TSX: SPB **February 16, 2023**

Record Fourth Quarter Adjusted EBITDA of $183 million
2023 Pro Forma Adjusted EBITDA guidance midpoint of $610 million
Certarus Shareholders vote 99.9% in favour of Certarus Acquisition
Allan MacDonald appointed as President and CEO

Superior Plus Corp. (“Superior”) (TSX: SPB) announced today its financial and operating results for the fourth quarter and year ended December 31, 2022. Unless otherwise expressed, all financial figures are expressed in Canadian dollars.

- ***Fourth Quarter 2022 Adjusted EBITDA[1] of $182.6 million, a 28% increase from the prior year***
- ***Fourth Quarter net earnings of $63.0 million, an increase of $49.2 million from the prior year***
- ***Full-year 2022 Adjusted EBITDA of $449.8 million, a 13% increase compared to the prior year and above the midpoint of the guidance range of $425 million to $465 million***
- ***Net loss from continuing operations for the twelve months ended December 31, 2022 of $87.9 million, compared to net earnings from continuing operations of $17.2 million in the prior year***
- ***Superior is introducing its 2023 Pro Forma Adjusted EBITDA[1] guidance range of $585 million to $635 million with a midpoint of $610 million, which includes the expected full twelve months of Certarus 2023 Adjusted EBITDA in the range of $140 million to $150 million. The economic benefit of Certarus’ expected 2023 Adjusted EBITDA will be retained in the business***

[1] Adjusted EBITDA and Pro Forma Adjusted EBITDA are Non-GAAP Financial Measures. See “Non-GAAP Financial Measures and Reconciliations” section below.

In announcing these results, Luc Desjardins, President and Chief Executive Officer said, “We are very proud of what we accomplished in 2022 with our operational results and progression of our strategic initiatives. Through our resilient business model in the propane distribution businesses, we were able to overcome challenges related to COVID-19 health measures earlier in the year, rising inflation and labour costs, and the impact from volatile commodity costs. We were able to deliver Adjusted EBITDA of $449.8 million, which was a $51.4 million increase from 2021. We also achieved record Adjusted EBITDA in the fourth quarter and continued executing on our Superior

Way Forward strategy, closing eight acquisitions in 2022 for total consideration of $519 million and announcing the transformative acquisition of Certarus."

Mr. Desjardins continued, "Although 2023 has started off warmer than expected in some of our operating regions, we are excited for 2023 as we expect our propane distribution business will continue to benefit from the acquisitions completed in 2021 and 2022, and the recently announced Certarus acquisition is expected to provide us with a significant organic growth segment in the low carbon mobile fuels industry. The Certarus business is expected to position us well for a low carbon future, giving us exposure to the rapidly growing Compressed Natural Gas ("CNG"), Renewable Natural Gas ("RNG") and hydrogen markets, while also enabling us to achieve our Superior Way Forward goals two years ahead of target in 2024."

Financial Highlights:

- Net earnings from continuing operations of $63.0 million in the fourth quarter compared to $13.8 million in the prior year quarter primarily due to higher revenue and gross profit and a gain on derivatives and foreign currency translation of borrowings, partially offset by higher selling, distribution and administrative expenses ("SD&A"), finance expense and income tax expense. Basic and diluted earnings per share from continuing operations attributable to Superior was $0.27 per share, an increase of $0.23 from $0.04 per share in the prior year quarter due to the aforementioned reasons, partially offset by the impact of the increased number of weighted average shares outstanding.
- Adjusted EBITDA for the fourth quarter was $182.6 million, an increase of $40.4 million compared to the prior year quarter, primarily due to higher EBITDA from operations[2], partially offset by higher corporate costs[2] and a realized loss on foreign currency hedges compared to a realized gain in the prior year quarter. EBITDA from operations increased primarily due to higher Adjusted EBITDA in U.S. retail propane distribution ("U.S. Propane"), North American wholesale propane distribution ("Wholesale Propane") and Canadian retail propane distribution ("Canadian Propane").
- U.S. Propane Adjusted EBITDA for the fourth quarter was $116.7 million an increase of $36.8 million from the prior year quarter of $79.9 million primarily due to the impact of acquisitions completed in the current year and, to a lesser extent, higher average margins related to increased prices to offset inflation and the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions, partially offset by rising costs due to inflation, labour and fuel.
- Canadian Propane Adjusted EBITDA for the fourth quarter was $58.3 million, an increase of $4.7 million from the prior year quarter of $53.6 million or 9% primarily due to higher average margins related to increased sales prices to offset the impact of inflation, partially offset by higher operating costs[2] related to the rising costs due to inflation labour and fuel.
- Wholesale Propane Adjusted EBITDA for the fourth quarter was $22.7 million an increase of $13.1 million from the prior year quarter of $9.6 million primarily due to contribution from the acquisition of Kiva Energy Inc. ("Kiva").
- Corporate costs for the fourth quarter were $11.0 million compared to $4.6 million in the prior year quarter. The increase is primarily due to higher insurance costs, professional fees, the impact of inflation and higher incentive plan costs. Superior realized a loss on foreign currency hedging contracts of $4.1 million compared to a gain of $3.7 million in the prior year quarter due to lower average hedge rates relative to changes in exchange rates.
- Adjusted Operating Cash Flow ("AOCF") before transaction and other costs[2] was $152.8 million for the fourth quarter, an increase of $21.2 million from the prior year quarter primarily due to higher Adjusted EBITDA

discussed above, partially offset by higher interest expense and current taxes. Interest expense increased by $9.8 million or 55% primarily to due to higher average debt balances compared to the prior year quarter and higher interest rates related to the Bank of Canada and the Federal Reserve raising rates. AOCF per share before transaction, restructuring and other costs was $0.66, per share, a decrease of $0.02 per share or 3% from the prior year quarter AOCF per share of $0.64 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 before transaction, restructuring and other costs.

- Net loss from continuing operations for the twelve months ended December 31, 2022 was $87.9 million, compared to net earnings from continuing operations of $17.2 million in the prior year. 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.
- Adjusted EBITDA for the twelve months ended December 31, 2022 was $449.8 million, an increase of $51.4 million or 13% compared to the prior year primarily due to higher EBITDA from operations, partially offset by higher corporate costs and a realized loss on foreign currency hedging contracts.
- Superior's Leverage Ratio[2] for the trailing twelve months ("TTM") ended December 31, 2022, was 4.1x compared to 3.9x at December 31, 2021 primarily due to the impact of the higher USD/CAD exchange rate on USD denominated debt. On a constant currency basis, using the USD/CAD rate at December 31, 2021, Superior's Leverage Ratio at December 31, 2022 would be consistent. Superior's Leverage Ratio is expected to be within Superior's targeted range of 3.5x to 4.0x at the anticipated closing of the Certarus acquisition.

[2] EBITDA from operations and AOCF before transaction and other costs are Non-GAAP Financial Measures. Leverage Ratio is a Non-GAAP ratio. See "Non-GAAP Financial Measures and Reconciliations" section below. Operating costs and corporate costs are supplementary financial measures.

Acquisition Update

- On November 9, 2022, Superior acquired the assets of McRobert Fuels, a retail propane and distillates distributor located in Strathroy, Ontario for an aggregate purchase price of approximately $18.1 million including adjustments for working capital.
- On December 22, 2022 Superior announced it had entered into a definitive arrangement agreement to acquire Certarus Ltd. ("Certarus"), a leading North American low carbon energy solutions provider (the "Certarus Acquisition"). Under the terms of the Certarus Acquisition, Superior will acquire all the outstanding common shares of Certarus, representing an equity value of $853 million, and assume Certarus' outstanding net debt of $196 million, for a total acquisition value of $1.05 billion. The Certarus shareholders will receive $353 million in cash and $500 million of Superior common shares priced at $10.25 per share, representing approximately 17% pro forma ownership. On February 14, 2023, 99.9% of the common shares represented at a special meeting of Certarus shareholders voted in favour of the Certarus Acquisition. In addition, the waiting period under the Hart-Scott-Rodino Act in the United States, where over 85% of Certarus' revenues are generated, expired on February 13, 2023. Superior expects the transaction will close in the first half of 2023, subject to satisfaction of the remaining customary closing conditions.
- Certarus' business has performed better than expected, achieving record monthly Adjusted EBITDA in December 2022, only to be surpassed again in January 2023. The free cash flow generated from operations during the period before closing will be reinvested into the business helping drive organic growth and enhancing the value of Certarus at closing.

Announcement of Executive Appointments

The Board of Directors of Superior is pleased to announce the appointment of Allan MacDonald as President and Chief Executive Officer and as a Director of Superior commencing April 3, 2023.

Allan's experience covers a wide array of business and management roles. For more than 11 years, he held numerous strategic and operational roles at Canadian Tire Corporation, the most recent being Executive Vice President & Chief Operations Officer. Allan has had a very successful career in sales and finance roles in telecom, oil and gas, retail and distribution industries. Allan is an energetic, focused, dynamic and value driven leader with a track record of delivering on expectations. Strategic, he also has proven operational effectiveness. He brings a wealth of experience in many different public and private companies and these past successes make him the ideally qualified to lead Superior. Allan holds an MBA from Henley Management College in England and a Bachelor of Business Administration from Acadia University in Nova Scotia Canada.

"I am honored and fortunate to have the opportunity to lead this company and I am looking forward to working with an incredible group of talented executives and dedicated employees to continue the growth and evolution of Superior Plus Corp." said Allan MacDonald.

The appointment of Allan MacDonald as CEO of Superior follows an extensive recruitment process overseen by a succession committee of the Superior board of directors using global leadership advisory firm Egon Zehnder, which saw a wide variety of exceptional candidates vetted and interviewed.

"Allan made a strong impression on the board with his vision, intellect and capability to lead our North American based organization and continue to leverage our capabilities to strengthen the organization internally by focusing on internal growth, operational improvement and continuing to execute accretive tuck-in acquisitions. His exceptional distribution and executive expertise combined with his customer focus and strong human values will benefit all of our stakeholders", David Smith, Chair of the Board said.

Consistent with Superior's previously announced transition plan, with a new CEO selected, Luc Desjardins, will be stepping down from his role as CEO effective April 3, 2023, and will remain available in an advisory role until July 31, 2023 to ensure a seamless transition. The Board of Directors wishes to acknowledge Luc's contribution throughout his twelve-year tenure at Superior. He is leaving an organization very well positioned to grow and evolve under new leadership. His passion, dedication and determination will be missed.

In addition, Superior is also pleased to announce that Andy Peyton, President of Superior's U.S. Propane business, has been promoted to the newly created position of Chief Operating Officer of Superior's North American propane distribution business.

"By appointing Andy Peyton to this newly created role, we wanted to leverage his strong business acumen and operational experience to improve and further strengthen Superior's retail propane business in North America, remarked David Smith, Chair of the Board.

Update on Superior Way Forward

- As previously communicated, Superior expects to achieve the $1.9 billion acquisition target at the close of the Certarus Acquisition, which is three years ahead of expectations. Superior also expects to achieve the Superior Way Forward EBITDA from operations target range of $700 million to $750 million by the end of 2024, which is two years ahead of expectations.

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.
- During the fourth quarter of 2022, Superior purchased and cancelled approximately 1.0 million shares at a volume weighted average price of $10.06 per share.

Financial Overview

	Three Months Ended December 31		Year Ended December 31	
(millions of dollars, except per share amounts)	**2022**	2021	**2022**	2021
Revenue	**1,070.3**	824.9	**3,379.8**	2,392.6
Gross Profit	**429.2**	281.9	**1,189.8**	912.7
Net earnings (loss) from continuing operations	**63.0**	13.8	**(87.9)**	17.2
Net earnings (loss) from continuing operations attributable to Superior per share, basic and diluted (3)	**$ 0.27**	$ 0.04	**$ (0.58)**	$ (0.04)
EBITDA from operations (1)	**197.7**	143.1	**478.4**	409.9
Adjusted EBITDA (1)	**182.6**	142.2	**449.8**	398.4
Net cash flows from operating activities	**35.3**	5.8	**248.7**	232.0
Net cash flows from operating activities per share (3)	**$ 0.15**	$ 0.03	**$ 1.11**	$ 1.13
AOCF before transaction, restructuring and other costs (1)(2)	**152.8**	131.6	**357.9**	321.1
AOCF before transaction and other costs per share (1)(2)(3)	**$ 0.66**	$ 0.64	**$ 1.59**	$ 1.56
AOCF (1)	**102.5**	123.3	**273.7**	292.2
AOCF per share (1)(3)	**$ 0.44**	$ 0.60	**$ 1.22**	$ 1.42
Cash dividends declared on common shares	**36.2**	31.7	**140.5**	126.8
Cash dividends declared per share	**$ 0.18**	$ 0.18	**$ 0.72**	$ 0.72

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

(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 Fourth Quarter MD&A for further details. These expenses are included in SD&A and are disclosed in Note 21 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

(3) The weighted average number of shares outstanding for the three months and year ended December 31, 2022 was 231.1 million and 224.9 million respectively (three months and year ended, December 31, 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, restructuring and other costs per share for the three months and year ended December 31, 2022 and 2021.

Segmented Information

(millions of dollars)	Three Months Ended December 31 **2022**	2021[1]	Year Ended December 31 **2022**	2021
EBITDA from operations[1]				
U.S. Propane Adjusted EBITDA[1]	**116.7**	79.9	**284.9**	226.2
Canadian Propane Adjusted EBITDA[1]	**58.3**	53.6	**144.8**	160.2
Wholesale Propane Adjusted EBITDA[1]	**22.7**	9.6	**48.7**	23.5
	197.7	143.1	**478.4**	409.9

(1) EBITDA from operations and Adjusted EBITDA are Non-GAAP financial measures. See "Non-GAAP Financial Measures and Reconciliations" section below. Comparative figures have been restated to present the separate results of the Wholesale Propane and Canadian Propane segment in 2021. See the "Overview of Superior and Basis of Presentation" in the 2022 Annual MD&A for more information about the change in segment reporting

2023 Pro Forma Adjusted EBITDA Guidance

Superior is introducing its 2023 Pro Forma Adjusted EBITDA guidance range of $585 million to $635 million, which includes the expected pro forma full twelve months of Certarus 2023 Adjusted EBITDA in the range of $140 million to $150 million. Based on the midpoint of the 2023 Pro Forma Adjusted EBITDA guidance range, this is a 36% increase compared to the full year 2022 Adjusted EBITDA of $449.8 million. The increase is due to the expected contribution from the Certarus Acquisition and first quarter contribution from the Kamps, Kiva and Quarles acquisitions completed in 2022, partially offset by warmer weather experienced in January 2023.

Key assumptions related to the 2023 Adjusted EBITDA guidance, pro forma the acquisition of Certarus include:

- Adjusted EBITDA in 2023 for Superior's businesses, including corporate costs and realized gains or losses on foreign exchange hedging contracts and excluding the results of Certarus, is expected to be in the range of $445 million to $485 million.
- Adjusted EBITDA in 2023 for Certarus' business is expected to be in the range of $140 million to $150 million assuming an average mobile storage unit ("MSUs") count of 655 trailers in 2023 and average EBITDA per MSU consistent with Certarus' historic results.
- Adjusted EBITDA in 2023 for U.S. Propane is anticipated to be higher than 2022 primarily due to the full year contribution from the Kamps and Quarles acquisitions and tuck-in acquisitions completed in 2023, higher average margins, cost-saving initiatives and realized synergies, partially offset by warmer weather experienced in January 2023. Average weather where Superior operates in the U.S., as measured by degree days, for the remainder of 2023 is expected to be consistent with the five-year average.
- Adjusted EBITDA in 2023 for Canadian Propane is anticipated to be modestly lower than 2022 due to reduced sales of carbon offset credits, warmer weather in the first quarter of 2023 compared to 2022, the impact of the CEWS benefit being terminated and the impact of inflation on operating costs, partially offset by an increase in commercial sales volumes and higher average margins. Average weather as measured by degree days for the remainder of 2023 is expected to be consistent with the five-year average.
- Adjusted EBITDA in 2023 for Wholesale Propane is anticipated to be consistent with 2022 due to full year contribution from the Kiva acquisition and increased third-party sales volumes related to sales and marketing initiatives, offset by by anticipated weaker market fundamentals relative to 2022, the impact of a stronger Canadian dollar on the translation of U.S. denominated transactions and warmer weather in the first quarter.
- A USD/CAD foreign exchange rate of 1.33.

- Corporate costs in the range of $20 million to $25 million consistent with historical results primarily due to lower insurance costs and professional fees, partially offset by the impact of inflation and higher travel costs.
- Long-term incentive plan costs in the range of $5 million to $10 million.

Debt and Leverage Update

Superior is focused on managing both Net debt and its Leverage Ratio. Superior’s Leverage Ratio on December 31, 2022 was 4.1x, compared to 4.3x at September 30, 2022. Superior is maintaining its targeted Leverage Ratio at 3.5x to 4.0x while it continues to focus on integrating acquisitions and executing on the Superior Way Forward initiatives, including achievement of the anticipated organic growth in the Certarus business. Superior expects to be in the target range of 3.5x to 4.0x at the close of the acquisition of Certarus.

MD&A and Financial Statements

Superior’s MD&A, the audited Consolidated Financial Statements and the Notes to the audited Consolidated Financial Statements as at and for the year ended December 31, 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 Fourth Quarter Conference Call

Superior will conduct a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2022 fourth quarter and full year financial results will be held at 10:30 AM EDT on Friday February 17, 2023. To listen to the live webcast, please use the following link: Register Here. The 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 2022 Annual MD&A dated February 16, 2023, available on www.sedar.com.

For the Year Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Earnings (loss) from continuing operations before income taxes	**31.1**	**74.9**	**19.0**	**125.0**	**(249.9)**	**(124.9)**
Adjusted for:						
Amortization and depreciation included in SD&A	**155.8**	**68.8**	**13.5**	**238.1**	**0.8**	**238.9**
Finance expense	**7.6**	**3.0**	**1.1**	**11.7**	**79.9**	**91.6**
EBITDA	**194.5**	**146.7**	**33.6**	**374.8**	**(169.2)**	**205.6**
Loss (gain) on disposal of assets and other	**0.9**	**(2.7)**	**(0.1)**	**(1.9)**	**–**	**(1.9)**
Transaction, restructuring and other costs	**24.8**	**0.8**	**2.2**	**27.8**	**56.4**	**84.2**
Unrealized gains on derivative financial instruments (1)	**64.7**	**–**	**13.0**	**77.7**	**84.2**	**161.9**
Adjusted EBITDA	**284.9**	**144.8**	**48.7**	**478.4**	**(28.6)**	**449.8**
Adjust for:						
Current income tax expense	**–**	**–**	**–**	**–**	**(7.4)**	**(7.4)**
Transaction, restructuring and other costs	**(24.8)**	**(0.8)**	**(2.2)**	**(27.8)**	**(56.4)**	**(84.2)**
Interest expense	**(5.6)**	**(3.2)**	**(0.8)**	**(9.6)**	**(74.9)**	**(84.5)**
AOCF	**254.5**	**140.8**	**45.7**	**441.0**	**(167.3)**	**273.7**

For the Year Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) from continuing operations before income taxes	99.8	86.1	13.6	199.5	(176.6)	22.9
Adjust for:						
Amortization and depreciation included in SD&A	125.5	66.5	8.4	200.4	0.7	201.1
Finance expense	5.2	3.1	0.9	9.2	145.8	155.0
EBITDA	230.5	155.7	22.9	409.1	(30.1)	379.0
Loss on disposal of assets and other	0.2	0.3	(0.9)	(0.4)	–	(0.4)
Transaction, restructuring and other costs	13.6	4.2	–	17.8	11.1	28.9
Unrealized gain (loss) on derivative financial instruments(1)	(18.1)	–	1.5	(16.6)	7.5	(9.1)
Adjusted EBITDA	226.2	160.2	23.5	409.9	(11.5)	398.4
Adjust for:						
Adjusted current income tax expense	–	–	–	–	(1.2)	(1.2)
Transaction, restructuring and other costs	(13.6)	(4.2)	–	(17.8)	(11.1)	(28.9)
Interest expense	(3.7)	(3.1)	(0.9)	(7.7)	(68.4)	(76.1)
AOCF	208.9	152.9	22.6	384.4	(92.2)	292.2

(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 18 of the audited consolidated financial statements.
(2) The 2021 current income tax expense has been adjusted by $85.0 million recovery representing the impact of reporting the divestiture as a discontinued operation, see Note 19 of the audited consolidated financial statements.

For the Three Months Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Loss from continuing operations before income taxes	**65.7**	**40.9**	**17.1**	**123.7**	**(50.2)**	**73.5**
Adjust for:						
Amortization and depreciation included in SD&A	**41.5**	**17.7**	**3.7**	**62.9**	**0.2**	**63.1**
Finance expense	**3.1**	**0.6**	**0.3**	**4.0**	**31.1**	**35.1**
EBITDA	**110.3**	**59.2**	**21.1**	**190.6**	**(18.9)**	**171.7**
Loss on disposal of assets and other	**(0.8)**	**(1.2)**	**–**	**(2.0)**	**–**	**(2.0)**
Transaction, restructuring and other costs	**7.9**	**0.3**	**1.7**	**9.9**	**40.4**	**50.3**
Unrealized loss on derivative financial instruments	**(0.7)**	**–**	**(0.1)**	**(0.8)**	**(36.6)**	**(37.4)**
Adjusted EBITDA	**116.7**	**58.3**	**22.7**	**197.7**	**(15.1)**	**182.6**
Adjust for:						
Current income tax expense	**–**	**–**	**–**	**–**	**(2.3)**	**(2.3)**
Transaction, restructuring and other costs	**(7.9)**	**(0.3)**	**(1.7)**	**(9.9)**	**(40.4)**	**(50.3)**
Interest expense	**(2.3)**	**(0.8)**	**(0.4)**	**(3.5)**	**(24.0)**	**(27.5)**
AOCF	**106.5**	**57.2**	**20.6**	**184.3**	**(81.8)**	**102.5**

For the Three Months Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) from continuing operations before income taxes	13.6	35.8	(7.3)	42.1	(21.0)	21.1
Adjust for:						
Amortization and depreciation included in SD&A	32.3	17.2	2.4	51.9	0.1	52.0
Finance expense	1.4	0.7	0.2	2.3	14.9	17.2
EBITDA	47.3	53.7	(4.7)	96.3	(6.0)	90.3
Gain on disposal of assets and other	–	(0.5)	(0.9)	(1.4)	–	(1.4)
Transaction, restructuring and other costs	3.7	0.4	–	4.1	4.2	8.3
Unrealized loss on derivative financial instruments(1)	28.9	–	15.2	44.1	0.9	45.0
Adjusted EBITDA	79.9	53.6	9.6	143.1	(0.9)	142.2
Adjust for:						
Current income tax expense	–	–	–	–	7.1	7.1
Transaction, restructuring and other costs	(3.7)	(0.4)	–	(4.1)	(4.2)	(8.3)
Interest expense	(1.0)	(0.8)	(0.2)	(2.0)	(15.7)	(17.7)
AOCF	75.2	52.4	9.4	137.0	(13.7)	123.3

(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 18 of the audited consolidated financial statements.

Leverage Ratio and Pro Forma Adjusted EBITDA

Superior's Total Net Debt to Adjusted EBITDA Leverage Ratio is a non-GAAP ratio as its components are Non-GAAP Financial Measures. 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)	**2022**	2021
Current borrowings	**14.8**	11.4
Current lease liabilities	**47.3**	44.9
Non-current borrowings	**1,911.3**	1,444.9
Non-current lease liabilities	**175.7**	129.6
	2,149.1	1,630.8
Add back deferred financing fees and discounts	**19.9**	22.1
Deduct cash and cash equivalents	**(58.4)**	(28.4)
Deduct proceeds from Vendor Note [(1)]	**(128.0)**	–
Total Net Debt	**1,982.6**	1,624.5
Adjusted EBITDA for the year	**449.8**	398.4
Pro-forma adjustment	**35.8**	18.4
Pro-forma Adjusted EBITDA for the year	**485.6**	416.8
Leverage Ratio	4.1x	3.9x

(1) Superior received the proceeds from the sale of the Vendor Note in January 2023.

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 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: Superior’s future financial position, expected 2023 Adjusted EBITDA pro forma the completion of the Certarus Acquisition, expected Adjusted EBITDA for Superior’s businesses for 2023 (excluding Certarus), expected Adjusted EBITDA of Certarus for 2023, the completion and timing of the Certarus Acquisition, expected organic growth from the Certarus Acquisition, expected timing for the achievement of the Superior Way Forward EBITDA from operations range of $700 million to $750 million, and expected Leverage Ratio in the range of 3.5x to 4.0x at the closing of the Certarus Acquisition.

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 plans to acquire or has acquired. Superior cautions that the assumptions used to prepare such forward-looking information, including Superior's estimated Adjusted EBITDA pro forma the acquisition of Certarus, estimated Adjusted EBITDA for Superior's businesses for 2023 (excluding Certarus), Certarus' estimated 2023 Adjusted EBITDA, and Superior's estimated 2024 EBITDA from operations could prove to be incorrect or inaccurate.

In preparing the forward-looking information, Superior considered numerous economic and market assumptions regarding foreign exchange rates, competition, expected average weather and economic performance of each region where Superior and Certarus operate, including key assumptions listed under the heading "2023 Pro Forma Adjusted EBITDA Guidance" in this news release and under the heading "Financial Outlook" in Superior's 2022 Annual MD&A.

Additional key assumptions or risk factors with respect to the forward-looking information include, but are not limited to, the satisfaction of the conditions, including receipt of required regulatory approvals, to the Certarus Acquisition, without significant changes to the terms or anticipated timing of the transaction; the amount and timing of the expected synergies from the acquisition of Certarus, the achievement of the Superior Way Forward acquisition target and EBITDA from operations target; obtaining the expected synergies from the acquisitions of Kamps Propane, Kiva Energy and the assets of the Quarles Delivered Fuels business completed earlier this year 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; and the amount of future dividends paid by Superior.

Other particular, key assumptions and expectations underlying Superior's achievement of the Superior Way Forward EBITDA from operations target range in 2024 include a Certarus average mobile storage unit ("MSU") count of 655 trailers in 2023 and approximately 720 trailers in 2024; average EBITDA per MSU consistent with Certarus' historic results; corporate costs consistent with historical levels; and completion of propane tuck-in acquisitions in 2024 at multiples consistent with historic multiples for Superior's acquisitions.

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 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 risks relating to satisfaction of the conditions to, and completion of the Certarus Acquisition on the anticipated timeline, incorrect assessments of value when making acquisitions, failure to realize expected cost-savings and synergies from acquisitions, increases in debt service charges, colder average weather than anticipated, the loss of key personnel, fluctuations in foreign currency and exchange rates, fluctuations in commodity prices, increasing rates of inflation, 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, Superior does not undertake 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF 2022 FOURTH QUARTER RESULTS
FEBRUARY 16, 2023

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 years ended 2022 and 2021, as well as forward-looking information about future periods. The information in this MD&A is current to February 16, 2023, and should be read in conjunction with Superior's audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2022 and 2021.

The accompanying audited consolidated financial statements of Superior were prepared by and are the responsibility of Superior's management. Superior's audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021 were prepared in accordance with International Financial Reporting Standards (IFRS) 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 year ended December 31 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 the prior year 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 4 of the audited consolidated financial statements for the year ended December 31, 2022. As a result of the change, the Wholesale Propane segment, previously included in Canadian Propane segment, 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	(0.3)	35.8	86.1
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	9.0	(7.3)	13.6
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 sold its Specialty Chemicals business (the "Disposition"). 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 U.S Propane, Canadian Propane and Wholesale Propane segments. This MD&A reflects the results of continuing operations, unless otherwise noted.

On December 21, 2022 Superior entered into an agreement to sell the $125 million unsecured promissory note received as part of the total consideration received from the Disposition (the "Vendor Note") plus accrued interest with the purchaser of the Specialty Chemicals business, for proceeds of $128 million. The Vendor Note had an earn-out adjustment feature based on the business results of the Specialty Chemicals business for the three years following the Disposition, which was terminated as part of the sale of the Vendor Note. The proceeds from the sale of the Vendor Note were received in January 2023.

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, 2023 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 closing of the Certarus Acquisition within expected timelines, obtaining the expected synergies from the Kamps, Kiva and Quarles acquisitions and other acquisitions consistent with historical averages 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 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)

	Years Ended December 31	
(millions of dollars, except per share amounts)	**2022**	2021
Revenue	**3,379.8**	2,392.6
Cost of sales (includes products and services)	**(2,190.0)**	(1,479.9)
Gross profit	**1,189.8**	912.7
Expenses		
Selling, distribution and administrative costs ("SD&A")	**(1,087.1)**	(804.8)
Finance expense	**(91.6)**	(155.0)
Gain (loss) on derivatives and foreign currency translation of borrowings	**(136.0)**	70.0
	(1,314.7)	(889.8)
Earnings (loss) before income taxes	**(124.9)**	22.9
Income tax recovery (expense)	**37.0**	(5.7)
Net earnings (loss) from continuing operations	**(87.9)**	17.2
Net earnings from discontinued operations, net of tax expense	**–**	189.5
Net earnings (loss)	**(87.9)**	206.7
Net earnings (loss) from continuing operations attributable to:		
Superior	**(112.5)**	(6.6)
Non-controlling interest	**24.6**	23.8
Net loss per share from continuing operations attributable to Superior[1]		
Basic and diluted	**(0.58)**	(0.04)
Net earnings (loss) per share attributable to Superior[1]		
Basic and diluted	**(0.58)**	0.99
Cash flows from operating activities	**248.7**	232.0
Cash flows from operating activities, per share[1]	**1.11**	1.13

(1) The weighted average number of shares outstanding for the year ended December 31, 2022 was 224.9 million (December 31, 2021 - 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 year ended December 31, 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 44 for more information about these measures.

Summary of AOCF

	Years Ended December 31	
(millions of dollars, except per share amounts)	**2022**	2021
U.S. Propane Adjusted EBITDA (1)	**284.9**	226.2
Canadian Propane Adjusted EBITDA (1)	**144.8**	160.2
Wholesale Propane Adjusted EBITDA (1)	**48.7**	23.5
EBITDA from operations (1)	**478.4**	409.9
Corporate operating costs (1)	**(25.9)**	(24.1)
Realized gain (loss) on foreign currency hedging contracts (2)	**(2.7)**	12.6
Adjusted EBITDA (1)	**449.8**	398.4
Interest expense (3)	**(84.5)**	(76.1)
Adjusted current income tax expense (1) (3)	**(7.4)**	(1.2)
AOCF before transaction, restructuring and other costs (1)	**357.9**	321.1
Transaction, restructuring and other costs (4)	**(84.2)**	(28.9)
AOCF (1)	**273.7**	292.2
AOCF per share before transaction, restructuring and other costs (4)(5)	**$1.59**	$1.56
AOCF per share (5)	**$1.22**	$1.42
Dividends declared per common share	**$0.72**	$0.72

(1) These amounts are Non-GAAP financial measures, see "Non-GAAP financial measures and reconciliations" on page 44 for more information. Comparative figures have been restated to present the separate results of the Wholesale Propane and Canadian Propane segments in 2021. See the "Overview of Superior and Basis of Presentation" on page 2 for more information about the change in segment reporting.

(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 44 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 21 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021. Adjusted current income tax expense is the current income tax expense adjusted by $85.0 million recovery representing the impact of reporting divestiture as a discontinued operation in December 31, 2021, see Note 19 of the audited consolidated financial statements.

(4) Transaction, restructuring and other costs are related to acquisition activities and the restructuring and integration of acquisitions. This includes the reverse termination fee related to the terminated acquisition of Canexus Corporation. See "Transaction, restructuring and other costs" for further details. These expenses are included in SD&A and are disclosed in Note 21 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

(5) The weighted average number of shares outstanding for the year ended December 31, 2022 was 224.9 million (December 31, 2021 - 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 year ended December 31, 2022 and 2021.

AOCF Reconciled to Cash Flows from Operating Activities [1]

(millions of dollars)	**Years Ended December 31 2022**	2021
Cash flows from operating activities	**248.7**	232.0
Non-cash interest expense, loss on redemption, net of interest and loss on vendor note [2]	**7.1**	78.9
Changes in non-cash operating working capital	**15.4**	60.6
Income taxes paid	**17.3**	15.2
Interest paid	**84.2**	90.7
Adjusted current income tax expense [2] [3]	**(7.4)**	(1.2)
Finance expense recognized in net loss	**(91.6)**	(155.0)
	273.7	321.2
Less results of AOCF from Discontinued operations [4]	**–**	(29.0)
AOCF[1]	**273.7**	292.2

(1) AOCF is a Non-GAAP financial measure. See “Non-GAAP financial measures and reconciliations” on page 44 for more information.
(2) This information is provided in Note 21 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.
(3) Adjusted current income tax expense is the current income tax expense adjusted by $85.0 million recovery representing the impact of reporting divestiture as a discontinued operation in December 31, 2021, see Note 19 of the audited consolidated financial statements.
(4) AOCF from discontinued operations is the sum of revenue, cost of sales and SD&A, see Note 3 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021. SD&A has been adjusted for loss on disposal of assets of $nil million (2021 - $0.5 million).

COMPLETED AND ANNOUNCED TRANSACTIONS

On March 8, 2022, Superior acquired the retail propane distribution assets of Reid Gas, Inc. for an aggregate purchase price of approximately US$1.5 million (C$1.9 million) after adjustments for working capital.

On March 23, 2022, Superior acquired all the issued and outstanding shares of Kamps Propane (“Kamps”) and Kiva for an aggregate purchase price of approximately US$219.1 million (C$275.3 million) before final adjustments for working capital.

On April 1, 2022, Superior acquired the assets of Heartland Industries, LLC (“Heartland”) a retail propane distributor in Ohio for an aggregate purchase price of approximately US$6.6 million (C$8.3 million) after adjustments for working capital.

On May 19, 2022, Superior acquired the retail propane distribution assets of DT Denton Gas Co. Inc. (“Denton Gas”) a retail propane distributor in South Carolina for an aggregate purchase price of approximately US$2.0 million (C$2.6 million) after adjustments for working capital.

On June 1, 2022, Superior acquired the retail propane distribution and refined fuels assets of Quarles Petroleum Inc. (“Quarles”) a retail propane distributor in Virginia for an aggregate purchase price of approximately US$156.8 million (C$198.5 million) including 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 US$3.5 million (C$4.6 million) after adjustments for working capital.

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

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 $18.1 million including adjustments for working capital.

On December 22, 2022 Superior entered into a definitive arrangement agreement to acquire Certarus Ltd. ("Certarus"), a leading North American low carbon energy solutions provider (the "Certarus Acquisition"). Under the terms of the Certarus Acquisition, Superior will acquire all the outstanding common shares of Certarus, representing an equity value of $853 million and assume Certarus' outstanding net debt estimated at the time of signing to be $196 million, for a total acquisition value of $1.05 billion. The Certarus shareholders will receive $353 million in cash and $500 million of Superior common shares priced at $10.25 per share, representing approximately 17% pro forma ownership. On February 14, 2023, 99.9% of the Certarus shareholders voted in favour of the acquisition of Certarus by Superior. The transaction is expected to close in the first half of 2023, subject to satisfaction of the remaining customary closing conditions.

On February 1, 2023, Superior acquired all the issued and outstanding shares of ACME Propane, Inc. ("ACME"), a residential and commercial retail propane distributor in Lincoln, California for an aggregate purchase price of approximately US$3.3 million (C$4.4 million) before adjustments for working capital.

Annual Financial Results Compared to the Prior Year

The net loss from continuing operations was $87.9 million, compared to net earnings of $17.2 million in the prior year. 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 $0.58 per share a decrease of $0.54 from $0.04 per share in the prior year. The decrease is due to the aforementioned reasons.

Net earnings from discontinued operations was $189.5 million in the prior year and relates to the disposal of the Specialty Chemical segment which occurred on April 9, 2021.

Revenue was $3,379.8 million, an increase of $987.2 million or 41% from the prior year due to higher revenue in the U.S. Propane, Wholesale Propane and Canadian Propane segments. U.S. Propane revenue was $1,733.9 million, an increase of $555.9 million or 47% due to higher volumes related to acquisitions completed in the current and prior year, higher average wholesale propane prices and, to a lesser extent, higher pricing to offset the impact of inflation. Wholesale Propane revenue was $1,365.5 million, an increase of $460.8 million or 51% primarily due to higher sales volumes. Canadian Propane revenue was $978.1 million, an increase of $149.3 million or 18% due primarily to higher average 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 $1,189.8 million, an increase of $277.1 million from $912.7 million in the prior year. Wholesale Propane gross profit increased primarily due to higher sales volumes related to the Kiva acquisition and strong market fundamentals relative to 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 increased margins associated with higher pricing to offset the impact of inflation. Canadian Propane gross profit increased primarily due to higher sales volumes and increased margins associated with higher pricing to offset the impact of inflation. 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 $1,087.1 million, an increase of $282.3 million or 35% from the prior year, primarily due to an increase in U.S. Propane SD&A and, to a lesser extent Corporate, Wholesale Propane and Canadian Propane SD&A. U.S. Propane SD&A was $643.7 million, an increase of $167.5 million or 35% from $476.2 million in the prior year primarily due to the impact of completed acquisitions and, to a lesser extent increased costs due to higher commodity prices and inflation, partially offset by lower incentive plan costs. Corporate SD&A was $83.1 million, an increase of $47.2 million or 131% from $35.9 million in the prior year primarily due to higher transaction costs that includes the reverse termination fee related to the terminated acquisition of Canexus Corporation ("Canexus") in 2016, higher insurance 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. Wholesale Propane SD&A was $64.1 million, an increase of $34.5 million or 117% due primarily to the Kiva acquisition in the year. Canadian Propane SD&A was $296.2 million an increase of $33.1 million or 13% from $263.1 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.

Finance expense was $91.6 million, a decrease of $63.4 million or 41% from $155.0 million in the prior year. The decrease is primarily due to early call premiums and non-cash financing expenses related to the redemption of the US$350 million, the $400 million and $370 million senior unsecured notes in the prior year, partially offset by higher average debt balances and, to a lesser extent, a loss on settlement of the Vendor Note.

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 $136.0 million for the year ended December 31, 2022, a decrease of $206.0 million compared to a gain of $70.0 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 18 of the audited consolidated financial statements.

Total income tax recovery of $37.0 million was $42.7 million lower than the prior year's expense of $5.7 million. Current income tax expense was $7.4 million, an increase of $91.2 million from the prior year's recovery of $83.8 million. The increase is primarily due to the presentation of the impact of reporting the divestiture as a discontinued operation in the prior year. This was offset by a deferred income tax recovery of $44.4 million, a decrease of $133.9 million from the prior year's expense of $89.5 million primarily due to the timing of acquisitions and divestitures, revaluation of financial instruments and utilization of tax pools.

Annual Non-GAAP Financial Results Compared to the Prior Year

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 44 for more information about these measures.

Adjusted EBITDA for the year ended was $449.8 million, an increase of $51.4 million or 13% compared to the prior year Adjusted EBITDA of $398.4 million. The increase is primarily due to higher EBITDA from operations and partially offset by higher corporate costs and a realized loss on foreign currency hedging contracts. EBITDA from operations increased $68.5 million or 17% compared to the prior year 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 $284.9 million, an increase of $58.7 million or 26% primarily due to the impact of acquisitions completed in the current and prior year and, to a lesser extent, higher unit margins, the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions and increased costs due to inflation. Wholesale Propane Adjusted EBITDA was $48.7 million, an increase of $25.2 million or 107% primarily due to the impact of the Kiva acquisition and, to a lesser extent, stronger propane wholesale market fundamentals compared to the prior year. Canadian Propane Adjusted EBITDA was $144.8 million, a decrease of $15.4 million or 10% primarily due to the impact of the CEWS benefit recorded in the prior year, lower sales of carbon offset credits and increased costs due to higher commodity prices and inflation partially offset by higher sales volumes and unit margins. Corporate administrative costs were $25.9 million compared to $24.1 million in the prior year. The increase is primarily due to higher self-insured insurance claims, partially offset by lower incentive plan costs due to the decline in Superior's share price compared to the prior year. Superior realized a loss on foreign currency hedging contracts of $2.7 million compared to a gain of $12.6 million in the prior year due to lower average hedge rates relative to changes in exchange rates.

AOCF before transaction, restructuring and other costs was $357.9 million, an increase of $36.8 million or 11% from the prior year of $321.1 million. The increase from the prior year is primarily due to higher Adjusted EBITDA discussed above partially offset by higher interest expense and higher current taxes. Interest expense increased by $8.4 million or 11% primarily to due to higher average debt balances. Current income tax expense increased by $6.2 million due to the timing of acquisitions, divestiture and utilization of tax pools. AOCF per share before transaction, restructuring and other costs assuming the conversion of preferred shares was $1.59 per share, consistent from the prior year AOCF per share as the higher AOCF was offset by the impact from the increase in the weighted average shares outstanding.

AOCF for the year ended December 31, 2022 was $273.7 million, a decrease of $18.5 million or 6% from the prior year AOCF of $292.2 million due to higher transaction, restructuring and other costs, partially offset by higher AOCF before transaction, restructuring and other costs discussed above. Transaction, restructuring and other costs for the year ended December 31, 2022 was $84.2 million, an increase of $55.3 million from prior year of $28.9 million primarily due to the reverse termination fee related to the terminated acquisition of Canexus in 2016 and increased acquisition and integration activities. AOCF per share for year ended December 31, 2022 was $1.22 per share assuming the conversion of the preferred shares, a decrease of $0.20 per share or 14% from the prior year AOCF per share of $1.42 per share. The decrease on a per share basis is due to the lower AOCF and the impact from the increase in the weighted average shares outstanding.

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 operating results:

	Years Ended December 31	
(millions of dollars)	**2022**	2021
Revenue	**1,733.9**	1,178.0
Cost of Sales	**(1,010.8)**	(650.4)
Gross profit	**723.1**	527.6
Realized gain on derivatives related to commodity risk management [(2)]	**24.0**	35.5
Adjusted gross profit[(1)]	**747.1**	563.1
SD&A	**(643.7)**	(476.2)
Add back (deduct):		
Amortization and depreciation included in SD&A[(3)]	**155.8**	125.5
Transaction, restructuring and other costs[(3)]	**24.8**	13.6
Loss on disposal of assets [(3)]	**0.9**	0.2
Operating costs[(1)]	**(462.2)**	(336.9)
Adjusted EBITDA[(1)]	**284.9**	226.2
Add back (deduct):		
Loss on disposal of assets [(3)]	**(0.9)**	(0.2)
Transaction, restructuring and other costs [(3)]	**(24.8)**	(13.6)
Amortization and depreciation included in SD&A [(3)]	**(155.8)**	(125.5)
Unrealized gains (losses) on derivative financial instruments [(2)]	**(64.7)**	18.1
Finance expense	**(7.6)**	(5.2)
Earnings before income tax	**31.1**	99.8

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 44 for more information.

(2) Realized and unrealized gain (loss) 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 44 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 21 or Note 29 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

Revenue for the year ended December 31, 2022 was $1,733.9 million, an increase of $555.9 million or 47% from the prior year primarily due to higher sales volumes associated with acquisitions, higher average wholesale commodity prices and, to a lesser extent, higher sales prices to offset the impact of inflation and the impact of the weaker Canadian dollar on the translation of U.S. denominated revenue.

U.S. Propane Adjusted Gross Profit

	Years Ended December 31	
(millions of dollars)	**2022**	2021
Propane distribution [1]	**694.2**	504.1
Realized gain on derivatives related to commodity risk management [1]	**24.0**	35.5
Adjusted gross profit related to propane distribution	**718.2**	539.6
Other services [1]	**28.9**	23.5
Adjusted gross profit [2]	**747.1**	563.1

[1] The sum of propane distribution and other services agrees to segment disclosure in the annual consolidated financial statements. Realized gains 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 44 for more information.
[2] Adjusted gross profit from operations is a Non-GAAP financial measure. See "Non-GAAP financial measures and reconciliations" on page 44 for more information.

Adjusted gross profit related to propane distribution for the year ended December 31, 2022 was $718.2 million, an increase of $178.6 million or 33% from the prior year primarily due to higher sales volumes and higher average sales margins.

Total sales volumes were 1,533 million litres, an increase of 206 million litres or 16% primarily due to the impact of acquisitions completed in the current and prior year. Average weather, as measured by degree days, across markets where U.S. propane operates for 2022 was 5% colder than the prior year and consistent with the five-year average. Residential sales volumes increased by 89 million litres or 12% from the prior year due primarily to the impact of acquisitions, partially offset by the impact of customer conservation related to the high commodity price environment in the first and second quarter, timing of deliveries and a decline in heating oil volumes related to focusing on higher margin propane customers. Commercial volumes increased by 117 million litres or 19% compared to the prior year primarily due to the impact of acquisitions, partially offset by customer conservation due to the high price environment in the first and second quarter and a decline in heating oil volumes related to focusing on higher margin propane customers.

U.S. Propane average sales margins were 46.8 cents per litre, an increase of 6.1 cents from 40.7 cents per litre in the prior year primarily due to higher sales prices to offset the impact of inflation 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 $28.9 million, an increase of $5.4 million or 23% over the prior year primarily due to contribution from acquisitions completed in the current and prior year.

U.S. Propane Sales Volumes
End-Use Application **[1][2]**

	Years Ended December 31	
(millions of litres)	**2022**	2021[1]
Residential	**813**	724
Commercial[1]	**720**	603
Total	**1,533**	1,327

[1] Prior period volumes have been restated to conform to the current period presentation.

Volumes by Region [(1)]

(millions of litres)	**Years Ended December 31 2022**	2021
Northeast	**1,051**	1,030
Southeast	**243**	175
Midwest	**117**	84
West	**122**	38
Total	**1,533**	1,327

(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 SD&A

Operating costs were $462.2 million, an increase of $125.3 million or 37% over the prior year primarily due to higher sales volumes, the impact from the timing of the Kamps and Quarles acquisitions, 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 and synergies.

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 $643.7 million, an increase of $167.5 million or 35% over the prior year. 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 before income tax

Earnings before income tax were $31.1 million, a decrease of $68.7 million over the prior year due to the reasons described above and unrealized loss on derivative financial instruments compared to a gain in the prior year.

Financial Outlook

U.S. Propane Adjusted EBITDA in 2023 is anticipated to be higher than 2022. The increase is due to the full year contribution from acquisitions completed in the year, optimizing customer pricing, the realization of synergies and cost-saving initiatives, partially offset by warmer weather experienced in January 2023, 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. Weather in January 2023 was 15% warmer than the five-year average. The average weather for the remainder of 2023 in the Eastern U.S., Upper Midwest and California, as measured by degree days, is anticipated to be consistent with the five-year average.

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

CANADIAN PROPANE

Canadian Propane's operating results:

	Years Ended December 31	
(millions of dollars)	**2022**	2021[3]
Revenue	**978.1**	828.8
Cost of Sales	**(604.0)**	(476.5)
Gross profit	**374.1**	352.3
SD&A	**(296.2)**	(263.1)
Add back (deduct):		
Amortization and depreciation included in SD&A [2]	**68.8**	66.5
Transaction, restructuring and other costs [2]	**0.8**	4.2
(Gain) loss on disposal of assets [2]	**(2.7)**	0.3
Operating costs[1]	**(229.3)**	(192.1)
Adjusted EBITDA[1]	**144.8**	160.2
Add back (deduct):		
Gain (loss) on disposal of assets [2]	**2.7**	(0.3)
Transaction, restructuring and other costs[2]	**(0.8)**	(4.2)
Amortization and depreciation included in SD&A[2]	**(68.8)**	(66.5)
Finance expense	**(3.0)**	(3.1)
Earnings before income tax	**74.9**	86.1

(1) Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 44 for more information.
(2) The sum of the above amounts and the balances included in the U.S. Propane, Wholesale Propane and Corporate segments are included in SD&A and are disclosed in Note 21 or Note 29 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.
(3) Comparative figures have been restated to present the separate results of the Wholesale Propane and Canadian Propane segments in 2021. See the "Overview of Superior and Basis of Presentation" on page 2 for more information about the change in segment reporting.

Revenue for the year ended December 31, 2022 was $978.1 million, an increase of $149.3 million or 18% from the prior year primarily due to higher average wholesale commodity prices, higher sales prices to offset the impact of inflation and, to a lesser extent, higher sales volumes, partially offset by a decrease in the sale of carbon offset credits compared to the prior year.

Canadian Propane Gross Profit

	Years Ended December 31	
(millions of dollars)	**2022**	2021[2]
Propane distribution	**358.1**	336.1
Other services	**16.0**	16.2
Gross profit[1]	**374.1**	352.3

(1) The sum of propane distribution and other services agrees to segment disclosure in the annual consolidated financial statements.
(2) Comparative figures have been restated to present the separate results of the Wholesale Propane and Canadian Propane segments in 2021. See the "Overview of Superior and Basis of Presentation" on page 2 for more information about the change in segment reporting.

Gross profit related to propane distribution for the year ended December 31, 2022 was $358.1 million, an increase of $22.0 million or 7% from the prior year due to price increases to offset the impact of inflation and higher sales volumes, partially offset by lower carbon offset credits sold compared to the prior year.

Total sales volumes were 1,219 million litres, an increase of 51 million litres or 4% primarily due to higher residential and commercial sales volumes. Average weather across Canada for the year ended December 31, 2022, as measured by degree days was 5% colder than the prior year and consistent with the five-year average. Western Canada was 3% colder than the prior year while Eastern Canada was 8% colder than the prior year. Residential sales volumes increased by 11 million litres or 6% primarily due to colder weather in the first quarter. Commercial sales volumes increased by 40 million litres or 4% primarily due to colder weather in the first quarter and the impact from the easing of COVID-19 restrictions.

Average propane sales margins were 29.4 cents per litre, an increase of 0.6 cents from 28.8 cents per litre in the prior year primarily due to price increases to offset the impact of inflation, partially offset by the impact of lower carbon offset credits sold compared to the prior year.

Other services gross profit primarily includes equipment rental, installation, repair and maintenance and customer minimum use charges. Other services gross profit was $16.0 million, which is consistent with the prior year gross profit of $16.2 million.

Canadian Propane Sales Volumes
Volumes by End-Use Application

	Years Ended December 31	
(millions of litres)	**2022**	2021[1]
Residential	**191**	180
Commercial	**1,028**	988
Total	**1,219**	1,168

[1] Prior period volumes have been restated to conform to the current period presentation.

Volumes by Region [1]

	Years Ended December 31	
(millions of litres)	**2022**	2021[2]
Western Canada	**552**	536
Eastern Canada	**505**	480
Atlantic Canada	**162**	152
Total	**1,219**	1,168

[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 year volumes have been reclassified to conform with current year presentation.

Operating Costs and SD&A
Operating costs were $229.3 million, an increase of $37.2 million or 19% compared to the prior year. The increase in operating costs was primarily due to the impact of the higher CEWS benefit recorded in the prior year and, to a lesser extent, higher costs associated with increased commodity costs, inflation and higher volume-related costs. Canadian Propane recorded $2.2 million in benefits related to the CEWS program during the year ended December 31, 2022 (2021 - $20.9 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 $296.2 million, an increase of $33.1 million or 13% over the prior year. 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 and the impact of a gain on disposal of assets compared to a loss in the prior year.

Earnings before income tax
Earnings before income tax was $74.9 million, a decrease of $11.2 million over the prior year due to the above reasons.

Financial Outlook
Canadian Propane Adjusted EBITDA in 2023 is anticipated to be modestly lower than 2022 primarily due to reduced sales of carbon offset credits, no anticipated CEWS benefits, warmer weather experienced in January 2023 and the impact of inflation on operating costs, partially offset by an increase in oilfield sales volumes and higher average margins. Weather in January 2023 was 12% warmer than the five-year average. The average weather for the remainder of 2023, as measured by degree days, 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 operating results:

	Years Ended December 31	
(millions of dollars)	**2022**	2021
Revenue	**1,365.5**	904.7
Cost of Sales	**(1,272.9)**	(871.9)
Gross profit	**92.6**	32.8
Realized gain on derivatives related to commodity risk management (2)	**4.6**	12.8
Adjusted gross profit(1)	**97.2**	45.6
SD&A	**(64.1)**	(29.6)
Add back (deduct):		
Amortization and depreciation included in SD&A (3)	**13.5**	8.4
Transaction, restructuring and other costs (3)	**2.2**	–
Gain on disposal of assets (3)	**(0.1)**	(0.9)
Operating costs(1)	**(48.5)**	(22.1)
Adjusted EBITDA(1)	**48.7**	23.5
Add back (deduct):		
Gain on disposal of assets (3)	**0.1**	0.9
Transaction, restructuring and other costs(3)	**(2.2)**	–
Amortization and depreciation included in SD&A(3)	**(13.5)**	(8.4)
Unrealized loss on derivative financial instruments(2)	**(13.0)**	(1.5)
Finance expense	**(1.1)**	(0.9)
Earnings before income tax	**19.0**	13.6

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 44 for more information.
(2) Realized and unrealized gain (loss) 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 44 for more information.
(3) The sum of the above amounts and the balances included in the U.S. Propane, Canadian Propane and Corporate segments are included in SD&A and are disclosed in Note 21 or Note 29 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

Revenue for the year ended December 31, 2022 was $1,365.5 million, an increase of $460.8 million or 51% from the prior year primarily due to higher sales volumes related to the Kiva acquisition and higher average wholesale propane prices. Wholesale propane prices were higher than the prior year due to an increase in average West Texas Intermediate ("WTI") crude oil prices and the impact of rail and transportation supply constraints. WTI crude oil prices increased in the first half of 2022 compared to the prior year due to lower global supply related to impacts from the conflict in Ukraine and higher global demand related to the easing of COVID-19 restrictions.

Adjusted gross profit for the year ended December 31, 2022 was $97.2 million, an increase of $51.6 million or 113% from the prior year primarily due to the contribution from the Kiva acquisition completed in the first quarter and, to a lesser extent, higher average unit margins associated with stronger wholesale propane market fundamentals compared to the prior year.

Total third-party sales volumes were 1,320 million litres, an increase of 384 million litres or 41%, primarily due to incremental volumes from the Kiva acquisition and improved demand related to the easing of COVID restrictions at the beginning of the year.

Wholesale Propane Sales Volumes
Wholesale Propane Volumes by Region

	Years Ended December 31	
(millions of litres)	**2022**	2021
United States	**1,129**	759
Canada	**191**	177
Total	**1,320**	936

Operating Costs and SD&A
Operating costs were $48.5 million, an increase of $26.4 million or 119% compared to the prior year primarily due to the Kiva acquisition completed in the first quarter and, to a lesser extent, higher freight costs and the impact of inflation.

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 $64.1 million, an increase of $34.5 million or 117% over the prior year. SD&A increased for the above reasons, as well as higher depreciation and amortization costs as a result of a higher asset base and higher transaction, restructuring and other costs related to the acquisition and integration of Kiva.

Earnings before income tax
Earnings before income tax was $19.0 million, an increase of $5.4 million or 40% over the prior year earnings of $13.6 million, for the above reasons partially offset by the impact of a higher unrealized loss on derivatives in the current year compared to the prior year.

Financial Outlook
Wholesale Propane Adjusted EBITDA in 2023 is anticipated to be consistent with 2022. The full year contribution from the Kiva acquisition will be offset by anticipated weaker market fundamentals relative to 2022, warmer weather experienced in January 2023 and the impact of a stronger Canadian dollar on the translation of U.S. denominated transactions. Weather in January 2023 where Wholesale Propane operates is 12% to 15% warmer than the five-year average. The average weather for the remainder of 2023, as measured by degree days, is anticipated to be consistent with the five-year average.

In addition to the significant assumptions referred to above, refer to "Forward-Looking Information" and "Risk Factors to Superior" for a detailed review of significant business risks affecting 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 are as follows:

	Years Ended December 31	
(millions of dollars)	**2022**	2021
Efficiency, process improvement and growth-related(1)	**58.2**	47.3
Maintenance capital(1)	**59.1**	50.4
	117.3	97.7
Proceeds on disposition of assets (1)	**(7.9)**	(5.6)
Property, plant and equipment acquired through acquisition(2)	**226.7**	109.0
Total net capital expenditures	**336.1**	201.1
Investment in leased vehicles(2)	**29.6**	24.9
Investment in other leased assets(2)	**19.2**	13.3
Total expenditures including finance leases	**384.9**	239.3

(1) The amounts disclosed in the audited consolidated statements of cash flows for the year ended December 31, 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 4 of the audited consolidated financial statements. The sum of the leases is disclosed as additions in Note 16 of the audited consolidated financial statements.

Efficiency, process improvement and growth-related expenditures were $58.2 million for the year ended December 31, 2022 compared to $47.3 million in the prior year. The increase over the prior year is primarily due to the timing of tank purchases, integration activity and the impact of the weaker Canadian dollar on the translation of U.S. denominated purchases. Superior purchased more tanks during 2022 to avoid any future supply chain difficulties and potentially higher increased raw material costs.

Maintenance capital expenditures were $59.1 million for the year ended December 31, 2022 compared to $50.4 million in the prior year primarily due to the timing of expenditures.

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

Superior entered into $29.6 million of leased vehicles for the year ended December 31, 2022 compared to $24.9 million in the prior year. The increase is primarily due to timing of acquiring vehicles under leases. Other leased assets of $19.2 million increased from the prior year 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 OPERATING COSTS AND SD&A

Corporate operating costs for the year ended December 31, 2022 were $25.9 million an increase of $1.8 million or 7% compared to $24.1 million in the prior year. The increase is primarily due to higher self-insured insurance claims settled during the year and, to a lesser extent, increased costs related to information technology and the impact of inflation, partially offset by lower long-term incentive plan costs compared to the prior year related to the decline in the share price.

Corporate administration costs included in Adjusted EBITDA exclude depreciation, amortization and transaction, restructuring and other costs. Corporate SD&A was $83.1 million for the year ended December 31, 2022, an increase of $47.2 million or 131% from $35.9 million in the prior year primarily due to the above reasons and higher transaction costs compared to the prior year primarily due to the Canexus reverse termination fee.

FINANCE AND INTEREST EXPENSE

Finance expense was $91.6 million for the year ended December 31, 2022, a decrease of $63.4 million compared to $155.0 million in the prior year. The decrease is primarily due to $58.6 million in early call premiums and non-cash financing expenses related to the redemption and refinancing of senior unsecured notes in the prior year and lower interest costs related to the refinancing of the senior unsecured notes, partially offset by higher average debt balances associated with acquisitions and, to a lesser extent, higher average interest rates related to interest rate increases by the Bank of Canada and the U.S. Federal Reserve.

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 $84.5 million, an increase of $8.4 million, compared to $76.1 million in the prior year. The increase is primarily due to higher average debt balances associated with acquisitions and to a lesser extent higher average interest rates on the credit facility debt.

TRANSACTION, RESTRUCTURING 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:

	Years Ended December 31	
(millions of dollars)	**2022**	2021
Total transaction, restructuring and other costs	**84.2**	28.9

For the year ended December 31, 2022, Superior incurred $84.2 million in costs related to the acquisition and integration of the Kamps, Kiva, Quarles and tuck-in acquisitions and a $25.0 million reverse termination fee plus $2.7 million interest and other costs related to the terminated acquisition of Canexus in 2016. On October 6, 2015, Superior announced that it had entered into an arrangement agreement with Canexus, pursuant to which Superior agreed to acquire all the issued and outstanding common shares of Canexus by way of a court-approved plan of arrangement. On June 30, 2016, Superior terminated the arrangement agreement by providing Canexus with a termination notice specifying that Canexus had breached the arrangement agreement, failed to remedy such breaches and that, as a result, Superior was seeking payment from Canexus of a termination fee of $25 million. On July 12, 2016, Superior announced it had commenced legal action to recover the $25 million termination fee from Canexus. Superior also filed a statement of defence to Canexus' claim for a reverse termination fee of $25 million from Superior. On December 22, 2022, the Alberta Court of Kings Bench (the "Court") ruled against Superior, ruling that Superior is required to pay Chemtrade a $25.0 million reverse termination fee plus interest. The fee and interest were paid on January 2023. The Court's ruling is subject to appeal for a period of 30 days. Superior appealed the decision to the Court of Appeal on January 19, 2023.

The costs in the prior year related primarily to the acquisition and integration of acquisitions. The increase for the year ended December 31, 2022 is due to the above reverse termination fees, timing of transactions, the allocation of costs related to the sale of the Specialty Chemicals segment to discontinued operations and costs related to the CEO retirement.

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., Hungarian and Luxembourg income tax.

Total income tax recovery for the year ended December 31, 2022 was $37.0 million, comprised of $7.4 million in cash income tax expense and offset by $44.4 million in deferred income tax recovery. This compares to a total income tax expense of $5.7 million in the prior year, which consisted of a cash income tax recovery of $83.8 million offset by $89.5 million deferred income tax expense.

Cash income tax expense for the year ended December 31, 2022 was $7.4 million (2021 – $83.8 million recovery), consisting of income taxes in Canada of $2.8 million (2021 – $44.8 million recovery), in the U.S. of $3.8 million (2021 – $41.2 million recovery), in Hungary of $0.8 million (2021 – $nil) and in Luxembourg of $nil (2021 – $2.2 million expense). Deferred income tax recovery for the year ended December 31, 2022 was $44.4 million (2021 – $89.5 million expense), resulting in a net deferred income tax liability of $96.8 million as at December 31, 2022.

Canada	*(millions of dollars)*
Tax basis	307.7
Non-capital losses	30.7
Capital losses	–
Canadian scientific research expenditures	81.5
Investment tax credits	60.3
United States	
Tax basis	1,384.8
Non-capital losses	273.7

FINANCIAL OUTLOOK

Superior achieved its 2022 Adjusted EBITDA guidance with Adjusted EBITDA of $449.8, which was slightly higher than the mid-point of the guidance range of $425 million to $465 million. Superior is introducing its 2023 Pro Forma Adjusted EBITDA guidance range of $585 million to $635 million which includes the expected pro forma full twelve months of Certarus 2023 Adjusted EBITDA in the range of $140 million to $150 million. Based on the midpoint of the 2023 Adjusted EBITDA guidance range, this represents a 36% increase compared to the 2022 Adjusted EBITDA of $449.8 million. This increase is based primarily on contribution from the Certarus Acquisition and, to a lesser extent, the full year contribution of acquisitions completed in 2022, including Kamps, Kiva and Quarles, partially offset by warmer weather experienced in January 2023.

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 2023 guidance are:

- Weather 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 modestly and won’t be negatively 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 in the range of $200 million to $240 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 $0.75 for 2023 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, U.S. and Hungarian based current income tax expense are expected to be in the range of $20 million to $25 million for 2023 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 inflation on fuel costs, labour and other costs;
- 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

- Volumes are anticipated to increase as a result of increased oilfield activity in Western Canada and increased demand from commercial customers related to the easing of COVID-19 restrictions in 2022;
- Continue to increase prices to lessen the impact of inflation on, fuel costs, labour and other costs; and
- Wholesale propane prices are not anticipated to significantly affect demand for propane and related services.

Wholesale Propane

- Wholesale propane market fundamentals related to basis differentials are expected to decrease due to average market conditions;
- Continue to grow third-party sales volumes through sales and marketing initiatives to offset the impact of higher costs due to inflation; and
- Realize synergies from the Kiva acquisition through operational expense savings.

Certarus

- The natural gas price differential to diesel remains favourable such that compressed natural gas remains a cost-effective means to displace diesel; and
- Assuming an average mobile storage unit ("MSUs") count of 655 trailers in 2023 and average EBITDA per MSU consistent with Certarus' historic results.

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 December 31, 2022 was 4.1x, compared to 3.9x at December 31, 2021. The increase in the Leverage Ratio was due to higher Net Debt and, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated debt. The impact on Net Debt related to acquisitions completed during the year was partially offset by the equity financing completed during the second quarter, see "Completed and Announced Transactions" on page 6 for further details. Translating U.S. denominated debt at the same exchange rate as December 31, 2021 would result in a Leverage ratio of 3.9x. The U.S. denominated debt consists of SOFR Loans (US$365.0 million), Senior unsecured Notes (US$600.0 million), deferred consideration (US$27.7 million) and U.S. Propane lease liabilities (US$101.2 million) totalling approximately US$1,093.9 million. The translation of U.S. denominated debt as at December 31, 2021 was based on an USD/CAD exchange rate of approximately 1.26 compared to approximately 1.36 as at December 31, 2022.

Net Debt, Pro forma Adjusted EBITDA and Leverage Ratio are Non-GAAP measures, see "Non-GAAP financial measures and reconciliations" on page 44.

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 $2,169.0 million as at December 31, 2022, an increase of $516.1 million from $1,652.9 million as at December 31, 2021. The increase is primarily due to acquisitions of Kamps, Kiva 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 December 31, 2022			
(millions of dollars)	Total Amount	Borrowing	Letters of Credit Issued	Amount Available
Revolving term bank credit facilities[(1)]	750.0	587.7	24.2	138.1
Senior unsecured notes[(1)]	1,313.2	1,313.2	–	–
Deferred consideration and other	45.1	45.1	–	–
Lease liabilities	223.0	223.0	–	–
Total	**2,331.3**	**2,169.0**	**24.2**	**138.1**

(1) Revolving term bank credit facilities and term loan balances are presented before deferred financing fees, see Note 15 of the audited consolidated financial statements.

Net Working Capital

Consolidated net working capital was $167.2 million as at December 31, 2022, an increase of $157.1 million from $10.1 million as at December 31, 2021. The increase from December 31, 2021 is primarily due to the inclusion of the Vendor Note (Note 3) in trade and other receivables and to a lesser extent the timing of customer receipts compared to the timing of supplier payments. Net working capital is defined in the audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2022 and 2021. See Note 29 of the audited 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 December 31, 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 December 31, 2022, Superior's defined benefit pension plans had an estimated net defined benefit going concern surplus of approximately $4.5 million (December 31, 2021 – surplus $4.1 million) and a net pension solvency surplus of approximately $5.0 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)

	Current	2024	2025	2026	2027	Thereafter	Total
Borrowings before deferred financing fees and discounts (1)	14.8	11.2	8.9	6.2	589.4	1,315.5	1,946.0
Lease liabilities (2)	47.3	38.9	33.1	24.8	21.0	57.9	223.0
Non-cancellable, low-value, short-term leases and leases with variable lease payments (2)	2.0	0.5	0.1	–	–	–	2.6
Equity derivative contracts (1)	15.4	1.3	3.2	–	–	–	19.9
US dollar foreign currency forward sales contracts (1)	224.6	192.5	105.0	12.0	–	–	534.1
USD/CAD call options(1)	–	50.5	–	–	–	–	50.5
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts (1) (3)	225.5	6.0	–	–	–	–	231.5

(1) See Notes 15 and 18 of the December 31, 2022 audited consolidated financial statements.
(2) See note 16 of the December 31, 2022 audited 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 December 31, 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 year net of issue costs and deferred tax recovery	**25.7**	**280.6**	**–**	**–**
Common shares repurchased and cancelled during the year	**(1.0)**	**(13.0)**	**–**	**–**
Unrealized foreign currency gain on translation	**–**	**–**	**–**	**23.8**
Balance as at December 31, 2022	**200.7**	**$2,617.9**	**0.3**	**$352.4**

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, which has been terminated as at December 31, 2022.

For the year ended December 31, 2022, 994,542 common shares have been repurchased for $10 million, including commission, at a volume weighted average price of $10.06 per common share. The repurchased shares, with a total book value of $13 million, were immediately cancelled. The Company applies settlement date accounting in determining the date on which the share repurchase is reflected in the audited consolidated financial statements. The settlement date is the date on which the Company settles with the third party responsible for conducting NCIB purchases. Superior recorded the excess of the book value over the payment made for common shares repurchased and canceled in the audited consolidated statements of changes in equity in deficit.

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 year ended December 31, 2022 were $140.5 million or $0.72 per common share compared to $126.8 million or $0.72 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.

Subject to approval of future common share dividends by the Board of Directors, Superior intends to move from its current practice of paying monthly dividends to a quarterly common share dividend payment, following the monthly March 2023 dividend to be paid in April 2023. Quarterly dividend payments are expected to be made on the last business day of March, June, September and December to shareholders of record on the 10th day of the corresponding month, if, as and when declared by the Board of Directors. Should the record date fall on a weekend or on a statutory holiday, the record date will be the next succeeding business day following the weekend or statutory holiday. Subject to approval by the Board of Directors, the first quarterly dividend is expected to be paid in June 2023.

Dividends Declared to Preferred Shareholders

Dividends declared to preferred shareholders for the year ended December 31, 2022 were US$18.9 million (C$24.6 million) or US$72.5 (C$94.6) per preferred share (December 31, 2021 - US$18.9 million (C$23.8 million) or US$72.5 (C$91.5) per preferred share).

SUMMARY OF CASH FLOW

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

(millions of dollars)	**Years Ended December 31** **2022**	2021
Cash flows from operating activities	**248.7**	232.0
INVESTING ACTIVITIES		
Acquisitions, net of cash acquired	**(522.7)**	(301.4)
Purchase of property, plant and equipment and intangible assets	**(117.3)**	(105.1)
Proceeds on disposal of property, plant and equipment	**7.9**	6.8
Proceeds on divestiture	**–**	571.7
Cash flows from (used in) investing activities	**(632.1)**	172.0
FINANCING ACTIVITIES		
Proceeds of revolving term bank credit facilities and other debt	**3,150.5**	1,567.4
Repayment of revolving term bank credit facilities and other debt	**(2,801.5)**	(1,737.5)
Principal repayment of lease obligations	**(42.5)**	(41.9)
Redemption of 7% senior unsecured debentures	**–**	(472.3)
Redemption of 5.25% senior unsecured debentures	**–**	(410.5)
Redemption of 5.125% senior unsecured debentures	**–**	(384.2)
Issuance of 4.5% senior unsecured notes	**–**	753.7
Issuance of 4.25% senior unsecured debenture	**–**	500.0
Proceeds from 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 4.5% senior unsecured note	**–**	(13.3)
Payment made on common shares repurchased and cancelled	**(10.0)**	–
Dividends paid to shareholders	**(163.4)**	(150.7)
Cash flows from (used in) financing activities	**410.9**	(399.6)
Net increase in cash and cash equivalents from continuing operations	**27.5**	4.4
Cash and cash equivalents, beginning of the year	**28.4**	24.1
Effect of translation of foreign currency-denominated cash and cash equivalents	**2.5**	(0.1)
Cash and cash equivalents, end of the year	**58.4**	28.4

Cash flows from operating activities for the year ended December 31, 2022 was $248.7 million, an increase of $16.7 million, from the prior year primarily due to the positive change in non-cash operating working capital compared to the prior year partially offset by the lower AOCF in the current year.

Cash flows used in investing activities were $632.1 million, a decrease of $804.1 million from the prior year primarily due to the divestiture of the Specialty Chemicals business in the prior year and, to a lesser extent, 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 $410.9 million, an increase of $810.5 million from the prior year, primarily due to advances under the credit facility to fund acquisitions and the issuance of common shares during the year.

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 December 31, 2022, Superior has hedged approximately 100% of estimated U.S. dollar exposure for the calendar year 2023. 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.

	Current	2024	2025	2026	2027	Total
USD-foreign currency forward sales contracts	224.6	192.5	105.0	12.0	−	534.1
USD/CAD call options[(i)]	−	50.5	−	−	−	50.5
Net average external US$/CDN$ exchange rate	1.32	1.31	1.33	1.31	−	1.05

[(i)]USD/CAD call options expire in varying maturity dates between March 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 18 to the audited consolidated financial statements for the year ended December 31, 2022.

Sensitivity Analysis

Superior's estimated cash flow sensitivity in 2022 to various changes is provided below:

	Change	% Change	Impact to AOCF (millions)	Net earnings (loss) before income tax Impact (millions)
U.S. Propane				
Change in U.S. propane sales margin	$0.005/litre	1%	$ 7.7	$ 7.7
Change in U.S. propane sales volume	50 million litres	3%	$ 18.5	$ 18.5
Canadian Propane				
Change in Canadian propane sales margin	$0.005/litre	2%	$ 6.1	$ 6.1
Change in Canadian propane sales volume	50 million litres	4%	$ 11.9	$ 11.9
Wholesale Propane				
Change in Wholesale propane sales margin	$0.005/litre	7%	$ 6.6	$ 6.6
Change in Wholesale propane sales volume	50 million litres	4%	$ 2.5	$ 2.5
Corporate				
Change in CDN$/US$ exchange rate on US$ denominated debt	$0.01	1%	$ (3.6)	$ (9.6)
Change in interest rates	0.50%	9%	$ (2.9)	$ (2.9)

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 year ended December 31, 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 effectiveness of Superior's DC&P and ICFR was conducted as at December 31, 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 effective at December 31, 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 and Kiva") effective March 23, 2022 and Quarles effective June 1, 2022. Summary financial information pertaining to these acquisitions that was included in the audited consolidated financial statements of Superior as at December 31, 2022, is as follows:

	December 31, 2022	
(millions of Canadian dollars)	**Kamps and Kiva**	**Quarles**
Sales	344.9	92.7
Net earnings for the year	48.8	9.7

(millions of Canadian dollars)	December 31, 2022 Kamps and Kiva	Quarles
Current assets	87.3	16.5
Non-current assets	389.2	133.0
Current liabilities	(60.4)	(14.0)
Non-current liabilities	(86.3)	(3.8)

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 December 31		Years Ended December 31	
	2022	2021	**2022**	2021
Discontinued operations	**–**	–	**–**	1.4
SD&A	**–**	–	**2.2**	21.7
Total	**–**	–	**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, 2022. 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. Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the audited consolidated financial statements of Superior.

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

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 audited 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. These amendments had no significant impact on the audited consolidated financial statements of Superior.

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, 2024. Superior does not expect the amendments to have a material impact 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.

The amendments to IAS 1 and IFRS Practice Statement 2 are not expected to have a material impact on 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 does not anticipate any significant impact from these amendments on the audited consolidated financial statements as a result of the initial application.

SELECTED FINANCIAL INFORMATION

(millions of dollars except per share amounts)	**2022**	2021
GAAP measures:		
Total assets	**4,476.9**	3,553.1
Revenue	**3,379.8**	2,392.6
Gross profit	**1,189.8**	912.7
Net earnings (loss) from continuing operations	**(87.9)**	17.2
Net loss from continuing operations per share attributable to Superior		
- basic	**($0.58)**	($0.04)
- diluted	**($0.58)**	($0.04)
Cash flows from operating activities	**248.7**	232.0
Dividends per common share	**$0.72**	$0.72
Current and long-term borrowing (1)	**2,169.0**	1,652.9
Non-GAAP financial measures (3):		
AOCF	**273.7**	292.2
AOCF per share (2)	**$1.22**	$1.42
AOCF before transaction, restructuring and other costs	**357.9**	321.1
AOCF per share before transaction, restructuring and other costs (2)	**$1.59**	$1.56

(1) Current and long-term borrowing before deferred financing fees and debentures including lease liability.
(2) The weighted average number of shares outstanding for the year ended December 31, 2022 was 224.9 million (year ended December 31, 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 year ended December 31, 2022 and 2021.
(3) AOCF and AOCF before transaction, restructuring and other costs are Non-GAAP financial measures, see "Non-GAAP financial measures and reconciliations" on page 44 for further information.

FOURTH QUARTER RESULTS

Fourth quarter results are not required to be disclosed in the annual audited consolidated financial statements for the year ended December 31, 2022 and 2021. The GAAP and Non-GAAP financial information below can be derived by subtracting the results of the year ended December 31, 2022 and 2021 by the results of the nine months ended September 30, 2022 and 2021, respectively. The results for the nine months ended September 30, 2022 and 2021 can be found on www.sedar.com or http://www.superiorplus.com/investor-relations/financial-reports/.

GAAP Financial Measures

Consolidated Statements of Net Earnings

	Three Months Ended December 31	
(millions of Canadian dollars, except per share amounts)	**2022**	2021
Revenue	**1,070.3**	824.9
Cost of sales (includes products and services)	**(641.1)**	(543.0)
Gross profit	**429.2**	281.9
Expenses		
SD&A	**(342.5)**	(221.1)
Finance expense	**(35.1)**	(17.2)
Gains (loss) on derivatives and foreign currency translation of borrowings	**21.9**	(22.5)
	(355.7)	(260.8)
Earnings before income taxes	**73.5**	21.1
Income tax expense	**(10.5)**	(7.3)
Net earnings from continuing operations	**63.0**	13.8
Net earnings from discontinued operations, net of tax expense	**–**	12.4
Net earnings	**63.0**	26.2
Net earnings from continuing operations attributable to:		
Superior	**56.5**	7.9
Non-controlling interest	**6.5**	5.9
Earnings per share attributable to Superior (1)		
Net earnings from continuing operations - basic and diluted	**0.27**	0.04
Net earnings - basic and diluted	**0.27**	0.12
Cash flows from operating activities	**35.3**	5.8
Cash flows from operating activities, per share (1)	**0.15**	0.03

(1) The weighted average number of shares outstanding for the three months ended December 31, 2022 was 231.1 million (three months ended December 31, 2021 - 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 months ended December 31, 2022 and 2021.

Non-GAAP Financial Measures

	Three Months Ended December 31	
(millions of dollars except per share amounts)	**2022**	2021
U.S. Propane Adjusted EBITDA [(1)]	**116.7**	79.9
Canadian Propane Adjusted EBITDA [(1)]	**58.3**	53.6
Wholesale Propane Adjusted EBITDA [(1)]	**22.7**	9.6
EBITDA from operations [(1)]	**197.7**	143.1
Corporate operating costs [(1)]	**(11.0)**	(4.6)
Realized gain (loss) on foreign currency hedging contracts [(2)]	**(4.1)**	3.7
Adjusted EBITDA [(1)]	**182.6**	142.2
Interest expense [(3)]	**(27.5)**	(17.7)
Adjusted current income tax recovery (expense) [(1)] [(3)]	**(2.3)**	7.1
AOCF before transaction, restructuring and other costs [(1)]	**152.8**	131.6
Transaction, restructuring and other costs [(4)]	**(50.3)**	(8.3)
AOCF [(1)]	**102.5**	123.3
AOCF per share before transaction, restructuring and other costs [(4)(5)]	**$0.66**	$0.64
AOCF per share [(5)]	**$0.44**	$0.60
Dividends declared per common share	**$0.18**	$0.18

(1) These amounts are Non-GAAP financial measures, see "Non-GAAP financial measures and reconciliations" on page 44 for more information. Comparative figures have been restated to present the separate results of the Wholesale Propane and Canadian Propane segments in 2021. See the "Overview of Superior and Basis of Presentation" on page 2 for more information about the change in segment reporting.

(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 44 for more information.

(3) Interest expense is the sum of interest on borrowings and interest on lease liability. Adjusted current income tax recovery (expense) forms part of the total income tax recovery (expense), see Note 21 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021. The 2021 current income tax expense has been adjusted by an $85.0 million recovery representing the impact of reporting the divestiture as a discontinued operation.

(4) Transaction, restructuring and other costs are related to acquisition activities and the restructuring and integration of acquisitions. This includes the reverse termination fee related to the terminated acquisition of Canexus. See "Transaction, restructuring and other Costs" for further details. These expenses are included in SD&A and are disclosed in Note 21 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

(5) The weighted average number of shares outstanding for the three months ended December 31, 2022 was 231.1 million (three months ended December 31, 2021 - 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 months ended December 31, 2022 and 2021.

Fourth Quarter Results Compared to the Prior Year Quarter

The net earnings from continuing operations was $63.0 million, compared to $13.8 million in the prior year quarter. The increase is primarily due to a gain on derivatives and foreign currency translation of borrowings compared to a loss in the prior year quarter, higher gross profit, partially offset by higher SD&A, income taxes and finance expense. Basic and diluted loss per share from continuing operations attributable to Superior was $0.27 per share, an increase of $0.23 from $0.04 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 $12.4 million in the prior year quarter and relates to the disposal of the Specialty Chemical segment which occurred on April 9, 2021.

Revenue was $1,070.3 million, an increase of $245.4 million or 30% from the prior year quarter due to higher revenue in the U.S. Propane and Wholesale Propane segments, partially offset by lower revenue in the Canadian Propane segment. U.S. Propane revenue was $581.9 million, an increase of $185.3 million or 47% due to higher sales volumes related to acquisitions higher sales prices associated with offsetting the impact of higher inflation and the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions, partially offset by lower wholesale propane prices during the quarter. Wholesale Propane revenue was $401.6 million, an increase of $68.9 million or 21% due primarily to higher sales volumes related to the Kiva acquisition and, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions, partially offset by lower wholesale propane prices. Canadian Propane revenue was $278.0 million, a decrease of $5.3 million or 2% primarily due to the lower sales prices associated with lower wholesale propane prices, partially offset by an increase to sales prices to offset 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 $429.2 million, an increase of $147.3 million from $281.9 million in the prior year quarter primarily due to higher U.S. Propane gross profit and, to a lesser extent, higher Wholesale Propane and 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 increased primarily due to higher average margins related to offsetting the impact of inflation on rising truck fuel and labour costs. 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 $342.5 million, an increase of $121.4 million or 55% from the prior year quarter due to higher SD&A in all segments. Corporate SD&A was $51.6 million, an increase of $42.7 million from $8.9 million in the prior year quarter primarily due to higher transaction, integration and other costs which include the Canexus reverse termination fee, higher insurance costs and higher incentive plan costs related to the decline in the share price in the prior year quarter. U.S. Propane SD&A was $189.0 million, an increase of $56.3 million or 42% from $132.7 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. Wholesale Propane SD&A was $23.0 million an increase of $16.1 million from $6.9 million in the prior year quarter primarily due to the impact from the acquisition of Kiva. Canadian Propane SD&A was $78.9 million, an increase of $6.3 million or 9% from $72.6 million in the prior year quarter due primarily to higher operating costs associated with rising commodity prices and inflation.

Finance expense was $35.1 million, an increase of $17.9 million or 104% from $17.2 million in the prior year quarter. The increase is primarily due to higher average debt balance as a result of acquisitions.

Gains 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 gain on derivatives and foreign currency translation of borrowings was $21.9 million for the three months ended December 31, 2022, an increase of $44.4 million compared to a loss of $22.5 million in the prior year quarter. The increase 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 18 of the audited consolidated financial statements.

Total income tax expense of $10.5 million was $3.2 million higher than the prior year quarter's expense of $7.3 million. Current income tax expense was $2.3 million, an increase of $94.4 million from the prior year quarter's recovery of $92.1 million. The increase is primarily due to the presentation of the impact of reporting the divestiture as a discontinued operation in the prior year. Deferred income tax expense was $8.2 million, a decrease of $91.2 million from the prior year quarter's expense of $99.4 million primarily due to the timing of acquisitions and divestitures, revaluation of financial instruments and utilization of tax pools.

Fourth Quarter Non-GAAP Financial Measures 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 44 for more information about these measures.

Adjusted EBITDA for the fourth quarter was $182.6 million, an increase of $40.4 million or 28% compared to the prior year quarter Adjusted EBITDA of $142.2 million. The increase is primarily due to higher EBITDA from operations, partially offset by higher corporate costs and a realized loss on foreign currency hedging contracts compared to a gain in the prior year quarter. EBITDA from operations increased $54.6 million compared to the prior year quarter primarily due to higher U.S. Propane Adjusted EBITDA, and to a lesser extent, higher Wholesale Propane Adjusted EBITDA and higher Canadian Propane Adjusted EBITDA. U.S. Propane Adjusted EBITDA was $116.7 million, an increase of $36.8 million primarily due to the impact of acquisitions completed in the current year and, to a lesser extent, increased prices to offset inflation and the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions. Wholesale Propane Adjusted EBITDA was $22.7 million, an increase of $13.1 million or 136% primarily due to the impact of the Kiva acquisition. Canadian Propane Adjusted EBITDA was $58.3 million, an increase of $4.7 million or 9% primarily due to higher prices to offset the impact of inflation. Adjusted gross profit was higher due to increased sales volumes from acquisitions and increased sales prices. Corporate administrative costs were $11.0 million compared to $4.6 million in the prior year quarter. The increase is primarily due to higher insurance costs, professional fees, the impact of inflation and higher incentive plan costs. Superior realized a loss on foreign currency hedging contracts of $4.1 million compared to a gain of $3.7 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 $152.8 million, an increase of $21.2 million from the prior year quarter of $131.6 million. The increase from the prior year is primarily due to higher Adjusted EBITDA discussed above, partially offset by higher interest expense and current taxes. Interest expense increased by $9.8 million or 55% primarily to due to higher average debt balances compared to the prior year quarter. AOCF per share before transaction, restructuring and other costs assuming the conversion of preferred shares was $0.66 per share, a decrease of $0.02 per share or 3% from the prior year quarter AOCF per share of $0.64 per share. The increase on a per share basis primarily due to the increase in AOCF before transaction, restructuring and other costs, partially offset by the impact from the increase in the weighted average shares outstanding.

AOCF for the three months ended December 31, 2022 was $102.5 million, a decrease of $20.8 million from the prior year quarter AOCF of $123.3 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 December 31, 2022 was $50.3 million, an increase of $42.0 million from prior year quarter of $8.3 million. AOCF per share for three months ended December 31, 2022 was $0.44 per share assuming the conversion of the preferred shares, a decrease of $0.16 per share or 27% from the prior year quarter AOCF per share of $0.60 per share. The decrease on a per share basis is due to the lower AOCF and the impact from the increase in the weighted average shares outstanding.

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 operating results:

	Three Months Ended December 31	
(millions of dollars)	**2022**	2021
Revenue	**581.9**	396.6
Cost of Sales	**(316.9)**	(232.7)
Gross profit	**265.0**	163.9
Realized gain (loss) on derivatives related to commodity risk management (2)	**(7.9)**	12.7
Adjusted gross profit(1)	**257.1**	176.6
SD&A	**(189.0)**	(132.7)
Add back (deduct):		
Amortization and depreciation included in SD&A(3)	**41.5**	32.3
Transaction, restructuring and other costs (3)	**7.9**	3.7
Gain on disposal of assets (3)	**(0.8)**	–
Operating costs(1)	**(140.4)**	(96.7)
Adjusted EBITDA(1)	**116.7**	79.9
Add back (deduct):		
Gain on disposal of assets (3)	**0.8**	–
Transaction, restructuring and other costs (3)	**(7.9)**	(3.7)
Amortization and depreciation included in SD&A (3)	**(41.5)**	(32.3)
Unrealized gains (losses) on derivative financial instruments (2)	**0.7**	(28.9)
Finance expense (3)	**(3.1)**	(1.4)
Earnings before income tax	**65.7**	13.6

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 44 for more information.

(2) Realized and unrealized gain (loss) on derivatives related to commodity risk management are reconciled to gain (loss) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 44 for more information.

(3) The sum of the above amounts and the balances included in the Canadian Propane, Wholesale Propane and Corporate segments are included in SD&A and are disclosed in Note 21 or Note 29 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

Revenue for the three months ended December 31, 2022 was $581.9 million, an increase of $185.3 million or 47% from the prior year quarter primarily due to higher sales volumes associated with acquisitions completed in 2022 and, to a lesser extent, higher sales prices to offset the impact of inflation and the impact of the weaker Canadian dollar on the translation of U.S. denominated revenue, partially offset by lower average wholesale commodity prices.

U.S. Propane Adjusted Gross Profit

	Three Months Ended December 31	
(millions of dollars)	**2022**	2021
Propane distribution [1]	**254.7**	156.2
Realized gain (loss) on derivatives related to commodity risk management [1]	**(7.9)**	12.7
Adjusted gross profit related to propane distribution	**246.8**	168.9
Other services [1]	**10.3**	7.7
Adjusted gross profit [2]	**257.1**	176.6

(1) The sum of propane distribution and other services agrees to segment disclosure in the annual consolidated financial statements. Realized gain (loss) are derivatives related to commodity risk management and are reconciled to gain (loss) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 44 for more information.

(2) Adjusted gross profit from operations is a Non-GAAP financial measure. See "Non-GAAP financial measures and reconciliations" on page 44 for more information.

Adjusted gross profit related to propane distribution for the three months ended December 31, 2022 was $246.8 million an increase of $77.9 million or 46% from the prior year quarter primarily due to higher sales volumes and higher average sales margins.

Average weather, as measured by degree days, across markets where U.S. propane operates for 2022 was 10% colder than the prior year quarter and consistent for the five-year average.

Total sales volumes were 491 million litres, an increase of 91 million litres or 23% compared to the prior year quarter. Residential sales volumes increased by 48 million litres or 21% from the prior year quarter primarily due to the impact of acquisitions completed earlier in the year, partially offset by the decline in heating oil volumes to focus on higher margin propane customers. Commercial sales volumes increased by 43 million litres or 24% compared to the prior year quarter 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 50.3 cents per litre, an increase of 8.1 cents per litre or 19% from 42.2 cents per litre in the prior year quarter primarily due to higher sales prices to offset the impact of inflation 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 $10.3 million, an increase of $2.6 million or 34% compared to the prior year quarter due to the impact of acquisitions completed in 2022.

U.S. Propane Sales Volumes
End-Use Application

	Three Months Ended December 31	
(millions of litres)	**2022**	2021
Residential	**272**	224
Commercial	**219**	176
Total	**491**	400

U.S. Propane Sales Volumes

Volumes by Region [(1)]

	Three Months Ended December 31	
(millions of litres)	**2022**	2021
Northeast	**318**	290
Southeast	**83**	74
Midwest	**37**	25
West	**53**	11
Total	**491**	**400**

(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 SD&A

Operating costs were $140.4 million, an increase of $43.7 million or 45% over the prior year quarter primarily due to the impact of acquisitions completed in 2022 and the impact from 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 $189.0 million, an increase of $56.3 million or 42% over the prior year quarter. The increase is consistent with the increase in operating costs and includes an unrealized gain on derivative financial instruments compared to a loss in the prior year quarter, and to a lesser extent, higher depreciation and amortization as a result of a higher asset base associated with acquisitions and higher transaction, restructuring and other costs.

Earnings before income tax

Earnings before income tax was $65.7 million, an increase of $52.1 million over the prior year quarter, primarily due to the above reasons and the impact of an unrealized loss on derivatives in the prior year quarter compared to an unrealized gain in the current year quarter.

CANADIAN PROPANE

Canadian Propane's operating results:

	Three Months Ended December 31	
(millions of dollars)	**2022**	2021[3]
Revenue	**278.0**	283.3
Cost of Sales	**(157.6)**	(174.2)
Gross profit	**120.4**	109.1
SD&A	**(78.9)**	(72.6)
Add back (deduct):		
Amortization and depreciation included in SD&A [2]	**17.7**	17.2
Transaction, restructuring and other costs [2]	**0.3**	0.4
Gain on disposal of assets [2]	**(1.2)**	(0.5)
Operating costs [1]	**(62.1)**	(55.5)
Adjusted EBITDA [1]	**58.3**	53.6
Gain on disposal of assets [2]	**1.2**	0.5
Transaction, restructuring and other costs [2]	**(0.3)**	(0.4)
Amortization and depreciation included in SD&A [2]	**(17.7)**	(17.2)
Finance expense	**(0.6)**	(0.7)
Earnings before income tax	**40.9**	35.8

(1) Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 44 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 21 or Note 29 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

(3) Comparative figures have been restated to present the separate results of the Wholesale Propane and Canadian Propane segments in 2021. See the "Overview of Superior and Basis of Presentation" on page 2 for more information about the change in segment reporting.

Revenue for the three months ended December 31, 2022 was $278.0 million, a decrease of $5.3 million or 2% from the prior year quarter primarily due to lower average wholesale propane prices, partially offset by higher or introducing fees and higher sales prices to offset the impact of inflation.

Canadian Propane Adjusted Gross Profit

	Three Months Ended December 31	
(millions of dollars)	**2022**	2021[2]
Propane distribution [1]	**114.6**	103.8
Other services [1]	**5.8**	5.3
Gross profit	**120.4**	109.1

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

(2) Comparative figures have been restated to present the separate results of the Wholesale Propane and Canadian Propane segments in 2021. See the "Overview of Superior and Basis of Presentation" on page 2 for more information about the change in segment reporting.

Gross profit related to propane distribution for the three months ended December 31, 2022 was $114.6 million an increase of $10.8 million or 10% from the prior year quarter primarily due to higher sales price to offset the impact of inflation.

Demand from heating end-use customers is highest in the first and fourth quarters. Average weather across Canada for the three months ended December 31, 2022, as measured by degree days was 2% colder than the prior year quarter and 1% warmer than the five-year average. Western Canada was 4% colder than the prior year while Eastern Canada was consistent with the prior year.

Total sales volumes were 356 million litres, consistent with the prior year as modestly lower residential sales volumes were offset by modestly higher commercial sales volumes. Residential sales volumes modestly decreased due to timing of deliveries as a result of warm weather compared to the prior year quarter, partially offset by the impact of the McRobert acquisition completed in the fourth quarter. Commercial sales volumes modestly increased primarily due to colder weather in Western Canada and the timing of customer projects, partially offset by a weaker crop drying season and lower motor fuel volumes.

Average propane sales margins were 32.2 cents per litre, an increase of 3 cents or 10% from 29.2 cents per litre in the prior year quarter primarily due to higher sales prices to offset the impact of inflation.

Other services gross profit primarily includes equipment rental, installation, repair and maintenance and customer minimum use charges. Other services gross profit was $5.8 million, which is a modest increase from the prior year quarter's gross profit of $5.3 million.

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

	Three Months Ended December 31	
(millions of litres)	**2022**	2021[(1)]
Residential	**57**	59
Commercial	**299**	297
Total	**356**	356

Canadian Propane Sales Volumes
Volumes by Region [(1)]

	Three Months Ended December 31	
(millions of litres)	**2022**	2021[(2)]
Western Canada	**172**	172
Eastern Canada	**137**	141
Atlantic Canada	**47**	43
Total	**356**	356

(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 SD&A
Operating costs were $62.1 million, an increase of $6.6 million or 12% compared to the prior year quarter. The increase in operating costs was primarily due to a CEWS benefit received in the prior year quarter and, to a lesser extent, higher fuel costs associated with increased commodity costs and inflation. Canadian Propane recorded $nil in benefits related to the CEWS program during the three months ended December 31, 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 $78.9 million, an increase of $6.3 million or 9% 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 modestly higher gain on disposal of assets compared to the prior year quarter.

Earnings before income tax

The earnings before income tax was $40.9 million, an increase of $5.1 million over the prior year quarter due to the above reasons.

WHOLESALE PROPANE

Wholesale Propane's operating results:

	Three Months Ended December 31	
(millions of dollars)	**2022**	2021
Revenue	**401.6**	332.7
Cost of Sales	**(357.8)**	(323.8)
Gross profit	**43.8**	8.9
Realized gain (loss) on derivatives related to commodity risk management [2]	**(3.5)**	6.1
Adjusted gross profit[1]	**40.3**	15.0
SD&A	**(23.0)**	(6.9)
Add back (deduct):		
Amortization and depreciation included in SD&A [3]	**3.7**	2.4
Transaction, restructuring and other costs [3]	**1.7**	–
Gain on disposal of assets [3]	**–**	(0.9)
Operating costs[1]	**(17.6)**	(5.4)
Adjusted EBITDA[1]	**22.7**	9.6
Add back (deduct):		
Gain on disposal of assets [3]	**–**	0.9
Transaction, restructuring and other costs[3]	**(1.7)**	–
Amortization and depreciation included in SD&A[3]	**(3.7)**	(2.4)
Unrealized gain (loss) on derivative financial instruments[2]	**0.1**	(15.2)
Finance expense	**(0.3)**	(0.2)
Earnings (loss) before income tax	**17.1**	(7.3)

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 44 for more information.
(2) Realized and unrealized gain (loss) are derivatives related to commodity risk management and are reconciled to gain (loss) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 44 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 21 or Note 29 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

Revenue for the three months ended December 31, 2022 was $401.6 million, an increase of $68.9 million or 21% from the prior year quarter primarily due to higher sales volumes related to the Kiva acquisition, partially offset by the impact of lower commodity prices compared to the prior year quarter.

Adjusted gross profit for the three months ended December 31, 2022 was $40.3 million, an increase of $25.3 million from the prior year quarter primarily due to the contribution from the Kiva acquisition completed in the first quarter and stronger market fundamentals in California.

Total third-party sales volumes were 395 million litres, an increase of 108 million litres or 38%, primarily due to incremental volumes from the Kiva acquisition partially offset by the impact of refinery outages in California.

Wholesale Propane Sales Volumes
Wholesale Propane Volumes by Region

	Three Months Ended December 31	
(millions of litres)	**2022**	2021
United States	**323**	226
Canada	**72**	61
Total	**395**	287

Operating Costs and SD&A
Operating costs were $17.6 million, an increase of $12.2 million compared to the prior year primarily due to the Kiva acquisition completed in the first quarter and the impact of increasing freight costs.

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 $23.0 million, an increase of $16.1 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 and the impact of transaction, restructuring and other costs associated to the Kiva acquisitions.

Earnings (loss) before income tax
Earnings before income tax was $17.1 million, an increase of $24.4 million over the prior year quarter loss of $7.3 million, for the above reasons and the impact of an unrealized loss on derivatives in the prior year quarter compared to an unrealized gain in the current year quarter.

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 months ended December 31 are as follows:

	Three Months Ended December 31	
(millions of dollars)	**2022**	2021
Efficiency, process improvement and growth-related[1]	**19.5**	23.4
Maintenance capital[1]	**24.8**	22.7
	44.3	46.1
Proceeds on disposition of assets [1]	**(2.9)**	(3.4)
Property, plant and equipment acquired through acquisition [2]	**10.7**	12.8
Total net capital expenditures	**52.1**	55.5
Investment in leased vehicles[2]	**11.8**	10.2
Investment in other leased assets[2]	**11.7**	5.3
Total expenditures including finance leases[1]	**75.6**	71.0

(1) The amounts disclosed in the audited consolidated statements of cash flows for the year ended December 31, 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 4 of the audited consolidated financial statements. The sum of the leases is disclosed as additions in Note 16 of the audited consolidated financial statements.

Efficiency, process improvement and growth-related expenditures were $19.5 million for the three months ended December 31, 2022 compared to $23.4 million in the prior year quarter. The decrease 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 capital expenditures.

Maintenance capital expenditures were $24.8 million for the three months ended December 31, 2022 compared to $22.7 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 $11.8 million of leased vehicles for the three months ended December 31, 2022 compared to $10.2 million in the prior year quarter. The modest increase is primarily due to timing of acquiring vehicles under leases. Other leased assets of $11.7 million increased 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 December 31, 2022 were $11.0 million an increase of $6.4 million compared to $4.6 million in the prior year quarter. The increase is primarily due to higher self-insured insurance claims and, to a lesser extent, higher 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 $51.6 million for the three months ended December 31, 2022, an increase of $42.7 million from $8.9 million in the prior year quarter for the above noted reasons and higher transaction costs.

FINANCE EXPENSE

Finance expense was $35.1 million for the three months ended December 31, 2022, an increase of $17.9 million, compared to $17.2 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 $27.5 million, an increase of $9.8 million, compared to $17.7 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 and a loss on settlement of the Vendor Note.

TRANSACTION, RESTRUCTURING 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 December 31	
(millions of dollars except per share amounts)	**2022**	2021
Total transaction, restructuring and other costs	**50.3**	8.3

For the three months ended December 31, 2022, Superior incurred $50.3 million in costs related primarily to the acquisition and integration of acquisitions including a $25.0 million reverse termination fee plus $2.7 million interest and other costs related to the terminated acquisition of Canexus in 2016. The costs in the prior year quarter related primarily to the acquisition and integration of acquisitions. The increase for the three months ended December 31, 2022 is due to the reverse termination fee, timing of transactions and costs related to the CEO retirement.

QUARTERLY FINANCIAL AND OPERATING INFORMATION

IFRS Measures

(millions of dollars, except per share amounts)	**Q4 2022**	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	**1,070.3**	510.5	628.6	1,170.4	824.9	362.6	365.6	839.5
Gross profit	**429.2**	172.2	194.5	393.9	281.9	132.6	149.1	349.1
Net earnings (loss) from continuing operations	**63.0**	(206.9)	(85.0)	141.0	13.8	(35.9)	(36.1)	75.4
Per share, basic	**$0.27**	(1.06)	(0.46)	0.68	0.04	(0.24)	(0.24)	0.36
Per share, diluted	**$0.27**	(1.06)	(0.46)	0.68	0.04	(0.24)	(0.24)	0.36
Net working capital (deficit) [1]	**167.2**	(0.4)	39.1	161.9	10.1	(111.5)	(65.1)	36.9

[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)	**Q4 2022**	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Adjusted EBITDA	**182.6**	(8.8)	25.6	250.4	142.2	13.0	31.6	211.6
AOCF before transaction, restructuring and other costs	**152.8**	(32.9)	5.6	232.4	131.6	(4.8)	9.0	185.3
Per share, basic	**$0.66**	(0.14)	0.02	1.13	0.64	(0.02)	0.04	0.90
Per share, diluted	**$0.66**	(0.14)	0.02	1.13	0.64	(0.02)	0.04	0.90
AOCF	**102.5**	(47.2)	(6.9)	225.3	123.3	(11.7)	4.7	175.9
Per share, basic	**$0.44**	(0.20)	(0.03)	1.09	0.60	(0.06)	0.02	0.85
Per share, diluted	**$0.44**	(0.20)	(0.03)	1.09	0.60	(0.06)	0.02	0.85

[(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 44.

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 4 in the December 31, 2022 audited consolidated financial statements.

Volumes

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
U.S. Propane sales volumes (millions of litres)	**491**	204	242	596	400	168	212	547
Canadian Propane sales volumes (millions of litres)	**356**	180	226	457	356	186	216	410
Wholesale Propane sales volumes (millions of litres) [(1)]	**395**	278	303	344	287	166	176	307

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

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

(millions of litres)	**Q4 2022**	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Residential	**272**	74	105	362	224	61	97	342
Commercial	**219**	130	137	234	176	107	115	205
Total	**491**	204	242	596	400	168	212	547

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

(millions of litres)	**Q4 2022**	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Residential	**57**	21	28	85	59	20	27	74
Commercial	**299**	159	198	372	297	166	189	336
Total	**356**	180	226	457	356	186	216	410

Wholesale Propane sales by region are as follows:

(millions of litres)	**Q4 2022**	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
United States	**323**	252	276	278	226	144	144	245
Canada	**72**	26	27	66	61	22	32	62
Total	**395**	278	303	344	287	166	176	307

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 current tax (expense) recovery
Adjusted current tax (expense) recovery is included in AOCF and is equal to the current tax expense as defined by IFRS, adjusted for a current tax recovery associated with the divestiture, see Note 19 of the audited consolidated financial statements. The current tax recovery is a result of the discontinued operations presentation that resulted in a current tax expense being recorded in the results from discontinued operations and a current tax recovery related to continuing operations.

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. Adjusted EBITDA is consistent with Segment Profit as disclosed in Note 29 of the annual consolidated financial statements.

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 21 Supplemental Disclosure of the Consolidated Statements of Net Earnings, Note 29 Reportable Segment Information and Note 19 Income Taxes of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021. Amounts for the three months ended December 31, 2022 and 2021 are derived by subtracting the fourth quarter year-to-date 2022 and 2021 results by the results for the nine months ended September 30, 2022 and 2021, respectively.

For the Year Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Earnings (loss) from continuing operations before income taxes	**31.1**	**74.9**	**19.0**	**125.0**	**(249.9)**	**(124.9)**
Adjusted for:						
Amortization and depreciation included in SD&A	**155.8**	**68.8**	**13.5**	**238.1**	**0.8**	**238.9**
Finance expense	**7.6**	**3.0**	**1.1**	**11.7**	**79.9**	**91.6**
EBITDA	**194.5**	**146.7**	**33.6**	**374.8**	**(169.2)**	**205.6**
Loss (gain) on disposal of assets and other	**0.9**	**(2.7)**	**(0.1)**	**(1.9)**	**–**	**(1.9)**
Transaction, restructuring and other costs	**24.8**	**0.8**	**2.2**	**27.8**	**56.4**	**84.2**
Unrealized loss on derivative financial instruments [(1)]	**64.7**	**–**	**13.0**	**77.7**	**84.2**	**161.9**
Adjusted EBITDA	**284.9**	**144.8**	**48.7**	**478.4**	**(28.6)**	**449.8**
Adjust for:						
Current income tax expense	**–**	**–**	**–**	**–**	**(7.4)**	**(7.4)**
Transaction, restructuring and other costs	**(24.8)**	**(0.8)**	**(2.2)**	**(27.8)**	**(56.4)**	**(84.2)**
Interest expense	**(5.6)**	**(3.2)**	**(0.8)**	**(9.6)**	**(74.9)**	**(84.5)**
AOCF	**254.5**	**140.8**	**45.7**	**441.0**	**(167.3)**	**273.7**

For the Year Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) from continuing operations before income taxes	99.8	86.1	13.6	199.5	(176.6)	22.9
Adjust for:						
Amortization and depreciation included in SD&A	125.5	66.5	8.4	200.4	0.7	201.1
Finance expense	5.2	3.1	0.9	9.2	145.8	155.0
EBITDA	230.5	155.7	22.9	409.1	(30.1)	379.0
Loss (gain) on disposal of assets and other	0.2	0.3	(0.9)	(0.4)	–	(0.4)
Transaction, restructuring and other costs	13.6	4.2	–	17.8	11.1	28.9
Unrealized (gain) loss on derivative financial instruments[(1)]	(18.1)	–	1.5	(16.6)	7.5	(9.1)
Adjusted EBITDA	226.2	160.2	23.5	409.9	(11.5)	398.4
Adjust for:						
Adjusted current income tax expense	–	–	–	–	(1.2)	(1.2)
Transaction, restructuring and other costs	(13.6)	(4.2)	–	(17.8)	(11.1)	(28.9)
Interest expense	(3.7)	(3.1)	(0.9)	(7.7)	(68.4)	(76.1)
AOCF	208.9	152.9	22.6	384.4	(92.2)	292.2

(1) Unrealized gain (loss) on derivative financial instruments includes the realized foreign exchange gain on the settlement of the US$350 million senior notes, see Note 15 of the audited consolidated financial statements.

(2) The 2021 current income tax expense has been adjusted by $85.0 million recovery representing the impact of reporting the divestiture as a discontinued operation, see Note 19 of the audited consolidated financial statements.

For the Three Months Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
Earnings (loss) from continuing operations before income taxes	**65.7**	**40.9**	**17.1**	**123.7**	**(50.2)**	**73.5**
Adjust for:						
Amortization and depreciation included in SD&A	**41.5**	**17.7**	**3.7**	**62.9**	**0.2**	**63.1**
Finance expense	**3.1**	**0.6**	**0.3**	**4.0**	**31.1**	**35.1**
EBITDA	**110.3**	**59.2**	**21.1**	**190.6**	**(18.9)**	**171.7**
Gain on disposal of assets and other	**(0.8)**	**(1.2)**	**–**	**(2.0)**	**–**	**(2.0)**
Transaction, restructuring and other costs	**7.9**	**0.3**	**1.7**	**9.9**	**40.4**	**50.3**
Unrealized gain on derivative financial instruments	**(0.7)**	**–**	**(0.1)**	**(0.8)**	**(36.6)**	**(37.4)**
Adjusted EBITDA	**116.7**	**58.3**	**22.7**	**197.7**	**(15.1)**	**182.6**
Adjust for:						
Current income tax expense	**–**	**–**	**–**	**–**	**(2.3)**	**(2.3)**
Transaction, restructuring and other costs	**(7.9)**	**(0.3)**	**(1.7)**	**(9.9)**	**(40.4)**	**(50.3)**
Interest expense	**(2.3)**	**(0.8)**	**(0.4)**	**(3.5)**	**(24.0)**	**(27.5)**
AOCF	**106.5**	**57.2**	**20.6**	**184.3**	**(81.8)**	**102.5**

For the Three Months Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) from continuing operations before income taxes	13.6	35.8	(7.3)	42.1	(21.0)	21.1
Adjust for:						
Amortization and depreciation included in SD&A	32.3	17.2	2.4	51.9	0.1	52.0
Finance expense	1.4	0.7	0.2	2.3	14.9	17.2
EBITDA	47.3	53.7	(4.7)	96.3	(6.0)	90.3
Gain on disposal of assets and other	–	(0.5)	(0.9)	(1.4)	–	(1.4)
Transaction, restructuring and other costs	3.7	0.4	–	4.1	4.2	8.3
Unrealized loss on derivative financial instruments(1)	28.9	–	15.2	44.1	0.9	45.0
Adjusted EBITDA	79.9	53.6	9.6	143.1	(0.9)	142.2
Adjust for:						
Adjusted current income tax recovery (2)	–	–	–	–	7.1	7.1
Transaction, restructuring and other costs	(3.7)	(0.4)	–	(4.1)	(4.2)	(8.3)
Interest expense	(1.0)	(0.8)	(0.2)	(2.0)	(15.7)	(17.7)
AOCF	75.2	52.4	9.4	137.0	(13.7)	123.3

(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 18 of the audited consolidated financial statements.

(2) The 2021 current income tax expense has been adjusted by $85.0 million recovery representing the impact of reporting the divestiture as a discontinued operation, see Note 19 of the audited 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 Year Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Total**
Gross Profit	**723.1**	**374.1**	**92.6**	**1,189.8**
Realized gain on derivatives related to commodity risk management	**24.0**	**–**	**4.6**	**28.6**
Adjusted gross profit	**747.1**	**374.1**	**97.2**	**1,218.4**

For the Year Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Total
Gross Profit	527.6	352.3	32.8	912.7
Realized gain on derivatives related to commodity risk management	35.5	–	12.8	48.3
Adjusted gross profit	563.1	352.3	45.6	961.0

For the Three Months Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Total**
Gross Profit	**265.0**	**120.4**	**43.8**	**429.2**
Realized loss on derivatives related to commodity risk management	**(7.9)**	**–**	**(3.5)**	**(11.4)**
Adjusted gross profit	**257.1**	**120.4**	**40.3**	**417.8**

For the Three Months Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Total
Gross Profit	163.9	109.1	8.9	281.9
Realized gain on derivatives related to commodity risk management	12.7	–	6.1	18.8
Adjusted gross profit	176.6	109.1	15.0	300.7

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

For the Year Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from Operations**	**Corporate**	**Total**
Realized gain on derivatives related to commodity risk management	**24.0**	**–**	**4.6**	**28.6**	**–**	**28.6**
Realized loss on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**(2.7)**	**(2.7)**
Realized gain included in AOCF	**24.0**	**–**	**4.6**	**28.6**	**(2.7)**	**25.9**
Unrealized loss on derivatives related to commodity risk management	**(64.7)**	**–**	**(13.0)**	**(77.7)**	**–**	**(77.7)**
Unrealized loss on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**(27.5)**	**(27.5)**
Unrealized loss on equity derivative contracts	**–**	**–**	**–**	**–**	**(3.7)**	**(3.7)**
Unrealized gain on contingent consideration	**–**	**–**	**–**	**–**	**2.0**	**2.0**
Unrealized foreign exchange loss on U.S. dollar debt and lease liabilities	**–**	**–**	**–**	**–**	**(55.0)**	**(55.0)**
Unrealized loss excluded in AOCF	**(64.7)**	**–**	**(13.0)**	**(77.7)**	**(84.2)**	**(161.9)**
Total loss on derivatives and foreign currency translation of borrowings	**(40.7)**	**–**	**(8.4)**	**(49.1)**	**(86.9)**	**(136.0)**

For the Year Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from Operations	Corporate	Total
Realized gain on derivatives related to commodity risk management	35.5	–	12.8	48.3	–	48.3
Realized gain on foreign currency hedging contracts	–	–	–	–	12.6	12.6
Realized foreign exchange gain on U.S. dollar debt				–	20.0	20.0
Realized gain included in AOCF	35.5	–	12.8	48.3	32.6	80.9
Unrealized gain (loss) on derivatives related to commodity risk management	18.1	–	(1.5)	16.6	–	16.6
Unrealized loss on foreign currency hedging contracts	–	–	–	–	(8.2)	(8.2)
Unrealized gain on equity derivative contracts	–	–	–	–	0.1	0.1
Unrealized loss on contingent consideration	–	–	–	–	(0.6)	(0.6)
Unrealized foreign exchange loss on US dollar debt and lease liabilities	–	–	–	–	(18.8)	(18.8)
Unrealized gain (loss) excluded in AOCF	18.1	–	(1.5)	16.6	(27.5)	(10.9)
Total gain on derivatives and foreign currency translation of borrowings	53.6	–	11.3	64.9	5.1	70.0

For the Three Months Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from Operations**	**Corporate**	**Total**
Realized loss on derivatives related to commodity risk management	**(7.9)**	**–**	**(3.5)**	**(11.4)**	**–**	**(11.4)**
Realized loss on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**(4.1)**	**(4.1)**
Realized loss included in AOCF	**(7.9)**	**–**	**(3.5)**	**(11.4)**	**(4.1)**	**(15.5)**
Unrealized gain on derivatives related to commodity risk management	**0.7**	**–**	**0.1**	**0.8**	**–**	**0.8**
Unrealized gain on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**16.5**	**16.5**
Unrealized gain on equity derivative contracts	**–**	**–**	**–**	**–**	**2.0**	**2.0**
Unrealized gain on contingent consideration	**–**	**–**	**–**	**–**	**1.4**	**1.4**
Unrealized foreign exchange gain on U.S. dollar debt and lease liabilities	**–**	**–**	**–**	**–**	**16.7**	**16.7**
Unrealized gain excluded in AOCF	**0.7**	**–**	**0.1**	**0.8**	**36.6**	**37.4**
Total gain (loss) on derivatives and foreign currency translation of borrowings	**(7.2)**	**–**	**(3.4)**	**(10.6)**	**32.5**	**21.9**

For the Three Months Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from Operations	Corporate	Total
Realized gain on derivatives related to commodity risk management	12.7	–	6.1	18.8	–	18.8
Realized gain on foreign currency hedging contracts	–	–	–	–	3.7	3.7
Realized gain included in AOCF	12.7	–	6.1	18.8	3.7	22.5
Unrealized loss on derivatives related to commodity risk management	(28.9)	–	(15.2)	(44.1)	–	(44.1)
Unrealized loss on foreign currency hedging contracts	–	–		–	(2.0)	(2.0)
Unrealized loss on equity derivative contracts	–	–		–	(0.8)	(0.8)
Unrealized loss on contingent consideration	–	–	–	–	(0.6)	(0.6)
Unrealized foreign exchange gain on U.S. dollar debt and lease liabilities	–	–		–	2.6	2.6
Unrealized loss excluded in AOCF	(28.9)	–	(15.2)	(44.1)	(0.8)	(44.9)
Total gain (loss) on derivatives and foreign currency translation of borrowings	(16.2)	–	(9.1)	(25.3)	2.9	(22.4)

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 Year Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
SD&A	**643.7**	**296.2**	**64.1**	**1,004.0**	**83.1**	**1,087.1**
Amortization and depreciation included in SD&A	**(155.8)**	**(68.8)**	**(13.5)**	**(238.1)**	**(0.8)**	**(238.9)**
Transaction, restructuring and other costs	**(24.8)**	**(0.8)**	**(2.2)**	**(27.8)**	**(56.4)**	**(84.2)**
Gain (loss) on disposal of assets and other	**(0.9)**	**2.7**	**0.1**	**1.9**	**–**	**1.9**
Operating Costs	**462.2**	**229.3**	**48.5**	**740.0**	**25.9**	**765.9**

For the Year Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
SD&A	476.2	263.1	29.6	768.9	35.9	804.8
Amortization and depreciation included in SD&A	(125.5)	(66.5)	(8.4)	(200.4)	(0.7)	(201.1)
Transaction, restructuring and other costs	(13.6)	(4.2)	–	(17.8)	(11.1)	(28.9)
Gain (loss) on disposal of assets and other	(0.2)	(0.3)	0.9	0.4	–	0.4
Operating Costs	336.9	192.1	22.1	551.1	24.1	575.2

For the Three Months Ended December 31, 2022	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Results from operations**	**Corporate**	**Total**
SD&A	**189.0**	**78.9**	**23.0**	**290.9**	**51.6**	**342.5**
Amortization and depreciation included in SD&A	**(41.5)**	**(17.7)**	**(3.7)**	**(62.9)**	**(0.2)**	**(63.1)**
Transaction, restructuring and other costs	**(7.9)**	**(0.3)**	**(1.7)**	**(9.9)**	**(40.4)**	**(50.3)**
Gain on disposal of assets and other	**0.8**	**1.2**	**–**	**2.0**	**–**	**2.0**
Operating Costs	**140.4**	**62.1**	**17.6**	**220.1**	**11.0**	**231.1**

For the Three Months Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
SD&A	132.7	72.6	6.9	212.2	8.9	221.1
Amortization and depreciation included in SD&A	(32.3)	(17.2)	(2.4)	(51.9)	(0.1)	(52.0)
Transaction, restructuring and other costs	(3.7)	(0.4)	–	(4.1)	(4.2)	(8.3)
Gain on disposal of assets and other	–	0.5	0.9	1.4	–	1.4
Operating Costs	96.7	55.5	5.4	157.6	4.6	162.2

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 and Vendor Note. 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)	**2022**	2021
Current borrowings	**14.8**	11.4
Current lease liabilities	**47.3**	44.9
Non-current borrowings	**1,911.3**	1,444.9
Non-current lease liabilities	**175.7**	129.6
	2,149.1	1,630.8
Add back deferred financing fees and discounts	**19.9**	22.1
Deduct cash and cash equivalents	**(58.4)**	(28.4)
Deduct Vendor Note[(i)]	**(128.0)**	–
Net debt	**1,982.6**	1,624.5
Adjusted EBITDA for the year	**449.8**	398.4
Pro-forma adjustment	**35.8**	18.4
Pro-forma Adjusted EBITDA for the year	**485.6**	416.8
Leverage Ratio	**4.1x**	3.9x

[(i)] *Superior received the proceeds from the sale of the Vendor Note in January 2023.*

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.

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.

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 year ended December 31, 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 18% 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.

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements of Superior Plus Corp. (Superior) are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements were prepared by management in accordance with International Financial Reporting Standards and include certain estimates that are based on management's best judgments. Actual results may differ from these estimates and judgments. Management has ensured that the consolidated financial statements are presented fairly in all material respects.

Management has developed and maintains a system of internal controls to provide reasonable assurance that Superior's assets are safeguarded, transactions are accurately recorded, and the financial statements report Superior's operating and financial results in a timely manner. Financial information presented elsewhere in this annual report has been prepared on a basis consistent with that in the consolidated financial statements.

The Board of Directors of Superior is responsible for reviewing and approving the consolidated financial statements and, primarily through its Audit Committee, ensures that management fulfills its responsibilities for financial reporting. The Audit Committee meets with management and Superior's external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for approval of the consolidated financial statements for issuance to the shareholders. The Audit Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or re-appointment of the external auditor.

The consolidated financial statements have been audited by Ernst & Young LLP, who were appointed at Superior's last annual meeting.

/s/ "Luc Desjardins"

Luc Desjardins
President and Chief Executive Officer
Superior Plus Corp.

/s/ "Beth Summers"

Beth Summers
Executive Vice-President and Chief Financial Officer
Superior Plus Corp.

Toronto, Ontario
February 16, 2023

Independent auditor's report

To the Shareholders and the Board of Directors of Superior Plus Corp.

Opinion

We have audited the consolidated financial statements of **Superior Plus Corp.** and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2022 and 2021, and the consolidated statements of changes in equity, consolidated statements of net earnings (loss) and total comprehensive earnings, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRS"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of goodwill	
As detailed in Note 10 Goodwill of the consolidated financial statements, the Group has $1,656.6 million of goodwill as at December 31, 2022. For purposes of impairment testing, goodwill is allocated to each of Superior's cash generating units ("CGUs"). CGUs to which goodwill have been allocated are tested for impairment annually or more frequently upon indication of impairment, in accordance with IAS 36 *Impairment of Assets*. Recoverable amount estimates are determined using fair value less costs of disposal or value in use. As	To test the estimated recoverable amount of the CGUs, our audit procedures included, among others, assessing methodologies and the significant assumptions and underlying data used by the Group in its analysis. To assess the reliability of earnings forecasts and terminal growth rates used in the estimation of the recoverable amount we performed the following procedures, among others: - Compared financial performance and growth rates

detailed in Note 10 of the consolidated financial statements, the Group did not recognize any goodwill impairment for the year ended December 31, 2022. Auditing the Group's annual goodwill impairment tests was complex, given the degree of judgment and subjectivity in evaluating the Group's estimates and assumptions in determining the recoverable amount of the CGUs established using value in use. Significant assumptions included earnings forecasts, terminal growth rate estimates, and discount rates, which are affected by expectations about future performance as well as market and economic conditions.	implicit in current forecasts to historical results; - Compared historical forecasts to actual financial performance to assess the completeness and accuracy of Group's forecasts and to evaluate the ability of the CGUs to achieve the forecasted cashflows; - Considered other factors relevant to comparability of historical actual results, such as experienced heating degree days, and the impact of significant acquisitions or disposals; - Involved our valuation specialists to compare forecasted growth rates relative to comparable industry participants; and - Involved our valuation specialists to perform sensitivity analyses on growth rates implicit within the earnings forecasts and terminal growth rates to evaluate the impact on the recoverable amount. We involved our valuation specialists to assess the Group's model, valuation methodology applied, and the various inputs utilized in determining the discount rate by referencing current industry, economic, and comparable Group information, as well as Group and cash-flow specific risk premiums. We also involved our valuation specialists to assess the overall reasonableness of the recoverable amounts estimated by comparing and reconciling the Group's estimated recoverable amounts against the Group's market capitalization. We evaluated the adequacy and completeness of the disclosure included in Note 10 of the consolidated financial statements based on the IFRS requirements.
Acquisitions	
As detailed in Note 4 Acquisitions of the consolidated financial statements, on an ongoing basis the Group executes acquisitions and accounts for them using the acquisition method in accordance with IFRS 3 *Business Combinations*. Acquisitions either occurring in the current period or for which the accounting was finalized in the current period represent a total of $544.5 million worth of consideration transferred. The Group applies valuation techniques to determine the acquisition date fair value of property, plant, and equipment and customer relationship intangible assets. The measurement period for acquisitions ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. As disclosed by the Group, the purchase price allocation for certain acquisitions are considered preliminary. Auditing significant acquisitions was complex due to the subjective nature of estimating the fair values of certain identified assets. The fair value of property,	To assess the existence and ownership of property, plant and equipment acquired, we performed physical and virtual observations, and compared the Group's fixed asset records to third-party data including fuel delivery data, tax assessment records and registration statements. To test the Group's estimated fair valuation of property, plant and equipment and customer relationship intangible assets, we performed the following procedures, among others: - Assessed the competence, capabilities, and objectivity of the third-party valuators, when engaged by the Group; - Evaluated customer attrition estimates as compared to historical attrition rates experienced at comparable operations owned by the Group; - Involved our valuation specialists to assess the valuation methodology applied to estimate customer relationship intangible assets, and the various inputs utilized to determine the attrition rate and discount rate by referencing current industry, economic, and

plant and equipment is determined in reference to subjective inputs including replacement cost quotations, market data, and estimated remaining useful lives. The fair value of customer relationship intangible assets is determined in reference to subjective inputs including estimated customer attrition, discount rates, projection period, projected revenues and forecasted gross profit. The determination of the existence and ownership of property, plant and equipment acquired is complex due to the highly decentralized nature of these assets (e.g., trucks, storage tanks). As a result, significant judgement was required to assess Group's conclusions.	comparable Group information as well as Group and cash-flow specific risk premiums; - Involved our valuation specialists to perform a sensitivity analysis on the discount rate and attrition rate to evaluate its impact on the fair value ascribed; and - Involved our valuation specialists to evaluate the Group's fair value estimate models for property, plant and equipment, and to evaluate the useful life estimates against third-party studies. We evaluated the adequacy and completeness of the disclosure included in Note 4 of the consolidated financial statements based on the IFRS requirements.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion & Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude there is a material misstatement of other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor’s report is Tracy Brennan.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 16, 2023

Superior Plus Corp.
Consolidated Balance Sheets

(Audited, millions of Canadian dollars)	Note	As at December 31 2022	As at December 31 2021[i]
Assets			
Current Assets			
Cash and cash equivalents		**58.4**	28.4
Trade and other receivables	**3, 5**	**533.7**	319.4
Prepaids and deposits	**6**	**99.6**	43.8
Inventories	**7**	**153.0**	111.5
Other current financial assets	**18**	**10.6**	52.6
Total Current Assets		**855.3**	555.7
Non-current Assets			
Property, plant and equipment	**4, 8**	**1,365.0**	1,078.1
Intangible assets	**4, 9**	**560.6**	441.3
Goodwill	**4, 10**	**1,656.6**	1,320.9
Notes receivable and other investments	**3**	**0.2**	130.5
Employee future benefits	**17**	**6.7**	7.0
Deferred tax assets	**19**	**32.1**	10.8
Other non-current financial assets	**18**	**0.4**	8.8
Total Non-current Assets		**3,621.6**	2,997.4
Total Assets		**4,476.9**	3,553.1
Liabilities and Equity			
Current Liabilities			
Trade and other payables	**12**	**579.9**	431.5
Contract liabilities	**13**	**25.0**	20.6
Lease liabilities	**16**	**47.3**	44.9
Borrowings	**15**	**14.8**	11.4
Dividends payable		**14.2**	12.5
Other current financial liabilities	**18**	**55.6**	7.1
Total Current Liabilities		**736.8**	528.0
Non-current Liabilities			
Lease liabilities	**16**	**175.7**	129.6
Borrowings	**15**	**1,911.3**	1,444.9
Other liabilities	**14**	**37.1**	16.0
Provisions	**11**	**8.3**	10.3
Employee future benefits	**17**	**5.5**	6.8
Deferred tax liabilities	**19**	**128.9**	101.7
Other non-current financial liabilities	**18**	**12.8**	3.6
Total Non-current Liabilities		**2,279.6**	1,712.9
Total Liabilities		**3,016.4**	2,240.9
Equity			
Capital		**2,617.9**	2,350.3
Deficit		**(1,669.5)**	(1,419.5)
Accumulated other comprehensive earnings		**159.7**	52.8
Non-controlling interest		**352.4**	328.6
Total Equity	**20**	**1,460.5**	1,312.2
Total Liabilities and Equity		**4,476.9**	3,553.1

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

See accompanying Notes to the Audited Consolidated Financial Statements.

Superior Plus Corp.
Consolidated Statements of Changes in Equity

(Audited, millions of Canadian dollars)	Share Capital (Note 20)	Contributed Surplus	Total Capital	Deficit	Accumulated Other Comprehensive Earnings	Non-controlling Interest (Note 20)	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 year	**–**	**–**	**–**	**(112.5)**	**–**	**24.6**	**(87.9)**
Unrealized foreign currency gain on translation of foreign operations	**–**	**–**	**–**	**–**	**106.5**	**23.8**	**130.3**
Actuarial defined benefit gain	**–**	**–**	**–**	**–**	**0.6**	**–**	**0.6**
Income tax expense on other comprehensive earnings	**–**	**–**	**–**	**–**	**(0.2)**	**–**	**(0.2)**
Total comprehensive earnings (loss)	**–**	**–**	**–**	**(112.5)**	**106.9**	**48.4**	**42.8**
Common shares issued, net of costs	**280.6**	**–**	**280.6**	**–**	**–**	**–**	**280.6**
Common shares repurchased and cancelled (Note 20)	**(13.0)**	**–**	**(13.0)**	**3.0**	**–**	**–**	**(10.0)**
Dividends and dividend equivalent declared to common shareholders	**–**	**–**	**–**	**(140.5)**	**–**	**–**	**(140.5)**
Dividends to non-controlling interest shareholders	**–**	**–**	**–**	**–**	**–**	**(24.6)**	**(24.6)**
As at December 31, 2022	**2,616.7**	**1.2**	**2,617.9**	**(1,669.5)**	**159.7**	**352.4**	**1,460.5**
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 year	–	–	–	182.9	–	23.8	206.7
Unrealized foreign currency loss on translation of foreign operations	–	–	–	–	(13.5)	(2.3)	(15.8)
Realized foreign currency gain reclassified to net earnings (loss)	–	–	–	–	(20.8)	–	(20.8)
Actuarial defined benefit gain	–	–	–	–	16.3	–	16.3
Income tax expense on other comprehensive loss	–	–	–	–	(3.7)	–	(3.7)
Total comprehensive earnings (loss)	–	–	–	182.9	(21.7)	21.5	182.7
Dividends and dividend equivalent declared to common shareholders	–	–	–	(126.8)	–	–	(126.8)
Dividends to non-controlling interest shareholders	–	–	–	–	–	(23.8)	(23.8)
As at December 31, 2021	2,349.1	1.2	2,350.3	(1,419.5)	52.8	328.6	1,312.2

See accompanying Notes to the Audited Consolidated Financial Statements.

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

(Audited, millions of Canadian dollars, except per share amounts)	Note	Years Ended December 31 2022	2021
Revenue	**21, 24**	**3,379.8**	2,392.6
Cost of sales (includes products and services)	**21**	**(2,190.0)**	(1,479.9)
Gross profit		**1,189.8**	912.7
Expenses			
Selling, distribution and administrative costs ("SD&A")	**21, 22**	**(1,087.1)**	(804.8)
Finance expense	**21**	**(91.6)**	(155.0)
Gain (loss) on derivatives and foreign currency translation of borrowings	**18, 21**	**(136.0)**	70.0
		(1,314.7)	(889.8)
Earnings (loss) before income taxes	**21**	**(124.9)**	22.9
Income tax recovery (expense)	**19**	**37.0**	(5.7)
Net earnings (loss) from continuing operations	**21**	**(87.9)**	17.2
Net earnings from discontinued operations, net of tax expense	**3**	**–**	189.5
Net earnings (loss)		**(87.9)**	206.7
Net earnings (loss) attributable to:			
Superior		**(112.5)**	182.9
Non-controlling interest		**24.6**	23.8
Net loss per share from continuing operations attributable to Superior			
Basic and diluted	**23**	**(0.58)**	(0.04)
Net earnings (loss) per share attributable to Superior			
Basic and diluted	**23**	**(0.58)**	0.99
Other comprehensive earnings (loss)			
Items that may be reclassified subsequently to net earnings (loss)			
Unrealized foreign currency gain (loss) on translation of foreign operations		**130.3**	(15.8)
Realized foreign currency gain reclassified to net earnings (loss)	**3**	**–**	(20.8)
Items that will not be reclassified to net earnings (loss)			
Actuarial defined benefit gain		**0.6**	16.3
Income tax expense on other comprehensive earnings (loss)		**(0.2)**	(3.7)
Other comprehensive earnings (loss) for the year		**130.7**	(24.0)
Total comprehensive earnings for the year		**42.8**	182.7
Total comprehensive earnings (loss) for the year attributable to:			
Superior		**(5.6)**	161.2
Non-controlling interest		**48.4**	21.5

See accompanying Notes to the Audited Consolidated Financial Statements.

Superior Plus Corp.
Consolidated Statements of Cash Flows

(Audited, millions of Canadian dollars)	Note	Years Ended December 31 2022	2021
OPERATING ACTIVITIES			
Net earnings (loss) for the year		**(87.9)**	206.7
Adjustments for:			
Depreciation included in SD&A	**8**	**116.4**	99.1
Depreciation of right-of-use assets included in SD&A	**8**	**36.1**	31.3
Depreciation and amortization included in discontinued operations	**3**	**–**	9.6
Amortization of intangible assets included in SD&A, excluding discontinued operations	**9**	**86.4**	70.7
Gain on disposal of assets included in continuing and discontinued operations, impairments, and other non-cash items		**(1.9)**	(0.5)
Unrealized loss (gain) on financial and non-financial derivatives and foreign exchange loss on U.S. dollar debt and lease liabilities, including discontinued operations	**3, 18**	**161.9**	(9.1)
Gain on disposal of discontinued operations	**3**	**–**	(229.3)
Finance expense recognized in net earnings (loss), including loss on write-down on Vendor Note and discontinued operations	**3**	**91.6**	157.0
Income tax expense (recovery) recognized in net earnings (loss), including discontinued operations	**19**	**(37.0)**	63.0
Changes in non-cash operating working capital and other	**26**	**(15.4)**	(60.6)
Cash flows from operating activities before income taxes and interest paid		**350.2**	337.9
Income taxes paid		**(17.3)**	(15.2)
Interest paid		**(84.2)**	(90.7)
Cash flows from operating activities		**248.7**	232.0
INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	**4**	**(522.7)**	(301.4)
Purchase of property, plant and equipment and intangible assets	**29**	**(117.3)**	(105.1)
Proceeds on disposal of property, plant and equipment		**7.9**	6.8
Proceeds on divestiture	**3**	**–**	571.7
Cash flows from (used in) investing activities		**(632.1)**	172.0
FINANCING ACTIVITIES			
Proceeds from revolving term bank credit facilities and other debt		**3,150.5**	1,567.4
Repayment of revolving term bank credit facilities and other debt		**(2,801.5)**	(1,737.5)
Principal repayment of lease obligations		**(42.5)**	(41.9)
Redemption of 7.0% senior unsecured debentures	**15**	**–**	(472.3)
Redemption of 5.25% senior unsecured debentures	**15**	**–**	(410.5)
Redemption of 5.125% senior unsecured debentures	**15**	**–**	(384.2)
Issuance of 4.50% senior unsecured notes	**15**	**–**	753.7
Issuance of 4.25% senior unsecured debenture	**15**	**–**	500.0
Proceeds from common share issuance	**20**	**287.5**	–
Common share issuance costs	**20**	**(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)
Payment made on common shares repurchased and cancelled	**20**	**(10.0)**	–
Dividends paid to shareholders		**(163.4)**	(150.7)
Cash flows from (used in) financing activities		**410.9**	(399.6)
Net increase in cash and cash equivalents from continuing operations		**27.5**	4.4
Cash and cash equivalents, beginning of the year		**28.4**	24.1
Effect of translation of foreign currency-denominated cash and cash equivalents		**2.5**	(0.1)
Cash and cash equivalents, end of the year		**58.4**	28.4

See accompanying Notes to the Audited Consolidated Financial Statements.

1. ORGANIZATION

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

These audited consolidated financial statements were authorized for issue by the Board of Directors on February 16, 2023.

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 align 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 4. 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 3.

References to Energy Distribution in the notes below refer 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 Consolidated Financial Statements

The accompanying consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements were prepared on a going concern basis.

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

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 year. Exchange differences are recognized in other comprehensive earnings (loss) for the year.

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

(b) Reclassification of Comparative Figures

Superior adjusted the purchase price allocation for certain acquisitions that were completed in the prior year. As disclosed in Note 4, Superior has restated the 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 consolidated statements of changes in equity, net earnings (loss) and total comprehensive earnings and cash flows for the year ended December 31, 2021 remain unchanged since the impact of the changes made was not significant to these consolidated financial statements.

Prior year figures in Note 16, Leasing Arrangements, Note 29, Reportable Segment Information and Note 10, Goodwill, have been restated as a result of Superior's change in reportable segments; see Note 1.

(c) Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid short-term investments that, on the date of acquisition, have a term to maturity of three months or less. For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. As at December 31, 2022, cash equivalents amounted to $13.4 million with a maturity of less than 30 days (2021 - $10.8 million).

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs of inventories are determined either on a weighted average cost or first-in, first-out basis. The net realizable value of inventory is based on estimated selling price in the ordinary course of business less the estimated costs necessary to complete the sale.

Financial Instruments and Derivative Financial Instruments

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated balance sheets when the Company becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value through profit or loss ("FVTPL"); ii) those to be measured subsequently at fair value through other comprehensive earnings (loss); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL. For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss, or other comprehensive earnings (loss). Realized gains and losses on derivative financial instruments are recorded as a component of gains (losses) on derivatives and foreign currency translation of borrowings together with the unrealized gains (losses) on derivatives.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

For classification of the Company's consolidated financial assets and financial liabilities, refer to Note 18.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through the consolidated statements of net earnings (loss) and total comprehensive earnings. For financial liabilities measured subsequently at FVTPL, changes in fair value due to own credit risk are recorded in other comprehensive earnings (loss).

Impairment

The Company recognizes expected credit losses for trade and other receivables based on the simplified approach under IFRS 9, *Financial Instruments* ("IFRS 9"). The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The Company recognizes an allowance for expected credit losses for all debt instruments not held at FVTPL.

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables and debt instruments are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward-looking macro-economic factors in the measurement of the expected credit losses associated with its financial assets carried at amortized cost. The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

Derivative Financial Instruments

Superior enters into a variety of derivative and non-financial derivative instruments to manage its exposure to certain financial risks. Such instruments arise from contracts comprising natural gas financial swaps, electricity financial swaps, fixed-price electricity purchase, propane forward purchase and sale, foreign currency forwards, interest rate swaps, and equity hedges. For commodity contracts, if physical delivery is effected based on Superior's expected procurement, sale or usage requirements, the requirements of the so-called "own use exemption" under IFRS 9 are met, which do not represent derivative financial instruments in terms of IFRS 9, but represent pending purchase and sale transactions, which are assessed for possible impending losses in accordance with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. If the requirements for the own use exemption are not met (for example, by transactions for short-term optimization), the contracts are recorded as derivatives in accordance with IFRS 9. Further details of derivative and non-financial derivative instruments are disclosed in Note 18.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are measured subsequently at FVTPL. The resulting gain or loss is recognized in net earnings (loss). Realized gains and losses on derivatives are recorded as part of the gains (losses) on derivatives and foreign currency translation of borrowings, which also includes unrealized gains and losses on derivatives. Derivatives embedded in other financial liabilities and non-financial contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognized in net earnings (loss).

Superior does not formally designate and document economic hedges, in accordance with the requirements of applying hedge accounting under IFRS and, therefore, does not apply hedge accounting.

Classification as Debt or Equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments

An equity instrument is any contract that has a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Superior or its subsidiaries are recorded at the proceeds received, net of direct issuance costs.

Derecognition of Financial Liabilities

Superior derecognizes financial liabilities solely when Superior’s obligations are discharged, cancelled or expire.

Financial Guarantees at FVTPL

Financial guarantees are classified as FVTPL when the financial liability is designated as FVTPL upon initial recognition. Financial guarantees at FVTPL are stated at fair value with any resulting gain or loss recognized in net earnings (loss). Fair value is determined in the manner described in Note 18.

Discontinued Operations

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resell.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statements of net earnings (loss) and total comprehensive earnings. Additional disclosures are provided in Note 3. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

Property, Plant and Equipment

Cost

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Major renewals and improvements that provide future economic benefits and can be reliably measured are capitalized, while repair and maintenance expenses are charged to operations as incurred. Property, plant and equipment in the course of construction are carried at cost less any recognized impairment losses. Cost includes directly attributable expenses, professional fees and, for qualifying assets, borrowing costs capitalized in accordance with Superior's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use. Disposals are derecognized at carrying costs less accumulated depreciation and impairment losses, with any resulting gain or loss reflected in net earnings (loss).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial time to ready for their intended use or sale, are included in the cost of those assets, until such time as the assets are available for their intended use. All other borrowing costs are recognized in net earnings (loss) in the period in which they are incurred.

Depreciation

Depreciation is calculated using the straight-line method, based on the estimated useful life. Land is not depreciated. Depreciation of property in the course of construction commences when the assets are available for their intended use. In the majority of cases, residual value is estimated to be insignificant. Depreciation by class of assets is as follows:

Buildings	15 to 40 years
Leasehold improvements	Over the lease term up to 10 years
Energy Distribution tanks and cylinders	30 years
Energy Distribution truck tank bodies, chassis and other	5 to 15 years
Furniture and fixtures	1-10 years
Computer equipment	3-5 years

Useful life, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date, which is defined as the date at which the right-of-use asset is available for use by the Company.

Right-of-use Assets

The right-of-use asset is initially measured at cost comprising the following:

- The initial amount of the lease liability adjusted for any lease payments made at or before the commencement date;
- Any initial direct costs incurred;
- An estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located; and
- Less any lease incentives received.

The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option as defined below.

Lease terms range from:	
Office space and buildings	1 to 99 years
Railcars	1 to 11 years
Leased trucks	1 to 11 years

The Company's leases relate to railcars, office space and buildings, trucks and manufacturing equipment. Lease contracts are typically made for periods of 5 to 20 years, but may have extension options. Extension and termination options are included in a number of building and equipment leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Superior's obligations under some leases are secured by the lessors' title to the leased assets.

The Company has recorded the right-of-use assets as part of property, plant and equipment.

The right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease Liabilities

The lease liability is initially measured at the present value of the following lease payments:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate is the rate of interest the lessee would have to pay to borrow over a similar term with similar security.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate for similar collateral and term at the lease commencement date when the interest rate implicit in the lease was not readily determinable. The Company used a single discount rate to a portfolio of leases with reasonably similar characteristics. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in the rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases and Leases of Low-value Assets

The Company applies the short-term lease recognition exemption to its leases for which the lease term ends within 12 months from the commencement date and do not contain a purchase option; and the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Sale-leasebacks and Refinancing of Vehicles

From time to time, Superior will purchase vehicles and then enter into a financing arrangement or will refinance leases for vehicles. These transactions will result in cash proceeds to Superior and a lease liability to the lessor. Any gains or losses on these transactions are nominal and expensed as incurred.

Intangible Assets

Intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. For intangible assets with a determinate life, amortization is charged on a straight-line basis over their estimated useful lives.

Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they satisfy the recognition criteria. The initial cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately. Software costs are capitalized for new systems if there are significant enhancements to existing systems. In addition to the cost of software, the capitalized costs include cost of installation and consulting services related to the system implementation or enhancement.

Intangible assets recorded as part of a business combination generally consist of customer relationships, non-compete agreements, royalty agreements, trade names and other intangible assets. The assets are recorded at fair value, which is generally based on the future expected earnings. Software and technology patents are valued based on the cost to acquire these assets.

Useful life, residual values and amortization methods are reviewed at least annually, with the effect of any changes in estimate being accounted for on a prospective basis.

Superior's amortization rates related to its intangible assets are summarized as follows:

Non-compete agreements	Term of the agreements (1 to 15 years)
Customer relationships	5 to 12 years
Brands	5 to 15 years
Trade names	1 to 10 years
Software	1 to 5 years
Technology patents	Approximately 10 years

Trademark have an indefinite useful life since they do not expire. These are recorded at cost, are not amortized and are tested for impairment annually or more frequently should events or changes in circumstances indicate that they might be impaired.

As a result of propane distribution activity in Québec, Nova Scotia and California, Superior is required to purchase sufficient cap and trade emission units to offset its carbon footprint. Costs incurred to acquire these cap and trade emission units are recorded as intangible assets and measured at cost. As the cap and trade emission units do not diminish over time, they are classified as intangible assets with an indefinite life and are not amortized. The assets are subject to annual impairment testing. The assets are settled against the corresponding cap and trade liabilities at the end of the compliance period to which they relate.

Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

At each consolidated balance sheet date and when circumstances indicate that the carrying value may be impaired, Superior reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss to confirm whether the assets have indeed suffered an impairment loss. If so, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, Superior estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest level of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use.

An impairment loss is recognized if the carrying amount of an asset, CGU or group of CGUs exceeds its recoverable amount. Impairment losses are recognized immediately as a separate line item in the consolidated statements of net earnings (loss) and total comprehensive earnings.

A previous impairment, if any, is subsequently assessed for any indication that the impairment has been reduced or no longer exists. An impairment loss is reversed if there has been an increase in the recoverable amount of an asset or CGU over its carrying value. Impairment losses are reversed only to the extent that the asset's or CGU's carrying amount would not exceed the carrying amount that would have been reported if no impairment loss had been recognized.

Business Combinations

All business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the acquisition date of the assets given up, the liabilities incurred or assumed and equity instruments issued by Superior in exchange for control of the acquiree. Transaction costs, other than those associated with the issuance of debt or equity securities that Superior incurs in connection with a business combination are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, *Business Combinations* are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12, *Income Taxes* and IAS 19, *Employee Benefits*, respectively;
- Liabilities or equity instruments related to the replacement by Superior of an acquiree's share-based payment awards are measured in accordance with IFRS 2, *Share-based Payment*;
- Superior shall recognize right-of-use assets and lease liabilities for leases identified in accordance with IFRS 16, *Leases,* in which the acquiree is the lessee; and
- Assets or disposals that are classified as held for sale in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At subsequent reporting dates, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with the requirements for provisions in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or the amount initially recognized less (when appropriate) cumulative amortization recognized in accordance with the requirements for IFRS 15, *Revenue from contracts with customers*.

Intangible assets arising on acquisition are recognized at fair value at the date of acquisition. The fair value is based on detailed cash flow models and other metrics depending on the type of intangible asset being recognized.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over Superior's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If the net amounts assigned to the assets acquired and liabilities assumed exceed the cost of the purchase, then Superior is required to reassess the value of both the cost and net assets acquired, and any excess remaining after this reassessment is recognized immediately in net earnings (loss). Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Superior will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances at the acquisition date that, if known, would have affected the amounts recognized at that date.

The measurement period is the period from the date of acquisition to the date Superior obtains complete information about facts and circumstances as of the acquisition date, to a maximum of one year.

Goodwill

Goodwill arising in a business combination is recognized as an asset at the date control commences (the acquisition date). Goodwill is not amortized but is reviewed for impairment at least annually, on December 31. For purposes of impairment testing, goodwill is allocated to each of Superior's CGUs expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually or more frequently upon indication of impairment. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a group of assets, the attributable amount of goodwill is included in the determination of the net gain or loss on disposal.

Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer, which may occur at a point in time or over a period of time.

The nature of the goods and services and the timing of satisfaction of performance obligations is as follows:

Propane sales contracts include supply of propane along with the loaning of storage tanks, equipment and related servicing and maintenance activities provided by the Company. Revenue from sale of propane is recognized when control of the goods has transferred, being when the goods are delivered to the customer (which occurs when the goods have been shipped to the specific location), the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Payment terms are generally 30 days from the delivery date. Customers may be required to provide a deposit depending on credit quality. These deposits are recorded as part of contract liabilities and recognized into income over the period that it relates to.

Revenue from loaning of storage tanks and maintenance activities is recognized as the performance obligations are satisfied over time, which is generally in accordance with the terms of the contract. The customer does not control the storage tank during the term of the contract. The customer does not have the right to direct the use of the storage tank, and there is no practical or contractual restriction on the Company's ability to transfer the storage tank to another customer. The Company is able to redirect the storage tank to another customer at little or no additional cost and, therefore, it has an alternative use to the Company. In many cases, propane sales and the loaning of storage tanks are included under one sales contract. Propane sales prices are consistent based on the customer geography and type and, therefore, the residual amount is related to loaning of storage tanks. Customers typically pay for tank rentals annually, semi-annually or on a month-by-month basis. Rental payments received for periods greater than a month are recorded as part of contract liabilities and recognized into income over the period that the payments relate to.

Included in the U.S. Propane Distribution segment is revenue related to the distribution of heating oil and refined fuels in the northeastern U.S. Its products are generally used in home heating, water heating and motor vehicle fuel. Revenue from sale of refined fuels is also recognized when control of the goods has transferred, being when the goods are delivered to the customer (which occurs when the goods have been shipped to the specific location), the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Payment terms are generally 30 days from the delivery date. Customers may be required to provide a deposit depending on credit quality. These deposits are recorded as part of contract liabilities and applied against customer receivables when required.

Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, for which it is probable that payment will be required to settle the obligation, and where the amount can be reliably estimated.

The amount is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefit required to settle a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the receivable can be measured reliably.

Decommissioning Costs

Liabilities for decommissioning costs are recognized when Superior has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. Decommissioning costs are recorded at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in net earnings (loss) as a finance expense. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. A corresponding item of property, plant and equipment of an amount equal to the provision is also created. This is subsequently amortized as part of the asset. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Environmental Expenditures and Liabilities

Environmental expenditures that relate to current or future revenues are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and do not contribute to current or future earnings are expensed.

Liabilities for environmental costs are recognized when a cleanup is probable and the associated costs can be reliably estimated. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognized is the best estimate of the expenditure required. When the liability will not be settled for a number of years, the amount recognized is the present value of the estimated future expenditure.

Restructuring

A restructuring provision is recognized when Superior has developed a detailed formal restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

Employee Future Benefits

Superior has a number of defined-benefit and defined-contribution plans providing pension and other post-employment benefits to most of its employees. Superior accrues its obligations under the plans and the related costs, net of plan assets.

Contributions to defined-contribution plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined-benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each consolidated balance sheet date. The net obligation for each defined-benefit plan is discounted to determine the present value using the yield at the reporting date on high-quality Canadian corporate bonds. Plan assets are measured at fair value, and the difference between the fair value of the plan assets and the present value of the defined-benefit obligation is recognized on the consolidated balance sheets as an asset or liability. Costs charged to the consolidated statements of net earnings (loss) and total comprehensive earnings include current service cost, any past service costs, any gains or losses from curtailments and interest on the net defined-benefit asset or liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive earnings (loss) in the period in which they occur.

The defined-benefit obligation recognized in the consolidated balance sheets represents the present value adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Government Grants

A government grant is recognized initially at fair value when there is reasonable assurance that it will be received and the Company will comply with the conditions associated with the grant. Government grants related to profit or loss are presented as part of Superior’s consolidated statements of net earnings (loss) and total comprehensive earnings as a reduction of the related expense.

Income Taxes

Income tax expense represents the sum of current income taxes and deferred income taxes.

Current Income Taxes

Superior's income tax assets and liabilities are based on taxable net earnings for the year. Taxable net earnings differ from net earnings as reported in the consolidated statements of net earnings (loss) and total comprehensive earnings because they exclude items of income or expense that are taxable or deductible in other years as well as items that are never taxable or deductible. Superior's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Current income tax relating to items recognized directly in equity are recognized in equity and not in the consolidated statements of net earnings (loss) and total comprehensive earnings. Management periodically evaluates positions taken in their tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Taxes

Deferred income tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable net earnings. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable net earnings will be available against which those deductible temporary differences can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences, except for the following:

- When the deferred tax liability arises from the initial recognition of goodwill;
- When an asset or liability in a transaction is not a business combination and, at the time of the transaction, affects neither the accounting net earnings or taxable net earnings; or
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by Superior and it is unlikely that the temporary differences will be reversed in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that they are expected to be reversed in the foreseeable future and it is probable that there will be sufficient taxable net earnings against which to utilize the benefits of the temporary differences. A deferred tax asset may also be recognized for the benefit expected from unused tax losses available for carry forward, to the extent that it is probable that future taxable earnings will be available against which the tax losses can be applied.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and laws that have been enacted or substantively enacted by the consolidated balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Superior expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when they are related to income taxes levied by the same taxation authority and Superior intends to settle its current tax assets and liabilities on a net basis. Also, Superior recognizes any benefit associated with investment tax credits as deferred tax assets to the extent they are expected to be utilized in accordance with IAS 12, *Income Taxes*.

Uncertain Tax Positions

Superior is subject to taxation in numerous jurisdictions. There are many transactions and calculations during the course of business for which the ultimate tax determination is uncertain. It is possible, however, that at some future date, liabilities in excess of Superior's provisions could result from audits by or litigation with tax authorities. Where changes in facts or circumstances change estimates from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Management reassesses positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current Tax and Deferred Tax for the Period

Current tax and deferred tax are recognized as an expense in net earnings (loss), except where they relate to amounts recognized outside of net earnings (loss) (whether in other comprehensive earnings (loss) or directly in equity), in which case the current tax and deferred tax are also recognized outside of net earnings (loss), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Foreign Currencies

The financial statements of each subsidiary of Superior are translated into the currency of the subsidiary's primary economic environment. For the purpose of the consolidated financial statements, the results and balance sheets of each subsidiary are expressed in Canadian dollars, Superior's presentation currency. Transactions are recognized at the rates of exchange prevailing at the transaction date.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the period-end. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value is measured. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction and are not retranslated.

For the purposes of presenting Superior's consolidated financial statements, the assets and liabilities of Superior's foreign operations, namely of Energy Distribution and Specialty Chemicals in the U.S., and of Specialty Chemicals in Chile, 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.

Goodwill and fair value measurements of identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive earnings (loss) for the period.

Share-based Payments

Superior has established share-based compensation plans whereby notional restricted shares and/or notional performance shares may be granted to employees. The fair value of these notional shares is estimated using the period-end quoted market price and recorded as an expense with an offsetting amount to accrued liabilities, remeasured at each consolidated balance sheet date. All share-based payments are settled in cash.

(d) Significant Accounting Judgments, Estimates and Assumptions

The preparation of Superior's audited consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. 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 required are as follows:

Estimates and Assumptions

Fair Value of Derivative and Non-Financial Derivative Instruments

Where the fair values of financial derivatives and non-financial derivatives cannot be derived from active markets, they are determined using valuation techniques including a discounted cash flow model. This requires assumptions concerning the amount and timing of estimated future cash flows and discount rates. Differences between actual values and assumed values will affect net earnings (loss) in the period when the difference is determined.

Allowance for Doubtful Accounts

Superior recognizes an allowance for doubtful accounts based on historical customer collection history, general economic indicators and other customer-specific information, all of which require Superior to make certain assumptions. Where the actual collectability of accounts receivable differs from these estimates, such differences will have an impact on net earnings (loss) in the period such a determination is made.

Property, Plant and Equipment and Intangible Assets

Capitalized assets, including property, plant and equipment and intangible assets, are amortized over their respective estimated useful lives. All estimates of useful lives are set out in the Significant Accounting Policies above.

Provisions

Provisions have been estimated for decommissioning costs, restructuring and environmental expenditures. The actual costs and timing of future cash flows depend on future events. Any differences between estimates and the actual future liability will be accounted for in the period when such determination is made. Determining decommissioning liabilities requires estimates regarding the useful life of certain operating facilities, the timing and cost of future remediation activities, discount rates and the interpretation and changes to various environmental laws and regulations. Differences between estimates and results will affect Superior’s accrual for decommissioning liabilities, with an effect on net earnings (loss).

Employee Future Benefits

Superior has a number of defined-benefit pension plans and other benefit plans. The cost of defined-benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. These require assumptions including the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the valuation’s complexity, its underlying assumptions and long-term nature, a defined-benefit obligation is highly sensitive to changes in the underlying assumptions.

Income Tax Assets and Liabilities

Superior recognizes expected tax assets and liabilities based on estimates of current and future taxable net earnings, which may require significant judgment regarding the ultimate tax determination of certain items. If taxable net earnings differ from the estimates, there may be an impact on current and future income tax provisions in the period when the difference is determined.

Asset Impairments

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amounts are based on a calculation of expected future cash flows, which includes management assumptions and estimates of future performance.

Cap and Trade

Superior purchases cap and trade emission units to satisfy its obligations under the California, Quebec and Nova Scotia cap and trade programs; see Note 14. Liabilities under these programs are first recorded based on the cap and trade emission units purchased for the respective compliance periods, and any additional liabilities are based on the future estimated cost to purchase the underlying cap and trade emission units until those units are acquired. The cap and trade emission units 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 December 31, 2022, Superior has a net asset of approximately $3.9 million (2021 - $2.8 million net asset).

Estimating the Incremental Borrowing Rate on Leases

Superior cannot readily determine the interest rate implicit in some of its leases, therefore, Superior uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Company "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). Superior estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Judgments

Impairment of Property, Plant and Equipment

An impairment evaluation involves consideration of whether there are indicators of impairment. Indicators include, but are not limited to, significant underperformance relative to historical or projected operating results, significant changes in the manner in which an asset is used or in Superior's overall business strategy, or significant negative industry or economic trends. In some cases, these events are clear. In many cases, however, there is no clearly identifiable event. Instead, a series of individually insignificant events, some of them only later known, leads to an indication that an asset may be impaired. Management continually monitors Superior's segments, the markets, and the business environment, and makes judgments and assessments about conditions and events in order to conclude whether there may be an impairment.

Income Taxes

Preparation of the consolidated financial statements involves making an estimate of, or provision for, income taxes in each of the jurisdictions in which Superior operates. The process also involves estimating taxes currently payable and taxes expected to be payable or recoverable in future periods, referred to as deferred income taxes. Deferred income taxes result from the effects of temporary differences due to items that are treated differently for tax and accounting purposes. The tax effects of these differences are reflected in the consolidated balance sheets as deferred income tax assets and liabilities. An assessment must also be made to determine the likelihood that Superior's future taxable income will be sufficient to permit the recovery of deferred income tax assets. To the extent that such recovery is not probable, recognized deferred income tax assets must be reduced. Judgment is required in determining the income tax expense (recovery) and recognition of deferred income tax assets and liabilities.

Management must also exercise judgment in its assessment of continually changing tax interpretations, regulations and legislation, to ensure deferred income tax assets and liabilities are complete and fairly presented. The effects of differing assessments and applications could be material.

Purchase Price Allocation

All business combinations are accounted for using the acquisition method. This requires management to recognize all identifiable assets, liabilities and contingent liabilities at the acquisition date fair values with a few exceptions. The allocation of the purchase price to property, plant and equipment and intangible assets requires management to exercise judgment when determining the acquisition fair value of each asset and its respective useful life. Consideration paid in a business combination that exceeds the net fair value of assets and liabilities acquired is allocated to goodwill. Goodwill is reviewed for impairment at least annually. As disclosed in Note 4, a number of acquisitions were completed during the prior year. Changes in the purchase price allocation could occur during the 12-month period following acquisition. Changes to the fair value of the assets and liabilities acquired could affect the purchase price allocation and segment's net income.

Financial Instruments

The fair value of financial instruments is determined and classified in three categories, which are outlined below and discussed in more detail in Note 18.

<u>Level I</u>

Fair values in Level I are determined using quoted prices in active markets for identical instruments.

<u>Level II</u>

Fair values in Level II are determined using 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 value drivers are observable in active markets.

<u>Level III</u>

Fair values in Level III are determined using valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The fair value measurement of a financial instrument is included in only one of the three levels, the determination of which is based on the lowest-level input that is significant to the derivation of the fair value. Classification of financial instruments requires management to use judgment in respect of both the determination of fair value and the lowest-level input of significance.

Revenue from Sale of Propane, Including Storage Tanks

Certain propane supply contracts entered into by the Company include sale of propane along with the loaning of storage tanks and equipment by the Company. Because these contracts include multiple performance obligations, the transaction price must be allocated to the performance obligations.

Management estimates the standalone selling price using the residual approach. The price of propane charged is consistent by geography and customer type, whereas fees and discounts associated with loaning storage tank can vary. Management allocates revenue to the sale of propane based on the consistent price by customer geography and region and the residual amount is applied to loaning the storage tank. Revenue from the sale of propane is recognized when delivered and revenue from storage tanks and equipment is recognized over the contract period.

Determining the Lease Term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The initial assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and that it is within the control of the lessee.

(e) 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 audited 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. These amendments had no significant impact on the audited consolidated financial statements of Superior.

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

(f) Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's consolidated financial statements are below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are 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 that will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the 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, 2024. Superior does not expect the amendments to have a material impact on the 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 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 IFRS 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 amendments to IAS 1 and IFRS Practice Statement 2 are not expected to have a material impact on the 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 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 does not anticipate any significant impact from these amendments on the consolidated financial statements as a result of the initial application.

3. 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 were due on October 9, 2026. The purchase price was subject to adjustment based on the average net earnings before interest, taxes, depreciation, amortization and other non-cash expenses ("EBITDA") of the business for the three consecutive 12-month periods following the closing date. On December 21, 2022, Superior entered into an agreement to sell the Vendor Note to ERCO Worldwide LP (an affiliate of Birch Hill Equity Partners), the purchaser of the Specialty Chemicals business, for proceeds of $128 million. At the time of payment, the proceeds shall represent payment in full of the accrued and unpaid interest owing under the Vendor Note, with the remainder of the proceeds representing payment of the principal amount owing thereunder. The proceeds were received in January 2023.

As at December 31, 2022, the Vendor Note balance of $128 million is included in trade and other receivables (2021 - $130.3 million included in notes receivable and other investments) on the consolidated balance sheets. Included in the Vendor Note balance, is accrued interest of $12.8 million (2021 - $5.3 million). During the year, Superior recorded a write-down in the principal of the Vendor Note of $9.8 million since the proceeds were first applied to the accrued interest in full.

As part of the sale of the Vendor Note, the parties have agreed that there will not be any adjustment made to the purchase price for the Specialty Chemicals business. Hence, as at December 31, 2022, the fair value of the contingent consideration included on the consolidated balance sheets, as part of other non-current financial liabilities, has been reduced to $nil (2021 - $2.0 million); see Note 18. Changes in the fair value of the contingent consideration are recorded in the consolidated statements of net earnings (loss) and total comprehensive earnings 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 18 and 21 of the 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 Segment Information note. The consideration received exceeded the carrying amount of the net assets and, therefore, no impairment was required to be recorded.

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

Cash proceeds (net of working capital and other adjustments of $19.6 million)	580.4
Vendor note	125.0
Costs to sell	(10.1)
Net proceeds	695.3
Trade and other receivables	74.1
Prepaid expenses	3.6
Inventories	49.4
Property, plant and equipment	624.1
Employee future benefits	7.4
Intangible assets and goodwill	4.8
Trade and other payables	(59.3)
Lease liability (Note 16)	(105.3)
Other liabilities	(1.2)
Provisions (Note 11)	(98.1)
Employee future benefits	(12.7)
Carrying value of the net assets	486.8
Recognition of foreign currency translation gain previously recorded in AOCI	(20.8)
Gain on sale of ERCO	229.3

Net earnings from discontinued operations reported in the consolidated statements of net earnings (loss) and total comprehensive earnings for the year ended December 31, 2021 are as follows:

	December 31, 2021
Revenue	157.5
Cost of sales	(101.2)
Depreciation included in cost of sales	(5.6)
Gross profit	50.7
Expenses	
SD&A, including a loss on disposal of $0.5 million	(27.8)
Depreciation and amortization included in SD&A	(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	229.3
	246.8
Current income tax expense	(106.4)
Deferred income tax recovery	49.1
Net earnings from discontinued operations	189.5
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	15.1
Income tax expense on other comprehensive earnings (loss)	(4.0)
Other comprehensive loss related to discontinued operations	(9.7)
Total comprehensive earnings related to discontinued operations	179.8

Cash flows from discontinued operations reported in the consolidated statements of cash flows for the year ended December 31, 2021 are as follows:

	December 31, 2021
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

4. ACQUISITIONS

2022	Kamps Propane and Kiva [(ii)]	Quarles	McRobert	Mountain Flame	Heartland	Other
Trade and other receivables	**39.9**	**13.4**	**1.8**	**0.4**	**0.2**	**0.5**
Prepaid expenses	**1.2**	**–**	**–**	**–**	**–**	**–**
Inventories	**16.8**	**4.4**	**0.5**	**0.2**	**0.1**	**0.4**
Property, plant and equipment	**101.4**	**100.7**	**10.7**	**5.0**	**2.6**	**6.3**
Intangible assets	**102.2**	**30.0**	**2.0**	**1.7**	**2.5**	**1.0**
Trade and other payables and contract liabilities	**(43.5)**	**(10.2)**	**–**	**(0.2)**	**(0.4)**	**–**
Short-term debt and lease liabilities	**(20.1)**	**(0.3)**	**–**	**(0.1)**	**–**	**–**
Long-term debt and lease liabilities	**(38.0)**	**(3.4)**	**–**	**(0.5)**	**(0.5)**	**–**
Provisions and other liabilities	**(11.5)**	**(1.2)**	**–**	**–**	**–**	**–**
Deferred tax liabilities	**(42.0)**	**–**	**–**	**–**	**–**	**–**
Net identifiable assets	**106.4**	**133.4**	**15.0**	**6.5**	**4.5**	**8.2**
Consideration transferred						
Fair value of deferred consideration	**–**	**–**	**1.4**	**1.6**	**0.8**	**3.6**
Cash paid on acquisition[(i)]	**275.3**	**198.5**	**16.7**	**8.4**	**7.5**	**5.5**
Total consideration transferred	**275.3**	**198.5**	**18.1**	**10.0**	**8.3**	**9.1**
Goodwill arising on acquisitions	**168.9**	**65.1**	**3.1**	**3.5**	**3.8**	**0.9**

(i) *Consideration paid for Kamps Propane and Kiva after total working capital adjustments of $26.7 million is cash paid of $284.4 million net of estimated refund from the seller of $9.1 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").*

The acquisition costs directly attributable to the above acquisitions were expensed and are included in SD&A. 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 year ended December 31, 2022 would have increased by $282.6 million and $19.9 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, as discussed below, 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 $302 million (US$240 million) before final adjustments for working capital of $26.7 million (US$20.9 million). Goodwill arising on this acquisition has been provisionally allocated between the U.S. Propane segment for $108.4 million and the Wholesale Propane segment for $60.5 million. The goodwill recognized is not deductible for income tax purposes.

During the year, 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 December 31, 2022**
Trade and other receivables	41.2	(1.3)	**39.9**
Inventories	17.7	(0.9)	**16.8**
Property, plant and equipment	100.0	1.4	**101.4**
Intangible assets	98.9	3.3	**102.2**
Goodwill	159.5	9.4	**168.9**
Trade and other payables, contract liabilities, other short and long-term liabilities	(104.4)	(8.7)	**(113.1)**
Deferred taxes	(41.4)	(0.6)	**(42.0)**

Consideration increased by $2.6 million as a result of updating the estimated adjustment for working capital acquired. Accounts receivable, prepaid expenses, inventories and other short and long-term liabilities changed as a result of updating fair value estimates. Property, plant and equipment and intangible assets changed as a result of updating the estimated age, cost and quantity of tanks, vehicles and equipment acquired. As a result of these adjustments, goodwill was increased by $9.4 million.

The purchase price allocation is considered preliminary as the adjustment for working capital expected to be received is still being negotiated. Included in trade and other receivables of Superior as at December 31, 2022, was $9.1 million representing a refund from the seller; see Note 5.

For the year ended December 31, 2022, subsequent to the acquisition date, the acquisition contributed:

- Revenue of $97.0 million and net loss of $2.6 million to the U.S. Propane segment inclusive of inter-segment transactions; and
- Revenue of $301.6 million and net earnings of $7.9 million 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 $8.3 million (US$6.6 million). Goodwill arising on this acquisition forms part of the U.S. Propane segment. The purchase price allocation was finalized during the year ended December 31, 2022 resulting in a net decrease to working capital of $0.2 million, which increased goodwill for the same amount.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of $4.8 million and $0.7 million, respectively, for the year ended December 31, 2022 to the U.S. Propane segment.

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 $198.5 million (US$156.8 million) before final adjustments for working capital. Goodwill arising on this acquisition forms part of the U.S. Propane segment.

During the year, Superior finalized the purchase price allocation and, as a result, the previously reported fair values changed as follows:

	Previously Reported	Adjustments	**As at December 31, 2022**
Property, plant and equipment	107.1	(6.4)	**100.7**
Intangible assets	32.1	(2.1)	**30.0**
Goodwill	52.3	12.8	**65.1**
Trade and other payables	(6.9)	(3.3)	**(10.2)**
Long-term liabilities	(4.4)	(0.2)	**(4.6)**

Consideration increased by $0.8 million mainly due to updating the acquired working capital. Property, plant and equipment and intangible assets decreased by $8.5 million mainly due to updating the estimated age of the tanks acquired. As a result of these adjustments, goodwill was increased by $12.8 million.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of $92.7 million and $9.7 million, respectively, for the year ended December 31, 2022 to the U.S. Propane segment.

Mountain Flame Propane, Inc. (“Mountain Flame”)

On October 3, 2022, Superior acquired the propane distribution assets of Mountain Flame, a residential, commercial and retail propane supplier and distributor in California for an aggregate purchase price of $10.0 million (US$7.4 million). Goodwill arising on these acquisitions forms part of the U.S. Propane segment. The purchase price allocation was finalized during the year ended December 31, 2022.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of $2.0 million and $0.3 million, respectively, for the year ended December 31, 2022 to the U.S. Propane segment.

McRobert Fuels (“McRobert”)

On November 9, 2022, Superior acquired the assets of McRobert, a retail propane and distillates distributor located in Strathroy, Ontario for an aggregate purchase price of $18.1 million including adjustments for working capital. Goodwill arising on these acquisitions forms part of the Canadian Propane segment. The purchase price allocation is considered preliminary pending settlement of the final working capital adjustment.

Subsequent to the acquisition date, the acquisition contributed revenue and net earnings of $2.8 million and $0.2 million, respectively, for the year ended December 31, 2022 to the Canadian Propane segment.

Other acquisitions

During the year ended December 31, 2022, the Company closed three business acquisitions for a total consideration of $9.1 million (US$7.0 million). Goodwill arising on these acquisitions forms part of the U.S. Propane segment.

All purchase price allocations were finalized during the year ended December 31, 2022, with no change from the previously reported balances.

Subsequent to the acquisition date, the acquisitions contributed revenue and net loss of $3.0 million and $0.4 million, respectively, for the year ended December 31, 2022 to the U.S. Propane segment.

Certarus Ltd. (“Certarus”)

On December 22, 2022 Superior entered into a definitive arrangement agreement to acquire Certarus Ltd. (“Certarus”), a leading North American low carbon energy solutions provider (the “Certarus Acquisition”). Under the terms of the Certarus Acquisition, Superior will acquire all the outstanding common shares of Certarus for $353 million in cash and 48.8 million common shares of Superior, representing approximately 17% pro forma ownership. The transaction is expected to close in the first half of 2023, subject to satisfaction of the remaining customary closing conditions.

Acquisitions in 2021

2021	Hopkins	Mountain Energy	Williams	Freeman Gas	Holden Oil	Miller Propane	Highlands Propane
Trade and other receivables	–	–	0.1	–	0.9	0.3	0.6
Inventories	2.3	–	0.4	3.9	0.2	0.4	0.4
Property, plant and equipment	11.0	0.9	11.8	69.1	6.0	2.3	7.9
Intangible assets	4.2	0.7	15.0	53.2	7.3	2.4	1.6
Trade and other payables and contract liabilities	(3.4)	(0.6)	–	(2.9)	(1.3)	(0.4)	–
Long-term debt and lease liabilities	(0.2)	–	(0.5)	(16.0)	(1.1)	–	(0.3)
Provisions and other liabilities	–	–	–	–	–	(0.5)	–
Deferred tax liabilities	–	–	–	–	–	(0.9)	–
Net identifiable assets	13.9	1.0	26.8	107.3	12.0	3.6	10.2
Consideration transferred							
Fair value of deferred consideration	3.6	0.3	11.0	–	5.1	–	3.2
Cash paid on acquisition	19.0	2.3	37.4	209.2	17.3	7.5	11.8
Total consideration transferred	22.6	2.6	48.4	209.2	22.4	7.5	15.0
Goodwill arising on acquisition	8.7	1.6	21.6	101.9	10.4	3.9	4.8

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

Superior finalized the purchase price allocations for Hopkins and Mountain Energy during the year ended December 31, 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.

The consolidated statements of changes in equity, net earnings (loss) and total comprehensive earnings and cash flows for the year ended December 31, 2021 remain unchanged since the effect of the above-noted changes was not significant to these consolidated financial statements.

5. TRADE AND OTHER RECEIVABLES

A summary of trade and other receivables is as follows:

	2022	2021
Trade receivables, net of allowances	**375.4**	300.1
Vendor Note (Note 3)	**128.0**	–
Accounts receivable – other(i)	**30.3**	19.3
Trade and other receivables	**533.7**	319.4

(i) This balance consists of accounts receivable related to 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:

	2022	2021
Current	**270.3**	211.0
Past due less than 90 days	**96.6**	84.6
Past due over 90 days	**24.9**	17.4
Trade receivables	**391.8**	313.0

Superior's trade receivables are stated after deducting an allowance for doubtful accounts of $16.4 million as at December 31, 2022 (2021 - $12.9 million). The movement in the allowance for doubtful accounts is as follows:

	2022	2021
Allowance for doubtful accounts, beginning of the year	**(12.9)**	(12.0)
Impairment losses recognized on receivables	**(9.4)**	(8.0)
Amounts written off during the period as uncollectible	**6.2**	6.4
Impact of divestiture (Note 3)	**–**	1.0
Amounts recovered	**0.6**	0.5
Foreign exchange impact and other	**(0.9)**	(0.8)
Allowance for doubtful accounts, end of the year	**(16.4)**	(12.9)

6. PREPAIDS AND DEPOSITS

A summary of prepaids and deposits is as follows:

	2022	2021
Prepaid insurance	**18.2**	14.1
Tax instalments(ii)	**8.9**	4.4
Deposits(i)	**60.4**	14.0
Leases and licenses	**4.4**	4.4
Storage and rent	**1.1**	1.0
Miscellaneous prepaids and other	**6.6**	5.9
	99.6	43.8

(i) Included in the deposits are commodity derivative contract collateral of $51.9 million as at December 31, 2022 (2021 - $13.4 million).
(ii) Restated to conform with current year presentation.

7. INVENTORIES

A summary of inventories is as follows:

	2022	2021
Propane, heating oil and other refined fuels	**133.1**	97.9
Propane retailing materials, supplies, appliances and other	**19.9**	13.6
	153.0	111.5

8. PROPERTY, PLANT AND EQUIPMENT

Cost	**Land**	**Buildings**	**Specialty Chemicals Plant and Equipment(i)**	**Vehicles, Fleet and Railcar(ii)**	**Storage, Machinery, Equipment and Other(ii)**	**Leasehold Improvements**	**Total**
As at December 31, 2020	77.0	436.0	1,149.0	390.2	1,027.4	11.9	3,091.5
Additions - right-of-use assets	–	9.0	1.7	25.4	3.7	–	39.8
Additions - property, plant and equipment	–	4.2	5.6	9.7	71.1	5.0	95.6
Additions through business combinations (Note 4)	4.7	22.5	–	13.7	68.1	–	109.0
Adjustments related to asset retirement obligation ("ARO") and provisions	–	(17.0)	(0.7)	–	0.1	–	(17.6)
Disposals and other	(1.0)	(6.1)	(0.4)	(9.0)	(12.9)	–	(29.4)
Net foreign currency exchange differences and other	0.1	(2.9)	(6.3)	0.7	1.9	(0.1)	(6.6)
Divestiture (Note 3)	(4.8)	(260.8)	(1,148.9)	–	–	–	(1,414.5)
As at December 31, 2021	76.0	184.9	–	430.7	1,159.4	16.8	1,867.8
Additions - right-of-use assets	**–**	**6.5**	**–**	**40.2**	**2.8**	**–**	**49.5**
Additions - property, plant and equipment	**–**	**6.8**	**–**	**5.7**	**92.9**	**1.7**	**107.1**
Additions through business combinations (Note 4)	**7.3**	**35.7**	**–**	**34.4**	**148.0**	**1.3**	**226.7**
Adjustments related to ARO and provisions	**–**	**–**	**–**	**–**	**(1.2)**	**–**	**(1.2)**
Disposals and other	**(0.4)**	**(3.5)**	**–**	**(28.6)**	**(9.9)**	**–**	**(42.4)**
Net foreign currency exchange differences and other	**3.5**	**11.0**	**–**	**19.5**	**57.3**	**0.5**	**91.8**
As at December 31, 2022	**86.4**	**241.4**	**–**	**501.9**	**1,449.3**	**20.3**	**2,299.3**
Accumulated Depreciation							
As at December 31, 2020	–	133.8	697.0	213.5	416.2	6.6	1,467.1
Depreciation expense - property, plant and equipment	–	7.6	0.9	26.2	66.3	1.1	102.1
Depreciation of right-of-use	–	10.1	5.4	21.9	0.3	–	37.7
Eliminated on disposal of assets	–	(4.6)	(0.1)	(8.3)	(8.7)	–	(21.7)
Net foreign currency exchange differences and other	–	(1.1)	(4.2)	6.8	(6.6)	–	(5.1)
Divestiture (Note 3)	–	(91.4)	(699.0)	–	–	–	(790.4)
As at December 31, 2021	–	54.4	–	260.1	467.5	7.7	789.7
Depreciation expense - property, plant and equipment	**–**	**6.2**	**–**	**27.3**	**81.5**	**1.4**	**116.4**
Depreciation of right-of-use assets	**–**	**12.2**	**–**	**23.5**	**0.4**	**–**	**36.1**
Eliminated on disposal of assets	**–**	**(2.0)**	**–**	**(27.8)**	**(6.6)**	**–**	**(36.4)**
Net foreign currency exchange differences and other	**–**	**10.3**	**–**	**2.4**	**15.6**	**0.2**	**28.5**
As at December 31, 2022	**–**	**81.1**	**–**	**285.5**	**558.4**	**9.3**	**934.3**
Carrying Amount							
As at December 31, 2021	76.0	130.5	–	170.6	691.9	9.1	1,078.1
As at December 31, 2022	**86.4**	**160.3**	**–**	**216.4**	**890.9**	**11.0**	**1,365.0**

(i) *This depreciation expense is recorded to discontinued operations.*

(ii) *Restated to conform with current year presentation.*

The carrying amounts of the right-of-use assets included in the above are as follows:

Carrying Amount	Land	Buildings	Specialty Chemicals Plant and Equipment	Vehicles, Fleet and Railcar[ii]	Storage, Machinery, Equipment and Other[ii]	Leasehold Improvements	Total
As at December 31, 2021	–	66.7	–	112.4	5.2	–	184.3
As at December 31, 2022	**–**	**93.3**	**–**	**134.4**	**10.0**	**–**	**237.7**

[ii]*Restated to conform with current year presentation.*

Depreciation per cost category:

	2022	2021
SD&A		
Property, plant and equipment	**116.4**	99.1
Right-of-use asset	**36.1**	31.3
Discontinued operations		
Property, plant and equipment	**–**	6.6
Right-of-use asset	**–**	2.9
Total Depreciation	**152.5**	139.9

Superior evaluated the property, plant and equipment as at December 31, 2022 and 2021 for indicators of impairment and no impairment was identified. Therefore, the carrying value was not adjusted. See Note 10 for further details on testing of property, plant and equipment impairment in CGUs.

9. INTANGIBLE ASSETS

Cost	**Customer Relationships**	**Cap and Trade Emission Units Purchased**	**Trade names, Non-Compete, Brands, Patents, Trademarks and Software**	**Specialty Chemicals Royalty Assets and Patents[i]**	**Total**
As at December 31, 2020	464.1	23.0	140.6	7.1	634.8
Additions through business combinations	83.5	–	0.9	–	84.4
Additions acquired separately	–	9.5	9.5	–	19.0
Reclassifications	(0.5)	–	0.5	–	–
Disposals	–	(17.7)	–	–	(17.7)
Net foreign currency exchange differences and other	(2.6)	–	0.5	–	(2.1)
Divestiture (Note 3)	–	–	–	(7.1)	(7.1)
As at December 31, 2021[i]	544.5	14.8	152.0	–	711.3
Additions through business combinations	**132.2**	**–**	**7.2**	**–**	**139.4**
Additions acquired separately	**–**	**29.8**	**10.2**	**–**	**40.0**
Disposals	**–**	**(3.6)**	**(1.6)**	**–**	**(5.2)**
Net foreign currency exchange differences and other	**37.9**	**0.4**	**6.4**	**–**	**44.7**
As at December 31, 2022	**714.6**	**41.4**	**174.2**	**–**	**930.2**

Accumulated Amortization	Customer Relationships	Cap and Trade Emission Units Purchased	Trade names, Non-Compete, Brands, Patents, Trademarks and Software	Specialty Chemicals Royalty Assets and Patents(i)	Total
As at December 31, 2020	112.5	–	87.0	3.2	202.7
Amortization expense	59.0	–	11.7	0.1	70.8
Net foreign currency exchange differences and other	(0.2)	–	–	–	(0.2)
Divestiture (Note 3)	–	–	–	(3.3)	(3.3)
As at December 31, 2021(i)	171.3	–	98.7	–	270.0
Amortization expense	**67.3**	**–**	**19.1**	**–**	**86.4**
Disposals	**–**	**–**	**(1.6)**	**–**	**(1.6)**
Net foreign currency exchange differences and other	**10.5**	**–**	**4.3**	**–**	**14.8**
As at December 31, 2022	**249.1**	**–**	**120.5**	**–**	**369.6**

(i) *This amortization expense is recorded to discontinued operations.*

Carrying Value					
As at December 31, 2021(i)	373.2	14.8	53.3	–	441.3
As at December 31, 2022	**465.5**	**41.4**	**53.7**	**–**	**560.6**

(i) *Restated, see Note 4.*

Superior evaluated intangible assets as at December 31, 2022 and 2021 for indicators of impairment and the Company did not identify any impairment. Therefore, the carrying value was not adjusted for the current year. Amortization of $nil (2021 - $0.1 million) is related to and is included in discontinued operations.

During the year, the Company invested $10.2 million (2021 - $9.5 million) in new software systems and enhancements to existing systems. These additions include the cost of the software, the installation and consulting services relating to the enhancements and implementation of these systems.

10. GOODWILL

	2022	2021(i)
Balance, beginning of the year	**1,320.9**	1,173.7
Additional amounts recognized from business combinations during the year (Note 4)	**245.3**	152.9
Divestiture (Note 3)	**–**	(1.0)
Effect of foreign currency differences	**90.4**	(4.7)
Balance, end of the year	**1,656.6**	1,320.9

(i) *Restated, see Note 4.*

Goodwill is a result of a number of previous business combinations and is generally attributable to anticipated synergies expected and other intangible assets that are not required to be separately identified. Goodwill by definition has an indefinite life and, therefore, is not amortized.

Goodwill is subject to impairment tests at least annually. For purposes of impairment testing, Superior assesses goodwill at the segment level.

The carrying amount of goodwill as at December 31 was allocated to the segments as follows:

	2022	2021[(i)]
U.S. Propane	**1,235.0**	968.9
Canadian Propane	**316.2**	313.1
Wholesale Propane	**105.4**	38.9
	1,656.6	1,320.9

(i) *Restated, see Notes 1 and 4.*

Superior conducts assessments for indicators of impairment on a quarterly basis and performs a detailed impairment assessment at least annually. As at December 31, 2022 and 2021, an impairment test was performed for all CGUs with allocated goodwill and no impairment was identified. The Wholesale Propane segment in prior periods was reported as a part of the Canadian Propane segment; see Note 1. As a result of this change, $38.9 million of goodwill was reallocated to the Wholesale Propane segment and Superior assessed the impact on the recoverable amounts of each of the CGUs affected. Superior also performed an impairment test at the time of the realignment and did not identify any impairment. Among the key rates used in the calculation of the recoverable amount, only the discount rates were restated to conform with the reportable segment change in the current year.

The recoverable amount of each CGU for Energy Distribution, which includes property, plant and equipment and intangible assets, was based on its value in use and was determined by estimating the future cash flows that would be generated from the continuing use of the CGU, incorporating the following assumptions:

Basis on which recoverable amount was determined
The recoverable amount for each CGU is determined using a detailed cash flow model that is based on evidence from an internal budget approved by the Board of Directors. Management's internal budgets are based on past experience and are adjusted to reflect market trends and economic conditions.

Key rates used in calculation of recoverable amount
Growth rate to perpetuity
The first five years of cash flow projections used in the model are based on management's internal budgets, and projections after five years are extrapolated using growth rates in line with historical long-term growth rates. The long-term growth rate used in determining the recoverable amount for each CGU is 2.0% (2021 - 2.0%). Cash flow projections exclude any costs related to expansions through acquisitions and other related initiatives.

Discount rates
Cash flows in the model are discounted using a discount rate specific to each CGU that is adjusted based on risk assessments for each CGU. Discount rates reflect the current market assessments of the time value of money and are derived from the CGU's weighted average cost of capital and are adjusted for tax. The after-tax discount rates used in determining the recoverable amount for the CGUs range from 7.9% to 11.3% (2021 - 7.3% to 12.3%).

Inflation rates
Inflation rates used in the cash flow model are based on a blend of a number of publicly available inflation forecasts. The inflation rates used in determining the recoverable amount for each CGU range from 2.1% to 5.5% in 2022 (2021 - 2.0%).

Key assumptions
In determining the recoverable amount of each CGU, business, market and industry factors were considered.

11. PROVISIONS

A summary of provisions is as follows:

	Restructuring	Decommissioning	Other	Total
Balance as at December 31, 2020	2.3	122.9	5.5	130.7
Additions	2.8	(0.2)	–	2.6
Utilization	(2.2)	(0.1)	(1.9)	(4.2)
Unwinding of discount	–	0.4	–	0.4
Impact of change in discount rate	–	(17.6)	–	(17.6)
Divestiture (Note 3)	(0.8)	(97.3)	–	(98.1)
Net foreign currency exchange difference	–	(0.7)	–	(0.7)
Balance as at December 31, 2021	2.1	7.4	3.6	13.1
Additions	**–**	**1.2**	**27.7**	**28.9**
Utilization	**(1.1)**	**(0.2)**	**(0.8)**	**(2.1)**
Unwinding of discount	**–**	**0.2**	**–**	**0.2**
Impact of change in discount rate	**–**	**(0.6)**	**–**	**(0.6)**
Net foreign currency exchange differences	**–**	**0.3**	**0.3**	**0.6**
Balance as at December 31, 2022	**1.0**	**8.3**	**30.8**	**40.1**

	2022	2021
Current (Note 12)	**31.8**	2.8
Non-current	**8.3**	10.3
	40.1	13.1

Restructuring

Provisions for restructuring are recorded in provisions, except for the current portion, which is recorded in trade and other payables. As at December 31, 2022, the current portion of restructuring costs was $1.0 million (2021 - $2.1 million).

Decommissioning

The provisions are on a discounted basis and are based on existing technologies at current prices or long-term price assumptions, depending on the expected timing of the activity.

U.S. Propane Distribution

Superior records a provision for the future costs of decommissioning certain assets associated with the U.S. Propane segment. Superior estimates the total undiscounted expenditures required to settle its decommissioning liabilities to be $10.7 million as at December 31, 2022 (2021 - $8.5 million), which will be paid over the next 10 years. The discount rate of 3.3% as at December 31, 2022 (2021 - 1.7%) was used to calculate the present value of the estimated cash flows.

Other

Environmental

Provisions for environmental remediation are made when a cleanup is probable and the amount of the obligation can be reliably estimated. Generally, this coincides with the commitment to a formal plan or, if earlier, on divestment or closure of inactive sites. Superior estimates the total undiscounted expenditures required to settle its environmental expenditures to be $3.1 million as at December 31, 2022 (2021 - $2.9 million), which will be paid over the next year. The provision for environmental expenditures has been estimated using existing technology at current prices. No discount rate has been applied as the liability is to be settled within 12 months. The extent and cost of future remediation programs are inherently difficult to estimate. They depend on the scale of any possible contamination, the timing and extent of corrective actions, and Superior's share of the liability.

Supply contract

As part of a prior acquisition, Superior was required to enter into a five-year supply agreement with the seller. The supply agreement was for terms that were unfavourable to Superior based on current supply arrangements under contract. As a result, Superior has recorded a provision with a balance of nil as at December 31, 2022 (2021 - $0.8 million) related to this contract. The supply agreement ended March 31, 2022.

Other claims

On October 6, 2015, Superior announced that it had entered into an arrangement agreement with Canexus Corporation ("Canexus"), pursuant to which Superior agreed to acquire all the issued and outstanding common shares of Canexus by way of a court-approved plan of arrangement. On June 30, 2016, Superior terminated the arrangement agreement by providing Canexus with a termination notice specifying that Canexus had breached the arrangement agreement, failed to remedy such breaches and that, as a result, Superior was seeking payment from Canexus of a termination fee of $25 million. On July 12, 2016, Superior announced it had commenced legal action to recover the $25 million termination fee from Canexus. Superior also filed a statement of defence to Canexus' claim for a reverse termination fee of $25 million from Superior.

On December 22, 2022, the Alberta Court of Kings Bench (the "Court") has ruled against Superior in the matter of Chemtrade Electrochem Inc., formerly Canexus Corporation ("Chemtrade") v. Superior, ruling that Superior is required to pay Chemtrade a $25.0 million reverse termination fee. Superior and Chemtrade were involved in litigation resulting from the termination on June 30, 2016 of the Arrangement Agreement between the parties. The Court's ruling is subject to appeal for a period of 30 days. Superior appealed the decision to the Court of Appeal on January 19, 2023. The $25.0 million reverse termination fee plus $1.4 million interest and $1.3 million other costs were included as part of the restructuring, transaction and other costs; see Note 21. The fee and interest were paid in January 2023.

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

12. TRADE AND OTHER PAYABLES

A summary of trade and other payables is as follows:

	2022	2021
Trade payables[(i)]	**426.9**	297.0
Provisions (Note 11)	**31.8**	2.8
Accrued liabilities and other payables	**108.3**	105.6
Current taxes payable[(ii)]	**0.8**	3.6
Share-based payments, current portion	**12.1**	22.5
Trade and other payables	**579.9**	431.5

(i) *Restated, see Note 4.*
(ii) *Restated to conform with current year presentation.*

The average credit period on purchases by Superior is 28.5 days (2021 - 28.5 days). No interest is charged on the trade payables up to 10 days (2021 - 10 days) from the date of the invoice. Thereafter, interest is charged at a rate of up to 18.0% (2021 - 18.0%) per annum on the balance. Superior's financial risk management policies ensure that payables are normally paid within the pre-agreed credit terms.

13. CONTRACT LIABILITIES

	2022	2021
Balance, beginning of the year	**20.6**	19.1
Additions during the year	**52.9**	44.6
Divestiture (Note 3)	**–**	(0.3)
Recognized in net earnings (loss)	**(49.7)**	(42.8)
Net foreign currency exchange differences	**1.2**	–
Balance, end of the year	**25.0**	20.6

The Company does not generally receive deposits for periods longer than 12 months in advance of performing the related service.

14. OTHER LIABILITIES

A summary of other liabilities is as follows:

	2022	2021
Quebec cap and trade payable	**12.1**	4.2
California cap and trade payable	**23.0**	6.0
Nova Scotia cap and trade payable	**–**	1.8
Share-based payments and other	**2.0**	4.0
Other liabilities	**37.1**	16.0

Superior operates in California, Nova Scotia and Quebec, and is required to participate in the respective government cap and trade programs, which require Superior to settle any liability with cap and trade at the end of each compliance period. Intangible assets are recorded when cap and trade emission units are purchased, and cap and trade liabilities are recorded upon the import of propane. These are included in the consolidated statements of cash flows, net of the liability that has been accrued related to cap and trade payable as part of changes in non-cash working capital. The Nova Scotia cap and trade payable of $2.4 million has been classified as current liability since the cap and trade program expired at the end of 2022.

15. BORROWINGS

A summary of borrowings is as follows:

	Year of Maturity	Effective Interest Rate	2022	2021
Revolving Term Bank Credit Facilities (1)				
Bankers' Acceptances ("BA")	2027	Floating BA rate plus 1.70%	**93.0**	35.0
Canadian Prime Rate loan (Prime and Swing Line)	2027	Prime rate plus 0.70%	**–**	10.0
SOFR loans (US$365.0 million; 2021 - LIBOR loans at floating LIBOR rate plus 1.70%; US$93.0 million)	2027	Term SOFR rate plus 1.70%	**494.7**	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
			587.7	180.2
Other Debt				
Deferred consideration	2023-2031	1.74%-8.74%	**37.5**	40.0
Other term loans (4)	2023-2031	1.9%-6.5%	**7.6**	–
			45.1	40.0
Senior Unsecured Notes				
Senior unsecured notes (3)	2028	4.25%	**500.0**	500.0
Senior unsecured notes (2)	2029	4.50%	**813.2**	758.2
			1,313.2	1,258.2
Total borrowings before deferred financing fees			**1,946.0**	1,478.4
Deferred financing fees and discounts			**(19.9)**	(22.1)
Total borrowings before current maturities			**1,926.1**	1,456.3
Current maturities			**(14.8)**	(11.4)
Total non-current borrowings			**1,911.3**	1,444.9

(1) As at December 31, 2022, Superior had $24.2 million of outstanding letters of credit (2021 - $30.1 million) and $391.8 million of outstanding financial guarantees on behalf of its businesses (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 $697.5 million (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 18. There was an unrealized foreign exchange translation loss on the US$600 million senior unsecured note of $55.0 million for the year ended December 31, 2022, respectively (2021 - $4.6 million loss).

(3) On May 18, 2021, Superior's wholly owned subsidiary, Superior Plus LP, has completed a private placement of C$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 C$400 million of 5.25% senior unsecured notes and the C$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 $434.0 million (2021 - $503.4 million).

(4) Other term loans were assumed by Superior as part of the acquisition of Kamps Propane consisting of $1.6 million (US$1.2 million) in term bank loans bearing interest at 3.99% to 5.50% due between 2023 and 2025, and $6.0 million (US$4.4 million) in other term loans bearing interest at 1.9% to 6.5% due between 2023 to 2031.

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

2023	14.8
2024	11.2
2025	8.9
2026	6.2
2027	589.4
Thereafter	1,315.5
Total	**1,946.0**

16. LEASING ARRANGEMENTS

The lease liabilities by operating segment are as follows:

	U.S. Propane	Canadian Propane(i)	Wholesale Propane(i)	Specialty Chemicals	Corporate	Total
As at December 31, 2020	76.9	67.3	9.2	112.1	1.3	266.8
Lease liabilities assumed as part of a business combination	17.8	0.3	–	–	–	18.1
Additions	19.7	14.6	3.8	1.7	–	39.8
Finance expense on lease liabilities	3.7	3.2	0.8	1.6	0.1	9.4
Lease payments	(21.4)	(16.0)	(4.9)	(8.7)	(0.3)	(51.3)
Impact of changes in foreign exchange	(1.2)	(0.3)	(0.1)	(1.4)	–	(3.0)
Divestiture (Note 3)	–	–	–	(105.3)	–	(105.3)
As at December 31, 2021	95.5	69.1	8.8	–	1.1	174.5
Lease liabilities assumed as part of a business combination	**27.8**	**–**	**4.5**	**–**	**–**	**32.3**
Additions	**25.5**	**11.4**	**11.9**	**–**	**–**	**48.8**
Finance expense on lease liabilities	**5.2**	**3.2**	**0.8**	**–**	**0.1**	**9.3**
Lease payments	**(25.8)**	**(19.4)**	**(6.2)**	**–**	**(0.4)**	**(51.8)**
Impact of changes in foreign exchange rates and other	**8.9**	**(0.1)**	**1.1**	**–**	**–**	**9.9**
As at December 31, 2022	**137.1**	**64.2**	**20.9**	**–**	**0.8**	**223.0**

(i) *Restated, see Notes 1 and 2(b).*

	2022	2021
Current portion of lease liabilities	**47.3**	44.9
Non-current portion of lease liabilities	**175.7**	129.6
Total lease liabilities	**223.0**	174.5

Included in the above lease liabilities, as at December 31, 2022, are vehicle and other fleet lease obligations of $97.8 million (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**	
	2022	2021	**2022**	2021
Not later than one year	**52.9**	48.4	**47.3**	44.9
Later than one year and not later than five years	**142.1**	106.6	**117.8**	90.0
Later than five years	**75.0**	53.1	**57.9**	39.6
Less: future finance charges	**(47.0)**	(33.6)	**–**	–
Present value of minimum rental payments	**223.0**	174.5	**223.0**	174.5

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

	2022	2021
Not later than one year	**2.0**	2.7
Later than one year and not later than five years	**0.6**	0.6
	2.6	3.3

17. EMPLOYEE FUTURE BENEFITS

In accordance with IAS 19, the most recent actuarial accounting of plan assets and the present value of the defined-benefit obligation were calculated on December 31, 2022. The present value of the defined-benefit obligation, and the related current and past service costs, were measured using the projected unit credit method, which is the same as that applied in calculating the accrued defined-benefit obligation recognized in the consolidated balance sheets.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Defined-benefit Plans		**Other Benefit Plans**	
	2022	2021	**2022**	2021
Average discount rate	**5.0%**	2.7%	**5.1%**	2.5%
Expected rate of compensation increase	**4.0%**	3.0%	**4.0%**	3.0%
Mortality rate(i)	**108%–112%**	108%–112%	**95%–109%**	106%–109%

(i) *2014 Canadian Private Sector Pensioners' Mortality Table combined with mortality improvement scale MI-2017.*

Canadian Propane Distribution has defined-benefit and defined-contribution pension plans (the "Plans") covering most employees. The benefits provided under the Plans are based on the individual employee's years of service and the highest average earnings for a specified number of consecutive years. The objective of the Plans when managing their net assets available for benefits, which represent the capital of the Plans, is to provide members with the retirement benefits prescribed in the Plans. The Specialty Chemicals pension plans were divested earlier in the year, except for one non-funded Supplemental Retirement Arrangement plan with four members, which has been assumed by Superior. All other benefit plans and the rest of the management objectives, policies and procedures are unchanged since 2021. The Plan assets are managed by the Human Resources and Compensation Committee of the Board of Directors on behalf of beneficiaries. The Human Resources and Compensation Committee of the Board of Directors retains independent managers and advisors.

Information about Superior's defined-benefit and other post-retirement benefit plans as at December 31, 2022 and 2021 in aggregate is as follows:

Recognized net (asset) liability arising from defined-benefit obligation

	Canadian Propane Distribution Pension Benefit Plans	**Specialty Chemicals Pension Benefit Plans**	**Other Benefit Plans**
Balance as at December 31, 2022			
Present value of defined-benefit obligations	**22.9**	**–**	**5.5**
Fair value of plan assets	**(29.6)**	**–**	**–**
Net (asset) liability arising from defined-benefit obligation	**(6.7)**	**–**	**5.5**
Balance as at December 31, 2021			
Present value of defined-benefit obligations	29.9	–	6.8
Fair value of plan assets	(36.9)	–	–
Net (asset) liability arising from defined-benefit obligation	(7.0)	–	6.8

Movements in Defined-Benefit Obligations and Plan Assets

	Canadian Propane Pension Benefit Plans		**Specialty Chemicals Pension Benefit Plans**		**Other Benefit Plans**	
	2022	2021	**2022**	2021	**2022**	2021
Movement in the present value of the defined-benefit obligation during the year:						
Benefit obligation as at January 1	**29.9**	33.9	**–**	156.4	**6.8**	22.7
Current service cost	**–**	–	**–**	0.5	**–**	–
Interest cost	**0.8**	0.7	**–**	–	**0.2**	0.4
Actuarial gains	**(4.2)**	(1.2)	**–**	(13.4)	**(0.8)**	(2.9)
Past service cost	**–**	–	**–**	–	**–**	0.1
Benefits paid	**(3.6)**	(3.5)	**–**	(0.2)	**(0.7)**	(0.8)
Divestiture (Note 3)	**–**	–	**–**	(143.3)	**–**	(12.7)
Benefit obligation as at December 31	**22.9**	**29.9**	**–**	–	**5.5**	6.8
Movement in the fair value of the plan assets during the year:						
Fair value of plan assets as at January 1	**36.9**	40.8	**–**	150.7	**–**	–
Excess shortfall on plan assets	**(4.4)**	(1.2)	**–**	–	**–**	–
Expected return on plan assets	**0.9**	0.8	**–**	–	**–**	–
Contributions by the employer	**0.2**	0.1	**–**	0.2	**0.7**	0.8
Benefits paid	**(3.6)**	(3.5)	**–**	(0.2)	**(0.7)**	(0.8)
Administration expenses	**(0.2)**	(0.1)	**–**	–	**–**	–
Defined contributions plan payments	**(0.2)**	–	**–**	–	**–**	–
Divestiture (Note 3)	**–**	–	**–**	(150.7)	**–**	–
Fair value of plan assets as at December 31	**29.6**	36.9	**–**	–	**–**	–
Funded status – plan surplus (deficit)						
Net asset (obligation) arising from defined-benefit obligation	**6.7**	7.0	**–**	–	**(5.5)**	(6.8)
Non-current net benefit asset (obligation)	**6.7**	7.0	**–**	–	**(5.5)**	(6.8)

The accrued net pension asset related to the Canadian Propane Distribution pension benefit plan on December 31, 2022 was $6.7 million (2021 - $7.0 million), and the expense for 2022 was $0.3 million (2021 - $nil million). The accrued net pension obligation related to the Specialty Chemicals pension benefit plan on December 31, 2022 and 2021 was $nil, and the expense for 2022 was $nil (2021 - $0.5 million).

The accrued net benefit obligation related to the total other benefit plans of Canadian Propane Distribution and assumed Specialty Chemicals plan on December 31, 2022 was $5.5 million (2021 - $6.8 million), and the expense for 2022 was $0.2 million (2021 - $0.5 million). Amounts recognized in net earnings (loss) in respect of these defined-benefit plans are as follows for the years ended December 31:

	2022	2021
Service cost		
Current service cost	**–**	0.5
Administrative expense	**0.2**	0.1
Defined contributions plan payments	**0.2**	–
Past service cost	**–**	0.1
Net interest expense	**0.1**	0.3
Components of defined-benefit costs recognized in net earnings (loss)	**0.5**	1.0

The service cost, administrative expense and net interest expense related to Canadian Propane Distribution and assumed Specialty Chemicals plan on December 31, 2022 was $0.5 million (2021 - $1.0 million) and is included in SD&A.

The remeasurement of the net defined-benefit liability is included in other comprehensive earnings (loss). The amounts recognized in accumulated other comprehensive earnings in respect of these benefit plans are as follows:

	2022	2021
Actuarial defined-benefit gain (before income taxes)	**0.6**	16.3
Cumulative actuarial gains (before income taxes)	**4.4**	3.8

Remeasurement on the net benefit obligation:	**2022**	2021
Cumulative actuarial gain (loss) (before income taxes), beginning of the year	**3.8**	(12.5)
Actuarial asset experience loss	**(4.4)**	(1.2)
Actuarial gain arising from changes in demographic assumptions	**–**	1.0
Actuarial gain arising from changes in financial assumptions	**5.2**	16.6
Actuarial loss arising from changes in experience adjustments	**(0.2)**	(0.1)
Cumulative actuarial earnings (before income taxes), end of the year	**4.4**	3.8

Significant actuarial assumptions for the determination of the accrued defined-benefit obligation are discount rate, compensation increase, mortality scale and trend rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring as at December 31, 2022, while holding all other assumptions constant.

Discount Rate

A 1% change in the discount rate would result in a change to the accrued defined-benefit obligation related to Canadian Propane Distribution of $1.8 million as at December 31, 2022 (2021 - $2.8 million) and a change to the current service expense of $0.1 million as at December 31, 2022 (2021 - $0.1 million). A 1% change in the discount rate would result in a change to the accrued defined-benefit obligation related to the assumed Specialty Chemicals plan of $0.1 million (2021 - $0.2 million) and a change to the current service expense of $nil at December 31, 2022 and 2021.

Compensation Increase
A 1% change in the salary would result in a change to the accrued defined-benefit obligation related to Canadian Propane Distribution of $nil as at December 31, 2022 (2021 - $nil) and a change to the current service expense of $nil as at December 31, 2022 (2021 - $nil). A 1% change in salary would result in a change to the accrued defined-benefit obligation and expense related to the assumed Specialty Chemicals of $nil as at December 31, 2022.

Mortality Scale
A 10% change in the mortality scale would result in a change to the accrued defined-benefit obligation related to Canadian Propane Distribution of $1.3 million as at December 31, 2022 (2021 - $1.6 million) and a change to the current service expense of $0.1 million as at December 31, 2022 (2021 - $nil). A 10% change in the mortality scale would result in a change to the accrued defined-benefit obligation related to the assumed Specialty Chemicals plan of $nil as at December 31, 2022 and 2021 and a change to the current service expense of $nil as at December 31, 2022 and 2021.

Trend Rate
A 1% change in the trend rate would result in a change to the accrued defined-benefit obligation related to Canadian Propane Distribution of $0.2 million as at December 31, 2022 (2021 - $0.2 million) and a change to the current service expense of $nil as at December 31, 2022 and 2021.

The sensitivity presented above may not be representative of the actual change in the accrued defined-benefit obligation as it is unlikely that the change in assumptions would occur in isolation, as some of the assumptions may be correlated.

There were no changes in the methods or assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the net benefit obligation related to Canadian Propane Distribution is 6.6 years as at December 31, 2022 (2021 - 7.1 years) and related to the assumed Specialty Chemicals plan is 8.3 years as at December 31, 2022 (2021 - 9.8 years).

As at December 31, 2022, Superior expects to make a contribution to the Canadian Propane Distribution Pension Benefit Plans of $0.7 million and to the assumed Specialty Chemicals Pension Benefit Plans of $0.1 million during 2023.

The fair values of plan assets as at December 31, 2022, by major asset category, are as follows:

	Canadian Propane Distribution Pension Benefit Plans	
	Level 2	**Percentage**
Canadian equities	**3.8**	**12.7%**
Fixed income	**25.7**	**86.8%**
Cash	**0.1**	**0.5%**
Total	**29.6**	**100%**

The fair values of plan assets as at December 31, 2021, by major asset category, are as follows:

	Canadian Propane Distribution Pension Benefit Plans	
	Level 2 Assets	Percentage
Canadian equities	4.5	12.2%
Fixed income	32.3	87.5%
Cash	0.1	0.3%
Total	36.9	100.0%

The actual returns on Canadian Propane Distribution plan assets during the year ended December 31, 2022 were (9.8%) (2021 - (0.9%)). The assumed Specialty Chemicals plan was not a funded plan.

As part of the risk management process, Superior has established a diversification policy, set rate of return objectives, and developed specific investment guidelines.

As at December 31, 2022, the asset-matching strategic choices that are formulated in the actuarial and Superior's Statement of Investment Policies and Procedures ("SIPP") of the total defined-benefit plan assets are:

	Canadian Propane Distribution Pension Benefit Plans
	Range[(i)(ii)]
Canadian equities	**2.0%-8.0%**
Global equities	**2.0%-8.0%**
Fixed income	**84.0%-96.0%**

(i) *Based on Superior's SIPP.*
(ii) *Canadian Propane Distribution's SIPP does not provide ranges for U.S. and foreign equities; instead it provides an aggregate range for global equities.*

As at December 31, 2021, the asset-matching strategic choices that are formulated in the actuarial and SIPP of the total defined-benefit plan assets are:

	Canadian Propane Distribution Pension Benefit Plans
	Range[(i)(ii)]
Canadian equities	2.0%-7.0%
Global equities	2.0%-7.0%
Fixed income	86.0%-96.0%

(i) *Based on Superior's SIPP.*
(ii) *Canadian Propane Distribution's SIPP does not provide ranges for U.S. and foreign equities; instead it provides an aggregate range for global equities.*

18. FINANCIAL INSTRUMENTS

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

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

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

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

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

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period. During the year ended December 31, 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 December 31, 2022
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Foreign currency forward contracts, net sale	**3.0**	**–**	**–**	**3.0**
Equity derivative contract	**–**	**1.9**	**–**	**1.9**
Propane, West Texas Intermediate ("WTI"), butane, heating oil and diesel wholesale purchase and sale contracts	**–**	**6.1**	**–**	**6.1**
Total assets	**3.0**	**8.0**	**–**	**11.0**
Liabilities				
Foreign currency forward contracts, net sale	**(20.3)**	**–**	**–**	**(20.3)**
Equity derivative contract	**–**	**(1.8)**	**–**	**(1.8)**
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	**–**	**(46.3)**	**–**	**(46.3)**
Total liabilities	**(20.3)**	**(48.1)**	**–**	**(68.4)**
Total net liabilities	**(17.3)**	**(40.1)**	**–**	**(57.4)**
Current portion of assets	**2.7**	**7.9**	**–**	**10.6**
Current portion of liabilities	**(9.0)**	**(46.6)**	**–**	**(55.6)**

				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 3)	–	–	(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$534.1	2023–2026	$1.32	Quoted bid prices in the active market.
Foreign currency options USD/CAD calls	US$50.5	2023–2024	$1.325 – $1.47	Quoted bid prices in the active market.
Level 2 fair value hierarchy:				
Equity derivative contracts	C$19.9	2023–2025	$11.19	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	123.9 USG[(i)]	2023–2026	$1.02 – 3.16	Quoted bid prices for similar products in an active market.

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

(ii) Maximum adjustment including 6% interest.

(iii) The key input and valuation technique for the contingent consideration in 2021 was the weighted average EBITDA outcomes based on scenarios using current and future earnings assumptions such as foreign exchange rates, average price assumptions and forecasted demand. The contingent consideration was nil as at December 31, 2022.

Superior's realized and unrealized financial instrument gains (losses) for the years ended December 31, 2022 and 2021 are as follows:

	2022			2021		
Description	**Realized Gain (Loss)**	**Unrealized Gain (Loss)**	**Total**	Realized Gain	Unrealized Gain (Loss)	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD calls	**(2.7)**	**(27.5)**	**(30.2)**	12.6	(8.2)	4.4
Equity derivative contracts	**–**	**(3.7)**	**(3.7)**	–	0.1	0.1
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	**28.6**	**(77.7)**	**(49.1)**	48.3	16.6	64.9
Total gains (losses) on financial and non-financial derivatives	**25.9**	**(108.9)**	**(83.0)**	60.9	8.5	69.4
Gain (loss) from the fair value change of contingent consideration	**–**	**2.0**	**2.0**	–	(0.6)	(0.6)
Foreign exchange gain (loss) on U.S. dollar debt and lease liabilities	**–**	**(55.0)**	**(55.0)**	20.0	(18.8)	1.2
Total gains (losses)	**25.9**	**(161.9)**	**(136.0)**	80.9	(10.9)	70.0

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 15, 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 15 is determined by quoted market prices (Level 2 fair value hierarchy). As at December 31, 2022, the fair value of the Vendor Note disclosed in Note 3 and recorded in trade and other receivables is the same as its carrying value due its short-term nature. The fair value of the Vendor Note disclosed in Note 3 as at December 31, 2021 was $126.4 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 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 December 31, 2022 and 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 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.

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 December 31, 2022, Superior estimates that a 10% increase in its share price would have resulted in a $2.0 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 January 1 to December 31 of the respective years are as follows:

	Current	2024	2025	2026	2027	Thereafter	Total
Borrowings before deferred financing fees and discounts	14.8	11.2	8.9	6.2	589.4	1,315.5	1,946.0
Lease liabilities	47.3	38.9	33.1	24.8	21.0	57.9	223.0
Non-cancellable, low-value, short-term leases and leases with variable lease payments	2.0	0.5	0.1	–	–	–	2.6
USD foreign currency forward contracts - net sale	224.6	192.5	105.0	12.0	–	–	534.1
USD/CAD call options[i]	–	50.5	–	–	–	–	50.5
Equity derivative contracts	15.4	1.3	3.2	–	–	–	19.9
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	225.5	6.0	–	–	–	–	231.5

[i]USD/CAD call options expire on varying maturity dates between March 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 December 31, 2022 and 2021.

Superior's financial instruments' sensitivities to changes in foreign currency exchange rates, interest rates and various commodity prices and the resulting impact to net earnings (loss) are detailed below:

	2022
Impact to net earnings of a $0.01 change in the CDN$ dollar compared to the US$ dollar	**+/- 0.9**
Impact to net earnings of a 0.5% change in interest rates	**+/- 2.3**
Impact to net earnings of a $0.04/litre change in the price of heating oil	**+/- 0.8**
Impact to net earnings of a $0.04/litre change in the price of propane	**+/- 2.9**

The calculation of Superior's sensitivity to changes in foreign currency exchange rates, interest rates and various commodity prices represent the change in fair value of the financial instrument without consideration of the value of the underlying variable, such as the underlying customer contracts. The recognition of the sensitivities identified above would have affected Superior's unrealized gain or loss on financial instruments and would not have had a material impact on Superior's cash flow from operations.

19. 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., Hungarian and Luxembourg income tax.

The income taxes differ from the amount computed by applying the corporate Canadian federal-provincial enacted statutory rate for 2022 of 25.95% (2021 - 26.01%). The statutory rates reflect previously enacted provincial tax rate decreases.

The reasons for these differences are as follows:

	2022	2021
Net earnings (loss) from continuing operations	**(87.9)**	17.2
Income tax (recovery) expense	**(37.0)**	5.7
Earnings (loss) before taxes	**(124.9)**	22.9
Computed income tax (recovery) expense	**(32.4)**	6.0
Changes in effective foreign tax rates	**(20.0)**	0.6
Changes in tax rates	**(0.4)**	(0.4)
Non-deductible costs and other	**16.9**	2.9
Adjustments in respect of prior years	**(2.0)**	(2.0)
Change in amount of unrecognized asset	**1.9**	0.1
Other	**(1.0)**	(1.5)
Income tax (recovery) expense	**(37.0)**	5.7

Income tax expense (recovery) for the years ended December 31, 2022 and 2021 is comprised of the following:

	2022	2021
Current income tax expense (recovery)		
Current income tax charge	**4.2**	4.2
Current tax charge associated with divestiture	**–**	(85.0)
Adjustments in respect of prior years	**3.2**	(3.0)
Total current income tax expense (recovery)	**7.4**	(83.8)
Deferred income tax expense (recovery)		
Relating to origination and reversal of temporary differences	**(40.7)**	88.6
Changes in tax rates	**(0.4)**	(0.4)
Adjustments in respect of prior years	**(5.2)**	1.0
Change in amount of unrecognized asset	**1.9**	0.1
Other	**–**	0.2
Total deferred income tax expense (recovery)	**(44.4)**	89.5
Income tax expense (recovery)	**(37.0)**	5.7

Deferred tax for the years ended December 31, 2022 and 2021 is comprised of the following:

December 31, 2022	Opening Balance	Credited (Charged) to Net Earnings (Loss)	Credited (Charged) to Discontinued Operations	Credited (Charged) to Other Comprehensive Earnings (Loss)	Acquisitions	Exchange Differences and Other	Closing Balance
Property, plant and equipment	(271.9)	(28.8)	–	–	(53.7)	(17.2)	(371.6)
Reserves and employee benefits	19.1	8.7	–	(0.2)	4.2	1.2	33.0
Provisions	3.0	0.1	–	–	–	0.2	3.3
Finance leases	46.4	3.0	–	–	7.5	2.5	59.4
Borrowing	(5.0)	3.3	–	–	–	0.6	(1.1)
Financing fees	17.8	(5.1)	–	2.3	–	0.1	15.1
Unrealized foreign exchange gains (losses)	(13.5)	29.4	–	–	–	0.7	15.2
Scientific research and development	21.4	(2.5)	–	–	–	–	18.9
Investment tax credits, net of tax	41.9	1.8	–	–	–	–	43.7
Non-capital losses	51.2	33.2	–	–	–	2.9	87.3
Other	(1.3)	1.3	–	–	–	–	–
Total	**(90.9)**	**44.4**	**–**	**2.1**	**(42.0)**	**(10.4)**	**(96.8)**

December 31, 2021	Opening Balance	Credited (Charged) to Net Earnings (Loss)	Credited (Charged) to Discontinued Operations	Credited (Charged) to Other Comprehensive Earnings (Loss)	Acquisitions	Exchange Differences and Other	Closing Balance
Property, plant and equipment	(331.9)	(52.6)	112.2	–	(0.9)	1.3	(271.9)
Reserves and employee benefits	20.6	6.0	(3.8)	(3.7)	–	–	19.1
Provisions	33.7	(0.5)	(30.2)	–	–	–	3.0
Finance leases	71.2	4.9	(29.5)	–	–	(0.2)	46.4
Borrowing	(8.2)	3.2	–	–	–	–	(5.0)
Financing fees	4.5	13.2	–	–	–	0.1	17.8
Unrealized foreign exchange gains (losses)	(11.7)	(1.9)	–	–	–	0.1	(13.5)
Scientific research and development	52.1	(30.7)	–	–	–	–	21.4
Investment tax credits, net of tax	52.9	(10.9)	–	–	–	(0.1)	41.9
Non-capital losses	70.2	(18.7)	–	–	–	(0.3)	51.2
Other	(0.4)	(1.5)	0.4	–	–	0.2	(1.3)
Total	(47.0)	(89.5)	49.1	(3.7)	(0.9)	1.1	(90.9)

Deferred taxes reported in the two preceding tables are presented on a functional basis while deferred taxes reported on the consolidated balance sheets are on a legal-entity basis.

The net deferred income tax liability relates to the following tax jurisdictions as at December 31, 2022 and 2021:

	2022	2021
Canada	**30.9**	7.0
U.S.	**(127.7)**	(97.9)
Total net deferred income tax liability	**(96.8)**	(90.9)

Superior has available to carry forward the following as at December 31, 2022 and 2021:

	2022	2021
Canadian federal and provincial investment tax credits	**60.3**	61.9
Canadian scientific research expenditures	**81.5**	91.4
Canadian non-capital losses	**30.7**	46.2
U.S. non-capital losses	**273.7**	235.6
U.S. interest deduction – 163(j)	**115.2**	–

The federal and provincial investment tax credits available to reduce future years' taxable income expire as follows:

	Canada
2023	**14.4**
2024	**9.7**
2025	**7.7**
2026	**5.6**
Thereafter	**22.9**
Total	**60.3**

The Canadian scientific research expenditures may be carried forward indefinitely. The Canadian and U.S. non-capital loss carryforward are all due to expire beyond 2026.

As at December 31, 2022, Superior had $91.5 million of tax pools (2021 - $85.3 million) for which no deferred tax asset was recognized. For all other deferred tax assets, it is probable that the asset will be realized through a combination of future reversals of temporary differences and taxable income.

20. 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, Inc. 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**
Common shares repurchased and cancelled	**(1.0)**	**(13.0)**	**(10.0)**
Net loss for the year	–	–	**(112.5)**
Other comprehensive earnings	–	–	**106.9**
Dividends declared to common shareholders	–	–	**(140.5)**
As at December 31, 2022	**200.7**	**2,617.9**	**1,108.1**

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.

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 that 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, which has been terminated as at December 31, 2022.

For the year ended December 31, 2022, 994,542 common shares have been repurchased for $10 million, including commission, at a volume-weighted average price of $10.06 per common share. The repurchased shares, with a total book value of $13 million, were immediately cancelled. The Company applies settlement date accounting in determining the date on which the share repurchase is reflected in the consolidated financial statements. The settlement date is the date on which the Company settles with the third party responsible for conducting NCIB purchases. Superior recorded the excess of the book value over the payment made for common shares repurchased and cancelled in the consolidated statements of changes in equity.

Preferred Shares of Superior Plus US Holdings, Inc.

The preferred shares issued by Superior's subsidiary ("Preferred Shares") 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 year ended December 31, 2022 were $24.6 million (US$18.9 million) or $94.6 (US$72.5) per Preferred Share (2021 - $23.8 million (US$18.9 million) or $91.5 (US$72.5) per Preferred Share).

NCI	**Issued Number of Preferred Shares (Millions)**	**Equity Attributable to NCI**
As at December 31, 2021	0.3	328.6
Net earnings for the year	–	**24.6**
Other comprehensive earnings, allocated to NCI	–	**23.8**
Dividends to preferred shareholders	–	**(24.6)**
As at December 31, 2022	**0.3**	**352.4**

Accumulated Other Comprehensive Earnings

	2022	2021
Accumulated other comprehensive earnings		
Currency translation adjustment		
Balance, beginning of the year	**49.4**	83.7
Unrealized foreign currency gains (losses) on translation of foreign operations	**106.5**	(13.5)
Realized foreign currency gain reclassified to net income (Note 3)	**–**	(20.8)
Balance, end of the year	**155.9**	49.4
Actuarial defined benefits		
Balance, beginning of the year	**3.4**	(9.2)
Actuarial defined-benefit gain	**0.6**	16.3
Income tax expense on other comprehensive earnings (loss)	**(0.2)**	(3.7)
Balance, end of the year	**3.8**	3.4
Accumulated other comprehensive earnings, end of the year	**159.7**	52.8

Other Capital Disclosure

Additional Capital Disclosure

Superior's objectives when managing capital are: (i) to maintain a flexible capital structure to preserve its ability to meet its financial obligations, including potential obligations from acquisitions; and (ii) to safeguard its assets while maximizing the growth of its businesses and returns to its shareholders.

In the management of capital, Superior includes shareholders' equity (excluding accumulated other comprehensive earnings) and current and long-term borrowings. Superior manages its capital structure and makes adjustments in light of changes in economic conditions and the nature of the underlying assets. In order to maintain or adjust the capital structure, Superior may adjust the amount of dividends to shareholders, issue additional share capital, conduct additional borrowing or issue convertible unsecured subordinated debentures, or conduct new borrowing or issue convertible unsecured subordinated debentures with different characteristics.

Superior monitors its capital based on the ratio of senior debt outstanding to EBITDA, as defined by its revolving term credit facility, and the ratio of total debt outstanding to EBITDA. Superior's reference to EBITDA as defined by its revolving term credit facility may be referred to as compliance EBITDA in its other public reports.

Superior is subject to various financial covenants in its credit facility agreements, including senior debt, total debt to EBITDA ratio and restricted payment tests, which are measured on a quarterly basis. As at December 31, 2022, Superior was in compliance with all of its financial covenants.

Superior's financial objectives and strategy related to managing its capital as described above remained unchanged from the prior year. Superior believes that its debt to EBITDA ratios are within reasonable limits, in light of Superior's size, the nature of its businesses and its capital management objectives.

21. Supplemental Disclosure of Consolidated Statements of Net Earnings (Loss)

	Years Ended December 31	
	2022	2021
Revenue		
Revenue from products[iii]	**3,282.4**	2,309.9
Revenue from the rendering of services	**72.0**	63.4
Tank and equipment rental	**25.4**	19.3
	3,379.8	2,392.6
Cost of sales		
Cost of products and services[i]	**(2,183.9)**	(1,474.2)
Low value, short-term and variable lease payments	**(6.1)**	(5.7)
	(2,190.0)	(1,479.9)
SD&A		
Other expenses in SD&A[iv]	**(179.8)**	(121.5)
Restructuring, transaction and other costs	**(84.2)**	(28.9)
Employee costs and employee future benefit expense[ii]	**(444.9)**	(357.9)
Vehicle operating costs[iv]	**(100.4)**	(69.6)
Facilities maintenance expense[iv]	**(37.9)**	(24.1)
Depreciation of right-of-use assets	**(36.1)**	(31.3)
Depreciation included in SD&A	**(116.4)**	(99.1)
Amortization of intangible assets	**(86.4)**	(70.7)
Low value, short-term and variable lease payments	**(2.9)**	(2.1)
Gain on disposal of assets	**1.9**	0.4
	(1,087.1)	(804.8)
Finance expense		
Interest on borrowings	**(75.2)**	(68.3)
Interest earned net of loss on write-down on Vendor Note (see Note 3)	**(2.3)**	5.3
Interest on lease liability	**(9.3)**	(7.8)
Premium and other losses on redemption of senior unsecured notes	**–**	(58.6)
Amortization of borrowing fees	**(2.7)**	(24.1)
Unwinding of discount on decommissioning liabilities and non-cash financing expenses	**(2.1)**	(1.5)
	(91.6)	(155.0)
Gain (loss) on derivatives and foreign currency translation of borrowings		
Realized gain on financial and non-financial derivatives and foreign currency translation	**25.9**	80.9
Unrealized loss on financial and non-financial derivatives and foreign currency translation	**(161.9)**	(10.9)
	(136.0)	70.0
Earnings (loss) before income taxes	**(124.9)**	22.9
Income tax (expense) recovery		
Current income tax (expense) recovery	**(7.4)**	83.8
Deferred income tax (expense) recovery	**44.4**	(89.5)
	37.0	(5.7)
Net earnings (loss) from continuing operations	**(87.9)**	17.2

[i] *During the year ended December 31, 2022, the cost of products and services includes inventories recognized as expense and inventory write-down of $2,152.7 million and $2.8 million, respectively (2021 - $1,446.7 million and $2.5 million, respectively).*
[ii] *Expense is shown net of the CEWS subsidy, see Note 22.*
[iii] *Included in revenue from products is the sale of carbon credit of $8.5 million during the year ended December 31, 2022 (2021 - $16.3 million).*

22. 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 year ended December 31, 2022, Superior recorded $2.2 million (2021 - $21.7 million) as a reduction to selling, distribution and administration costs and $nil related to discontinued operations for the year ended December 31, 2022 (2021 - $1.4 million).

There are no unfulfilled conditions attached to this government assistance.

23. NET EARNINGS (LOSS) PER SHARE, BASIC AND DILUTED

	Years Ended December 31	
Net loss per share from continuing operations	**2022**	2021
Basic		
Net loss from continuing operations attributable to common shareholders[i]	**(112.5)**	(6.6)
Weighted average number of shares outstanding (millions) – basic	**194.9**	176.0
Net loss from continuing operations per share attributable to common shareholders	**$(0.58)**	$(0.04)

[i] No additional allocation to the NC I because there are no excess earnings

Diluted		
Net earnings (loss) from continuing operations attributable to common shareholders assuming preferred shares convert	**(87.9)**	17.2
Weighted average number of common shares outstanding (millions) assuming preferred shares convert	**224.9**	206.0
	$(0.39)	$0.08
Net loss per share from continuing operations attributable to common shareholders	**$(0.58)**	$(0.04)

	Years Ended December 31	
Net earnings per share from discontinued operations	**2022**	2021
Basic		
Net earnings attributable to common shareholders	**–**	189.5
Weighted average number of shares outstanding (millions) – basic	**–**	176.0
Net earnings per share from discontinued operations attributable to common shareholders	**$-**	$1.08
Diluted		
Net earnings attributable to common shareholders	**–**	189.5
Weighted average number of common shares outstanding (millions) assuming preferred shares convert	**–**	206.0
	$-	$0.92
Net earnings per share from discontinued operations attributable to common shareholders	**$-**	$0.92

Net earnings (loss) per share	Years Ended December 31 2022	2021
Basic		
Net earnings (loss) attributable to common shareholders	**(112.5)**	182.9
Dividends declared to common shareholders	**140.5**	126.8
Excess earnings allocated to common shareholders	**–**	47.9
Total earnings (loss) allocated to common shareholders	**(112.5)**	174.7
Weighted average number of shares outstanding (millions) – basic	**194.9**	176.0
Net earnings (loss) per share attributable to common shareholders	**$(0.58)**	$0.99
Diluted		
Net earnings (loss) attributable to common shareholders	**(87.9)**	206.7
Weighted average number of common shares outstanding (millions) assuming preferred shares convert	**224.9**	206.0
	$(0.39)	$1.00
Net earnings (loss) per share attributable to common shareholders	**$(0.58)**	$0.99

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 20). 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.

24. DISAGGREGATION OF REVENUE

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

For the Year Ended December 31, 2022				**Energy Distribution**
	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from sale of products	**1,644.1**	**2,336.0**	**(697.7)**	**3,282.4**
Revenue from services	**19.6**	**52.4**	**–**	**72.0**
Tank and equipment rental	**4.1**	**21.3**	**–**	**25.4**
Total revenue	**1,667.8**	**2,409.7**	**(697.7)**	**3,379.8**

For the Year Ended December 31, 2021				Energy Distribution
	Canada	U.S.	Inter-segment	Total
Revenue from sale of products	1,354.3	1,474.5	(518.9)	2,309.9
Revenue from services	20.0	43.4	–	63.4
Tank and equipment rental	3.9	15.4	–	19.3
Total revenue	1,378.2	1,533.3	(518.9)	2,392.6

25. SHARE-BASED COMPENSATION

Restricted and Performance Shares

Under Superior's long-term incentive program, restricted shares ("RSs"), performance shares ("PSs") and/or director shares ("DSs") can be granted to directors, senior officers and employees of Superior. All three types of shares entitle the holder to receive cash compensation in relation to the value of a specified number of underlying notional shares. RSs vest evenly over three years from the grant date, except for RSs issued to directors, which vest three years from the grant date. Payments are made on the anniversaries of the RSs to the holders entitled to receive them on the basis of a cash payment equal to the value of the underlying notional shares. PSs vest three years from the grant date and their notional value depends on Superior's performance as compared to established benchmarks. DSs vest immediately on the grant date and payments are made to directors once they resign or retire based on the number of notional shares outstanding and the value of the shares on that date. Employee compensation expense for these plans is charged against net earnings or loss over the vesting period of the RSs, PSs, and DSs. The amount payable by Superior in respect of RSs, PSs and DSs changes as a result of dividends and share price movements. The fair value of all the RSs, PSs and DSs is equal to Superior's common share market price and the divisional notional share price if related to a divisional plan. In the event of an employee termination, any unvested shares are forfeited on that date.

For the year ended December 31, 2022, total compensation related to RSs, PSs and DSs was a recovery of $0.1 million (2021 - $15.8 million expense). Exercises during the year ended December 31, 2022 under the long-term incentive plan were completed at a weighted average price of $12.73 per share (2021 - $13.18 per share) for RSs, $12.48 per share (2021 - $14.45 per share) for PSs and $11.23 per share (2021 - $nil) for DSs. For the year ended December 31, 2022, the total carrying amount of the liability related to RSs, PSs and DSs was $14.1 million (2021 - $26.5 million).

The movement in the number of shares under the long-term incentive program was as follows:

	2022				2021			
	RSs	**PSs**	**DSs**	**Total**	RSs	PSs	DSs	Total
Opening number of shares	**597,054**	**933,048**	**775,539**	**2,305,641**	806,019	1,179,466	596,198	2,581,683
Granted	**260,671**	**260,671**	**104,903**	**626,245**	300,021	300,021	142,902	742,944
Performance factor adjustment and other	**–**	**180,476**	**–**	**180,476**	–	249,112	–	249,112
Dividends reinvested	**36,251**	**59,888**	**53,640**	**149,779**	33,305	54,504	36,439	124,248
Forfeited	**(34,816)**	**(56,999)**	**–**	**(91,815)**	(60,976)	(80,484)	–	(141,460)
Exercised	**(317,804)**	**(529,644)**	**(126,370)**	**(973,818)**	(481,315)	(769,571)	–	(1,250,886)
Ending number of shares	**541,356**	**847,440**	**807,712**	**2,196,508**	597,054	933,048	775,539	2,305,641

Superior entered into equity derivative contracts in order to manage the volatility and costs associated with its share-based compensation plans. As at December 31, 2022, Superior had outstanding notional values of $19.9 million (2021 - $18.4 million) of equity derivative contracts at an average share price of $11.19 (2021 - $10.55). See Note 18 for further details.

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

	2022	2021
Changes in non-cash operating working capital and other		
Trade and other receivables, and prepaids and deposits	**(41.1)**	(89.8)
Inventories	**(12.6)**	(29.7)
Trade and other payables and other liabilities	**38.3**	58.9
	(15.4)	(60.6)

	2022	2021
Changes in liabilities arising from financing activities		
Balance as at January 1	**1,630.8**	1,828.3
Net advances (repayment) of revolving term bank credits and other debt	**382.2**	(170.1)
Issuance of 4.25% senior unsecured debenture senior debt	**–**	500.0
Issuance of 4.5% senior unsecured notes	**–**	753.7
Redemption of 7% senior unsecured debentures senior debt	**–**	(472.3)
Redemption of 5.25% senior unsecured debentures senior debt	**–**	(410.5)
Redemption of 5.125% senior unsecured debentures senior debt	**–**	(384.2)
Premium and other losses on redemption of senior unsecured notes	**–**	58.6
Non-cash finance expense	**2.7**	24.1
Deferred acquisition payments	**5.1**	15.2
Lease additions net of repayments	**38.6**	21.6
Divestiture (Note 3)	**–**	(105.3)
Debt issue costs	**(0.5)**	(23.6)
Other, including foreign exchange	**90.2**	(4.7)
Balance as at December 31	**2,149.1**	1,630.8

27. RELATED-PARTY TRANSACTIONS AND AGREEMENTS

Transactions between Superior and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Remuneration of directors and other key management personnel

The key management personnel of Superior are comprised of executives of Superior and presidents of Superior's business segments.

The remuneration paid to directors and other members of key management personnel over the past two years is as follows:

	2022	2021
Short-term employee benefits[(i)]	**4.6**	4.2
Other long-term employee benefits	**0.1**	0.1
Share-based payments	**3.7**	5.1
	8.4	9.4

[(i)] *Short-term employee benefits paid to directors and other members of key management personnel include salaries and bonuses.*

28. GROUP ENTITIES

Significant Subsidiaries as at December 31, 2022		**Country of Organization**	**Common Shares Ownership Interest (Direct and Indirect)**
SP Reinsurance Company Limited		Bermuda	100%
Superior Plus LP		Canada	100%
Superior Gas Liquids Partnership		Canada	100%
Superior General Partner Inc.		Canada	100%
Superior International Inc.		Canada	100%
Superior Plus Canada Financing Inc.		Canada	100%
Stittco Utilities NWT Ltd.		Canada	100%
Stittco Utilities Man Ltd.		Canada	100%
Cal-Gas Inc.		Canada	100%
Superior Hungary Kft		Hungary	100%
Superior Luxembourg Sàrl		Luxembourg	100%
Superior Plus US Holdings Inc.	(i)	U.S.	100%
Superior Plus US Financing Inc.	(i)	U.S.	100%
Superior Plus US Capital Corp.	(i)	U.S.	100%
Superior Plus Energy Services Inc.	(i)	U.S.	100%
NGL Propane, LLC	(i)	U.S.	100%
Osterman Propane, LLC	(i)	U.S.	100%
Sheldon Gas Company	(i)	U.S.	100%
Sheldon Oil Company	(i)	U.S.	100%
Sheldon United Terminals, LLC	(i)	U.S.	100%
United Liquid Gas Company, Inc.	(i)	U.S.	100%
Central Coast Propane, Inc.	(i)	U.S.	100%
Western Propane Services	(i)	U.S.	100%
Services Group, Inc.	(i)	U.S.	100%
Kamps Propane, Inc.	(i)	U.S.	100%
Kiva Energy, Inc.	(i)	U.S.	100%

[i]As disclosed in Note 20, Superior Plus US Holdings Inc. has issued 260,000 Preferred Shares issued to a third party, which are exchangeable into common shares of Superior. If converted, these Preferred Shares represent 13% of the common shares of Superior. Superior Plus US Holdings Inc. owns 100% of the common shares of these entities either directly or indirectly.

29. REPORTABLE SEGMENT INFORMATION

Superior operates three operating segments: U.S. Propane, Canadian Propane and Wholesale Propane. This is consistent with Superior's internal reporting and organization structure and how the Chief Operating Decision Maker ("CODM"), the President and Chief Executive Officer, reviews the operating results, assesses performance, and makes capital allocation decisions. Generally, these divisions are split between customer type, being wholesale and retail, and retail is further split by customers in the United States and Canada.

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 across Canada. The Wholesale Propane segment is the wholesale business with operations in Canada and the Western United States. See Note 1 for further details.

The CODM regularly reviews segment profit and capital expenditures as a measure of segment assets. Segment profit represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, transaction, restructuring and other costs, and unrealized gains (losses) on derivative financial instruments. Capital expenditures are reviewed by the CODM representing additions to property, plant and equipment, software and vehicle and other leases.

Segment information is presented below. In the tables below, income tax recoveries and expense are not allocated to the segments. Information by country is provided in Note 30 of these audited consolidated financial statements.

Year Ended December 31, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue							
External customers	**1,733.9**	**949.1**	**696.8**	**–**	**3,379.8**	**–**	**3,379.8**
Inter-segment[(i)]	**–**	**29.0**	**668.7**	**–**	**697.7**	**(697.7)**	**–**
Total revenue	**1,733.9**	**978.1**	**1,365.5**	**–**	**4,077.5**	**(697.7)**	**3,379.8**
Cost of sales (includes products and services)[(i)]	**(1,010.8)**	**(604.0)**	**(1,272.9)**	**–**	**(2,887.7)**	**697.7**	**(2,190.0)**
Realized gain (loss) on financial and non-financial derivatives	**24.0**	**–**	**4.6**	**(2.7)**	**25.9**	**–**	**25.9**
SD&A excluding costs identified below	**(462.2)**	**(229.3)**	**(48.5)**	**(25.9)**	**(765.9)**	**–**	**(765.9)**
Segment profit (loss)	**284.9**	**144.8**	**48.7**	**(28.6)**	**449.8**	**–**	**449.8**
Depreciation included in SD&A	**(73.4)**	**(38.7)**	**(4.2)**	**(0.1)**	**(116.4)**	**–**	**(116.4)**
Depreciation of right-of-use assets included in SD&A	**(21.1)**	**(11.7)**	**(3.0)**	**(0.3)**	**(36.1)**	**–**	**(36.1)**
Amortization of intangible assets included in SD&A	**(61.3)**	**(18.4)**	**(6.3)**	**(0.4)**	**(86.4)**	**–**	**(86.4)**
Transaction, restructuring and other costs included in SD&A	**(24.8)**	**(0.8)**	**(2.2)**	**(56.4)**	**(84.2)**	**–**	**(84.2)**
Gain (loss) on disposal of assets included in SD&A	**(0.9)**	**2.7**	**0.1**	**–**	**1.9**	**–**	**1.9**
Finance expense	**(7.6)**	**(3.0)**	**(1.1)**	**(79.9)**	**(91.6)**	**–**	**(91.6)**
Unrealized loss on derivatives, fair value change in contingent consideration and realized and unrealized gain (loss) on foreign currency translation of borrowings	**(64.7)**	**–**	**(13.0)**	**(84.2)**	**(161.9)**	**–**	**(161.9)**
Earnings (loss) before income taxes	**31.1**	**74.9**	**19.0**	**(249.9)**	**(124.9)**	**–**	**(124.9)**
Income tax recovery							**37.0**
Net loss from continuing operations							**(87.9)**

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

Year Ended December 31, 2021	U.S. Propane	Canadian Propane	Wholesale Propane	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue							
External customers	1,178.0	808.4	406.2	–	2,392.6	–	2,392.6
Inter-segment(i)	–	20.4	498.5	–	518.9	(518.9)	–
Total revenue	1,178.0	828.8	904.7	–	2,911.5	(518.9)	2,392.6
Cost of sales (includes products and services)(i)	(650.4)	(476.5)	(871.9)	–	(1,998.8)	518.9	(1,479.9)
Realized gain on financial and non-financial derivatives	35.5	–	12.8	12.6	60.9	–	60.9
SD&A excluding costs identified below	(336.9)	(192.1)	(22.1)	(24.1)	(575.2)	–	(575.2)
Segment profit (loss)	226.2	160.2	23.5	(11.5)	398.4	–	398.4
Depreciation included in SD&A	(60.1)	(37.2)	(1.7)	(0.1)	(99.1)	–	(99.1)
Depreciation of right-of-use assets included in SD&A	(15.8)	(10.9)	(4.3)	(0.3)	(31.3)	–	(31.3)
Amortization of intangible assets included in SD&A	(49.6)	(18.4)	(2.4)	(0.3)	(70.7)	–	(70.7)
Transaction, restructuring and other costs included in SD&A	(13.6)	(4.2)	–	(11.1)	(28.9)	–	(28.9)
Gain (loss) on disposal of assets included in SD&A	(0.2)	(0.3)	0.9	–	0.4	–	0.4
Finance expense	(5.2)	(3.1)	(0.9)	(145.8)	(155.0)	–	(155.0)
Unrealized gain on derivatives, fair value change in contingent consideration and realized and unrealized gain (loss) on foreign currency translation of borrowings	18.1	–	(1.5)	(7.5)	9.1	–	9.1
Earnings (loss) before income taxes	99.8	86.1	13.6	(176.6)	22.9	–	22.9
Income tax expense							(5.7)
Net earnings from continuing operations							17.2

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

(ii) *Restated, see Notes 1 and 2(b).*

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 December 31, 2022						
Net working capital(i)	**26.4**	**85.6**	**5.7**	**–**	**49.5**	**167.2**
Total assets	**2,794.2**	**1,017.4**	**430.7**	**–**	**234.6**	**4,476.9**
Total liabilities	**683.5**	**156.2**	**246.4**	**–**	**1,930.3**	**3,016.4**
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	1,004.3	207.0	–	192.7	3,553.1
Total liabilities(iii)	488.9	162.4	144.7	–	1,444.9	2,240.9
Capital expenditures for the year ended December 31, 2022						
Purchase of property, plant and equipment and intangible assets	**58.8**	**52.5**	**5.4**	**–**	**0.6**	**117.3**
Vehicle lease additions	**7.9**	**21.7**	**–**	**–**	**–**	**29.6**
Capital expenditures excluding other lease liabilities	**66.7**	**74.2**	**5.4**	**–**	**0.6**	**146.9**
Other lease additions	**3.8**	**3.5**	**11.9**			**19.2**
Additions through business combinations (Note 4)(iv)	**293.7**	**12.7**	**59.7**	**–**	**–**	**366.1**
Total capital expenditures	**364.2**	**90.4**	**77.0**	**–**	**0.6**	**532.2**
Capital expenditures for the year ended December 31, 2021(iii)						
Purchase of property, plant and equipment and intangible assets	41.4	54.2	1.9	7.4	0.2	105.1
Vehicle lease additions	14.7	10.2	–	–	–	24.9
Capital expenditures excluding other lease liabilities	56.1	64.4	1.9	7.4	0.2	130.0
Other lease additions	5.0	4.5	3.8	1.7	–	15.0
Additions through business combinations (Note 4)(iv)	179.2	14.2	–	–	–	193.4
Total capital expenditures	240.3	83.1	5.7	9.1	0.2	338.4

(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 December 31, 2021; see Note 3.

(iii) Restated, see Notes 1 and 2(b).

(iv) These include property, plant and equipment and intangible assets acquired through business combination.

30. GEOGRAPHICAL INFORMATION

	U.S.	Canada	Other	Total Consolidated
Revenue for the year ended December 31, 2022	**2,177.3**	**1,202.5**	**–**	**3,379.8**
Property, plant and equipment as at December 31, 2022	**772.5**	**354.8**	**–**	**1,127.3**
Right-of-use assets as at December 31, 2022	**157.0**	**80.7**	**–**	**237.7**
Intangible assets as at December 31, 2022	**417.1**	**143.5**	**–**	**560.6**
Goodwill as at December 31, 2022	**1,319.2**	**337.4**	**–**	**1,656.6**
Total assets as at December 31, 2022	**3,129.7**	**1,319.6**	**27.6**	**4,476.9**
Revenue for the year ended December 31, 2021	1,503.6	889.0	–	2,392.6
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	1,264.8	19.3	3,553.1

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

31. SUBSEQUENT EVENTS

On February 1, 2023, Superior acquired all the issued and outstanding shares of ACME Propane, Inc., a residential and commercial retail propane distributor in Lincoln, California for an aggregate purchase price of approximately C$4.4 million (US$3.3 million) before adjustments for working capital.