Superior Plus Corp.
Condensed Consolidated Balance Sheets

(Unaudited, millions of Canadian dollars)	Note	As at March 31 2020	As at December 31 2019
Assets			
Current Assets			
Cash and cash equivalents		**34.3**	26.5
Trade and other receivables	**5**	**302.6**	329.2
Prepaids and deposits		**65.3**	57.1
Inventories	**6**	**94.0**	116.2
Other current financial assets	**12**	**6.0**	5.4
Total Current Assets		**502.2**	534.4
Non-Current Assets			
Property, plant and equipment	**4**	**1,652.7**	1,575.6
Intangible assets	**4**	**403.4**	388.8
Goodwill	**4**	**1,161.8**	1,080.9
Notes, finance lease receivables and other investments		**2.6**	2.8
Employee future benefits		**10.6**	12.0
Deferred tax assets	**13**	**40.6**	41.2
Other non-current financial assets	**12**	**1.0**	2.3
Total Non-Current Assets		**3,272.7**	3,103.6
Total Assets		**3,774.9**	3,638.0
Liabilities and Equity			
Current Liabilities			
Trade and other payables	**8**	**289.4**	424.0
Contract liabilities		**17.3**	18.1
Lease liabilities	**11**	**54.0**	52.4
Borrowings	**10**	**10.0**	10.1
Dividends payable		**10.5**	10.5
Other current financial liabilities	**12**	**51.8**	23.7
Total Current Liabilities		**433.0**	538.8
Non-Current Liabilities			
Lease liabilities	**11**	**211.6**	182.0
Borrowings	**10**	**1,743.5**	1,684.3
Other liabilities	**9**	**28.1**	29.7
Provisions	**7**	**128.0**	112.9
Employee future benefits		**19.9**	21.2
Deferred tax liabilities	**13**	**40.6**	28.5
Other non-current financial liabilities	**12**	**24.1**	1.6
Total Non-Current Liabilities		**2,195.8**	2,060.2
Total Liabilities		**2,628.8**	2,599.0
Equity			
Capital		**2,342.6**	2,339.9
Deficit		**(1,426.0)**	(1,406.2)
Accumulated other comprehensive earnings		**229.5**	105.3
Total Equity	**14**	**1,146.1**	1,039.0
Total Liabilities and Equity		**3,774.9**	3,638.0

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**	**Total**
As at January 1, 2020	**2,338.7**	**1.2**	**2,339.9**	**(1,406.2)**	**105.3**	**1,039.0**
Net earnings for the period	**–**	**–**	**–**	**11.4**	**–**	**11.4**
Unrealized foreign currency gain on translation of foreign operations	**–**	**–**	**–**	**–**	**124.4**	**124.4**
Actuarial defined-benefit loss	**–**	**–**	**–**	**–**	**(0.2)**	**(0.2)**
Total comprehensive earnings	**–**	**–**	**–**	**11.4**	**124.2**	**135.6**
Common shares issued under dividend reinvestment plan	**2.7**	**–**	**2.7**	**–**	**–**	**2.7**
Dividends and dividend equivalent declared to shareholders	**–**	**–**	**–**	**(31.2)**	**–**	**(31.2)**
As at March 31, 2020	**2,341.4**	**1.2**	**2,342.6**	**(1,426.0)**	**229.5**	**1,146.1**
As at January 1, 2019	2,338.7	1.2	2,339.9	(1,422.9)	171.9	1,088.9
Net earnings for the period[i]	–	–	–	156.6	–	156.6
Unrealized foreign currency loss on translation of foreign operations	–	–	–	–	(32.8)	(32.8)
Actuarial defined-benefit gain	–	–	–	–	7.9	7.9
Income tax expense on other comprehensive loss	–	–	–	–	(2.1)	(2.1)
Total comprehensive earnings (loss)	–	–	–	156.6	(27.0)	129.6
Dividends and dividend equivalent declared to shareholders	–	–	–	(31.5)	–	(31.5)
As at March 31, 2019	2,338.7	1.2	2,339.9	(1,297.8)	144.9	1,187.0

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

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

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

(Unaudited, millions of Canadian dollars, except per share amounts)	Note	Three Months Ended March 31 2020	2019[i]
Revenue	**15, 17**	**840.2**	1,036.0
Cost of sales (includes products and services)	**15**	**(441.0)**	(607.7)
Gross profit		**399.2**	428.3
Expenses			
Selling, distribution and administrative costs	**15**	**(231.1)**	(236.1)
Finance expense	**15**	**(29.8)**	(28.4)
Gains (losses) on derivatives and foreign currency translation of borrowings	**12, 15**	**(116.0)**	28.8
		(376.9)	(235.7)
Earnings before income taxes	**15**	**22.3**	192.6
Income tax expense	**13**	**(10.9)**	(36.0)
Net earnings for the period	**15**	**11.4**	156.6
Other comprehensive earnings (loss)			
Items that may be reclassified subsequently to net earnings (loss)			
Unrealized foreign currency gain (loss) on translation of foreign operations		**124.4**	(32.8)
Items that will not be reclassified to net earnings (loss)			
Actuarial defined-benefit gain (loss)		**(0.2)**	7.9
Income tax expense on other comprehensive earnings (loss)		**–**	(2.1)
Other comprehensive earnings (loss) for the period		**124.2**	(27.0)
Total comprehensive earnings for the period		**135.6**	129.6
Net earnings per share, basic and diluted	**16**	**$0.07**	$0.90

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

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Cash Flows

		Three Months Ended March 31	
(Unaudited, millions of Canadian dollars)	**Note**	**2020**	2019[i]
OPERATING ACTIVITIES			
Net earnings for the period		**11.4**	156.6
Adjustments for:			
Depreciation included in selling, distribution and administrative costs		**28.0**	24.8
Depreciation of right-of-use assets included in selling, distribution and administrative costs		**9.1**	7.9
Depreciation included in cost of sales		**10.2**	11.1
Amortization of intangible assets		**16.2**	16.3
Losses (gains) on disposal of assets, impairments, and other non-cash items		**0.9**	(0.9)
Unrealized loss (gain) on financial and non-financial derivatives and foreign currency translation	**12**	**97.5**	(45.3)
Finance expense recognized in net earnings		**29.8**	28.4
Income tax expense recognized in net earnings	**13**	**10.9**	36.0
Changes in non-cash operating working capital and other	**18**	**(83.8)**	(74.0)
Net cash flows from operating activities before income taxes and interest paid		**130.2**	160.9
Income taxes paid		**(0.5)**	(1.8)
Interest paid		**(44.9)**	(46.9)
Cash flows from operating activities		**84.8**	112.2
INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	**4**	**(23.7)**	–
Purchase of property, plant and equipment and intangible assets	**19**	**(28.7)**	(17.3)
Proceeds on disposal of property, plant and equipment		**4.4**	2.0
Cash flows used in investing activities		**(48.0)**	(15.3)
FINANCING ACTIVITIES			
Proceeds of revolving term bank credits and other debt		**543.4**	571.2
Repayment of revolving term bank credits and other debt		**(543.3)**	(629.1)
Proceeds received from vehicle refinancing		**13.7**	–
Principal repayment of lease obligations		**(12.0)**	(13.4)
Dividends paid to shareholders		**(28.5)**	(31.5)
Cash flows used in financing activities		**(26.7)**	(102.8)
Net increase (decrease) in cash and cash equivalents during the period		**10.1**	(5.9)
Cash and cash equivalents, beginning of the period		**26.5**	23.9
Effect of translation of foreign currency-denominated cash and cash equivalents		**(2.3)**	(0.6)
Cash and cash equivalents, end of the period		**34.3**	17.4

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

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

SUPERIOR PLUS CORP.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited, tabular amounts in millions of Canadian dollars, except per share amounts)

1. ORGANIZATION

Superior Plus Corp. ("Superior" or the "Company") is a diversified business corporation, incorporated under the Canada Business Corporations Act. Superior is a publicly traded company with its common shares trading on the Toronto Stock Exchange under the exchange symbol SPB.

These unaudited condensed consolidated financial statements were authorized for issue by the Board of Directors on May 13, 2020.

Reportable Operating Segments

Superior operates three reportable operating segments: Canadian Propane Distribution, United States ("U.S.") Propane Distribution and Specialty Chemicals. The Canadian Propane Distribution segment includes the Canadian retail business and wholesale business with operations in Canada and California. The U.S. Propane Distribution segment distributes propane gas and liquid fuels along the Eastern U.S., and into the Midwest and California. Specialty Chemicals is a leading global supplier of sodium chlorate and technology to the pulp and paper industry and a regional supplier of chlor-alkali products in the U.S. Midwest and Western Canada.

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

2. BASIS OF PRESENTATION

(a) Preparation of Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") using the accounting policies Superior adopted in its annual consolidated financial statements as at and for the year ended December 31, 2019, except for the adoption of new standards effective as of January 1, 2020.

The unaudited condensed consolidated financial statements were prepared on the historical cost basis, except for the revaluation of certain financial instruments and incorporate the accounts of Superior and its subsidiaries. Subsidiaries are all entities over which Superior has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The results of subsidiaries are included in Superior's condensed consolidated statements of net earnings and total comprehensive earnings from date of acquisition, or in the case of disposals, up to the effective date of disposal.

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

(b) Reclassification of Comparative Figures and Restatement

The purchase price allocation of NGL Propane, LLC ("NGL") was finalized and all adjustments were recorded during the second quarter of 2019. Superior restated the comparative figures to record the impact of the final purchase price allocation for the three months ended March 31, 2019, amortization expense was increased by $4.0 million, depreciation expense decreased by $1.9 million for an aggregated decrease in net income of $2.1 million.

In accordance with International Financial Reporting Standards ("IFRS") 9, *Financial Instruments* ("IFRS 9"), management has recorded realized gains (losses) on derivatives in gains (losses) on derivatives and foreign currency translation of borrowings. In prior periods, realized gains and losses on derivative financial instruments were recognized as a component of revenue, cost of sales or finance expense/income, the classification of which depended on the underlying nature of the economic exposure being managed, while the unrealized gains (losses) on derivatives were recorded in its own line separately. In the current period, realized gains and losses on derivative financial instruments are recorded as a component of gains (losses) on derivatives and foreign currency translation of borrowings together with the unrealized gains (losses) on derivatives. Management has restated the comparative figures to conform with this presentation.

(c) Changes in Accounting Policies and Disclosures

Amendments to IFRS 3, *Definition of a Business* ("IFRS 3")

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the condensed consolidated financial statements of Superior, but may impact future periods should Superior enter into any business combinations.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the condensed consolidated financial statements of Superior.

(d) Standards Issued But Not Yet Effective

Amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1"), to clarify requirements for classifying liabilities as current or non-current

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

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

The new guidance will be effective for annual periods starting on or after January 1, 2023. The amendments are not expected to have a significant impact on the Company's condensed consolidated financial statements.

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

(e) Significant Accounting Judgments, Estimates and Assumptions

The preparation of Superior's condensed consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue 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 2019 annual consolidated financial statements, except for the following:

COVID-19

The outbreak of the novel strain of the coronavirus, specifically identified as the COVID-19 pandemic, has caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. At this time, it is not possible to reliably estimate the impact this will have on Superior's financial position and operating results. Judgments, estimates and assumptions made by management during the preparation of these condensed consolidated financial statements may also change as conditions related to the COVID-19 change. Changes in assumptions including, but not limited to, foreign exchange rates, interest rates and commodity prices could impact the fair value of items including derivative and non-derivative instruments, allowance for doubtful accounts, provisions and employee future benefits.

3. SEASONALITY OF OPERATIONS

Energy Distribution

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

For the 12 months ended March 31, 2020, Energy Distribution reported gross profit of $954.9 million (March 31, 2019 – $856.5 million) and net earnings of $159.7 million (March 31, 2019 – $168.9 million).

4. ACQUISITIONS

Acquisition in 2020

Western Propane Services ("Western")

Purchase Price Allocation	Western
Cash	**0.9**
Accounts receivable	**1.0**
Prepaid expenses	**0.1**
Inventory	**0.2**
Property, plant and equipment	**8.1**
Intangible assets	**8.9**
Accounts payable and accrued liabilities	**(1.0)**
Lease liabilities	**(2.3)**
Deferred tax liabilities	**(3.9)**
Net identifiable assets and liabilities	**12.0**
Consideration transferred	
Fair value of deferred consideration	**5.2**
Cash paid on acquisition	**24.6**
Total consideration transferred	**29.8**
Goodwill arising on acquisition	**17.8**

Costs directly attributable to acquisitions are expensed and included in selling, distribution and administrative costs. The goodwill recognized represents the expected synergies from operations and the intangible assets that do not qualify for separate recognition. Goodwill arising on acquisition is deductible for tax purposes unless otherwise noted and forms part of the Energy Distribution segment, unless otherwise noted. The acquisition was initially funded by drawing on Superior's credit facility, unless otherwise noted.

On January 9, 2020, Superior acquired all the issued and outstanding shares of Western, a Southern California retail propane distribution company for total consideration of US$22.7 million (C$29.8 million). The acquisition was funded by drawing on Superior's credit facility and deferring US$4.0 million (C$5.2 million) in payments over the next five years.

The purchase price allocation is considered preliminary, and as a result, may be adjusted during the 12-month period following the acquisition once all the required information pertaining to working capital and customer attrition is obtained and assessed. Superior has allocated the purchase price to the identified assets and liabilities based on their current book value and fair value estimates based on available information. The amounts presented are based on their estimated fair value, management expects that any further changes will relate to finalizing the fair value of property, plant and equipment, intangible assets and goodwill. Goodwill is not deductible for tax purposes.

Revenue and net earnings for the three months ended March 31, 2020, would have been $840.7 million and $11.4 million, respectively, if the acquisition had occurred on January 1, 2020. Subsequent to the acquisition date of January 9, 2020, the acquisition contributed revenue and net earnings of $5.5 million and $1.2 million, respectively, to the U.S. Propane Distribution segment for the three months ended March 31, 2020.

Acquisitions in 2019

On April 1, 2019, Superior closed the acquisition of the propane distribution assets of Phelps Sungas Inc. and BMK Geneva, Inc. ("Phelps"), an independent propane distributor in New York. Superior has finalized the purchase price allocation during the three months ended March 31, 2020 and did not change the previously reported fair values.

During the year ended December 31, 2019, the Company closed three other acquisitions for total consideration of approximately $22.8 million. This consisted of one acquisition in Canada and two acquisitions in the U.S. The purchase price allocations associated with these acquisitions are considered preliminary, and as a result, may be adjusted during the 12-month period following the acquisition once all the required information pertaining to working capital and customer attrition is obtained and assessed.

5. TRADE AND OTHER RECEIVABLES

A summary of trade and other receivables is as follows:

	March 31 2020	December 31 2019
Trade receivables, net of allowances	**287.2**	320.7
Accounts receivable – other	**15.4**	8.5
Trade and other receivables	**302.6**	329.2

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

	March 31 2020	December 31 2019
Current	**192.6**	235.2
Past due less than 90 days	**87.0**	84.5
Past due over 90 days	**18.1**	10.3
Trade receivables	**297.7**	330.0

The current portion of Superior's trade receivables is neither impaired nor past due and there are no indications as of the reporting date that the debtors will not make payment. Superior's trade receivables are stated after deducting an allowance of $10.5 million as at March 31, 2020 (December 31, 2019 – $9.3 million). The movement in the allowance for doubtful accounts is as follows:

	March 31 2020	December 31 2019
Allowance for doubtful accounts, beginning of the period	**(9.3)**	(11.2)
Impairment losses recognized on receivables	**(2.1)**	(2.5)
Amounts written off during the period as uncollectible	**1.2**	3.5
Amounts recovered	**0.1**	0.9
Foreign exchange impact	**(0.4)**	–
Allowance for doubtful accounts, end of the period	**(10.5)**	(9.3)

6. Inventories

	March 31 2020	December 31 2019
Propane, heating oil and other refined fuels	**32.9**	55.5
Propane retailing materials, supplies, appliances and other	**13.6**	13.2
Chemical finished goods and raw materials	**29.5**	30.2
Chemical stores, supplies and other	**18.0**	17.3
	94.0	116.2

	Three Months Ended March 31	
	2020	2019
Cost of inventories recognized as an expense	**345.4**	605.6
Inventory write-downs to (reversals from) cost of sales	**0.9**	(4.3)

7. Provisions

	Restructuring	**Decommissioning**	**Other**	**Total**
Balance as at December 31, 2019	4.9	108.4	7.2	120.5
Additions	–	**0.3**	–	**0.3**
Utilization	**(1.1)**	**(0.1)**	–	**(1.2)**
Amounts reversed during the period	**(0.3)**	–	**(0.7)**	**(1.0)**
Unwinding of discount	–	**0.4**	–	**0.4**
Impact of change in discount rate	–	**11.1**	–	**11.1**
Net foreign currency exchange difference	–	**3.9**	**0.2**	**4.1**
Balance as at March 31, 2020	**3.5**	**124.0**	**6.7**	**134.2**

	March 31 2020	December 31 2019
Current (Note 8)	**6.2**	7.6
Non-current	**128.0**	112.9
	134.2	120.5

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

8. TRADE AND OTHER PAYABLES

A summary of trade and other payables is as follows:

	March 31 2020	December 31 2019
Trade payables	**196.9**	307.1
Provisions (Note 7)	**6.2**	7.6
Other payables	**68.5**	92.5
Current taxes payable	**16.2**	11.1
Share-based payments, current portion	**1.6**	5.7
Trade and Other Payables	**289.4**	424.0

9. OTHER LIABILITIES

	March 31 2020	December 31 2019
Québec cap and trade payable	**8.7**	7.8
California cap and trade payable	**8.9**	7.2
Nova Scotia cap and trade payable	**0.4**	0.4
Share-based payments and others	**10.1**	14.3
Other liabilities	**28.1**	29.7

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

10. BORROWINGS

	Year of Maturity	Effective Interest Rate	**March 31 2020**	December 31 2019
Revolving Term Bank Credit Facilities (1)				
Bankers' Acceptances ("BA")	2024	Floating BA rate plus 1.70%	**22.0**	5.0
Canadian Prime Rate Loan (Prime and Swing line)	2024	Prime rate plus 0.70%	**–**	14.9
LIBOR Loans (US$318.0 million; 2019 – US$332.0 million)	2024	Floating LIBOR rate plus 1.70%	**447.2**	431.3
US Base Rate Loans (Prime and Swing line) (US$11 million; 2019 – US$14.0 million)	2024	U.S. Prime rate plus 0.70%	**15.5**	18.1
			484.7	469.3
Other Debt				
Accounts receivable factoring program(2)		Floating BA plus 1.625%	**2.0**	3.9
Deferred consideration and other	2020–2025	Non-interest bearing	**30.6**	23.8
			32.6	27.7
Senior Unsecured Notes				
Senior unsecured notes(3)	2024	5.25%	**400.0**	400.0
Senior unsecured notes(4)	2025	5.125%	**370.0**	370.0
Senior unsecured notes(5)	2026	7.000%	**492.2**	454.7
			1,262.2	1,224.7
Total borrowings before deferred financing fees			**1,779.5**	1,721.7
Deferred financing fees and discounts			**(26.0)**	(27.3)
Total borrowings before current maturities			**1,753.5**	1,694.4
Current maturities			**(10.0)**	(10.1)
Total non-current borrowings			**1,743.5**	1,684.3

(1) As at March 31, 2020, Superior had $33.2 million of outstanding letters of credit (December 31, 2019 – $31.3 million) and $278.0 million of outstanding financial guarantees on behalf of its businesses (December 31, 2019 – $241.0 million). The fair value of Superior's revolving term bank credit facilities, other debt, letters of credit, and financial guarantees approximates their carrying value as a result of the market-based interest rates and the short-term nature of the underlying debt instruments. On May 8, 2019, Superior extended and restated its syndicated credit facility with ten lenders, with no material changes to the financial covenants and extended its maturity to May 8, 2024. The credit facilities are secured by substantially all of the assets of Superior. The lender commitments remain the same at $750 million and can be expanded further to $1,050 million on condition that no event of default has occurred and lender consent is provided.

(2) Superior has entered into a Master Receivables Purchase Agreement with a financial institution by which it may purchase from time to time, on an uncommitted revolving basis, 100% interest in receivables from Superior. The maximum aggregate amount of purchased receivables purchased by the financial institution under this agreement and outstanding at any time is limited to $15 million. As at March 31, 2020, the accounts receivable factoring program is $2.0 million (December 31, 2019 – $3.9 million).

(3) These senior unsecured notes were issued at par value and mature on February 27, 2024. The senior unsecured notes contain certain early redemption options under which Superior has the option to redeem all or a portion of the senior unsecured notes at various redemption prices, which include the principal plus accrued and unpaid interest, if any, to the application redemption date. Interest is payable semi-annually on February 27 and August 27, and commenced August 27, 2017. The fair value of the senior unsecured notes is $381.8 million (December 31, 2019 – $410.0 million), based on prevailing market prices.

(4) These senior unsecured notes contain certain early redemption options under which Superior has the option to redeem all or a portion of the senior unsecured notes at various redemption prices, which include the principal plus accrued and unpaid interest, if any, to the application redemption date. The fair value of the senior unsecured notes is $343.2 million (December 31, 2019 – $374.9 million), based on prevailing market prices.

(5) These US$350 million senior unsecured notes contain certain early redemption options under which Superior has the option to redeem all or a portion of the senior unsecured notes at various redemption prices, which include the principal plus accrued and unpaid interest, if any, to the application redemption date. The fair value of the senior unsecured notes is $483.4 million (December 31, 2019 – $489.0 million), based on prevailing market prices. During the three months ended March 31, 2020, foreign exchange translation loss amounted to $42.9 million (Three months ended March 31, 2019 – $17.6 million foreign exchange translation gain), see Note 12.

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

Current maturities	10.0
Due in 2022	7.4
Due in 2023	8.0
Due in 2024	889.7
Due in 2025	372.2
Due in 2026	492.2
Total	1,779.5

11. LEASING ARRANGEMENTS

The lease liabilities by operating segment are as follows:

	Propane Distribution		**Specialty**		
	Canada	**U.S.**	**Chemicals**	**Corporate**	**Total**
Lease liabilities as at December 31, 2019	72.7	46.3	113.9	1.5	234.4
Lease liabilities assumed as part of a business combination	**–**	**2.3**	**–**	**–**	**2.3**
Additions	**6.2**	**23.1**	**0.1**	**–**	**29.4**
Finance expense on lease liabilities	**0.9**	**0.9**	**1.6**	**–**	**3.4**
Lease payments	**(4.6)**	**(4.2)**	**(6.6)**	**–**	**(15.4)**
Impact of changes in foreign exchange rates and other	**0.6**	**3.4**	**7.5**	**–**	**11.5**
Lease liabilities as at March 31, 2020	**75.8**	**71.8**	**116.5**	**1.5**	**265.6**

	March 31 2020	December 2019
Current portion of lease liabilities	**54.0**	52.4
Non-current portion of lease liabilities	**211.6**	182.0
Total lease liabilities	**265.6**	234.4

Included in the above lease liabilities, as at March 31, 2020, are vehicle and other fleet lease obligations of $85.5 million (December 31, 2019 – $73.0 million).

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 FVTPL upon their initial recognition.

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period. During the three months ended March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

				As at March 31, 2020
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Foreign currency forward contracts, net sale	**2.2**	–	–	**2.2**
Equity derivative contract	–	**0.8**	–	**0.8**
Propane, diesel, butane and heating oil wholesale purchase and sale contracts, net sale – Energy Distribution	–	**4.0**	–	**4.0**
Total assets	**2.2**	**4.8**	–	**7.0**
Liabilities				
Foreign currency options, USD/CAD sold calls	**3.1**	–	–	**3.1**
Foreign currency forward contracts, net sale	**37.8**	–	–	**37.8**
Cross-currency interest rate exchange agreements	**0.2**	–	–	**0.2**
Equity derivative contract	–	**5.5**	–	**5.5**
Propane, diesel, butane and heating oil wholesale purchase and sale contracts, net sale – Energy Distribution	–	**29.3**	–	**29.3**
Total liabilities	**41.1**	**34.8**	–	**75.9**
Total net liabilities	**(38.9)**	**(30.0)**	–	**(68.9)**
Current portion of assets	**1.6**	**4.4**	–	**6.0**
Current portion of liabilities	**18.6**	**33.2**	–	**51.8**

	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Foreign currency forward contracts, net sale	3.5	–	–	3.5
Equity derivative contract	–	0.9	–	0.9
Propane, diesel, butane and heating oil wholesale purchase and sale contracts, net sale – Energy Distribution	–	3.3	–	3.3
Total assets	3.5	4.2	–	7.7
Liabilities				
Foreign currency forward contracts	3.2	–	–	3.2
Cross-currency interest rate exchange agreements	5.8	–	–	5.8
Propane, diesel, butane and heating oil wholesale purchase and sale contracts, net sale – Energy Distribution	–	16.3	–	16.3
Total liabilities	9.0	16.3	–	25.3
Total net liabilities	(5.5)	(12.1)	–	(17.6)
Current portion of assets	2.1	3.3	–	5.4
Current portion of liabilities	7.8	15.9	–	23.7

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, net sale	US$524.9	2020 –2024	$1.34	Quoted bid prices in the active market.
Foreign currency options sold USD/CAD calls	US$36.0	2024	$1.40–$1.47	Quoted bid prices in the active market.
Cross-currency interest rate exchange agreements	US$190.0	2020	$1.41	Quoted bid prices in the active market.
Level 2 fair value hierarchy:				
Equity derivative contracts	C$22.5	2020–2022	$10.39	Discounted cash flows – Future cash flows are estimated based on the share price.
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	95.81 USG[(i)]	2020–2023	$0.33–$1.80	Quoted bid prices for similar products in an active market.

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

Superior's realized and unrealized financial instrument gains (losses) for the three months ended March 31, 2020 and 2019 are as follows:

	Three Months Ended March 31 2020			Three Months Ended March 31 2019		
Description	**Realized Loss**	**Unrealized Gain (Loss)**	**Total**	Realized Loss	Unrealized Gain (Loss)	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD sold calls	**(4.0)**	**(39.2)**	**(43.2)**	(3.8)	18.7	14.9
Cross-currency interest rate swaps	**–**	**5.6**	**5.6**	–	(7.4)	(7.4)
Equity derivative contracts	**–**	**(5.5)**	**(5.5)**	–	2.7	2.7
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	**(14.5)**	**(11.2)**	**(25.7)**	(12.7)	12.3	(0.4)
Total gains (losses) on financial and non-financial derivatives	**(18.5)**	**(50.3)**	**(68.8)**	(16.5)	26.3	9.8
Foreign exchange gain (loss) on U.S. dollar debt and lease liabilities	**–**	**(47.2)**	**(47.2)**	–	19.0	19.0
Total gains (losses)	**(18.5)**	**(97.5)**	**(116.0)**	(16.5)	45.3	28.8

Realized and unrealized gains or losses on financial and non-financial derivatives and foreign currency translation gains or losses on the revaluation of Canadian domiciled U.S.-denominated working capital have been classified on the condensed consolidated statements of net earnings and total comprehensive earnings as a component of gains (losses) on derivatives and foreign currency translation of borrowings.

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 and finance lease receivable	Loans and receivables	Amortized cost
Financial liabilities		
Trade and other payables	Other liabilities	Amortized cost
Dividends payable	Other liabilities	Amortized cost
Borrowings	Other liabilities	Amortized cost
Derivative liabilities	FVTPL	Fair value

The fair value of cash and cash equivalents, trade and other receivables, notes and finance lease receivable, trade and other payables, dividends payable and revolving term bank credit facilities correspond to the respective carrying amounts due to their short-term nature and/or the interest rate on the asset is commensurate with market interest rates for the type of asset with similar duration and credit risk. The fair value of senior unsecured notes disclosed in Note 10 are determined by quoted market prices (Level 1 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 currently has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, Superior enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting, but do, however, still allow for the related amount to be set off in certain circumstances, such as bankruptcy or the termination of contracts. As at March 31, 2020 and December 31, 2019, Superior has not recorded any amount against other current and non-current financial liabilities.

Financial Instruments – Risk Management

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

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

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

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

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

Allowances for doubtful accounts and past due receivables are reviewed by Superior as at each consolidated balance sheet date. Superior updates its estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of trade and other receivables with each customer, taking into account historical collection trends of past due accounts and current economic conditions. 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 facility, equity markets and debenture markets.

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

Equity Price Risk

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

As at March 31, 2020, 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 are as follows:

		12 months ended March 31						
	Current	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**	**Total**
Borrowings	10.0	7.4	8.0	889.7	372.2	492.2	–	1,779.5
Lease liabilities	54.0	47.6	36.9	30.5	24.2	15.4	57.0	265.6
Non-cancellable, low-value, short-term leases and leases with variable lease payments	4.8	3.5	2.5	0.1	–	–	–	10.9
US$-foreign currency forward sales contracts	241.4	123.5	67.0	48.0	45.0	–	–	524.9
US$/CAD call options[(i)]	–	–	–	9.0	27.0	–	–	36.0
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	51.7	39.4	0.4	–	–	–	–	91.5

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

Superior's contractual obligations are considered normal-course operating commitments and do not include the impact of mark-to-market fair values on financial and non-financial derivatives. Superior expects to fund these obligations through a combination of cash flows from operations, proceeds on revolving term bank credit facilities and proceeds on the issuance of share capital. Superior's financial instruments' sensitivities are consistent as at March 31, 2020 and December 31, 2019.

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. income taxes, Chilean and Luxembourg income taxes.

Total income tax expense, composed of current income taxes and deferred income taxes for the three months ended March 31, 2020, was $4.3 million and $6.6 million, respectively, compared to $2.4 million and $33.6 million in the comparative periods. For the three months ended March 31, 2020, deferred income tax expense was $6.6 million, which resulted in a corresponding total net deferred income tax asset of nil as at March 31, 2020 (December 31, 2019 – $12.7 million).

14. TOTAL EQUITY

Superior is authorized to issue an unlimited number of common shares and an unlimited number of preferred 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 none is outstanding.

	Issued Number of Common Shares (Millions)	**Total Capital**	**Total Equity**
As at December 31, 2019	174.9	2,339.9	1,039.0
Issuance of common shares	**0.3**	**2.7**	**2.7**
Net earnings for the period	–	–	**11.4**
Other comprehensive earnings	–	–	**124.2**
Dividends declared to shareholders	–	–	**(31.2)**
As at March 31, 2020	**175.2**	**2,342.6**	**1,146.1**

Superior restarted its Dividend Reinvestment Plan and Optional Share Purchase Program (the "DRIP") commencing with the February 2020 dividend which was paid in March 13, 2020. During the three months ended March 31, 2020, Superior issued 0.3 million shares under the DRIP for total gross proceeds of $2.7 million (March 31, 2019 – nil).

15. Supplemental Disclosure of Consolidated Statements of Net Earnings and Total Comprehensive Earnings

	Three Months Ended March 31 2020	Three Months Ended March 31 2019[(i)]
Revenue		
Revenue from products	**802.7**	995.7
Revenue from the rendering of services	**26.7**	29.9
Tank and equipment rental	**10.8**	10.4
	840.2	1,036.0
Cost of sales (includes products and services)		
Cost of products and services[(ii)]	**(430.8)**	(596.6)
Depreciation included in cost of sales	**(10.2)**	(11.1)
	(441.0)	(607.7)
Selling, distribution and administrative costs		
Other selling, distribution and administrative costs	**(59.7)**	(62.5)
Restructuring, transaction and other costs	**(5.3)**	(5.0)
Employee future benefit expense	**(0.5)**	(0.5)
Employee costs	**(92.9)**	(95.5)
Vehicle operating costs	**(18.0)**	(20.1)
Facilities maintenance expense	**(2.3)**	(3.0)
Depreciation of right-of-use assets	**(9.1)**	(7.9)
Depreciation included in selling, distribution and administrative costs	**(28.0)**	(24.8)
Amortization of intangible assets	**(16.2)**	(16.3)
Low value, short-term and variable lease payments	**(0.7)**	(0.5)
Gain (loss) on disposal of assets	**(0.9)**	0.9
Realized gain (loss) on the translation of U.S.- denominated net working capital	**2.5**	(0.9)
	(231.1)	(236.1)
Finance expense		
Interest on borrowings	**(23.7)**	(23.3)
Interest on lease liability	**(3.4)**	(3.2)
Unwinding of discount on decommissioning liabilities and non-cash financing expenses	**(2.7)**	(1.9)
	(29.8)	(28.4)
Gains (losses) on derivatives and foreign currency translation of borrowings		
Realized loss on financial and non-financial derivatives and foreign currency translation	**(18.5)**	(16.5)
Unrealized gain (loss) on financial and non-financial derivatives and foreign currency translation	**(97.5)**	45.3
	(116.0)	28.8
Earnings before income taxes	**22.3**	192.6
Income tax expense		
Current income tax expense	**(4.3)**	(2.4)
Deferred income tax expense	**(6.6)**	(33.6)
	(10.9)	(36.0)
Net earnings for the period	**11.4**	156.6

(i) *Restated the prior period to be comparable with the current period's presentation (see Note 2 (b)).*

(ii) *During the three months ended March 31, 2020, the cost of products and services include low value, short-term and variable lease payments of $0.6 million (Three months ended March 31, 2019 – $1.7 million).*

16. NET EARNINGS PER SHARE, BASIC AND DILUTED

	Three Months Ended March 31	
	2020	2019
Net earnings for the period[(i)]	**11.4**	156.6
Weighted average shares outstanding (millions)	**174.9**	174.9
Net earnings per share, basic and diluted[(i)]	**0.07**	0.90

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

17. DISAGGREGATION OF REVENUE

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

Three Months Ended March 31, 2020				**Propane Distribution**
	Canada	**U.S.**	**Other**	**Total**
Revenue from sale of products	**236.6**	**409.6**	**–**	**646.2**
Revenue from services	**12.6**	**13.0**	**–**	**25.6**
Tank and equipment rental	**7.2**	**3.6**	**–**	**10.8**
Total revenue	**256.4**	**426.2**	**–**	**682.6**

				Specialty Chemicals
	Canada	**U.S.**	**Other**	**Total**
Revenue from sale of chemicals	**36.2**	**92.6**	**27.7**	**156.5**
Revenue from services	**0.8**	**0.3**	**–**	**1.1**
Total revenue	**37.0**	**92.9**	**27.7**	**157.6**

Three Months Ended March 31, 2019				Propane Distribution
	Canada	U.S.	Other	Total
Revenue from sale of products	288.2	538.0	–	826.2
Revenue from services	13.7	14.3	–	28.0
Tank and equipment rental	8.5	1.9	–	10.4
Total revenue	310.4	554.2	–	864.6

				Specialty Chemicals
	Canada	U.S.	Other	Total
Revenue from sale of chemicals	42.8	102.1	24.6	169.5
Revenue from services	0.3	1.6	–	1.9
Total revenue	43.1	103.7	24.6	171.4

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

	Three Months Ended March 31	
	2020	2019
Changes in non-cash operating working capital and other		
Trade and other receivables, prepaids and deposits	**34.4**	(55.1)
Inventories	**25.7**	46.3
Trade and other payables and other liabilities	**(143.9)**	(65.2)
	(83.8)	(74.0)

19. REPORTABLE SEGMENT INFORMATION

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

Specialty Chemicals is a leading global supplier of sodium chlorate and technology to the pulp and paper industry and a regional supplier of chlor-alkali products in the U.S. Midwest and Western Canada.

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

Three Months Ended March 31, 2020	**Canadian Propane Distribution**	**U.S. Propane Distribution**	**Specialty Chemicals**	**Corporate**	**Total**
Revenue	**340.6**	**342.0**	**157.6**	**–**	**840.2**
Cost of sales (includes products and services)	**(189.9)**	**(146.5)**	**(104.6)**	**–**	**(441.0)**
Gross profit	**150.7**	**195.5**	**53.0**	**–**	**399.2**
Expenses					
Depreciation included in selling, distribution and administrative costs	**(10.2)**	**(15.7)**	**(2.0)**	**(0.1)**	**(28.0)**
Depreciation of right-of-use assets	**(2.5)**	**(1.2)**	**(5.3)**	**(0.1)**	**(9.1)**
Amortization of intangible assets included in selling, distribution and administrative costs	**(5.6)**	**(10.3)**	**(0.3)**	**–**	**(16.2)**
Selling, distribution and administrative costs	**(63.8)**	**(82.6)**	**(29.0)**	**(2.4)**	**(177.8)**
Finance expense	**(1.4)**	**(1.7)**	**(2.0)**	**(24.7)**	**(29.8)**
Losses on derivatives and foreign currency translation of borrowings	**(6.2)**	**(19.5)**	**(4.3)**	**(86.0)**	**(116.0)**
	(89.7)	**(131.0)**	**(42.9)**	**(113.3)**	**(376.9)**
Earnings (loss) before income taxes	**61.0**	**64.5**	**10.1**	**(113.3)**	**22.3**
Income tax expense	**–**	**–**	**–**	**(10.9)**	**(10.9)**
Net earnings (loss) for the period	**61.0**	**64.5**	**10.1**	**(124.2)**	**11.4**

Three Months Ended March 31, 2019[i]	Canadian Propane Distribution	U.S. Propane Distribution	Specialty Chemicals	Corporate	Total
Revenue	435.8	428.8	171.4	–	1,036.0
Cost of sales (includes products and services)	(275.6)	(221.2)	(110.9)	–	(607.7)
Gross profit	160.2	207.6	60.5	–	428.3
Expenses					
Depreciation included in selling, distribution and administrative costs	(9.1)	(13.9)	(1.8)	–	(24.8)
Depreciation of right-of-use assets	(2.0)	(0.8)	(5.1)	–	(7.9)
Amortization of intangible assets included in selling, distribution and administrative costs	(6.1)	(9.9)	(0.3)	–	(16.3)
Selling, distribution and administrative costs	(66.5)	(81.8)	(31.9)	(6.9)	(187.1)
Finance expense	(1.0)	(1.0)	(1.7)	(24.7)	(28.4)
Gains (losses) on derivatives and foreign currency translation of borrowings	(1.7)	1.4	1.4	27.7	28.8
	(86.4)	(106.0)	(39.4)	(3.9)	(235.7)
Earnings (loss) before income taxes	73.8	101.6	21.1	(3.9)	192.6
Income tax expense	–	–	–	(36.0)	(36.0)
Net earnings (loss) for the period	73.8	101.6	21.1	(39.9)	156.6

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

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

	Canadian Propane Distribution	**U.S. Propane Distribution**	**Specialty Chemicals**	**Corporate**	**Total**
As at March 31, 2020					
Net working capital[i]	**58.6**	**46.8**	**69.2**	**(29.9)**	**144.7**
Total assets	**1,112.6**	**1,754.1**	**832.7**	**75.5**	**3,774.9**
Total liabilities	**238.7**	**274.5**	**353.9**	**1,761.7**	**2,628.8**
As at December 31, 2019					
Net working capital[i]	42.0	(0.4)	56.9	(48.6)	49.9
Total assets	1,167.7	1,600.2	797.8	72.3	3,638.0
Total liabilities	295.1	268.8	338.8	1,696.3	2,599.0
Three Months Ended March 31, 2020					
Purchase of property, plant and equipment and intangible assets	**8.6**	**10.3**	**8.9**	**0.9**	**28.7**
Three Months Ended March 31, 2019					
Purchase of property, plant and equipment and intangible assets	4.6	8.5	4.2	–	17.3

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

20. GEOGRAPHICAL INFORMATION

	Canada	U.S.	Other	Total Consolidated
Revenue for the three months ended March 31, 2020	**293.4**	**519.1**	**27.7**	**840.2**
Property, plant and equipment as at March 31, 2020	**611.1**	**737.5**	**41.4**	**1,390.0**
Right-of-use assets as at March 31, 2020	**133.5**	**128.3**	**0.9**	**262.7**
Intangible assets as at March 31, 2020	**149.1**	**254.3**	**–**	**403.4**
Goodwill as at March 31, 2020	**325.8**	**836.0**	**–**	**1,161.8**
Total assets as at March 31, 2020	**1,518.2**	**2,196.7**	**60.0**	**3,774.9**
Revenue for the three months ended March 31, 2019[i]	353.5	657.9	24.6	1,036.0
Property, plant and equipment as at December 31, 2019	596.9	696.0	38.8	1,331.7
Right-of-use assets as at December 31, 2019	146.0	97.1	0.8	243.9
Intangible assets as at December 31, 2019	152.3	236.5	–	388.8
Goodwill as at December 31, 2019	325.8	755.1	–	1,080.9
Total assets as at December 31, 2019	1,562.3	2,021.5	54.2	3,638.0

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