Superior Plus

Q2

For the three months ended
June 30, 2023

TSX: SPB

For Immediate Release

Superior Plus Announces Strong Second Quarter Results and Increases 2023 Adjusted EBITDA Guidance

- Superior is increasing its 2023 Pro Forma Adjusted EBITDA[1] guidance to a range of $630 million to $670 million, with a midpoint of $650 million, from a range of $620 million to $660 million. The 2023 Pro Forma Adjusted EBITDA guidance includes the expected full twelve months of Certarus Ltd.'s (**"Certarus"**) 2023 Adjusted EBITDA in the range of $185 million to $195 million
- The midpoint of Superior's 2023 Pro Forma Adjusted EBITDA guidance range of $650 million represents a 44% increase compared to Superior's 2022 Adjusted EBITDA of $450 million
- On May 31, 2023, Superior completed the transformational acquisition of Certarus, adding an industry leader in high demand, low carbon energy distribution for CNG, RNG and hydrogen (the **"Certarus acquisition"**)
- Superior's second quarter pro forma Adjusted EBITDA of $69.0 million was a $43.4 million increase from the prior year quarter
- Net earnings of $107.3 million for the first six months of 2023 compared to net earnings of $56.0 million in the first six months of 2022. Superior had a net loss of $(39.8) million in the second quarter compared to a net loss of $(85.0) million in the prior year quarter. Certarus had net earnings of $1.0 million in the second quarter compared to net earnings of $13.3 million in the prior year quarter.
- Certarus achieved record second quarter pro forma Adjusted EBITDA[1] of $41.5 million, a $15.2 million or ~58% increase from the prior year quarter
- Superior's Net Debt to Adjusted EBITDA leverage was 3.6x as at June 30, 2023, significantly lower than March 31, 2023

[1] Adjusted EBITDA and pro forma Adjusted EBITDA are Non-GAAP Financial Measures. Leverage Ratio is a Non-GAAP ratio. See "Non-GAAP Financial Measures and Ratios" section below.

TORONTO, August 3, 2023 – Superior Plus Corp. ("**Superior**" or "**the company"**) (TSX: SPB) today released its second quarter results for the period ended June 30, 2023. Unless otherwise expressed, all financial figures are expressed in Canadian dollars.

"Superior delivered a strong second quarter driven by the contribution from the Certarus acquisition and solid operating results from the propane businesses. The Certarus team continued to produce significant year over year Adjusted EBITDA growth, and we are excited about growing the North American leader in on-road distribution of compressed natural gas (**"CNG"**), renewable natural gas (**"RNG"**) and hydrogen," said Allan MacDonald, President and Chief Executive Officer (**"CEO"**) of Superior. "Our propane distribution businesses continued to deliver good results in a seasonally lower quarter due to disciplined margin management and cost-saving initiatives."

SECOND QUARTER and YEAR TO DATE HIGHLIGHTS

- Net earnings of $107.3 million for the first six months of 2023 compared to net earnings of $56.0 million in the first six months of 2022, a $51.3 million increase due to higher gross profit and a gain on derivatives and foreign currency translation of borrowings compared to a modest loss in the prior year, partially offset by higher selling, distribution and administrative expenses ("SD&A"), higher finance expense and income tax expense. Net loss of $(39.8) million in the second quarter compared to a net loss of $(85.0) million in the prior year quarter driven by higher gross profit related to lower wholesale commodity costs and a gain on derivatives and foreign currency translations of borrowings compared to a loss in the prior year quarter, partially offset by higher SD&A expenses, lower revenue related to wholesale commodity costs and higher finance expense.
- Basic and diluted earnings per share attributable to Superior in the first six months of 2023 was $0.45 per share, compared to $0.23 per share in the prior year quarter due to higher net earnings, partially offset by the impact of the higher number of weighted average shares outstanding related to the issued shares for the Certarus acquisition. Basic and diluted loss per share attributable to Superior in the second quarter was $(0.21) per share, compared to $(0.46) per share in the prior year quarter due to a lower net loss, partially offset by the impact of the higher number of weighted average shares outstanding.
- Pro forma Adjusted EBITDA for the second quarter was $69.0 million, an increase of $43.4 million compared to the prior year quarter as a result of higher EBITDA from operations[2], partially offset by higher corporate costs[2]. EBITDA from operations increased primarily due to contribution from Certarus and higher Adjusted EBITDA in the propane distribution businesses. Superior is including the pro forma Adjusted EBITDA impact of the Certarus acquisition as the full economic benefit of Certarus' 2023 Adjusted EBITDA prior to the close of the Certarus acquisition was retained in the business.
- Adjusted EBITDA for the second quarter was $40.1 million[3], an increase of $14.5 million compared to the prior year quarter as a result of higher EBITDA from operations, partially offset by higher corporate costs.
- Certarus pro forma Adjusted EBITDA for the second quarter was $41.5 million, an increase of $15.2 million from the prior year quarter of $26.3 million driven by higher average mobile storage units ("MSUs"), improved pricing and utilization of MSUs and lower cost of sales related to natural gas prices. Certarus Adjusted EBITDA from the date of the close of the acquisition on May 31, 2023 was $12.6 million.
- Corporate costs for the second quarter were $10.5 million compared to $6.0 million in the prior year quarter due to higher insurance costs, CEO transition costs, the impact of inflationary pressures and higher long-term incentive plan costs related to the change in the share price in the prior year quarter. Superior realized a gain on foreign currency hedging contracts of $0.4 million, modestly higher than $0.3 million in the prior year quarter.
- Superior's Leverage Ratio for the trailing twelve months ("TTM") ended June 30, 2023, improved to 3.6x and is expected to remain within Superior's targeted range for the remainder of 2023.

[2] EBITDA from operations is a Non-GAAP Financial Measure. See "Non-GAAP Financial Measures and Ratios" section below. Operating costs and corporate costs are supplementary financial measures.

[3] Superior's second quarter Adjusted EBITDA includes Certarus Adjusted EBITDA from the close of the Certarus acquisition on May 31, 2023.

Segmented Information

(millions of dollars)	Three Months Ended June 30 2023	2022	Six Months Ended June 30 2023	2022
EBITDA from operations				
U.S. Propane Adjusted EBITDA	**18.6**	16.2	**194.5**	179.1
Canadian Propane Adjusted EBITDA	**13.6**	13.3	**79.4**	82.9
Wholesale Propane Adjusted EBITDA	**5.4**	1.8	**45.6**	20.9
Certarus pro forma Adjusted EBITDA[1]	**41.5**	-	**104.3**	-
	79.1	31.3	**423.8**	282.9

[1] Certarus Adjusted EBITDA is pro forma for the three and six month period ended June 30, 2023 as the full economic benefit of the Certarus results were retained by Superior.

Financial Overview

(millions of dollars, except per share amounts)	Three Months Ended June 30 2023	2022	Six Months Ended June 30 2023	2022
Revenue	**581.5**	628.6	**1,836.9**	1,799.0
Gross Profit	**268.9**	194.5	**810.1**	588.4
Net earnings (loss)	**(39.8)**	(85.0)	**107.3**	56.0
Net earnings (loss) per share attributable to Superior, basic and diluted[3]	**$(0.21)**	$(0.46)	**$0.45**	$0.23
EBITDA from operations	**50.2**	31.3	**332.1**	282.9
Adjusted EBITDA	**40.1**	25.6	**312.2**	276.0
Cash flows from operating activities	**109.5**	103.0	**459.6**	224.8
Cash flows from operating activities per share[3]	**$0.44**	$0.45	**$1.92**	$1.03
Adjusted Operating Cash Flow ("AOCF") before transaction and other costs [1,2]	**8.5**	5.6	**251.0**	238.0
AOCF before transaction and other costs per share [1,2,3]	**$0.03**	$0.02	**$1.05**	$1.09
AOCF [1]	**(13.5)**	(6.9)	**221.4**	218.4
Cash dividends declared on common shares	**44.9**	36.3	**81.0**	68.0
Cash dividends declared per share	**$0.18**	$0.18	**$0.36**	$0.36

1 AOCF before transaction and other costs and AOCF are Non-GAAP measures. See "Non-GAAP Financial Measures and Ratios".
2 Transaction and other costs for the three and six months ended June 30, 2023 and 2022 are related to acquisition activity, restructuring and the integration of acquisitions.
3 The weighted average number of shares outstanding for the three and six months ended June 30, 2023 was 247.3 million and 239.0 million, respectively (three and six months ended June 30, 2022 was 230.3 million and 218.2 million, respectively). The weighted average number of shares assumes the exchange of the issued and outstanding preferred shares into common shares. There were no other dilutive instruments for the three and six months ended June 30, 2023 and 2022.

Quarterly Dividend

- Superior is declaring a quarterly common share dividend of $0.18 per share, payable to shareholders of record as of September 29, 2023. The common share dividend will be payable on October 16, 2023.

Normal Course Issuer Bid

- On October 11, 2022, the TSX accepted Superior's notice of intention to establish a new NCIB. The NCIB permits the purchase of up to 10.1 million 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 second quarter, Superior repurchased and cancelled 10,100 shares.
- Since June 30, 2023, Superior repurchased and cancelled 513,000 shares.

MD&A and Financial Statements

Superior's MD&A, the unaudited Consolidated Financial Statements and the Notes to the unaudited Consolidated Financial Statements as at and for the quarter ended June 30, 2023 provide a detailed explanation of Superior's operating results. These documents are available online on Superior's website at Superior Plus Financial Reports and on SEDAR under Superior's profile at SEDAR+.

2023 Second Quarter Conference Call

A conference call and webcast to discuss the 2023 second quarter financial results will be held at 2:00 PM EDT on Thursday, August 3, 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: https://www.superiorplus.com/ under the Events section.

About Superior Plus

Superior is a leading North American distributor of propane, compressed natural gas, renewable energy and related products and services, servicing approximately 936,500 customer locations in the U.S. and Canada. Through its primary businesses, propane distribution and CNG, RNG and hydrogen distribution, Superior safely delivers clean burning fuels to residential, commercial, utility, agricultural and industrial customers not connected to a pipeline. By displacing more carbon intensive fuels, Superior is a leader in the energy transition and helping customers lower operating costs and improve environmental performance.

FOR MORE INFORMATION

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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 Certarus acquisition, expected Adjusted EBITDA of Certarus for 2023, and expected Leverage Ratio for the remainder of 2023.

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 Certarus acquisition, Certarus' estimated 2023 Adjusted EBITDA and Superior's Leverage Ratio for the remainder of 2023 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 "Financial Outlook" in Superior's 2023 Second Quarter MD&A.

Additional key assumptions or risk factors with respect to the forward-looking information include, but are not limited to 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 pro forma Adjusted EBITDA guidance range include a Certarus average MSU count of 668 trailers in 2023 and Superior corporate costs in the range of $30 million to $35 million.

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 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.

Non-GAAP Financial Measures and Ratios

Throughout this news release, Superior has identified specific terms, including ratios, 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 2023 Second Quarter MD&A dated August 3, 2023, available on www.sedar.com.

For the Three Months Ended June 30, 2023	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Results from operations**	**Corporate**	**Total**
Earnings (loss) before income taxes	**(42.9)**	**(3.9)**	**(1.2)**	**2.4**	**(45.6)**	**(25.9)**	**(71.5)**
Adjust for:							
Amortization and depreciation included in SD&A	**43.7**	**17.9**	**3.6**	**8.2**	**73.4**	**0.2**	**73.6**
Finance expense	**1.9**	**0.8**	**0.1**	**0.1**	**2.9**	**25.9**	**28.8**
EBITDA	**2.7**	**14.8**	**2.5**	**10.7**	**30.7**	**0.2**	**30.9**
Loss (gain) on disposal of assets and other	**0.4**	**(1.5)**	**–**	**1.6**	**0.5**	**–**	**0.5**
Transaction, restructuring and other costs	**3.9**	**0.3**	**0.5**	**0.3**	**5.0**	**17.0**	**22.0**
Unrealized loss (gain) on derivative financial instruments	**11.6**	**–**	**2.4**	**–**	**14.0**	**(27.3)**	**(13.3)**
Adjusted EBITDA	**18.6**	**13.6**	**5.4**	**12.6**	**50.2**	**(10.1)**	**40.1**
Adjust for:							
Current income tax expense	**–**	**–**	**–**	**–**	**–**	**(4.7)**	**(4.7)**
Transaction, restructuring and other costs	**(3.9)**	**(0.3)**	**(0.5)**	**(0.3)**	**(5.0)**	**(17.0)**	**(22.0)**
Interest expense	**(1.5)**	**(0.8)**	**(0.4)**	**(0.1)**	**(2.8)**	**(24.1)**	**(26.9)**
AOCF	**13.2**	**12.5**	**4.5**	**12.2**	**42.4**	**(55.9)**	**(13.5)**

For the Three Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Loss before income taxes	(53.0)	(5.0)	(2.4)	(60.4)	(59.1)	(119.5)
Adjust for:						
Amortization and depreciation included in SD&A	37.9	17.1	3.9	58.9	0.2	59.1
Finance expense	1.5	0.7	0.3	2.5	15.3	17.8
EBITDA	(13.6)	12.8	1.8	1.0	(43.6)	(42.6)
Loss on disposal of assets and other	1.4	0.4	–	1.8	–	1.8
Transaction, restructuring and other costs	7.4	0.1	0.1	7.6	4.9	12.5
Unrealized loss (gain) on derivative financial instruments	21.0	–	(0.1)	20.9	33.0	53.9
Adjusted EBITDA	16.2	13.3	1.8	31.3	(5.7)	25.6
Adjust for:						
Current income tax expense	–	–	–	–	(1.8)	(1.8)
Transaction, restructuring and other costs	(7.4)	(0.1)	(0.1)	(7.6)	(4.9)	(12.5)
Interest expense	(1.2)	(0.7)	(0.2)	(2.1)	(16.1)	(18.2)
AOCF	7.6	12.5	1.5	21.6	(28.5)	(6.9)

For the Six Months Ended June 30, 2023	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Results from operations**	**Corporate**	**Total**
Earnings (loss) before income taxes	**100.5**	**43.2**	**47.0**	**2.4**	**193.1**	**(55.9)**	**137.2**
Adjusted for:							
Amortization and depreciation included in SD&A	**90.7**	**35.8**	**8.0**	**8.2**	**142.7**	**0.4**	**143.1**
Finance expense	**4.2**	**1.6**	**0.2**	**0.1**	**6.1**	**49.0**	**55.1**
EBITDA	**195.4**	**80.6**	**55.2**	**10.7**	**341.9**	**(6.5)**	**335.4**
Loss (gain) on disposal of assets and other	**0.3**	**(1.7)**	**(0.1)**	**1.6**	**0.1**	**–**	**0.1**
Transaction, restructuring and other costs	**9.4**	**0.5**	**0.6**	**0.3**	**10.8**	**18.8**	**29.6**
Unrealized gain on derivative financial instruments	**(10.6)**	**–**	**(10.1)**	**–**	**(20.7)**	**(32.2)**	**(52.9)**
Adjusted EBITDA	**194.5**	**79.4**	**45.6**	**12.6**	**332.1**	**(19.9)**	**312.2**
Adjust for:							
Current income tax expense	**–**	**–**	**–**	**–**	**–**	**(9.5)**	**(9.5)**
Transaction, restructuring and other costs	**(9.4)**	**(0.5)**	**(0.6)**	**(0.3)**	**(10.8)**	**(18.8)**	**(29.6)**
Interest expense	**(3.1)**	**(1.6)**	**(0.6)**	**(0.1)**	**(5.4)**	**(46.3)**	**(51.7)**
AOCF	**182.0**	**77.3**	**44.4**	**12.2**	**315.9**	**(94.5)**	**221.4**

For the Six Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) before income taxes	75.2	47.9	13.8	136.9	(69.3)	67.6
Adjust for:						
Amortization and depreciation included in SD&A	70.8	33.9	5.6	110.3	0.4	110.7
Finance expense	2.8	1.5	0.4	4.7	29.1	33.8
EBITDA	148.8	83.3	19.8	251.9	(39.8)	212.1
Loss (gain) on disposal of assets and other	1.6	(0.7)	(0.1)	0.8	–	0.8
Transaction, restructuring and other costs	11.3	0.3	0.1	11.7	7.9	19.6
Unrealized loss on derivative financial instruments	17.4	–	1.1	18.5	25.0	43.5
Adjusted EBITDA	179.1	82.9	20.9	282.9	(6.9)	276.0
Adjust for:						
Adjusted current income tax expense	–	–	–	–	(3.5)	(3.5)
Transaction, restructuring and other costs	(11.3)	(0.3)	(0.1)	(11.7)	(7.9)	(19.6)
Interest expense	(2.1)	(1.5)	(0.3)	(3.9)	(30.6)	(34.5)
AOCF	165.7	81.1	20.5	267.3	(48.9)	218.4

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)	**June 30 2023**	December 31 2022
Current borrowings	**18.0**	14.8
Current lease liabilities	**56.6**	47.3
Non-current borrowings	**2,125.6**	1,911.3
Non-current lease liabilities	**174.9**	175.7
	2,375.1	2,149.1
Add back deferred financing fees and discounts	**19.6**	19.9
Deduct cash and cash equivalents	**(57.0)**	(58.4)
Deduct Vendor Note[1]	**–**	(128.0)
Net debt	**2,337.7**	1,982.6
Adjusted EBITDA for the year ended 2022	**449.8**	449.8
Adjusted EBITDA for the period ended June 30, 2022	**(276.0)**	–
Adjusted EBITDA for the period ended June 30, 2023	**312.2**	–
Pro-forma adjustment	**161.7**	35.8
Pro-forma Adjusted EBITDA for the trailing-twelve months	**647.7**	485.6
Leverage Ratio	**3.6x**	4.1x

[1] Superior received the proceeds from the sale of the Vendor Note in January 2023.

Superior's Second Quarter Pro Forma Adjusted EBITDA

Superior's Second Quarter Pro Forma Adjusted EBITDA is defined as Adjusted EBITDA calculated for the second quarter of 2023 giving pro forma effect to the Certarus acquisition adjusted to April 1, 2023.

	(in millions)
Superior Plus Adjusted EBITDA (for the three months ended, June 30, 2023)	40.1
Certarus Adjusted EBITDA from April 1, 2023 to May 30, 2023	28.9
Superior Plus Second Quarter Pro Forma Adjusted EBITDA	**69.0**

Certarus Second Quarter and Six Months Ended June 30, 2023 Pro Forma Adjusted EBITDA

The Certarus Second Quarter Pro Forma Adjusted EBITDA is defined as Adjusted EBITDA calculated for the second quarter of 2023 giving pro forma effect to the Certarus acquisition adjusted to April 1, 2023. The Certarus Six Months Ended June 30, 2023 Pro Forma Adjusted EBITDA is defined as Adjusted EBITDA calculated for the six month period ended June 30, 2023 giving pro forma effect to the Certarus acquisition adjusted to January 1, 2023.

	(in millions)
Certarus Adjusted EBITDA from May 31, 2023 to June 30, 2023	12.6
Certarus Adjusted EBITDA from April 1, 2023 to May 30, 2023	28.9
Certarus Second Quarter Pro Forma Adjusted EBITDA	**41.5**
Certarus Adjusted EBITDA from January 1, 2023 to March 31, 2023	62.8
Certarus Six Months Ended June 30, 2023 Pro Forma Adjusted EBITDA	**104.3**

Certarus Pro Forma Adjusted EBITDA Reconciliation

(millions)	For the three months ended June 30 2023	2022	For the six months ended June 30 2023	2022
Net earnings before income taxes	1.0	13.3	44.0	26.2
Adjust for:				
Amortization and depreciation included in SD&A	14.0	11.5	27.5	22.4
Finance expense	3.1	2.3	7.2	4.1
Other expenses (recovery)	4.0	(0.9)	4.2	0.2
EBITDA	22.1	26.2	82.9	52.9
Adjust for:				
Transaction and other non-recurring costs	19.4	0.1	21.4	1.2
Adjusted EBITDA	41.5	26.3	104.3	54.1

2023 Pro Forma Adjusted EBITDA Guidance

This news release also includes Superior's pro forma Adjusted EBITDA guidance range for 2023. The significant differences between this forward-looking estimate of 2023 Adjusted EBITDA for Superior and its historical Adjusted EBITDA for 2022 are the inclusion of the estimated results from the operations of Certarus for the 2023 financial year, the estimated full year contribution in 2023 from acquisitions that were completed by Superior late in the first quarter and in the second quarter of 2022 and expected stronger wholesale propane market fundamentals in the Western United States. Readers should also refer to the "Forward-Looking Information" section above and the "Financial Outlook" section of Superior's 2023 Second Quarter MD&A which provide further information with respect to the assumptions used to prepare Superior's estimated 2023 pro forma Adjusted EBITDA.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF 2023 SECOND QUARTER RESULTS AUGUST 3, 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 three and six months ended June 30, 2023 and 2022, as well as forward-looking information about future periods. The information in this MD&A is current to August 3, 2023, and should be read in conjunction with Superior's unaudited condensed consolidated financial statements and notes thereto as at and for the three and six months ended June 30, 2023 and 2022.

The accompanying unaudited condensed consolidated financial statements of Superior were prepared by and are the responsibility of Superior's management. Superior's unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2023 and 2022 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 three and six months ended June 30 of the period indicated, unless otherwise stated. This MD&A includes forward-looking statements and assumptions. See "Forward-Looking Information" for more details.

Overview of Superior and Basis of Presentation

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

Superior, through its ownership of Superior LP and Superior GP, consists of the following four reportable segments: the U.S. Retail Propane Distribution ("U.S. Propane"), Canadian Retail Propane Distribution ("Canadian Propane"), North American Wholesale Propane Distribution ("Wholesale Propane") and Certarus Ltd. ("Certarus"). 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. Certarus is a comprehensive low carbon energy solution provider engaged in the business of transporting and selling compressed natural gas ("CNG"), renewable natural gas ("RNG") and hydrogen distribution. Certarus's principal business is supplying CNG as an alternative fuel for large-scale industrial and commercial customers, primarily in the United States and Canada, and operates under the tradename Certarus.

On May 31, 2023, Superior acquired all the issued and outstanding shares of Certarus, see "Completed and Announced Transactions" for more information. The Chief Operating Decision Maker ("CODM"), Superior's President and Chief Executive Officer, manages the newly acquired business and evaluates its business performance separately from Superior's existing businesses. And as a result, Superior added a new reportable segment, Certarus, as described above.

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 Pro Forma 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 obtaining the expected synergies from acquisitions, 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, inflation and interest rates, future commodity prices relating to the oil and gas industry, future oil rig activity levels in the U.S. and 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 (Loss) Earnings

	Three Months Ended June 30		**Six Months Ended June 30**	
(millions of dollars, except per share amounts)	**2023**	2022	**2023**	2022
Revenue	**581.5**	628.6	**1,836.9**	1,799.0
Cost of sales (includes products and services)	**(312.6)**	(434.1)	**(1,026.8)**	(1,210.6)
Gross profit	**268.9**	194.5	**810.1**	588.4
Expenses				
Selling, distribution and administrative costs ("SD&A")	**(318.0)**	(249.0)	**(634.3)**	(486.5)
Finance expense	**(28.8)**	(17.8)	**(55.1)**	(33.8)
Gain (loss) on derivatives and foreign currency translation of borrowings	**6.4**	(47.2)	**16.5**	(0.5)
	(340.4)	(314.0)	**(672.9)**	(520.8)
(Loss) earnings before income taxes	**(71.5)**	(119.5)	**137.2**	67.6
Income tax recovery (expense)	**31.7**	34.5	**(29.9)**	(11.6)
Net (loss) earnings	**(39.8)**	(85.0)	**107.3**	56.0
Net (loss) earnings attributable to:				
Superior	**(46.1)**	(91.2)	**94.6**	43.9
Non-controlling interest	**6.3**	6.2	**12.7**	12.1
Net (loss) earnings per share attributable to Superior[(1)]				
Basic and diluted	**(0.21)**	(0.46)	**0.45**	0.23
Cash flows from operating activities	**109.5**	103.0	**459.6**	224.8
Cash flows from operating activities, per share[(1)]	**0.44**	0.45	**1.92**	1.03

(1) The weighted average number of shares outstanding for the three and six months ended June 30, 2023 was 247.3 million and 239.0 million, respectively (three and six months ended June 30, 2022 was 230.3 million and 218.2 million, respectively). The weighted average number of shares assumes the exchange of the issued and outstanding preferred shares into common shares. There were no other dilutive instruments for the three and six months ended June 30, 2023 and 2022.

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 31 for more information about these measures.

Summary of AOCF

	Three Months Ended June 30		**Six Months Ended June 30**	
(millions of dollars, except per share amounts)	**2023**	2022	**2023**	2022
U.S. Propane Adjusted EBITDA [(1)]	**18.6**	16.2	**194.5**	179.1
Canadian Propane Adjusted EBITDA [(1)]	**13.6**	13.3	**79.4**	82.9
Wholesale Propane Adjusted EBITDA [(1)]	**5.4**	1.8	**45.6**	20.9
Certarus Adjusted EBITDA [(1)]	**12.6**	–	**12.6**	–
EBITDA from operations [(1)]	**50.2**	31.3	**332.1**	282.9
Corporate operating costs [(1)]	**(10.5)**	(6.0)	**(16.2)**	(8.7)
Realized gain (loss) on foreign currency hedging contracts [(2)]	**0.4**	0.3	**(3.7)**	1.8
Adjusted EBITDA [(1)]	**40.1**	25.6	**312.2**	276.0
Interest expense [(3)]	**(26.9)**	(18.2)	**(51.7)**	(34.5)
Current income tax expense [(3)]	**(4.7)**	(1.8)	**(9.5)**	(3.5)
AOCF before transaction, restructuring and other costs [(1)]	**8.5**	5.6	**251.0**	238.0
Transaction, restructuring and other costs [(4)]	**(22.0)**	(12.5)	**(29.6)**	(19.6)
AOCF [(1)]	**(13.5)**	(6.9)	**221.4**	218.4
AOCF per share before transaction, restructuring and other costs [(4)(5)]	**$0.03**	$0.02	**$1.05**	$1.09
AOCF per share [(5)]	**($0.05)**	($0.03)	**$0.93**	$1.00
Dividends declared per common share	**$0.21**	$0.18	**$0.39**	$0.36

(1) These amounts are Non-GAAP financial measures, see "Non-GAAP financial measures and reconciliations" on page 31 for more information.

(2) Realized gain (loss) on foreign currency hedging contracts are reconciled to gain (loss) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 31 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 13 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2023 and 2022.

(4) Transaction, restructuring and other costs are related to acquisition activities and the restructuring and integration of acquisitions. See "Transaction, restructuring and other Costs" for further details. These expenses are included in SD&A and are disclosed in Note 15 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2023 and 2022.

(5) The weighted average number of shares outstanding for the three and six months ended June 30, 2023 was 247.3 million and 239.0 million, respectively (three and six months ended June 30, 2022 was 230.3 million and 218.2 million, respectively). The weighted average number of shares assumes the exchange of the issued and outstanding preferred shares into common shares. There were no other dilutive instruments for the three and six months ended June 30, 2023 and 2022.

AOCF Reconciled to Cash Flows from Operating Activities (1)

(millions of dollars)	Three Months Ended June 30 **2023**	2022	Six Months Ended June 30 **2023**	2022
Cash flows from operating activities	**109.5**	103.0	**459.6**	224.8
Non-cash interest expense, loss on redemption net of interest on vendor note (2)	**1.9**	(0.4)	**3.4**	(0.7)
Changes in non-cash operating working capital	**(114.8)**	(110.6)	**(226.9)**	(18.6)
Income taxes paid (received)	**0.6**	5.4	**(1.7)**	14.6
Interest paid	**22.8**	15.3	**51.6**	35.6
Current income tax expense (2)	**(4.7)**	(1.8)	**(9.5)**	(3.5)
Finance expense recognized in net earnings	**(28.8)**	(17.8)	**(55.1)**	(33.8)
AOCF(1)	**(13.5)**	(6.9)	**221.4**	218.4

(1) AOCF is a Non-GAAP measure. See "Non-GAAP financial measures and reconciliations" on page 31 for more information.
(2) This information is provided in Note 15 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2023 and 2022.

COMPLETED AND ANNOUNCED TRANSACTIONS

On May 31, 2023, Superior acquired all the issued and outstanding common shares of Certarus, a leading North American low carbon energy solutions provider (the "Certarus Acquisition"), for total consideration of $840.5 million consisting of $353.2 million in cash and 48.6 million common shares of Superior valued at $487.3 million, representing a pro forma shareholding of approximately 17% on a fully diluted basis. In addition to the consideration paid, Superior assumed approximately $214.2 million in interest-bearing debt giving the acquisition an enterprise value of approximately of $1,054.7 million. The interest-bearing debt assumed was settled subsequent to closing the transaction. Concurrently, Superior received lender commitments for a new $550.0 million senior secured credit facility with a three-year term from a syndicate of lenders to finance a portion of the Certarus Acquisition. As part of the regulatory process, Superior entered into a consent agreement to retain all of Certarus' assets while agreeing to divest eight retail propane distribution locations and related assets in Northern Ontario. In 2022, the combined volume of these locations was approximately 90 million litres of propane or 2% of Superior's consolidated propane distribution volumes.

Q2 2023 Financial Results Compared to the Prior Year Quarter

The net loss was $39.8 million, compared to an $85.0 million loss in the prior year quarter. The decrease in net loss is primarily due to a higher gross profit and a gain on derivatives and foreign currency translation of borrowings compared to a loss in the prior year quarter, partially offset by higher SD&A and, to a lesser extent, higher finance expense. Basic and diluted loss per share attributable to Superior was $0.21 per share, a decrease of $0.25 from a loss of $0.46 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.

Revenue was $581.5 million, a decrease of $47.1 million or 7% from the prior year quarter due to lower revenue in the Wholesale Propane, Canadian Propane and U.S. Propane segments, partially offset by the revenue contribution from Certarus. Wholesale Propane revenue was $212.0 million, a decrease of $89.5 million or 30% due primarily to lower wholesale propane prices and, to a lesser extent, lower sales volumes. Canadian Propane revenue was $152.4 million, a decrease of $35.3 million or 19% due primarily to the lower sales prices associated with wholesale propane prices and, to a lesser extent, lower sales volumes related to warmer weather, partially offset by price increases to offset the impact of inflation. U.S. Propane revenue was $263.9 million, a decrease of $14.2 million or 5% due to lower sales prices associated with wholesale propane prices, partially offset by higher sales volumes related to acquisitions and the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions. Certarus revenue was $44.4 million from the date the Certarus Acquisition closed to June 30, 2023. Intersegment revenues decreased by $47.5 million or 34% from the prior year quarter due primarily to lower commodity prices and, to a lesser extent, lower intersegment 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 $268.9 million, an increase of $74.4 million from $194.5 million in the prior year quarter primarily due to the contribution from Certarus and higher U.S. Propane gross profit and, to a lesser extent, Wholesale Propane gross profit and Canadian Propane gross profit. Certarus gross profit was $37.8 million from the date the Certarus Acquisition closed to June 30, 2023. U.S. Propane gross profit increased primarily due to higher average margins. Wholesale Propane gross profit increased primarily due to strong wholesale propane market fundamentals, partially offset by lower sales volumes. Canadian Propane gross profit increased primarily due to higher sales margins, partially offset by lower sales volumes. 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 $318.0 million, an increase of $69.0 million or 28% from the prior year quarter due to higher SD&A in all segments. SD&A for Certarus was $35.3 million from the date the acquisition closed to June 30, 2023. Corporate SD&A was $27.7 million, an increase of $16.6 million or 150% from $11.1 million in the prior year quarter primarily due to higher incentive plan costs related to the fluctuations in the share price, higher insurance costs, chief executive officer ("CEO") transition costs, and higher transaction, integration and other costs. U.S. Propane SD&A was $160.7 million, an increase of $12.6 million or 9% from $148.1 million in the prior year quarter primarily due to the impact of completed acquisitions and the impact of the weaker Canadian dollar on the translation of U.S. denominated SD&A, partially offset by lower transaction, integration and other costs and higher operating costs associated with inflation. Wholesale Propane SD&A was $20.4 million, an increase of $3.1 million or 18% from $17.3 million in the prior year quarter primarily due to increased freight costs, the impact of the weaker Canadian dollar on the translation of U.S. denominated SD&A and, to a lesser extent, higher transaction, integration and other costs. Canadian Propane SD&A was $73.9 million, an increase of $1.4 million or 2% from $72.5 million in the prior year quarter due primarily to the higher operating costs associated with inflation, partially offset by a larger gain on disposal of assets compared to the prior year quarter.

Finance expense was $28.8 million, an increase of $11.0 million or 62% from $17.8 million in the prior year quarter. The increase is primarily due to higher average debt balances as a result of the Certarus Acquisition and, to a lesser extent, higher average interest rates.

Gain (loss) on derivative and foreign currency translation of borrowings consists of unrealized gains (losses) on derivative financial instruments and foreign currency translation of borrowings, net of realized gains (losses) on derivative financial instruments and realized gains (losses) on settlement of U.S. denominated borrowings. The gain on derivatives and foreign currency translation of borrowings was $6.4 million for the three months ended June 30, 2023, an increase of $53.6 million compared to a loss of $47.2 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 12 of the unaudited condensed consolidated financial statements.

Total income tax recovery of $31.7 million was $2.8 million lower than the prior year quarter's recovery of $34.5 million. Current income tax expense was $4.7 million, an increase of $2.9 million from the prior year quarter's expense of $1.8 million. The increase is primarily due to the timing of acquisitions and utilization of tax pools. This expense was more than offset by a deferred income tax recovery of $36.4 million, an increase of $0.1 million from the prior year quarter's recovery of $36.3 million primarily due to changes in earnings and utilization of tax pools.

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

The net earnings were $107.3 million, compared to net earnings of $56.0 million in the prior year. The increase is primarily due to a higher gross profit and the impact of a gain on derivatives and foreign currency translation of borrowings compared to a loss in the prior year, partially offset by higher SD&A and, to a lesser extent, higher finance expense and higher income tax expense. Basic and diluted loss per share attributable to Superior was $0.45 per share, an increase of $0.22 from $0.23 per share in the prior year. The increase is due to higher net earnings in the period, partially offset by the impact from the increase in the weighted average shares outstanding.

Revenue was $1,836.9 million, an increase of $37.9 million or 2% from the prior comparable period due to the Certarus Acquisition and higher revenue in the U.S. Propane, partially offset by lower revenue in the Canadian Propane and Wholesale Propane segments. Revenue recorded by Certarus was $44.4 million from the date the Certarus Acquisition closed to June 30, 2023. U.S. Propane revenue was $945.3 million, an increase of $33.6 million or 4% primarily due to the impact of acquisitions completed in the prior year and the impact of the weaker Canadian dollar on the translation of U.S. denominated revenue, partially offset by lower sales volumes as a result of the significantly warmer weather in the first quarter and, to a lesser extent, lower commodity prices and a decline in heating oil customers. Wholesale Propane revenue, including intersegment revenues, was $703.4 million, a decrease of $33.7 million or 5% primarily due to lower commodity prices, partially offset by higher sales volumes related to the Kiva acquisition and the impact of the weaker Canadian dollar on the translation of U.S. denominated sales. Canadian Propane revenue, including intersegment revenues, was $462.6 million, a decrease of $91.9 million or 17% primarily due to lower average wholesale commodity prices and lower sales volumes, partially offset by price increases to offset the impact of inflation. 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 $810.1 million, an increase of $221.7 million from $588.4 million in the prior year. U.S. Propane gross profit increased primarily due to higher sales related to acquisitions completed in the prior year and increased margins associated with higher pricing to offset the impact of inflation, partially offset by the impact of warmer weather on sales volumes. 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. Gross profit recorded by Certarus was $37.8 million from the date the acquisition closed to June 30, 2023. Canadian Propane gross profit increased primarily due to higher margins associated with higher pricing to offset the impact of inflation, partially offset by the impact of warmer weather on sales volumes. 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 $634.3 million, an increase of $147.8 million or 30% from the prior year, primarily due to an increase in U.S. Propane SD&A and, to a lesser extent, the other segments. U.S. Propane SD&A was $359.9 million, an increase of $62.8 million or 21% from $297.1 million in the prior year primarily due to the impact of completed acquisitions and, to a lesser extent, increased costs due to inflation, partially offset by lower volume-related costs. SD&A recorded by Certarus was $35.3 million from the date the Certarus Acquisition closed to June 30, 2023. Wholesale Propane SD&A was $46.6 million, an increase of $21.6 million due primarily to the Kiva acquisition in the prior year. Corporate SD&A was $35.4 million, an increase of $18.4 million or 108% from $17.0 million in the prior year primarily due to higher incentive plan costs related to fluctuations in the share price, CEO transition costs, partially offset by lower transaction, restructuring and other costs. Canadian Propane SD&A was $157.1 million an increase of $9.7 million or 7% from $147.4 million in the prior year due to the impact of inflation on expenses, the impact of the Canadian Emergency Wage Subsidy program (“CEWS”) recorded in the prior year and lower volume-related expenses.

Finance expense was $55.1 million, an increase of $21.3 million or 63% from $33.8 million in the prior year. The increase is primarily due to higher average interest rates, higher average debt balances in the quarter, the impact of recording interest income on the Vendor Note in the prior year and, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions.

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 gain on derivatives and foreign currency translation of borrowings was $16.5 million for the six months ended June 30, 2023, an increase of $17.0 million compared to a loss of $0.5 million in the prior year. The change is primarily due to changes in market prices of commodities, timing of maturities of underlying financial instruments and changes in foreign exchange rates relative to amounts hedged. For additional details, refer to Note 12 of the unaudited condensed consolidated financial statements.

Total income tax expense of $29.9 million was $18.3 million higher than the prior year's expense of $11.6 million. Current income tax expense was $9.5 million, an increase of $6.0 million from the prior year's expense of $3.5 million. The increase is primarily due to the timing of acquisitions closed in 2022 and 2023. This was further increased by a deferred income tax expense of $20.4 million, an increase of $12.3 million from the prior year's expense of $8.1 million primarily due to the timing of acquisitions closed in 2022 and 2023 and revaluation of financial instruments.

Q2 2023 Non-GAAP Financial Results Compared to the Prior Year Quarter

The following summary contains Non-GAAP financial information. The intent of this Non-GAAP financial information is to provide additional useful information to investors and analysts as they exclude non-cash items and expenses related to acquisitions. These measures do not have standardized meanings under IFRS and should not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-GAAP financial measures differently. See "Non-GAAP Financial Measures and Reconciliations" on page 31 for more information about these measures.

Adjusted EBITDA was $40.1 million, an increase of $14.5 or 58% million compared to the prior year quarter Adjusted EBITDA of $25.6 million. The increase is primarily due to higher EBITDA from operations, partially offset by higher corporate costs. EBITDA from operations increased $18.9 million compared to the prior year quarter primarily due to Certarus and, to a lesser extent, higher Adjusted EBITDA from Wholesale Propane, U.S. Propane and modestly higher from Canadian Propane. Certarus contributed $12.6 million in Adjusted EBITDA since the close of the Certarus Acquisition. Wholesale Propane Adjusted EBITDA was $5.4 million, an increase of $3.6 million or 200% primarily due to strong wholesale propane market fundamentals in California and, to a lesser extent, Canada. U.S. Propane Adjusted EBITDA was $18.6 million, an increase of $2.4 million primarily due to the impact of the Quarles acquisition and other tuck-in acquisitions completed in the prior year and higher average unit margins, partially offset by a decrease in heating oil volumes related to attrition and the impact of recognizing realized a gain from commodity hedges in the prior year quarter. Canadian Propane Adjusted EBITDA was $13.6 million, a modest increase of $0.3 million or 2% primarily due to higher average unit margins partially offset by lower sales volumes. Corporate administrative costs were $10.5 million compared to $6.0 million in the prior year quarter. The increase is primarily due to higher insurance costs, chief executive officer transition costs and the impact of inflation. Superior realized a gain on foreign currency hedging contracts of $0.4 million consistent with the prior year gain of $0.3 million.

AOCF before transaction, restructuring and other costs was $8.5 million, an increase of $2.9 million from the prior year quarter of $5.6 million. The increase from the prior year is primarily due to higher Adjusted EBITDA discussed above, partially offset by higher interest expense, and to a lesser extent, higher current tax. Interest expense increased by $8.7 million or 48% primarily to due to higher average debt balances associated with the Certarus Acquisition, and to a lesser extent, higher average interest rates associated with higher variable interest rates compared to the prior year quarter. AOCF per share before transaction, restructuring and other costs assuming the conversion of preferred shares was $0.03 per share, an increase of $0.01 per share or 50% from the prior year quarter AOCF per share of $0.02 per share. The increase on a per share basis is primarily due to higher AOCF before transaction, restructuring and other costs discussed above and is partially offset by the impact from the increase in the weighted average shares outstanding.

AOCF for the three months ended June 30, 2023 was ($13.5) million, a decrease of $6.6 million from the prior year AOCF of ($6.9) million due to higher transaction, restructuring and other costs, partially offset by the higher AOCF before transaction, restructuring and other costs discussed above. Transaction, restructuring and other costs for the three months ended June 30, 2023 was $22.0 million, an increase of $9.5 million from prior year quarter of $12.5 million. AOCF per share for three months ended June 30, 2023 was ($0.05) per share assuming the conversion of the preferred shares, a decrease of $0.02 per share from the prior year quarter AOCF per share of ($0.03) 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.

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

The following summary contains Non-GAAP financial information. The intent of this Non-GAAP financial information is to provide additional useful information to investors and analysts as they exclude non-cash items and expenses related to acquisitions. These measures do not have standardized meanings under IFRS and should not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-GAAP financial measures differently. See "Non-GAAP Financial Measures and Reconciliations" on page 31 for more information about these measures.

Adjusted EBITDA was $312.2 million, an increase of $36.2 million or 13% compared to the prior year Adjusted EBITDA of $276.0 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 comparable period. EBITDA from operations increased $49.2 million or 17% compared to the prior year primarily due to higher Adjusted EBITDA from Wholesale Propane and U.S. Propane and the contribution from the Certarus Acquisition, partially offset by lower Canadian Propane Adjusted EBITDA. Wholesale Propane Adjusted EBITDA was $45.6 million, an increase of $24.7 million or 118% primarily due to the impact of the Kiva acquisition and, to a lesser extent, stronger propane wholesale market fundamentals compared to the prior comparable period. U.S. Propane Adjusted EBITDA was $194.5 million, an increase of $15.4 million or 9% primarily due to the impact of acquisitions, higher unit margins and the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions, partially offset by the impact of significantly warmer weather on sales volumes, a decrease in heating oil customers and increased costs due to inflation. Canadian Propane Adjusted EBITDA was $79.4 million, a decrease of $3.5 million or 4% primarily due to lower sales volumes related to warmer weather, the impact of the CEWS benefit recorded in the prior year period and increased costs due to inflation, partially offset by higher unit margins. Certarus Adjusted EBITDA was $12.6 million from the date of acquisition to June 30, 2023. Corporate administrative costs were $16.2 million compared to $8.7 million in the prior year. The increase is primarily due to higher insurance costs, costs related to on-boarding the new CEO, the impact of inflation on costs and higher incentive plan costs due to fluctuations in Superior's share price compared to the prior comparable period. Superior realized a loss on foreign currency hedging contracts of $3.7 million compared to a gain of $1.8 million in the prior year period due to lower average hedge rates relative to changes in exchange rates.

AOCF before transaction, restructuring and other costs was $251.0 million, an increase of $13.0 million or 5% from the prior year of $238.0 million. The increase from the prior comparable period is primarily due to higher Adjusted EBITDA discussed above, partially offset by higher interest expense and higher current income tax expense. Interest expense increased by $17.2 million or 50% primarily due to higher debt balances due to the Certarus Acquisition and higher average interest rates and, to a lesser extent, the impact of the weaker Canadian on the translation of U.S. denominated transactions. Current income tax expense increased by $6.0 million due to the timing of acquisitions and utilization of tax pools. AOCF per share before transaction, restructuring and other costs assuming the conversion of preferred shares was $1.05 per share, a decrease of $0.04 per share or 4% from the prior year period AOCF per share. The decrease on a per share basis is due to the impact from the increase in the weighted average shares outstanding.

AOCF for the six months ended June 30, 2023 was $221.4 million, an increase of $3.0 million or 1% from the prior year AOCF of $218.4 million. The increase from the prior comparable period is due to higher AOCF before transaction, restructuring and other costs, partially offset by higher transaction, restructuring and other costs. Transaction, restructuring and other costs for the six months ended June 30, 2023 were $29.6 million, an increase of $10.0 million or 7% from prior year of $19.6 million primarily due to the acquisition of Certarus and integration costs related to past acquisitions. AOCF per share for six months ended June 30, 2023 was $0.93 per share assuming the conversion of the preferred shares, a decrease of $0.07 per share or 7% from the prior year AOCF per share of $1.00 per share. The decrease on a per share basis is due to 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, Wholesale Propane and Certarus.

U.S. PROPANE

U.S. Propane's condensed operating results:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2023**	2022	**2023**	2022
Revenue	**263.9**	278.1	**945.3**	911.7
Cost of Sales	**(127.3)**	(166.6)	**(467.1)**	(552.5)
Gross profit	**136.6**	111.5	**478.2**	359.2
Realized (loss) gain on derivatives related to commodity risk management [2]	**(5.3)**	6.1	**(24.2)**	33.3
Adjusted gross profit[1]	**131.3**	117.6	**454.0**	392.5
SD&A	**(160.7)**	(148.1)	**(359.9)**	(297.1)
Add back (deduct):				
Amortization and depreciation included in SD&A[3]	**43.7**	37.9	**90.7**	70.8
Transaction, restructuring and other costs[3]	**3.9**	7.4	**9.4**	11.3
Loss on disposal of assets [3]	**0.4**	1.4	**0.3**	1.6
Operating costs[1]	**(112.7)**	(101.4)	**(259.5)**	(213.4)
Adjusted EBITDA[1]	**18.6**	16.2	**194.5**	179.1
Add back (deduct):				
Loss on disposal of assets [3]	**(0.4)**	(1.4)	**(0.3)**	(1.6)
Transaction, restructuring and other costs [3]	**(3.9)**	(7.4)	**(9.4)**	(11.3)
Amortization and depreciation included in SD&A [3]	**(43.7)**	(37.9)	**(90.7)**	(70.8)
Unrealized (loss) gain on derivative financial instruments [2]	**(11.6)**	(21.0)	**10.6**	(17.4)
Finance expense	**(1.9)**	(1.5)	**(4.2)**	(2.8)
(Loss) earnings before income tax	**(42.9)**	(53.0)	**100.5**	75.2

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 31 for more information.

(2) Realized gain (loss) on derivatives related to commodity risk management are reconciled to gains (losses) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and reconciliations" on page 31 for more information.

(3) The sum of the above amounts and the balances included in the Canadian Propane, Wholesale Propane, Certarus and the Corporate segments are included in SD&A and are disclosed in Note 15 or Note 19 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2023 and 2022.

Revenue for the three months ended June 30, 2023 was $263.9 million, a decrease of $14.2 million or 5% from the prior year quarter primarily due to the impact of lower wholesale commodity prices, partially offset by the impact of acquisitions completed in the prior year and, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated revenue.

U.S. Propane Adjusted Gross Profit

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2023**	2022	**2023**	2022
Propane distribution [1]	**130.3**	105.1	**464.3**	346.5
Realized gain (loss) on derivatives related to commodity risk management [1]	**(5.3)**	6.1	**(24.2)**	33.3
Adjusted gross profit related to propane distribution	**125.0**	111.2	**440.1**	379.8
Other services [1]	**6.3**	6.4	**13.9**	12.7
Adjusted gross profit [2]	**131.3**	117.6	**454.0**	392.5

(1) The sum of propane distribution and other services agrees to segment disclosure in the unaudited condensed consolidated financial statements. Realized 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 31 for more information.

(2) Adjusted gross profit from operations is a Non-GAAP financial measure. See "Non-GAAP financial measures and reconciliations" on page 31 for more information.

Adjusted gross profit related to propane distribution for the three months ended June 30, 2023 was $125.0 million an increase of $13.8 million or 12% from the prior year quarter primarily due to the impact of acquisitions, higher average sales margins and the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions, partially offset by a realized loss on commodity hedges compared to a realized gain on commodity hedges in the prior year quarter and lower distillate volumes related to attrition.

Total sales volumes were 242 million litres, consistent with the prior year quarter as the incremental volumes primarily from acquisitions were offset by attrition in distillate customers. Average weather, as measured by degree days, across markets where U.S. propane operates was 2% colder than the prior year quarter and 4% warmer than the five-year average. Sales volumes are highest in the first and fourth quarter due to the demand from heating end-use customers. Weather variances are much less impactful in the second and third quarters because there is much less demand from heating end-use customers. The warmer weather in the second quarter does not have a significant impact on total annual sales volumes.

U.S. Propane average sales margins were 51.7 cents per litre, an increase of 5.7 cents per litre or 12% from 46.0 cents per litre in the prior year quarter primarily due to holding prices as commodity prices declined to offset the impact of inflation, the impact of the weaker Canadian dollar on the translation of U.S. denominated gross profit and, to a lesser extent, customer mix, partially offset by a realized loss on commodity hedges compared to a realized gain on commodity hedges in the prior year quarter.

Other services gross profit primarily includes equipment rental, installation, repair and maintenance charges. Other services gross profit was $6.3 million, a decrease of $0.1 million or 2% over the prior year quarter.

U.S. Propane Sales Volumes

End-Use Application

(millions of litres)	Three Months Ended June 30 2023	2022	Six Months Ended June 30 2023	2022
Residential	**105**	105	**451**	467
Commercial	**137**	137	**375**	371
Total	**242**	242	**826**	838

Volumes by Region [(1)]

(millions of litres)	Three Months Ended June 30 2023	2022	Six Months Ended June 30 2023	2022
Northeast	**161**	166	**557**	601
Southeast	**30**	30	**111**	126
Midwest	**17**	18	**58**	66
West	**34**	28	**100**	45
Total	**242**	242	**826**	838

(1) Includes heating oil, propane, diesel and gasoline sold in over twenty-four 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, Arizona and Nevada.

Operating Costs and Selling, Distribution and Administrative Costs

Operating costs were $112.7 million, an increase of $11.3 million or 11% over the prior year quarter primarily due to the impact from the timing of the Quarles acquisition in the prior year quarter and the impact of the weaker Canadian dollar on the translation of U.S. denominated operating costs and, to a lesser extent, 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 $160.7 million, an increase of $12.6 million or 9% over the prior year quarter. The increase is consistent with the increase in operating costs and includes higher depreciation and amortization as a result of a higher asset base associated with acquisitions, partially offset by lower transaction, restructuring and other costs.

Earnings (loss) before tax

Loss before tax was $42.9 million, a decrease of $10.1 million over the prior year quarter's loss primarily due to the reasons described above and the impact of a smaller unrealized loss on derivative financial instruments compared to the prior year quarter.

Financial Outlook

U.S. Propane Adjusted EBITDA in 2023 is anticipated to be higher than 2022. The impact of the full year contribution from acquisitions completed in the year, optimizing customer pricing, the realization of synergies and cost-saving initiatives and, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated EBITDA is expected to be partially offset by the impact of the significantly warmer weather experienced in the first quarter and the impact of inflationary pressures on operating costs and distillate attrition. 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 condensed operating results:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2023**	2022	**2023**	2022
Revenue	**152.4**	187.7	**462.6**	554.5
Cost of Sales	**(81.6)**	(119.5)	**(260.7)**	(357.7)
Gross profit	**70.8**	68.2	**201.9**	196.8
SD&A	**(73.9)**	(72.5)	**(157.1)**	(147.4)
Add back (deduct):				
Amortization and depreciation included in SD&A [(2)]	**17.9**	17.1	**35.8**	33.9
Transaction, restructuring and other costs [(2)]	**0.3**	0.1	**0.5**	0.3
(Gain) loss on disposal of assets [(2)]	**(1.5)**	0.4	**(1.7)**	(0.7)
Operating costs[(1)]	**(57.2)**	(54.9)	**(122.5)**	(113.9)
Adjusted EBITDA[(1)]	**13.6**	13.3	**79.4**	82.9
Add back (deduct):				
Gain (loss) on disposal of assets [(2)]	**1.5**	(0.4)	**1.7**	0.7
Transaction, restructuring and other costs[(2)]	**(0.3)**	(0.1)	**(0.5)**	(0.3)
Amortization and depreciation included in SD&A[(2)]	**(17.9)**	(17.1)	**(35.8)**	(33.9)
Finance expense	**(0.8)**	(0.7)	**(1.6)**	(1.5)
(Loss) earnings before income tax	**(3.9)**	(5.0)	**43.2**	47.9

(1) Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 31 for more information.

(2) The sum of the above amounts and the balances included in the U.S. Propane, Wholesale Propane, Certarus and the Corporate segments are included in SD&A and are disclosed in Note 15 or Note 19 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2023 and 2022.

Revenue for the three months ended June 30, 2023 was $152.4 million, a decrease of $35.3 million or 19% from the prior year quarter primarily due to lower average wholesale propane prices and, to a lesser extent, lower sales volumes.

Canadian Propane Gross Profit

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2023**	2022	**2023**	2022
Propane distribution	**67.0**	64.7	**194.8**	189.2
Other services	**3.8**	3.5	**7.1**	7.6
Gross profit	**70.8**	68.2	**201.9**	196.8

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

Gross profit related to propane distribution for the three months ended June 30, 2023 was $67.0 million an increase of $2.3 million or 4% from the prior year quarter as a result of margin management initiatives to offset the higher operating costs related to inflationary pressures and labour, partially offset by lower sales volumes.

Total sales volumes were 212 million litres, a decrease of 14 million litres or 6% due to warmer weather. Average weather across Canada for the second quarter, as measured by degree days was 16% warmer than the prior year quarter and 15% warmer than the five-year average. Western Canada was 28% warmer than the prior year quarter while Eastern Canada was consistent with the prior year quarter. Sales volumes are highest in the first and fourth quarter due to the demand from heating end-use customers. Weather variances are much less impactful in the second and third quarters because there is much less demand from heating end-use customers. The warmer weather in the second quarter does not have a significant impact on total annual sales volumes. Residential sales volumes decreased by 2 million litres or 7% primarily due to the warmer weather. Commercial sales volumes decreased by 12 million litres or 6% due primarily to warmer weather and competitive pressures.

Average propane sales margins were 31.6 cents per litre, an increase of 3.0 cents or 10% from 28.6 cents per litre in the prior year quarter due primarily as a result of margin management initiatives to offset the higher operating costs related to inflation and labour.

Other services gross profit primarily includes equipment rental, installation, repair and maintenance and customer minimum use charges. Other services gross profit was $3.8 million, an increase of $0.3 million or 9% from the prior year quarter of $3.5 million due to increased commercial activity in Ontario and the Prairies.

Canadian Propane Sales Volumes
Volumes by End-Use Application

	Three Months Ended June 30		**Six Months Ended June 30**	
(millions of litres)	**2023**	2022	**2023**	2022
Residential	**26**	28	**100**	113
Commercial	**186**	198	**525**	570
Total	**212**	226	**625**	683

Volumes by Region [(1)]

	Three Months Ended June 30		**Six Months Ended June 30**	
(millions of litres)	**2023**	2022	**2023**	2022
Western Canada	**85**	104	**265**	302
Eastern Canada	**90**	90	**265**	293
Atlantic Canada	**37**	32	**95**	88
Total	**212**	**226**	**625**	683

(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.

Operating Costs and Selling, Distribution and Administrative Costs

Operating costs were $57.2 million, an increase of $2.3 million or 4% compared to the prior year quarter. The increase in operating costs was primarily due to higher costs associated with inflation and labour and, to a lesser extent, higher vehicle maintenance costs, partially offset by lower volume-related 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 $73.9 million, an increase of $1.4 million or 2% 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 a smaller gain on disposal of assets compared to the prior year quarter.

Earnings (loss) before tax

The loss before income tax was $3.9 million, an increase of $1.1 million over the prior year quarter due to the above reasons.

Financial Outlook

Canadian Propane Adjusted EBITDA in 2023 is anticipated to be lower than 2022 primarily due to reduced sales of carbon offset credits, the anticipated impact of the divestiture of site locations related to the Certarus Acquisition (See Completed and Announced Transactions for further details) which is anticipated to close in the second half of 2023, the elimination of the CEWS benefit, warmer weather experienced in the first quarter and the impact of inflation on operating costs, partially offset by higher average margins. 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 condensed operating results:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2023**	2022	**2023**	2022
Revenue	**212.0**	301.5	**703.4**	737.1
Cost of Sales	**(188.3)**	(286.7)	**(611.2)**	(704.7)
Gross profit	**23.7**	14.8	**92.2**	32.4
Realized gain (loss) on derivatives related to commodity risk management [(2)]	**(2.0)**	0.3	**(8.5)**	7.9
Adjusted gross profit[(1)]	**21.7**	15.1	**83.7**	40.3
SD&A	**(20.4)**	(17.3)	**(46.6)**	(25.0)
Add back (deduct):				
Amortization and depreciation included in SD&A [(3)]	**3.6**	3.9	**8.0**	5.6
Transaction, restructuring and other costs [(3)]	**0.5**	0.1	**0.6**	0.1
Gain on disposal of assets [(3)]	**–**	–	**(0.1)**	(0.1)
Operating costs[(1)]	**(16.3)**	(13.3)	**(38.1)**	(19.4)
Adjusted EBITDA[(1)]	**5.4**	1.8	**45.6**	20.9
Add back (deduct):				
Gain on disposal of assets [(3)]	**–**	–	**0.1**	0.1
Transaction, restructuring and other costs[(3)]	**(0.5)**	(0.1)	**(0.6)**	(0.1)
Amortization and depreciation included in SD&A[(3)]	**(3.6)**	(3.9)	**(8.0)**	(5.6)
Unrealized gain (loss) on derivative financial instruments[(2)]	**(2.4)**	0.1	**10.1**	(1.1)
Finance expense	**(0.1)**	(0.3)	**(0.2)**	(0.4)
(Loss) earnings before income tax	**(1.2)**	(2.4)	**47.0**	13.8

(1) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See “Non-GAAP financial measures and reconciliations” on page 31 for more information.

(2) Realized 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 31 for more information.

(3) The sum of the above amounts and the balances included in the U.S. Propane, Canadian Propane, Certarus and the Corporate segments are included in SD&A and are disclosed in Note 15 or Note 19 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2023 and 2022.

Revenue for the three months ended June 30, 2023 was $212.0 million, a decrease of $89.5 million or 30% from the prior year quarter primarily due to lower wholesale propane prices and, to a lesser extent, lower sales volumes, partially offset by the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions. Wholesale propane prices were lower than the prior year quarter due to a decrease in average West Texas Intermediate (“WTI”) crude oil and related commodity prices. WTI crude oil and wholesale propane prices were higher in the prior year quarter due to the impact of the conflict in Ukraine and increased demand related to the continued easing of COVID-19 restrictions. Wholesale propane prices decreased in 2023 due to higher inventory levels in North America.

Adjusted gross profit for the three months ended June 30, 2023 was $21.7 million, an increase of $6.6 million or 44% from the prior year quarter primarily due to higher average unit margins associated with stronger wholesale propane market fundamentals compared to the prior year quarter and, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions, partially offset by lower sales volumes.

Total third-party sales volumes were 298 million litres, a decrease of 5 million litres or 2%, primarily due to lower customer demand as a result of warmer weather.

Wholesale Propane Sales Volumes
Wholesale Propane Volumes by Region

	Three Months Ended June 30		Six Months Ended June 30	
(millions of litres)	**2023**	2022	**2023**	2022
Third party sales volumes				
United States	**265**	276	**688**	554
Canada	**33**	27	**107**	93
	298	303	**795**	647
Sales volumes to the Canadian Propane and US Propane segments	**245**	262	**731**	736
Total	**543**	565	**1,526**	1,383

Average propane sales margins, including the impact of sales to other divisions, were 4.0 cents per litre, an increase of 1.3 cents or 48% from 2.7 cents per litre in the prior year quarter primarily due to strong market fundamentals in California and, to a lesser extent, Canada.

Operating Costs and Selling, Distribution and Administrative Costs

Operating costs were $16.3 million, an increase of $3.0 million or 23% compared to the prior year quarter due to higher freight costs and, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions.

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 $20.4 million, an increase of $3.1 million over the prior year quarter. SD&A increased for the above reasons, as well as higher transaction, restructuring and other costs related to the integration of Kiva, partially offset by lower depreciation and amortization costs.

Earnings (loss) before tax

Loss before income tax was $1.2 million, a decrease of $1.2 million over the prior year quarter loss of $2.4 million, for the above reasons partially offset by the impact of an unrealized loss on derivatives in the current year compared to an unrealized gain in the prior year quarter.

Financial Outlook

Wholesale Propane Adjusted EBITDA in 2023 is anticipated to be higher than 2022 as a result of the full year contribution from the Kiva acquisition, the strong market fundamentals realized in the first quarter and the impact of a weaker Canadian dollar on the translation of U.S. denominated transactions. 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.

CERTARUS

Certarus' condensed operating results from the date of acquisition to June 30, 2023 are as follows:

(millions of dollars except per MSU amounts)		**$ per MSU**
Revenue	**44.4**	**68**
Cost of Sales	**(6.6)**	**(10)**
Gross profit	**37.8**	**58**
SD&A	**(35.3)**	**(54)**
Add back:		
Amortization and depreciation included in SD&A	**8.2**	**13**
Transaction, restructuring and other costs	**0.3**	–
Loss on disposal of assets	**1.6**	**2**
Operating costs[1]	**(25.2)**	**(39)**
Adjusted EBITDA[1]	**12.6**	**19**
Deduct:		
Loss on disposal of assets	**(1.6)**	**(2)**
Transaction, restructuring and other costs	**(0.3)**	**–**
Amortization and depreciation included in SD&A	**(8.2)**	**(13)**
Finance expense	**(0.1)**	**–**
Earnings before income tax	**2.4**	**4**

(1) Adjusted EBITDA, Operating Costs and per MSU amounts are Non-GAAP financial measures. See "Non-GAAP financial measures and reconciliations" on page 31 for more information.

Adjusted EBITDA per average mobile storage unit ("MSU")

Adjusted EBITDA per average MSU is a Non-GAAP financial measure used to evaluate the productivity during a reporting period. Adjusted EBITDA per average MSU is equal to Adjusted EBITDA divided by the average number of MSUs for the period. See "Non-GAAP financial measures and reconciliations" on page 31 for more information.

Revenue from the date of acquisition to June 30, 2023 was $44.4 million, and includes sales related to natural gas distribution and ancillary services which consist of equipment rentals, standby services and take-or-pay arrangements. Cost of sales primarily consists of the cost of the commodity being distributed and excludes distribution costs, vehicle costs, salaries and wages and other costs related to the operations of the various satellite locations. These costs are included in operating costs and SD&A.

(millions of dollars)	**From the date of acquisition to June 30, 2023**
Direct natural gas distribution	**29.5**
Ancillary services	**8.3**
Gross profit	**37.8**

Gross profit related to direct natural gas distribution from the date of acquisition to June 30, 2023 was $29.5 million. Total sales volumes for this period was 2,035 MMBtu resulting in an average direct natural gas distribution sales margin of $14.5 per MMBtu.

Ancillary services gross profit primarily includes equipment rental, standby services and take-or-pay arrangements.

Natural gas is purchased at spot rates, which are the daily rates in effect at the time of purchase and are quoted in relation to a physical location. The change in product costs period-over-period generally trend with the change in natural gas commodity prices for the same period. Certarus has the ability to quickly adjust pricing on short-term contracts and has contractual mechanisms in place to either flow through the excess cost of natural gas once a certain index threshold is exceeded or have the entire index price of natural gas as a flow through to the customer. These arrangements provide significant downside protection to Certarus in a volatile or rapidly rising natural gas price environment. Certarus is well positioned for margin expansion in a decreasing or low natural gas price environment.

Certarus Sales Volumes
Volumes by Region

(thousands of million British thermal units "MMBtu")	**From the date of acquisition to June 30, 2023**
United States	**1,724**
Canada	**311**
Total	**2,035**

Certarus delivers to their customers safely and cost effectively through their platform of MSUs. As at June 30, 2023 Certarus had 654 MSUs which is an increase of approximately 15% from 571 MSUs as at June 30, 2022.

Operating Costs and Selling, Distribution and Administrative Costs
Operating costs from the date of acquisition to June 30, 2023 were $25.2 million and include the cost to operate the segments locations, distribute natural gas from the pipeline to the customer, vehicle costs and all other selling and administrative 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 for the period ended June 30, 2023 was $35.3 million.

Earnings before tax
The earnings before income tax was $2.4 million for the period from the date of acquisition to June 30, 2023.

Financial Outlook
Certarus' Pro Forma Adjusted EBITDA for 2023 is anticipated to be $185 - $195 million based on an average MSU base of 668 trailers in 2023.

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

CONSOLIDATED CAPITAL EXPENDITURE SUMMARY

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

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

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

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

Superior's capital expenditures from continuing operations for the three and six months ended June 30, 2023

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2023**	2022	**2023**	2022
Efficiency, process improvement and growth-related[(1)]	**13.1**	15.7	**29.8**	23.6
Maintenance capital[(1)]	**16.5**	12.0	**29.9**	19.3
	29.6	27.7	**59.7**	42.9
Proceeds on disposition of assets [(1)]	**(3.7)**	(0.6)	**(4.9)**	(2.7)
Property, plant and equipment acquired through acquisition[(2)]	**550.5**	103.3	**552.4**	205.7
Total net capital expenditures	**576.4**	130.4	**607.2**	245.9
Investment in leased vehicles[(2)]	**9.1**	4.5	**12.3**	9.0
Investment in other leased assets[(2)]	**2.4**	2.0	**8.2**	3.5
Total expenditures including finance leases	**587.9**	136.9	**627.7**	258.4

(1) The amounts disclosed in the unaudited condensed consolidated statements of cash flows for the three and six months ended June 30, 2023 and 2022 is made up of the sum of these amounts.

(2) Property, plant and equipment acquired through acquisitions is disclosed in Note 4 of the unaudited condensed consolidated financial statements. The sum of the leases is disclosed as additions in Note 11 of the unaudited condensed consolidated financial statements.

Efficiency, process improvement and growth-related expenditures were $13.1 million for the three months ended June 30, 2023 compared to $15.7 million in the prior year quarter. The decrease over the prior year quarter is primarily due to the lower tank purchases due to timing, partially offset by expenditures made by Certarus primarily related to MSUs, vehicles and field equipment and the impact of the weaker Canadian dollar on the translation of U.S. denominated purchases.

Maintenance capital expenditures were $16.5 million for the three months ended June 30, 2023 compared to $12.0 million in the prior year quarter primarily due to expenditures made by Certarus and timing of tank refurbishment costs.

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

Superior entered into $9.1 million of leased vehicles net of proceeds from refinancing previously acquired vehicles for the three months ended June 30, 2023 compared to $4.5 million in the prior year quarter. The modest increase is primarily due to timing of acquiring vehicles under leases and the impact of expenditures made by Certarus. Other leased assets of $2.4 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 June 30, 2023 were $10.5 million an increase of $4.5 million compared to $6.0 million in the prior year quarter. The increase is primarily due to higher insurance costs, CEO transition costs, the impact of inflation and higher long-term incentive plan costs related to 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 $27.7 million for the three months ended June 30, 2023, an increase of $16.6 million from $11.1 million in the prior year quarter primarily due to the above reasons and higher transaction, restructuring and other costs compared to the prior year quarter due to the timing of the completion of the Certarus Acquisition.

FINANCE EXPENSE

Finance expense was $28.8 million for the three months ended June 30, 2023, an increase of $11.0 million, compared to $17.8 million in the prior year quarter. The increase is primarily due to higher average debt balances in the quarter as a result of the Certarus Acquisition, higher average interest rates and, to a lesser extent, the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions.

Interest expense included in AOCF excludes interest earned on the Vendor Note and the unwinding of discounts on decommissioning liabilities and non-cash financing expenses. Interest expense was $26.9 million, an increase of $8.7 million, compared to $18.2 million in the prior year quarter. The increase is primarily due to higher average debt balances associated with acquisitions and 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:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2023**	2022	**2023**	2022
Total transaction, restructuring and other costs	**22.0**	12.5	**29.6**	19.6

For the three months ended June 30, 2023, Superior incurred $22.0 million in costs related to the Certarus Acquisition and integration costs related to acquisitions completed in the prior year.

The costs in the prior year quarter related primarily to completed acquisitions and integrations related to prior year acquisitions.

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 three months ended June 30, 2023 of $31.7 million, comprised of $4.7 million current income tax expense and $36.4 million deferred income tax recovery. This compares to a total income tax recovery of $34.5 million in the prior year quarter, which consisted of current income tax expense of $1.8 million and $36.3 million deferred income tax recovery.

Current income taxes for the three months ended June 30, 2023 was $4.7 million (2022 – $1.8 million), consisting of income taxes in Canada of $2.0 million (2022 – $1.5 million), in the U.S. of $0.6 million (2022 – $0.3 million) and in Hungary of $2.1 million (2022 – $nil). Deferred income tax recovery for the three months ended June 30, 2023 was $36.4 million (2022 – $36.3 million recovery), resulting in a net deferred income tax liability of $191.6 million as at June 30, 2023.

FINANCIAL OUTLOOK

Superior is updating the 2023 Pro Forma Adjusted EBITDA guidance range of $620 million to $660 million to a range of $630 million to $670 million, with a midpoint of $650 million. Superior is increasing the range due to the second quarter results and an increase in 2023 expected results for Certarus. Superior's Pro Forma Adjusted EBITDA guidance range includes the expected pro forma full twelve months of Certarus 2023 Adjusted EBITDA in the range of $185 million to $195 million, an increase from the previously disclosed 2023 Adjusted EBITDA range of $175 to $185 million based on year-to-date results and the continued expected growth for the remainder of 2023.

Superior is including the pro forma Adjusted EBITDA impact of the Certarus Acquisition in the financial outlook as the full economic benefit of Certarus' 2023 Adjusted EBITDA prior to the close of the Certarus Acquisition was retained in the business. The pro forma adjustment for Certarus for the period from January 1, 2023 to the date of acquisition is approximately $91.7 million. See "Non-GAAP financial measures and reconciliations" on page 31 for more information.

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 for the remainder of 2023 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 will not 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;
- Corporate costs to be in the range of $30 million to $35 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 the remainder of 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 $25 million to $30 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;
- 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 for the remainder of the year;

- 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
- Assuming an average MSU count of 668 trailers in 2023;
- The natural gas price differential to diesel remains favourable and leads to further adoption of CNG as a cost-effective and lower carbon intensity alternative to displace diesel for remote energy applications; and
- Increased production and demand of RNG and hydrogen.

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's Leverage Ratio as at June 30, 2023 was 3.6x, compared to 4.1x at December 31, 2022. The decrease in the Leverage Ratio was due to higher Pro forma Adjusted EBITDA and, to a lesser extent, the impact of a marginally stronger Canadian dollar on the translation of U.S. denominated debt, partially offset by an increase in Net Debt.

Net Debt, Pro forma Adjusted EBITDA and Leverage Ratio are Non-GAAP measures, see "Non-GAAP financial measures and reconciliations" on page 31.

Borrowing
Superior's revolving syndicated bank facilities ("revolving credit facilities"), senior unsecured notes, lease obligations, deferred consideration and other debt (collectively "borrowing") before deferred financing fees was \$2,394.7 million as at June 30, 2023, an increase of \$225.7 million from \$2,169.0 million as at December 31, 2022. The increase is primarily due to the higher credit facility borrowings to finance the Certarus Acquisition, partially offset by the receipt of proceeds from the sale of the Vendor Note, cashflow generated from operations in the period used to payoff the debt and, to a lesser extent, lower capital requirements associated with decreased commodity prices.

On May 31, 2023, Superior entered into new \$550 million senior secured credit facility agreement with (the "New Credit Facility") with a group of ten lenders. The New Credit Facility matures on May 31, 2026 and has similar covenants to the existing revolving term bank credit facilities.

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

	As at June 30, 2023			
(millions of dollars)	Total Amount	Borrowing	Letters of Credit Issued	Amount Available
Revolving term bank credit facilities[1]	1,300.0	818.4	6.6	475.0
Senior unsecured notes[1]	1,294.5	1,294.5	–	–
Deferred consideration and other	50.3	50.3	–	–
Lease liabilities	231.5	231.5	–	–
Total	**2,876.3**	**2,394.7**	**6.6**	**475.0**

[1] The revolving term bank credit facilities, including the existing and the new credit facility, and the senior unsecured notes balances are presented before deferred financing fees, see Note 10 of the unaudited condensed consolidated financial statements.

Net Working Capital

Consolidated net working capital (deficit) was ($56.1) million as at June 30, 2023, a decrease of $220.8 million from $164.7 million as at December 31, 2022. The decrease from December 31, 2022 is primarily due to the inclusion of the Vendor Note (Note 5) 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 unaudited condensed consolidated financial statements and notes thereto as at and for the three and six months ended June 30, 2023 and 2022. See Note 19 of the unaudited condensed consolidated financial statements.

Compliance

In accordance with the credit facility, Superior must maintain certain covenants and ratios that represent Non-GAAP financial measures. Superior was in compliance with its lender covenants as at June 30, 2023, 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 June 30, 2023, Superior's defined benefit pension plans had an estimated net defined benefit going concern surplus of approximately $4.8 million (December 31, 2022 – surplus $4.5 million) and a net pension solvency surplus of approximately $5.4 million (December 31, 2022 – 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]

	July 1 to June 30						
	Current	**2025**	**2026**	**2027**	**2028**	**Thereafter**	**Total**
Borrowings before deferred financing fees and discounts [1]	18.0	14.4	381.6	5.2	447.4	1,296.6	2,163.2
Lease liabilities [2]	56.6	43.3	32.2	26.1	17.5	55.8	231.5
Non-cancellable, low-value, short-term leases and leases with variable lease payments [2]	6.7	0.8	–	–	–	–	7.5
Certarus capital and other commitments	61.3	2.3	2.2	–	–	–	65.8
Equity derivative contracts [1]	13.7	7.9	–	–	–	–	21.6
US dollar foreign currency forward sales contracts [1]	232.7	195.0	120.0	6.0	–	–	553.7
USD/CAD call options[1]	6.0	42.0	–	–	–	–	48.0
Propane, WTI, butane, heating oil and diesel, wholesale and natural gas purchase and sale contracts [1] [3]	183.7	10.2	6.0	0.6	0.5	6.2	207.2

(1) See Notes 10 and 12 of the June 30, 2023 unaudited condensed consolidated financial statements.

(2) See Note 11 of the June 30, 2023 unaudited condensed consolidated financial statements. Operating leases comprise Superior's off-balance-sheet obligations and are contracts that do not meet the definition of a lease under IFRS 16 or are exempt.

(3) Does not include the impact of financial derivatives.

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

SHAREHOLDERS' CAPITAL

As at June 30, 2023, 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, 2022	200.7	$2,617.9	0.3	$352.4
Common shares issued during the period, net of issue costs	**48.6**	**487.2**	**–**	**–**
Common shares repurchased and cancelled during the period	**–**	**(0.1)**	**–**	**–**
Unrealized foreign currency loss on translation	**–**	**–**	**–**	**(8.1)**
Balance as at June 30, 2023	**249.3**	**$3,105.0**	**0.3**	**$344.3**

On May 31, 2023, Superior acquired all the issued and outstanding shares of Certarus for total consideration of $840.5 million consisting of $353.2 million in cash and 48.6 million common shares of Superior valued at $487.3 million; see "Completed and Announced Transactions" for more information. Share issuance costs was $0.1 million and was presented net of the common shares issued.

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. For the three and six months ended June 30, 2023, 10,100 common shares have been repurchased for $0.1 million, including commission, at a volume weighted average price of $9.88 per common share (December 31, 2022 – 994,542 common shares have been repurchased for $10.0 million, including commission, at a volume weighted average price of $10.06 per common share). The repurchased shares with a total book value of $0.1 million (December 31, 2022 – $13.0 million), were immediately cancelled. As of the date of this report, Superior repurchased and cancelled 523,100 common shares in 2023.

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 2023 above, and "Summary of Cash Flow" for additional details.

Dividends declared to common shareholders for the three and six months ended June 30, 2023 were $44.9 million or 0.21 per common share and $81.0 million or $0.39 per common share, respectively, on a weighted average basis, compared to $36.3 million or 0.18 per common share and $68.0 million or $0.36 per common share, respectively, from the prior year quarter. The increase was due to the issuance of common shares during the previous year and shares issued in accordance with the Certarus Acquisition. Dividends to shareholders are declared at the discretion of Superior's Board of Directors.

Superior has a Dividend Reinvestment and Optional Share Purchase Plan ("DRIP") that is currently suspended and will remain in place should Superior elect to reactivate the DRIP, subject to regulatory approval, at a future date.

Dividends Declared to Preferred Shareholders

Dividends declared to preferred shareholders for the three and six months ended June 30, 2023 were US$4.7 million (C$6.3 million) or US$18.1 (C$24.2) per preferred share and US$9.4 million (C$12.7 million) or US$36.3 (C$48.8) per preferred share, respectively (June 30, 2022 - US$4.7 million (C$6.2 million) or US$18.1 (C$23.9) per preferred share and US$9.4 million (C$12.1 million) or US$36.3 (C$46.5) per preferred share, respectively).

SUMMARY OF CASH FLOW

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

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2023**	2022	**2023**	2022
Cash flows from operating activities	**109.5**	103.0	**459.6**	224.8
INVESTING ACTIVITIES				
Acquisitions, net of cash acquired	**(333.2)**	(206.7)	**(336.7)**	(494.1)
Purchase of property, plant and equipment and intangible assets	**(29.6)**	(27.7)	**(59.7)**	(42.9)
Proceeds on disposal of property, plant and equipment	**3.7**	0.6	**4.9**	2.7
Cash flows used in investing activities	**(359.1)**	(233.8)	**(391.5)**	(534.3)
FINANCING ACTIVITIES				
Proceeds of revolving term bank credit facilities and other debt	**930.5**	1,184.1	**1,372.2**	2,044.5
Repayment of revolving term bank credit facilities and other debt	**(671.0)**	(1,267.3)	**(1,354.7)**	(1,885.8)
Principal repayment of lease obligations	**(11.8)**	(10.2)	**(22.6)**	(19.8)
Proceeds from share issuance	**–**	287.5	**–**	287.5
Share issuance cost	**(0.1)**	(9.2)	**(0.1)**	(9.2)
Debt issue costs on credit facility	**(2.3)**	(0.5)	**(2.3)**	(0.5)
Repurchased and cancelled common shares	**(0.1)**	–	**(0.1)**	–
Dividends paid to shareholders	**(18.4)**	(40.9)	**(60.9)**	(78.5)
Cash flows from (used in) financing activities	**226.8**	143.5	**(68.5)**	338.2
Net (decrease) increase in cash and cash equivalents	**(22.8)**	12.7	**(0.4)**	28.7
Cash and cash equivalents, beginning of the period	**80.7**	44.1	**58.4**	28.4
Effect of translation of foreign currency-denominated cash and cash equivalents	**(0.9)**	0.6	**(1.0)**	0.3
Cash and cash equivalents, end of the period	**57.0**	57.4	**57.0**	57.4

Cash flows used in operating activities for the three months ended June 30, 2023 was $109.5 million, an increase of $6.5 million from the prior year quarter, primarily due to the positive change in non-cash operating working capital and less income taxes paid compared to the prior year quarter, partially offset by the lower AOCF in the current period.

Cash flows used in investing activities were $359.1 million, an increase of $125.3 million from the prior year quarter due primarily due to the timing of acquisitions, partially offset by the increase in proceeds from disposal of property, plant and equipment.

Cash flows from financing activities were $226.8 million, an increase of $83.3 million from $143.5 million in the prior year quarter, primarily due to advances under the credit facility to fund acquisitions and the funds from operating activities being used to paydown debt.

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 June 30, 2023, Superior has hedged approximately 71.6% of its estimated U.S. dollar exposure for the next 12 months and approximately 51.5% for July 2024 to June 2025. 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.

	July 1 to June 30						
	Current	**2025**	**2026**	**2027**	**2028**	**Thereafter**	**Total**
USD-foreign currency forward sales contracts	232.7	195.0	120.0	6.0	−	−	553.7
USD/CAD call options[(1)]	6.0	42.0	–	–	–	–	48.0
Net average external US$/CDN$ exchange rate	1.31	1.32	1.33	1.31	−	−	1.32

(1) USD/CAD call options expire in varying maturity dates between March and October 2024 with strikes ranging from 1.35 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 12 to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2023.

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 six months ended June 30, 2023. However, management continues the process of harmonizing and integrating acquired businesses on to Superior's existing information technology platform.

Effectiveness
An evaluation of the design effectiveness of Superior's DC&P and ICFR was conducted as at June 30, 2023 by and under the supervision of Superior's management, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that Superior's DC&P and ICFR were designed effectively as at June 30, 2023 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 Certarus effective May 31, 2023. Summary financial information pertaining to this acquisition that was included in the unaudited condensed consolidated financial statements of Superior as at June 30, 2023, is as follows:

(millions of Canadian dollars)	**From the date of acquisition to June 30, 2023 Certarus**
Revenue	44.4
Net earnings before income tax for the period	2.4

(millions of Canadian dollars)	**June 30, 2023 Certarus**
Current assets	137.3
Non-current assets	1,081.6
Current liabilities	(71.8)
Non-current liabilities	(96.2)

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, the assessment of potential provision for asset retirement obligations, estimating liabilities under the cap and trade programs and estimating the incremental borrowing rate on leases.

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, 2023, or latter periods. Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the unaudited condensed 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 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 had no material impact on the unaudited condensed 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. There was no significant impact from these amendments on the unaudited condensed consolidated financial statements of the Company as a result of the initial application.

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 had no material impact on the unaudited condensed consolidated financial statements.

Amendments to IAS 12, International Tax Reform—Pillar Two Model Rules
In May 2023, the IASB issued narrow-scope amendments to IAS 12 that aim to provide temporary relief from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the Organization for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also introduce targeted disclosure requirements for affected companies, and they require entities to disclose:

- The fact that they have applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- Their current tax expense (if any) related to the Pillar Two income taxes; and
- During the period between the legislation being enacted or substantially enacted and the legislation becoming effective, entities will be required to disclose known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this

information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by enacted or substantively enacted tax law that implements the OECD's Pillar Two model rules. The disclosures relating to the known or reasonably estimable exposure to Pillar Two income taxes are required for annual reporting periods beginning on or after January 1, 2023, but they are not required to be disclosed in interim financial reports for any interim period ending on or before December 31, 2023. Superior adopted the amendments to IAS 12 during the period ended June 30, 2023.

IFRS S1, General Requirements for Disclosure of Sustainability-related Financial ("IFRS S1") and IFRS S2, Climate-related Disclosures ("IFRS S2")
In June 2023, the International Sustainability Standards Board (the "ISSB") issued its first two IFRS Sustainability Disclosure Standards, ushering in a new era in international corporate reporting:

• IFRS S1 sets out the core content requirements for a complete set of sustainability-related financial disclosures and requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. The effect on the entity's prospects refers to the effect on the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.
• IFRS S2, which is the ISSB's first topic-based standard, requires an entity to provide information about its exposure to climate-related risks and opportunities.

The ISSB was established by the IFRS Foundation in November 2021 in response to demands from global capital markets for the development of standards to provide a comprehensive global baseline of sustainability disclosures.

Both IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after January 1, 2024. A "climate first" transition option is available, which allows an entity to provide only climate-related disclosures in its first year of applying IFRS S1 and IFRS S2. Mandatory application of IFRS Sustainability Disclosure Standards depends on each jurisdiction's endorsement or regulatory processes. The application of IFRS Sustainability Disclosure Standards is not linked to the application of IFRS Accounting Standards. Therefore, an entity applying IFRS Accounting Standards for financial reporting purposes is currently not required to also apply IFRS Sustainability Disclosure Standards, and vice versa. Superior is assessing the impact that the application of IFRS S1 and IFRS S2 will have on the unaudited condensed consolidated financial statements.

QUARTERLY FINANCIAL AND OPERATING INFORMATION

IFRS Measures

(millions of dollars, except per share amounts)	**Q2 2023**	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Revenue	**581.5**	1,255.4	1,070.3	510.5	628.6	1,170.4	824.9	362.6
Gross profit	**268.9**	541.2	429.2	172.2	194.5	393.9	281.9	132.6
Net earnings (loss)	**(39.8)**	147.1	63.0	(206.9)	(85.0)	141.0	13.8	(35.9)
Per share, basic	**($0.21)**	0.63	0.27	(1.06)	(0.46)	0.68	0.04	(0.24)
Per share, diluted	**($0.21)**	0.63	0.27	(1.06)	(0.46)	0.68	0.04	(0.24)
Net working capital (deficit) [(1)]	**(56.1)**	57.3	164.7	(0.4)	39.1	161.9	10.1	(111.5)

[(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)	**Q2 2023**	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Adjusted EBITDA	**40.1**	272.1	182.6	(8.8)	25.6	250.4	142.2	13.0
AOCF before transaction, restructuring and other costs	**8.5**	242.5	152.8	(32.9)	5.6	232.4	131.6	(4.8)
Per share, basic	**$0.03**	1.05	0.66	(0.14)	0.02	1.13	0.64	(0.02)
Per share, diluted	**$0.03**	1.05	0.66	(0.14)	0.02	1.13	0.64	(0.02)
AOCF	**(13.5)**	234.9	102.5	(47.2)	(6.9)	225.3	123.3	(11.7)
Per share, basic	**($0.05)**	1.02	0.44	(0.20)	(0.03)	1.09	0.60	(0.06)
Per share, diluted	**($0.05)**	1.02	0.44	(0.20)	(0.03)	1.09	0.60	(0.06)

[(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 31.

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 June 30, 2023 unaudited condensed consolidated financial statements.

Volumes

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
U.S. Propane sales volumes (millions of litres)	**242**	584	491	204	242	596	400	168
Canadian Propane sales volumes (millions of litres)	**212**	413	356	180	226	457	356	186
Wholesale Propane sales volumes (millions of litres) [(1)]	**298**	497	395	278	303	344	287	166

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

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

(millions of litres)	**Q2 2023**	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Residential	**105**	346	272	74	105	362	224	61
Commercial	**137**	238	219	130	137	234	176	107
Total	**242**	584	491	204	242	596	400	168

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

(millions of litres)	**Q2 2023**	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Residential	**26**	74	57	21	28	85	59	20
Commercial	**186**	339	299	159	198	372	297	166
Total	**212**	413	356	180	226	457	356	186

Wholesale Propane sales by region are as follows:

(millions of litres)	**Q2 2023**	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
United States	**265**	423	323	252	276	278	226	144
Canada	**33**	74	72	26	27	66	61	22
Total	**298**	497	395	278	303	344	287	166

NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS

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

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

Management has included the impact of CEWS in the determination of its Non-GAAP Financial Measures as management believes this benefit forms part of the net impact of COVID-19 on the financial results of Superior. Non-GAAP financial measures are identified and defined as follows:

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

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

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

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

Interest expense
Interest expense included in AOCF is equal to finance expense as defined by IFRS, adjusted for unwinding of discount on debentures, borrowing and decommissioning liabilities and other non-cash items, interest earned on Vendor Note and premiums and other losses on redemption of senior unsecured notes.

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

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

Per MSU amounts
Per MSU amounts represent the operating results of Certarus divided by the average number of MSUs for the period. Superior uses per average MSU amounts to evaluate operating productivity.

Reconciliation of net earnings to EBITDA, Adjusted EBITDA and AOCF
The below information is derived from Note 15 Supplemental Disclosure of the Condensed Consolidated Statements of Net Earnings, Note 19 Reportable Segment Information and Note 13 Income Taxes of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2023 and 2022. Amounts for the three months ended June 30, 2023 and 2022 are derived by subtracting the second quarter year-to-date 2023 and 2022 results by the results for the three months ended March 31, 2023 and 2022, respectively.

For the Six Months Ended June 30, 2023	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Results from operations**	**Corporate**	**Total**
Earnings (loss) before income taxes	**100.5**	**43.2**	**47.0**	**2.4**	**193.1**	**(55.9)**	**137.2**
Adjusted for:							
Amortization and depreciation included in SD&A	**90.7**	**35.8**	**8.0**	**8.2**	**142.7**	**0.4**	**143.1**
Finance expense	**4.2**	**1.6**	**0.2**	**0.1**	**6.1**	**49.0**	**55.1**
EBITDA	**195.4**	**80.6**	**55.2**	**10.7**	**341.9**	**(6.5)**	**335.4**
Loss (gain) on disposal of assets and other	**0.3**	**(1.7)**	**(0.1)**	**1.6**	**0.1**	**–**	**0.1**
Transaction, restructuring and other costs	**9.4**	**0.5**	**0.6**	**0.3**	**10.8**	**18.8**	**29.6**
Unrealized gain on derivative financial instruments	**(10.6)**	**–**	**(10.1)**	**–**	**(20.7)**	**(32.2)**	**(52.9)**
Adjusted EBITDA	**194.5**	**79.4**	**45.6**	**12.6**	**332.1**	**(19.9)**	**312.2**
Adjust for:							
Current income tax expense	**–**	**–**	**–**	**–**	**–**	**(9.5)**	**(9.5)**
Transaction, restructuring and other costs	**(9.4)**	**(0.5)**	**(0.6)**	**(0.3)**	**(10.8)**	**(18.8)**	**(29.6)**
Interest expense	**(3.1)**	**(1.6)**	**(0.6)**	**(0.1)**	**(5.4)**	**(46.3)**	**(51.7)**
AOCF	**182.0**	**77.3**	**44.4**	**12.2**	**315.9**	**(94.5)**	**221.4**

For the Six Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Earnings (loss) before income taxes	75.2	47.9	13.8	136.9	(69.3)	67.6
Adjust for:						
Amortization and depreciation included in SD&A	70.8	33.9	5.6	110.3	0.4	110.7
Finance expense	2.8	1.5	0.4	4.7	29.1	33.8
EBITDA	148.8	83.3	19.8	251.9	(39.8)	212.1
Loss (gain) on disposal of assets and other	1.6	(0.7)	(0.1)	0.8	–	0.8
Transaction, restructuring and other costs	11.3	0.3	0.1	11.7	7.9	19.6
Unrealized loss on derivative financial instruments	17.4	–	1.1	18.5	25.0	43.5
Adjusted EBITDA	179.1	82.9	20.9	282.9	(6.9)	276.0
Adjust for:						
Adjusted current income tax expense	–	–	–	–	(3.5)	(3.5)
Transaction, restructuring and other costs	(11.3)	(0.3)	(0.1)	(11.7)	(7.9)	(19.6)
Interest expense	(2.1)	(1.5)	(0.3)	(3.9)	(30.6)	(34.5)
AOCF	165.7	81.1	20.5	267.3	(48.9)	218.4

For the Three Months Ended June 30, 2023	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Results from operations**	**Corporate**	**Total**
(Loss) earnings before income taxes	**(42.9)**	**(3.9)**	**(1.2)**	**2.4**	**(45.6)**	**(25.9)**	**(71.5)**
Adjust for:							
Amortization and depreciation included in SD&A	**43.7**	**17.9**	**3.6**	**8.2**	**73.4**	**0.2**	**73.6**
Finance expense	**1.9**	**0.8**	**0.1**	**0.1**	**2.9**	**25.9**	**28.8**
EBITDA	**2.7**	**14.8**	**2.5**	**10.7**	**30.7**	**0.2**	**30.9**
Loss (gain) on disposal of assets and other	**0.4**	**(1.5)**	**–**	**1.6**	**0.5**	**–**	**0.5**
Transaction, restructuring and other costs	**3.9**	**0.3**	**0.5**	**0.3**	**5.0**	**17.0**	**22.0**
Unrealized loss (gain) on derivative financial instruments	**11.6**	**–**	**2.4**	**–**	**14.0**	**(27.3)**	**(13.3)**
Adjusted EBITDA	**18.6**	**13.6**	**5.4**	**12.6**	**50.2**	**(10.1)**	**40.1**
Adjust for:							
Current income tax expense	**–**	**–**	**–**	**–**	**–**	**(4.7)**	**(4.7)**
Transaction, restructuring and other costs	**(3.9)**	**(0.3)**	**(0.5)**	**(0.3)**	**(5.0)**	**(17.0)**	**(22.0)**
Interest expense	**(1.5)**	**(0.8)**	**(0.4)**	**(0.1)**	**(2.8)**	**(24.1)**	**(26.9)**
AOCF	**13.2**	**12.5**	**4.5**	**12.2**	**42.4**	**(55.9)**	**(13.5)**

For the Three Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
Loss before income taxes	(53.0)	(5.0)	(2.4)	(60.4)	(59.1)	(119.5)
Adjust for:						
Amortization and depreciation included in SD&A	37.9	17.1	3.9	58.9	0.2	59.1
Finance expense	1.5	0.7	0.3	2.5	15.3	17.8
EBITDA	(13.6)	12.8	1.8	1.0	(43.6)	(42.6)
Loss on disposal of assets and other	1.4	0.4	–	1.8	–	1.8
Transaction, restructuring and other costs	7.4	0.1	0.1	7.6	4.9	12.5
Unrealized loss (gain) on derivative financial instruments	21.0	–	(0.1)	20.9	33.0	53.9
Adjusted EBITDA	16.2	13.3	1.8	31.3	(5.7)	25.6
Adjust for:						
Current income tax expense	–	–	–	–	(1.8)	(1.8)
Transaction, restructuring and other costs	(7.4)	(0.1)	(0.1)	(7.6)	(4.9)	(12.5)
Interest expense	(1.2)	(0.7)	(0.2)	(2.1)	(16.1)	(18.2)
AOCF	7.6	12.5	1.5	21.6	(28.5)	(6.9)

Below is reconciliation of net earnings to EBITDA and Adjusted EBITDA related to Certarus for the period January 1, 2023 to the date of acquisition. The Adjusted EBITDA number is used as part of Superior's guidance. Superior is including the pro forma Adjusted EBITDA impact of the Certarus Acquisition in the financial outlook as the full economic benefit of Certarus' 2023 Adjusted EBITDA prior to the close of the Certarus Acquisition was retained in the business. The pro forma adjustment for Certarus for the period from January 1, 2023 to the date of acquisition is approximately $91.7 million.

For the period January 1, 2023 to the date of acquisition	**Certarus**
Net earnings before income taxes for the six months ended June 30, 2023	**44.0**
Adjust for:	
Amortization and depreciation	27.5
Finance expense	7.2
Stock-based compensation and other	4.2
EBITDA	**82.9**
Adjust for transaction, restructuring and other costs	21.4
Adjusted EBITDA for the six months ended June 30, 2023	**104.3**
Less Adjusted EBITDA from the date of acquisition to June 30, 2023	(12.6)
Adjusted EBITDA for the period January 1, 2023 to the date of acquisition	**91.7**

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 Six Months Ended June 30, 2023	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Total**
Gross Profit	**478.2**	**201.9**	**92.2**	**37.8**	**810.1**
Realized loss on derivatives related to commodity risk management	**(24.2)**	**–**	**(8.5)**	**–**	**(32.7)**
Adjusted gross profit	**454.0**	**201.9**	**83.7**	**37.8**	**777.4**

For the Six Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Total
Gross Profit	359.2	196.8	32.4	588.4
Realized gain on derivatives related to commodity risk management	33.3	–	7.9	41.2
Adjusted gross profit	392.5	196.8	40.3	629.6

For the Three Months Ended June 30, 2023	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Total
Gross Profit	**136.6**	**70.8**	**23.7**	**37.8**	**268.9**
Realized loss on derivatives related to commodity risk management	**(5.3)**	**–**	**(2.0)**	**–**	**(7.3)**
Adjusted gross profit	**131.3**	**70.8**	**21.7**	**37.8**	**261.6**

For the Three Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Total
Gross Profit	111.5	68.2	14.8	194.5
Realized gain on derivatives related to commodity risk management	6.1	–	0.3	6.4
Adjusted gross profit	117.6	68.2	15.1	200.9

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

For the Six Months Ended June 30, 2023	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Results from Operations	Corporate	Total
Realized loss on derivatives related to commodity risk management	**(24.2)**	**–**	**(8.5)**	**–**	**(32.7)**	**–**	**(32.7)**
Realized loss on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**–**	**(3.7)**	**(3.7)**
Realized loss included in AOCF	**(24.2)**	**–**	**(8.5)**	**–**	**(32.7)**	**(3.7)**	**(36.4)**
Unrealized gain on derivatives related to commodity risk management	**10.6**	**–**	**10.1**	**–**	**20.7**	**–**	**20.7**
Unrealized gain on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**–**	**17.4**	**17.4**
Unrealized loss on equity derivative contracts	**–**	**–**	**–**	**–**	**–**	**(3.9)**	**(3.9)**
Unrealized foreign exchange gain on U.S. dollar debt	**–**	**–**	**–**	**–**	**–**	**18.7**	**18.7**
Unrealized gain excluded in AOCF	**10.6**	**–**	**10.1**	**–**	**20.7**	**32.2**	**52.9**
Total (loss) gain on derivatives and foreign currency translation of borrowings	**(13.6)**	**–**	**1.6**	**–**	**(12.0)**	**28.5**	**16.5**

For the Six Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Results from Operations	Corporate	Total
Realized gain on derivatives related to commodity risk management	33.3	–	7.9	41.2	–	41.2
Realized gain on foreign currency hedging contracts	–	–	–	–	1.8	1.8
Realized gain included in AOCF	33.3	–	7.9	41.2	1.8	43.0
Unrealized loss on derivatives related to commodity risk management	(17.4)	–	(1.1)	(18.5)	–	(18.5)
Unrealized loss on foreign currency hedging contracts	–	–	–	–	(6.5)	(6.5)
Unrealized loss on equity derivative contracts	–	–	–	–	(3.3)	(3.3)
Unrealized loss on contingent consideration	–	–	–	–	(0.9)	(0.9)
Unrealized foreign exchange loss on US dollar debt	–	–	–	–	(14.3)	(14.3)
Unrealized loss excluded in AOCF	(17.4)	–	(1.1)	(18.5)	(25.0)	(43.5)
Total gain (loss) on derivatives and foreign currency translation of borrowings	15.9	–	6.8	22.7	(23.2)	(0.5)

For the Three Months Ended June 30, 2023	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Results from Operations**	**Corporate**	**Total**
Realized loss on derivatives related to commodity risk management	**(5.3)**	**–**	**(2.0)**	**–**	**(7.3)**	**–**	**(7.3)**
Realized gain on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**–**	**0.4**	**0.4**
Realized (loss) gain included in	**(5.3)**	**–**	**(2.0)**	**–**	**(7.3)**	**0.4**	**(6.9)**
Unrealized loss on derivatives related to commodity risk management	**(11.6)**	**–**	**(2.4)**	**–**	**(14.0)**	**–**	**(14.0)**
Unrealized gain on foreign currency hedging contracts	**–**	**–**	**–**	**–**	**–**	**13.5**	**13.5**
Unrealized loss on equity derivative contracts	**–**	**–**	**–**	**–**	**–**	**(2.7)**	**(2.7)**
Unrealized foreign exchange gain on U.S. dollar debt	**–**	**–**	**–**	**–**	**–**	**16.5**	**16.5**
Unrealized (loss) gain excluded in AOCF	**(11.6)**	**–**	**(2.4)**	**–**	**(14.0)**	**27.3**	**13.3**
Total (loss) gain on derivatives and foreign currency translation of borrowings	**(16.9)**	**–**	**(4.4)**	**–**	**(21.3)**	**27.7**	**6.4**

For the Three Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Results from Operations	Corporate	Total
Realized gain on derivatives related to commodity risk management	6.1	–	0.3	6.4	–	6.4
Realized gain on foreign currency hedging contracts	–	–	–	–	0.3	0.3
Realized gain included in AOCF	6.1	–	0.3	6.4	0.3	6.7
Unrealized (loss) gain on derivatives related to commodity risk management	(21.0)	–	0.1	(20.9)	–	(20.9)
Unrealized loss on foreign currency hedging contracts	–	–	–	–	(9.9)	(9.9)
Unrealized loss on equity derivative contracts	–	–	–	–	(0.4)	(0.4)
Unrealized loss on contingent consideration	–	–	–	–	(0.5)	(0.5)
Unrealized foreign exchange loss on U.S. dollar debt	–	–	–	–	(22.2)	(22.2)
Unrealized (loss) gain excluded in AOCF	(21.0)	–	0.1	(20.9)	(33.0)	(53.9)
Total (loss) gain on derivatives and foreign currency translation of borrowings	(14.9)	–	0.4	(14.5)	(32.7)	(47.2)

Operating Costs

Operating costs for the U.S., Canadian and Wholesale Propane segments and Certarus 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 Six Months Ended June 30, 2023	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Results from operations**	**Corporate**	**Total**
SD&A	**359.9**	**157.1**	**46.6**	**35.3**	**598.9**	**35.4**	**634.3**
Amortization and depreciation included in SD&A	**(90.7)**	**(35.8)**	**(8.0)**	**(8.2)**	**(142.7)**	**(0.4)**	**(143.1)**
Transaction, restructuring and other costs	**(9.4)**	**(0.5)**	**(0.6)**	**(0.3)**	**(10.8)**	**(18.8)**	**(29.6)**
Gain (loss) on disposal of assets and other	**(0.3)**	**1.7**	**0.1**	**(1.6)**	**(0.1)**	**–**	**(0.1)**
Operating Costs	**259.5**	**122.5**	**38.1**	**25.2**	**445.3**	**16.2**	**461.5**

For the Six Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
SD&A	297.1	147.4	25.0	469.5	17.0	486.5
Amortization and depreciation included in SD&A	(70.8)	(33.9)	(5.6)	(110.3)	(0.4)	(110.7)
Transaction, restructuring and other costs	(11.3)	(0.3)	(0.1)	(11.7)	(7.9)	(19.6)
Gain (loss) on disposal of assets and other	(1.6)	0.7	0.1	(0.8)	–	(0.8)
Operating Costs	213.4	113.9	19.4	346.7	8.7	355.4

For the Three Months Ended June 30, 2023	**U.S. Propane**	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Results from operations**	**Corporate**	**Total**
SD&A	**160.7**	**73.9**	**20.4**	**35.3**	**290.3**	**27.7**	**318.0**
Amortization and depreciation included in SD&A	**(43.7)**	**(17.9)**	**(3.6)**	**(8.2)**	**(73.4)**	**(0.2)**	**(73.6)**
Transaction, restructuring and other costs	**(3.9)**	**(0.3)**	**(0.5)**	**(0.3)**	**(5.0)**	**(17.0)**	**(22.0)**
Gain (loss) on disposal of assets and other	**(0.4)**	**1.5**	**–**	**(1.6)**	**(0.5)**	**–**	**(0.5)**
Operating Costs	**112.7**	**57.2**	**16.3**	**25.2**	**211.4**	**10.5**	**221.9**

For the Three Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Results from operations	Corporate	Total
SD&A	148.1	72.5	17.3	237.9	11.1	249.0
Amortization and depreciation included in SD&A	(37.9)	(17.1)	(3.9)	(58.9)	(0.2)	(59.1)
Transaction, restructuring and other costs	(7.4)	(0.1)	(0.1)	(7.6)	(4.9)	(12.5)
Loss on disposal of assets and other	(1.4)	(0.4)	–	(1.8)	–	(1.8)
Operating Costs	101.4	54.9	13.3	169.6	6.0	175.6

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 and is used to provide 2023 guidance.

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)	**June 30 2023**	December 31 2022
Current borrowings	**18.0**	14.8
Current lease liabilities	**56.6**	47.3
Non-current borrowings	**2,125.6**	1,911.3
Non-current lease liabilities	**174.9**	175.7
	2,375.1	2,149.1
Add back deferred financing fees and discounts	**19.6**	19.9
Deduct cash and cash equivalents	**(57.0)**	(58.4)
Deduct Vendor Note[(1)]	**–**	(128.0)
Net debt	**2,337.7**	1,982.6
Adjusted EBITDA for the year ended 2022	**449.8**	449.8
Adjusted EBITDA for the period ended June 30, 2022	**(276.0)**	–
Adjusted EBITDA for the period ended June 30, 2023	**312.2**	–
Pro-forma adjustment	**161.7**	35.8
Pro-forma Adjusted EBITDA for the trailing-twelve months	**647.7**	485.6
Leverage Ratio	**3.6x**	4.1x

(1) 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 COVID-19 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.

Certarus acts as a connection between suppliers and consumers of low carbon energy. The barriers to entry for a supplier or consumer of low carbon energy are limited. If suppliers or consumers of low carbon energy, or both, found it economical to do so, they may decide to incur the capital and labour costs to perform the services that Certarus offers for themselves, which could reduce the existing and potential customer base of Certarus and have material adverse effects on Certarus' financial position.

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.

Certarus' operations result in exposure to fluctuations in commodity prices, including natural gas, diesel and propane. On volumes that the Company delivers under an all-in pricing structure, rapid increases in natural gas prices can result in some margin compression. However, the Company actively seeks to limit the level of exposure it has to commodity prices. In addition to having the ability to adjust pricing on short term jobs as they refresh, the Company has contractual mechanisms in place to flow through the excess cost of natural gas once certain index thresholds are exceeded. These arrangements provide significant downside protection in a rising natural gas price environment.

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
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.

Health, Safety and Environment
Superior's operations are subject to the risks associated with handling, storing and transporting propane and CNG 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 Superior's U.S. propane business employees, 18% of Canadian propane business employees and 1% of Certarus' business employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the renegotiation process that could have an adverse impact on Superior.

Superior Plus Corp.
Condensed Consolidated Balance Sheets

(Unaudited, millions of Canadian dollars)	Note	As at June 30 2023	As at December 31 2022[(1)]
Assets			
Current Assets			
Cash and cash equivalents		**57.0**	58.4
Trade and other receivables	**5**	**325.7**	531.8
Prepaids and deposits		**73.4**	99.6
Inventories	**6**	**85.8**	153.0
Other current financial assets	**12**	**18.3**	10.6
Total Current Assets		**560.2**	853.4
Non-current Assets			
Property, plant and equipment	**4**	**1,857.3**	1,364.6
Intangible assets	**4**	**746.3**	563.9
Goodwill	**4**	**1,909.8**	1,658.1
Employee future benefits and other assets		**7.7**	6.9
Deferred tax assets	**13**	**29.5**	32.1
Other non-current financial assets	**12**	**3.8**	0.4
Total Non-current Assets		**4,554.4**	3,626.0
Assets classified as held for sale	**4**	**48.7**	–
Total Assets		**5,163.3**	4,479.4
Liabilities and Equity			
Current Liabilities			
Trade and other payables	**8**	**471.9**	580.5
Contract liabilities		**22.1**	25.0
Lease liabilities	**11**	**56.6**	47.3
Borrowings	**10**	**18.0**	14.8
Dividends payable		**47.0**	14.2
Other current financial liabilities	**12**	**41.5**	55.6
Total Current Liabilities		**657.1**	737.4
Non-current Liabilities			
Lease liabilities	**11**	**174.9**	175.7
Borrowings	**10**	**2,125.6**	1,911.3
Other liabilities	**9**	**45.5**	37.1
Provisions	**7**	**10.4**	8.3
Employee future benefits		**6.6**	5.5
Deferred tax liabilities	**13**	**221.1**	130.8
Other non-current financial liabilities	**12**	**3.4**	12.8
Total Non-current Liabilities		**2,587.5**	2,281.5
Liabilities directly associated with assets classified as held for sale	**4**	**2.2**	–
Total Liabilities		**3,246.8**	3,018.9
Equity			
Capital		**3,105.0**	2,617.9
Deficit		**(1,655.9)**	(1,669.5)
Accumulated other comprehensive earnings		**123.1**	159.7
Non-controlling interest		**344.3**	352.4
Total Equity	**14**	**1,916.5**	1,460.5
Total Liabilities and Equity		**5,163.3**	4,479.4

[(1)]Restated, see Note 2(b).

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Changes in Equity

(Unaudited, millions of Canadian dollars)	Share Capital (Note 14)	Contributed Surplus	Total Capital	Deficit	Accumulated Other Comprehensive Earnings	Non-controlling Interest (Note 14)	Total
As at January 1, 2023	**2,616.7**	**1.2**	**2,617.9**	**(1,669.5)**	**159.7**	**352.4**	**1,460.5**
Net earnings for the period	**–**	**–**	**–**	**94.6**	**–**	**12.7**	**107.3**
Unrealized foreign currency loss on translation of foreign operations	**–**	**–**	**–**	**–**	**(36.3)**	**(8.1)**	**(44.4)**
Actuarial defined benefit loss	**–**	**–**	**–**	**–**	**(0.4)**	**–**	**(0.4)**
Income tax recovery on other comprehensive (loss) earnings	**–**	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Total comprehensive earnings (loss)	**–**	**–**	**–**	**94.6**	**(36.6)**	**4.6**	**62.6**
Common shares issued, net of costs	**487.2**	**–**	**487.2**	**–**	**–**	**–**	**487.2**
Common shares repurchased and cancelled (Note 14)	**(0.1)**	**–**	**(0.1)**	**–**	**–**	**–**	**(0.1)**
Dividends and dividend equivalent declared to common shareholders	**–**	**–**	**–**	**(81.0)**	**–**	**–**	**(81.0)**
Dividends to non-controlling interest shareholders	**–**	**–**	**–**	**–**	**–**	**(12.7)**	**(12.7)**
As at June 30, 2023	**3,103.8**	**1.2**	**3,105.0**	**(1,655.9)**	**123.1**	**344.3**	**1,916.5**
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 for the period	–	–	–	43.9	–	12.1	56.0
Unrealized foreign currency gain on translation of foreign operations	–	–	–	–	28.7	6.1	34.8
Actuarial defined benefit loss	–	–	–	–	(0.1)	–	(0.1)
Total comprehensive earnings	–	–	–	43.9	28.6	18.2	90.7
Common shares issued, net of costs	280.6	–	280.6	–	–	–	280.6
Dividends and dividend equivalent declared to common shareholders	–	–	–	(68.0)	–	–	(68.0)
Dividends to non-controlling interest shareholders	–	–	–	–	–	(12.1)	(12.1)
As at June 30, 2022	2,629.7	1.2	2,630.9	(1,443.6)	81.4	334.7	1,603.4

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.

Condensed Consolidated Statements of Net (Loss) Earnings and Total Comprehensive (Loss) Earnings

(Unaudited, millions of Canadian dollars, except per share amounts)	Note	Three Months Ended June 30 **2023**	2022	Six Months Ended June 30 **2023**	2022
Revenue	**15, 17**	**581.5**	628.6	**1,836.9**	1,799.0
Cost of sales (includes products and services)	**15**	**(312.6)**	(434.1)	**(1,026.8)**	(1,210.6)
Gross profit		**268.9**	194.5	**810.1**	588.4
Expenses					
Selling, distribution and administrative costs ("SD&A")	**15**	**(318.0)**	(249.0)	**(634.3)**	(486.5)
Finance expense	**15**	**(28.8)**	(17.8)	**(55.1)**	(33.8)
Gain (loss) on derivatives and foreign currency translation of borrowings	**12, 15**	**6.4**	(47.2)	**16.5**	(0.5)
		(340.4)	(314.0)	**(672.9)**	(520.8)
(Loss) earnings before income taxes	**15**	**(71.5)**	(119.5)	**137.2**	67.6
Income tax recovery (expense)	**13**	**31.7**	34.5	**(29.9)**	(11.6)
Net (loss) earnings for the period	**15**	**(39.8)**	(85.0)	**107.3**	56.0
Net (loss) earnings attributable to:					
Superior		**(46.1)**	(91.2)	**94.6**	43.9
Non-controlling interest		**6.3**	6.2	**12.7**	12.1
Net (loss) earnings per share attributable to Superior					
Basic and diluted	**16**	**(0.21)**	(0.46)	**0.45**	0.23
Other comprehensive (loss) earnings					
Items that may be reclassified subsequently to net (loss) earnings					
Unrealized foreign currency (loss) gain on translation of foreign operations		**(39.8)**	53.1	**(44.4)**	34.8
Items that will not be reclassified to net (loss) earnings					
Actuarial defined benefit loss		**(0.1)**	(0.6)	**(0.4)**	(0.1)
Income tax recovery on other comprehensive (loss) earnings		**–**	0.1	**0.1**	–
Other comprehensive (loss) earnings for the period		**(39.9)**	52.6	**(44.7)**	34.7
Total comprehensive (loss) earnings for the period		**(79.7)**	(32.4)	**62.6**	90.7
Total comprehensive (loss) earnings for the period attributable to:					
Superior		**(78.9)**	(48.2)	**58.0**	72.5
Non-controlling interest		**(0.8)**	15.8	**4.6**	18.2

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Cash Flows

(Unaudited, millions of Canadian dollars)	Note	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
OPERATING ACTIVITIES					
Net (loss) earnings for the period		**(39.8)**	(85.0)	**107.3**	56.0
Adjustments for:					
Depreciation included in SD&A		**36.7**	27.5	**71.8**	52.3
Depreciation of right-of-use assets included in SD&A		**11.3**	9.6	**22.0**	17.6
Amortization of intangible assets included in SD&A		**25.6**	22.0	**49.3**	40.8
Loss on disposal of assets and other non-cash items		**0.5**	1.8	**0.1**	0.8
Unrealized (gain) loss on financial and non-financial derivatives and foreign exchange loss on U.S. dollar debt	**12**	**(13.3)**	53.9	**(52.9)**	43.5
Finance expense		**28.8**	17.8	**55.1**	33.8
Income tax (recovery) expense	**13**	**(31.7)**	(34.5)	**29.9**	11.6
Changes in non-cash operating working capital and other	**18**	**114.8**	110.6	**226.9**	18.6
Cash flows from operating activities before income taxes and interest paid		**132.9**	123.7	**509.5**	275.0
Income taxes (paid) received		**(0.6)**	(5.4)	**1.7**	(14.6)
Interest paid		**(22.8)**	(15.3)	**(51.6)**	(35.6)
Cash flows from operating activities		**109.5**	103.0	**459.6**	224.8
INVESTING ACTIVITIES					
Acquisitions, net of cash acquired	**4**	**(333.2)**	(206.7)	**(336.7)**	(494.1)
Purchase of property, plant and equipment and intangible assets	**19**	**(29.6)**	(27.7)	**(59.7)**	(42.9)
Proceeds on disposal of property, plant and equipment		**3.7**	0.6	**4.9**	2.7
Cash flows used in investing activities		**(359.1)**	(233.8)	**(391.5)**	(534.3)
FINANCING ACTIVITIES					
Proceeds from revolving term bank credit facilities and other		**930.5**	1,184.1	**1,372.2**	2,044.5
Repayment of revolving term bank credit facilities and other debt		**(671.0)**	(1,267.3)	**(1,354.7)**	(1,885.8)
Principal repayment of lease obligations		**(11.8)**	(10.2)	**(22.6)**	(19.8)
Proceeds from common share issuance	**14**	**–**	287.5	**–**	287.5
Common share issuance costs	**14**	**(0.1)**	(9.2)	**(0.1)**	(9.2)
Debt issue costs credit facilities		**(2.3)**	(0.5)	**(2.3)**	(0.5)
Repurchased and cancelled common shares	**14**	**(0.1)**	–	**(0.1)**	–
Dividends paid to shareholders		**(18.4)**	(40.9)	**(60.9)**	(78.5)
Cash flows from (used in) financing activities		**226.8**	143.5	**(68.5)**	338.2
Net (decrease) increase in cash and cash equivalents		**(22.8)**	12.7	**(0.4)**	28.7
Cash and cash equivalents, beginning of the period		**80.7**	44.1	**58.4**	28.4
Effect of translation of foreign currency-denominated cash and cash equivalents		**(0.9)**	0.6	**(1.0)**	0.3
Cash and cash equivalents, end of the period		**57.0**	57.4	**57.0**	57.4

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

1. ORGANIZATION

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

These condensed consolidated financial statements were authorized for issue by the Board of Directors on August 3, 2023.

Reportable Operating Segments

Superior reports four distinct segments: the United States Retail Propane Distribution (“U.S. Propane”), Canadian Retail Propane Distribution (“Canadian Propane”), North American Wholesale Propane Distribution (“Wholesale Propane”) and Certarus Ltd. (“Certarus”). 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 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.”). Certarus is a comprehensive low-carbon energy solution provider engaged in the business of transporting and selling compressed natural gas (“CNG”), renewable natural gas (“RNG”) and hydrogen distribution.

On May 31, 2023, Superior acquired all the issued and outstanding shares of Certarus; see Note 4 for more information. The Chief Operating Decision Maker, Superior’s President and Chief Executive Officer, manages the newly acquired business and evaluates its business performance separately from Superior’s existing businesses. As a result, Superior added a new reportable segment, Certarus, as described above.

2. BASIS OF PRESENTATION

(a) Preparation of Condensed Consolidated Financial Statements

The accompanying condensed consolidated financial statements were prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”) using accounting policies Superior adopted in its annual consolidated financial statements as at and for the year ended December 31, 2022, except for the accounting policies adopted as a result of the acquisition of Certarus, see below for the depreciation rates on property, plant and equipment and contract costs under revenue recognition, and the adoption of new standards effective as of January 1, 2023 (see Note 2(d)). The condensed consolidated financial statements were prepared on a going concern basis.

Property, Plant and Equipment

Depreciation

	Method	Rate
Facility	Straight-line	15 years
Compression equipment	Straight-line	3 to 15 years
Field equipment	Straight-line	4 to 15 years
Mobile storage units	Straight-line	15 years
Mobile storage units recertifications	Straight-line	3 to 5 years

Revenue from Contracts with Customers

Cost to Obtain a Contract

Certarus incurs certain out-of-pocket costs in connection with converting customer equipment. These costs are recognized as part of contract and other assets on the condensed consolidated balance sheets and are amortized over the life of the related customer contract as the delivery of low carbon energy commences, which is included as part of costs of sales on the condensed consolidated statements of net (loss) earnings and total comprehensive (loss) earnings.

(b) Reclassification of Comparative Figures

During the six months ended June 30, 2023, Superior finalized the purchase price allocation for certain acquisitions that were completed in the prior year. As disclosed in the first quarter, Superior has restated the condensed consolidated balance sheets as at December 31, 2022 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 previously reported fair values changed as follows:

Trade and other receivables increase by $1.9 million as a result of updating the estimated adjustment for working capital acquired. Property, plant and equipment decreased by $0.4 million, intangible assets increased by $3.3 million, trade and other payables and contract liabilities increased by $0.6M and deferred tax liabilities were increased by $1.9 million as a result of these changes. The changes in these fair values are due to updating the estimated age, cost and quantity assets acquired and finalizing estimates. The increase in consideration and the increase in the net assets acquired resulted in an increase to goodwill of $1.5 million.

The condensed consolidated statements of changes in equity, net (loss) earnings and total comprehensive (loss) earnings and cash flows for the three and six months ended June 30, 2022 remain unchanged since the impact of the changes made were not significant to these condensed consolidated financial statements.

(c) Significant Accounting Judgments, Estimates and Assumptions

The preparation of Superior's condensed consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors deemed reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the condensed consolidated financial statements are consistent with those disclosed in Superior's 2022 annual consolidated financial statements.

(d) Changes in Accounting Policies and Disclosures

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 had no material impact on the condensed consolidated financial statements.

Amendments to IAS 1, *Presentation of Financial Statements* 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 had no material impact on the condensed 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. There was no significant impact from these amendments on the condensed consolidated financial statements as a result of the initial application.

Amendments to IAS 12, International Tax Reform—Pillar Two Model Rules
In May 2023, the IASB issued narrow-scope amendments to IAS 12 that aim to provide temporary relief from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the Organization for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also introduce targeted disclosure requirements for affected companies, and they require entities to disclose:

- The fact that they have applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- Their current tax expense (if any) related to the Pillar Two income taxes; and
- During the period between the legislation being enacted or substantially enacted and the legislation becoming effective, entities will be required to disclose known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by enacted or substantively enacted tax law that implements the OECD's Pillar Two model rules. The disclosures relating to the known or reasonably estimable exposure to Pillar Two income taxes are required for annual reporting periods beginning on or after January 1, 2023, but they are not required to be disclosed in interim financial reports for any interim period ending on or before December 31, 2023. Superior adopted the amendments to IAS 12 during the period ended June 30, 2023.

Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the condensed consolidated financial statements of Superior.

(e) Standards Issued But Not Yet Effective

IFRS S1, *General Requirements for Disclosure of Sustainability-related Financial Information* ("IFRS S1") and IFRS S2, *Climate-related Disclosures* ("IFRS S2")
In June 2023, the International Sustainability Standards Board (the "ISSB") issued its first two IFRS Sustainability Disclosure Standards, ushering in a new era in international corporate reporting:

- IFRS S1 sets out the core content requirements for a complete set of sustainability-related financial disclosures and requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. The effect on the entity's prospects refers to the effect on the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.
- IFRS S2, which is the ISSB's first topic-based standard, requires an entity to provide information about its exposure to climate-related risks and opportunities.

The ISSB was established by the IFRS Foundation in November 2021 in response to demands from global capital markets for the development of standards to provide a comprehensive global baseline of sustainability disclosures.

Both IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after January 1, 2024. A "climate first" transition option is available, which allows an entity to provide only climate-related disclosures in its first year of applying IFRS S1 and IFRS S2. Mandatory application of IFRS Sustainability Disclosure Standards depends on each jurisdiction's endorsement or regulatory processes. The application of IFRS Sustainability Disclosure Standards is not linked to the application of IFRS Accounting Standards. Therefore, an entity applying IFRS Accounting Standards for financial reporting purposes is currently not required to also apply IFRS Sustainability Disclosure Standards, and vice versa. Superior is assessing the impact that the application of IFRS S1 and IFRS S2 will have on the condensed consolidated financial statements.

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

3. SEASONALITY OF OPERATIONS

U.S. Propane, Canadian Propane and Wholesale Propane segments sales typically peak in the first quarter when approximately one-third of annual propane and other refined fuels sales volumes and gross profits are generated due to the demand in heating from end-use customers. They then decline through the second and third quarters, rising seasonally again in the fourth quarter with heating demand. Similarly, net working capital is typically at seasonal highs during the first and fourth quarters, and normally declines to seasonal lows in the second and third quarters. Net working capital is also significantly influenced by wholesale propane prices and other refined fuels. Certarus is seasonal in nature with the greatest activity also being in the first and fourth quarters due to seasonal winter heating, with the least activity in the second and third quarters. However, activity levels in the summer months have begun to significantly increase through a combination of further growth in the southern United States and actively targeting counter-seasonal customers such as road infrastructure and planned utility maintenance.

For the 12 months ended June 30, 2023, Superior reported gross profit of $1,411.5 million (June 30, 2022 – $1,002.9 million) and net loss of $36.6 million (June 30, 2022 – $48.6 million net earnings).

4. ACQUISITIONS

	Certarus	ACME Propane Inc.
Cash	**20.0**	**–**
Trade and other receivables	**115.3**	**0.2**
Prepaid expenses	**6.9**	**–**
Property, plant and equipment	**550.5**	**1.9**
Intangible assets	**227.5**	**1.0**
Trade and other payables and contract liabilities	**(67.6)**	**(0.1)**
Short-term debt and lease liabilities [1]	**(217.7)**	**–**
Long-term debt and lease liabilities	**(24.4)**	**–**
Other liabilities	**(0.6)**	**–**
Deferred tax liabilities	**(76.5)**	**(0.7)**
Net identifiable assets	**533.4**	**2.3**
Consideration transferred		
Fair value of deferred consideration	**–**	**0.9**
Fair value of common shares issued	**487.3**	**–**
Cash paid on acquisition	**353.2**	**3.5**
Total consideration transferred	**840.5**	**4.4**
Goodwill arising on acquisition	**307.1**	**2.1**

[1] Included in this balance is the assumed interest-bearing debt from Certarus of $214.2 million that was fully settled by Superior after the closing of the acquisition of Certarus.

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.

Acquisition costs directly attributable to the below acquisitions amounting to $16.2 million 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.

If the acquisitions had occurred on January 1, 2023, revenue for the three and six months ended June 30, 2023 would have increased by $85.1 million and $245.7 million, respectively; and net earnings before income tax for the three and six months ended June 30, 2023 would have increased by $0.3 million and $43.1 million, respectively.

ACME Propane, Inc. (“ACME”)

On February 1, 2023, Superior acquired all the issued and outstanding shares of ACME, a residential and commercial retail propane distributor in Lincoln, California for an aggregate purchase price of C$4.4 million (US$3.3 million). The goodwill recognized is not deductible for income tax purposes.

Subsequent to the acquisition date, the acquisition contributed revenue of $0.6 million and $1.8 million, respectively, for the three and six months ended June 30, 2023 and net (loss) earnings of ($0.1) million and $0.2 million, respectively, for the three and six months ended June 30, 2023 to the U.S. Propane segment.

Certarus

On May 31, 2023, Superior acquired all the outstanding common shares of Certarus for $353.2 million in cash and 48.6 million common shares of Superior for total consideration of approximately $840.5 million. In addition to the consideration paid, Superior assumed approximately $214.2 million in interest-bearing debt giving the acquisition an enterprise value of approximately of $1,054.7 million. The goodwill of $307.1 million comprises the value of expected synergies arising from the acquisition and the assembled workforce, which is not separately recognized. Goodwill recognized is not deductible for income tax purposes and forms part of the Certarus segment.

Subsequent to the acquisition date, the acquisition contributed revenue of $44.4 million and net earnings before income tax of $2.4 million from the date of acquisition to June 30, 2023.

As part of the regulatory process, Superior entered into a consent agreement to retain all of Certarus' assets while agreeing to divest eight Canadian retail propane distribution locations and related assets in Northern Ontario. In 2022, the combined volume of these locations was approximately 90 million litres of propane or 2% of Superior's propane distribution volumes. As a result of this, Superior has recorded the assets and liabilities related to this divestiture as held for sale presented separately on the condensed consolidated balance sheets and condensed consolidated statements of net (loss) earnings and other comprehensive (loss) earnings.

The major classes of assets and liabilities of Canadian Propane classified as held for sale as at June 30, 2023 are as follows:

Assets	
Trade and other receivables	**3.0**
Inventories	**0.6**
Property, plant and equipment	**16.5**
Goodwill	**28.6**
Assets classified as held for sale	**48.7**
Liabilities	
Lease liabilities	**(1.6)**
Contract liabilities	**(0.6)**
Liabilities directly associated with assets classified as held for sale	**(2.2)**

5. TRADE AND OTHER RECEIVABLES

A summary of trade and other receivables is as follows:

	June 30 2023	December 31 2022
Trade receivables, net of allowances	**301.4**	375.4
Vendor Note[2]	**–**	128.0
Accounts receivable – other[1]	**24.3**	28.4
Trade and other receivables	**325.7**	531.8

[1] This balance consists of accounts receivable related to indirect tax, final settlements related to acquisitions and other miscellaneous balances. Prior year balance has been restated; see Note 2(b).

[2] On April 9, 2021, Superior completed the sale of its Specialty Chemicals business and as part of the consideration received $125 million in the form of a 6% unsecured note ("Vendor Note"). On December 21, 2022, Superior entered into an agreement to sell the Vendor Note for total proceeds of $128 million. Superior received the proceeds from the sale of the Vendor Note in January 2023.

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

	June 30 2023	December 31 2022
Current	**179.2**	270.3
Past due less than 90 days	**92.6**	96.6
Past due over 90 days	**50.3**	24.9
Trade receivables	**322.1**	391.8

Superior's trade receivables are stated after deducting an allowance for doubtful accounts of $20.7 million as at June 30, 2023 (December 31, 2022 – $16.4 million). The movement in the allowance for doubtful accounts is as follows:

	June 30 2023	December 31 2022
Allowance for doubtful accounts, beginning of the period	**(16.4)**	(12.9)
Impairment losses recognized on receivables	**(9.4)**	(9.4)
Amounts written off during the period as uncollectible	**4.1**	6.2
Amounts recovered	**0.8**	0.6
Foreign exchange impact and other	**0.2**	(0.9)
Allowance for doubtful accounts, end of the period	**(20.7)**	(16.4)

6. INVENTORIES

A summary of inventories is as follows:

	June 30 2023	December 31 2022
Propane, heating oil and other refined fuels	**65.9**	133.1
Propane retailing materials, supplies, appliances and other	**19.9**	19.9
	85.8	153.0

7. PROVISIONS

A summary of provisions is as follows:

	Restructuring	Decommissioning	Other	Total
Balance as at December 31, 2021	2.1	7.4	3.6	13.1
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 difference	–	0.3	0.3	0.6
Balance as at December 31, 2022	1.0	8.3	30.8	40.1
Additions	**–**	**2.2**	**–**	**2.2**
Utilization	**(0.4)**	**–**	**(27.7)**	**(28.1)**
Amounts reversed or reclassified	**–**	**–**	**(3.0)**	**(3.0)**
Unwinding of discount	**–**	**0.2**	**–**	**0.2**
Net foreign currency exchange differences	**–**	**(0.3)**	**(0.1)**	**(0.4)**
Balance as at June 30, 2023	**0.6**	**10.4**	**–**	**11.0**

	June 30 2023	December 31 2022
Current (Note 8)	**0.6**	31.8
Non-current	**10.4**	8.3
	11.0	40.1

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

8. TRADE AND OTHER PAYABLES

A summary of trade and other payables is as follows:

	June 30 2023	December 31 2022
Trade payables	**329.1**	426.9
Provisions (Note 7)	**0.6**	31.8
Accrued liabilities and other payables[1]	**125.2**	108.9
Current taxes payable	**6.6**	0.8
Share-based payments, current portion	**10.4**	12.1
Trade and other payables	**471.9**	580.5

[1] Restated, see Note 2(b).

9. OTHER LIABILITIES

A summary of other liabilities is as follows:

	June 30 2023	December 31 2022
Quebec cap and trade payable	**14.7**	12.1
California cap and trade payable	**27.7**	23.0
Washington cap and trade payable	**1.7**	–
Share-based payments and other	**1.4**	2.0
Other liabilities	**45.5**	37.1

Superior operates in California, Washington, Oregon 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 condensed consolidated statements of cash flows, net of the liability that has been accrued related to cap and trade payable as part of changes in non-cash working capital. As at June 30, 2023, the current portion of cap and trade payable was $2.5 million recorded as part of trade and other payables (December 31, 2022 – $2.4 million).

10. BORROWINGS

A summary of borrowings is as follows:

	Year of Maturity	Effective Interest Rate	June 30 2023	December 31 2022
Revolving Term Bank Credit Facilities (1)				
Bankers' Acceptances ("BA")	2027	Floating BA rate plus 1.70%	**115.0**	93.0
Canadian Prime Rate loan (Prime and Swing Line)	2027	Prime rate plus 0.70%	**6.9**	–
Secured Overnight Financing Rate ("SOFR") loans (US$230.0 million; 2022 – US$365.0 million)	2027	Term SOFR rate plus 1.70%	**304.6**	494.7
U.S. Base Rate loans (Prime and Swing Line) (US$15.0 million; 2022 – US$nil)	2027	U.S. Prime rate plus 0.70%	**19.9**	–
Sidecar Facility (2)	2026	Floating BA rate plus 1.95%	**372.0**	–
			818.4	587.7
Senior Unsecured Notes				
Senior unsecured notes (3)	2029	4.50%	**794.5**	813.2
Senior unsecured notes (4)	2028	4.25%	**500.0**	500.0
			1,294.5	1,313.2
Other Debt				
Deferred consideration	2023–2031	1.74%–8.74%	**32.7**	37.5
Other loans and borrowings (5, 6)	2023–2031	1.9%–6.5%	**17.6**	7.6
			50.3	45.1
Total borrowings before deferred financing fees			**2,163.2**	1,946.0
Deferred financing fees and discounts			**(19.6)**	(19.9)
Total borrowings before current maturities			**2,143.6**	1,926.1
Current maturities			**(18.0)**	(14.8)
Total non-current borrowings			**2,125.6**	1,911.3

(1) As at June 30, 2023, Superior had $6.6 million of outstanding letters of credit (December 31, 2022 – $24.2 million) and $378.8 million of outstanding financial guarantees on behalf of its businesses (December 31, 2022 – $391.8 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. The credit facilities are secured by substantially all of the assets of Superior and mature on June 26, 2027. The lender commitments remain at $750.0 million and can be increased to $1,050.0 million on the condition that no event of default has occurred and lender consent is provided.

(2) Superior entered into a $550 million senior secured revolving credit facility with a syndicate of ten lenders. The senior secured credit facility matures on May 31, 2026.

(3) 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. The fair value of the outstanding US$600 million senior unsecured notes is $695.8 million (December 31, 2022 – $697.5 million) based on prevailing market prices. There was an unrealized foreign exchange translation gain on the US$600 million senior unsecured note of $16.5 million and $18.7 million for the three and six months ended June 30, 2023, respectively (three and six months ended June 30, 2022 – $22.2 million and $14.3 million loss, respectively).

(4) 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 fair value of the 4.25% senior unsecured note based on prevailing market rates is $444.7 million (December 31, 2022 – $434.0 million).

(5) Other term loans consisting of $1.2 million (US$0.9 million) (December 31, 2022 – $1.6 million or US$1.2 million) in term bank loans bearing interest at 3.99% to 5.50% due between 2023 and 2025, and $4.9 million (US$3.7 million) (December 31, 2022 – $6.0 million or US$4.4 million) in other term loans bearing interest at 1.9% to 6.5% due between 2023 to 2031.

(6) As part of the acquisition of Certarus, Superior assumed three definitive agreements enabling a strategic alliance and commercial investment (the "agreements") into Certarus' CNG infrastructure platform to service the Southern and Northern Ontario industrial sectors. The total consideration received was $11.3 million and could be terminated in 2024 and 2025, respectively. Effective July 1, 2023, the agreements were extended and could be terminated by either party on or after July 1, 2033. If terminated, the quarterly tolling fee obligation and entitlement by the issuer would cease. The repayment would be based on a calculated buyout amount and paid within 30 days. From the date of acquisition to June 30, 2023, Certarus incurred $0.1 million in tolling fees.

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

2023–2024	18.0
2024–2025	14.4
2025–2026	381.6
2026–2027	5.2
2027–2028	447.4
Thereafter	1,296.6
Total	**2,163.2**

11. LEASING ARRANGEMENTS

The lease liabilities by operating segment are as follows:

	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total
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
Lease liabilities assumed as part of a business combination	**–**	**–**	**–**	**16.3**	**–**	**16.3**
Additions	**7.9**	**6.6**	**5.8**	**0.2**	**–**	**20.5**
Finance expense on lease liabilities	**3.0**	**1.6**	**0.6**	**0.1**	**–**	**5.3**
Lease payments	**(15.1)**	**(9.7)**	**(2.5)**	**(0.5)**	**(0.1)**	**(27.9)**
Impact of changes in foreign exchange rates and other	**(3.0)**	**(1.9)**	**(0.6)**	**(0.2)**	**–**	**(5.7)**
As at June 30, 2023	**129.9**	**60.8**	**24.2**	**15.9**	**0.7**	**231.5**

	June 30 2023	December 31 2022
Current portion of lease liabilities	**56.6**	47.3
Non-current portion of lease liabilities	**174.9**	175.7
Total lease liabilities	**231.5**	223.0

The present values of lease payments are as follows:

	Minimum Rental Payments		**Present Value of Minimum Rental Payments**	
	June 30 2023	December 31 2022	**June 30 2023**	December 31 2022
Not later than one year	**62.7**	52.9	**56.6**	47.3
Later than one year and not later than five years	**143.5**	142.1	**119.1**	117.8
Later than five years	**73.1**	75.0	**55.8**	57.9
Less: future finance charges	**(47.8)**	(47.0)	**–**	–
Present value of minimum rental payments	**231.5**	223.0	**231.5**	223.0

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

	June 30 2023	December 31 2022
Not later than one year	**6.7**	2.0
Later than one year and not later than five years	**0.8**	0.6
	7.5	2.6

12. FINANCIAL INSTRUMENTS

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

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

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

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

All financial and non-financial derivatives are designated as Fair Value Through Profit or Loss ("FVTPL") upon their initial recognition.

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period. During the six months ended June 30, 2023, 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.

	Level 1	Level 2	Level 3	Total
				As at June 30, 2023
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Foreign currency forward contracts, net sale	**6.6**	**–**	**–**	**6.6**
Propane, West Texas Intermediate ("WTI"), butane, heating oil and diesel wholesale purchase and sale contracts	**–**	**15.5**	**–**	**15.5**
Total assets	**6.6**	**15.5**	**–**	**22.1**
Liabilities				
Foreign currency forward contracts, net sale and foreign currency options, USD/CAD calls	**(6.4)**	**–**	**–**	**(6.4)**
Equity derivative contract	**–**	**(3.8)**	**–**	**(3.8)**
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	**–**	**(34.7)**	**–**	**(34.7)**
Total liabilities	**(6.4)**	**(38.5)**	**–**	**(44.9)**
Total net assets (liabilities)	**0.2**	**(23.0)**	**–**	**(22.8)**
Current portion of assets	**2.8**	**15.5**	**–**	**18.3**
Current portion of liabilities	**(4.5)**	**(37.0)**	**–**	**(41.5)**

				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, 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 and foreign currency options, USD/CAD calls	(20.3)	–	–	(20.3)
Cross-currency interest rate swaps	–	(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)

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$553.7	2023–2026	$1.26 – $1.43	Quoted bid prices in the active market
Foreign currency options USD/CAD calls	US$48.0	2024	$1.35 – $1.47	Quoted bid prices in the active market
Level 2 fair value hierarchy:				
Equity derivative contracts	C$21.6	2023–2025	$11.54	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	126.82 USG[(1)]	2023–2026	$0.79 – $3.23	Quoted bid prices for similar products in an active market

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

Superior's realized and unrealized financial instrument gains (losses) for the three and six months ended June 30, 2023 and 2022 are as follows:

	Three Months Ended June 30					
	2023			2022		
Description	**Realized Gain (Loss)**	**Unrealized Gain (Loss)**	**Total**	Realized Gain	Unrealized Loss	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD calls	**0.4**	**13.5**	**13.9**	0.3	(9.9)	(9.6)
Equity derivative contracts	**–**	**(2.7)**	**(2.7)**	–	(0.4)	(0.4)
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	**(7.3)**	**(14.0)**	**(21.3)**	6.4	(20.9)	(14.5)
Total (loss) gain on financial and non-financial derivatives	**(6.9)**	**(3.2)**	**(10.1)**	6.7	(31.2)	(24.5)
Loss from the fair value change of contingent consideration	**–**	**–**	**–**	–	(0.5)	(0.5)
Foreign exchange gain (loss) on U.S. dollar debt	**–**	**16.5**	**16.5**	–	(22.2)	(22.2)
Total (losses) gains	**(6.9)**	**13.3**	**6.4**	6.7	(53.9)	(47.2)

	Six Months Ended June 30					
	2023			2022		
Description	**Realized Loss**	**Unrealized Gain (Loss)**	**Total**	Realized Gain	Unrealized Loss	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD calls	**(3.7)**	**17.4**	**13.7**	1.8	(6.5)	(4.7)
Equity derivative contracts	**–**	**(3.9)**	**(3.9)**	–	(3.3)	(3.3)
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	**(32.7)**	**20.7**	**(12.0)**	41.2	(18.5)	22.7
Total (loss) gain on financial and non-financial derivatives	**(36.4)**	**34.2**	**(2.2)**	43.0	(28.3)	14.7
Loss from the fair value change of contingent consideration	**–**	**–**	**–**	–	(0.9)	(0.9)
Foreign exchange gain (loss) on U.S. dollar debt	**–**	**18.7**	**18.7**	–	(14.3)	(14.3)
Total (losses) gains	**(36.4)**	**52.9**	**16.5**	43.0	(43.5)	(0.5)

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

	Classification	**Measurement**
Financial assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Derivative assets	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 and other liabilities	Other liabilities	Amortized cost
Derivative liabilities	FVTPL	Fair value

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables, dividends payable, revolving term bank credit facilities disclosed in Note 10 and other liabilities, 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 10 is determined by quoted market prices (Level 2 fair value hierarchy).

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported on the condensed consolidated balance sheets when Superior has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, Superior enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting, but do, however, still allow for the related amount to be set off in certain circumstances, such as bankruptcy or the termination of contracts. As at June 30, 2023 and December 31, 2022, 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.

Superior's operating segments enter into various propane forward purchase and sale agreements to manage the economic exposure of its wholesale customer supply contracts and monitor their fixed-price propane positions on a daily basis to monitor compliance with established risk management policies. Superior's operating segments maintain a substantially balanced fixed-price propane position in relation to its wholesale customer supply commitments.

Superior, on behalf of its operating segments, enters into foreign currency forward contracts to manage the economic exposure of its operations to movements in foreign currency exchange rates. Superior's operating segments contract 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. Superior's operating segments deal with a large number of small customers, thereby reducing this risk. Superior's operating segments actively monitor the creditworthiness of its commercial customers. Overall, Superior's credit quality is enhanced by its portfolio of customers, which is diversified across geographical (primarily Canada and the U.S.) and end-use (primarily commercial, residential and industrial) markets.

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

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 June 30, 2023, Superior estimates that a 10% increase in its share price would have resulted in a $1.8 million increase in earnings due to the revaluation of equity derivative contracts.

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

	July 1 to June 30						
	Current	**2025**	**2026**	**2027**	**2028**	**Thereafter**	**Total**
Borrowings before deferred financing fees and discounts	18.0	14.4	381.6	5.2	447.4	1,296.6	2,163.2
Lease liabilities	56.6	43.3	32.2	26.1	17.5	55.8	231.5
Non-cancellable, low-value, short-term leases and leases with variable lease	6.7	0.8	–	–	–	–	7.5
Certarus capital and other commitments	61.3	2.3	2.2	–	–	–	65.8
USD foreign currency forward contracts - net sale	232.7	195.0	120.0	6.0	–	–	553.7
USD/CAD call options[(1)]	6.0	42.0	–	–	–	–	48.0
Equity derivative contracts	13.7	7.9	–	–	–	–	21.6
Propane, WTI, butane, heating oil and diesel, wholesale and natural gas purchase and sale contracts	183.7	10.2	6.0	0.6	0.5	6.2	207.2

[(1)]USD/CAD call options expire on varying maturity dates between March and October 2024 with strike rates ranging from $1.35 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 June 30, 2023 and December 31, 2022.

13. INCOME TAXES

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

Total income tax for the three and six months ended June 30, 2023 composed of current income tax expense of $4.7 million and $9.5 million and deferred income tax recovery of $36.4 million and expense of $20.4 million, respectively (three and six months ended June 30, 2022 – total income tax expense consisting of current income tax expense of $1.8 million and $3.5 million and deferred income tax recovery of $36.3 million and expense of $8.1 million, respectively) with a corresponding total net deferred income tax liability of $191.6 million as at June 30, 2023 (December 31, 2022 – total net deferred income tax liability of $98.7 million; restated see Note 2(b)).

14. TOTAL EQUITY

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

Common Shares

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

	Issued Number of Common Shares (Millions)	Total Capital Attributable to Common Shareholders	Equity Attributable to Common Shareholders
As at December 31, 2022	200.7	2,617.9	1,108.1
Issuance of common shares, net of issuance costs (Note 4)	**48.6**	**487.2**	**487.2**
Common shares repurchased and cancelled	**–**	**(0.1)**	**(0.1)**
Net earnings for the period	**–**	**–**	**94.6**
Other comprehensive loss	**–**	**–**	**(36.6)**
Dividends declared to common shareholders	**–**	**–**	**(81.0)**
As at June 30, 2023	**249.3**	**3,105.0**	**1,572.2**

Preferred Shares of Superior Plus US Holdings

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 11% of the diluted outstanding Common Shares. The exchange price of the Preferred Shares will be subject to adjustment from time to time in accordance with the terms of the Preferred Shares. These potential adjustments relate primarily to accrued and unpaid dividends, increase in or additional dividends to common shareholders, in instances where there is a share split, share consolidation or a reorganization, the participation rate on the dividend reinvestment plan is greater than 35% and if Common Shares are issued below market value.

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

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

Dividends declared to preferred shareholders for the three and six months ended June 30, 2023 were US$4.7 million (C$6.3 million) or US$18.1 (C$24.2) per preferred share and US$9.4 million (C$12.7 million) or US$36.3 (C$48.8) per preferred share, respectively (June 30, 2022 – US$4.7 million (C$6.2 million) or US$18.1 (C$23.9) per preferred share and US$9.4 million (C$12.1 million) or US$36.3 (C$46.5) per preferred share, respectively).

Non-controlling interest ("NCI")	**Issued Number of Preferred Shares (Millions)**	**Equity Attributable to NCI**
As at December 31, 2022	0.3	352.4
Net earnings for the period	–	**12.7**
Other comprehensive loss, allocated to NCI	–	**(8.1)**
Dividends to preferred shareholders	–	**(12.7)**
As at June 30, 2023	**0.3**	**344.3**

15. SUPPLEMENTAL DISCLOSURE OF CONDENSED CONSOLIDATED STATEMENTS OF NET (LOSS) EARNINGS

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	**2023**	2022
Revenue				
Revenue from products[3]	**550.2**	607.6	**1,780.9**	1,755.7
Revenue from the rendering of services	**18.8**	15.7	**36.8**	31.9
Tank and equipment rental	**12.5**	5.3	**19.2**	11.4
	581.5	628.6	**1,836.9**	1,799.0
Cost of sales				
Cost of products and services[1]	**(310.9)**	(432.8)	**(1,023.2)**	(1,207.9)
Low value, short-term and variable lease payments	**(1.7)**	(1.3)	**(3.6)**	(2.7)
	(312.6)	(434.1)	**(1,026.8)**	(1,210.6)
SD&A				
Other expenses in SD&A[4]	**(73.4)**	(43.1)	**(140.1)**	(84.6)
Restructuring, transaction and other costs	**(22.0)**	(12.5)	**(29.6)**	(19.6)
Employee costs and employee future benefits expense[2]	**(117.4)**	(100.1)	**(253.2)**	(204.3)
Vehicle operating costs[4]	**(27.5)**	(23.6)	**(60.8)**	(48.4)
Facilities maintenance expense[4]	**(2.6)**	(7.2)	**(5.5)**	(15.8)
Depreciation of right-of-use assets	**(11.3)**	(9.6)	**(22.0)**	(17.6)
Depreciation of property, plant and equipment	**(36.7)**	(27.5)	**(71.8)**	(52.3)
Amortization of intangible assets	**(25.6)**	(22.0)	**(49.3)**	(40.8)
Low value, short-term and variable lease payments	**(1.0)**	(1.6)	**(1.9)**	(2.3)
Loss on disposal of assets	**(0.5)**	(1.8)	**(0.1)**	(0.8)
	(318.0)	(249.0)	**(634.3)**	(486.5)
Finance expense				
Interest on borrowings	**(24.1)**	(16.3)	**(46.4)**	(30.8)
Interest earned on Vendor Note (see Note 5)	**–**	1.9	**–**	3.8
Interest on lease liability	**(2.8)**	(1.9)	**(5.3)**	(3.7)
Amortization of borrowing fees, unwinding of discount on decommissioning liabilities and non-cash financing expenses	**(1.9)**	(1.5)	**(3.4)**	(3.1)
	(28.8)	(17.8)	**(55.1)**	(33.8)
Gain (loss) on derivatives and foreign currency translation of borrowings				
Realized (loss) gain on financial and non-financial derivatives and foreign currency translation	**(6.9)**	6.7	**(36.4)**	43.0
Unrealized gain (loss) on financial and non-financial derivatives and foreign currency translation	**13.3**	(53.9)	**52.9**	(43.5)
	6.4	(47.2)	**16.5**	(0.5)
(Loss) earnings before income taxes	**(71.5)**	(119.5)	**137.2**	67.6
Income tax recovery (expense)				
Current income tax expense	**(4.7)**	(1.8)	**(9.5)**	(3.5)
Deferred income tax recovery (expense)	**36.4**	36.3	**(20.4)**	(8.1)
	31.7	34.5	**(29.9)**	(11.6)
Net (loss) earnings for the period	**(39.8)**	(85.0)	**107.3**	56.0

[1]During the three and six months ended June 30, 2023, the cost of products and services includes inventories recognized as an expense and inventory write-down of $304.1 million and $0.3 million and $1,008.2 million and $1.5 million, respectively (2022 – $426.0 million and $0.6 million and $1,193.8 million and $1.6 million, respectively).

(2)Expense is shown net of the Canada Emergency Wage Subsidy of $nil for the three and six months ended June 30, 2023 (2022 – nil and $2.2 million).
(3)Included in revenue from products is the sale of carbon credit of $nil during the three and six months ended June 30, 2023 (2022 – nil and $1.7 million, respectively).
(4)Restated to conform with current period presentation.

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

	Three Months Ended June 30		Six Months Ended June 30	
Net (loss) earnings per share	**2023**	2022	**2023**	2022
Basic				
Net (loss) earnings for the period attributable to common shareholders	**(46.1)**	(91.2)	**94.6**	43.9
Dividends declared to common shareholders	**44.9**	36.3	**81.0**	68.0
Excess earnings allocated to common shareholders	–	–	**12.1**	–
Total (loss) earnings allocated to common shareholders	**(46.1)**	(91.2)	**93.1**	43.9
Weighted average number of shares outstanding (millions) – basic	**217.3**	200.3	**209.0**	188.2
Net (loss) earnings per share attributable to common shareholders	**$(0.21)**	$(0.46)	**$0.45**	$0.23
Diluted				
Net (loss) earnings for the period attributable to common shareholders assuming preferred shares convert	**(39.8)**	(85.0)	**107.3**	56.0
Weighted average number of common shares outstanding (millions) assuming preferred shares convert	**247.3**	230.3	**239.0**	218.2
	$(0.16)	$(0.37)	**$0.45**	$0.26
Net (loss) earnings per share attributable to common shareholders	**$(0.21)**	$(0.46)	**$0.45**	$0.23

Superior uses the two-class method to compute net earnings per common share attributable to common shareholders because Superior's Preferred Shares are participating equity securities. For the purpose of computing earnings per share, the Preferred Shares are considered participating because they contractually entitle the holders to participate in dividends with ordinary shares according to a predetermined formula (Note 14). 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 (loss) earnings per share are computed as follows:

a) Earnings or loss attributable to Superior's common shareholders is adjusted (earnings reduced and a loss increased) by the amount of dividends declared in the period for each class of shares and by the contractual amount of dividends that must be paid for the period.

b) The remaining earnings or loss is allocated to Superior's Common Shares and participating equity instruments to the extent that each instrument shares in earnings as if all of the earnings or loss for the period had been distributed. The total earnings or loss allocated to each class of equity instrument is determined by adding together the amount allocated for dividends and the amount allocated for a participation feature.

c) The total amount of earnings or loss allocated to each class of equity instrument is divided by the weighted-average number of outstanding instruments (and dilutive potential common shares for diluted earnings per share) to which the earnings are allocated to determine the earnings (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.

17. DISAGGREGATION OF REVENUE

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

For the Three Months Ended June 30, 2023

	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from sale of products	**234.1**	**407.3**	**(91.2)**	**550.2**
Revenue from services	**5.9**	**12.9**	**–**	**18.8**
Tank and equipment rental	**3.0**	**9.5**	**–**	**12.5**
Total revenue	**243.0**	**429.7**	**(91.2)**	**581.5**

For the Six Months Ended June 30, 2023

	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from sale of products	**741.7**	**1,358.0**	**(318.8)**	**1,780.9**
Revenue from services	**9.7**	**27.1**	**–**	**36.8**
Tank and equipment rental	**4.1**	**15.1**	**–**	**19.2**
Total revenue	**755.5**	**1,400.2**	**(318.8)**	**1,836.9**

For the Three Months Ended June 30, 2022

	Canada	U.S.	Inter-segment	Total
Revenue from sale of products	311.8	434.5	(138.7)	607.6
Revenue from services	4.0	11.7	–	15.7
Tank and equipment rental	0.9	4.4	–	5.3
Total revenue	316.7	450.6	(138.7)	628.6

For the Six Months Ended June 30, 2022

	Canada	U.S.	Inter-segment	Total
Revenue from sale of products	956.5	1,203.5	(404.3)	1,755.7
Revenue from services	8.2	23.7	–	31.9
Tank and equipment rental	2.4	9.0	–	11.4
Total revenue	967.1	1,236.2	(404.3)	1,799.0

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

	Three Months Ended June 30		**Six Months Ended June 30**	
	2023	2022	**2023**	2022
Changes in non-cash operating working capital and other				
Trade and other receivables, and prepaids and deposits	**157.7**	181.5	**343.2**	147.0
Inventories	**15.3**	9.1	**64.1**	25.7
Trade and other payables and other liabilities	**(58.2)**	(80.0)	**(180.4)**	(154.1)
	114.8	110.6	**226.9**	18.6

19. REPORTABLE SEGMENT INFORMATION

Superior operates four operating segments: U.S. Propane, Canadian Propane, Wholesale Propane and Certarus. 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 and product type, being wholesale, retail and natural gas. 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. Certarus is a provider of on-road low carbon energy solutions through fully integrated CNG, RNG and hydrogen platform. 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, gain (loss) 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 20 of these condensed consolidated financial statements.

Three Months Ended June 30, 2023	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue								
External customers	**263.9**	**148.1**	**125.1**	**44.4**	**–**	**581.5**	**–**	**581.5**
Inter-segment	**–**	**4.3**	**86.9**	**–**	**–**	**91.2**	**(91.2)**	**–**
Total revenue	**263.9**	**152.4**	**212.0**	**44.4**	**–**	**672.7**	**(91.2)**	**581.5**
Cost of sales (includes products and services)	**(127.3)**	**(81.6)**	**(188.3)**	**(6.6)**	**–**	**(403.8)**	**91.2**	**(312.6)**
Realized (loss) gain on financial and non-financial derivatives	**(5.3)**	**–**	**(2.0)**	**–**	**0.4**	**(6.9)**	**–**	**(6.9)**
SD&A excluding costs identified below	**(112.7)**	**(57.2)**	**(16.3)**	**(25.2)**	**(10.5)**	**(221.9)**	**–**	**(221.9)**
Segment profit (loss)	**18.6**	**13.6**	**5.4**	**12.6**	**(10.1)**	**40.1**	**–**	**40.1**
Depreciation included in SD&A	**(21.3)**	**(10.2)**	**(0.4)**	**(4.7)**	**(0.1)**	**(36.7)**	**–**	**(36.7)**
Depreciation of right-of-use assets included in SD&A	**(6.2)**	**(3.1)**	**(1.6)**	**(0.4)**	**–**	**(11.3)**	**–**	**(11.3)**
Amortization of intangible assets included in SD&A	**(16.2)**	**(4.6)**	**(1.6)**	**(3.1)**	**(0.1)**	**(25.6)**	**–**	**(25.6)**
Transaction, restructuring and other costs included in SD&A	**(3.9)**	**(0.3)**	**(0.5)**	**(0.3)**	**(17.0)**	**(22.0)**	**–**	**(22.0)**
(Loss) gain on disposal of assets included in SD&A	**(0.4)**	**1.5**	**–**	**(1.6)**	**–**	**(0.5)**	**–**	**(0.5)**
Finance expense	**(1.9)**	**(0.8)**	**(0.1)**	**(0.1)**	**(25.9)**	**(28.8)**	**–**	**(28.8)**
Unrealized (loss) gain on derivatives and foreign currency translation of borrowings	**(11.6)**	**–**	**(2.4)**	**–**	**27.3**	**13.3**	**–**	**13.3**
(Loss) earnings before income taxes	**(42.9)**	**(3.9)**	**(1.2)**	**2.4**	**(25.9)**	**(71.5)**	**–**	**(71.5)**
Income tax recovery								**31.7**
Net loss for the period								**(39.8)**

Six Months Ended June 30, 2023	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue								
External customers	**945.3**	**448.3**	**398.9**	**44.4**	**–**	**1,836.9**	**–**	**1,836.9**
Inter-segment	**–**	**14.3**	**304.5**	**–**	**–**	**318.8**	**(318.8)**	**–**
Total revenue	**945.3**	**462.6**	**703.4**	**44.4**	**–**	**2,155.7**	**(318.8)**	**1,836.9**
Cost of sales (includes products and services)	**(467.1)**	**(260.7)**	**(611.2)**	**(6.6)**	**–**	**(1,345.6)**	**318.8**	**(1,026.8)**
Realized loss on financial and non-financial derivatives	**(24.2)**	**–**	**(8.5)**	**–**	**(3.7)**	**(36.4)**	**–**	**(36.4)**
SD&A excluding costs identified below	**(259.5)**	**(122.5)**	**(38.1)**	**(25.2)**	**(16.2)**	**(461.5)**	**–**	**(461.5)**
Segment profit (loss)	**194.5**	**79.4**	**45.6**	**12.6**	**(19.9)**	**312.2**	**–**	**312.2**
Depreciation included in SD&A	**(45.2)**	**(20.3)**	**(1.5)**	**(4.7)**	**(0.1)**	**(71.8)**	**–**	**(71.8)**
Depreciation of right-of-use assets included in SD&A	**(12.5)**	**(6.2)**	**(2.8)**	**(0.4)**	**(0.1)**	**(22.0)**	**–**	**(22.0)**
Amortization of intangible assets included in SD&A	**(33.0)**	**(9.3)**	**(3.7)**	**(3.1)**	**(0.2)**	**(49.3)**	**–**	**(49.3)**
Transaction, restructuring and other costs included in SD&A	**(9.4)**	**(0.5)**	**(0.6)**	**(0.3)**	**(18.8)**	**(29.6)**	**–**	**(29.6)**
(Loss) gain on disposal of assets included in SD&A	**(0.3)**	**1.7**	**0.1**	**(1.6)**	**–**	**(0.1)**	**–**	**(0.1)**
Finance expense	**(4.2)**	**(1.6)**	**(0.2)**	**(0.1)**	**(49.0)**	**(55.1)**	**–**	**(55.1)**
Unrealized gain on derivatives and foreign currency translation of borrowings	**10.6**	**–**	**10.1**	**–**	**32.2**	**52.9**	**–**	**52.9**
Earnings (loss) before income taxes	**100.5**	**43.2**	**47.0**	**2.4**	**(55.9)**	**137.2**	**–**	**137.2**
Income tax expense								**(29.9)**
Net earnings for the period								**107.3**

Three Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue							
External customers	278.1	181.3	169.2	–	628.6	–	628.6
Inter-segment	–	6.4	132.3	–	138.7	(138.7)	–
Total revenue	278.1	187.7	301.5	–	767.3	(138.7)	628.6
Cost of sales (includes products and services)	(166.6)	(119.5)	(286.7)	–	(572.8)	138.7	(434.1)
Realized gain on financial and non-financial derivatives	6.1	–	0.3	0.3	6.7	–	6.7
SD&A excluding costs identified below	(101.4)	(54.9)	(13.3)	(6.0)	(175.6)	–	(175.6)
Segment profit (loss)	16.2	13.3	1.8	(5.7)	25.6	–	25.6
Depreciation included in SD&A	(16.8)	(9.6)	(1.0)	(0.1)	(27.5)	–	(27.5)
Depreciation of right-of-use assets included in SD&A	(5.9)	(2.9)	(0.8)	–	(9.6)	–	(9.6)
Amortization of intangible assets included in SD&A	(15.2)	(4.6)	(2.1)	(0.1)	(22.0)	–	(22.0)
Transaction, restructuring and other costs included in SD&A	(7.4)	(0.1)	(0.1)	(4.9)	(12.5)	–	(12.5)
Loss on disposal of assets included in SD&A	(1.4)	(0.4)	–	–	(1.8)	–	(1.8)
Finance expense	(1.5)	(0.7)	(0.3)	(15.3)	(17.8)	–	(17.8)
Unrealized (loss) gain on derivatives, fair value change in contingent consideration and foreign currency translation of borrowings	(21.0)	–	0.1	(33.0)	(53.9)	–	(53.9)
Loss before income taxes	(53.0)	(5.0)	(2.4)	(59.1)	(119.5)	–	(119.5)
Income tax recovery							34.5
Net loss for the period							(85.0)

Six Months Ended June 30, 2022	U.S. Propane	Canadian Propane	Wholesale Propane	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue							
External customers	911.7	538.9	348.4	–	1,799.0	–	1,799.0
Inter-segment	–	15.6	388.7	–	404.3	(404.3)	–
Total revenue	911.7	554.5	737.1	–	2,203.3	(404.3)	1,799.0
Cost of sales (includes products and services)	(552.5)	(357.7)	(704.7)	–	(1,614.9)	404.3	(1,210.6)
Realized gain on financial and non-financial derivatives	33.3	–	7.9	1.8	43.0	–	43.0
SD&A excluding costs identified below	(213.4)	(113.9)	(19.4)	(8.7)	(355.4)	–	(355.4)
Segment profit (loss)	179.1	82.9	20.9	(6.9)	276.0	–	276.0
Depreciation included in SD&A	(31.8)	(19.0)	(1.4)	(0.1)	(52.3)	–	(52.3)
Depreciation of right-of-use assets included in SD&A	(10.3)	(5.7)	(1.5)	(0.1)	(17.6)	–	(17.6)
Amortization of intangible assets included in SD&A	(28.7)	(9.2)	(2.7)	(0.2)	(40.8)	–	(40.8)
Transaction, restructuring and other costs included in SD&A	(11.3)	(0.3)	(0.1)	(7.9)	(19.6)	–	(19.6)
(Loss) gain on disposal of assets included in SD&A	(1.6)	0.7	0.1	–	(0.8)	–	(0.8)
Finance expense	(2.8)	(1.5)	(0.4)	(29.1)	(33.8)	–	(33.8)
Unrealized loss on derivatives, fair value change in contingent consideration and foreign currency translation of borrowings	(17.4)	–	(1.1)	(25.0)	(43.5)	–	(43.5)
Earnings (loss) before income taxes	75.2	47.9	13.8	(69.3)	67.6	–	67.6
Income tax expense							(11.6)
Net earnings for the period							56.0

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

	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total
As at June 30, 2023						
Net working capital[1]	**(47.2)**	**26.9**	**(20.0)**	**58.3**	**(74.1)**	**(56.1)**
Total assets	**2,548.1**	**927.3**	**384.2**	**1,218.9**	**84.8**	**5,163.3**
Total liabilities	**590.7**	**131.4**	**221.1**	**168.0**	**2,135.6**	**3,246.8**
As at December 31, 2022						
Net working capital[1] [2]	25.8	85.6	5.7	–	47.6	164.7
Total assets[2]	2,797.9	1,017.4	431.4	–	232.7	4,479.4
Total liabilities[2]	686.3	156.2	246.1	–	1,930.3	3,018.9

	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total
Capital expenditures for the three months ended June 30, 2023						
Purchase of property, plant and equipment and intangible assets	**9.6**	**11.5**	**1.5**	**7.0**	**–**	**29.6**
Vehicle lease additions	**5.6**	**3.7**	**(0.4)**	**0.2**	**–**	**9.1**
Capital expenditures excluding other lease liabilities	**15.2**	**15.2**	**1.1**	**7.2**	**–**	**38.7**
Other lease additions	**1.2**	**1.2**	**–**	**–**	**–**	**2.4**
Additions through business combinations (Note 4)[3]	**–**	**–**	**–**	**778.0**	**–**	**778.0**
Total capital expenditures	**16.4**	**16.4**	**1.1**	**785.2**	**–**	**819.1**
Capital expenditures for the three months ended June 30, 2022[2]						
Purchase of property, plant and equipment and intangible assets	15.9	11.2	0.6	–	–	27.7
Vehicle lease additions	2.4	2.1	–	–	–	4.5
Capital expenditures excluding other lease liabilities	18.3	13.3	0.6	–	–	32.2
Other lease additions	1.7	0.3	–	–	–	2.0
Additions through business combinations (Note 4)[2][3]	137.7	–	–	–	–	137.7
Total capital expenditures	157.7	13.6	0.6	–	–	171.9

	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total
Capital expenditures for the six months ended June 30, 2023						
Purchase of property, plant and equipment and intangible assets	**29.4**	**19.7**	**3.6**	**7.0**	**–**	**59.7**
Vehicle lease additions	**6.7**	**5.0**	**0.4**	**0.2**	**–**	**12.3**
Capital expenditures excluding other lease liabilities	**36.1**	**24.7**	**4.0**	**7.2**	**–**	**72.0**
Other lease additions	**1.2**	**1.6**	**5.4**	**–**	**–**	**8.2**
Additions through business combinations (Note 4)(3)	**2.9**	**–**	**–**	**778.0**	**–**	**780.9**
Total capital expenditures	**40.2**	**26.3**	**9.4**	**785.2**	**–**	**861.1**
Capital expenditures for the six months ended June 30, 2022(2)						
Purchase of property, plant and equipment and intangible assets	24.1	17.9	0.9	–	–	42.9
Vehicle lease additions	5.2	3.8	–	–	–	9.0
Capital expenditures excluding other lease liabilities	29.3	21.7	0.9	–	–	51.9
Other lease additions	1.8	1.4	0.3	–	–	3.5
Additions through business combinations (Note 4)(2)(3)	280.3	–	65.5	–	–	345.8
Total capital expenditures	311.4	23.1	66.7	–	–	401.2

(1) Net working capital is composed of trade and other receivables, prepaids and deposits, and inventories, less trade and other payables, contract liabilities and dividends payable.
(2) Restated, see Note 2(b).
(3) These include property, plant and equipment and intangible assets acquired through business combination.

20. GEOGRAPHICAL INFORMATION

	U.S.	Canada	Other	Total Consolidated
Revenue for the three months ended June 30, 2023	**413.2**	**168.3**	**–**	**581.5**
Revenue for the six months ended June 30, 2023	**1,335.7**	**501.2**	**–**	**1,836.9**
Property, plant and equipment as at June 30, 2023	**772.5**	**838.4**	**–**	**1,610.9**
Right-of-use assets as at June 30, 2023	**161.6**	**84.8**	**–**	**246.4**
Intangible assets as at June 30, 2023	**381.8**	**364.5**	**–**	**746.3**
Goodwill as at June 30, 2023	**1,244.6**	**665.2**	**–**	**1,909.8**
Total assets as at June 30, 2023	**2,934.0**	**2,206.5**	**22.8**	**5,163.3**
Revenue for the three months ended June 30, 2022	450.6	178.0	–	628.6
Revenue for the six months ended June 30, 2022	1,236.2	562.8	–	1,799.0
Property, plant and equipment as at December 31, 2022(1)	772.1	356.7	–	1,128.8
Right-of-use assets as at December 31, 2022	157.0	78.8	–	235.8
Intangible assets as at December 31, 2022(1)	420.4	143.5	–	563.9
Goodwill as at December 31, 2022(1)	1,320.7	337.4	–	1,658.1
Total assets as at December 31, 2022(1)	3,132.2	1,319.6	27.6	4,479.4

(1) Restated, see Note 2(b).