increased by 5% or decreased by 5% the fair value would increase by approximately $3.7 million and decrease by approximately $5.6 million respectively. This estimate is subject to change and will be updated as new information becomes available.

Liquidity Risk
Liquidity risk is the risk that Superior cannot meet a demand for cash or fund an obligation as it comes due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

To ensure it is able to react to contingencies and investment opportunities quickly, Superior maintains sources of liquidity at the corporate and subsidiary levels. The main sources of liquidity are cash and other financial assets, the undrawn committed revolving term bank credit facility, equity markets and debenture markets.

Superior is subject to the risks associated with debt financing, including the ability to refinance indebtedness at maturity. Superior believes these risks are mitigated through the use of long-term debt secured by high quality assets, maintaining debt levels that in management's opinion are appropriate, and by diversifying maturities over an extended period. Superior also seeks to include in its agreements terms that protect it from liquidity issues of counterparties that might otherwise affect liquidity.

Equity Price Risk
Equity price risk is the risk of volatility in earnings as a result of volatility in Superior's share price. Superior has equity price risk exposure to shares that it issues under various forms of share-based compensation programs, which affect earnings when outstanding units are revalued at the end of each reporting period. Superior uses equity derivatives to manage volatility derived from its share-based compensation program.

As at September 30, 2021, Superior estimates that a 10% increase in its share price would have resulted in a $2.3 million increase in earnings due to the revaluation of equity derivative contracts.

Superior's contractual obligations associated with its financial liabilities are as follows:

	Current	2022	2023	2024	2025	2026	Thereafter	Total
Borrowings	10.8	10.5	6.4	5.4	86.7	0.9	1,260.7	1,381.4
Lease liabilities	39.4	29.6	25.9	21.2	11.1	5.5	34.9	167.6
Non-cancellable, low-value, short-term leases and leases with variable lease payments	3.0	0.9	0.1	–	–	–	–	4.0
USD-foreign currency forward sales contracts	107.5	93.0	33.0	6.0	–	–	–	239.5
USD/CAD call options[i]	–	6.0	27.0	9.0	–	–	–	42.0
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	232.2	30.7	4.3	–	–	–	–	267.2

[i] *USD/CAD call options expiring in December 2023 with strike prices ranging from $1.40 to $1.47 settling in 2024.*

Superior's contractual obligations are considered normal-course operating commitments and do not include the impact of mark-to-market fair values on financial and non-financial derivatives. Superior expects to fund these obligations through a combination of cash flows from operations, proceeds on revolving term bank credit facilities and proceeds on the issuance of share capital. Superior's financial instruments' sensitivities are consistent as at September 30, 2021 and 2020.

14. INCOME TAXES

Consistent with prior periods, Superior recognizes a provision for income taxes for its subsidiaries that are subject to current and deferred income taxes, including Canadian, U.S. income taxes, Chilean and Luxembourg income taxes.

Total income tax expense (recovery), composed of current income taxes and deferred income taxes for the three and nine months ended September 30, 2021, was ($15.2) million and ($1.6) million, respectively, compared to ($14.9) million and $31.5 million in the comparative periods. For the three and nine months ended September 30, 2021, deferred income tax expense (recovery) recorded within net earnings from continuing operations was ($16.5) million and ($9.9) million, respectively, with a corresponding total net deferred income tax liability of $96.0 million as at September 30, 2021 (December 31, 2020 – $47.0 million).

15. TOTAL EQUITY

Superior is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares.

Common Shares

The holders of common shares are entitled to dividends if, as and when, declared by the Board of Directors; to one vote per share at shareholders' meetings; and upon liquidation, dissolution or winding up of Superior to receive pro rata the remaining property and assets of Superior, subject to the rights of any shares having priority over the common shares, of which the Preferred Shares of Superior Plus US Holdings are outstanding. See Preferred Shares issued by a subsidiary further below.

	Issued Number of Common Shares (Millions)	Total Capital Attributable to Common Shareholders	Equity Attributable to Common Shareholders
As at December 31, 2020	176.0	2,350.3	949.2
Net earnings for the period	–	–	**162.6**
Other comprehensive loss	–	–	**(17.2)**
Dividends declared to common shareholders	–	–	**(95.1)**
As at September 30, 2021	**176.0**	**2,350.3**	**999.5**

Preferred Shares of Superior Plus US Holdings

The Preferred Shares issued by Superior's subsidiary entitle the holders to a cumulative dividend of 7.25% per annum through to the end of Superior's second fiscal quarter in 2027. If dividends are paid on the common shares, Superior is required to pay the dividend in cash on the Preferred Shares, otherwise, the Preferred Share dividends can be paid or accrued at Superior's option. In the event that Superior declares a dividend on its common shares in excess of $0.06 per month, the holders of the Preferred Shares shall be entitled to an equivalent amount. Superior has the option to redeem all, but not less than all, the Preferred Shares at a date that is seven years after the issue date with not less than 30 days prior written notice to the holders of the Preferred Shares. The preferred shares can be redeemed at US$1,000 per share plus accrued and unpaid dividends. If Superior does not redeem the Preferred Shares, the dividend rate increases by 0.75% per annum for the next four years to a maximum of 10.25%. If the dividends are not paid in cash, the cumulative dividend increases by 1.0% per annum to a maximum of 14.25%.

The Preferred Shares may be exchanged, at the holder's option, into 30 million common shares of Superior ("Common Shares") or at Superior's option, on or after the third anniversary of the issue date if the volume-weighted average price of Superior's common shares during the then preceding 30 consecutive trading day period, converted to U.S. dollars at the applicable exchange rate, must be greater than 145% of the exchange price. On an as-exchanged basis, the investment currently represents approximately 15% of the diluted outstanding Common Shares. The exchange price of the Preferred Shares will be subject to adjustment from time to time in accordance with the terms of the Preferred Shares. These potential adjustments relate primarily to accrued and unpaid dividends, increased or additional dividends to common shareholders, in instances where there is a share split, share consolidation or a reorganization, the participation rate on the dividend reinvestment plan is greater than 35% and if common shares are issued below market value.

Holders of Preferred Shares will be entitled to vote on an as-exchanged basis for all matters on which holders of Superior's Common Shares vote, and to the greatest extent possible, will vote with the holders of Common Shares as a single class.

In the event of any liquidation, winding up or dissolution of Superior, the holders of Preferred Shares are entitled to receive prior, and in preference to, any distribution to the holders of common shares, an amount equal to the greater of a liquidation rate per share of US$1,400 plus accrued and unpaid dividends or the amount receivable had the preferred shares been converted to common shares immediately prior to the liquidation event. In the event that upon liquidation or dissolution, the assets and funds of Superior are insufficient to permit the payment to the holders of Preferred Shares of the full preferential amounts, then the entire assets and funds of Superior legally available for distribution are to be distributed ratably among the holders of Preferred Shares in proportion to the full preferential amount each is otherwise entitled to receive. After the distributions described above have been paid in full, the remaining assets of Superior available for distribution shall be distributed pro-rata to the holder of common shares.

Dividends declared to preferred shareholders for the nine months ended September 30, 2021 were US$14.1 million (C$17.9 million) or US$54.4 (C$68.9) per preferred share.

NCI	**Issued Number of Preferred Shares (Millions)**	**Equity Attributable to NCI**
As at December 31, 2020	0.3	330.9
Net earnings for the period	–	**17.9**
Other comprehensive loss, allocated to non-controlling interest	–	**(1.2)**
Dividends to preferred shareholders	–	**(17.9)**
As at September 30, 2021	**0.3**	**329.7**

16. Supplemental Disclosure of Condensed Consolidated Statements of Net Earnings

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020(iii)	**2021**	2020(iii)
Revenue				
Revenue from products	**331.4**	235.8	**1,479.5**	1,168.5
Revenue from the rendering of services	**20.0**	12.9	**57.2**	46.7
Tank and equipment rental	**11.2**	8.1	**31.0**	29.8
	362.6	256.8	**1,567.7**	1,245.0
Cost of sales				
Cost of products and services(i)	**(228.7)**	(134.9)	**(932.6)**	(606.2)
Low value, short-term and variable lease payments	**(1.3)**	(1.2)	**(4.3)**	(2.6)
	(230.0)	(136.1)	**(936.9)**	(608.8)
Selling, distribution and administrative costs				
Other selling, distribution and administrative costs	**(34.2)**	(33.9)	**(101.8)**	(102.6)
Restructuring, transaction and other costs	**(6.9)**	(4.5)	**(20.6)**	(15.1)
Employee future benefit expense	**(0.1)**		**(0.1)**	(0.1)
Employee costs(ii)	**(74.1)**	(62.0)	**(256.8)**	(222.4)
Vehicle operating costs	**(14.1)**	(12.8)	**(47.4)**	(44.4)
Facilities maintenance expense	**(1.8)**	(1.7)	**(5.5)**	(5.4)
Depreciation of right-of-use assets	**(4.3)**	(4.7)	**(11.6)**	(12.5)
Depreciation included in selling, distribution and administrative costs	**(27.2)**	(27.4)	**(85.2)**	(82.3)
Amortization of intangible assets	**(20.6)**	(17.1)	**(52.3)**	(46.6)
Low value, short-term and variable lease payments	**(0.6)**	(0.3)	**(1.4)**	(0.8)
Loss on disposal of assets	**(0.6)**	(1.4)	**(1.0)**	(2.7)
	(184.5)	(165.8)	**(583.7)**	(534.9)
Finance expense				
Interest on borrowings	**(14.5)**	(18.9)	**(52.7)**	(63.2)
Interest earned on Vendor Note	**1.8**	–	**3.4**	–
Interest on lease liability	**(2.0)**	(2.0)	**(5.7)**	(6.0)
Premium and other losses on redemption of senior unsecured notes	**–**	–	**(58.6)**	–
Unwinding of discount on decommissioning liabilities and non-cash financing expenses	**(1.9)**	(1.6)	**(24.2)**	(5.3)
	(16.6)	(22.5)	**(137.8)**	(74.5)
Gains (losses) on derivatives and foreign currency translation of borrowings				
Realized gain (loss) on financial and non-financial derivatives and foreign currency translation	**5.4**	0.8	**58.4**	(25.2)
Unrealized gain on financial and non-financial derivatives and foreign currency translation	**12.0**	25.8	**34.1**	4.8
	17.4 –	26.6	**92.5** **–**	(20.4)
Earnings (loss) before income taxes	**(51.1)**	(41.0)	**1.80**	6.4
Income tax recovery (expense)				
Current income tax expense	**(1.3)**	(2.6)	**(8.3)**	(7.9)
Deferred income tax recovery (expense)	**16.5**	17.5	**9.9**	(23.6)
	15.2	14.9	**1.6**	(31.5)
Net loss from continuing operations	**(35.9)**	(26.1)	**3.4**	(25.1)

(i) During three and nine months ended September 30, 2021, the cost of products and services includes inventory write-down (reversal) of $0.5 million and $2.3 million respectively (three and nine months ended 2020 - $0.4 million and $2.2 million respectively).

(ii) Expense is shown net of the CEWS subsidy, see Note 17.

(iii) Restated to be comparable with the current period's presentation, see Note 2 (b).

17. GOVERNMENT GRANT

In response to COVID-19, the Government of Canada implemented the Canadian Emergency Wage Subsidy program. The CEWS program offers qualifying organizations government assistance in the form of a payroll subsidy to offset the cost of employees. The payroll subsidy was recognized as an offset to salary expense. For the three and nine months ended September 30, 2021 Superior recorded $8.6 million, and $21.7 million respectively ($14.1 million for the three and nine months ended September 30, 2020) as a reduction to selling, distribution and administration costs and $1.4 million related to discontinued operations for the nine months ended September 30, 2021 ($3.5 million for the three and nine months ended September 30, 2020).

There are no unfulfilled conditions attached to this government assistance. As of September 30, 2021, $8.6 million (December 31, 2020 – $ 15.7 million) is included in trade and other receivables.

18. NET EARNINGS PER SHARE, BASIC AND DILUTED

Net loss per share from continuing operations	Three Months Ended September 30 2021	2020	Nine Months Ended September 30 2021	2020
Basic				
Net loss from continuing operations attributable to common shareholders	**$(42.1)**	$(31.5)	**$(14.5)**	$(30.5)
Weighted average shares outstanding (millions) - basic	**176.0**	176.0	**176.0**	175.5
Net loss from continuing operations per share attributable to common shareholders	**$(0.24)**	$(0.18)	**$(0.08)**	$(0.17)
Diluted				
Net earnings (loss) attributable to common shareholders assuming preferred shares convert	**$(35.9)**	$(26.1)	**$3.4**	$(25.1)
Weighted average common shares outstanding (millions) assuming preferred shares convert	**206.0**	201.8	**206.0**	184.2
	$(0.17)	$(0.13)	**$0.02**	$(0.14)
Net loss per share from continuing operations attributable to common shareholders	**$(0.24)**	$(0.18)	**$(0.08)**	$(0.17)

Net earnings per share from discontinued operations	Three Months Ended September 30 2021	2020	Nine Months Ended September 30 2021	2020
Basic				
Net earnings attributable to common shareholders	**$2.3**	$4.7	**$177.1**	$22.6
Weighted average shares outstanding (millions) - basic	**176.0**	176.0	**176.0**	175.5
Net earnings per share from discontinued operations attributable to common shareholders	**$0.01**	$0.03	**$1.01**	$0.13
Diluted				
Net earnings attributable to common shareholders	**$2.3**	$4.7	**$177.1**	$22.6
Weighted average common shares outstanding (millions) assuming preferred shares convert	**206.0**	201.8	**206.0**	184.2
	$0.01	$0.02	**$0.86**	$0.12
Net earnings per share from discontinued operations attributable to common shareholders	**$0.01**	$0.02	**$0.86**	$0.12

Net earnings (loss) per share	Three Months Ended September 30 2021	2020	Nine Months Ended September 30 2021	2020
Basic				
Net earnings (loss) attributable to common shareholders	**$(39.8)**	$(26.8)	**$162.6**	$(7.9)
Dividends declared to common shareholders	**31.7**	31.7	**95.1**	94.8
Excess earnings allocated to common shareholders	**-**	-	**57.7**	-
Total earnings (loss) allocated to common shareholders	**$(39.8)**	$(26.8)	**$152.8**	$(7.9)
Weighted average shares outstanding (millions) - basic	**176.0**	176.0	**176.0**	175.5
Net earnings (loss) per share attributable to common shareholders	**$(0.23)**	$(0.15)	**$0.87**	$(0.05)
Diluted				
Net earnings (loss) attributable to common shareholders	**$(33.6)**	$(21.4)	**$180.5**	$(2.5)
Weighted average common shares outstanding (millions) assuming preferred shares convert	**206.0**	201.8	**206.0**	184.2
	$(0.16)	$(0.11)	**$0.88**	$(0.01)
Net earnings (loss) per share attributable to common shareholders	**$(0.23)**	$(0.15)	**$0.87**	$(0.05)

Superior uses the two-class method to compute net earnings per common share attributable to common shareholders because Superior's preferred shares are participating equity securities. For the purpose of computing earnings per share the preferred shares are considered participating because they contractually entitle the holders to participate in dividends with ordinary shares according to a predetermined formula (Note 19). The two-class method requires earnings for the period to be allocated between common shares and preferred shares based upon their respective rights to receive distributed and undistributed earnings.

Under the two-class method, the basic and diluted earnings per share are computed as follows:

a) earnings or loss attributable to Superior's common shareholders is adjusted (earnings reduced and a loss increased) by the amount of dividends declared in the period for each class of shares and by the contractual amount of dividends that must be paid for the period.
b) the remaining earnings or loss is allocated to Superior's common shares and participating equity instruments to the extent that each instrument shares in earnings as if all of the earnings or loss for the period had been distributed. The total earnings or loss allocated to each class of equity instrument is determined by adding together the amount allocated for dividends and the amount allocated for a participation feature.
c) the total amount of earnings or loss allocated to each class of equity instrument is divided by the weighted-average number of outstanding instruments (and dilutive potential common shares for diluted earnings per share) to which the earnings are allocated to determine the earnings per share for the instrument.

No such adjustment to earnings is made during periods with a net loss, as the holders of the preferred shares have no obligation to fund losses. The two-class equity method is performed on each period presented in reference to that period's earnings or loss. Consequently, the sum of the four quarters' earnings per share data will not necessarily equal the annual earnings per share data.

19. DISAGGREGATION OF REVENUE

Revenue is disaggregated by primary geographical market, type of customer and major product and services lines.

For the Three Months Ended September 30, 2021	**Propane Distribution**			
	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from sale of products	**129.9**	**206.0**	**(4.5)**	**331.4**
Revenue from services	**10.4**	**9.6**	**-**	**20.0**
Tank and equipment rental	**6.7**	**4.5**	**-**	**11.2**
Total revenue	**147.0**	**220.1**	**(4.5)**	**362.6**

For the Nine Months Ended September 30, 2021	**Propane Distribution**			
	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from sale of products	**529.9**	**969.0**	**(19.4)**	**1,479.5**
Revenue from services	**29.6**	**27.6**	**-**	**57.2**
Tank and equipment rental	**20.1**	**10.9**	**-**	**31.0**
Total revenue	**579.6**	**1,007.5**	**(19.4)**	**1,567.7**

For the Three Months Ended September 30, 2020	Propane Distribution			
	Canada	U.S.	Inter-segment	Total
Revenue from sale of products	95.7	142.1	(2.0)	235.8
Revenue from services	6.5	6.4	–	12.9
Tank and equipment rental	6.3	1.8	–	8.1
Total revenue	108.5	150.3	(2.0)	256.8

For the Nine Months Ended September 30, 2020	Propane Distribution			
	Canada	U.S.	Inter-segment	Total
Revenue from sale of products	447.5	732.8	(11.8)	1,168.5
Revenue from services	25.2	21.5	–	46.7
Tank and equipment rental	20.1	9.7	–	29.8
Total revenue	492.8	764.0	(11.8)	1,245.0

20. SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING WORKING CAPITAL CHANGES

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2021	2020	**2021**	2020
Changes in non-cash operating working capital and other				
Trade and other receivables, and prepaids and deposits	**(43.5)**	(22.3)	**49.8**	154.5
Inventories	**(36.2)**	(12.9)	**(30.1)**	11.0
Trade and other payables and other liabilities	**89.8**	61.3	**43.0**	(85.4)
	10.1	26.1	**62.7**	80.1

21. REPORTABLE SEGMENT INFORMATION

Superior operates two continuing operating segments: Canadian Propane Distribution and U.S. Propane Distribution. The Canadian Propane Distribution segment includes the Canadian retail business and wholesale business with operations in Canada and California. The U.S. Propane Distribution segment distributes propane gas and liquid fuels along the Eastern U.S., and into the Midwest and California.

Superior's Chief Operating Decision Maker, the President, reviews the operating results, assesses performance, and makes capital allocation decisions with respect to the Canadian Propane Distribution, U.S. Propane Distribution and the corporate office. Therefore, Superior has presented these as operating segments for financial reporting purposes in accordance with IFRS 8, *Operating Segments*.

Nine Months Ended September 30, 2021	U.S. Propane Distribution	Canadian Propane Distribution	Corp.	Total Segments	Inter-segment	Consolidated
Revenue						
External customers	**781.4**	**786.3**	**–**	**1,567.7**	**–**	**1,567.7**
Inter-segment[(i)]	**–**	**19.4**	**–**	**19.4**	**(19.4)**	**–**
Total revenue	**781.4**	**805.7**	**–**	**1,587.1**	**(19.4)**	**1,567.7**
Cost of sales (includes products and services)[(i)]	**(398.3)**	**(538.6)**	**–**	**(936.9)**	**–**	**(936.9)**
Inter-segment[(i)]	**(19.4)**	**–**		**(19.4)**	**19.4**	**–**
Gross profit	**363.7**	**267.1**	**–**	**630.8**	**–**	**630.8**
Expenses						
Depreciation included in selling, distribution and administrative costs	**(53.3)**	**(31.8)**	**(0.1)**	**(85.2)**	**–**	**(85.2)**
Depreciation of right-of-use assets included in selling, distribution and administrative costs	**(3.5)**	**(7.9)**	**(0.2)**	**(11.6)**	**–**	**(11.6)**
Amortization of intangible assets included in selling, distribution and administrative costs	**(36.4)**	**(15.6)**	**(0.3)**	**(52.3)**	**–**	**(52.3)**
Selling, distribution and administrative costs	**(250.3)**	**(157.9)**	**(26.4)**	**(434.6)**	**–**	**(434.6)**
Finance expense	**(3.8)**	**(3.1)**	**(130.9)**	**(137.8)**	**–**	**(137.8)**
Gains on derivatives and foreign currency translation of borrowings	**69.8**	**20.4**	**2.3**	**92.5**	**–**	**92.5**
	(277.5)	**(195.9)**	**(155.6)**	**(629.0)**	**–**	**(629.0)**
Earnings (loss) before income taxes	**86.2**	**71.2**	**(155.6)**	**1.8**	**–**	**1.8**
Income tax expense	**–**	**–**	**1.6**	**1.6**	**–**	**1.6**
Net earnings (loss) from continuing operations	**86.2**	**71.2**	**(154.0)**	**3.4**	**–**	**3.4**

(i) Inter-segment revenues and cost of sales are eliminated upon consolidation and reflected in the 'inter-segment' column.

Three Months Ended September 30, 2021	U.S. Propane Distribution	Canadian Propane Distribution	Corp.	Total Segments	Inter-segment	Consolidated
Revenue						
External customers	**152.9**	**209.7**	**–**	**362.6**	**–**	**362.6**
Inter-segment[i]	**–**	**4.4**	**–**	**4.4**	**(4.4)**	**–**
Total revenue	**152.9**	**214.1**	**–**	**367.0**	**(4.4)**	**362.6**
Cost of sales (includes products and services)[i]	**(81.4)**	**(148.6)**	**–**	**(230.0)**		**(230.0)**
Inter-segment[i]	**(4.4)**		**–**	**(4.4)**	**4.4**	**–**
Gross profit	**67.1**	**65.5**	**–**	**132.6**	**–**	**132.6**
Depreciation included in selling, distribution and administrative costs	**(16.4)**	**(10.8)**	**(0.0)**	**(27.2)**		**(27.2)**
Depreciation of right-of-use assets included in selling, distribution and administrative costs	**(1.2)**	**(3.0)**	**(0.1)**	**(4.3)**		**(4.3)**
Amortization of intangible assets included in selling, distribution and administrative costs	**(15.2)**	**(5.2)**	**(0.2)**	**(20.6)**		**(20.6)**
Selling, distribution and administrative costs	**(81.6)**	**(47.4)**	**(3.4)**	**(132.4)**		**(132.4)**
Finance expense	**(1.4)**	**(1.1)**	**(14.1)**	**(16.6)**		**(16.6)**
Gains (losses) on derivatives and foreign currency translation of borrowings	**33.1**	**10.7**	**(26.4)**	**17.4**		**17.4**
	(82.7)	**(56.8)**	**(44.2)**	**(183.7)**	**–**	**(183.7)**
Earnings (loss) before income taxes	**(15.6)**	**8.7**	**(44.2)**	**(51.1)**	**–**	**(51.1)**
Income tax expense			**15.2**	**15.2**		**15.2**
Net earnings (loss) from continuing operations	**(15.6)**	**8.7**	**(29.0)**	**(35.9)**	**–**	**(35.9)**

(i) Inter-segment revenues and cost of sales are eliminated upon consolidation and reflected in the 'inter-segment' column.

Nine Months Ended September 30, 2020	U.S. Propane Distribution	Canadian Propane Distribution	Corp.	Total Segments	Inter-segment	Consolidated
Revenue						
External customers	604.5	640.5	–	1,245.0	–	1,245.0
Inter-segment(i)	–	11.8	–	11.8	(11.8)	–
Total revenue	604.5	652.3	–	1,256.8	(11.8)	1,245.0
Cost of sales (includes products and services)	(242.3)	(366.5)	–	(608.8)	–	(608.8)
Inter-segment(i)	(11.8)	-	–	(11.8)	11.8	–
Gross profit	350.4	285.8	–	636.2	–	636.2
Depreciation included in selling, distribution and administrative costs	(51.0)	(31.1)	(0.2)	(82.3)	–	(82.3)
Depreciation of right-of-use assets included in selling, distribution and administrative costs	(3.8)	(8.5)	(0.2)	(12.5)	–	(12.5)
Amortization of intangible assets included in selling, distribution and administrative costs	(30.2)	(16.2)	(0.2)	(46.6)	–	(46.6)
Selling, distribution and administrative costs	(218.4)	(155.6)	(19.5)	(393.5)	–	(393.5)
Finance expense	(4.2)	(3.4)	(66.9)	(74.5)	–	(74.5)
Gains (losses) on derivatives and foreign currency translation of borrowings	(5.8)	1.1	(15.7)	(20.4)	–	(20.4)
	(313.4)	(213.7)	(102.7)	(629.8)	–	(629.8)
Earnings (loss) before income taxes	37.0	72.1	(102.7)	6.4	–	6.4
Income tax expense	–	–	(31.5)	(31.5)	–	(31.5)
Net earnings (loss) from continuing operations	37.0	72.1	(134.2)	(25.1)	–	(25.1)

(i) Inter-segment revenues and cost of sales are eliminated upon consolidation and reflected in the ‘inter-segment’ column.

Three Months Ended September 30, 2020	U.S. Propane Distribution	Canadian Propane Distribution	Corp.	Total Segments	Inter-segment	Consolidated
Revenue						
External customers	112.2	144.6	–	256.8	-	256.8
Inter-segment[(i)]	–	2.0	–	2.0	(2.0)	–
Total revenue	112.2	146.6	-	258.8	(2.0)	256.8
Cost of sales (includes products and services)	(49.5)	(86.6)	-	(136.1)	-	(136.1)
Inter-segment[(i)]	(2.0)	-	-	(2.0)	2.0	–
Gross profit	60.7	60.0	-	120.7	-	120.7
Expenses						
Depreciation included in selling, distribution and administrative costs	(17.4)	(10.0)	-	(27.4)		(27.4)
Depreciation of right-of-use assets included in selling, distribution and administrative costs	(1.3)	(3.3)	(0.1)	(4.7)		(4.7)
Amortization of intangible assets included in selling, distribution and administrative costs	(11.3)	(5.6)	(0.2)	(17.1)		(17.1)
Selling, distribution and administrative costs	(68.3)	(40.1)	(8.2)	(116.6)		(116.6)
Finance expense	(1.3)	(1.0)	(20.2)	(22.5)		(22.5)
Gains (losses) on derivatives and foreign currency translation of borrowings	2.0	1.0	23.6	26.6		26.6
	(97.6)	(59.0)	(5.1)	(161.7)	-	(161.7)
Earnings (loss) before income taxes	(36.9)	1.0	(5.1)	(41.0)	-	(41.0)
Income tax expense	–	–	14.9	14.9	-	14.9
Net earnings (loss) from continuing operations	(36.9)	1.0	9.8	(26.1)	-	(26.1)

(i) Inter-segment revenues and cost of sales are eliminated upon consolidation and reflected in the ‘inter-segment’ column.

Net Working Capital, Total Assets, Total Liabilities and Purchase of Property, Plant and Equipment

	U.S. Propane Distribution	Canadian Propane Distribution	Specialty Chemicals[(2)]	Corporate	Total
As at September 30, 2021					
Net working capital[(i)]	**(67.6)**	**(5.3)**	**–**	**(38.6)**	**(111.5)**
Total assets	**2,113.1**	**1,129.4**	**–**	**215.6**	**3,458.1**
Total liabilities	**435.1**	**288.0**	**–**	**1,405.8**	**2,128.9**
As at December 31, 2020					
Net working capital[(i)]	(13.6)	14.7	62.4	(41.2)	22.3
Total assets	1,823.2	1,112.2	784.7	106.2	3,826.3
Total liabilities	361.1	266.4	351.5	1,567.2	2,546.2
For the Three Months Ended September 30,					
Purchase of property, plant and intangible assets	**6.2**	**10.6**	**–**	**–**	**16.8**
For the Three Months Ended September 30, 2020					
Purchase of property, plant and intangible assets	8.8	8.4	13.3	0.1	30.6
For the Nine Months Ended September 30, 2021					
Purchase of property, plant and equipment and intangible assets	**20.8**	**30.6**	**7.4**	**0.2**	**59.0**
For the Nine Months Ended September 30, 2020					
Purchase of property, plant and equipment and intangible assets	27.9	25.7	31.3	1.0	85.9

(1) Net working capital is composed of trade and other receivables, prepaids and deposits, and inventories, less trade and other payables, contract liabilities and dividends payable.

(2) The Specialty Chemicals segment has been shown as discontinued operations as of September 30, 2021, see Note 4.

22. GEOGRAPHICAL INFORMATION

	U.S	Canada	Other	Total Consolidated
Revenue for the three months ended September 30, 2021	**220.1**	**142.5**	**–**	**362.6**
Revenue for the nine months ended September 30, 2021	**1,007.5**	**560.2**	**–**	**1,567.7**
Property, plant and equipment as at September 30, 2021	**609.0**	**362.0**	**–**	**971.0**
Right-of-use assets as at September 30, 2021	**43.0**	**36.5**	**–**	**79.5**
Intangible assets as at September 30, 2021	**318.9**	**140.2**	**–**	**459.1**
Goodwill as at September 30, 2021	**980.4**	**334.4**	**–**	**1,314.8**
Total assets as at September 30, 2021	**2,216.4**	**1,222.6**	**19.1**	**3,458.1**
Revenue for the three months ended September 30, 2020 [(i)]	150.3	106.5	–	256.8
Revenue for the nine months ended September 30, 2020 [(i)]	764.0	481.0	–	1,245.0
Property, plant and equipment as at December 31, 2020	808.1	631.3	33.8	1,473.2
Right-of-use assets as at December 31, 2020	64.4	109.4	0.7	174.5
Intangible assets as at December 31, 2020	274.0	151.4	–	425.4
Goodwill as at December 31, 2020	827.1	325.7	–	1,152.8
Total assets as at December 31, 2020	2,248.1	1,528.2	50.0	3,826.3

[(i)] Restated the revenue from prior period to be comparable with the current period's presentation, see Note 2 (b).

23. SUBSEQUENT EVENTS

On July 14, 2021, Superior announced that one of its wholly owned subsidiaries entered into an agreement to acquire the equity interest of Kamps Propane Inc., High Country Propane, Inc., Pick Up Propane, Inc., Kiva Energy, Inc., Competitive Capital, Inc. and Propane Construction and Meter Services ("collectively, Kamps") for an aggregate purchase price of approximately US $240 million (CDN $299 million) before adjustments for working capital. As a result of a second request from the United States Federal Trade Commission review, Superior expects this may delay the closing until the first quarter of 2022.