TSX: SPB **November 9, 2022**

Superior Plus Corp. Announces 2022 Third Quarter Results and Confirms 2022 Adjusted EBITDA Guidance

Superior Plus Corp. ("Superior") (TSX: SPB) announced today its financial and operating results for the third quarter ended September 30, 2022. Unless otherwise expressed, all financial figures are expressed in Canadian dollars.

- ***Q3 2022 Adjusted EBITDA[1] was negative $8.8 million and consistent with management expectations***
  - ***Q3 results were impacted by the timing of acquisitions completed in the past nine months and related fixed costs***
- ***Adjusted EBITDA for the nine months ended September 30, 2022 was $267.2 million, an increase of 4% from 2021***
- ***Superior is confirming its 2022 Adjusted EBITDA Guidance range of $425 million to $465 million***
- ***Superior has completed 8 acquisitions in 2022 for total consideration of ~$514 million, and expects synergies in the range of $10 million to $12 million within 18 to 24 months***
- ***Superior's U.S. Propane Distribution and Wholesale Propane Distribution businesses achieved increased sales volumes compared to the prior year quarter:***
  - ***Q3 2022 U.S. Propane Distribution sales volumes of 204 million litres, a 21% increase from 2021***
  - ***Q3 2022 Wholesale Propane Distribution sales volumes of 278 million litres, a 67% increase from 2021***
- ***Q3 2022 Canadian Propane Distribution sales volumes of 180 million litres, a modest decline from Q3 2021 due to significantly warmer weather in Western Canada***
- ***Q3 2022 Net loss from continuing operations was $206.9 million compared to $35.9 million in Q3 2021 primarily due to the unrealized loss on financial and non-financial derivatives and foreign currency translation related to the significant changes in foreign exchange rates late in the third quarter and changes in the market prices of commodities during the third quarter***

[1] Adjusted EBITDA is not a standardized measure under International Financial Report Standards ("IFRS"). See "Non-GAAP Financial Measures and Reconciliations" section below.

In announcing these results, Luc Desjardins, President and Chief Executive Officer said, "Our third quarter results were in line with our expectations and, based on our year-to-date performance, we are confirming our 2022 Adjusted

EBITDA guidance range. Our sales volumes in the U.S. were higher due to the acquisitions completed in the past nine months, including Kamps Propane, Kiva Energy and the assets of the Quarles Delivered Fuels business. During the quarter, we also made great progress on the integration of the Quarles and Kamps acquisitions ahead of the heating season. These efforts will allow us to make operational improvements on the businesses sooner than anticipated."

Mr. Desjardins continued, "Consistent with our dynamic capital allocation approach communicated at our Investor Day in 2021, we commenced a normal course issuer bid on October 13, 2022, which provides us with an opportunity to return capital to shareholders and affirms our commitment to creating long-term shareholder value. We also completed three tuck-in acquisitions in Ontario, North Carolina and California as we continue to execute our growth through acquisition strategy in the U.S. and Canada. With these three acquisitions, we achieved the low end of our 2022 acquisition target range of $200 million to $300 million in enterprise value, excluding the Kamps acquisition."

Financial Highlights:

- Net loss from continuing operations of $206.9 million in the third quarter compared to $35.9 million in the prior year quarter primarily due to a loss on derivatives and foreign currency translation of borrowings compared to a gain in the prior year quarter, higher selling, distribution and administration costs ("SD&A"), income tax expense and finance expense, partially offset by higher gross profit. The loss on derivatives and foreign currency translation of borrowings compared to a gain in the prior year quarter was primarily due to changes in the market prices of commodities, timing of maturities of underlying financial instruments and changes in foreign exchange rates relative to amounts hedged.
- Superior's third quarter Adjusted EBITDA was ($8.8) million, a $21.8 million decrease compared to the prior-year quarter, primarily due to lower EBITDA from operations[2]. EBITDA from operations decreased primarily due to lower Adjusted EBITDA in Canadian retail propane distribution ("Canadian Propane"), lower Adjusted EBITDA in U.S. retail propane distribution ("U.S. Propane") and a realized loss on foreign exchange hedging contracts compared to a gain in the prior year quarter and higher corporate costs[2], partially offset by modestly higher Adjusted EBITDA in North American wholesale propane distribution ("Wholesale Propane").
- U.S. Propane Adjusted EBITDA of ($10.9) million decreased $3.1 million from the prior year quarter of ($7.8) million primarily due to higher operating expenses, partially offset by higher sales volumes from acquisitions completed in the last twelve months and higher average margins.
- Canadian Propane Adjusted EBITDA of $3.6 million decreased $14.4 million or 80% from the prior year quarter of $18.0 million primarily due to higher operating costs, modestly lower sales volumes and average margins. Operating costs were higher primarily due to the $8.2 million Canadian Emergency Wage Subsidy ("CEWS") received in the prior year quarter, and $nil received in the current quarter. Sales volumes decreased by 3% primarily due to lower commercial demand related to warmer weather in Western Canada. Average weather in Western Canada for the three months ended September 30, 2022, as measured by degree days was 27% warmer than the prior year quarter. Average margins were lower primarily due to the impact from the sale of carbon offset credits in the prior year quarter.
- Wholesale Propane Adjusted EBITDA of $5.1 million increased $1.9 million or 59.4% from the prior year quarter of $3.2 million primarily due to the contribution from the acquisition of Kiva Energy Inc. ("Kiva").
- Corporate costs for the third quarter of 2022 were $6.2 million, a $5.2 million increase compared to the prior year quarter of $1.0 million primarily due to higher insurance costs, higher professional fees, and a lower long-term incentive plan recovery related to less of a share price decline in the current quarter, and the impact of

inflation. In the third quarter of 2022, Superior had a realized loss on foreign currency hedging contracts of $0.4 million, compared to a realized gain of $0.6 million in the prior year quarter due to the impact from the average hedge rate of foreign exchange hedging contracts and the weakening of the Canadian dollar.

- Adjusted Operating Cash Flow ("AOCF") before transaction and other costs[2] during the third quarter was ($32.9) million, a $28.1 million decrease compared to the prior year quarter primarily due to lower Adjusted EBITDA and higher interest expense. AOCF before transaction and other costs per share was ($0.14), a decrease of $0.12 per share due primarily to the decrease in AOCF before transaction and other costs, partially offset by the impact of higher weighted average shares outstanding. The weighted average shares outstanding increased due to the 25.7 million shares issued at the close of the bought-deal equity offering announced on March 28, 2022.
- Net loss from continuing operations for the nine months ended September 30, 2022 was $150.9 million, compared to net earnings from continuing operations of $3.4 million in the prior year period. The decrease was primarily due to a loss on derivatives and foreign currency translation of borrowings and higher SD&A, partially offset by higher gross profit, lower finance expense and higher income tax recovery.
- Adjusted EBITDA for the nine months ended September 30, 2022 was $267.2 million, an increase of $11.0 million or 4% compared to the prior comparable period. The increase was primarily due to higher EBITDA from operations and, to a lesser extent, lower corporate costs, partially offset by a lower realized gain on foreign currency hedging contracts.
- Superior's Leverage Ratio for the trailing twelve months ended September 30, 2022, was 4.3x, which is higher than Superior's target range of 3.5x to 4.0x, and higher than the Leverage Ratio at June 30, 2022. The increase compared to June 30, 2022 was primarily due to the impact of the higher USD/CAD rate on USD denominated debt. On a constant currency basis, using the USD/CAD rate at June 30, 2022, Superior's Leverage Ratio at September 30, 2022 would be 4.1x.
- Superior is confirming its previously disclosed Adjusted EBITDA guidance range of $425 million to $465 million.
- Average weather for the fourth quarter of 2022 is anticipated to be consistent with the five-year average for the U.S. and Canada.

[2] EBITDA from operations, corporate costs and AOCF before transaction and other costs are not standardized measures under International Financial Report Standards ("IFRS"). See "Non-GAAP Financial Measures and Reconciliations" section below.

Acquisition Update

- On November 9, 2022, Superior acquired the assets of McRobert Fuels ("McRobert") a retail propane and distillates distributor located in Strathroy, Ontario for an aggregate purchase price of approximately $16.0 million before final adjustments for working capital.
- On September 9, 2022, Superior acquired the propane distribution assets of Reed Oil Company ("Reed Oil") a retail propane supplier and distributor in North Carolina for an aggregate purchase price of approximately $4.6 million (US$3.5 million) before final adjustments for working capital.
- On October 3, 2022, Superior acquired the propane distribution assets of Mountain Flame Gas ("Mountain Flame") a residential commercial and retail propane supplier and distributor in California for an aggregate purchase price of approximately $10.0 million (US$7.4 million) before final adjustments for working capital.

Update on the Integration of Prior Acquisitions and Anticipated Synergies

- Since Q3 2020, Superior has acquired 16 propane distribution businesses in the U.S., and based on Superior's prior experience, the estimated synergies from these acquisitions is expected to be in the range of US$24 million to US$28 million. As of September 30, 2022, Superior has achieved $17 million or 65% of the run-rate synergies on the U.S. acquisitions completed in 2020 and 2021, and expects to achieve an additional US $5 million to US$9 million in run-rate synergies exiting 2023, with the remaining synergies anticipated in 2024.

- On March 23, 2022, Superior acquired all the issued and outstanding shares of Kamps Propane ("Kamps"). On June 1, 2022, Superior acquired the assets of the Quarles Petroleum Delivered Fuels Business ("Quarles"). During the third quarter of 2022, Superior made significant progress in the integration of Kamps and Quarles, including the migration of data into Superior's operating dashboard, and Superior is on plan for the realization of synergies for both acquisitions.

Normal Course Issuer Bid

- On October 11, 2022, the TSX accepted Superior's notice of intention to establish a new normal course issuer bid program (the "NCIB"). The NCIB permits the purchase of up to 10.1 million shares of Superior's common shares, representing approximately 5% of the issued and outstanding common shares as of September 30, 2022, by way of normal course purchases effected through the facilities of the TSX and/or alternative Canadian trading systems. The NCIB commenced on October 13, 2022 and will terminate on October 13, 2023, or on such earlier date as Superior may complete its purchases pursuant to the notice of intention filed with the TSX in respect of the NCIB. On October 13, 2022, Superior also entered into an automatic share purchase plan in connection with the NCIB.

Financial Overview

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars, except per share amounts)	**2022**	2021	**2022**	2021
Revenue	**510.5**	362.6	**2,309.5**	1,567.7
Gross Profit	**172.2**	132.6	**760.6**	630.8
Net earnings (loss) from continuing operations	**(206.9)**	(35.9)	**(150.9)**	3.4
Net loss from continuing operations attributable to Superior per share, basic and diluted (3)	**$ (1.06)**	$ (0.24)	**$ (0.88)**	$ (0.08)
EBITDA from operations (1)	**(2.2)**	13.4	**280.7**	266.8
Adjusted EBITDA (1)	**(8.8)**	13.0	**267.2**	256.2
Net cash flows from (used in) operating activities	**(11.4)**	(3.3)	**213.4**	226.2
Net cash flows from (used in) operating activities per share, diluted (3)	**$ (0.05)**	$ (0.02)	**$ 0.96**	$ 1.10
AOCF before transaction and other costs (1)(2)	**(32.9)**	(4.8)	**205.1**	189.5
AOCF before transaction and other costs per share, basic and diluted (1)(2)(3)	**$ (0.14)**	$ (0.02)	**$ 0.92**	$ 0.92
AOCF (1)	**(47.2)**	(11.7)	**171.2**	168.9
AOCF per share, basic and diluted (1)(3)	**$ (0.20)**	$ (0.06)	**$ 0.77**	$ 0.82
Cash dividends declared on common shares	**36.3**	31.7	**104.3**	95.1
Cash dividends declared per share	**$ 0.18**	$ 0.18	**$ 0.54**	$ 0.54

(1) EBITDA from operations, Adjusted EBITDA, AOCF before transaction and other costs, and AOCF are Non-GAAP measures. See "Non-GAAP Financial Measures".

(2) Transaction, restructuring and other costs are related to acquisition activities and the restructuring and integration of acquisitions. See "Transaction, restructuring and other costs" in the Third Quarter MD&A for further details. These expenses are included in SD&A and are

disclosed in Note 16 of the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021.

(3) The weighted average number of shares outstanding for the three months and nine months ended September 30, 2022 was 231.7 million and 222.8 million (three months and nine months ended September 30, 2021 was 206.0 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 months and nine months ended September 30, 2022 and 2021.

Segmented Information

	Three Months September 30		**Nine Months Ended September 30**	
(millions of dollars)	**2022**	2021	**2022**	2021
EBITDA from operations[1]				
U.S. Propane Adjusted EBITDA[1]	**(10.9)**	(7.8)	**168.2**	146.3
Canadian Propane Adjusted EBITDA[1]	**3.6**	18.0	**86.5**	106.6
Wholesale Propane Adjusted EBITDA[1]	**5.1**	3.2	**26.0**	13.9
	(2.2)	13.4	**280.7**	266.8

(1) EBITDA from operations and Adjusted EBITDA are not a standardized measure under IFRS. See "Non-GAAP Financial Measures" section below. Comparative figures have been restated 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 consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2022 and 2021.

Debt and Leverage Update

Superior is focused on managing both Total Net Debt and its Leverage Ratio. Superior's Leverage Ratio on September 30, 2022 was 4.3x, an increase from 3.7x on June 30, 2022, primarily due to the increase in Total Net Debt and a decrease in Pro Forma Adjusted EBITDA. Total Net Debt increased primarily due to the impact of the higher USD/CAD rate at September 30, 2022 on U.S. denominated debt. On a constant currency basis, using the USD/CAD rate on June 30, 2022, Superior's Leverage Ratio was 4.1x at September 30, 2022. Pro Forma Adjusted EBITDA decreased $21.6 million primarily due to lower EBITDA from operations and, to a lesser extent, higher corporate costs and a realized loss on foreign currency hedging contracts compared to a gain in the prior year quarter. EBITDA from operations decreased primarily due to the sale of carbon credits and the CEWS recorded in the prior year quarter. In the third quarter, the CEWS was $nil compared to $8.2 million in the prior year quarter, and the sale of carbon credits was $nil compared to $4.7 million in the prior year quarter.

MD&A and Financial Statements

Superior's MD&A, the unaudited condensed Interim Consolidated Financial Statements and the Notes to the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 provide a detailed explanation of Superior's operating results. These documents are available online on Superior's website at www.superiorplus.com under the Investor Relations section and on SEDAR under Superior's profile at www.sedar.com.

2022 Third Quarter Conference Call

Superior will conduct 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 Thursday, November 10, 2022. To listen to the live webcast, please use the following link: Register Here. he webcast will be available for replay on Superior's website at: www.superiorplus.com under the Events section.

Non-GAAP Financial Measures and Reconciliation

Throughout this news release, Superior has identified specific terms that it uses that are not standardized measures under International Financial Reporting Standards ("Non-GAAP Financial Measures") and, therefore may not be comparable to similar financial measures disclosed by other issuers. Reconciliations of these Non-GAAP Financial Measures to the most directly comparable financial measures in Superior's annual financial statements are provided below. Certain additional disclosures for these Non-GAAP Financial Measures, including an explanation of the composition of these financial measures, how they provide helpful information to an investor, and any additional purposes management uses for them, are incorporated by reference from the "Non-GAAP Financial Measures and Reconciliations" section in Superior's Third Quarter 2022 MD&A dated November 9, 2022, available on www.sedar.com.

For the Nine Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Earnings (loss) from continuing operations before income taxes	**(34.6)**	**34.0**	**1.9**	**1.3**	**(199.7)**	**(198.4)**
Adjusted for:						
Amortization and depreciation included in SD&A	**114.3**	**51.1**	**9.8**	**175.2**	**0.6**	**175.8**
Finance expense	**4.5**	**2.4**	**0.8**	**7.7**	**48.8**	**56.5**
EBITDA	**84.2**	**87.5**	**12.5**	**184.2**	**(150.3)**	**33.9**
Loss (gain) on disposal of assets and other	**1.7**	**(1.5)**	**(0.1)**	**0.1**	**–**	**0.1**
Transaction, restructuring and other costs	**16.9**	**0.5**	**0.5**	**17.9**	**16.0**	**33.9**
Unrealized loss on derivative financial instruments	**65.4**	**–**	**13.1**	**78.5**	**120.8**	**199.3**
Adjusted EBITDA	**168.2**	**86.5**	**26.0**	**280.7**	**(13.5)**	**267.2**
Adjust for:						
Current income tax expense	**–**	**–**	**–**	**–**	**(5.1)**	**(5.1)**
Transaction, restructuring and other costs	**(16.9)**	**(0.5)**	**(0.5)**	**(17.9)**	**(16.0)**	**(33.9)**
Interest expense	**(3.3)**	**(2.4)**	**(0.4)**	**(6.1)**	**(50.9)**	**(57.0)**
AOCF	**148.0**	**83.6**	**25.1**	**256.7**	**(85.5)**	**171.2**

For the Nine Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) from continuing operations before income taxes	86.2	50.5	20.7	157.4	(155.6)	1.8
Adjust for:						
Amortization and depreciation included in SD&A	93.2	49.3	6.0	148.5	0.6	149.1
Finance expense	3.8	2.2	0.9	6.9	130.9	137.8
EBITDA	183.2	102.0	27.6	312.8	(24.1)	288.7
Loss on disposal of assets and other	0.2	0.8	–	1.0	–	1.0
Transaction, restructuring and other costs	9.9	3.8	–	13.7	6.9	20.6
Unrealized loss on derivative financial instruments(1)	(47.0)	–	(13.7)	(60.7)	6.6	(54.1)
Adjusted EBITDA	146.3	106.6	13.9	266.8	(10.6)	256.2
Adjust for:						
Current income tax expense	–	–	–	–	(8.3)	(8.3)
Transaction, restructuring and other costs	(9.9)	(3.8)	–	(13.7)	(6.9)	(20.6)
Interest expense	(1.7)	(1.6)	(0.4)	(3.7)	(54.7)	(58.4)
AOCF	134.7	101.2	13.5	249.4	(80.5)	168.9

(1) Unrealized loss on derivative financial instruments includes the realized foreign exchange gain on the settlement of the US$350 million senior notes, see Note 13 of the unaudited condensed consolidated financial statements.

For the Three Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Loss from continuing operations before income taxes	**(109.8)**	**(13.9)**	**(11.9)**	**(135.6)**	**(130.4)**	**(266.0)**
Adjust for:						
Amortization and depreciation included in SD&A	**43.5**	**17.2**	**4.2**	**64.9**	**0.2**	**65.1**
Finance expense	**1.7**	**0.9**	**0.4**	**3.0**	**19.7**	**22.7**
EBITDA	**(64.6)**	**4.2**	**(7.3)**	**(67.7)**	**(110.5)**	**(178.2)**
Loss (gain) on disposal of assets and other	**0.1**	**(0.8)**	**–**	**(0.7)**	**–**	**(0.7)**
Transaction, restructuring and other costs	**5.6**	**0.2**	**0.4**	**6.2**	**8.1**	**14.3**
Unrealized loss on derivative financial instruments	**48.0**	**–**	**12.0**	**60.0**	**95.8**	**155.8**
Adjusted EBITDA	**(10.9)**	**3.6**	**5.1**	**(2.2)**	**(6.6)**	**(8.8)**
Adjust for:						
Current income tax expense	**–**	**–**	**–**	**–**	**(1.6)**	**(1.6)**
Transaction, restructuring and other costs	**(5.6)**	**(0.2)**	**(0.4)**	**(6.2)**	**(8.1)**	**(14.3)**
Interest expense	**(1.2)**	**(0.9)**	**(0.1)**	**(2.2)**	**(20.3)**	**(22.5)**
AOCF	**(17.7)**	**2.5**	**4.6**	**(10.6)**	**(36.6)**	**(47.2)**

For the Three Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) from continuing operations before income taxes	(15.6)	(0.1)	8.8	(6.9)	(44.2)	(51.1)
Adjust for:						
Amortization and depreciation included in SD&A	32.8	16.8	2.2	51.8	0.3	52.1
Finance expense	1.4	0.6	0.5	2.5	14.1	16.6

EBITDA	18.6	17.3	11.5	47.4	(29.8)	17.6
Loss on disposal of assets and other	0.1	0.5	–	0.6	–	0.6
Transaction, restructuring and other costs	4.3	0.2	–	4.5	2.4	6.9
Unrealized (gain) loss on derivative financial instruments(1)	(30.8)	–	(8.3)	(39.1)	27.0	(12.1)
Adjusted EBITDA	(7.8)	18.0	3.2	13.4	(0.4)	13.0
Adjust for:						
Current income tax expense	–	–	–	–	(1.3)	(1.3)
Transaction, restructuring and other costs	(4.3)	(0.2)	–	(4.5)	(2.4)	(6.9)
Interest expense	(1.0)	(0.8)	(0.2)	(2.0)	(14.5)	(16.5)
AOCF	(13.1)	17.0	3.0	6.9	(18.6)	(11.7)

(1) Unrealized (gain) loss on derivative financial instruments includes the realized foreign exchange gain on the settlement of the US$350 million senior notes of $20 million, see Note 13 of the unaudited condensed consolidated financial statements.

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.

To calculate the Total Net Debt to Adjusted EBITDA Leverage Ratio divide the sum of borrowings before deferred financing fees and lease liabilities by Pro Forma Adjusted EBITDA. The Total Net Debt to Adjusted EBITDA Leverage Ratio is used by Superior and investors to assess its ability to service debt.

(in millions)	**September 30 2022**	December 31 2021
Current borrowings	**14.4**	11.4
Current lease liabilities	**49.0**	44.9
Non-current borrowings	**1,821.2**	1,444.9
Non-current lease liabilities	**166.2**	129.6
	2,050.8	1,630.8
Add back deferred financing fees and discounts	**19.1**	22.1
Deduct cash and cash equivalents	**(42.0)**	(28.4)
Net debt	**2,027.9**	1,624.5
Adjusted EBITDA for the year ended 2021	**398.4**	398.4
Adjusted EBITDA for the nine months ended September 30, 2022	**267.2**	–
Adjusted EBITDA for the nine months ended September 30, 2021	**(256.2)**	–
Pro-forma adjustment	**58.7**	18.4
Pro-forma Adjusted EBITDA for the year ended	**468.1**	416.8
Leverage Ratio	4.3x	3.9x

Forward-Looking Information

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 2022 Adjusted EBITDA, expected run-rate synergies from acquisitions completed in 2022, expected run-rate synergies exiting the first quarter of 2024, expectations on operational improvements for the Kamps and Quarles acquisitions, and expected average weather for the remainder of 2022 consistent with the five-year average.

Forward-looking information is provided to provide information about management's expectations and plans for 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 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 and businesses it has acquired. Such assumptions include obtaining the expected synergies from the Kamps and Quarles acquisitions and other acquisitions consistent with historical averages at approximately 25% over the relevant period, no material divestitures, 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 net working capital and capital expenditure requirements of Superior or Superior LP, and 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 related public health restrictions, 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 2022 third quarter Results
November 9, 2022

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, 2022 and 2021, as well as forward-looking information about future periods. The information in this MD&A is current to November 9, 2022, and should be read in conjunction with Superior's unaudited condensed consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2022 and 2021.

The accompanying unaudited condensed consolidated financial statements of Superior were prepared by and are the responsibility of Superior's management. Superior's unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021 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 and Basis of Presentation

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, consists of the following three reportable segments: the U.S. Retail Propane Distribution ("U.S. Propane"), Canadian Retail Propane Distribution ("Canadian Propane") and North American Wholesale Propane Distribution ("Wholesale Propane"). The U.S. Propane segment distributes propane gas and liquid fuels primarily in the Eastern United States, as well as the Midwest and California to residential and commercial customers. The Canadian Propane segment distributes propane gas and liquid fuels across Canada to residential and commercial customers. The Wholesale Propane segment is a distributor and marketer of propane gas and other natural gas liquids across Canada and the U.S. to wholesale customers and supplies the majority of propane gas required by the Canadian Propane segment and a portion of the propane gas required by the U.S. Propane segment.

The reportable segments differ from disclosures in prior periods and more closely aligns with how the Chief Operating Decision Maker, Superior's President and Chief Executive Officer manages the business and evaluates the business performance following the acquisition of Kiva Energy Inc. ("Kiva"), see Note 5 of the unaudited condensed consolidated financial statements. As a result of the change, the Wholesale Propane segment, previously included in Canadian Propane, was separated as its own reporting segment. Prior period results and disclosures have been conformed to reflect Superior's existing reportable segments. Below is a summary of the historic results for Canadian Propane and Wholesale Propane segments:

Canadian Propane	Q1	Q2	Q3	Q4	2021
GAAP financial information:					
Revenue [1]	268.3	138.0	139.2	283.3	828.8
Gross Profit[1]	120.4	62.8	60.0	109.1	352.3
Net income (loss) before tax	48.1	2.5	(0.1)	35.3	85.8
Non-GAAP financial information:					
Adjusted EBITDA	67.4	21.2	18.0	53.6	160.2
Volumes:					
Residential	74	27	20	59	180
Commercial	336	189	166	297	988

Wholesale Propane	Q1	Q2	Q3	Q4	2021
GAAP financial information:					
Revenue [1]	279.5	133.5	159.0	332.7	904.7
Gross Profit[1]	12.7	5.7	5.5	8.9	32.8
Net income (loss) before tax	7.4	4.5	8.8	(6.8)	13.9
Non-GAAP financial information:					
Adjusted EBITDA	8.9	1.8	3.2	9.6	23.5
Volumes:	307	176	166	287	936

[1] Includes inter-segment revenue and cost of sales that were eliminated on consolidation of the segments.

On April 9, 2021, Superior announced the completion of the sale of its Specialty Chemicals business. For 2021, Superior presents the results of operations from this business as a discontinued operation, see Note 3 in the audited consolidated financial statements for the year ended December 31, 2021. 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.

Non-GAAP 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"), AOCF before transaction, restructuring and other costs, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") from operations, Adjusted EBITDA, Operating Costs, Interest expense, Net Debt, Leverage Ratio, Interest Expense, Pro Forma Adjusted EBITDA 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-GAAP 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-GAAP and other financial measures are clearly defined, explained and certain of these measures are reconciled to their most directly comparable measure presented in the (primary) financial statements. Except as otherwise indicated, these Non-GAAP 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-GAAP 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-GAAP financial measures differently. See "Non-GAAP Financial Measures and Reconciliations" 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, 2022 Adjusted EBITDA guidance range, the markets for our products and our financial results, expected Leverage ratio, business strategy and objectives, development plans and programs, organic growth, weather, commercial demand in Canada and the U.S., product pricing and sourcing, volumes and pricing, wholesale propane market fundamentals, exchange rates, expected synergies from acquisitions, expected seasonality of demand, long-term incentive plan accrual estimates 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 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 in Western Canada, trading data, cost estimates, our ability to obtain financing on acceptable terms 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 incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, the anticipated impact of a potential 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.

FINANCIAL OVERVIEW - GAAP FINANCIAL INFORMATION

Consolidated Statements of Net Earnings (Loss)

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars, except per share amounts)	**2022**	2021	**2022**	2021
Revenue	**510.5**	362.6	**2,309.5**	1,567.7
Cost of sales (includes products and services)	**(338.3)**	(230.0)	**(1,548.9)**	(936.9)
Gross profit	**172.2**	132.6	**760.6**	630.8
Expenses				
Selling, distribution and administrative costs ("SD&A")	**(258.1)**	(184.5)	**(744.6)**	(583.7)
Finance expense	**(22.7)**	(16.6)	**(56.5)**	(137.8)
Gain (loss) on derivatives and foreign currency translation of borrowings	**(157.4)**	17.4	**(157.9)**	92.5
	(438.2)	(183.7)	**(959.0)**	(629.0)
Earnings (loss) before income taxes	**(266.0)**	(51.1)	**(198.4)**	1.8
Income tax recovery	**59.1**	15.2	**47.5**	1.6
Net earnings (loss) from continuing operations	**(206.9)**	(35.9)	**(150.9)**	3.4
Net earnings from discontinued operations, net of tax expense	**–**	2.3	**–**	177.1
Net earnings (loss)	**(206.9)**	(33.6)	**(150.9)**	180.5
Net earnings (loss) from continuing operations attributable to:				
Superior	**(212.9)**	(42.1)	**(169.0)**	(14.5)
Non-controlling interest	**6.0**	6.2	**18.1**	17.9
Net loss per share from continuing operations attributable to Superior[(1)]				
Basic and diluted	**(1.06)**	(0.24)	**(0.88)**	(0.08)
Net earnings (loss) per share attributable to Superior[(1)]				
Basic and diluted	**(1.06)**	(0.23)	**(0.88)**	0.87
Cash flows from (used in) operating activities	**(11.4)**	(3.3)	**213.4**	226.2
Cash flows from (used in) operating activities, per share[(1)]	**(0.05)**	(0.02)	**0.96**	1.10

(1) The weighted average number of shares outstanding for the three and nine months ended September 30, 2022 was 231.7 million and 222.8 million, respectively (three and nine months ended September 30, 2021 was 206.0 million). The weighted average number of shares assumes the exchange of the issued and outstanding preferred shares into common shares. There were no other dilutive instruments for the three and nine months ended September 30, 2022 and 2021.

Non-GAAP Financial Measures

The following summary contains Non-GAAP financial information. The intent of this Non-GAAP financial information is to provide additional useful information to investors and analysts as they exclude non-cash items and expenses related to acquisitions. These measures do not have standardized meanings under IFRS and should not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-GAAP financial measures differently. See "Non-GAAP Financial Measures and Reconciliations" on page 29 for more information about these measures.

Summary of AOCF

(millions of dollars except per share amounts)	**Three Months Ended September 30** **2022**	2021	**Nine Months Ended September 30** **2022**	2021
U.S. Propane Adjusted EBITDA [(1)]	**(10.9)**	(7.8)	**168.2**	146.3
Canadian Propane Adjusted EBITDA [(1)]	**3.6**	18.0	**86.5**	106.6
Wholesale Propane Adjusted EBITDA [(1)]	**5.1**	3.2	**26.0**	13.9
EBITDA from operations [(1)]	**(2.2)**	13.4	**280.7**	266.8
Corporate operating costs [(1)]	**(6.2)**	(1.0)	**(14.9)**	(19.5)
Realized gain (loss) on foreign currency hedging contracts [(2)]	**(0.4)**	0.6	**1.4**	8.9
Adjusted EBITDA [(1)]	**(8.8)**	13.0	**267.2**	256.2
Interest expense [(3)]	**(22.5)**	(16.5)	**(57.0)**	(58.4)
Current income tax expense [(1)] [(3)]	**(1.6)**	(1.3)	**(5.1)**	(8.3)
AOCF before transaction, restructuring and other costs [(1)]	**(32.9)**	(4.8)	**205.1**	189.5
Transaction, restructuring and other costs [(4)]	**(14.3)**	(6.9)	**(33.9)**	(20.6)
AOCF [(1)]	**(47.2)**	(11.7)	**171.2**	168.9
AOCF per share before transaction, restructuring and other costs [(4)(5)]	**($0.14)**	($0.02)	**$0.92**	$0.92
AOCF per share [(5)]	**($0.20)**	($0.06)	**$0.77**	$0.82
Dividends declared per common share	**$0.18**	$0.18	**$0.54**	$0.54

(1) These amounts are Non-GAAP financial measures, see "Non-GAAP financial measures and reconciliations" on page 29 for more information.

(2) Realized gain (loss) on foreign currency hedging contracts are reconciled to gain (loss) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 29 for more information.

(3) Interest expense is the sum of interest on borrowings and interest on lease liability. Current income tax expense forms part of the total income tax expense, see Note 16 of the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021.

(4) Transaction, restructuring and other costs are related to acquisition activities and the restructuring and integration of acquisitions. See "Transaction, restructuring and other Costs" for further details. These expenses are included in SD&A and are disclosed in Note 16 of the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021.

(5) The weighted average number of shares outstanding for the three and nine months ended September 30, 2022 was 231.7 million and 222.8 million, respectively (three and nine months ended September 30, 2021 was 206.0 million). The weighted average number of shares assumes the exchange of the issued and outstanding preferred shares into common shares. There were no other dilutive instruments for the three and nine months ended September 30, 2022 and 2021.

AOCF Reconciled to Cash Flows from Operating Activities [(1)]

(millions of dollars)	**Three Months Ended September 30** **2022**	2021	**Nine Months Ended September 30** **2022**	2021
Cash flows from (used in) operating activities	**(11.4)**	(3.3)	**213.4**	226.2
Non-cash interest expense (income), loss on redemption, net of interest on vendor note [(2)]	**0.2**	0.1	**(0.5)**	79.4
Changes in non-cash operating working capital	**(37.4)**	(10.1)	**(56.0)**	(62.7)
Income taxes paid	**0.8**	1.5	**15.4**	15.0
Interest paid	**24.9**	18.0	**60.5**	86.2
Current income tax expense [(2)]	**(1.6)**	(1.3)	**(5.1)**	(8.3)
Finance expense recognized in net loss	**(22.7)**	(16.6)	**(56.5)**	(139.8)
	(47.2)	(11.7)	**171.2**	196.0
Less results of AOCF from Discontinued operations [(3)]	**–**	–	**–**	(27.1)
AOCF[(1)]	**(47.2)**	(11.7)	**171.2**	168.9

(1) AOCF is a Non-GAAP measure. See “Non-GAAP financial measures and reconciliations” on page 29 for more information.
(2) This information is provided in Note 16 of the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021.
(3) AOCF from discontinued operations is the sum of revenue, cost of sales and SD&A, see Note 4 of the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021. SD&A has been adjusted for loss on disposal of assets of $nil million (three and nine months ended September 30, 2021 - $0.5 million).

RECENTLY COMPLETED TRANSACTIONS

On September 9, 2022, Superior acquired the propane distribution assets of Reed Oil Company (“Reed Oil”) a retail propane supplier and distributor in North Carolina for an aggregate purchase price of approximately C$4.6 million (US$3.5 million) including adjustments for working capital.

On October 3, 2022, Superior acquired the propane distribution assets of Mountain Flame Gas (“Mountain Flame”), a residential, commercial and retail propane supplier and distributor in California for an aggregate purchase price of approximately C$10.0 million (US$7.4 million) before adjustments for working capital.

On October 11, 2022, the TSX accepted Superior’s notice of intention to establish a new normal course issuer bid program (the “NCIB”). The NCIB permits the purchase of up to 10.1 million shares of Superior’s common shares, representing approximately 5% of the issued and outstanding common shares as of September 30, 2022, by way of normal course purchases effected through the facilities of the TSX and/or alternative Canadian trading systems. The NCIB commenced on October 13, 2022 and will terminate on October 13, 2023, or on such earlier date as Superior may complete its purchases pursuant to the notice of intention filed with the TSX in respect of the NCIB. Any common shares purchased by Superior will be cancelled. Purchases are made by Superior in accordance with the requirements of the TSX and the price which Superior pays for any such common shares will be the market price of any such common shares at the time of acquisition, or such other price as may be permitted by the TSX. For purposes of the TSX rules, a maximum of 123,619 common shares may be purchased by Superior on any one day under the bid, except where purchases are made in accordance with the “block purchase exception” of the TSX rules. On October 13, 2022, Superior also entered into an automatic share purchase plan in connection with the NCIB. Shareholders who wish to obtain a copy of the notice in respect of the NCIB, without charge, may contact Superior at investor-relations@superiorplus.com or 1-866-490-PLUS (7587).

On November 9, 2022, Superior acquired the assets of McRobert Fuels (“McRobert”) a retail propane and distillates distributor located in Strathroy, Ontario for an aggregate purchase price of approximately $16.0 million before final adjustments for working capital.

Q3 2022 Financial Results Compared to the Prior Year Quarter

The net loss from continuing operations was $206.9 million, compared to $35.9 million in the prior year quarter. The decrease is primarily due to a loss on derivatives and foreign currency translation of borrowings compared to a gain in the prior year quarter, higher SD&A, income taxes and finance expense partially offset by higher gross profit. Basic and diluted loss per share from continuing operations attributable to Superior was $1.06 per share, a decrease of $0.82 from $0.24 per share in the prior year quarter due to the aforementioned reasons partially offset by the impact of the increased number of common shares outstanding.

Net earnings from discontinued operations was $2.3 million in the prior year quarter and relates to the disposal of the Specialty Chemical segment which occurred on April 9, 2021.

Revenue was $510.5 million, an increase of $147.9 million or 41% from the prior year quarter due to higher revenue in the U.S. Propane, Wholesale Propane and Canadian Propane segments. U.S. Propane revenue was $240.3 million, an increase of $87.4 million or 57% due to higher sales volumes related to acquisitions and higher sales prices associated with offsetting the impact of higher commodity prices, inflation, rising truck fuel and labour costs. Wholesale Propane revenue was $226.8 million, an increase of $67.8 million or 43% due primarily to higher sales volumes related to the Kiva acquisition and higher wholesale prices. Canadian Propane revenue was $145.6 million, an increase of $6.4 million or 5% due primarily due to the higher sales prices associated with higher wholesale propane prices and offsetting higher commodity prices and the impact of inflation on rising truck fuel and labour costs. Due to the nature of Superior's operating model, Superior has the ability to pass on certain costs, such as the impact of commodity price volatility, including higher wholesale propane prices, and increased operating costs on to its end-use customers.

Consolidated gross profit was $172.2 million, an increase of $39.6 million from $132.6 million in the prior year quarter primarily due to higher U.S. Propane gross profit and to a lesser extent, Wholesale Propane gross profit, partially offset by lower Canadian Propane gross profit. U.S. Propane gross profit increased primarily due to higher sales volumes related to the acquisitions completed in the current and prior year and higher average margins related to offsetting the impact of inflation on rising truck fuel and labour costs. Wholesale Propane gross profit increased primarily due to higher sales volumes related to the Kiva acquisition. Canadian Propane gross profit decreased primarily due to the timing of carbon offset credit sale in the prior year quarter. For U.S. Propane and Wholesale Propane gross profit, realized gains and losses related to Superior's commodity risk management are not included in gross profit. These realized gains and losses are reported as part of gains and losses on derivatives and foreign currency translation of borrowings.

SD&A was $258.1 million, an increase of $73.6 million or 40% from the prior year quarter due to higher SD&A in all segments. U.S. Propane SD&A was $157.6 million, an increase of $43.2 million or 38% from $114.4 million in the prior year quarter primarily due to the impact of completed acquisitions and to a lesser extent the impact of the weaker Canadian dollar on the translation of U.S. denominated SD&A, higher transaction, integration and other costs and higher operating costs associated with rising commodity prices and inflation. Canadian Propane SD&A was $69.9 million an increase of $10.4 million or 17% from $59.5 million in the prior year quarter due primarily to the impact of the CEWS benefit recorded in the prior year quarter and higher operating costs associated with rising commodity prices and inflation. Wholesale Propane SD&A was $16.1 million an increase of $9.2 million from $6.9 million in the prior year quarter primarily due to the impact from the acquisition of Kiva and to a lesser extent the impact of the CEWS benefit recorded in the prior year. Corporate SD&A was $14.5 million, an increase of $10.8 million from $3.7 million in the prior year quarter primarily due to higher incentive plan costs related to the decline in the share price in the prior year quarter, higher insurance costs and higher transaction, integration and other costs.

Finance expense was $22.7 million, an increase of $6.1 million or 37% from $16.6 million in the prior year quarter. The increase is primarily due to higher average debt balance as a result of acquisitions and to a lesser extent higher average interest rates.

Gain (loss) 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 and realized gains (losses) on settlement of U.S. denominated borrowings. The loss on derivatives and foreign currency translation of borrowings was ($157.4) million for the three months ended September 30, 2022, a decrease of $174.8 million compared to a gain of $17.4 million in the prior year quarter. The decrease was mainly related to changes in market prices of commodities, timing of maturities of underlying financial instruments and changes in foreign exchange rates relative to amounts hedged. For additional details, refer to Note 13 of the unaudited condensed consolidated financial statements.

Total income tax recovery of $59.1 million was $43.9 million higher than the prior year quarter's recovery of $15.2 million. Current income tax expense was $1.6 million, an increase of $0.3 million from the prior year quarter's expense of $1.3 million. The increase is primarily due to the timing of acquisitions. This was more than offset by a deferred income tax recovery of $60.7 million, an increase of $44.2 million from the prior year quarter's recovery of $16.5 million primarily due to changes in earnings.

Year-to-date Financial Results Compared to the Prior Year-to-date

The net loss from continuing operations was $150.9 million, compared to net earnings of $3.4 million in the prior comparable period. The decrease is primarily due to a loss on derivatives and foreign currency translation of borrowings and higher SD&A, partially offset by a higher gross profit, lower finance expense and income tax expense. Basic and diluted loss per share from continuing operations attributable to Superior was $0.88 per share a decrease of $0.80 from $0.08 per share in the prior year period. The decrease is due to the aforementioned reasons.

Net earnings from discontinued operations was $177.1 million in the prior year period and relates to the disposal of the Specialty Chemicals segment which occurred on April 9, 2021.

Revenue was $2,309.5 million, an increase of $741.8 million or 47% from the prior year period due to higher revenue in the Wholesale Propane, U.S. Propane and Canadian Propane segments. Wholesale Propane revenue was $963.9 million, an increase of $391.9 million or 69% due primarily to higher wholesale propane prices and higher sales volumes. U.S. Propane revenue was $1,152.0 million, an increase of $370.6 million or 47% due to higher wholesale propane prices and higher volumes related to acquisitions completed in the current and prior year. Canadian Propane revenue was $700.1 million, an increase of $154.6 million or 28% due primarily to higher wholesale propane prices and higher sales volumes. Due to the nature of Superior's operating model, the impact of commodity price volatility can be passed on to the customer.

Consolidated gross profit was $760.6 million, an increase of $129.8 million from $630.8 million in the prior year. U.S. Propane gross profit increased primarily due to higher sales related to acquisitions completed in the current and prior year and the impact of margin management related to higher commodity prices compared to the prior year. Wholesale Propane gross profit increased primarily due to higher sales volumes related to the Kiva acquisition. Canadian Propane gross profit increased primarily due to higher sales volumes and unit margins. For U.S. Propane and Wholesale Propane gross profit, realized gains and losses related to Superior's commodity risk management are not included in gross profit. These realized gains and losses are reported as part of gains and losses on derivatives and foreign currency translation of borrowings.

SD&A was $744.6 million, an increase of $160.9 million or 28% from the prior year period, primarily due to an increase in U.S. Propane SD&A and to a lesser extent Canadian Propane, Wholesale Propane SD&A and Corporate SD&A. U.S. Propane SD&A was $454.7 million, an increase of $111.2 million or 32% from $343.5 million in the prior year primarily due to the impact of completed acquisitions and to a lesser extent increased costs due to rising commodity prices and inflation, partially offset by lower incentive plan costs. Canadian Propane SD&A was $217.3 million an increase of $26.8 million or 14% from $190.5 million in the prior year due to the lower benefits from the CEWS program recorded in the current year compared to the prior year, higher volume related expenses and higher costs due to rising commodity prices and inflation, partially offset by lower transaction and incentive plan costs. Wholesale Propane SD&A was $41.1 million, an increase of $18.4 million or 81% due primarily to the Kiva acquisition in the year. Corporate SD&A was $31.5 million, an increase of $4.5 million or 17% from $27.0 million in the prior year primarily due to higher transaction costs, the impact of the lower CEWS benefit recorded in the current period compared to the prior year, partially offset by lower incentive plan costs related to the decline in the share price in the prior year.

Finance expense was $56.5 million, a decrease of $81.3 million or 59% from $137.8 million in the prior year period. The decrease is primarily due to early call premiums and non-cash financing expenses related to the redemption of the US$350 million and $370 million senior unsecured notes in the prior year, lower average interest rates and to a lesser extent higher interest earned on the Vendor Note partially offset by higher average outstanding debt balances.

Gain (loss) 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 and realized gains (losses) on settlement of U.S. denominated borrowings. The loss on derivatives and foreign currency translation of borrowings was $157.9 million for the nine months ended September 30, 2022, a decrease of $250.4 million compared to a gain of $92.5 million in the prior year. The change is primarily due to changes in market prices of commodities, timing of maturities of underlying financial instruments and changes in foreign exchange rates relative to amounts hedged. For additional details, refer to Note 13 of the unaudited condensed consolidated financial statements.

Total income tax recovery of $47.5 million was $45.9 million higher than the prior year's recovery of $1.6 million. Current income tax expense was $5.1 million, a decrease of $3.2 million from the prior year's expense of $8.3 million. The decrease is primarily due to the timing of acquisitions. This was offset by a deferred income tax recovery of $52.6 million, an increase of $42.7 million from the prior year's recovery of $9.9 million primarily due to the decrease in earnings.

Q3 2022 Non-GAAP Financial Results Compared to the Prior Year Quarter

The following summary contains Non-GAAP financial information. The intent of this Non-GAAP financial information is to provide additional useful information to investors and analysts as they exclude non-cash items and expenses related to acquisitions. These measures do not have standardized meanings under IFRS and should not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-GAAP financial measures differently. See "Non-GAAP Financial Measures and Reconciliations" on page 29 for more information about these measures.

Adjusted EBITDA for the third quarter was ($8.8) million, a decrease of $21.8 million compared to the prior year quarter Adjusted EBITDA of $13.0 million. The decrease is primarily due to lower EBITDA from operations and to a lesser extent higher corporate costs and a realized loss on foreign currency hedging contracts compared to a gain in the prior year quarter. EBITDA from operations decreased $15.6 million compared to the prior year quarter primarily due to lower Canadian Propane Adjusted EBITDA, and to a lesser extent, lower U.S. Propane Adjusted EBITDA, partially offset by higher Wholesale Propane Adjusted EBITDA. Canadian Propane Adjusted EBITDA was $3.6 million, a decrease of $14.4 million or 80% primarily due to higher operating costs as a result of the impact of the CEWS benefit recorded in the prior year quarter and lower adjusted gross profit. U.S. Propane Adjusted EBITDA was ($10.9) million, a decrease of $3.1 million primarily due to higher operating costs related to the seasonality of acquisitions completed in the past nine months, partially offset by higher adjusted gross profit. Adjusted gross profit was higher due to increased sales volumes from acquisitions, increased sales prices and the timing of realized gains from commodity hedges. Wholesale Propane Adjusted EBITDA was $5.1 million, an increase of $1.9 million or 59% primarily due to the impact of the Kiva acquisition. Corporate administrative costs were $6.2 million compared to $1.0 million in the prior year quarter. The increase is primarily due to higher insurance costs, professional fees and the impact of inflation, partially offset by lower incentive plan costs associated with fluctuations in the share price. Superior realized a loss on foreign currency hedging contracts of $0.4 million compared to a gain of $0.6 million in the prior year quarter due to lower average hedge rates relative to changes in exchange rates.

AOCF before transaction, restructuring and other costs was ($32.9) million, a decrease of $28.1 million from the prior year quarter of ($4.8) million. The decrease from the prior year quarter is primarily due to lower Adjusted EBITDA discussed above, higher interest expense and to a lesser extent lower current taxes. Interest expense increased by $6.0 million or 36% primarily to due to higher average debt balances and to a lesser extent higher average interest rates associated with higher variable interest rates compared to the prior year quarter. AOCF per share before transaction, restructuring and other costs assuming the conversion of preferred shares was ($0.14) per share, a decrease of $0.12 per share from the prior year quarter AOCF per share of ($0.02) per share. The decrease on a per share basis primarily due to the decrease in AOCF before transaction, restructuring and other costs and is partially offset by the impact from the increase in the weighted average shares outstanding.

AOCF for the three months ended September 30, 2022 was ($47.2) million, a decrease of $35.5 million from the prior year quarter AOCF of ($11.7) million due to the lower AOCF before transaction, restructuring and other costs discussed above and to a lesser extent, higher transaction, restructuring and other costs. Transaction, restructuring and other costs for the three months ended September 30, 2022 was $14.3 million, an increase of $7.4 million from prior year quarter of $6.9 million. AOCF per share for three months ended September 30, 2022 was ($0.20) per share assuming the conversion of the preferred shares, a decrease of $0.14 per share from the prior year quarter AOCF per share of ($0.06) per share. The decrease on a per share basis is due to the lower AOCF and is partially offset by the impact from the increase in the weighted average shares outstanding.

Year-to-date Non-GAAP Financial Results Compared to the Prior Year-to-date

The following summary contains Non-GAAP financial information. The intent of this Non-GAAP financial information is to provide additional useful information to investors and analysts as they exclude non-cash items and expenses related to acquisitions. These measures do not have standardized meanings under IFRS and should not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-GAAP financial measures differently. See "Non-GAAP Financial Measures and Reconciliations" on page 29 for more information about these measures.

Adjusted EBITDA for the nine months ended September 30, 2022 was $267.2 million, an increase of $11.0 million or 4% compared to the prior year comparable period Adjusted EBITDA of $256.2 million. The increase is primarily due to higher EBITDA from operations and to a lesser extent lower corporate costs, partially offset by a lower realized gain on foreign currency hedging contracts. EBITDA from operations increased $13.9 million or 5% compared to the prior comparable period primarily due to higher U.S. Propane Adjusted EBITDA and to a lesser extent higher Wholesale Propane Adjusted EBITDA partially offset by lower Canadian Propane Adjusted EBITDA. U.S. Propane Adjusted EBITDA was $168.2 million, an increase of $21.9 million or 15% primarily due to the impact of acquisitions completed in the current and prior year and to a lesser extent higher unit margins. Wholesale Propane Adjusted EBITDA was $26.0 million, an increase of $12.1 million or 87% primarily due to the impact of acquisitions completed in the year and to a lesser extent, stronger propane wholesale market fundamentals compared to the prior comparable period. Canadian Propane Adjusted EBITDA was $86.5 million, a decrease of $20.1 million or 19% primarily due to the impact of the CEWS recorded in the prior year, increased costs due to higher commodity prices and inflation partially offset by higher sales volumes. Corporate administrative costs were $14.9 million compared to $19.5 million in the prior comparable period. The decrease is primarily due to lower incentive plan costs due to the decline in Superior's share price compared to the prior year comparable period. Superior realized gains on foreign currency hedging contracts of $1.4 million compared to a gain of $8.9 million in the prior comparable period due to lower average hedge rates relative to changes in exchange rates and a decrease in amounts hedged as a result of the sale of the Specialty Chemicals segment.

AOCF before transaction, restructuring and other costs was $205.1 million, an increase of $15.6 million or 8% from the prior comparable period of $189.5 million. The increase from the prior year is primarily due to higher Adjusted EBITDA discussed above and lower current taxes. Interest expense decreased by $1.4 million or 2% primarily to due to lower average interest rates, partially offset by higher average debt balances. Current income tax expense decreased by $3.2 million due to the timing of acquisitions and divestiture. AOCF per share before transaction, restructuring and other costs assuming the conversion of preferred shares was $0.92 per share, in line with the prior comparable period.

AOCF for the nine months ended September 30, 2022 was $171.2 million, an increase of $2.3 million or 1% from the prior comparable period AOCF of $168.9 million due to the increased AOCF before transaction, restructuring and other costs discussed above, partially offset by higher transaction, restructuring and other costs. Transaction, restructuring and other costs for the nine months ended September 30, 2022 was $33.9 million, an increase of $13.3 million from the prior comparable period of $20.6 million. AOCF per share for nine months ended September 30, 2022 was $0.77 per share assuming the conversion of the preferred shares, a decrease of $0.05 per share or 6% from the prior comparable period AOCF per share of $0.82 per share. The decrease on a per share basis is primarily due to the impact from the increase in the weighted average shares outstanding partially offset by the increase in AOCF.

RESULTS OF SUPERIOR'S OPERATING SEGMENTS

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

U.S. PROPANE

U.S. Propane's condensed operating results:

(millions of dollars)	Three Months Ended September 30 **2022**	2021	Nine Months Ended September 30 **2022**	2021
Revenue	**240.3**	152.9	**1,152.0**	781.4
Cost of Sales	**(141.4)**	(85.8)	**(693.9)**	(417.7)
Gross profit	**98.9**	67.1	**458.1**	363.7
Realized gain (loss) on derivatives related to commodity risk management (2)	**(1.4)**	2.3	**31.9**	22.8
Adjusted gross profit(1)	**97.5**	69.4	**490.0**	386.5
SD&A	**(157.6)**	(114.4)	**(454.7)**	(343.5)
Add back (deduct):				
Amortization and depreciation included in selling, distribution and administrative costs(3)	**43.5**	32.8	**114.3**	93.2
Transaction, restructuring and other costs(3)	**5.6**	4.3	**16.9**	9.9
Loss on disposal of assets and other(3)	**0.1**	0.1	**1.7**	0.2
Operating costs(1)	**(108.4)**	(77.2)	**(321.8)**	(240.2)
Adjusted EBITDA(1)	**(10.9)**	(7.8)	**168.2**	146.3
Add back (deduct):				
Loss on disposal of assets and other (3)	**(0.1)**	(0.1)	**(1.7)**	(0.2)
Transaction, restructuring and other costs (3)	**(5.6)**	(4.3)	**(16.9)**	(9.9)
Amortization and depreciation included in selling, distribution and administrative costs (3)	**(43.5)**	(32.8)	**(114.3)**	(93.2)
Unrealized gains (losses) on derivative financial instruments (2)	**(48.0)**	30.8	**(65.4)**	47.0
Finance expense	**(1.7)**	(1.4)	**(4.5)**	(3.8)
Earnings (loss) before income tax	**(109.8)**	(15.6)	**(34.6)**	86.2

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 29 for more information.

(2) Realized gains (losses) on derivatives related to commodity risk management are reconciled to gains (losses) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 29 for more information.

(3) The sum of the above amounts and the balances included in the Canadian Propane, Wholesale Propane and the corporate segments are included in SD&A and are disclosed in Note 16 or Note 21 of the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021.

Revenue for the three months ended September 30, 2022 was $240.3 million, an increase of $87.4 million or 57% from the prior year quarter primarily due to higher sales volumes associated with acquisitions, higher sales prices related to offsetting the impact of inflation and the impact of rising commodity prices on truck fuel, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated revenue.

U.S. Propane Adjusted Gross Profit

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2022**	2021	**2022**	2021
Propane distribution [1]	**93.0**	61.3	**439.5**	347.9
Realized gain on derivatives related to commodity risk management [1]	**(1.4)**	2.3	**31.9**	22.8
Adjusted gross profit related to propane distribution	**91.6**	63.6	**471.4**	370.7
Other services [1]	**5.9**	5.8	**18.6**	15.8
Adjusted gross profit [2]	**97.5**	69.4	**490.0**	386.5

(1) The sum of propane distribution and other services agrees to segment disclosure in the annual consolidated financial statements. Realized gains (losses) are derivatives related to commodity risk management and are reconciled to gains (losses) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 29 for more information.

(2) Adjusted gross profit from operations is a Non-GAAP financial measure. See "Non-GAAP financial measures and reconciliations" on page 29 for more information.

Adjusted gross profit related to propane distribution for the three months ended September 30, 2022 was $91.6 million an increase of $28.0 million or 44% from the prior year quarter primarily due to higher sales volumes and higher average sales margins.

Sales volumes are highest in the first and fourth quarters due to the demand from heating end-use customers. Average weather, as measured by degree days, across markets where U.S. propane operates for 2022 was 12% colder than the prior year quarter and the five-year average.

Total sales volumes were 204 million litres, an increase of 36 million litres or 21% compared to the prior year quarter. Residential sales volumes increased by 13 million litres or 21% from the prior year quarter due primarily to the impact of acquisitions, partially offset by the impact of customer conservation and the impact of sales and marketing efforts focused on higher margin propane customers. Commercial sales volumes increased by 23 million litres or 21% compared to the prior year primarily due to the impact of acquisitions, partially offset by the impact of focusing on higher margin propane customers.

U.S. Propane average sales margins were 44.9 cents per litre, an increase of 7.0 cents per litre or 18% from 37.9 cents per litre in the prior year quarter primarily due to effective margin management in a fluctuating commodity price and inflationary environment, the timing of realized gains on derivatives related to commodity risk management and to a lesser extent the impact of the weaker Canadian dollar on the translation of U.S. denominated gross profit.

Other services gross profit primarily includes equipment rental, installation, repair and maintenance charges. Other services gross profit was $5.9 million, consistent with the prior year quarter.

U.S. Propane Sales Volumes
End-Use Application

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of litres)	**2022**	2021[1]	**2022**	2021[1]
Residential	**74**	61	**541**	500
Commercial[1]	**130**	107	**501**	427
Total	**204**	168	**1,042**	927

(1) Prior period volumes have been restated to conform to the current period presentation.

Volumes by Region [1]

(millions of litres)	Three Months Ended September 30 **2022**	2021	Nine Months Ended September 30 **2022**	2021
Northeast	**132**	117	**733**	740
Southeast	**34**	34	**160**	101
Midwest	**14**	11	**80**	59
West	**24**	6	**69**	27
Total	**204**	**168**	**1,042**	927

(1) Includes heating oil, propane, diesel and gasoline sold in over twenty-two states in the following 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 $108.4 million, an increase of $31.2 million or 40% over the prior year quarter primarily due to the impact of acquisitions and inflation and to a lesser extent the impact of higher commodity and fuel costs and the weaker Canadian dollar on the translation of U.S. denominated operating costs, partially offset by cost-saving initiatives.

SD&A includes amortization, depreciation and transaction, restructuring and other costs whereas operating costs exclude these expenses and is used in the determination of Adjusted EBITDA. SD&A was $157.6 million, an increase of $43.2 million or 38% over the prior year quarter. The increase is consistent with the increase in operating costs and includes higher depreciation and amortization as a result of a higher asset base associated with acquisitions and higher transaction, restructuring and other costs.

Earnings (loss) before tax

Loss before tax was $109.8 million, a decrease of $94.2 million over the prior year quarter, primarily due to a loss on derivative financial instruments compared to a gain in the prior year quarter and higher SD&A as described above, partially offset by higher gross profit as described above.

Financial Outlook

U.S. Propane Adjusted EBITDA in 2022 is anticipated to be higher than 2021. The increase is due to the full year contribution from acquisitions completed in the prior year, contribution from acquisitions completed in 2022, the assumption of normal weather, the realization of additional synergies, cost-saving initiatives, and the contribution from the acquisitions that recently closed, partially offset by the impact of inflationary pressures on operating costs and to a lesser extent the impact of the stronger Canadian dollar on the translation of U.S. denominated EBITDA. Average weather for 2022 in the Eastern U.S., upper Midwest and California, as measured by degree days, for the remainder of 2022 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 Superior.

CANADIAN PROPANE

Canadian Propane's condensed operating results:

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2022**	2021	**2022**	2021
Revenue	**145.6**	139.2	**700.1**	545.5
Cost of Sales	**(88.7)**	(79.2)	**(446.4)**	(302.3)
Gross profit	**56.9**	60.0	**253.7**	243.2
SD&A	**(69.9)**	(59.5)	**(217.3)**	(190.5)
Add back (deduct):				
Amortization and depreciation included in selling, distribution and administrative costs (2)	**17.2**	16.8	**51.1**	49.3
Transaction, restructuring and other costs (2)	**0.2**	0.2	**0.5**	3.8
(Gain) loss on disposal of assets and other (2)	**(0.8)**	0.5	**(1.5)**	0.8
Operating costs(1)	**(53.3)**	(42.0)	**(167.2)**	(136.6)
Adjusted EBITDA(1)	**3.6**	18.0	**86.5**	106.6
Add back (deduct):				
Loss on disposal of assets and other(2)	**0.8**	(0.5)	**1.5**	(0.8)
Transaction, restructuring and other costs(2)	**(0.2)**	(0.2)	**(0.5)**	(3.8)
Amortization and depreciation included in selling, distribution and administrative costs(2)	**(17.2)**	(16.8)	**(51.1)**	(49.3)
Finance expense	**(0.9)**	(0.6)	**(2.4)**	(2.2)
Earnings (loss) before income tax	**(13.9)**	(0.1)	**34.0**	50.5

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 29 for more information.

(2) The sum of the above amounts and the balances included in the U.S. Propane, Wholesale Propane and the corporate segments are included in SD&A and are disclosed in Note 16 or Note 21 of the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021.

Revenue for the three months ended September 30, 2022 was $145.6 million, an increase of $6.4 million or 5% from the prior year quarter primarily due to higher wholesale propane prices and the impact of inflation and rising truck fuel and labour costs, partially offset by the timing of the sale of carbon offset credits in the prior year quarter and modestly lower sales volumes.

Canadian Propane Gross Profit

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2022**	2021	**2022**	2021
Propane distribution	**54.1**	57.0	**243.3**	232.3
Other services	**2.8**	3.0	**10.4**	10.9
Gross profit(1)	**56.9**	60.0	**253.7**	243.2

(1) The sum of propane distribution and other services agrees to segment disclosure in the annual consolidated financial statements.

Gross profit related to propane distribution for the three months ended September 30, 2022 was $54.1 million a decrease of $2.9 million or 5% from the prior year quarter primarily due to the sale of carbon offset credits in the prior year quarter and, to a lesser extent, lower sales volumes and average margins.

Demand from heating end-use customers is highest in the first and fourth quarters. Average weather across Canada for the three months ended September 30, 2022, as measured by degree days was 18% warmer than the prior year quarter and 30% warmer than the five-year average. Western Canada was 27% warmer than the prior year while Eastern Canada was 1% warmer than the prior year.

Total sales volumes were 180 million litres, a decrease of 6 million litres or 3%, primarily due to lower commercial sales volumes. Residential sales volumes increased modestly due to the timing of deliveries. Commercial sales volumes decreased by 7 million litres or 4% due primarily to lower agent volumes impacted by the easing of COVID-19 restrictions, agriculture impacted by dryer weather and motor fuel sales volumes due to the loss of a customer.

Average propane sales margins were 30.1 cents per litre, a modest decrease of 0.5 cents or 2% from 30.6 cents per litre in the prior year quarter due primarily to the impact of carbon offset credits sold in the prior year quarter, partially offset by customer mix.

Other services gross profit primarily includes equipment rental, installation, repair and maintenance and customer minimum use charges. Other services gross profit was $2.8 million, which is consistent with the prior year gross profit of $3.0 million.

Canadian Propane Sales Volumes
Volumes by End-Use Application [(1)]

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of litres)	**2022**	2021[(1)]	**2022**	2021[(1)]
Residential	**21**	20	**134**	121
Commercial	**159**	166	**729**	691
Total	**180**	186	**863**	812

(1) Prior period volumes have been restated to conform to the current period presentation.

Volumes by Region [(1)]

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of litres)	**2022**	2021[(2)]	**2022**	2021[(2)]
Western Canada	**78**	86	**380**	364
Eastern Canada	**75**	74	**368**	339
Atlantic Canada	**27**	26	**115**	109
Total	**180**	**186**	**863**	812

(1) Regions: Western Canada region consists of British Columbia, Alberta, Saskatchewan, Manitoba, Yukon, Alaska and Northwest Territories; Eastern Canada region consists of Ontario and Quebec; Atlantic Canada region consists of New Brunswick, Newfoundland & Labrador, Nova Scotia, Prince Edward Island and Maine.

(2) Prior period volumes have been restated to conform to the current period presentation.

Operating Costs and Selling, Distribution and Administrative Costs

Operating costs were $53.3 million, an increase of $11.3 million or 27% compared to the prior year quarter. The increase in operating costs was primarily due to the impact of the CEWS benefit recorded in the prior year quarter and to a lesser extent higher costs associated with increased commodity costs and inflation, partially offset by lower volume-related costs. Canadian Propane recorded $nil million in benefits related to the CEWS program during the three months ended September 30, 2022 (2021 - $8.2 million).

SD&A includes amortization, depreciation and transaction, restructuring and other costs whereas operating costs exclude these expenses and is used in the determination of Adjusted EBITDA. SD&A was $69.9 million, an increase of $10.4 million or 17% over the prior year quarter. SD&A increased for the above reasons, as well as higher depreciation and amortization costs as a result of a higher asset base partially offset by a gain on disposal of assets compared to a loss in the prior year quarter.

Earnings (loss) before tax

The loss before income tax was $13.9 million, a decrease of $13.8 million over the prior year quarter due to the above reasons.

Financial Outlook

Canadian Propane Adjusted EBITDA in 2022 is anticipated to be lower than 2021 due to the decrease in the CEWS benefit in 2022 compared to the prior year, reduced sales of carbon offset credits and the impact of inflation on operating costs partially offset by the increase in commercial sales volumes and higher average margins. Average weather as measured by degree days for the remainder of 2022 is expected 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 Superior.

WHOLESALE PROPANE

Wholesale Propane's condensed operating results:

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2022**	2021	**2022**	2021
Revenue	**226.8**	159.0	**963.9**	572.0
Cost of Sales	**(210.4)**	(153.5)	**(915.1)**	(548.1)
Gross profit	**16.4**	5.5	**48.8**	23.9
Realized gain on derivatives related to commodity risk management [(2)]	**0.2**	2.4	**8.1**	6.7
Adjusted gross profit[(1)]	**16.6**	7.9	**56.9**	30.6
SD&A	**(16.1)**	(6.9)	**(41.1)**	(22.7)
Add back (deduct):				
Amortization and depreciation included in selling, distribution and administrative costs [(3)]	**4.2**	2.2	**9.8**	6.0
Transaction, restructuring and other costs [(3)]	**0.4**	–	**0.5**	–
Gain on disposal of assets and other [(3)]	**–**	–	**(0.1)**	–
Operating costs[(1)]	**(11.5)**	(4.7)	**(30.9)**	(16.7)
Adjusted EBITDA[(1)]	**5.1**	3.2	**26.0**	13.9
Add back (deduct):				
Gain on disposal of assets and other[(3)]	**–**	–	**0.1**	–
Transaction, restructuring and other costs[(3)]	**(0.4)**	–	**(0.5)**	–
Amortization and depreciation included in selling, distribution and administrative costs[(3)]	**(4.2)**	(2.2)	**(9.8)**	(6.0)
Unrealized gains (losses) on derivative financial instruments[(2)]	**(12.0)**	8.3	**(13.1)**	13.7
Finance expense	**(0.4)**	(0.5)	**(0.8)**	(0.9)
Earnings (loss) before income tax	**(11.9)**	8.8	**1.9**	20.7

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 29 for more information.

(2) Realized gains (losses) are derivatives related to commodity risk management and are reconciled to gains (losses) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 29 for more information.

(3) The sum of the above amounts and the balances included in the U.S. Propane, Canadian Propane and the corporate segments are included in SD&A and are disclosed in Note 16 or Note 21 of the unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021.

Revenue for the three months ended September 30, 2022 was $226.8 million, an increase of $67.8 million or 43% from the prior year quarter primarily due to higher sales volumes related to the Kiva acquisition.

Adjusted gross profit for the three months ended September 30, 2022 was $16.6 million, an increase of $8.7 million from the prior year quarter primarily due to the contribution from the Kiva acquisition completed in the first quarter.

Total third-party sales volumes were 278 million litres, an increase of 112 million litres or 67%, primarily due to incremental volumes from the Kiva acquisition and improved demand related to the easing of COVID restrictions.

Wholesale Propane Sales Volumes
Wholesale Propane Volumes by Region

	Three Months Ended September 30		**Nine Months Ended September 30**	
(millions of litres)	**2022**	2021	**2022**	2021
United States	**252**	144	**806**	533
Canada	**26**	22	**119**	116
Total	**278**	166	**925**	649

Operating Costs and Selling, Distribution and Administrative Costs
Operating costs were $11.5 million, an increase of $6.8 million compared to the prior year primarily due to the Kiva acquisition completed in the first quarter.

SD&A includes amortization, depreciation and transaction, restructuring and other costs whereas operating costs exclude these expenses and is used in the determination of Adjusted EBITDA. SD&A was $16.1 million, an increase of $9.2 million over the prior year quarter. SD&A increased for the above reasons, as well as higher depreciation and amortization costs as a result of a higher asset base partially offset by lower transaction, restructuring and other costs .

Earnings (loss) before tax
Loss before income tax was $11.9 million, a decrease of $20.7 million over the prior year quarter earnings of $8.8 million, for the above reasons partially offset by the impact of an unrealized loss on derivatives in the current year compared to an unrealized gain in the prior year quarter.

Financial Outlook
Wholesale Propane Adjusted EBITDA in 2022 is anticipated to be higher than 2021 due to the contribution from the Kiva acquisition, an increase in demand from the Canadian Propane segment and to a lesser extent, the U.S. Propane segment, partially offset by the impact of inflation and rising labour costs on operating costs. Average weather as measured by degree days for the remainder of 2022 is expected 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 Superior.

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 vehicles.

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 the three and nine months ended September 30, 2022

(millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	**2022**	2021
Efficiency, process improvement and growth-related	**15.1**	6.5	**38.7**	23.9
Maintenance capital	**15.0**	10.3	**34.3**	27.7
	30.1	16.8	**73.0**	51.6
Proceeds on disposition of assets	**(2.3)**	(0.2)	**(5.0)**	(2.2)
Property, plant and equipment acquired through acquisition[2]	**10.4**	10.3	**216.0**	96.2
Total net capital expenditures	**38.2**	26.9	**284.0**	145.6
Investment in leased vehicles	**8.8**	6.4	**17.8**	14.7
Investment in other leased assets	**4.0**	4.6	**7.5**	8.0
Total expenditures including finance leases[1]	**51.0**	37.9	**309.3**	168.3

(1) The amounts disclosed in the unaudited condensed consolidated statements of cash flows for the three and nine months ended September 30, 2022 and 2021 is made up of the sum of these amounts and the cash flows used in investing activities related to discontinued operations.

(2) Property, plant and equipment acquired through acquisitions is disclosed in Note 5 of the unaudited condensed consolidated financial statements.

Efficiency, process improvement and growth-related expenditures were $15.1 million for the three months ended September 30, 2022 compared to $6.5 million in the prior year quarter. The increase over the prior year quarter is primarily due to the timing of tank purchases and the impact of the weaker Canadian dollar on the translation of U.S. denominated purchases. Superior purchased more tanks in the third quarter to avoid any future supply chain difficulties and potentially higher increased raw material costs.

Maintenance capital expenditures were $15.0 million for the three months ended September 30, 2022 compared to $10.3 million in the prior year quarter primarily due to timing of expenditures.

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

Superior entered into $8.8 million of leased vehicles net of proceeds from refinancing previously acquired vehicles for the three months ended September 30, 2022 compared to $6.4 million in the prior year quarter. The modest increase is primarily due to timing of acquiring vehicles under leases. Other leased assets of $4.0 million decreased from the prior year quarter mainly due to the timing of renewing property leases and the impact of changes in discount rates.

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

CORPORATE ADMINISTRATION COSTS

Corporate administrative costs for the three months ended September 30, 2022 were $6.2 million an increase of $5.2 million compared to $1.0 million in the prior year quarter. The increase is primarily due to an insurance claim provision, professional fees, the impact of inflation and higher long-term incentive plan costs compared to the prior year quarter as a result of fluctuations in the share price.

Corporate administration costs included in Adjusted EBITDA exclude depreciation, amortization and transaction, restructuring and other costs. Corporate SD&A was $14.5 million for the three months ended September 30, 2022, an increase of $10.8 million from $3.7 million in the prior year quarter primarily due to higher transaction costs, higher long-term incentive plan costs and the impact of inflation compared to the prior year quarter.

FINANCE EXPENSE

Finance expense was $22.7 million for the three months ended September 30, 2022, an increase of $6.1 million, compared to $16.6 million in the prior year quarter. The increase is primarily due to higher average debt balances associated with acquisitions and to a lesser extent higher average interest rates.

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 $22.5 million, an increase of $6.0 million, compared to $16.5 million in the prior year quarter. The increase is primarily due to higher average debt balances associated with acquisitions and to a lesser extent higher average interest rates.

TRANSACTION AND OTHER COSTS

Superior's transaction, restructuring 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)	**2022**	2021	**2022**	2021
Total transaction, restructuring and other costs	**14.3**	6.9	**33.9**	20.6

For the three months ended September 30, 2022, Superior incurred $14.3 million in costs related primarily to the acquisition and integration of tuck-in acquisitions. The costs in the prior year quarter related primarily to the acquisition and integration of acquisitions. The increase for the three months ended September 30, 2022 is due to the timing of transactions, costs related to the CEO retirement and the allocation of costs related to the sale of the Specialty Chemicals segment to discontinued operations.

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., Hungary and Luxembourg income tax.

Total income tax recovery for the three months ended September 30, 2022 of $59.1 million, was comprised of $1.6 million cash income tax expense offset by $60.7 million deferred income tax recovery. This compares to a total income tax recovery of $15.2 million in the prior year quarter, which consisted of cash income tax expense of $1.3 million offset by $16.5 million deferred income tax recovery.

Cash income taxes for the three months ended September 30, 2022 was $1.6 million (2021 – $1.3 million), consisting of income taxes in Canada of $1.0 million (2021 – $2.0 million), in the U.S. of $0.4 million (2021 – $1.3 million recovery), in Hungary of $0.2 million (2021 – $nil) and in Luxembourg of $nil (2021 – $0.6 million). Deferred income tax recovery for the three months ended September 30, 2022 was $60.7 million (2021 – $16.5 million recovery), resulting in a net deferred income tax liability of $90.0 million as at September 30, 2022.

FINANCIAL OUTLOOK

Superior continues to expect 2022 Adjusted EBITDA to remain within the previously disclosed guidance range of $425 million to $465 million. 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 2022 guidance are:

- Weather for the remainder of 2022 is expected to be consistent with the average temperature for the last five years based on heating degree days;
- Economic growth activity in Canada and the U.S. is expected to increase related to the easing of COVID-19 restrictions and no further lockdowns. Economic growth could be impacted by inflation and higher interest rates used to control inflation;
- Superior expects to continue to attract capital and obtain financing on acceptable terms;

- Superior expects maintenance and non-recurring capital expenditures net of disposals and including vehicle leases to be at the high end of the previously disclosed range of $130 million to $150 million;
- Superior is substantively hedged for its estimated U.S. dollar exposure for 2022, and due to the hedge position, a change in the Canadian to U.S, dollar exchange rate for 2022 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 $0.77 for the remainder of 2022 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 current income tax expense are expected to be in the range of $5 million to $10 million for 2022 based on existing statutory income tax rates and the ability to use available tax basis.

U.S. Propane

- Continue to realize synergies from acquisitions primarily through supply chain efficiencies, margin management improvements and operational expense savings;
- Continue to increase prices to lessen the impact of increased wholesale supply prices, fuel costs, labour and inflation;
- Wholesale propane prices are not anticipated to significantly affect demand for propane and related services; and
- Continue to implement cost-saving initiatives related to workforce optimization.

Canadian Propane

- Commercial volumes are anticipated to increase as a result of the easing of COVID-19 restrictions;
- Continue to increase prices to lessen the impact of the increased wholesale supply prices, fuel costs, labour and inflation;
- Wholesale propane prices are not anticipated to significantly affect demand for propane and related services; and
- Operating costs are expected to be higher due to the benefit from CEWS ending.

Wholesale Propane

- Wholesale propane market fundamentals related to basis differentials for the remainder of 2022 are anticipated to be consistent with 2021;
- Continue to increase prices to cover the increased wholesale supply prices, fuel costs, labour and inflation; and
- Wholesale volumes are anticipated to increase as a result of the easing of COVID-19 restrictions.

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". Results may differ from these assumptions.

LIQUIDITY AND CAPITAL RESOURCES

Debt Management Update

Superior is focused on managing both Net debt and its Leverage Ratio. Superior's Leverage Ratio as at September 30, 2022 was 4.3x, compared to 3.9x at December 31, 2021. The increase in the Leverage Ratio is due to higher Net Debt due to the impact of the weaker Canadian dollar on the translation of U.S. denominated debt and, to a lesser extent, the completion of acquisitions. Translating U.S. denominated debt at the same exchange rate as December 31, 2021 would result in a leverage ratio of 4.1x. The U.S. denominated debt consists of SOFR Loans (US$312.0 million), Senior unsecured Notes (US$600.0 million), deferred consideration (US$26.8 million) and U.S. Propane lease liabilities (US$99.0 million) totalling approximately US$1,037.8 million. The translation of US denominated debt as at December 31, 2021 was based on an exchange rate of approximately 1.26 compared to approximately 1.38 as at September 30, 2022. Net debt is higher than December 31, 2021 as a result of the acquisitions completed during the year partially offset by the equity financing completed during the quarter, see "Recently completed and announced transactions" on page 29 for further details.

Reducing Net Debt by $135.9 million representing the Vendor Note and accrued interest results in a Leverage Ratio of 4.0x. The Vendor Note matures prior to Superior's revolving term bank credit facilities and senior unsecured notes. For further information on Superior's Vendor Note see Note 4 of the interim unaudited consolidated financial statements.

Net Debt, Pro forma Adjusted EBITDA and Leverage Ratio are Non-GAAP measures, see "Non-GAAP financial measures and reconciliations" on page 29.

Borrowing
Superior's revolving syndicated bank facility ("credit facility"), term loans, lease obligations and other debt (collectively "borrowing") before deferred financing fees from continuing operations was $2,069.9 million as at September 30, 2022, an increase of $417.0 million from $1,652.9 million as at December 31, 2021. The increase is primarily due to acquisitions of Kamps and Quarles, partially offset by the equity financing completed in the second quarter, and to a lesser extent, cashflow generated from operations in the year.

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

	As at September 30, 2022			
(millions of dollars)	Total Amount	Borrowing	Letters of Credit Issued	Amount Available
Revolving term bank credit facilities[(1)]	750.0	479.7	22.3	248.0
Senior unsecured notes[(1)]	1,329.7	1,329.7	–	–
Deferred consideration and other	45.3	45.3	–	–
Lease liabilities	215.2	215.2	–	–
Total	**2,340.2**	**2,069.9**	**22.3**	**248.0**

(1) Revolving term bank credit facilities and term loan balances are presented before deferred financing fees, see Note 11 of the unaudited condensed consolidated financial statements.

Net Working Capital
Consolidated net working capital was ($0.4) million as at September 30, 2022, a decrease of $10.5 million from $10.1 million as at December 31, 2021. The decrease from December 31, 2021 is primarily due to timing of customer receipts compared to the timing of supplier payments. Net working capital is defined in the unaudited condensed consolidated financial statements and notes thereto as at and for the nine months ended September 30, 2022 and 2021. See Note 21 of the unaudited condensed consolidated financial statements.

Compliance
In accordance with the credit facility, Superior must maintain certain covenants and ratios that represent Non-GAAP financial measures. Superior was in compliance with its lender covenants as at September 30, 2022, 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, 2022, Superior's defined benefit pension plans had an estimated net defined benefit going concern surplus of approximately $3.5 million (December 31, 2021 – surplus $4.1 million) and a net pension solvency surplus of approximately $4.3 million (December 31, 2021 – surplus $5.0 million). Funding requirements by applicable pension legislation are based upon going concern and solvency actuarial assumptions. These assumptions differ from the going concern actuarial assumptions found in Superior's year end audited consolidated financial statements.

Contractual Obligations and Other Commitments[3]

	October 1 to September 30							
	2022 - 2023	**2023 - 2024**	**2024 - 2025**	**2025 - 2026**	**2026 - 2027**	**2027 - 2028**	**Thereafter**	**Total**
Borrowings before deferred financing fees and discounts [1]	14.4	11.1	9.0	6.6	483.1	0.2	1,330.3	1,854.7
Lease liabilities [2]	49.0	37.3	32.1	21.2	16.8	9.4	49.4	215.2
Non-cancellable, low-value, short-term leases and leases with variable lease payments [2]	2.8	0.8	0.2	–	–	–	–	3.8
Equity derivative contracts [1]	12.5	4.2	3.2	–	–	–	–	19.9
US dollar foreign currency forward sales contracts [1]	160.0	174.1	111.0	18.0	3.0	–	–	466.1
USD/CAD call options[1]	6.0	46.0	6.0	–	–	–	–	58.0
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts [1] and [3]	219.9	11.1	–	–	–	–	–	231.0

(1) See Notes 11 and 13 of the September 30, 2022 unaudited condensed consolidated financial statements.
(2) See note 12 of the September 30, 2022 unaudited condensed consolidated financial statements. 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) 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, 2022, 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, 2021	176.0	$2,350.3	0.3	$328.6
Common shares issued during the period net of issue costs and deferred tax recovery	**25.7**	**280.6**	–	–
Balance as at September 30, 2022	**201.7**	**$2,630.9**	**0.3**	**$359.6**

DIVIDENDS

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 2022, above, and "Summary of Cash Flow" for additional details.

Dividends declared to common shareholders for the three and nine months ended September 30, 2022 were $36.3 million and $104.3 million or $0.18 and $0.54 per common share compared to $31.7 million and $95.1 million or $0.18 and $0.54 per common share from the prior year. The increase was due to the issuance of common shares during the previous 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 is currently suspended and 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 declared to preferred shareholders for the three and nine months ended September 30, 2022 were US$4.7 million (C$6.2 million) or US$18.1 (C$23.7) per preferred share and US$14.1 million (C$18.1 million) or US$54.4 (C$69.8) per preferred share, respectively (three and nine months ended September 30, 2021 - US$4.7 million (C$6.2 million) or US$18.1 (C$23.8) per preferred share and US$14.1 million (C$17.9 million) or US$54.4 (C$68.9) per preferred share, respectively).

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)	**2022**	2021	**2022**	2021
Cash flows from (used in) operating activities	**(11.4)**	(3.3)	**213.4**	226.2
INVESTING ACTIVITIES				
Acquisitions, net of cash acquired	**(2.7)**	(42.2)	**(496.8)**	(284.2)
Purchase of property, plant and equipment and intangible assets	**(30.1)**	(16.8)	**(73.0)**	(59.0)
Proceeds on disposal of property, plant and equipment	**2.3**	0.2	**5.0**	2.2
Proceeds on divestiture	**–**	(0.7)	**–**	571.7
Cash flows from (used in) investing activities	**(30.5)**	(59.5)	**(564.8)**	230.7
FINANCING ACTIVITIES				
Proceeds of revolving term bank credit facilities and other debt	**278.8**	237.7	**2,323.3**	1,035.7
Repayment of revolving term bank credit facilities and other debt	**(203.3)**	(167.7)	**(2,089.1)**	(1,300.7)
Principal repayment of lease obligations	**(9.7)**	(9.3)	**(29.5)**	(33.9)
Redemption of 7.00% 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 4.50% senior unsecured notes	**–**	–	**–**	753.7
Issuance of 4.25% senior unsecured debenture	**–**	–	**–**	500.0
Proceeds from share issuance	**–**	–	**287.5**	–
Share issuance cost	**–**	–	**(9.2)**	–
Debt issue costs on credit facility	**–**	–	**(0.5)**	(1.6)
Debt issue costs 4.25% senior unsecured note	**–**	–	**–**	(8.7)
Debt issue costs 4.50% senior unsecured note	**–**	–	**–**	(13.3)
Dividends paid to shareholders	**(42.1)**	(37.8)	**(120.6)**	(113.0)
Cash flows from (used in) financing activities	**23.7**	22.9	**361.9**	(448.8)
Net increase (decrease) in cash and cash equivalents from continuing operations	**(18.2)**	(39.9)	**10.5**	8.1
Cash and cash equivalents, beginning of the period	**57.4**	71.8	**28.4**	24.1
Effect of translation of foreign currency-denominated cash and cash equivalents	**2.8**	0.8	**3.1**	0.5
Cash and cash equivalents, end of the period	**42.0**	32.7	**42.0**	32.7

Cash flows used in operating activities for the three months ended September 30, 2022 was $11.4 million, an increase of $8.1 million from the prior year quarter due primarily to the result of lower Adjusted EBITDA in the current quarter and higher finance expenses, partially offset by a positive change in non-cash working capital compared to the prior year quarter.

Cash flows used in investing activities were $30.5 million, a decrease of $29.0 million from the prior year quarter due primarily to the timing of acquisitions partially offset by the increase in purchases of property, plant and equipment and intangible assets.

Cash flows from financing activities were $23.7 million, which is consistent with the $22.9 million 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, 2022, Superior has hedged approximately 90.9% of estimated U.S. dollar exposure for the 2022 rolling year, and approximately 82.9% for the 2023 rolling year. A summary of the notional amounts of Superior's U.S. dollar forward contracts and options for the rolling twelve months is provided in the table below.

	October 1 to September 30							
	2022 - 2023	**2023 - 2024**	**2024 - 2025**	**2025 - 2026**	**2026 - 2027**	**2027 - 2028**	**Thereafter**	**Total**
USD-foreign currency forward sales contracts	160.0	174.1	111.0	18.0	3.0	–	–	466.1
USD/CAD call options[(i)]	6.0	46.0	6.0	–	–	–	–	58.0
Net average external US$/CDN$ exchange rate	1.32	1.30	1.30	1.32	1.31	–	–	1.31

(i) USD/CAD call options expire in varying maturity dates between January 2023 and October 2024 with strikes ranging from 1.325 to 1.47.

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 consolidated financial statements for the three and nine months ended September 30, 2022.

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, 2022. 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, 2022 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, 2022 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 Kamps Propane, Inc., High Country Propane, Inc., Pick Up Propane, Inc., Competitive Capital, Inc. and Propane Construction and Meter Services and Kiva (collectively, "Kamps Propane") effective March 23, 2022 and Quarles effective June 1, 2022. Summary financial information pertaining to these acquisitions that was included in the unaudited condensed consolidated financial statements of Superior as at September 30, 2022, is as follows:

	Kamps Propane	
(millions of Canadian dollars)	**Three Months Ended September 30, 2022**	**Nine Months Ended September 30, 2022**
Sales	87.5	198.9
Net earnings for the period	11.3	7.1

	Quarles	
(millions of Canadian dollars)	**Three Months Ended September 30, 2022**	**Nine Months Ended September 30, 2022**
Sales	28.5	37.9
Net loss for the period	(0.3)	(3.4)

	September 30, 2022	
(millions of Canadian dollars)	**Kamps Propane**	**Quarles**
Current assets	59.1	12.8
Non-current assets	384.4	205.5
Current liabilities	33.1	12.9
Non-current liabilities	101.4	4.1

Government Grants
In response to the impact of COVID-19 on the Canadian economy, the Government of Canada implemented the CEWS program from March 15, 2020 to October 23, 2021. 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	
	2022	2021	**2022**	2021
Discontinued operations	**–**	–	**–**	1.4
Selling, distribution and administrative costs	**–**	8.6	**2.2**	21.7
Total	**–**	8.6	**2.2**	23.1

There are no unfulfilled conditions attached to this government assistance.

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, 2021. 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, 2022, or latter periods.

Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), "Onerous Contracts – Costs of Fulfilling a Contract"

On May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments to IAS 37 apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. These amendments had no significant impact on the condensed consolidated financial statements of Superior.

Reference to the Conceptual Framework - Amendments to IFRS 3

The Board added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments had no significant impact on the audited consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements ("IAS 1"), to Clarify Requirements for Classifying Liabilities as Current or Non-current

On January 23, 2020, the IASB issued amendments to IAS 1 (the "amendments") to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments clarify the situations that are considered settlement of a liability.

The new guidance will be effective for annual periods starting on or after January 1, 2023. Superior is monitoring and in the process of assessing the impacts of the amendments on the audited consolidated financial statements.

Amendments to IAS 8, Accounting Policies, Changes in Accounting estimates and Errors ("IAS 8"), to introduce a definition of accounting estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments to IAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments to IAS 8 are not expected to have a material impact on the audited consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Superior is currently assessing the impact of the amendments to IAS 1 and IFRS Practice Statement 2 to determine the impact they will have on the Superior's accounting policy disclosures in the audited consolidated financial statements.

Amendments to IAS 12, Income taxes ("IAS 12"), Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12, to require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. A temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences. The amendments to IAS 12 are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Company is currently assessing the impact that the amendments to IAS 12 will have on the Company's right-of-use assets, lease liabilities and decommissioning obligations.

Superior has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

QUARTERLY FINANCIAL AND OPERATING INFORMATION

IFRS Measures

(millions of dollars, except per share amounts)	**Q3 2022**	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	**510.5**	628.6	1,170.4	824.9	362.6	365.6	839.5	561.9
Gross profit	**172.2**	194.5	393.9	281.9	132.6	149.1	349.1	277.5
Net earnings (loss) from continuing operations	**(206.9)**	(85.0)	141.0	13.8	(35.9)	(36.1)	75.4	87.9
Per share, basic	**($1.06)**	(0.46)	0.68	0.04	(0.24)	(0.24)	0.36	0.42
Per share, diluted	**($1.06)**	(0.46)	0.68	0.04	(0.24)	(0.24)	0.36	0.42
Net working capital (deficit) [1]	**(0.4)**	39.1	161.9	10.1	(111.5)	(65.1)	36.9	22.3

[1] 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-GAAP Financial Measures [1]

(millions of dollars, except per share amounts)	**Q3 2022**	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Adjusted EBITDA	**(8.8)**	25.6	250.4	142.2	13.0	31.6	211.6	144.1
AOCF before transaction, restructuring and other costs	**(32.9)**	5.6	232.4	131.6	(4.8)	9.0	185.3	134.0
Per share, basic	**($0.14)**	0.02	1.13	0.64	(0.02)	0.04	0.90	0.65
Per share, diluted	**($0.14)**	0.02	1.13	0.64	(0.02)	0.04	0.90	0.65
AOCF	**(47.2)**	(6.9)	225.3	123.3	(11.7)	4.7	175.9	125.5
Per share, basic	**($0.20)**	(0.03)	1.09	0.60	(0.06)	0.02	0.85	0.61
Per share, diluted	**($0.20)**	(0.03)	1.09	0.60	(0.06)	0.02	0.85	0.61

[1] Adjusted EBITDA, AOCF before transaction, restructuring and other costs, AOCF and the related per share amounts, are Non-GAAP financial measures, see " Non-GAAP financial measures and reconciliations" on page 29.

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 September 30, 2022 unaudited condensed consolidated financial statements.

Volumes

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
U.S. Propane sales volumes (millions of litres)	**204**	242	596	400	168	212	547	386
Canadian Propane sales volumes (millions of litres)	**180**	226	457	356	186	216	410	355
Wholesale Propane sales volumes (millions of litres) (1)	**278**	303	344	287	166	176	307	253

(1) *Wholesale propane sales volumes exclude inter-segment sales.*

U.S Propane sales by end-use application are as follows:

(millions of litres)	**Q3 2022**	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Residential	**74**	105	362	224	61	97	342	224
Commercial	**130**	137	234	176	107	115	205	162
Total	**204**	242	596	400	168	212	547	386

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

(millions of litres)	**Q3 2022**	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Residential	**21**	28	85	59	20	27	74	58
Commercial	**159**	198	372	297	166	189	336	297
Total	**180**	226	457	356	186	216	410	355

Wholesale Propane sales by region are as follows:

(millions of litres)	**Q3 2022**	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
United States	**252**	276	278	226	144	144	245	205
Canada	**26**	27	66	61	22	32	62	48
Total	**278**	303	344	287	166	176	307	253

NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS

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-GAAP 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-GAAP financial measures be clearly defined, qualified and reconciled to their most comparable IFRS financial measures. Except as otherwise indicated, these Non-GAAP 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-GAAP 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-GAAP 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 GAAP as an indicator of Superior's performance.

Management has included the impact of CEWS in the determination of its Non-GAAP Financial Measures as management believes this benefit forms part of the net impact of COVID-19 on the financial results of Superior. Non-GAAP 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. Superior may deduct or include additional items in its calculation of AOCF; these items would generally, but not necessarily, be related to acquiring businesses, integration activities, restructuring provisions and other costs associated with the acquisition and integration of businesses 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, restructuring and other costs.

AOCF per share before transaction, restructuring and other costs is calculated by dividing AOCF before transaction, restructuring and other costs by the weighted average number of shares outstanding assuming the conversion of preferred shares into common shares. 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.

Interest expense
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-cash items, interest earned on Vendor Note and premiums and other losses on redemption of senior unsecured notes.

Adjusted EBITDA
Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, restructuring costs, transaction, restructuring 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 the sum of US Propane Adjusted EBITDA and Canadian Propane Adjusted EBITDA. Management uses EBITDA from operations to set targets for Superiors' operating segments (including annual guidance and variable compensation targets). EBITDA from operations, US Propane Adjusted EBITDA and Canadian Propane Adjusted EBITDA is reconciled to earnings before income taxes.

Reconciliation of net earnings to EBITDA, Adjusted EBITDA and AOCF
The below information is derived from Note 16 Supplemental Disclosure of the Consolidated Statements of Net Earnings, Note 21 Reportable Segment Information and Note 14 Income Taxes of the unaudited condensed consolidated financial statements as at and for the three months ended September 30, 2022 and 2021. Amounts for

the three months ended September 30, 2022 and 2021 are derived by subtracting the third quarter year-to-date 2022 and 2021 results by the results for the six months ended June 30, 2022 and 2021, respectively.

For the Nine Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Earnings (loss) from continuing operations before income taxes	**(34.6)**	**34.0**	**1.9**	**1.3**	**(199.7)**	**(198.4)**
Adjusted for:						
Amortization and depreciation included in SD&A	**114.3**	**51.1**	**9.8**	**175.2**	**0.6**	**175.8**
Finance expense	**4.5**	**2.4**	**0.8**	**7.7**	**48.8**	**56.5**
EBITDA	**84.2**	**87.5**	**12.5**	**184.2**	**(150.3)**	**33.9**
Loss (gain) on disposal of assets and other	**1.7**	**(1.5)**	**(0.1)**	**0.1**	**–**	**0.1**
Transaction, restructuring and other costs	**16.9**	**0.5**	**0.5**	**17.9**	**16.0**	**33.9**
Unrealized loss on derivative financial instruments	**65.4**	**–**	**13.1**	**78.5**	**120.8**	**199.3**
Adjusted EBITDA	**168.2**	**86.5**	**26.0**	**280.7**	**(13.5)**	**267.2**
Adjust for:						
Current income tax expense	**–**	**–**	**–**	**–**	**(5.1)**	**(5.1)**
Transaction, restructuring and other costs	**(16.9)**	**(0.5)**	**(0.5)**	**(17.9)**	**(16.0)**	**(33.9)**
Interest expense	**(3.3)**	**(2.4)**	**(0.4)**	**(6.1)**	**(50.9)**	**(57.0)**
AOCF	**148.0**	**83.6**	**25.1**	**256.7**	**(85.5)**	**171.2**

For the Nine Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) from continuing operations before income taxes	86.2	50.5	20.7	157.4	(155.6)	1.8
Adjust for:						
Amortization and depreciation included in SD&A	93.2	49.3	6.0	148.5	0.6	149.1
Finance expense	3.8	2.2	0.9	6.9	130.9	137.8
EBITDA	183.2	102.0	27.6	312.8	(24.1)	288.7
Loss on disposal of assets and other	0.2	0.8	–	1.0	–	1.0
Transaction, restructuring and other costs	9.9	3.8	–	13.7	6.9	20.6
Unrealized loss (gain) on derivative financial instruments(1)	(47.0)	–	(13.7)	(60.7)	6.6	(54.1)
Adjusted EBITDA	146.3	106.6	13.9	266.8	(10.6)	256.2
Adjust for:						
Current income tax expense	–	–	–	–	(8.3)	(8.3)
Transaction, restructuring and other costs	(9.9)	(3.8)	–	(13.7)	(6.9)	(20.6)
Interest expense	(1.7)	(1.6)	(0.4)	(3.7)	(54.7)	(58.4)
AOCF	134.7	101.2	13.5	249.4	(80.5)	168.9

(1) Unrealized gains (losses) on derivative financial instruments includes the realized foreign exchange gain on the settlement of the US$350 million senior notes, see Note 13.

For the Three Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Loss from continuing operations before income taxes	**(109.8)**	**(13.9)**	**(11.9)**	**(135.6)**	**(130.4)**	**(266.0)**
Adjust for:						
Amortization and depreciation included in SD&A	**43.5**	**17.2**	**4.2**	**64.9**	**0.2**	**65.1**
Finance expense	**1.7**	**0.9**	**0.4**	**3.0**	**19.7**	**22.7**
EBITDA	**(64.6)**	**4.2**	**(7.3)**	**(67.7)**	**(110.5)**	**(178.2)**
Loss (gain) on disposal of assets and other	**0.1**	**(0.8)**	**–**	**(0.7)**	**–**	**(0.7)**
Transaction, restructuring and other costs	**5.6**	**0.2**	**0.4**	**6.2**	**8.1**	**14.3**
Unrealized loss on derivative financial instruments	**48.0**	**–**	**12.0**	**60.0**	**95.8**	**155.8**
Adjusted EBITDA	**(10.9)**	**3.6**	**5.1**	**(2.2)**	**(6.6)**	**(8.8)**
Adjust for:						
Current income tax expense	**–**	**–**	**–**	**–**	**(1.6)**	**(1.6)**
Transaction, restructuring and other costs	**(5.6)**	**(0.2)**	**(0.4)**	**(6.2)**	**(8.1)**	**(14.3)**
Interest expense	**(1.2)**	**(0.9)**	**(0.1)**	**(2.2)**	**(20.3)**	**(22.5)**
AOCF	**(17.7)**	**2.5**	**4.6**	**(10.6)**	**(36.6)**	**(47.2)**

For the Three Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) from continuing operations before income taxes	(15.6)	(0.1)	8.8	(6.9)	(44.2)	(51.1)
Adjust for:						
Amortization and depreciation included in SD&A	32.8	16.8	2.2	51.8	0.3	52.1
Finance expense	1.4	0.6	0.5	2.5	14.1	16.6
EBITDA	18.6	17.3	11.5	47.4	(29.8)	17.6
Loss on disposal of assets and other	0.1	0.5	–	0.6	–	0.6
Transaction, restructuring and other costs	4.3	0.2	–	4.5	2.4	6.9
Unrealized (gain) loss on derivative financial instruments[(1)]	(30.8)	–	(8.3)	(39.1)	27.0	(12.1)
Adjusted EBITDA	(7.8)	18.0	3.2	13.4	(0.4)	13.0
Adjust for:						
Current income tax expense	–	–	–	–	(1.3)	(1.3)
Transaction, restructuring and other costs	(4.3)	(0.2)	–	(4.5)	(2.4)	(6.9)
Interest expense	(1.0)	(0.8)	(0.2)	(2.0)	(14.5)	(16.5)
AOCF	(13.1)	17.0	3.0	6.9	(18.6)	(11.7)

(1) Unrealized gains (losses) on derivative financial instruments includes the realized foreign exchange gain on the settlement of the US$350 million senior notes of $20 million, see Note 13 of the unaudited condensed consolidated financial statements.

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. Managements uses Adjusted Gross Profit to set margin targets and measure results. Unrealized gains and losses on commodity derivative instruments are excluded as a result of the customer contract not being included in the determination of the fair value for this risk management activity.

Reconciliation of gross profit to adjusted gross profit

For the Nine Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Total**
Gross Profit	**458.1**	**253.7**	**48.8**	**760.6**
Realized gain on derivatives related to commodity risk management	**31.9**	**–**	**8.1**	**40.0**
Adjusted gross profit	**490.0**	**253.7**	**56.9**	**800.6**

For the Nine Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Total
Gross Profit	363.7	243.2	23.9	630.8
Realized gain on derivatives related to commodity risk management	22.8	–	6.7	29.5
Adjusted gross profit	386.5	243.2	30.6	660.3

For the Three Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Total**
Gross Profit	**98.9**	**56.9**	**16.4**	**172.2**
Realized gain (loss) on derivatives related to commodity risk management	**(1.4)**	**–**	**0.2**	**(1.2)**
Adjusted gross profit	**97.5**	**56.9**	**16.6**	**171.0**

For the Three Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Total
Gross Profit	67.1	60.0	5.5	132.6
Realized gain on derivatives related to commodity risk management	2.3	–	2.4	4.7
Adjusted gross profit	69.4	60.0	7.9	137.3

Realized gains (losses) on derivatives related to commodity risk management and foreign currency hedging contracts reconcile to total gains (losses) as follows:

For the Nine Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from Operations**	**Corporate**	**Total**
Realized gains on derivatives related to commodity risk management	**31.9**	**–**	**8.1**	**40.0**	**–**	**40.0**
Realized gains on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**1.4**	**1.4**
Realized gains included in AOCF	**31.9**	**–**	**8.1**	**40.0**	**1.4**	**41.4**
Unrealized losses on derivatives related to commodity risk management	**(65.4)**	**–**	**(13.1)**	**(78.5)**	**–**	**(78.5)**
Unrealized losses on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**(44.0)**	**(44.0)**
Unrealized losses on equity derivative contracts	**–**	**–**	**–**	**–**	**(5.7)**	**(5.7)**
Unrealized gain on contingent consideration	**–**	**–**	**–**	**–**	**0.6**	**0.6**
Unrealized foreign exchange losses on US dollar debt and lease liabilities	**–**	**–**	**–**	**–**	**(71.7)**	**(71.7)**
Unrealized losses excluded in AOCF	**(65.4)**	**–**	**(13.1)**	**(78.5)**	**(120.8)**	**(199.3)**
Total losses on derivatives and foreign currency translation of borrowings	**(33.5)**	**–**	**(5.0)**	**(38.5)**	**(119.4)**	**(157.9)**

For the Nine Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from Operations	Corporate	Total
Realized gains on derivatives related to commodity risk management	22.8	–	6.7	29.5	–	29.5
Realized gains on foreign currency hedging contracts	–	–	–	–	8.9	8.9
Realized foreign exchange gain on U.S. dollar debt				–	20.0	20.0
Realized gains included in AOCF	22.8	–	6.7	29.5	28.9	58.4
Unrealized gains on derivatives related to commodity risk management	47.0	–	13.7	60.7	–	60.7
Unrealized losses on foreign currency hedging contracts	–	–	–	–	(6.2)	(6.2)
Unrealized gains on equity derivative contracts	–	–	–	–	0.9	0.9
Unrealized foreign exchange losses on US dollar debt and lease liabilities	–	–	–	–	(21.3)	(21.3)
Unrealized gains excluded in AOCF	47.0	–	13.7	60.7	(26.6)	34.1
Total gains on derivatives and foreign currency translation of borrowings	69.8	–	20.4	90.2	2.3	92.5

For the Three Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from Operations**	**Corporate**	**Total**
Realized gains (losses) on derivatives related to commodity risk management	**(1.4)**	**–**	**0.2**	**(1.2)**	**–**	**(1.2)**
Realized losses on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**(0.4)**	**(0.4)**
Realized gains (losses) included in	**(1.4)**	**–**	**0.2**	**(1.2)**	**(0.4)**	**(1.6)**
Unrealized losses on derivatives related to commodity risk management	**(48.0)**	**–**	**(12.0)**	**(60.0)**	**–**	**(60.0)**
Unrealized losses on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**(37.5)**	**(37.5)**
Unrealized losses on equity derivative contracts	**–**	**–**	**–**	**–**	**(2.4)**	**(2.4)**
Unrealized gains on contingent consideration	**–**	**–**	**–**	**–**	**1.5**	**1.5**
Unrealized foreign exchange losses on US dollar debt and lease liabilities	**–**	**–**	**–**	**–**	**(57.4)**	**(57.4)**
Unrealized losses excluded in AOCF	**(48.0)**	**–**	**(12.0)**	**(60.0)**	**(95.8)**	**(155.8)**
Total losses on derivatives and foreign currency translation of borrowings	**(49.4)**	**–**	**(11.8)**	**(61.2)**	**(96.2)**	**(157.4)**

For the Three Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from Operations	Corporate	Total
Realized gains on derivatives related to commodity risk management	2.3	–	2.4	4.7	–	4.7
Realized gains on foreign currency hedging contracts	–	–	–	–	0.6	0.6
Realized gains included in AOCF	2.3	–	2.4	4.7	0.6	5.3
Unrealized gains on derivatives related to commodity risk management	30.8	–	8.3	39.1	–	39.1
Unrealized losses on foreign currency hedging contracts	–	–		–	(7.4)	(7.4)
Unrealized losses on equity derivative contracts	–	–		–	(2.9)	(2.9)
Unrealized foreign exchange losses on US dollar debt and lease liabilities	–	–		–	(16.7)	(16.7)
Unrealized gains (losses) excluded in AOCF	30.8	–	8.3	39.1	(27.0)	12.1
Total gains (losses) on derivatives and foreign currency translation of borrowings	33.1	–	10.7	43.8	(26.4)	17.4

Operating Costs

Operating costs for the U.S., Canadian and Wholesale Propane segments 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 rent, repairs and maintenance, environmental, utilities, insurance and property tax costs. Operating costs exclude gains or losses on disposal of assets, depreciation and amortization, transaction, restructuring and integration 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.

Corporate operating costs include wages and benefits for employees, professional fees and other costs associated with the corporate function. Corporate operating costs are defined as SD&A expenses related to the corporate office adjusted for amortization and depreciation, gains or losses on disposal of assets and transaction, restructuring and other costs.

Reconciliation of SD&A to Operating Costs

For the Nine Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Selling, distribution and administrative expense	**454.7**	**217.3**	**41.1**	**713.1**	**31.5**	**744.6**
Amortization and depreciation included in SD&A	**(114.3)**	**(51.1)**	**(9.8)**	**(175.2)**	**(0.6)**	**(175.8)**
Transaction, restructuring and other costs	**(16.9)**	**(0.5)**	**(0.5)**	**(17.9)**	**(16.0)**	**(33.9)**
Loss on disposal of assets and other	**(1.7)**	**1.5**	**0.1**	**(0.1)**	**–**	**(0.1)**
Operating Costs	**321.8**	**167.2**	**30.9**	**519.9**	**14.9**	**534.8**

For the Nine Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Selling, distribution and administrative expense	343.5	190.5	22.7	556.7	27.0	583.7
Amortization and depreciation included in SD&A	(93.2)	(49.3)	(6.0)	(148.5)	(0.6)	(149.1)
Transaction, restructuring and other costs	(9.9)	(3.8)	–	(13.7)	(6.9)	(20.6)
Loss on disposal of assets and other	(0.2)	(0.8)	–	(1.0)	–	(1.0)
Operating Costs	240.2	136.6	16.7	393.5	19.5	413.0

For the Three Months Ended September 30, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Selling, distribution and administrative expense	**157.6**	**69.9**	**16.1**	**243.6**	**14.5**	**258.1**
Amortization and depreciation included in SD&A	**(43.5)**	**(17.2)**	**(4.2)**	**(64.9)**	**(0.2)**	**(65.1)**
Transaction, restructuring and other costs	**(5.6)**	**(0.2)**	**(0.4)**	**(6.2)**	**(8.1)**	**(14.3)**
Loss on disposal of assets and other	**(0.1)**	**0.8**	**–**	**0.7**	**–**	**0.7**
Operating Costs	**108.4**	**53.3**	**11.5**	**173.2**	**6.2**	**179.4**

For the Three Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Selling, distribution and administrative expense	114.4	59.5	6.9	180.8	3.7	184.5
Amortization and depreciation included in SD&A	(32.8)	(16.8)	(2.2)	(51.8)	(0.3)	(52.1)
Transaction, restructuring and other costs	(4.3)	(0.2)	–	(4.5)	(2.4)	(6.9)
Loss on disposal of assets and other	(0.1)	(0.5)	–	(0.6)	–	(0.6)
Operating Costs	77.2	42.0	4.7	123.9	1.0	124.9

Net Debt, Pro Forma Adjusted EBITDA and Leverage Ratio

Pro Forma Adjusted EBITDA, Net debt and Leverage ratio are Non-GAAP financial measures. Superior uses Pro Forma Adjusted EBITDA and Net debt to calculate its Leverage ratio. This ratio is used by Superior, investors and other users of financial information to assess its ability to service debt.

Pro Forma Adjusted EBITDA is 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 is used by Superior to calculate its Leverage Ratio.

Net Debt is calculated by the sum of borrowings before deferred financing fees and lease liabilities reduced by Superior cash and cash equivalents. Net Debt is used by Superior to calculate its Leverage Ratio.

Leverage ratio is determined by dividing Superior's Net Debt by their Pro Forma Adjusted EBITDA.

Reconciliation of Net debt and Pro Forma Adjusted EBITDA

(in millions)	**September 30 2022**	December 31 2021
Current borrowings	**14.4**	11.4
Current lease liabilities	**49.0**	44.9
Non-current borrowings	**1,821.2**	1,444.9
Non-current lease liabilities	**166.2**	129.6
	2,050.8	1,630.8
Add back deferred financing fees and discounts	**19.1**	22.1
Deduct cash and cash equivalents	**(42.0)**	(28.4)
Net debt	**2,027.9**	1,624.5
Adjusted EBITDA for the year ended 2021	**398.4**	398.4
Adjusted EBITDA for the nine months ended September 30, 2022	**267.2**	–
Adjusted EBITDA for the nine months ended September 30, 2021	**(256.2)**	–
Pro-forma adjustment	**58.7**	18.4
Pro-forma Adjusted EBITDA for the year ended	**468.1**	416.8
Leverage Ratio	4.3x	3.9x

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 tax agencies in the jurisdictions that Superior operates in 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, 2022, 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 functioning 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 affected. 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 functions 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.

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 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.

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.

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, 2022, the impact of these events caused a decrease in sales volumes and sales prices for our Canadian Propane operating segment and to a lesser extent our U.S. and Wholesale Propane operating segments. 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 2% 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 2022	As at December 31 2021(i)
Assets			
Current Assets			
Cash and cash equivalents		**42.0**	28.4
Trade and other receivables	**6**	**235.2**	319.4
Prepaids and deposits		**103.8**	52.8
Inventories	**7**	**145.3**	111.5
Other current financial assets	**13**	**8.6**	52.6
Total Current Assets		**534.9**	564.7
Non-current Assets			
Property, plant and equipment	**5**	**1,349.5**	1,078.1
Intangible assets	**5**	**580.7**	441.3
Goodwill	**5**	**1,654.2**	1,320.9
Notes receivable and other investments	**4**	**136.1**	130.5
Employee future benefits		**6.7**	7.0
Deferred tax assets	**14**	**25.4**	10.8
Other non-current financial assets	**13**	**0.3**	8.8
Total Non-current Assets		**3,752.9**	2,997.4
Total Assets		**4,287.8**	3,562.1
Liabilities and Equity			
Current Liabilities			
Trade and other payables	**9**	**446.4**	440.5
Contract liabilities		**24.0**	20.6
Lease liabilities	**12**	**49.0**	44.9
Borrowings	**11**	**14.4**	11.4
Dividends payable		**14.3**	12.5
Other current financial liabilities	**13**	**61.2**	7.1
Total Current Liabilities		**609.3**	537.0
Non-current Liabilities			
Lease liabilities	**12**	**166.2**	129.6
Borrowings	**11**	**1,821.2**	1,444.9
Other liabilities	**10**	**44.0**	16.0
Provisions	**8**	**11.7**	10.3
Employee future benefits		**6.9**	6.8
Deferred tax liabilities	**14**	**115.4**	101.7
Other non-current financial liabilities	**13**	**25.1**	3.6
Total Non-current Liabilities		**2,190.5**	1,712.9
Total Liabilities		**2,799.8**	2,249.9
Equity			
Capital		**2,630.9**	2,350.3
Deficit		**(1,692.8)**	(1,419.5)
Accumulated other comprehensive earnings		**190.3**	52.8
Non-controlling interest		**359.6**	328.6
Total Equity	**15**	**1,488.0**	1,312.2
Total Liabilities and Equity		**4,287.8**	3,562.1

(i) *Restated, see Note 2(b).*

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, 2022	**2,349.1**	**1.2**	**2,350.3**	**(1,419.5)**	**52.8**	**328.6**	**1,312.2**
Net earnings (loss) for the period	**–**	**–**	**–**	**(169.0)**	**–**	**18.1**	**(150.9)**
Unrealized foreign currency gain on translation of foreign operations	**–**	**–**	**–**	**–**	**138.0**	**31.0**	**169.0**
Actuarial defined benefit loss	**–**	**–**	**–**	**–**	**(0.6)**	**–**	**(0.6)**
Income tax recovery on other comprehensive loss	**–**	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Total comprehensive earnings	**–**	**–**	**–**	**(169.0)**	**137.5**	**49.1**	**17.6**
Common shares issued, net of costs	**280.6**	**–**	**280.6**	**–**	**–**	**–**	**280.6**
Dividends and dividend equivalent declared to common shareholders	**–**	**–**	**–**	**(104.3)**	**–**	**–**	**(104.3)**
Dividends to non-controlling interest shareholders	**–**	**–**	**–**	**–**	**–**	**(18.1)**	**(18.1)**
As at September 30, 2022	**2,629.7**	**1.2**	**2,630.9**	**(1,692.8)**	**190.3**	**359.6**	**1,488.0**
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 earnings (loss)	–	–	–	–	(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	–	–	–	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

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

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

(Unaudited, millions of Canadian dollars, except per share amounts)	Note	Three Months Ended September 30 2022	Three Months Ended September 30 2021	Nine Months Ended September 30 2022	Nine Months Ended September 30 2021
Revenue	**16, 19**	**510.5**	362.6	**2,309.5**	1,567.7
Cost of sales (includes products and services)	**16**	**(338.3)**	(230.0)	**(1,548.9)**	(936.9)
Gross profit		**172.2**	132.6	**760.6**	630.8
Expenses					
Selling, distribution and administrative costs	**16, 17**	**(258.1)**	(184.5)	**(744.6)**	(583.7)
Finance expense	**16**	**(22.7)**	(16.6)	**(56.5)**	(137.8)
Gain (loss) on derivatives and foreign currency translation of borrowings	**13, 16**	**(157.4)**	17.4	**(157.9)**	92.5
		(438.2)	(183.7)	**(959.0)**	(629.0)
Earnings (loss) before income taxes	**16**	**(266.0)**	(51.1)	**(198.4)**	1.8
Income tax recovery	**14**	**59.1**	15.2	**47.5**	1.6
Net earnings (loss) from continuing operations	**16**	**(206.9)**	(35.9)	**(150.9)**	3.4
Net earnings from discontinued operations, net of tax expense	**4**	**–**	2.3	**–**	177.1
Net earnings (loss)		**(206.9)**	(33.6)	**(150.9)**	180.5
Net earnings (loss) attributable to:					
Superior		**(212.9)**	(39.8)	**(169.0)**	162.6
Non-controlling interest		**6.0**	6.2	**18.1**	17.9
Net loss per share from continuing operations attributable to Superior					
Basic and diluted	**18**	**(1.06)**	(0.24)	**(0.88)**	(0.08)
Net earnings (loss) per share attributable to Superior					
Basic and diluted	**18**	**(1.06)**	(0.23)	**(0.88)**	0.87
Other comprehensive earnings (loss)					
Items that may be reclassified subsequently to net earnings (loss)					
Unrealized foreign currency gain (loss) on translation of foreign operations		**134.2**	36.6	**169.0**	(9.0)
Realized foreign currency gain reclassified to net earnings (loss)	**4**	**–**	–	**–**	(20.8)
Items that will not be reclassified to net earnings (loss)					
Actuarial defined benefit gain (loss)		**(0.5)**	(1.9)	**(0.6)**	15.4
Income tax recovery (expense) on other comprehensive loss		**0.1**	0.6	**0.1**	(4.0)
Other comprehensive earnings (loss) for the period		**133.8**	35.3	**168.5**	(18.4)
Total comprehensive earnings (loss) for the period		**(73.1)**	1.7	**17.6**	162.1
Total comprehensive earnings (loss) for the period attributable to:					
Superior		**(104.0)**	(11.9)	**(31.5)**	145.4
Non-controlling interest		**30.9**	13.6	**49.1**	16.7

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 **2022**	2021	Nine Months Ended September 30 **2022**	2021
OPERATING ACTIVITIES					
Net earnings (loss) for the period		**(206.9)**	(33.6)	**(150.9)**	180.5
Adjustments for:					
Depreciation included in selling, distribution and administrative costs		**31.3**	23.0	**83.6**	74.1
Depreciation of right-of-use assets included in selling, distribution and administrative costs		**9.9**	8.5	**27.5**	22.7
Depreciation and amortization included in discontinued operations		**–**	–	**–**	9.6
Amortization of intangible assets included in selling, distribution and administrative costs		**23.9**	20.6	**64.7**	52.3
Loss (gain) on disposal of assets included in continuing and discontinued operations, impairments, and other non-cash items		**(0.7)**	0.6	**0.1**	1.0
Unrealized loss (gain) on financial and non-financial derivatives and foreign exchange loss on U.S. dollar debt and lease liabilities, including discontinued operations	**13, 4**	**155.8**	(12.1)	**199.3**	(54.1)
Gain on disposal of discontinued operations	**4**	**–**	(0.6)	**–**	(229.3)
Finance expense recognized in net earnings (loss), including discontinued operations		**22.7**	16.6	**56.5**	139.8
Income tax expense (recovery) recognized in net earnings (loss), including discontinued operations	**14**	**(59.1)**	(16.9)	**(47.5)**	68.1
Changes in non-cash operating working capital and other	**20**	**37.4**	10.1	**56.0**	62.7
Cash flows from operating activities before income taxes and interest paid		**14.3**	16.2	**289.3**	327.4
Income taxes paid		**(0.8)**	(1.5)	**(15.4)**	(15.0)
Interest paid		**(24.9)**	(18.0)	**(60.5)**	(86.2)
Cash flows from (used in) operating activities		**(11.4)**	(3.3)	**213.4**	226.2
INVESTING ACTIVITIES					
Acquisitions, net of cash acquired	**5**	**(2.7)**	(42.2)	**(496.8)**	(284.2)
Purchase of property, plant and equipment and intangible assets	**21**	**(30.1)**	(16.8)	**(73.0)**	(59.0)
Proceeds on disposal of property, plant and equipment		**2.3**	0.2	**5.0**	2.2
Proceeds (repayment) on divestiture	**4**	**–**	(0.7)	**–**	571.7
Cash flows from (used in) investing activities		**(30.5)**	(59.5)	**(564.8)**	230.7
FINANCING ACTIVITIES					
Proceeds from revolving term bank credit facilities and other debt		**278.8**	237.7	**2,323.3**	1,035.7
Repayment of revolving term bank credit facilities and other debt		**(203.3)**	(167.7)	**(2,089.1)**	(1,300.7)
Principal repayment of lease obligations		**(9.7)**	(9.3)	**(29.5)**	(33.9)
Redemption of 7.00% senior unsecured debentures	**11**	**–**	–	**–**	(472.3)
Redemption of 5.25% senior unsecured debentures	**11**	**–**	–	**–**	(410.5)
Redemption of 5.125% senior unsecured debentures	**11**	**–**	–	**–**	(384.2)
Issuance of 4.50% senior unsecured notes	**11**	**–**	–	**–**	753.7
Issuance of 4.25% senior unsecured debenture	**11**	**–**	–	**–**	500.0
Proceeds from common share issuance	**15**	**–**	–	**287.5**	–
Common share issuance costs	**15**	**–**	–	**(9.2)**	–
Debt issue costs credit facilities		**–**	–	**(0.5)**	(1.6)
Debt issue costs 4.25% senior unsecured note		**–**	–	**–**	(8.7)
Debt issue costs 4.50% senior unsecured note		**–**	–	**–**	(13.3)
Dividends paid to shareholders		**(42.1)**	(37.8)	**(120.6)**	(113.0)
Cash flows from (used in) financing activities		**23.7**	22.9	**361.9**	(448.8)
Net increase (decrease) in cash and cash equivalents from continuing operations		**(18.2)**	(39.9)	**10.5**	8.1
Cash and cash equivalents, beginning of the period		**57.4**	71.8	**28.4**	24.1
Effect of translation of foreign currency denominated cash and cash equivalents		**2.8**	0.8	**3.1**	0.5
Cash and cash equivalents, end of the period		**42.0**	32.7	**42.0**	32.7

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, all amounts including tabular amounts, are stated in millions of Canadian dollars, except per share amounts and unless otherwise stated)

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 ("TSX") under the exchange symbol ("SPB").

These condensed consolidated financial statements were authorized for issue by the Board of Directors on November 9, 2022.

Reportable Operating Segments

Superior reports three distinct segments: the United States Retail Propane Distribution ("U.S. Propane"), Canadian Retail Propane Distribution ("Canadian Propane") and North American Wholesale Propane Distribution ("Wholesale Propane"). The reportable segments differ from disclosures in prior periods and more closely aligns with how the Chief Operating Decision Maker, Superior's President and Chief Executive Officer, manages the business and evaluates the business performance following the acquisition of Kiva Energy Inc. ("Kiva"), see Note 5. As a result of the change, the Wholesale Propane segment, previously included in Canadian Propane, was separated as its own reporting segment. Prior period results and disclosures have been conformed to reflect Superior's existing reportable segments. The U.S. Propane segment distributes propane gas and liquid fuels primarily in the Eastern United States, as well as the Midwest and California to retail customers, including residential and commercial customers. The Canadian Propane segment distributes propane gas and liquid fuels across Canada to retail customers, including residential and commercial customers. The Wholesale Propane segment consists of Superior Gas Liquids, United Liquid Gas Company, Inc., Sheldon United Terminals, LLC and Kiva. The Wholesale Propane segment supplies the majority of the propane gas for the Canadian Propane business, a portion of the propane gas for the U.S. Propane business and also supplies propane and other natural gas liquids to third-party wholesale customers in Canada and the United States ("U.S.").

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 the U.S. Propane Distribution, Canadian Propane Distribution and the Wholesale Propane Distribution because of the inherent similarities of the businesses.

2. BASIS OF PRESENTATION

(a) Preparation of Condensed Consolidated Financial Statements

The accompanying 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, 2021, except for the adoption of new standards effective as of January 1, 2022 (see 2(d)). The condensed consolidated financial statements were prepared on a going concern basis.

The 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 condensed consolidated statements of net earnings (loss) and total comprehensive earnings (loss) 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 a non-controlling interest. Superior computes its share of net earnings (loss) 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 (loss) 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 (loss) for the period.

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

(b) Reclassification of Comparative Figures

During the nine months ended September 30, 2022, Superior adjusted the purchase price allocation for certain acquisitions that were completed in the prior year. As disclosed in Note 5, Superior has restated the condensed consolidated balance sheet as at December 31, 2021 to record the impact of the adjusted purchase allocations as if the accounting for the business combination had been completed at the acquisition date. The condensed consolidated statements of changes in equity, net earnings (loss) and total comprehensive earnings (loss) and cash flows for the three and nine months ended September 30, 2021 remain unchanged since the impact of the changes made was not significant to these condensed consolidated financial statements.

Certain of the prior year figures have been restated as a result of Superior's change in reportable segments, see Notes 1 and 21.

(c) Significant Accounting Judgments, Estimates and Assumptions

The preparation of Superior's condensed consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. 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 condensed consolidated financial statements are consistent with those disclosed in Superior's 2021 annual consolidated financial statements, except for the following:

COVID-19

The outbreak of the novel strain of the coronavirus in the first quarter of 2020, specifically identified as the COVID-19 pandemic, 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, caused material disruption to businesses globally. Global equity markets experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. 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 16. Superior does not expect to make any future claims.

Cap and trade

Superior purchases compliance instruments to satisfy its obligations under the California, Quebec and Nova Scotia cap and trade programs, see Note 10. Liabilities under these programs are first recorded based on compliance instruments purchased for the respective compliance periods and any additional liabilities are based on the future estimated cost to purchase the underlying compliance instruments until those compliance instruments are acquired. Compliance instruments purchased are recorded as intangible assets until they are settled against the corresponding cap and trade payable at the end of each compliance period to which they relate. As at September 30, 2022, Superior has a net liability of approximately $4.8 million which has been estimated based on the future cost of the compliance instruments.

(d) Changes in Accounting Policies and Disclosures

Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37"), "Onerous Contracts – Costs of Fulfilling a Contract"

On May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments to IAS 37 apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. These amendments had no significant impact on the condensed consolidated financial statements of Superior.

Reference to the Conceptual Framework – Amendments to IFRS 3, *Business Combinations* ("IFRS 3")

The IASB added an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or International Financial Reporting Interpretations Committee ("IFRIC") 21, *Levies*, if incurred separately. At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the *Framework for the Preparation and Presentation of Financial Statements*. These amendments had no significant impact on the condensed consolidated financial statements of Superior.

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the condensed consolidated financial statements of Superior.

(e) Standards Issued But Not Yet Effective

Amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1"), to Clarify Requirements for Classifying Liabilities as Current or Non-current

On January 23, 2020, the IASB issued amendments to IAS 1 (the "amendments") to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions that exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the condensed consolidated balance sheets date, for example, on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments clarify the situations that are considered settlement of a liability.

The new guidance will be effective for annual periods starting on or after January 1, 2023. Superior is monitoring and in the process of assessing the impacts of the amendments on the condensed consolidated financial statements.

Amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* (“IAS 8”), to Introduce a Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments to IAS 8 are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments to IAS 8 are not expected to have a material impact on the condensed consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, *Making Materiality Judgments*, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to IAS 1 and IFRS Practice Statement 2 to determine the impact they will have on the Company’s accounting policy disclosures.

Amendments to IAS 12, *Income taxes* (“IAS 12”), Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12, to require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. A temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

The Company is currently assessing the impact that the amendments to IAS 12 will have on the Company’s right-of-use assets, lease liabilities and decommissioning obligations.

Superior has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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 in 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, 2022, Superior reported gross profit of $1,042.5 million (September 30, 2021 − $908.3 million) and net loss of $162.2 million (September 30, 2021 − $91.3 million net earnings) 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 million (the "Transaction"). Superior received $600 million in cash proceeds, less a working capital adjustment of $17.0 million and $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 on October 9, 2026. The purchase price is subject to adjustment based on the average EBITDA of the business for the three consecutive 12-month periods following the closing date. If the average EBITDA, adjusted to remove the impact of IFRS 16, *Leases* ("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 as at April 9, 2021 was estimated to be a liability of $1.4 million is included on the condensed consolidated balance sheets, as part of other non-current financial liabilities; As at September 30, 2022, the fair value of the contingent consideration is also $1.4 million, see Note 13. Changes in the fair value of the contingent consideration are recorded in the condensed consolidated statements of net earnings (loss) and total comprehensive earnings (loss) as part of the gain (loss) on derivatives and foreign currency translation of borrowings while interest earned on the Vendor Note is recorded net of finance expense; see Notes 13 and 16 of the condensed consolidated financial statements, respectively.

The Transaction included all assets and liabilities Superior held in its Specialty Chemicals 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 Segments Information note. The consideration received exceeded the carrying amount of the net assets and therefore, no impairment was required to be recorded.

The Vendor Note is included in notes receivable and other investments on the condensed consolidated balance sheets and includes $10.9 million in accrued interest.

Net earnings from discontinued operations reported in the condensed consolidated statements of net earnings (loss) and total comprehensive earnings (loss) for the three and nine months ended September 30, 2021 are as follows:

	September 30, 2021	
	Three months ended	Nine months ended
Revenue	–	157.5
Cost of sales	–	(101.2)
Depreciation included in cost of sales	–	(5.6)
Gross profit	–	50.7
Expenses		
Selling, distribution and administrative ("SD&A") costs, including a loss on disposal of $0.5 million	–	(27.8)
Depreciation and amortization included in SD&A costs	–	(4.0)
Finance expense	–	(2.0)
Unrealized gain on foreign currency translation of leases	–	0.6
	–	(33.2)
Net earnings from discontinued operations before income tax recovery (expense)	–	17.5
Gain on disposal including $20.8 million foreign currency translation adjustment	0.6	229.3
Current income tax recovery (expense)	0.3	(15.9)
Deferred income tax recovery (expense)	1.4	(53.8)
Net earnings from discontinued operations	2.3	177.1
Other comprehensive earnings (loss) from discontinued operations		
Items that may be reclassified subsequently to net earnings (loss)		
Realized foreign currency gain on translation of foreign operations	–	(20.8)
Items that will not be reclassified to net earnings (loss)		
Actuarial defined-benefit gain (loss)	(1.9)	15.1
Income tax expense on other comprehensive earnings (loss)	0.6	(4.0)
Other comprehensive loss related to discontinued operations	(1.3)	(9.7)
Total comprehensive earnings related to discontinued operations	1.0	167.4

Cash flows from discontinued operations reported in the condensed consolidated statements of cash flows for the three and nine months ended September 30, 2021 are as follows:

	September 30, 2021	
	Three months ended	Nine months ended
Cash flows from operating activities	–	17.4
Cash flows used in investing activities	–	(7.4)
Cash flows used in financing activities	–	(6.7)
Cash flows from discontinued operations	–	3.3

5. ACQUISITIONS

2022	Kamps Propane and Kiva (ii)	Quarles	Heartland	Other
Accounts receivable	**41.2**	**13.4**	**–**	**0.5**
Prepaid expenses	**1.2**	**–**	**–**	**–**
Inventories	**17.7**	**4.4**	**0.2**	**0.4**
Property, plant and equipment	**100.0**	**107.1**	**2.6**	**6.3**
Intangible assets	**98.9**	**32.1**	**2.5**	**1.0**
Trade and other payables and contract liabilities	**(28.0)**	**(6.9)**	**(0.3)**	**–**
Short-term debt and lease liabilities	**(17.3)**	**(0.3)**	**–**	**–**
Long-term debt and lease liabilities	**(41.0)**	**(3.4)**	**(0.5)**	**–**
Provisions and other liabilities	**(18.1)**	**(1.0)**	**–**	**–**
Deferred tax liabilities	**(41.4)**	**–**	**–**	**–**
Net identifiable assets and liabilities	**113.2**	**145.4**	**4.5**	**8.2**
Consideration transferred				
Fair value of deferred consideration	**–**	**–**	**0.8**	**3.6**
Cash paid on acquisition(i)	**272.7**	**197.7**	**7.5**	**5.5**
Total consideration transferred	**272.7**	**197.7**	**8.3**	**9.1**
Goodwill arising on acquisitions	**159.5**	**52.3**	**3.8**	**0.9**

(i) Consideration paid for Kamps Propane after total working capital adjustments of approximately $29.3 million is cash paid of $284.4 million net of estimated recovery of $11.7 million.

(ii) Kamps Propane, Inc., High Country Propane, Inc., Pick Up Propane, Inc., Competitive Capital, Inc. and Propane Construction and Meter Services (collectively, "Kamps Propane") and Kiva

The acquisition costs directly attributable to the above 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.

If the 2022 acquisitions had occurred on January 1, 2022, revenue and net earnings from continuing operations for the three and nine months ended September 30, 2022 would have increased by $4.0 million and $0.1 million, and increased by $265.6 million and $18.8 million, respectively.

Unless otherwise stated, the purchase price allocations discussed 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 quantification 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.

Kamps Propane and Kiva

On March 23, 2022, Superior acquired all the issued and outstanding shares of Kamps Propane and Kiva for an aggregate purchase price of approximately C$302 million (US$240 million) before adjustments for working capital of approximately C$29.3 million (US$22.9 million). Goodwill arising on this acquisition has been provisionally allocated between the U.S. Propane segment for $87.2 million and the Wholesale Propane segment for $72.2 million. The goodwill recognized is not deductible for income tax purposes.

During the quarter, Superior has updated the estimated purchase price allocation and, as a result, the previously reported fair values changed as follows:

	Previously Reported	Adjustments	As at September 30 2022
Accounts receivable	38.8	2.4	**41.2**
Prepaid expenses	3.4	(2.2)	**1.2**
Inventories	17.4	0.3	**17.7**
Property, plant and equipment	95.9	4.1	**100.0**
Intangible assets	93.7	5.2	**98.9**
Goodwill	163.5	(4.0)	**159.5**
Other short and long-term liabilities	(112.0)	(5.8)	**(117.8)**

Accounts receivable, prepaid expenses, inventories and accrued liabilities changed as a result of updating fair value estimates and reclassifying balances to be consistent with Superior. Property, plant and equipment and intangible assets changed by a net increase of $9.3 million as a result of updating the estimated age, cost and quantity of tanks, vehicles and equipment acquired. Other short and long-term liabilities increased mainly due to the increase in deferred tax liabilities coming primarily from the increase in the property, plant and equipment and intangible assets. As a result of these adjustments, goodwill was decreased by $4.0 million.

For the three and nine months ended September 30, 2022, subsequent to the acquisition date, the acquisition contributed:

- revenue of $21.4 million and net loss of $6.5 million; revenue of $51.1 million and net loss of $10.0 million, respectively, to the U.S. Propane segment inclusive of inter-segment transactions; and
- revenue of $76.6 million and net loss of $0.4 million; revenue of $173.3 million and net loss of $1.1 million, respectively, to the Wholesale Propane segment inclusive of inter-segment transactions.

Heartland Industries, LLC. (“Heartland”)

On April 1, 2022, Superior acquired the assets of Heartland for an aggregate purchase price of approximately C$8.9 million (US$7.1 million) before adjustments for working capital of approximately C$0.5 million (US$0.4 million). Goodwill arising on this acquisition forms part of the U.S. Propane segment. The purchase price allocation was updated during the three months ended September 30, 2022 resulting in an increase to accounts and other payables for $0.3 million and a $0.6 million decrease in total consideration due to finalizing the acquired working capital. These updates resulted in a net decrease in goodwill for $0.3 million.

Subsequent to the acquisition date, the acquisition contributed revenue and net loss of $1.5 million and $nil, respectively, for the three months ended September 30, 2022 and $3.1 million and $nil, respectively to the U.S. Propane segment for the nine months ended September 30, 2022.

Quarles Petroleum Inc. (“Quarles”)

On June 1, 2022, Superior acquired the retail propane distribution and refined fuels assets of Quarles for an aggregate purchase price of approximately C$181.1 million (US$143.1 million) before adjustments for working capital. Goodwill arising on this acquisition forms part of the U.S. Propane segment.

During the quarter, Superior has updated the estimated purchase price allocation and as a result, the previously reported fair values changed as follows:

	Previously Reported	Adjustments	**As at September 30 2022**
Accounts receivable	13.6	(0.2)	**13.4**
Property, plant and equipment	105.5	1.6	**107.1**
Intangible assets	30.3	1.8	**32.1**
Goodwill	56.6	(4.3)	**52.3**
Trade and other payables	(6.1)	(0.8)	**(6.9)**
Long-term liabilities	(4.9)	0.5	**(4.4)**

Consideration decreased by $1.4 million due to updating the acquired working capital. As a result of these adjustments, goodwill was decreased by $4.3 million. Subsequent to the acquisition date, the acquisition contributed revenue and net loss of $28.5 million and $0.3 million, respectively, for the three months ended September 30, 2022 and revenue and net loss of $37.9 million and $3.4 million, respectively, to the U.S. Propane segment for the nine months ended September 30, 2022.

Other acquisitions

During the nine months ended September 30, 2022, the Company closed three business acquisitions for a total consideration of approximately C$9.1 million (US$6.9 million) before working capital adjustments. Goodwill arising on these acquisitions form part of the U.S. Propane segment.

Two out of the three purchase price allocations were finalized during the three months ended September 30, 2022, resulting in a decrease to intangible assets by $0.7 million primarily due to updating the estimated fair value of customer relationships, an increase in property, plant and equipment by $0.9 million due to adjustments to customer tanks, accounts receivable decreased by $0.1 million and consideration increased by $0.2 million due to finalizing working capital. These changes resulted in a $0.1 million increase to goodwill.

Subsequent to the acquisition date, the acquisitions contributed revenue and net loss of $0.7 million and $0.3 million, respectively, for the three months ended September 30, 2022 and $0.8 million and $0.4 million, respectively to the U.S. Propane segment for the nine months ended September 30, 2022.

Acquisitions in 2021

Hopkins Propane (“Hopkins”) and Mountain Energy Gas (“Mountain Energy”)

Superior finalized the purchase price allocations for Hopkins and Mountain Energy during the nine months ended September 30, 2022. As a result, adjustments were made only to the purchase price allocation of Hopkins and no change for Mountain Energy’s purchase price allocation. The balances for Hopkin’s intangible assets, goodwill and trade and other payables as at December 31, 2021 were restated accordingly. Intangible assets increased by $0.4 million primarily due to updating the estimated fair value of customer relationships and cash paid on acquisition increased by $1.7 million due to adjustments to working capital. These changes resulted in a net increase to goodwill in the amount of $1.3 million.

6. TRADE AND OTHER RECEIVABLES

A summary of trade and other receivables is as follows:

	September 30 2022	December 31 2021
Trade receivables, net of allowances	**209.7**	300.1
Accounts receivable – other(i)	**25.5**	19.3
Trade and other receivables	**235.2**	319.4

(i) This balance consists of accounts receivable related indirect tax, final settlements related to acquisitions and other miscellaneous balances.

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

	September 30 2022	December 31 2021
Current	**146.8**	211.0
Past due less than 90 days	**47.5**	84.6
Past due over 90 days	**34.9**	17.4
Trade receivables	**229.2**	313.0

Superior's trade receivables are stated after deducting an allowance for doubtful accounts of $19.5 million as at September 30, 2022 (December 31, 2021 - $12.9 million). The movement in the allowance for doubtful accounts is as follows:

	September 30 2022	December 31 2021
Allowance for doubtful accounts, beginning of the period	**(12.9)**	(12.0)
Impairment losses recognized on receivables	**(9.7)**	(8.0)
Amounts written off during the period as uncollectible	**4.0**	6.4
Impact of divestiture (Note 4)	**–**	1.0
Amounts recovered	**0.4**	0.5
Foreign exchange impact and other	**(1.3)**	(0.8)
Allowance for doubtful accounts, end of the period	**(19.5)**	(12.9)

7. INVENTORIES

A summary of inventories is as follows:

	September 30 2022	December 31 2021
Propane, heating oil and other refined fuels	**125.3**	97.9
Propane retailing materials, supplies, appliances and other	**20.0**	13.6
	145.3	111.5

8. PROVISIONS

A summary of provisions is as follows:

	Restructuring	Decommissioning	Other	Total
Balance as at December 31, 2021	2.1	7.4	3.6	13.1
Acquisitions	–	**1.2**	–	**1.2**
Utilization	**(0.9)**	–	**(0.8)**	**(1.7)**
Unwinding of discount	–	**0.1**	–	**0.1**
Impact of change in discount rate	–	**(0.7)**	–	**(0.7)**
Net foreign currency exchange differences	–	**0.6**	**0.3**	**0.9**
Balance as at September 30, 2022	**1.2**	**8.6**	**3.1**	**12.9**

	September 30 2022	December 31 2021
Current (Note 9)	**1.2**	2.8
Non-current	**11.7**	10.3
	12.9	13.1

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 condensed consolidated statements of net earnings (loss) and total comprehensive earnings (loss) or condensed 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 (loss) and total comprehensive earnings (loss) or condensed consolidated balance sheets.

9. TRADE AND OTHER PAYABLES

A summary of trade and other payables is as follows:

	September 30 2022	December 31 2021[i]
Trade payables	**344.1**	297.0
Provisions (Note 8)	**1.2**	2.8
Accrued liabilities and other payables	**75.2**	105.6
Current taxes payable	**16.8**	12.6
Share-based payments, current portion	**9.1**	22.5
Trade and other payables	**446.4**	440.5

[i] Restated, see Note 2(b)

10. OTHER LIABILITIES

A summary of other liabilities is as follows:

	September 30 2022	December 31 2021
Quebec cap and trade payable	**9.2**	4.2
California cap and trade payable	**30.9**	6.0
Nova Scotia cap and trade payable	**2.3**	1.8
Share-based payments and other	**1.6**	4.0
Other liabilities	**44.0**	16.0

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 condensed consolidated statements of cash flows, net of the liability that has been accrued related to cap and trade payable 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 2022	December 31 2021
Revolving Term Bank Credit Facilities (1)				
Bankers' Acceptances ("BA")	2027	Floating BA rate plus 1.70%	**40.0**	35.0
Canadian Prime Rate loan (Prime and Swing line)	2027	Prime rate plus 0.70%	**8.2**	10.0
SOFR loans (US$312.0 million; 2021 – LIBOR loans at floating LIBOR rate plus 1.70%; US$93.0 million)	2027	Term SOFR rate plus 1.70%	**431.5**	117.5
U.S. Base Rate loans (Prime and Swing line) (US $nil; 2021 – US$14.0 million)	2027	U.S. Prime rate plus 0.70%	**–**	17.7
			479.7	180.2
Other Debt				
Deferred consideration	2022-2026	1.74%-8.74%	**37.1**	40.0
Other term loans (4)	2023-2031	various	**8.2**	–
			45.3	40.0
Senior Unsecured Notes				
Senior unsecured notes (3)	2028	4.25%	**500.0**	500.0
Senior unsecured notes (2)	2029	4.50%	**829.7**	758.2
			1,329.7	1,258.2
Total borrowings before deferred financing fees			**1,854.7**	1,478.4
Deferred financing fees and discounts			**(19.1)**	(22.1)
Total borrowings before current maturities			**1,835.6**	1,456.3
Current maturities			**(14.4)**	(11.4)
Total non-current borrowings			**1,821.2**	1,444.9

[(1)] As at September 30, 2022, Superior had $22.3 million of outstanding letters of credit (December 31, 2021 – $30.1 million) and $369.8 million of outstanding financial guarantees on behalf of its businesses (December 31, 2021 – $325.8 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 June 6, 2022, Superior amended the syndicated credit facility and extended the maturity to June 6, 2027, with no change to the financial covenants. The credit facilities are secured by substantially all of the assets of Superior. The lender commitments remain at $750.0 million and can be increased to $1,050.0 million on condition that no event of default has occurred and lender consent is provided. Superior also replaced the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR") as the benchmark interest rate for the U.S. tranche of the syndicated credit facility in accordance with the amendment.

[(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, but excluding the redemption date. The fair value of the outstanding US$600 million senior unsecured notes is $687.0 million (December 31, 2021 – $779.7 million) based on prevailing market prices. Upon redemption of the US$350 million senior unsecured note, a net foreign exchange translation gain of $5.8 million was recognized, see Note 13. There was an unrealized foreign exchange translation loss on the US$600 million senior unsecured note of $57.3 million and $71.5 million for the three and nine months ended September 30, 2022, respectively (three and nine months ended September 30, 2021 – $16.9 million and $7.1 million loss, respectively).

[(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 4.25% senior unsecured note based on prevailing market rates is $438.5 million (December 31, 2021 – $503.4 million).

[(4)] Other term loans were assumed by Superior as part of the acquisition of Kamps Propane consisting of $1.9 million (US$1.4 million) in term bank loans bearing interest at 3.99% to 5.50% due between 2023 and 2025, and $6.3 million (US$4.6 million) in other term loans bearing interest at 2.0% to 6.5% due between 2026 to 2031.

Future required repayments of borrowings before deferred financing fees are as follows:

October 1, 2022 – September 30, 2023	14.4
October 1, 2023 – September 30, 2024	11.1
October 1, 2024 – September 30, 2025	9.0
October 1, 2025 – September 30, 2026	6.6
October 1, 2026 – September 30, 2027	483.1
October 1, 2027 – September 30, 2028	0.2
Thereafter	1,330.3
Total	**1,854.7**

12. LEASING ARRANGEMENTS

The lease liabilities by operating segment are as follows:

	U.S. Propane	Canadian Propane[(i)]	Wholesale Propane[(i)]	Corporate	Total
Lease liabilities as at December 31, 2021	95.5	69.1	8.8	1.1	174.5
Lease liabilities assumed as part of a business combination	**27.3**	**–**	**5.0**	**–**	**32.3**
Additions	**15.7**	**6.6**	**3.0**	**–**	**25.3**
Finance expense on lease liabilities	**3.0**	**2.4**	**0.4**	**–**	**5.8**
Lease payments	**(16.8)**	**(14.2)**	**(4.1)**	**(0.2)**	**(35.3)**
Impact of changes in foreign exchange rates and other	**12.2**	**(0.2)**	**0.6**	**–**	**12.6**
Lease liabilities as at September 30, 2022	**136.9**	**63.7**	**13.7**	**0.9**	**215.2**

[(i)] *Restated to conform to current period's presentation.*

	September 30 2022	December 31 2021
Current portion of lease liabilities	**49.0**	44.9
Non-current portion of lease liabilities	**166.2**	129.6
Total lease liabilities	**215.2**	174.5

Included in the above lease liabilities, as at September 30, 2022, are vehicle and other fleet lease obligations of $93.9 million (December 31, 2021 – $90.1 million). The assets related to the vehicle and fleet lease obligations are included in right-of-use assets included in property, plant and equipment.

The present values of lease payments are as follows:

	Minimum Rental Payments		**Present Value of Minimum Rental Payments**	
	September 30 2022	December 31 2021	**September 30 2022**	December 2021
Not later than one year	**54.2**	48.4	**49.0**	44.9
Later than one year and not later than five years	**129.4**	106.6	**107.4**	90.0
Later than five years	**75.1**	53.1	**58.8**	39.6
Less: future finance charges	**(43.5)**	(33.6)	**–**	–
Present value of minimum rental payments	**215.2**	174.5	**215.2**	174.5

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

	September 30 2022	December 31 2021
Not later than one year	**2.8**	2.7
Later than one year and not later than five years	**1.0**	0.6
	3.8	3.3

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 fair value through profit or loss ("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 three and nine months ended September 30, 2022, 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 2022
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Foreign currency forward contracts, net sale	**3.4**	–	–	**3.4**
Equity derivative contract	–	**1.5**	–	**1.5**
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	–	**4.0**	–	**4.0**
Total assets	**3.4**	**5.5**	–	**8.9**
Liabilities				
Foreign currency forward contracts, net sale	**35.8**	–	–	**35.8**
Equity derivative contract	–	**3.4**	–	**3.4**
Propane, West Texas Intermediate ("WTI"), butane, heating oil and diesel wholesale purchase and sale contracts	–	**45.7**	–	**45.7**
Contingent consideration (Note 4)	–	–	**1.4**	**1.4**
Total liabilities	**35.8**	**49.1**	**1.4**	**86.3**
Total net liabilities	**(32.4)**	**(43.6)**	**(1.4)**	**(77.4)**
Current portion of assets	**3.1**	**5.5**	–	**8.6**
Current portion of liabilities	**13.8**	**47.4**	–	**61.2**

	As at December 31 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Foreign currency forward contracts, net sale	13.0	–	–	13.0
Equity derivative contract	–	4.3	–	4.3
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	–	44.1	–	44.1
Total assets	13.0	48.4	–	61.4
Liabilities				
Foreign currency forward contracts, net sale	1.4	–	–	1.4
Cross-currency interest rate swaps	–	0.5	–	0.5
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	–	6.8	–	6.8
Contingent consideration (Note 4)	–	–	2.0	2.0
Total liabilities	1.4	7.3	2.0	10.7
Total net assets (liabilities)	11.6	41.1	(2.0)	50.7
Current portion of assets	5.3	47.3	–	52.6
Current portion of liabilities	0.3	6.8	–	7.1

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$466.1	2022–2026	$1.31	Quoted bid prices in the active market.
Foreign currency options USD/CAD calls	US$58.0	2022–2024	$1.325 – $1.47	Quoted bid prices in the active market.
Level 2 fair value hierarchy:				
Equity derivative contracts	C$19.9	2022–2025	$10.55	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	162.9 USG(i)	2022–2025	$1.40 – $4.34	Quoted bid prices for similar products in an active market.
Level 3 fair value hierarchy:				
Contingent consideration	C$100(ii)	2022–2026		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, 2022 and 2021 are as follows:

	Three Months Ended September 30					
	2022			2021		
Description	Realized Loss	Unrealized Gain (Loss)	Total	Realized Gain	Unrealized Gain (Loss)	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD calls	(0.4)	(37.5)	(37.9)	0.6	(7.4)	(6.8)
Equity derivative contracts	–	(2.4)	(2.4)	–	(2.9)	(2.9)
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	(1.2)	(60.0)	(61.2)	4.7	39.1	43.8
Total gains (losses) on financial and non-financial derivatives	(1.6)	(99.9)	(101.5)	5.3	28.8	34.1
Gain from the fair value change of contingent consideration	–	1.5	1.5	–	–	–
Foreign exchange gain (loss) on U.S. dollar debt and lease liabilities	–	(57.4)	(57.4)	–	(16.7)	(16.7)
Total gains (losses)	(1.6)	(155.8)	(157.4)	5.3	12.1	17.4

	Nine Months Ended September 30					
	2022			2021		
Description	Realized Gain	Unrealized Gain (Loss)	Total	Realized Gain	Unrealized Gain (Loss)	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD calls	1.4	(44.0)	(42.6)	8.9	(6.2)	2.7
Equity derivative contracts	–	(5.7)	(5.7)	–	0.9	0.9
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	40.0	(78.5)	(38.5)	29.5	60.7	90.2
Total gains (losses) on financial and non-financial derivatives	41.4	(128.2)	(86.8)	38.4	55.4	93.8
Gain from the fair value change of contingent consideration	–	0.6	0.6	–	–	–
Foreign exchange gain (loss) on U.S. dollar debt and lease liabilities	–	(71.7)	(71.7)	20.0	(21.3)	(1.3)
Total gains (losses)	41.4	(199.3)	(157.9)	58.4	34.1	92.5

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 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 values of cash and cash equivalents, trade and other receivables, trade and other payables, dividends payable and revolving term bank credit facilities disclosed in Note 11 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 notes receivable is approximately $103.3 million based on changes in market interest rates commensurate with this type of asset 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 condensed consolidated balance sheets when Superior 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, 2022 and December 31, 2021, Superior has not recorded any amount against other current and non-current financial assets and 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 condensed 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 in October 2026. The collectability of the amounts owed to Superior is subject to the going concern of the buyer. As at September 30, 2022, 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 valuation as at September 30, 2022, Superior has estimated a liability of $1.4 million (December 31, 2021 – $2.0 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 Superior's EBITDA assumptions used to value the contingent consideration were increased by 5% or decreased by 5% the fair value would increase by approximately $2.2 million (September 30, 2021 – $3.7 million) and decrease by approximately $5.3 million (September 30, 2021 – $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 facilities, 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, 2022, Superior estimates that a 10% increase in its share price would have resulted in a $1.8 million increase in earnings due to the revaluation of equity derivative contracts.

Superior's contractual obligations associated with its financial liabilities for the periods from October 1 to September 30th of the respective years are as follows:

	October 1 to September 30							
	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	Thereafter	Total
Borrowings before deferred financing fees and discounts	14.4	11.1	9.0	6.6	483.1	0.2	1,330.3	1,854.7
Lease liabilities	49.0	37.3	32.1	21.2	16.8	9.4	49.4	215.2
Non-cancellable, low-value, short-term leases and leases with variable lease payments	2.8	0.8	0.2	–	–	–	–	3.8
USD foreign currency forward contracts - net sale	160.0	174.1	111.0	18.0	3.0	–	–	466.1
USD/CAD call options[(i)]	6.0	46.0	6.0	–	–	–	–	58.0
Equity derivative contracts	12.5	4.2	3.2	–	–	–	–	19.9
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	219.9	11.1	–	–	–	–	–	231.0

[(i)] USD/CAD call options expire in varying maturity dates between January 2023 and October 2024 with strike rates ranging from $1.325 to $1.47.

Superior's contractual obligations are considered normal 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, 2022 and 2021.

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., Hungary and Luxembourg income taxes.

Total income tax expense for the three and nine months ended September 30, 2022, composed of current income taxes of $1.6 million and $5.1 million and deferred income tax recovery of $60.7 million and $52.6 million, respectively (three and nine months ended September 30, 2021 – total income tax recovery consisting of current income tax expense of $1.3 million and $8.3 million, respectively and deferred income tax recovery of $16.5 million and $9.9 million, respectively) with a corresponding total net deferred income tax liability of $90.0 million as at September 30, 2022 (December 31, 2021 – total net deferred income tax liability of $90.9 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, 2021	176.0	2,350.3	983.6
Issuance of common shares, net of issuance costs and deferred tax recovery	**25.7**	**280.6**	**280.6**
Net earnings for the period	–	–	**(169.0)**
Other comprehensive earnings	–	–	**137.5**
Dividends declared to common shareholders	–	–	**(104.3)**
As at September 30, 2022	**201.7**	**2,630.9**	**1,128.4**

On April 6, 2022, Superior closed its previously announced bought deal equity offering of 25,670,300 common shares ("Shares") at a price of $11.20 per Share, for aggregate gross proceeds of $287.5 million (the "Offering") with the issue costs of $9.2 million and net of a deferred tax recovery of $2.3 million. The Offering included 3,348,300 Shares issued pursuant to the exercise in full by the underwriters of their over-allotment option. The Offering was sold on a bought deal basis to a syndicate of underwriters and was made under Superior's short form base shelf prospectus dated May 25, 2021. The terms of the Offering are described in a prospectus supplement dated March 30, 2022, which was filed with securities regulators in each of the provinces and territories of Canada. Superior used the net proceeds of the Offering to reduce existing indebtedness under the revolving credit facility.

Preferred Shares of Superior Plus US Holdings (the "Preferred Shares")

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 13% 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, increase in 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 holders of Common Shares.

Dividends declared to preferred shareholders for the three and nine months ended September 30, 2022 were US$4.7 million (C$6.2 million) or US$18.1 (C$23.7) per Preferred Share and US$14.1 million (C$18.1 million) or US$54.4 (C$69.8) per Preferred Share, respectively (three and nine months ended September 30, 2021 – US$4.7 million (C$6.2 million) or US$18.1 (C$23.8) per Preferred Share and US$14.1 million (C$17.9 million) or US$54.4 (C$68.9) per Preferred Share, respectively).

NCI	**Issued Number of Preferred Shares (Millions)**	**Equity Attributable to NCI**
As at December 31, 2021	0.3	328.6
Net earnings for the period	–	**18.1**
Other comprehensive earnings, allocated to non-controlling interest	–	**31.0**
Dividends to preferred shareholders	–	**(18.1)**
As at September 30, 2022	**0.3**	**359.6**

16. Supplemental Disclosure of Condensed Consolidated Statements of Net Earnings (Loss)

	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	**2022**	2021
Revenue				
Revenue from products[iii]	**488.6**	342.6	**2,244.3**	1,511.8
Revenue from the rendering of services	**15.5**	14.7	**47.4**	41.9
Tank and equipment rental	**6.4**	5.3	**17.8**	14.0
	510.5	362.6	**2,309.5**	1,567.7
Cost of sales				
Cost of products and services[i]	**(336.8)**	(228.7)	**(1,544.7)**	(932.6)
Low value, short-term and variable lease payments	**(1.5)**	(1.3)	**(4.2)**	(4.3)
	(338.3)	(230.0)	**(1,548.9)**	(936.9)
Selling, distribution and administrative costs				
Other selling, distribution and administrative costs	**(50.7)**	(34.2)	**(147.8)**	(101.8)
Restructuring, transaction and other costs	**(14.3)**	(6.9)	**(33.9)**	(20.6)
Employee future benefit expense	**(0.1)**	(0.1)	**(0.2)**	(0.1)
Employee costs[ii]	**(103.9)**	(74.1)	**(308.1)**	(256.8)
Vehicle operating costs	**(21.4)**	(14.1)	**(68.0)**	(47.4)
Facilities maintenance expense	**(1.9)**	(1.8)	**(7.0)**	(5.5)
Depreciation of right-of-use assets	**(9.9)**	(8.5)	**(27.5)**	(22.7)
Depreciation included in selling, distribution and administrative costs	**(31.3)**	(23.0)	**(83.6)**	(74.1)
Amortization of intangible assets	**(23.9)**	(20.6)	**(64.7)**	(52.3)
Low value, short-term and variable lease payments	**(1.4)**	(0.6)	**(3.7)**	(1.4)
Gain (loss) on disposal of assets	**0.7**	(0.6)	**(0.1)**	(1.0)
	(258.1)	(184.5)	**(744.6)**	(583.7)
Finance expense				
Interest on borrowings	**(20.4)**	(14.5)	**(51.2)**	(52.7)
Interest earned on Vendor Note	**1.8**	1.8	**5.6**	3.4
Interest on lease liability	**(2.1)**	(2.0)	**(5.8)**	(5.7)
Premium and other losses on redemption of senior unsecured notes	**–**	–	**–**	(58.6)
Unwinding of discount on decommissioning liabilities and non-cash financing expenses	**(2.0)**	(1.9)	**(5.1)**	(24.2)
	(22.7)	(16.6)	**(56.5)**	(137.8)
Gain (loss) on derivatives and foreign currency translation of borrowings				
Realized gain (loss) on financial and non-financial derivatives and foreign currency translation	**(1.6)**	5.3	**41.4**	58.4
Unrealized gain (loss) on financial and non-financial derivatives and foreign currency translation	**(155.8)**	12.1	**(199.3)**	34.1
	(157.4)	17.4	**(157.9)**	92.5
Earnings (loss) before income taxes	**(266.0)**	(51.1)	**(198.4)**	1.8
Income tax (expense) recovery				
Current income tax expense	**(1.6)**	(1.3)	**(5.1)**	(8.3)
Deferred income tax recovery	**60.7**	16.5	**52.6**	9.9
	59.1	15.2	**47.5**	1.6
Net earnings (loss) from continuing operations	**(206.9)**	(35.9)	**(150.9)**	3.4

(i) *During the three and nine months ended September 30, 2022, the cost of products and services includes inventory write-down of $0.4 million and $2.0 million, respectively (three and nine months ended September 30, 2021 - $0.5 million and $2.3 million, respectively).*
(ii) *Expense is shown net of the CEWS subsidy, see Note 17.*
(iii) *Included in revenue from products is the sale of carbon credit of $nil and $1.7 million during the three and nine months ended September 30, 2022, respectively (three and nine months ended September 30, 2021 – $4.7 million and $9.0 million, respectively).*

17. Government Grant

In response to COVID-19, the Government of Canada implemented the Canadian Emergency Wage Subsidy ("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. For the three and nine months ended September 30, 2022, Superior recorded $nil and $2.2 million, respectively (three and nine months ended September 30, 2021 – $8.6 million and $21.7 million, respectively) as a reduction to selling, distribution and administration costs and $nil related to discontinued operations for the three and nine months ended September 30, 2022 (three and nine months ended September 30, 2021 – $nil and $1.4 million).

There are no unfulfilled conditions attached to this government assistance.

18. Net Earnings (Loss) Per Share, Basic and Diluted

	Three Months Ended September 30		**Nine Months Ended September 30**	
Net loss per share from continuing operations	**2022**	2021	**2022**	2021
Basic				
Net loss from continuing operations attributable to common shareholders	**(212.9)**	(42.1)	**(169.0)**	(14.5)
Dividends declared to common shareholders	**36.3**	31.7	**104.3**	95.1
Total loss allocated to common shareholders	**(212.9)**	(42.1)	**(169.0)**	(14.5)
Weighted average number of shares outstanding (millions) – basic	**201.7**	176.0	**192.8**	176.0
Net loss from continuing operations per share attributable to common shareholders	**$(1.06)**	$(0.24)	**$(0.88)**	$(0.08)
Diluted				
Net earnings (loss) from continuing operations attributable to common shareholders assuming preferred shares convert	**(206.9)**	(35.9)	**(150.9)**	3.4
Weighted average number of common shares outstanding (millions) assuming preferred shares convert	**231.7**	206.0	**222.8**	206.0
	$(0.89)	$(0.17)	**$(0.68)**	$0.02
Net loss per share from continuing operations attributable to common shareholders	**$(1.06)**	$(0.24)	**$(0.88)**	$(0.08)

Net earnings per share from discontinued operations	Three Months Ended September 30 2022	Three Months Ended September 30 2021	Nine Months Ended September 30 2022	Nine Months Ended September 30 2021
Basic				
Net earnings attributable to common shareholders	–	2.3	–	177.1
Weighted average number of shares outstanding (millions) – basic	–	176.0	–	176.0
Net earnings per share from discontinued operations attributable to common shareholders	**$–**	$0.01	**$–**	$1.01
Diluted				
Net earnings attributable to common shareholders	–	2.3	–	177.1
Weighted average number of common shares outstanding (millions) assuming preferred shares convert	–	206.0	–	206.0
	$–	$0.01	**$–**	$0.86
Net earnings per share from discontinued operations attributable to common shareholders	**$–**	$0.01	**$–**	$0.86

Net earnings (loss) per share	Three Months Ended September 30 2022	Three Months Ended September 30 2021	Nine Months Ended September 30 2022	Nine Months Ended September 30 2021
Basic				
Net earnings (loss) attributable to common shareholders	**(212.9)**	(39.8)	**(169.0)**	162.6
Dividends declared to common shareholders	**36.3**	31.7	**104.3**	95.1
Excess earnings allocated to common shareholders	–	–	–	57.7
Total earnings (loss) allocated to common shareholders	**(212.9)**	(39.8)	**(169.0)**	152.8
Weighted average number of shares outstanding (millions) – basic	**201.7**	176.0	**192.8**	176.0
Net earnings (loss) per share attributable to common shareholders	**$(1.06)**	$(0.23)	**$(0.88)**	$0.87
Diluted				
Net earnings (loss) attributable to common shareholders	**(206.9)**	(33.6)	**(150.9)**	180.5
Weighted average number of common shares outstanding (millions) assuming preferred shares convert	**231.7**	206.0	**222.8**	206.0
	$(0.89)	$(0.16)	**$(0.68)**	$0.88
Net earnings (loss) per share attributable to common shareholders	**$(1.06)**	$(0.23)	**$(0.88)**	$0.87

Superior uses the two-class method to compute net earnings (loss) 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 15). 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 (loss) 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 (loss) 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 in each period presented in reference to that period's earnings or loss. Consequently, the sum of the four quarters' earnings (loss) per share data will not necessarily equal the annual earnings (loss) per share data.

19. Disaggregation of Revenue

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

For the Three Months Ended September 30, 2022				**Energy Distribution**
	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from sale of products	**237.1**	**353.7**	**(102.2)**	**488.6**
Revenue from services	**4.3**	**11.2**	**–**	**15.5**
Tank and equipment rental	**0.7**	**5.7**	**–**	**6.4**
Total revenue	**242.1**	**370.6**	**(102.2)**	**510.5**

For the Nine Months Ended September 30, 2022				**Energy Distribution**
	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from sale of products	**1,193.9**	**1,556.9**	**(506.5)**	**2,244.3**
Revenue from services	**12.6**	**34.8**	**–**	**47.4**
Tank and equipment rental	**3.0**	**14.8**	**–**	**17.8**
Total revenue	**1,209.5**	**1,606.5**	**(506.5)**	**2,309.5**

For the Three Months Ended September 30, 2021				Energy Distribution
	Canada	U.S.	Inter-segment	Total
Revenue from sale of products	225.9	205.2	(88.5)	342.6
Revenue from services	4.3	10.4	–	14.7
Tank and equipment rental	0.7	4.6	–	5.3
Total revenue	230.9	220.2	(88.5)	362.6

For the Nine Months Ended September 30, 2021	Energy Distribution			
	Canada	U.S.	Inter-segment	Total
Revenue from sale of products	875.0	968.0	(331.2)	1,511.8
Revenue from services	13.2	28.7	–	41.9
Tank and equipment rental	3.0	11.0	–	14.0
Total revenue	891.2	1,007.7	(331.2)	1,567.7

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

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2022	2021	**2022**	2021
Changes in non-cash operating working capital and other				
Trade and other receivables, and prepaids and deposits	**(14.1)**	(43.5)	**132.9**	49.8
Inventories	**(28.7)**	(36.2)	**(3.0)**	(30.1)
Trade and other payables and other liabilities	**80.2**	89.8	**(73.9)**	43.0
	37.4	10.1	**56.0**	62.7

21. REPORTABLE SEGMENT INFORMATION

Superior operates three continuing operating segments: U.S. Propane, Canadian Propane and Wholesale Propane. The U.S. Propane segment distributes propane gas and liquid fuels along the Eastern U.S., and into the Midwest and California. The Canadian Propane segment includes the Canadian retail business with operations mainly in Canada. The Wholesale Propane segment is the wholesale business with operations in Canada and the Western United States.

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

Three Months Ended September 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Corporate	Total Segments	Inter–segment	Total Consolidated
Revenue							
External customers	**240.3**	**140.9**	**129.3**	**–**	**510.5**	**–**	**510.5**
Inter-segment[(i)]	**–**	**4.7**	**97.5**	**–**	**102.2**	**(102.2)**	**–**
Total revenue	**240.3**	**145.6**	**226.8**	**–**	**612.7**	**(102.2)**	**510.5**
Cost of sales (includes products and services)[(i)]	**(141.4)**	**(88.7)**	**(210.4)**	**–**	**(440.5)**	**102.2**	**(338.3)**
Gross profit	**98.9**	**56.9**	**16.4**	**–**	**172.2**	**–**	**172.2**
Expenses							
Depreciation included in selling, distribution and administrative costs	**(21.0)**	**(9.7)**	**(0.6)**	**–**	**(31.3)**	**–**	**(31.3)**
Depreciation of right-of-use assets included in selling, distribution and administrative costs	**(5.9)**	**(2.9)**	**(1.0)**	**(0.1)**	**(9.9)**	**–**	**(9.9)**
Amortization of intangible assets included in selling, distribution and administrative costs	**(16.6)**	**(4.6)**	**(2.6)**	**(0.1)**	**(23.9)**	**–**	**(23.9)**
Selling, distribution and administrative costs	**(114.1)**	**(52.7)**	**(11.9)**	**(14.3)**	**(193.0)**	**–**	**(193.0)**
Finance expense	**(1.7)**	**(0.9)**	**(0.4)**	**(19.7)**	**(22.7)**	**–**	**(22.7)**
Loss on derivatives and foreign currency translation of borrowings	**(49.4)**	**–**	**(11.8)**	**(96.2)**	**(157.4)**	**–**	**(157.4)**
	(208.7)	**(70.8)**	**(28.3)**	**(130.4)**	**(438.2)**	**–**	**(438.2)**
Loss before income taxes	**(109.8)**	**(13.9)**	**(11.9)**	**(130.4)**	**(266.0)**	**–**	**(266.0)**
Income tax recovery	**–**	**–**	**–**	**59.1**	**59.1**	**–**	**59.1**
Net loss from continuing operations	**(109.8)**	**(13.9)**	**(11.9)**	**(71.3)**	**(206.9)**	**–**	**(206.9)**

(i) Inter–segment revenue and cost of sales are eliminated upon consolidation and reflected in the "inter–segment" column.

Nine Months Ended September 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Corporate	Total Segments	Inter–segment	Total Consolidated
Revenue							
External customers	**1,152.0**	**679.8**	**477.7**	**–**	**2,309.5**	**–**	**2,309.5**
Inter-segment[(i)]	**–**	**20.3**	**486.2**	**–**	**506.5**	**(506.5)**	**–**
Total revenue	**1,152.0**	**700.1**	**963.9**	**–**	**2,816.0**	**(506.5)**	**2,309.5**
Cost of sales (includes products and services)[(i)]	**(693.9)**	**(446.4)**	**(915.1)**	**–**	**(2,055.4)**	**506.5**	**(1,548.9)**
Gross profit	**458.1**	**253.7**	**48.8**	**–**	**760.6**	**–**	**760.6**
Expenses							
Depreciation included in selling, distribution and administrative costs	**(52.8)**	**(28.7)**	**(2.0)**	**(0.1)**	**(83.6)**	**–**	**(83.6)**
Depreciation of right-of-use assets included in selling, distribution and administrative costs	**(16.2)**	**(8.6)**	**(2.5)**	**(0.2)**	**(27.5)**	**–**	**(27.5)**
Amortization of intangible assets included in selling, distribution and administrative costs	**(45.3)**	**(13.8)**	**(5.3)**	**(0.3)**	**(64.7)**	**–**	**(64.7)**
Selling, distribution and administrative costs	**(340.4)**	**(166.2)**	**(31.3)**	**(30.9)**	**(568.8)**	**–**	**(568.8)**
Finance expense	**(4.5)**	**(2.4)**	**(0.8)**	**(48.8)**	**(56.5)**	**–**	**(56.5)**
Loss on derivatives and foreign currency translation of borrowings	**(33.5)**	**–**	**(5.0)**	**(119.4)**	**(157.9)**	**–**	**(157.9)**
	(492.7)	**(219.7)**	**(46.9)**	**(199.7)**	**(959.0)**	**–**	**(959.0)**
Earnings (loss) before income taxes	**(34.6)**	**34.0**	**1.9**	**(199.7)**	**(198.4)**	**–**	**(198.4)**
Income tax recovery	**–**	**–**	**–**	**47.5**	**47.5**	**–**	**47.5**
Net earnings (loss) from continuing operations	**(34.6)**	**34.0**	**1.9**	**(152.2)**	**(150.9)**	**–**	**(150.9)**

[(i)] *Inter–segment revenue and cost of sales are eliminated upon consolidation and reflected in the "inter–segment" column.*

Three Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Corporate	Total Segments	Inter–segment	Total Consolidated
Revenue							
External customers	152.9	136.0	73.7	–	362.6	–	362.6
Inter-segment[i]	–	3.2	85.3	–	88.5	(88.5)	–
Total revenue	152.9	139.2	159.0	–	451.1	(88.5)	362.6
Cost of sales (includes products and services)[i]	(85.8)	(79.2)	(153.5)	–	(318.5)	88.5	(230.0)
Gross profit	67.1	60.0	5.5	–	132.6	–	132.6
Expenses							
Depreciation included in selling, distribution and administrative costs	(13.5)	(9.1)	(0.4)	–	(23.0)	–	(23.0)
Depreciation of right-of-use assets included in selling, distribution and administrative costs	(4.1)	(3.1)	(1.2)	(0.1)	(8.5)	–	(8.5)
Amortization of intangible assets included in selling, distribution and administrative costs	(15.2)	(4.6)	(0.6)	(0.2)	(20.6)	–	(20.6)
Selling, distribution and administrative costs	(81.6)	(42.7)	(4.7)	(3.4)	(132.4)	–	(132.4)
Finance expense	(1.4)	(0.6)	(0.5)	(14.1)	(16.6)	–	(16.6)
Gain (loss) on derivatives and foreign currency translation of borrowings	33.1	–	10.7	(26.4)	17.4	–	17.4
	(82.7)	(60.1)	3.3	(44.2)	(183.7)	–	(183.7)
Earnings (loss) before income taxes	(15.6)	(0.1)	8.8	(44.2)	(51.1)	–	(51.1)
Income tax recovery	–	–	–	15.2	15.2	–	15.2
Net earnings (loss) from continuing operations	(15.6)	(0.1)	8.8	(29.0)	(35.9)	–	(35.9)

(i) *Inter–segment revenue and cost of sales are eliminated upon consolidation and reflected in the "inter–segment" column.*

Nine Months Ended September 30, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Corporate	Total Segments	Inter–segment	Total Consolidated
Revenue							
External customers	781.4	531.6	254.7	–	1,567.7	–	1,567.7
Inter-segment[(i)]	–	13.9	317.3	–	331.2	(331.2)	–
Total revenue	781.4	545.5	572.0	–	1,898.9	(331.2)	1,567.7
Cost of sales (includes products and services)[(i)]	(417.7)	(302.3)	(548.1)	–	(1,268.1)	331.2	(936.9)
Gross profit	363.7	243.2	23.9	–	630.8	–	630.8
Expenses							
Depreciation included in selling, distribution and administrative costs	(45.5)	(27.3)	(1.2)	(0.1)	(74.1)	–	(74.1)
Depreciation of right-of-use assets included in selling, distribution and administrative costs	(11.3)	(8.2)	(3.0)	(0.2)	(22.7)	–	(22.7)
Amortization of intangible assets included in selling, distribution and administrative costs	(36.4)	(13.8)	(1.8)	(0.3)	(52.3)	–	(52.3)
Selling, distribution and administrative costs	(250.3)	(141.2)	(16.7)	(26.4)	(434.6)	–	(434.6)
Finance expense	(3.8)	(2.2)	(0.9)	(130.9)	(137.8)	–	(137.8)
Gain on derivatives and foreign currency translation of borrowings	69.8	–	20.4	2.3	92.5	–	92.5
	(277.5)	(192.7)	(3.2)	(155.6)	(629.0)	–	(629.0)
Earnings (loss) before income taxes	86.2	50.5	20.7	(155.6)	1.8	–	1.8
Income tax recovery	–	–	–	1.6	1.6	–	1.6
Net earnings (loss) from continuing operations	86.2	50.5	20.7	(154.0)	3.4	–	3.4

(i) *Inter–segment revenue 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	Canadian Propane(iii)	Wholesale Propane(iii)	Specialty Chemicals(ii)	Corporate	Total
As at September 30, 2022						
Net working capital(i)	**(38.3)**	**36.0**	**22.5**	**–**	**(20.6)**	**(0.4)**
Total assets	**2,711.2**	**926.8**	**408.4**	**–**	**241.4**	**4,287.8**
Total liabilities	**640.3**	**137.6**	**205.0**	**–**	**1,816.9**	**2,799.8**
As at December 31, 2021						
Net working capital(i) (iii)	(14.3)	82.9	(9.1)	–	(49.4)	10.1
Total assets(iii)	2,149.1	1,004.8	207.0	–	201.2	3,562.1
Total liabilities(iii)	488.9	162.9	144.7	–	1,453.4	2,249.9
For the three months ended September 30, 2022						
Purchase of property, plant and equipment and intangible assets	**15.4**	**11.9**	**2.8**	**–**	**–**	**30.1**
For the three months ended September 30, 2021						
Purchase of property, plant and equipment and intangible assets	6.2	10.2	0.4	–	–	16.8
For the nine months ended September 30, 2022						
Purchase of property, plant and equipment and intangible assets	**39.5**	**29.8**	**3.7**	**–**	**–**	**73.0**
For the nine months ended September 30, 2021						
Purchase of property, plant and equipment and intangible assets(iii)	20.8	30.1	0.5	7.4	0.2	59.0

(i) *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.*
(ii) *The Specialty Chemicals segment has been shown as discontinued operations as of September 30, 2021, see Note 4.*
(iii) *Restated, see Note 2(b).*

22. GEOGRAPHICAL INFORMATION

	U.S.	Canada	Other	Total Consolidated
Revenue for the three months ended September 30, 2022	**356.7**	**153.8**	**–**	**510.5**
Revenue for the nine months ended September 30, 2022	**1,565.3**	**744.2**	**–**	**2,309.5**
Property, plant and equipment as at September 30, 2022	**789.8**	**338.7**	**–**	**1,128.5**
Right-of-use assets as at September 30, 2022	**152.3**	**68.7**	**–**	**221.0**
Intangible assets as at September 30, 2022	**440.9**	**139.8**	**–**	**580.7**
Goodwill as at September 30, 2022	**1,319.8**	**334.4**	**–**	**1,654.2**
Total assets as at September 30, 2022	**3,026.0**	**1,236.0**	**25.8**	**4,287.8**
Revenue for the three months ended September 30, 2021	215.7	146.5	–	362.2
Revenue for the nine months ended September 30, 2021	988.4	579.3	–	1,567.7
Property, plant and equipment as at December 31, 2021	557.5	336.3	–	893.8
Right-of-use assets as at December 31, 2021	108.7	75.6	–	184.3
Intangible assets as at December 31, 2021(i)	312.4	128.9	–	441.3
Goodwill as at December 31, 2021(i)	986.5	334.4	–	1,320.9
Total assets as at December 31, 2021(i)	2,269.0	1,271.4	21.7	3,562.1

(i) *Restated, see Note 2(b).*

23. SUBSEQUENT EVENTS

On October 3, 2022, Superior acquired the propane distribution assets of Mountain Flame Gas (“Mountain Flame”), a residential, commercial and retail propane supplier and distributor in California for an aggregate purchase price of approximately C$10.0 million (US$7.4 million) before adjustments for working capital.

On October 11, 2022, the TSX accepted Superior’s notice of intention to establish a new normal course issuer bid program (the “NCIB”). The NCIB permits the purchase of up to 10.1 million shares of Superior’s common shares, representing approximately 5% of the issued and outstanding common shares as of September 30, 2022, by way of normal course purchases effected through the facilities of the TSX and/or alternative Canadian trading systems. The NCIB commenced on October 13, 2022 and will terminate on October 13, 2023, or on such earlier date as Superior may complete its purchases pursuant to the notice of intention filed with the TSX in respect of the NCIB. Any common shares purchased by Superior will be cancelled. Purchases are made by Superior in accordance with the requirements of the TSX and the price which Superior pays for any such common shares will be the market price of any such common shares at the time of acquisition, or such other price as may be permitted by the TSX. For purposes of the TSX rules, a maximum of 123,619 common shares may be purchased by Superior on any one day under the bid, except where purchases are made in accordance with the “block purchase exception” of the TSX rules. On October 13, 2022, Superior also entered into an automatic share purchase plan in connection with the NCIB.

On November 9, 2022, Superior acquired the assets of McRobert Fuels (“McRobert”) a retail propane and distillates distributor located in Strathroy, Ontario for an aggregate purchase price of approximately $16.0 million before final adjustments for working capital.