



ANNUAL AND FOURTH QUARTER ENDED
DECEMBER 31, 2022



TSX: SPB

February 16, 2023

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

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

- ***Fourth Quarter 2022 Adjusted EBITDA¹ of \$182.6 million, a 28% increase from the prior year***
- ***Fourth Quarter net earnings of \$63.0 million, an increase of \$49.2 million from the prior year***
- ***Full-year 2022 Adjusted EBITDA of \$449.8 million, a 13% increase compared to the prior year and above the midpoint of the guidance range of \$425 million to \$465 million***
- ***Net loss from continuing operations for the twelve months ended December 31, 2022 of \$87.9 million, compared to net earnings from continuing operations of \$17.2 million in the prior year***
- ***Superior is introducing its 2023 Pro Forma Adjusted EBITDA¹ guidance range of \$585 million to \$635 million with a midpoint of \$610 million, which includes the expected full twelve months of Certarus 2023 Adjusted EBITDA in the range of \$140 million to \$150 million. The economic benefit of Certarus’ expected 2023 Adjusted EBITDA will be retained in the business***

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

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

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

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

Financial Highlights:

- Net earnings from continuing operations of \$63.0 million in the fourth quarter compared to \$13.8 million in the prior year quarter primarily due to higher revenue and gross profit and a gain on derivatives and foreign currency translation of borrowings, partially offset by higher selling, distribution and administrative expenses (“SD&A”), finance expense and income tax expense. Basic and diluted earnings per share from continuing operations attributable to Superior was \$0.27 per share, an increase of \$0.23 from \$0.04 per share in the prior year quarter due to the aforementioned reasons, partially offset by the impact of the increased number of weighted average shares outstanding.
- Adjusted EBITDA for the fourth quarter was \$182.6 million, an increase of \$40.4 million compared to the prior year quarter, primarily due to higher EBITDA from operations², partially offset by higher corporate costs² and a realized loss on foreign currency hedges compared to a realized gain in the prior year quarter. EBITDA from operations increased primarily due to higher Adjusted EBITDA in U.S. retail propane distribution (“U.S. Propane”), North American wholesale propane distribution (“Wholesale Propane”) and Canadian retail propane distribution (“Canadian Propane”).
- U.S. Propane Adjusted EBITDA for the fourth quarter was \$116.7 million an increase of \$36.8 million from the prior year quarter of \$79.9 million primarily due to the impact of acquisitions completed in the current year and, to a lesser extent, higher average margins related to increased prices to offset inflation and the impact of the weaker Canadian dollar on the translation of U.S. denominated transactions, partially offset by rising costs due to inflation, labour and fuel.
- Canadian Propane Adjusted EBITDA for the fourth quarter was \$58.3 million, an increase of \$4.7 million from the prior year quarter of \$53.6 million or 9% primarily due to higher average margins related to increased sales prices to offset the impact of inflation, partially offset by higher operating costs² related to the rising costs due to inflation labour and fuel.
- Wholesale Propane Adjusted EBITDA for the fourth quarter was \$22.7 million an increase of \$13.1 million from the prior year quarter of \$9.6 million primarily due to contribution from the acquisition of Kiva Energy Inc. (“Kiva”).
- Corporate costs for the fourth quarter were \$11.0 million compared to \$4.6 million in the prior year quarter. The increase is primarily due to higher insurance costs, professional fees, the impact of inflation and higher incentive plan costs. Superior realized a loss on foreign currency hedging contracts of \$4.1 million compared to a gain of \$3.7 million in the prior year quarter due to lower average hedge rates relative to changes in exchange rates.
- Adjusted Operating Cash Flow (“AOCF”) before transaction and other costs² was \$152.8 million for the fourth quarter, an increase of \$21.2 million from the prior year quarter primarily due to higher Adjusted EBITDA

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

- Net loss from continuing operations for the twelve months ended December 31, 2022 was \$87.9 million, compared to net earnings from continuing operations of \$17.2 million in the prior year. The decrease is primarily due to a loss on derivatives and foreign currency translation of borrowings and higher SD&A, partially offset by a higher gross profit, lower finance expense and income tax expense.
- Adjusted EBITDA for the twelve months ended December 31, 2022 was \$449.8 million, an increase of \$51.4 million or 13% compared to the prior year primarily due to higher EBITDA from operations, partially offset by higher corporate costs and a realized loss on foreign currency hedging contracts.
- Superior's Leverage Ratio² for the trailing twelve months ("TTM") ended December 31, 2022, was 4.1x compared to 3.9x at December 31, 2021 primarily due to the impact of the higher USD/CAD exchange rate on USD denominated debt. On a constant currency basis, using the USD/CAD rate at December 31, 2021, Superior's Leverage Ratio at December 31, 2022 would be consistent. Superior's Leverage Ratio is expected to be within Superior's targeted range of 3.5x to 4.0x at the anticipated closing of the Certarus acquisition.

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

Acquisition Update

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

Announcement of Executive Appointments

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

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

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

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

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

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

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

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

Update on Superior Way Forward

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

Normal Course Issuer Bid

- On October 11, 2022, the TSX accepted Superior's notice of intention to establish a new normal course issuer bid program (the "NCIB"). The NCIB permits the purchase of up to 10.1 million shares of Superior's common shares, representing approximately 5% of the issued and outstanding common shares as of September 30, 2022, by way of normal course purchases effected through the facilities of the TSX and/or alternative Canadian trading systems.
- During the fourth quarter of 2022, Superior purchased and cancelled approximately 1.0 million shares at a volume weighted average price of \$10.06 per share.

Financial Overview

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

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

⁽²⁾ Transaction, restructuring and other costs are related to acquisition activities and the restructuring and integration of acquisitions. See "Transaction, restructuring and other costs" in the Fourth Quarter MD&A for further details. These expenses are included in SD&A and are disclosed in Note 21 of the audited consolidated financial statements as at and for the year ended December 31, 2022 and 2021.

⁽³⁾ The weighted average number of shares outstanding for the three months and year ended December 31, 2022 was 231.1 million and 224.9 million respectively (three months and year ended, December 31, 2021 was 206.0 million). The weighted average number of shares assumes the exchange of the preferred shares into common shares. There were no other dilutive instruments with respect to AOCF per share and AOCF before transaction, restructuring and other costs per share for the three months and year ended December 31, 2022 and 2021.

Segmented Information

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

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

2023 Pro Forma Adjusted EBITDA Guidance

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

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

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

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

Debt and Leverage Update

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

MD&A and Financial Statements

Superior's MD&A, the audited Consolidated Financial Statements and the Notes to the audited Consolidated Financial Statements as at and for the year ended December 31, 2022 provide a detailed explanation of Superior's operating results. These documents are available online on Superior's website at www.superiorplus.com under the Investor Relations section and on SEDAR under Superior's profile at www.sedar.com.

2022 Fourth Quarter Conference Call

Superior will conduct a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2022 fourth quarter and full year financial results will be held at 10:30 AM EDT on Friday February 17, 2023. To listen to the live webcast, please use the following link: [Register Here](#). The webcast will be available for replay on Superior's website at: www.superiorplus.com under the Events section.

Non-GAAP Financial Measures and Reconciliation

Throughout this news release, Superior has identified specific terms that it uses that are not standardized measures under International Financial Reporting Standards ("Non-GAAP Financial Measures") and, therefore may not be comparable to similar financial measures disclosed by other issuers. Reconciliations of these Non-GAAP Financial Measures to the most directly comparable financial measures in Superior's annual financial statements are provided below. Certain additional disclosures for these Non-GAAP Financial Measures, including an explanation of the composition of these financial measures, how they provide helpful information to an investor, and any additional purposes management uses for them, are incorporated by reference from the "Non-GAAP Financial Measures and Reconciliations" section in Superior's 2022 Annual MD&A dated February 16, 2023, available on www.sedar.com.

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

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

⁽¹⁾ Unrealized gains (losses) on derivative financial instruments includes the realized foreign exchange gain on the settlement of the US\$350 million senior notes, see Note 18 of the audited consolidated financial statements.

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

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

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

⁽¹⁾ Unrealized gains (losses) on derivative financial instruments includes the realized foreign exchange gain on the settlement of the US\$350 million senior notes of \$20 million, see Note 18 of the audited consolidated financial statements.

Leverage Ratio and Pro Forma Adjusted EBITDA

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

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

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

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

Forward-Looking Information

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

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

Forward-looking information is provided to provide information about management’s expectations and plans for the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions, and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third-party industry analysts and

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

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

Additional key assumptions or risk factors with respect to the forward-looking information include, but are not limited to, the satisfaction of the conditions, including receipt of required regulatory approvals, to the Certarus Acquisition, without significant changes to the terms or anticipated timing of the transaction; the amount and timing of the expected synergies from the acquisition of Certarus, the achievement of the Superior Way Forward acquisition target and EBITDA from operations target; obtaining the expected synergies from the acquisitions of Kamps Propane, Kiva Energy and the assets of the Quarles Delivered Fuels business completed earlier this year and other acquisitions consistent with historical averages at approximately 25% over the relevant period; no material divestitures; anticipated financial performance; current business and economic trends; and the amount of future dividends paid by Superior.

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

The forward-looking information is also subject to the risks and uncertainties set forth below. By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, Superior's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include risks relating to satisfaction of the conditions to, and completion of the Certarus Acquisition on the anticipated timeline, incorrect assessments of value when making acquisitions, failure to realize expected cost-savings and synergies from acquisitions, increases in debt service charges, colder average weather than anticipated, the loss of key personnel, fluctuations in foreign currency and exchange rates, fluctuations in commodity prices, increasing rates of inflation, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) our MD&A under the heading "Risk Factors" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive. When relying on our forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, Superior does not undertake to update or

revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

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