

Superior Plus Corp.
Condensed Consolidated Balance Sheets

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

⁽¹⁾Restated, see Note 2(b).

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Changes in Equity

(Unaudited, millions of Canadian dollars)	Share Capital (Note 14)	Contributed Surplus	Total Capital	Deficit	Accumulated Other Comprehensive Earnings	Non- controlling Interest (Note 14)	Total
As at January 1, 2023	2,616.7	1.2	2,617.9	(1,669.5)	159.7	352.4	1,460.5
Net earnings for the period	—	—	—	94.6	—	12.7	107.3
Unrealized foreign currency loss on translation of foreign operations	—	—	—	—	(36.3)	(8.1)	(44.4)
Actuarial defined benefit loss	—	—	—	—	(0.4)	—	(0.4)
Income tax recovery on other comprehensive (loss) earnings	—	—	—	—	0.1	—	0.1
Total comprehensive earnings (loss)	—	—	—	94.6	(36.6)	4.6	62.6
Common shares issued, net of costs	487.2	—	487.2	—	—	—	487.2
Common shares repurchased and cancelled (Note 14)	(0.1)	—	(0.1)	—	—	—	(0.1)
Dividends and dividend equivalent declared to common shareholders	—	—	—	(81.0)	—	—	(81.0)
Dividends to non-controlling interest shareholders	—	—	—	—	—	(12.7)	(12.7)
As at June 30, 2023	3,103.8	1.2	3,105.0	(1,655.9)	123.1	344.3	1,916.5
As at January 1, 2022	2,349.1	1.2	2,350.3	(1,419.5)	52.8	328.6	1,312.2
Net earnings for the period	—	—	—	43.9	—	12.1	56.0
Unrealized foreign currency gain on translation of foreign operations	—	—	—	—	28.7	6.1	34.8
Actuarial defined benefit loss	—	—	—	—	(0.1)	—	(0.1)
Total comprehensive earnings	—	—	—	43.9	28.6	18.2	90.7
Common shares issued, net of costs	280.6	—	280.6	—	—	—	280.6
Dividends and dividend equivalent declared to common shareholders	—	—	—	(68.0)	—	—	(68.0)
Dividends to non-controlling interest shareholders	—	—	—	—	—	(12.1)	(12.1)
As at June 30, 2022	2,629.7	1.2	2,630.9	(1,443.6)	81.4	334.7	1,603.4

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

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

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

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Cash Flows

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

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

1. ORGANIZATION

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

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

Reportable Operating Segments

Superior reports four distinct segments: the United States Retail Propane Distribution (“U.S. Propane”), Canadian Retail Propane Distribution (“Canadian Propane”), North American Wholesale Propane Distribution (“Wholesale Propane”) and Certarus Ltd. (“Certarus”). The U.S. Propane segment distributes propane gas and liquid fuels primarily in the Eastern United States, as well as the Midwest and California to retail customers, including residential and commercial customers. The Canadian Propane segment distributes propane gas and liquid fuels across Canada to retail customers, including residential and commercial customers. The Wholesale Propane segment supplies the majority of the propane gas for the Canadian Propane business, a portion of the propane gas for the U.S. Propane business and also supplies propane and other natural gas liquids to third-party wholesale customers in Canada and the United States (“U.S.”). Certarus is a comprehensive low-carbon energy solution provider engaged in the business of transporting and selling compressed natural gas (“CNG”), renewable natural gas (“RNG”) and hydrogen distribution.

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

2. BASIS OF PRESENTATION

(a) Preparation of Condensed Consolidated Financial Statements

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

Property, Plant and Equipment

Depreciation

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

Revenue from Contracts with Customers

Cost to Obtain a Contract

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

(b) Reclassification of Comparative Figures

During the six months ended June 30, 2023, Superior finalized the purchase price allocation for certain acquisitions that were completed in the prior year. As disclosed in the first quarter, Superior has restated the condensed consolidated balance sheets as at December 31, 2022 to record the impact of the adjusted purchase allocations as if the accounting for the business combination had been completed at the acquisition date. The previously reported fair values changed as follows:

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

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

(c) Significant Accounting Judgments, Estimates and Assumptions

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

(d) Changes in Accounting Policies and Disclosures

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

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments to IAS 8 are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments to IAS 8 had no material impact on the condensed consolidated financial statements.

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

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, *Making Materiality Judgments*, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to IFRS Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The amendments to IAS 1 and IFRS Practice Statement 2 had no material impact on the condensed consolidated financial statements.

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

In May 2021, the IASB issued amendments to IAS 12 to require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. A temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. There was no significant impact from these amendments on the condensed consolidated financial statements as a result of the initial application.

Amendments to IAS 12, *International Tax Reform—Pillar Two Model Rules*

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

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

The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, including the requirement to disclose the fact that the exception has been applied if the entity’s income taxes will be affected by enacted or substantively enacted tax law that

implements the OECD's Pillar Two model rules. The disclosures relating to the known or reasonably estimable exposure to Pillar Two income taxes are required for annual reporting periods beginning on or after January 1, 2023, but they are not required to be disclosed in interim financial reports for any interim period ending on or before December 31, 2023. Superior adopted the amendments to IAS 12 during the period ended June 30, 2023.

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

(e) Standards Issued But Not Yet Effective

IFRS S1, *General Requirements for Disclosure of Sustainability-related Financial Information* ("IFRS S1") and IFRS S2, *Climate-related Disclosures* ("IFRS S2")

In June 2023, the International Sustainability Standards Board (the "ISSB") issued its first two IFRS Sustainability Disclosure Standards, ushering in a new era in international corporate reporting:

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

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

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

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

3. SEASONALITY OF OPERATIONS

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

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

4. ACQUISITIONS

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

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

Unless otherwise stated, the purchase price allocations discussed below are considered preliminary and, as a result, may be adjusted during the 12-month period following the acquisition once all the required information, as discussed below, is obtained and assessed. Superior has allocated the purchase price to the identified assets and liabilities based on fair value estimates using current information available. The amounts presented are based on their estimated fair value, and management expects that any further changes will relate to finalizing the fair value of property, plant and equipment, intangible assets and goodwill.

Acquisition costs directly attributable to the below acquisitions amounting to \$16.2 million were expensed and are included in SD&A. The goodwill recognized represents the expected synergies from operations and the intangible assets that do not qualify for separate recognition.

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

ACME Propane, Inc. (“ACME”)

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

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

Certarus

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

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

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

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

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

5. TRADE AND OTHER RECEIVABLES

A summary of trade and other receivables is as follows:

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

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

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

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

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

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

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

6. INVENTORIES

A summary of inventories is as follows:

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

7. PROVISIONS

A summary of provisions is as follows:

	Restructuring	Decommissioning	Other	Total
Balance as at December 31, 2021	2.1	7.4	3.6	13.1
Additions	—	1.2	27.7	28.9
Utilization	(1.1)	(0.2)	(0.8)	(2.1)
Unwinding of discount	—	0.2	—	0.2
Impact of change in discount rate	—	(0.6)	—	(0.6)
Net foreign currency exchange difference	—	0.3	0.3	0.6
Balance as at December 31, 2022	1.0	8.3	30.8	40.1
Additions	—	2.2	—	2.2
Utilization	(0.4)	—	(27.7)	(28.1)
Amounts reversed or reclassified	—	—	(3.0)	(3.0)
Unwinding of discount	—	0.2	—	0.2
Net foreign currency exchange differences	—	(0.3)	(0.1)	(0.4)
Balance as at June 30, 2023	0.6	10.4	—	11.0

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

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

8. TRADE AND OTHER PAYABLES

A summary of trade and other payables is as follows:

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

⁽¹⁾ Restated, see Note 2(b).

9. OTHER LIABILITIES

A summary of other liabilities is as follows:

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

Superior operates in California, Washington, Oregon and Quebec, and is required to participate in the respective government cap and trade programs, which require Superior to settle any liability with cap and trade at the end of each compliance period. Intangible assets are recorded when cap and trade emission units are purchased, and cap and trade liabilities are recorded upon the import of propane. These are included in the condensed consolidated statements of cash flows, net of the liability that has been accrued related to cap and trade payable as part of changes in non-cash working capital. As at June 30, 2023, the current portion of cap and trade payable was \$2.5 million recorded as part of trade and other payables (December 31, 2022 – \$2.4 million).

10. BORROWINGS

A summary of borrowings is as follows:

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

⁽¹⁾ As at June 30, 2023, Superior had \$6.6 million of outstanding letters of credit (December 31, 2022 – \$24.2 million) and \$378.8 million of outstanding financial guarantees on behalf of its businesses (December 31, 2022 – \$391.8 million). The

fair value of Superior's revolving term bank credit facilities, other debt, letters of credit, and financial guarantees approximates their carrying value as a result of the market-based interest rates and the short-term nature of the underlying debt instruments. The credit facilities are secured by substantially all of the assets of Superior and mature on June 26, 2027. The lender commitments remain at \$750.0 million and can be increased to \$1,050.0 million on the condition that no event of default has occurred and lender consent is provided.

- (2) Superior entered into a \$550 million senior secured revolving credit facility with a syndicate of ten lenders. The senior secured credit facility matures on May 31, 2026.
- (3) Superior's subsidiaries, Superior Plus LP and Superior General Partner Inc., issued at par US\$600 million of 4.5% senior unsecured notes due March 15, 2029. The fair value of the outstanding US\$600 million senior unsecured notes is \$695.8 million (December 31, 2022 – \$697.5 million) based on prevailing market prices. There was an unrealized foreign exchange translation gain on the US\$600 million senior unsecured note of \$16.5 million and \$18.7 million for the three and six months ended June 30, 2023, respectively (three and six months ended June 30, 2022 – \$22.2 million and \$14.3 million loss, respectively).
- (4) Superior's wholly owned subsidiary, Superior Plus LP, has completed a private placement of C\$500 million of 4.25% senior unsecured notes, at par value, due May 18, 2028, which are guaranteed by Superior and certain of its subsidiaries. The fair value of the 4.25% senior unsecured note based on prevailing market rates is \$444.7 million (December 31, 2022 – \$434.0 million).
- (5) Other term loans consisting of \$1.2 million (US\$0.9 million) (December 31, 2022 – \$1.6 million or US\$1.2 million) in term bank loans bearing interest at 3.99% to 5.50% due between 2023 and 2025, and \$4.9 million (US\$3.7 million) (December 31, 2022 – \$6.0 million or US\$4.4 million) in other term loans bearing interest at 1.9% to 6.5% due between 2023 to 2031.
- (6) As part of the acquisition of Certarus, Superior assumed three definitive agreements enabling a strategic alliance and commercial investment (the "agreements") into Certarus' CNG infrastructure platform to service the Southern and Northern Ontario industrial sectors. The total consideration received was \$11.3 million and could be terminated in 2024 and 2025, respectively. Effective July 1, 2023, the agreements were extended and could be terminated by either party on or after July 1, 2033. If terminated, the quarterly tolling fee obligation and entitlement by the issuer would cease. The repayment would be based on a calculated buyout amount and paid within 30 days. From the date of acquisition to June 30, 2023, Certarus incurred \$0.1 million in tolling fees.

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

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

11. LEASING ARRANGEMENTS

The lease liabilities by operating segment are as follows:

	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total
As at December 31, 2021	95.5	69.1	8.8	—	1.1	174.5
Lease liabilities assumed as part of a business combination	27.8	—	4.5	—	—	32.3
Additions	25.5	11.4	11.9	—	—	48.8
Finance expense on lease liabilities	5.2	3.2	0.8	—	0.1	9.3
Lease payments	(25.8)	(19.4)	(6.2)	—	(0.4)	(51.8)
Impact of changes in foreign exchange rates and other	8.9	(0.1)	1.1	—	—	9.9
As at December 31, 2022	137.1	64.2	20.9	—	0.8	223.0
Lease liabilities assumed as part of a business combination	—	—	—	16.3	—	16.3
Additions	7.9	6.6	5.8	0.2	—	20.5
Finance expense on lease liabilities	3.0	1.6	0.6	0.1	—	5.3
Lease payments	(15.1)	(9.7)	(2.5)	(0.5)	(0.1)	(27.9)
Impact of changes in foreign exchange rates and other	(3.0)	(1.9)	(0.6)	(0.2)	—	(5.7)
As at June 30, 2023	129.9	60.8	24.2	15.9	0.7	231.5

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

The present values of lease payments are as follows:

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

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

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

12. FINANCIAL INSTRUMENTS

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

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

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

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

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

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period. During the six months ended June 30, 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

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

	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Foreign currency forward contracts, net sale	3.0	—	—	3.0
Equity derivative contract	—	1.9	—	1.9
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	—	6.1	—	6.1
Total assets	3.0	8.0	—	11.0
Liabilities				
Foreign currency forward contracts, net sale and foreign currency options, USD/CAD calls	(20.3)	—	—	(20.3)
Cross-currency interest rate swaps	—	(1.8)	—	(1.8)
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	—	(46.3)	—	(46.3)
Total liabilities	(20.3)	(48.1)	—	(68.4)
Total net liabilities	(17.3)	(40.1)	—	(57.4)
Current portion of assets	2.7	7.9	—	10.6
Current portion of liabilities	(9.0)	(46.6)	—	(55.6)

The following table outlines quantitative information about how the fair values of these financial and non-financial assets and liabilities are determined, including valuation techniques and inputs used:

Description	Notional	Term	Effective Rates	Valuation Technique(s) and Key Input(s)
<i>Level 1 fair value hierarchy:</i>				
Foreign currency forward contracts	US\$553.7	2023–2026	\$1.26 – \$1.43	Quoted bid prices in the active market
Foreign currency options USD/CAD calls	US\$48.0	2024	\$1.35 – \$1.47	Quoted bid prices in the active market
<i>Level 2 fair value hierarchy:</i>				
Equity derivative contracts	C\$21.6	2023–2025	\$11.54	Discounted cash flows – Future cash flows are estimated based on the share price
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts	126.82 USG ⁽¹⁾	2023–2026	\$0.79 – \$3.23	Quoted bid prices for similar products in an active market

⁽¹⁾ Millions of United States gallons (“USG”) purchased.

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

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

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

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

	Classification	Measurement
Financial assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Derivative assets	FVTPL	Fair value
Notes receivable	Loans and receivables	Amortized cost
Financial liabilities		
Trade and other payables	Other liabilities	Amortized cost
Dividends payable	Other liabilities	Amortized cost
Borrowings and other liabilities	Other liabilities	Amortized cost
Derivative liabilities	FVTPL	Fair value

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables, dividends payable, revolving term bank credit facilities disclosed in Note 10 and other liabilities, correspond to the respective carrying amounts due to their short-term nature and/or the interest rate on the asset is commensurate with market interest rates for the type of asset with similar duration and credit risk. The fair value of senior unsecured notes disclosed in Note 10 is determined by quoted market prices (Level 2 fair value hierarchy).

Offsetting of Financial Instruments

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

Financial Instruments – Risk Management

Market Risk

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

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

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

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

Credit Risk

Superior utilizes a variety of counterparties in relation to its financial derivative and non-financial derivative instruments in order to mitigate its counterparty risk. Superior assesses the creditworthiness of its significant counterparties at the inception and throughout the term of a contract. Superior is also exposed to customer credit risk. Superior's operating segments deal with a large number of small customers, thereby reducing this risk. Superior's operating segments actively monitor the creditworthiness of its commercial customers. Overall, Superior's credit quality is enhanced by its portfolio of customers, which is diversified across geographical (primarily Canada and the U.S.) and end-use (primarily commercial, residential and industrial) markets.

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

Liquidity Risk

Liquidity risk is the risk that Superior cannot meet a demand for cash or fund an obligation as it comes due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

To ensure it is able to react to contingencies and investment opportunities quickly, Superior maintains sources of liquidity at the corporate and subsidiary levels. The main sources of liquidity are cash and other financial assets, the undrawn committed revolving term bank credit facilities, equity markets and debenture markets.

Superior is subject to the risks associated with debt financing, including the ability to refinance indebtedness at maturity. Superior believes these risks are mitigated through the use of long-term debt secured by high-quality assets, maintaining debt levels that in management's opinion are appropriate, and by diversifying maturities over

an extended period. Superior also seeks to include in its agreements terms that protect it from liquidity issues of counterparties that might otherwise affect liquidity.

Equity Price Risk

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

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

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

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

⁽¹⁾USD/CAD call options expire on varying maturity dates between March and October 2024 with strike rates ranging from \$1.35 to \$1.47.

Superior's contractual obligations are considered normal operating commitments and do not include the impact of mark-to-market fair values on financial and non-financial derivatives. Superior expects to fund these obligations through a combination of cash flows from operations, proceeds on revolving term bank credit facilities and proceeds on the issuance of share capital. Superior's financial instruments' sensitivities are consistent as at June 30, 2023 and December 31, 2022.

13. INCOME TAXES

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

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

14. TOTAL EQUITY

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

Common Shares

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

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

Preferred Shares of Superior Plus US Holdings

The preferred shares issued by Superior's subsidiary ("Preferred Shares") entitle the holders to a cumulative dividend of 7.25% per annum through to the end of Superior's second fiscal quarter in 2027. If dividends are paid on the common shares, Superior is required to pay the dividend in cash on the Preferred Shares; otherwise, the Preferred Share dividends can be paid or accrued at Superior's option. In the event that Superior declares a dividend on its common shares in excess of \$0.06 per month, the holders of the Preferred Shares shall be entitled to an equivalent amount. Superior has the option to redeem all, but not less than all, the Preferred Shares at a date that is seven years after the issue date with not less than 30 days' prior written notice to the holders of the Preferred Shares. The Preferred Shares can be redeemed at US\$1,000 per share plus accrued and unpaid dividends. If Superior does not redeem the Preferred Shares, the dividend rate increases by 0.75% per annum for the next four years to a maximum of 10.25%. If the dividends are not paid in cash, the cumulative dividend increases by 1.0% per annum to a maximum of 14.25%.

The Preferred Shares may be exchanged, at the holder's option, into 30 million common shares of Superior ("Common Shares") or at Superior's option, on or after the third anniversary of the issue date if the volume-weighted average price of Superior's Common Shares during the then preceding 30 consecutive trading day period, converted to U.S. dollars at the applicable exchange rate, must be greater than 145% of the exchange price. On an as-exchanged basis, the investment currently represents approximately 11% of the diluted outstanding Common Shares. The exchange price of the Preferred Shares will be subject to adjustment from time to time in accordance with the terms of the Preferred Shares. These potential adjustments relate primarily to accrued and unpaid dividends, increase in or additional dividends to common shareholders, in instances where there is a share split, share consolidation or a reorganization, the participation rate on the dividend reinvestment plan is greater than 35% and if Common Shares are issued below market value.

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

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

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

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

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

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

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

⁽²⁾Expense is shown net of the Canada Emergency Wage Subsidy of \$nil for the three and six months ended June 30, 2023 (2022 – nil and \$2.2 million).

⁽³⁾Included in revenue from products is the sale of carbon credit of \$nil during the three and six months ended June 30, 2023 (2022 – nil and \$1.7 million, respectively).

⁽⁴⁾Restated to conform with current period presentation.

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

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

Superior uses the two-class method to compute net earnings per common share attributable to common shareholders because Superior's Preferred Shares are participating equity securities. For the purpose of computing earnings per share, the Preferred Shares are considered participating because they contractually entitle the holders to participate in dividends with ordinary shares according to a predetermined formula (Note 14). The two-class method requires earnings for the period to be allocated between Common Shares and Preferred Shares based upon their respective rights to receive distributed and undistributed earnings.

Under the two-class method, the basic and diluted (loss) earnings per share are computed as follows:

- Earnings or loss attributable to Superior's common shareholders is adjusted (earnings reduced and a loss increased) by the amount of dividends declared in the period for each class of shares and by the contractual amount of dividends that must be paid for the period.
- The remaining earnings or loss is allocated to Superior's Common Shares and participating equity instruments to the extent that each instrument shares in earnings as if all of the earnings or loss for the period had been distributed. The total earnings or loss allocated to each class of equity instrument is determined by adding together the amount allocated for dividends and the amount allocated for a participation feature.
- The total amount of earnings or loss allocated to each class of equity instrument is divided by the weighted-average number of outstanding instruments (and dilutive potential common shares for diluted earnings per share) to which the earnings are allocated to determine the earnings (loss) per share for the instrument.

No such adjustment to earnings is made during periods with a net loss, as the holders of the Preferred Shares have no obligation to fund losses. The two-class equity method is performed in each period presented in reference to that period's earnings or loss. Consequently, the sum of the four quarters' earnings (loss) per share data will not necessarily equal the annual earnings (loss) per share data.

17. DISAGGREGATION OF REVENUE

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

For the Three Months Ended June 30, 2023

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

For the Six Months Ended June 30, 2023

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

For the Three Months Ended June 30, 2022

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

For the Six Months Ended June 30, 2022

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

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

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

19. REPORTABLE SEGMENT INFORMATION

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

The U.S. Propane segment distributes propane gas and liquid fuels along the Eastern U.S. and into the Midwest and California. The Canadian Propane segment includes the Canadian retail business with operations across Canada. The Wholesale Propane segment is the wholesale business with operations in Canada and the Western United States. Certarus is a provider of on-road low carbon energy solutions through fully integrated CNG, RNG and hydrogen platform. See Note 1 for further details.

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

Segment information is presented below. In the tables below, income tax recoveries and expense are not allocated to the segments. Information by country is provided in Note 20 of these condensed consolidated financial statements.

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

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

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

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

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

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

Capital expenditures for the three months ended June 30, 2023

Purchase of property, plant and equipment and intangible assets	9.6	11.5	1.5	7.0	—	29.6
Vehicle lease additions	5.6	3.7	(0.4)	0.2	—	9.1

Capital expenditures excluding other lease liabilities	15.2	15.2	1.1	7.2	—	38.7
Other lease additions	1.2	1.2	—	—	—	2.4
Additions through business combinations (Note 4) ⁽³⁾	—	—	—	778.0	—	778.0
Total capital expenditures	16.4	16.4	1.1	785.2	—	819.1

Capital expenditures for the three months ended June 30, 2022⁽²⁾

Purchase of property, plant and equipment and intangible assets	15.9	11.2	0.6	—	—	27.7
Vehicle lease additions	2.4	2.1	—	—	—	4.5
Capital expenditures excluding other lease liabilities	18.3	13.3	0.6	—	—	32.2
Other lease additions	1.7	0.3	—	—	—	2.0
Additions through business combinations (Note 4) ⁽²⁾⁽³⁾	137.7	—	—	—	—	137.7
Total capital expenditures	157.7	13.6	0.6	—	—	171.9

	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total
Capital expenditures for the six months ended June 30, 2023						
Purchase of property, plant and equipment and intangible assets	29.4	19.7	3.6	7.0	—	59.7
Vehicle lease additions	6.7	5.0	0.4	0.2	—	12.3
Capital expenditures excluding other lease liabilities	36.1	24.7	4.0	7.2	—	72.0
Other lease additions	1.2	1.6	5.4	—	—	8.2
Additions through business combinations (Note 4) ⁽³⁾	2.9	—	—	778.0	—	780.9
Total capital expenditures	40.2	26.3	9.4	785.2	—	861.1

Capital expenditures for the six months ended June 30, 2022 ⁽²⁾						
Purchase of property, plant and equipment and intangible assets	24.1	17.9	0.9	—	—	42.9
Vehicle lease additions	5.2	3.8	—	—	—	9.0
Capital expenditures excluding other lease liabilities	29.3	21.7	0.9	—	—	51.9
Other lease additions	1.8	1.4	0.3	—	—	3.5
Additions through business combinations (Note 4) ⁽²⁾⁽³⁾	280.3	—	65.5	—	—	345.8
Total capital expenditures	311.4	23.1	66.7	—	—	401.2

⁽¹⁾ Net working capital is composed of trade and other receivables, prepaids and deposits, and inventories, less trade and other payables, contract liabilities and dividends payable.

⁽²⁾ Restated, see Note 2(b).

⁽³⁾ These include property, plant and equipment and intangible assets acquired through business combination.

20. GEOGRAPHICAL INFORMATION

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

⁽¹⁾ Restated, see Note 2(b).