Superior Plus

Q2

FOR THE THREE MONTHS ENDED
JUNE 30, 2024

TSX: SPB

Superior Announces Second Quarter Results and Maintains Overall 2024 Adjusted EBITDA Growth Expectations

- Second quarter 2024 Adjusted EBITDA(1) of $43.3 million represents a 47% increase from the prior year quarter, primarily due to the full quarter contribution from Certarus
- Adjusted EBITDA per share of $0.16 for Q2 2024 QTD and $1.00 YTD represents accretion of 33% and 2%, respectively
- Canadian Propane achieved growth of 4% in Q2 2024 compared to the prior year despite the contribution from the divested Northern Ontario assets being included in the prior year
- Net loss of $45.3 million in Q2 2024 compared to a net loss of $29.2 million in the prior year primarily due to an unrealized gain on derivatives in the prior year
- Confirming 2024 Adjusted EBITDA(1) growth expectation of approximately 5% compared to 2023 Pro Forma Adjusted EBITDA(1)

(1) Adjusted EBITDA and Pro Forma Adjusted EBITDA are Non-GAAP Financial Measures. See "Non-GAAP Financial Measures and Ratios" section below.

TORONTO, August 13, 2024 – Superior Plus Corp. ("**Superior**" or "**the company"**) (TSX: SPB) today released its second quarter results for the period ended June 30, 2024. Unless otherwise expressed, all financial figures are expressed in U.S. dollars.

"We were pleased with the performance of the propane distribution business this quarter, even in this seasonally slower period, despite the impact of warmer weather on volumes in the United States. Our Canadian Propane Distribution business delivered a strong quarter, posting year over year growth while lapping results that included the contribution from divested assets. This success was driven by our disciplined focus on customer acquisition and growth, cost-saving initiatives and margin management," said Allan MacDonald, President and Chief Executive Officer.

"Certarus grew its delivered volumes by over 15% compared to the prior year quarter. Despite some regional pricing pressures, we are pleased with the returns generated by the Certarus business. We are confident that Certarus' leadership in CNG, RNG and hydrogen distribution gives Superior Plus a significant strategic advantage in these rapidly evolving sectors," continued MacDonald.

Segmented Information

(millions of dollars)	Three Months Ended June 30 **2024**	2023	Six Months Ended June 30 **2024**	2023
Adjusted EBITDA from operations[(1)]				
U.S. Propane Adjusted EBITDA[(1)]	**9.8**	13.7	**141.2**	143.8
Canadian Propane Adjusted EBITDA[(1)]	**10.5**	10.1	**51.6**	58.8
Wholesale Propane Adjusted EBITDA[(1)]	**2.8**	4.0	**19.9**	33.7
Certarus Adjusted EBITDA[(1)(2)]	**27.2**	9.5	**78.7**	9.5
	50.3	37.3	**291.4**	245.8

(1) Adjusted EBITDA from operations and Adjusted EBITDA are Non-GAAP Financial Measures. See "Non-GAAP Financial Measures and Ratios" section below.

(2) Certarus 2023 Adjusted EBITDA is from the date of acquisition to June 30, 2023

Financial Overview

(millions of dollars, except per share amounts)		Three Months Ended June 30 **2024**		2023		Six Months Ended June 30 **2024**		2023
Revenue		**422.9**		432.9		**1,320.6**		1,361.7
Gross Profit		**235.2**		200.4		**700.4**		600.7
Net earnings (loss) for the period		**(45.3)**		(29.2)		**39.9**		80.1
Net earnings (loss) for the period attributable to Superior per share, basic and diluted	**$**	**(0.20)**	$	(0.16)	**$**	**0.12**	$	0.33
Adjusted EBITDA from operations[(1)]		**50.3**		37.3		**291.4**		245.8
Adjusted EBITDA[(1)]		**43.3**		29.5		**278.9**		233.8
Adjusted EBITDA per share[(1)(2)]	**$**	**0.16**	$	0.12	**$**	**1.00**	$	0.98
Adjusted EBTDA per share[(1)(2)]	**$**	**0.07**	$	0.04	**$**	**0.82**	$	0.82
Net cash flows from operating activities		**98.9**		79.9		**245.4**		338.7
Net cash flows from operating activities per share, diluted[(2)]	**$**	**0.35**	$	0.32	**$**	**0.88**	$	1.42
Cash dividends declared on common shares		**32.6**		33.4		**65.7**		60.2
Cash dividends declared per share	**C$**	**0.18**	C$	0.18	**C$**	**0.36**	C$	0.36

(1) Adjusted EBITDA from operations, Adjusted EBITDA and Adjusted EBTDA are Non-GAAP Financial Measures. See "Non-GAAP Financial Measures and Ratios" section below.

(2) The weighted average number of shares outstanding for the three and six months ended June 30, 2024 was 278.6 million (three and six months ended June 30, 2023 was 247.3 million and 239.0 million respectively). The weighted average number of shares assumes the exchange of the issued and outstanding preferred shares into common shares. There were no other dilutive instruments for the three and six months ended June 30, 2024 and 2023.

Certarus Business Update

- Certarus achieved Adjusted EBITDA of $27.2 million in Q2 2024, a decrease of $2.6 million compared to Q2 2023 Pro Forma Adjusted EBITDA of $29.8 million.
- The business faced increased competition in West Texas throughout the quarter, however, we continue to expect a robust market into Q4 and Q1 when demand returns for heating and other applications and continue to expect excellent returns and growth in this highly attractive, leading-edge segment.
- The business continued to add to its industry leading fleet of mobile storage units ("MSUs"), adding 17 units during the quarter for a total of 770 as at June 30, 2024, while increasing MMBTU per average MSU from 9,200 in the prior year quarter to 9,238.

Leadership Team Update

- Following the announcement of the departure of Curtis Philippon on July 2, 2024, Superior is pleased to announce that Natasha Cherednichenko has been appointed as President of Certarus. Natasha had been in the role of Chief Operating

Officer of Certarus since 2020 and will continue to lead the talented Certarus team she has helped build and will maintain the company's focus on growing the high potential CNG, RNG and hydrogen businesses.

- Superior is also pleased to announce the appointment of Tommy Manion as SVP & Head of the U.S. Propane Distribution business. Tommy joined Superior in August 2019 as the VP of Operations and has spent his 33-year career in the propane industry, working in operations ranging from family-owned independents to major national retailers. Tommy's wealth of experience is evident in his commitment to safety, a customer-centric focus and desire to drive organic growth.

Debt and Leverage Update

- Superior is focused on managing both Net debt and its Leverage Ratio. Superior's Leverage Ratio at June 30, 2024 was 3.8x, compared to 3.9x at December 31, 2023. Superior has continued to pursue its renewed organic growth focused strategy that will seek growth through self-funded reinvestment in the businesses. In line with this strategy, Superior still expects a ~0.2x reduction in its Leverage Ratio in 2024, with a long-term target of ~3.0x.

Quarterly Dividend

- Superior is declaring a quarterly common share dividend of CAD $0.18 per share, payable to shareholders of record as of September 27, 2024. The common share dividend will be payable on October 15, 2024.

MD&A and Financial Statements

Superior's MD&A, the unaudited Consolidated Financial Statements and the Notes to the audited Consolidated Financial Statements as at and for the quarter ended June 30, 2024 provide a detailed explanation of Superior's operating results. These documents are available online on Superior's website at Superior Plus Financial Reports and on Superior's profile at SEDAR+.

2024 Second Quarter Conference Call

A conference call and webcast to discuss the 2024 second quarter financial results will be held at 10:30 AM EST on Wednesday, August 14, 2024. To register as a participant, please use the following link: Register Here. The webcast will be available for replay on Superior's website at: https://www.superiorplus.com/ under the Events section.

About Superior Plus

Superior is a leading North American distributor of propane, compressed natural gas, renewable energy and related products and services, servicing approximately 770,000 customer locations in the U.S. and Canada. Through its primary businesses, propane distribution and compressed natural gas, renewable natural gas and hydrogen distribution, Superior safely delivers fuels to residential, commercial, utility, agricultural and industrial customers not connected to a pipeline. By displacing more carbon intensive fuels, Superior is a leader in the energy transition and helping customers lower operating costs and improve environmental performance.

FOR MORE INFORMATION

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Forward-Looking Information

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

Forward-looking information in this document includes: Superior’s future financial position, expected 2024 Adjusted EBITDA, Certarus’ expected rate of growth from 2023, expected CNG market conditions and Superior’s expected Leverage Ratio for 2024.

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 expected 2024 Adjusted EBITDA and expected Leverage Ratio for 2024, 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 “Financial Outlook” sections in Superior’s 2024 Second Quarter MD&A. Additional key assumptions or risk factors with respect to the forward-looking information include, but are not limited to no material divestitures; anticipated financial performance; current business and economic trends; and the amount of future dividends paid by Superior.

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 expectations contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include risks relating to incorrect assessments of value when making acquisitions, product pricing impacts resulting from increased competition, failure to realize expected cost-savings and synergies from acquisitions, increases in debt service charges, colder average weather than anticipated, the loss of key personnel, fluctuations in foreign currency and exchange rates, fluctuations in commodity prices, increasing rates of inflation, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) our MD&A under the heading “Risk Factors” and (ii) Superior’s most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on our forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, Superior does not undertake to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

Non-GAAP Financial Measures and Ratios

Throughout this news release, Superior has identified specific terms, including ratios, that it uses that are not standardized measures under International Financial Reporting Standards (“Non-GAAP Financial Measures”) and, therefore may not be comparable to similar financial measures disclosed by other issuers. Information to reconcile these Non-GAAP Financial Measures to the most directly comparable financial measures in Superior’s annual financial statements is 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 2024 Second Quarter MD&A dated August 13, 2024, available on www.sedarplus.com.

Adjusted EBITDA is consistent with the Segment profit (loss) disclosed in Note 18 Reportable Segment Information of the interim consolidated financial statements for the three months ended June 30, 2024. Adjusted EBITDA from operations is the sum of U.S. Propane, Canadian Propane, Wholesale Propane and Certarus Segment profit (loss). Adjusted EBITDA per share is calculated by dividing Adjusted EBITDA by the weighted average shares assuming the exchange of the issued and outstanding preferred shares into common shares. 2023 Pro Forma Adjusted EBITDA is used to provide 2024 guidance and only includes a pro forma adjustment related to Certarus for the period of January 1, 2023 to the date of the acquisition on May 31, 2023.

Superior changed the definition of Adjusted EBITDA from its historical definition to exclude the realized gains (losses) on foreign currency forward contracts and include unrealized gains (losses) related to equity derivatives. The foreign currency forward contracts were used to provide a hedge on the translation of U.S. denominated Adjusted EBITDA to Canadian dollars. As a result of the change in presentation currency, management is no longer hedging U.S. denominated Adjusted EBITDA and is excluding these realized gains (losses) from Adjusted EBITDA as there is no longer an offsetting gain (loss) on the translation of U.S. denominated Adjusted EBITDA. Management is currently not entering into similar instruments related to the translation of Canadian denominated Adjusted EBITDA. This change has been made retrospectively. In addition to the change in presentation currency, effective January 1, 2024 Superior implemented hedge accounting for Superior's long-term incentive plan and related equity derivatives, and now includes these unrealized gains/losses as part of Adjusted EBITDA. The intention of this change in accounting policy is to reduce some of the volatility related to changes in Superior's share price on the long-term incentive costs.

Adjusted EBTDA is calculated as Adjusted EBITDA less cash interest expense. Cash interest expense is the sum of interest on borrowings and interest on lease liability which are found in Note 14 Supplemental Disclosure of Consolidated Statements of Net Earnings (Loss) in the interim consolidated financial statements for the three months ended June 30, 2024. Cash interest expense for the three and six months ended June 30, 2024 and three and six months ended June 30, 2023 was $24.5 million, $50.8 million, $20.0 million and $38.4 million, respectively. Adjusted EBTDA per share is calculated by dividing Adjusted EBTDA by the weighted average shares assuming the exchange of the issued and outstanding preferred shares into common shares.

Leverage Ratio is determined by dividing Superior's Net Debt by its Pro Forma Adjusted EBITDA, both of these components are Non-GAAP Financial Measures. Proforma Adjusted EBITDA is Adjusted EBITDA calculated on a 12-month basis giving effect to acquisitions adjusted to the first day of the calculation period. Proforma Adjusted EBITDA was calculated by taking the sum of the six months ended June 30, 2024 Adjusted EBITDA ($278.9 million) and the 2023 annual Adjusted EBITDA ($414.7 million) and subtracting the six months ended June 30, 2023 Adjusted EBITDA ($233.8 million). Net Debt is calculated as the sum of borrowings before deferred financing fees ($1,594.4 million) and lease liabilities ($169.8 million) reduced by cash and cash equivalents ($30.0 million) as at June 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

This Management's Discussion and Analysis ("MD&A") contains information about the performance and financial position of Superior Plus Corp. ("Superior") as at and for the three and six months ended June 30, 2024 and 2023, as well as forward-looking information about future periods. The information in this MD&A is current to August 13, 2024, and should be read in conjunction with Superior's unaudited condensed consolidated financial statements and notes thereto as at and for the three and six months ended June 30, 2024 and 2023.

The accompanying unaudited condensed consolidated financial statements of Superior were prepared by and are the responsibility of Superior's management. Superior's unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2024 and 2023 were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All financial amounts in this MD&A are expressed in millions of United States dollars except where otherwise noted. All tables are for the three and six months ended June 30 of the period indicated, unless otherwise stated. This MD&A includes forward-looking statements and assumptions. See "Forward-Looking Information" for more details.

Non-GAAP Financial Measures

Throughout the MD&A, Superior has used the following terms that are not defined under IFRS, which are used by management to evaluate the performance of Superior and its businesses: Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") from operations, Adjusted EBITDA, Operating Costs, Net Debt, Leverage Ratio, Pro Forma Adjusted EBITDA, 2023 Pro Forma Adjusted EBITDA and Adjusted Gross Profit. These measures may also be used by investors, financial institutions and credit rating agencies to assess Superior's performance and ability to service debt. Non-GAAP financial measures do not have standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that Non-GAAP and other financial measures are clearly defined, explained and reconciled to their most directly comparable measure presented in the (primary) financial statements. Except as otherwise indicated, these Non-GAAP financial measures are calculated and disclosed on a consistent basis from period to period. Specific items may only be relevant in certain periods.

The intent of using Non-GAAP financial measures is to provide additional useful information to investors and analysts; the measures do not have standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-GAAP financial measures differently. See "Non-GAAP Financial Measures and Reconciliations" for more information about these measures.

Forward-Looking Information

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

Forward-looking information in this document includes: future financial position, consolidated and business segment outlooks, 2024 expected Adjusted EBITDA guidance, the markets for our products and our financial results, expected Leverage ratio, business strategy and objectives, development plans and programs, organic growth, weather, commercial demand in Canada and the U.S., product pricing and sourcing, volumes and pricing, wholesale propane market fundamentals, exchange rates, expected synergies from acquisitions, expected seasonality of demand, long-term incentive plan accrual estimates and future economic conditions.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third-party industry analysts and other third-party sources, and the historic performance of Superior's businesses. Such assumptions include no material divestitures, anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, utilization of tax basis, regulatory developments, average Mobile Storage Unit "MSU" base, impacts of cost-saving initiatives, currency exchange, inflation and interest rates, future commodity prices relating to the oil and gas industry, future oil rig activity levels in the U.S. and Western Canada, trading data, cost estimates, our ability to obtain financing on acceptable terms and statements regarding net working capital and capital expenditure requirements of Superior, the assumptions set forth under the "Financial Outlook" sections in this MD&A. Superior cautions that such assumptions could prove to be incorrect or inaccurate. The forward-looking information is also subject to the risks and uncertainties set forth below.

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 expectations contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include risks relating to incorrect assessments of value when making acquisitions, failure to realize expected cost-savings and synergies from acquisitions, increases in debt service charges, colder average weather than anticipated, the loss of key personnel, fluctuations in foreign currency and exchange rates, fluctuations in commodity prices, increasing rates of inflation, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) this MD&A under "Risk Factors to Superior" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on Superior's forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, 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.

Overview of Superior and Basis of Presentation

Superior consists of the following four reportable segments: U.S. Retail Propane Distribution ("U.S. Propane"), Canadian Retail Propane Distribution ("Canadian Propane"), North American Wholesale Propane Distribution ("Wholesale Propane") and Certarus Ltd. ("Certarus"). The U.S. Propane segment distributes propane gas and liquid fuels primarily in the Eastern United States and California; and, to a lesser extent, the Midwest to residential and commercial customers. The Canadian Propane segment distributes propane gas and liquid fuels across Canada to residential and commercial customers. The Wholesale Propane segment distributes propane gas and other natural gas liquids across Canada and the U.S. to wholesale customers and supplies the majority of propane gas required by the Canadian Propane segment and a portion of the propane gas required by the U.S. Propane segment. Certarus is a comprehensive low carbon energy solution provider engaged in the business of transporting and selling compressed natural gas ("CNG"), renewable natural gas ("RNG") and hydrogen. Certarus' principal business is supplying fuel for large-scale industrial and commercial customers in the United States and Canada. Superior acquired all the issued and outstanding shares of Certarus on May 31, 2023.

Effective January 1, 2024, Superior elected to change its presentation currency from Canadian dollars to U.S. dollars. The Company applied the change to a U.S. dollar presentation currency retrospectively and restated the comparative 2023 financial information as if the U.S. dollar had been used as the reporting currency. Amounts denominated in Canadian dollars are denoted with "C$" immediately prior to the stated amount. In addition, Superior now reports sales volumes for the Propane distribution segments in millions of U.S. gallons instead of litres using the conversion rate of 3.785 litres to a gallon.

HIGHLIGHTS

- Second quarter 2024 Adjusted EBITDA(1) of $43.3 million represents a 47% increase from the prior year quarter, primarily due to the full quarter contribution from Certarus
- Adjusted EBITDA per share of $0.16 for Q2 2024 QTD and $1.00 YTD represents accretion of 33% and 2%, respectively
- Canadian Propane achieved growth of 4% in Q2 2024 compared to the prior year despite the contribution from the divested Northern Ontario assets being included in the prior year
- Net loss of $45.3 million in Q2 2024 compared to a net loss of $29.2 million in the prior year primarily due to an unrealized gain on financial and non-financial derivatives in the prior year compared to an unrealized loss in the current year, partially offset by the full quarter impact of Certarus and a lower deferred tax recovery compared to the prior year
- Confirming 2024 Adjusted EBITDA(1) growth expectation of ~5% compared to 2023 Pro Forma Adjusted EBITDA(1)
- Effective January 1, 2024, Superior began reporting results in U.S. dollars to improve year over year comparability given foreign exchange fluctuations, as the majority of its business activities are denominated in U.S. dollars.

(1) These amounts are Non-GAAP financial measures and/or Non-GAAP ratios, see "Non-GAAP financial measures and Reconciliations" on page 26 for more information.

Financial Results

The following summary contains certain Non-GAAP financial information. See “Non-GAAP Financial Measures and Reconciliations” on page 26 for more information about these measures.

Summary of Adjusted EBITDA

	Three Months Ended		Six Months Ended	
		June 30		June 30
(millions of dollars, except per share amounts)	**2024**	2023	**2024**	2023
U.S. Propane Adjusted EBITDA [(1)]	**9.8**	13.7	**141.2**	143.8
Canadian Propane Adjusted EBITDA [(1)]	**10.5**	10.1	**51.6**	58.8
Wholesale Propane Adjusted EBITDA [(1)]	**2.8**	4.0	**19.9**	33.7
Certarus Adjusted EBITDA [(1,4)]	**27.2**	9.5	**78.7**	9.5
Adjusted EBITDA from operations [(1)]	**50.3**	37.3	**291.4**	245.8
Corporate operating costs [(1)]	**(7.0)**	(7.8)	**(12.5)**	(12.0)
Adjusted EBITDA [(1)]	**43.3**	29.5	**278.9**	233.8
Adjusted EBITDA per share [(1)(2)]	**$0.16**	$0.12	**$1.00**	$0.98
Adjusted EBTDA per share [(1)(2)]	**$0.07**	$0.04	**$0.82**	$0.82
Dividends declared per common share	**C$0.18**	C$0.18	**C$0.36**	C$0.36
Volumes				
U.S. Propane *(millions of gallons)*	**54**	64	**194**	218
Canadian Propane *(millions of gallons)*	**54**	56	**145**	165
Wholesale Propane *(millions of gallons)* [(3)]	**63**	79	**185**	211
Certarus *(thousands of million British thermal units "MMBtu")* [(3)]	**7,012**	2,035	**15,063**	2,035
Leverage ratio [(1)]			**3.8x**	3.6x
Capital expenditures	**30.4**	22.1	**68.4**	44.3
Proceeds on dispositions	**(0.9)**	(2.7)	**(4.0)**	(3.6)
Investment in leased assets	**6.9**	8.7	**11.1**	15.2
Net (loss) earnings for the period	**(45.3)**	(29.2)	**39.9**	80.1
Net (loss) earnings per share attributable to Superior - basic and diluted	**($0.20)**	($0.16)	**$0.12**	$0.33

(1) These amounts are Non-GAAP financial measures and/or Non-GAAP ratios, see “Non-GAAP financial measures and Reconciliations” on page 26 for more information.

(2) The weighted average number of shares outstanding for the three and six months ended June 30, 2024 was 278.6 million (three and six months ended June 30, 2023 was 247.3 million and 239.0 million respectively). The weighted average number of shares assumes the exchange of the issued and outstanding preferred shares into common shares. There were no other dilutive instruments for the three and six months ended June 30, 2024 and 2023.

(3) Represents sales to third-parties and excludes sales volumes to the Canadian and U.S. Propane segments.

(4) Certarus 2023 Adjusted EBITDA and volumes are from the date of acquisition to June 30, 2023.

Results for the three months ended June 30, 2024

Adjusted EBITDA for the three months ended June 30, 2024 was $43.3 million, an increase of $13.8 million or 47% compared to the prior year quarter Adjusted EBITDA of $29.5 million. The increase is primarily due to higher Adjusted EBITDA from operations and to a lesser extent lower corporate costs. Adjusted EBITDA from operations increased by $13.0 million compared to the prior year quarter primarily due to the full quarter impact of the Certarus acquisition, partially offset by lower Adjusted EBITDA from operations in the propane distribution segments. Certarus contributed $27.2 million in Adjusted EBITDA for the three months ended June 30, 2024.

U.S. Propane Adjusted EBITDA was $9.8 million, a decrease of $3.9 million or 28% primarily due to the impact of the divestiture in the prior year and lower sales volumes due to warmer weather.

Canadian Propane Adjusted EBITDA was $10.5 million, an increase of $0.4 million or 4% primarily due to the impact of higher average unit margins, partially offset by the impact of divesting the Northern Ontario assets.

Wholesale Propane Adjusted EBITDA was $2.8 million, a decrease of $1.2 million or 30% primarily due to decreased sales demand.

Certarus Adjusted EBITDA was $27.2 million, an increase of $17.7 million primarily due to the impact of the acquisition closing on May 31, 2023 and the comparative figures not representing a full quarter of results. On a pro-forma basis Certarus Adjusted EBITDA decreased $2.6 million, from $29.8 million, despite growing delivered volumes by over 15% as a result of pricing pressure from increased competition in the oil and gas segment.

Corporate operating costs were $7.0 million compared to $7.8 million in the prior year quarter. The decrease is due to onboarding costs related to the change in management in the prior year partially offset by higher incentive plan costs in the current period.

Results for the six months ended June 30, 2024

Adjusted EBITDA for the six months ended June 30, 2024 was $278.9 million, an increase of $45.1 million or 19% compared to the prior comparable period Adjusted EBITDA of $233.8 million. The increase is primarily due to higher Adjusted EBITDA from operations and to a lesser extent lower corporate costs. Adjusted EBITDA from operations increased by $45.6 million compared to the comparable period primarily due to Certarus, partially offset by lower Adjusted EBITDA from operations in the propane distribution segments. Certarus contributed $78.7 million in Adjusted EBITDA for the six months ended June 30, 2024.

U.S. Propane Adjusted EBITDA was $141.2 million, a decrease of $2.6 million or 2% primarily due to the impact of warmer weather on sales volumes and the divestiture in the prior year partially offset by higher average unit margins.

Canadian Propane Adjusted EBITDA was $51.6 million, a decrease of $7.2 million or 12% primarily due to the impact of divesting the Northern Ontario assets, and warm weather in the first quarter partially offset by higher average unit margins and the timing of selling carbon credits.

Wholesale Propane Adjusted EBITDA was $19.9 million, a decrease of $13.8 million or 41% primarily due to weaker market differentials compared to the prior comparable period and decreased sales demand due to the warmer weather.

Certarus Adjusted EBITDA was $78.7 million, an increase of $69.2 million primarily due to the impact of the acquisition closing on May 31, 2023 and the comparative figures only representing one month of earnings.

Corporate operating costs were $12.5 million compared to $12.0 million in the prior year to date. The increase is due to higher incentive plan costs in the current period as a result of changes in Superior's share price partially offset by the impact of management onboarding costs incurred in the prior comparable period related to the change in management in the prior year quarter.

Results of Superior's Operating Segments

Superior's operating segments consists of U.S. Propane, Canadian Propane, Wholesale Propane, Certarus and Corporate.

U.S. Propane

U.S. Propane's operating results:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2024**	2023	**2024**	2023
Revenue	**160.4**	196.3	**591.3**	700.4
Cost of Sales	**(71.0)**	(94.6)	**(269.8)**	(346.1)
Gross profit	**89.4**	101.7	**321.5**	354.3
Realized (loss) gain on derivatives related to commodity risk management[(1)]	**–**	(4.0)	**3.2**	(18.0)
Adjusted gross profit[(2)]	**89.4**	97.7	**324.7**	336.3
SD&A	**(111.1)**	(119.7)	**(248.5)**	(266.8)
Add back (deduct):				
Amortization and depreciation included in SD&A[(3)]	**29.6**	32.6	**60.3**	67.2
Transaction, restructuring and other costs[(3)]	**2.1**	2.8	**4.8**	6.9
(Gain) loss on disposal of assets [(3)]	**(0.2)**	0.3	**(0.1)**	0.2
Operating costs[(2)]	**(79.6)**	(84.0)	**(183.5)**	(192.5)
Adjusted EBITDA[(2)]	**9.8**	13.7	**141.2**	143.8
Add back (deduct):				
Loss (gain) on disposal of assets [(3)]	**0.2**	(0.3)	**0.1**	(0.2)
Transaction, restructuring and other costs [(3)]	**(2.1)**	(2.8)	**(4.8)**	(6.9)
Amortization and depreciation included in SD&A [(3)]	**(29.6)**	(32.6)	**(60.3)**	(67.2)
Unrealized gain (loss) on derivative financial instruments	**1.7**	(8.5)	**10.3**	7.9
Finance expense	**(1.5)**	(1.5)	**(3.2)**	(3.2)
(Loss) earnings before income tax	**(21.5)**	(32.0)	**83.3**	74.2

(1) Realized gain (loss) on derivatives related to commodity risk management are reconciled to gains (losses) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and Reconciliations" on page 26 for more information.

(2) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and Reconciliations" on page 26 for more information.

(3) The sum of the above amounts and the balances included in the Canadian Propane, Wholesale Propane, Certarus and the Corporate segments are included in SD&A and are disclosed in Note 14 or Note 18 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2024 and 2023.

U.S. Propane Adjusted Gross Profit

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2024**	2023	**2024**	2023
Propane distribution [1]	**85.5**	97.0	**312.7**	344.0
Realized (loss) gain on derivatives related to commodity risk management[1]	**–**	(4.0)	**3.2**	(18.0)
Adjusted gross profit related to propane distribution	**85.5**	93.0	**315.9**	326.0
Other services [1]	**3.9**	4.7	**8.8**	10.3
Adjusted gross profit [2]	**89.4**	97.7	**324.7**	336.3

[1] The sum of propane distribution and other services agrees to segment disclosure in the unaudited condensed consolidated financial statements. Realized gain (loss) on derivatives related to commodity risk management are reconciled to gains (losses) on derivatives and foreign currency translation of borrowings, see "Non-GAAP financial measures and Reconciliations" on page 26 for more information.
[2] Adjusted gross profit from operations is a Non-GAAP financial measure. See "Non-GAAP financial measures and Reconciliations" on page 26 for more information.

U.S. Propane Sales Volumes
End-Use Application

	Three Months Ended June 30		Six Months Ended June 30	
(millions of gallons)	**2024**	2023	**2024**	2023
Residential	**24**	28	**106**	119
Commercial	**30**	36	**88**	99
Total	**54**	64	**194**	218

Volumes by Region [1]

	Three Months Ended June 30		Six Months Ended June 30	
(millions of gallons)	**2024**	2023	**2024**	2023
Northeast	**35**	43	**128**	148
Southeast	**7**	8	**30**	29
Midwest	**4**	4	**15**	15
West	**8**	9	**21**	26
Total	**54**	64	**194**	218

[1] Includes propane and other liquid fuels sold in over twenty-four states in the following regions: Northeast region consists of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia; Southeast region consists of North Carolina, South Carolina, Georgia, Tennessee, Florida, Alabama; Midwest region consists of Ohio, Michigan, Minnesota; West region consists primarily of California, Arizona and Nevada.

Revenue for the three months ended June 30, 2024 was $160.4 million, a decrease of $35.9 million or 18% from the prior year quarter primarily due to the impact of divesting specific, less profitable, distillate assets in the prior year, the impact of exiting a warmer first and second quarter on timing of deliveries and lower wholesale commodity prices compared to the prior year quarter, partially offset by price increases to offset the impact of inflation.

Total sales volumes were 54 million gallons, a decrease of 10 million gallons or 16% due primarily to divesting specific, less profitable, distillate assets in the prior year and timing of deliveries. Average weather, as measured by degree days, across markets where U.S. propane operates for the quarter was 15% warmer than the prior year and the five-year average. Weather variances are much less impactful in the second and third quarters because there is much less demand from heating end-use customers. Weather variances in the second quarter do not have a significant impact on total annual sales volumes.

Adjusted gross profit related to propane distribution for the three months ended June 30, 2024 was $85.5 million, a decrease of $7.5 million or 8% from the prior year quarter primarily due the impact of divesting specific, less profitable, distillate assets in the prior year partially offset by higher average sales margins.

U.S. Propane average sales margins were $1.58 per gallon, an increase of 0.13 cents or 9% from $1.45 per gallon in the prior year quarter primarily due to a higher proportion of propane customers in the customer base and the impact of increased fees to offset the impact of inflation.

Other services gross profit primarily includes equipment rental, installation, repair and maintenance charges. Other services gross profit was $3.9 million, a decrease of $0.8 million or 17% over the prior year quarter primarily due to the impact of the heating oil divestiture in the prior year.

Operating costs were $79.6 million, a decrease of $4.4 million or 5% over the prior year quarter primarily due to the impact of the divestiture in the prior year, cost saving initiatives and lower volume-related expenses partially offset by the impact of inflation on costs.

SD&A includes amortization, depreciation and transaction, restructuring and other costs whereas operating costs exclude these expenses and is used in the determination of Adjusted EBITDA. SD&A was $111.1 million, a decrease of $8.6 million or 7% over the prior year quarter. The decrease is consistent with the decrease in operating costs as well as lower transaction, restructuring and other costs and to a lesser extent lower amortization and depreciation expense due to the divestiture of distillate assets in the prior year.

Loss before income tax was $21.5 million, a decrease of $10.5 million over the prior year quarter loss of $32.0 million due to the reasons described above and the impact of an unrealized gain on derivative financial instruments compared to a loss in the prior year quarter.

Financial Outlook

U.S. Propane Adjusted EBITDA in 2024 is anticipated to be higher than 2023 despite the impact of warmer weather on first quarter result. The expected increase is based primarily on the assumption that average weather will be consistent with the five-year average for the remainder of 2024 in the Eastern U.S., upper Midwest and California, as measured by degree days, and optimizing customer pricing and cost-saving initiatives partially offset by the impact of the divestiture in the prior year and the impact of inflationary pressures on operating costs.

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

CANADIAN PROPANE

Canadian Propane's operating results:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2024**	2023	**2024**	2023
Revenue	**104.4**	113.2	**293.8**	342.8
Cost of Sales	**(53.7)**	(60.7)	**(155.4)**	(193.1)
Gross profit	**50.7**	52.5	**138.4**	149.7
SD&A	**(54.5)**	(54.7)	**(117.4)**	(116.6)
Add back (deduct):				
Amortization and depreciation included in SD&A [1]	**13.9**	13.5	**27.1**	26.6
Transaction, restructuring and other costs [1]	**0.8**	0.2	**4.0**	0.4
(Gain) on disposal of assets [1]	**(0.4)**	(1.4)	**(0.5)**	(1.3)
Operating costs[2]	**(40.2)**	(42.4)	**(86.8)**	(90.9)
Adjusted EBITDA[2]	**10.5**	10.1	**51.6**	58.8
Add back (deduct):				
Gain on disposal of assets [1]	**0.4**	1.4	**0.5**	1.3
Transaction, restructuring and other costs[1]	**(0.8)**	(0.2)	**(4.0)**	(0.4)
Amortization and depreciation included in SD&A[1]	**(13.9)**	(13.5)	**(27.1)**	(26.6)
Finance expense	**(0.7)**	(0.6)	**(1.5)**	(1.2)
(Loss) earnings before income tax	**(4.5)**	(2.8)	**19.5**	31.9

(1) The sum of the above amounts and the balances included in the U.S. Propane, Wholesale Propane, Certarus and Corporate segments are included in SD&A and are disclosed in Note 14 or Note 18 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2024 and 2023.

(2) Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See "Non-GAAP financial measures and Reconciliations" on page 26 for more information.

Canadian Propane Gross Profit

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2024**	2023	**2024**	2023
Propane distribution	**48.2**	49.7	**133.1**	144.4
Other services	**2.5**	2.8	**5.3**	5.3
Gross profit	**50.7**	52.5	**138.4**	149.7

Canadian Propane Sales Volumes

Volumes by End-Use Application

(millions of gallons)	Three Months Ended June 30 **2024**	2023	Six Months Ended June 30 **2024**	2023
Residential	**7**	7	**23**	26
Commercial	**47**	49	**122**	139
Total	**54**	56	**145**	165

Volumes by Region [(1)]

(millions of gallons)	Three Months Ended June 30 **2024**	2023	Six Months Ended June 30 **2024**	2023
Western Canada	**25**	22	**70**	70
Eastern Canada	**20**	24	**52**	70
Atlantic Canada	**9**	10	**23**	25
Total	**54**	56	**145**	165

(1) Regions: Western Canada region consists of British Columbia, Alberta, Saskatchewan, Manitoba, Yukon, Alaska and Northwest Territories; Eastern Canada region consists of Ontario and Quebec; Atlantic Canada region consists of New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island.

Revenue for the three months ended June 30, 2024 was $104.4 million, a decrease of $8.8 million or 8% from the prior year quarter primarily due to lower sales volumes and to a lesser extent lower wholesale commodity prices and the impact of the stronger U.S. dollar on the translation of Canadian denominated transactions, partially offset by price increases.

Total sales volumes were 54 million gallons, a decrease of 2 million gallons or 4%. Average weather across Canada, as measured by degree days was 5% colder than the prior year and 9% warmer than the five-year average. Western Canada was 21% colder than the prior year while Eastern Canada was 13% warmer than the prior year. Weather variances are much less impactful in the second and third quarters because there is much less demand from heating end-use customers. Weather variances in the second quarter do not have a significant impact on total annual sales volumes. Residential sales volumes were consistent with the prior year quarter. Commercial sales volumes decreased by 2 million gallons or 4% primarily due to the impact of the divestiture in the prior year.

Gross profit related to propane distribution for the three months ended June 30, 2024 was $48.2 million, a decrease of $1.5 million or 3% from the prior year quarter due to lower sales volumes primarily due to the impact of the divestiture in the prior year.

Average propane sales margins were $0.89 per gallon, consistent with the prior year quarter primarily due to price increases to offset inflation being offset by the impact of the weaker Canadian dollar.

Other services gross profit primarily includes equipment rental, installation, repair and maintenance and customer minimum use charges. Other services gross profit was $2.5 million, a decrease of $0.3 million from the prior year quarter of $2.8 million primarily due to the impact of the divestiture in the prior year.

Operating costs were $40.2 million, a decrease of $2.2 million or 5% compared to the prior year quarter. The decrease in operating costs was primarily due to the impact of the divestiture in the prior year, cost-saving initiatives and to a lesser extent the impact of the strong U.S. dollar on the translation of Canadian denominated transactions partially offset by the impact of inflation.

SD&A includes amortization, depreciation and transaction, restructuring and other costs whereas operating costs excludes these expenses and is used in the determination of Adjusted EBITDA. SD&A was $54.5 million, a decrease of $0.2 million over the prior year quarter. The decrease is consistent with the decrease in operating costs and the impact of a larger gain on disposal of assets in the prior year quarter partially offset by increased transaction and restructuring costs.

Loss before income tax was $4.5 million, an increase of $1.7 million over a loss in the prior year quarter of $2.8 million due to the above reasons.

Financial Outlook

Canadian Propane Adjusted EBITDA in 2024 is anticipated to be lower than 2023 primarily due to the divestiture of the Northern Ontario business as a result of the Certarus Acquisition, the impact of warmer weather on first quarter results and the impact of inflation on costs, partially offset by higher average margins. The average weather for the remainder of 2024, as measured by degree days, is expected to be consistent with the five-year average.

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

WHOLESALE PROPANE

Wholesale Propane’s operating results:

	Three Months Ended June 30		**Six Months Ended June 30**	
(millions of dollars)	**2024**	2023	**2024**	2023
Revenue	**123.9**	157.7	**397.2**	521.2
Cost of Sales	**(113.5)**	(140.0)	**(355.1)**	(453.0)
Gross profit	**10.4**	17.7	**42.1**	68.2
Realized gain (loss) on derivatives related to commodity risk management [1]	**1.4**	(1.5)	**0.1**	(6.3)
Adjusted gross profit[2]	**11.8**	16.2	**42.2**	61.9
SD&A	**(12.2)**	(15.2)	**(29.9)**	(34.5)
Add back (deduct):				
Amortization and depreciation included in SD&A [3]	**3.3**	2.7	**7.0**	5.9
Transaction, restructuring and other costs [3]	**(0.2)**	0.3	**–**	0.4
Loss on disposal of assets [3]	**0.1**	–	**0.6**	–
Operating costs[2]	**(9.0)**	(12.2)	**(22.3)**	(28.2)
Adjusted EBITDA[2]	**2.8**	4.0	**19.9**	33.7
Add back (deduct):				
Loss on disposal of assets [3]	**(0.1)**	–	**(0.6)**	–
Transaction, restructuring and other costs[3]	**0.2**	(0.3)	**–**	(0.4)
Amortization and depreciation included in SD&A[3]	**(3.3)**	(2.7)	**(7.0)**	(5.9)
Unrealized (loss) gain on derivative financial instruments	**(0.4)**	(1.7)	**2.2**	7.5
Finance expense	**(0.3)**	(0.1)	**(0.7)**	(0.2)
(Loss) earnings before income tax	**(1.1)**	(0.8)	**13.8**	34.7

(1) Realized gain (loss) on derivatives related to commodity risk management are reconciled to gains (losses) on derivatives and foreign currency translation of borrowings, see “Non-GAAP financial measures and Reconciliations” on page 26 for more information.

(2) Adjusted Gross Profit, Adjusted EBITDA and Operating Costs are Non-GAAP financial measures. See “Non-GAAP financial measures and Reconciliations” on page 26 for more information.

(3) The sum of the above amounts and the balances included in the U.S. Propane, Canadian Propane, Certarus and Corporate segments are included in SD&A and are disclosed in Note 14 or Note 18 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2024 and 2023.

Wholesale Propane Sales Volumes

	Three Months Ended June 30		Six Months Ended June 30	
(millions of gallons)	**2024**	2023	**2024**	2023
Third party sales volumes				
United States	**53**	70	**151**	182
Canada	**10**	9	**34**	29
	63	79	**185**	211
Sales volumes to the Canadian Propane and US Propane segments	**60**	65	**169**	193
Total	**123**	143	**354**	403

Revenue for the three months ended June 30 2024 was $123.9 million, a decrease of $33.8 million or 21% from the prior year quarter primarily due to lower sales volumes and lower commodity prices.

Total third-party sales volumes were 63 million gallons, a decrease of 16 million gallons or 20% from the prior year quarter, primarily due to less demand as a result of warmer weather.

Adjusted gross profit was $11.8 million, a decrease of $4.4 million or 27% from the prior year quarter primarily due to lower average unit margins associated with weaker wholesale propane market fundamentals compared to the prior year quarter and the impact of lower sales volumes.

Average propane sales margins, including the impact of sales to other divisions, was 9.6 cents per gallon, a decrease of 1.7 cents or 15% from 11.3 cents per gallon in the prior year quarter primarily due to weaker market fundamentals in California and, to a lesser extent, Canada compared to the prior year quarter.

Operating costs were $9.0 million, a decrease of $3.2 million or 26% compared to the prior year quarter primarily due to lower volume related costs and to a lesser extent cost savings associated with the completion of integrating a prior acquisition, partially offset by the impact of inflation.

SD&A includes amortization, depreciation and transaction, restructuring and other costs whereas operating costs exclude these expenses and is used in the determination of Adjusted EBITDA. SD&A for the three months ended June 30, 2024 was $12.2 million, a decrease of $3.0 million or 20% over the prior year quarter. The decreased SD&A was consistent with the decrease in operating costs.

Loss before income tax was $1.1 million, an increase of $0.3 million over the prior year quarter loss of $0.8 million, for the above reasons partially offset by the impact of a smaller unrealized loss on derivatives in the current year quarter compared to the prior year quarter.

Financial Outlook

Wholesale Propane Adjusted EBITDA in 2024 is anticipated to be lower than 2023 due primarily to lower unit margins as a result of the strong market fundamentals realized in 2023. The average weather for the remainder of 2024, as measured by degree days, is anticipated to be consistent with the five-year average.

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

CERTARUS

Certarus' operating results for the three and six months ended June 30, 2024 and from the date of acquisition, May 31, 2023, to June 30, 2023 are as follows:

(millions of dollars except per MSU amounts)	**June 30, 2024** Three months ended		Six months ended		**Date of acquisition to June 30, 2023**	
		$ per MSU(1)		**$ per MSU(1)**		$ per MSU(1)
Revenue	**93.1**	**123**	**225.6**	**300**	33.5	51
Cost of Sales	**(8.4)**	**(11)**	**(27.2)**	**(36)**	(5.0)	(8)
Gross profit	**84.7**	**112**	**198.4**	**264**	28.5	43
SD&A	**(76.3)**	**(101)**	**(157.0)**	**(209)**	(26.6)	(41)
Add back (deduct):						
Amortization and depreciation included in SD&A	**18.7**	**25**	**36.8**	**49**	6.2	9
Transaction, restructuring and other costs	**–**	–	**–**	**–**	0.2	–
Loss on disposal of assets	**0.1**	–	**0.5**	**1**	1.2	2
Operating costs(1)	**(57.5)**	**(76)**	**(119.7)**	**(159)**	(19.0)	(30)
Adjusted EBITDA(1)	**27.2**	**36**	**78.7**	**105**	9.5	13
Add back (deduct):						
Loss on disposal of assets	**(0.1)**	**–**	**(0.5)**	**(1)**	(1.2)	(2)
Transaction, restructuring and other costs	**–**	**–**	**–**	**–**	(0.2)	–
Amortization and depreciation included in SD&A	**(18.7)**	**(25)**	**(36.8)**	**(49)**	(6.2)	(9)
Unrealized gain on foreign currency translation	**(0.2)**	**–**	**0.6**	**1**	–	–
Finance expense	**(0.4)**	**(1)**	**(0.7)**	**(1)**	–	–
Earnings before income tax	**7.8**	**10**	**41.3**	**55**	1.9	2

(1) Adjusted EBITDA, Operating Costs and per mobile storage unit ("MSU") amounts are Non-GAAP financial measures. See "Non-GAAP financial measures and Reconciliations" on page 26 for more information.

Certarus Gross Profit

(millions of dollars)	**June 30,2024** Three months ended	**Six months ended**	Date of acquisition to June 30, 2023
Direct gas distribution	**64.8**	**142.8**	22.3
Ancillary services	**19.9**	**55.6**	6.2
Gross profit	**84.7**	**198.4**	28.5

Certarus Sales Volumes

Volumes by Region

(thousands of MMBtu)	**June 30,2024** Three months ended	**Six months ended**	Date of acquisition to June 30, 2023
United States	**5,850**	**12,064**	1,724
Canada	**1,162**	**2,999**	311
Total	**7,012**	**15,063**	2,035

Revenue for the three months ended June 30, 2024 was $93.1 million an increase of $59.6 million from the prior year quarter primarily due to the impact of the acquisition closing on May 31, 2023 and the comparative figures not representing a full quarter of results. Included in revenue is sales related to natural gas distribution and ancillary services which consists of equipment rentals, standby services and take-or-pay arrangements. Cost of sales primarily consists of the cost of the commodity being distributed and excludes distribution costs, vehicle costs, salaries and wages and other costs related to the operations of the various satellite locations. These costs are included in operating costs and SD&A.

Gross profit related to direct natural gas distribution for the three months ended June 30, 2024 was $64.8 million an increase of $43.2 million from the prior year quarter primarily due to the impact of acquisition closing on May 31, 2023 and the comparative figures not representing a full quarter of results. Total sales volumes for the three months ended June 30, 2024 was 7,012 MMBtu resulting in an average direct natural gas distribution sales margin of $9.24 per MMBtu compared to $10.61 per MMBtu in the prior year quarter. The decrease is due to the impact of the acquisition closing on May 31, 2023 and the comparative figures not representing a full quarter of results partially offset by the impact of competition on pricing in the oil and gas sector.

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

Certarus delivers to its customers safely and cost effectively through their platform of MSUs. As at June 30, 2024 Certarus had 770 MSUs an increase of 41 MSUs from December 31, 2023.

Operating costs for the three months ended June 30, 2024 was $57.5 million an increase $38.5 million from the prior year quarter primarily due to the impact of the acquisition closing on May 31, 2023 and the comparative figures not representing a full quarter of results. Operating costs include the cost to operate various satellite locations, distribute natural gas from the pipeline to the customer, vehicle costs and all other selling and administrative costs.

SD&A includes amortization, depreciation and transaction, restructuring and other costs whereas operating costs exclude these expenses and is used in the determination of Adjusted EBITDA. SD&A for the three months ended June 30, 2024 was $76.3 million an increase of $49.7 million from the prior year quarter primarily due to the impact of the acquisition closing on May 31, 2023 and the comparative figures not representing a full quarter of results.

Earnings before income tax was $7.8 million for the three months ended June 30, 2024 compared to $1.9 million in the prior year quarter for the aforementioned reasons.

Financial Outlook
Certarus' Adjusted EBITDA for 2024 is anticipated to be higher than its Pro Forma Adjusted EBITDA in 2023 as a result of the continued investment in the segment. Superior estimates that Certarus' average MSU count will increase to approximately 780 MSUs in 2024.

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

CORPORATE OPERATING COSTS

A reconciliation between corporate SD&A and corporate operating costs is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	**2024**	2023
Corporate SD&A	**(5.9)**	(20.9)	**(13.6)**	(26.5)
Add back (deduct):				
Amortization and depreciation included in	**0.1**	0.3	**0.2**	0.4
Transaction, restructuring and other costs [1]	**0.5**	12.8	**1.4**	14.1
Unrealized gain on equity hedges	**(1.7)**	-	**(0.5)**	-
Corporate operating costs [2]	**(7.0)**	**(7.8)**	**(12.5)**	**(12.0)**

(1) The sum of the above amounts and the balances included in the U.S. Propane, Canadian Propane, Certarus and the Corporate segments are included in SD&A and are disclosed in Note 14 or Note 18 of the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2024 and 2023.

(2) Operating costs are Non-GAAP financial measures. See "Non-GAAP financial measures and Reconciliations" on page 26 for more information.

Corporate operating costs for the three months ended June 30, 2024 were $7.0 million a decrease of $0.8 million compared to $7.8 million in the prior year quarter. The decrease is primarily due to on boarding costs related to the change in management and an insurance provision in the prior year quarter partially offset by higher long-term incentive plan costs as a result of fluctuations in the share price causing a reduction in the prior year. In the current year management has adopted hedge accounting for a portion of Superior's long-term incentive plan to minimize these fluctuations on a go-forward basis.

Corporate operating costs included in Adjusted EBITDA exclude depreciation, amortization and transaction, restructuring and other costs and included the unrealized loss (gain) on equity hedges. Corporate SD&A was $5.9 million for the three months ended June 30, 2024, a decrease of $15.0 million from $20.9 million in the prior year primarily due to lower transaction, restructuring and other costs, incurred in the prior year related to on boarding costs associated with the change in management and an insurance provision.

CONSOLIDATED CAPITAL EXPENDITURE SUMMARY

Superior's capital expenditures are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2024**	2023	**2024**	2023
U.S. Propane	**3.8**	7.2	**13.7**	21.7
Canadian Propane	**7.0**	8.5	**12.5**	14.6
Wholesale Propane	**(0.2)**	1.3	**0.1**	2.9
Certarus	**19.8**	5.1	**42.1**	5.1
Purchase of property, plant and equipment and intangible assets	**30.4**	22.1	**68.4**	44.3
Proceeds on disposition of assets	**(0.9)**	(2.7)	**(4.0)**	(3.6)
Total net capital expenditures	**29.5**	19.6	**64.4**	40.7
Investment in leased vehicles [1]	**4.1**	6.8	**9.6**	9.1
Investment in other leased assets [1]	**2.8**	1.9	**1.5**	6.1
Total expenditures including leases	**36.4**	28.1	**75.5**	55.9

(1) The sum of the leases is disclosed as additions in Note 10 of the unaudited condensed consolidated financial statements.

Total capital expenditures were $30.4 million for the three months ended June 30, 2024 compared to $22.1 million in the prior year quarter. The increase is primarily due to expenditures made by Certarus related to MSUs and ancillary equipment and is partially offset by reduced spending by Wholesale Propane and U.S. Propane and to a lesser extent Canadian Propane. Capital expenditures related to the Propane segments decreased by $6.4 million primarily due to timing of investment in tanks made in the prior comparable period and costs related to a system implementation in the Wholesale segment.

Proceeds on disposition of assets were $0.9 million for the three months ended June 30, 2024 compared to $2.7 million in the prior year quarter primarily due to proceeds received from divesting under utilized assets.

Superior entered into $4.1 million of leased vehicles for the three months ended June 30, 2024 compared to $6.8 million in the prior year quarter. The decrease is due to reduced investment in the Propane segments fleet as a result of timing partially offset by the continued growth in Certarus. Other leased assets of $2.8 million for the three months ended June 30, 2024 changed from the prior year quarter primarily due to timing of renewing property leases.

Capital expenditures were funded from a combination of operating cash flow and borrowings under the revolving-term bank credit facilities and credit provided through lease liabilities.

TRANSACTION, RESTRUCTURING AND OTHER COSTS

Superior's transaction, restructuring and other costs have been categorized together and excluded from segmented results.

For the three months ended June 30, 2024, Superior incurred $3.2 million in costs related to the continued integration of acquisitions completed in the prior years. The costs incurred in the prior year quarter of $16.3 million relate primarily to the acquisition of Certarus and to a lesser extent the integration of prior acquisitions.

FINANCIAL OVERVIEW - GAAP FINANCIAL INFORMATION

Condensed Consolidated Statements of Net Earnings

	Three Months Ended June 30		Six Months Ended June 30	
(millions of USD dollars, except per share amounts)	**2024**	2023[(1)]	**2024**	2023[(1)]
Revenue	**422.9**	432.9	**1,320.6**	1,361.7
Cost of sales (includes products and services)	**(187.7)**	(232.5)	**(620.2)**	(761.0)
Gross profit	**235.2**	200.4	**700.4**	600.7
Expenses				
Selling, distribution and administrative costs ("SD&A")	**(260.0)**	(237.1)	**(566.4)**	(471.0)
Finance expense	**(25.7)**	(21.5)	**(52.9)**	(41.0)
(Loss) gain on derivatives and foreign currency translation of borrowings	**(5.5)**	5.0	**(13.3)**	12.5
	(291.2)	(253.6)	**(632.6)**	(499.5)
(Loss)Earnings before income taxes	**(56.0)**	(53.2)	**67.8**	101.2
Income tax recovery (expense)	**10.7**	24.0	**(27.9)**	(21.1)
Net (loss) earnings for the period	**(45.3)**	(29.2)	**39.9**	80.1
Net (loss) earnings attributable to:				
Superior	**(50.0)**	(33.9)	**30.5**	70.7
Non-controlling interest	**4.7**	4.7	**9.4**	9.4
Net (loss) earnings per share attributable to Superior				
Basic and diluted	**(0.20)**	(0.16)	**0.12**	0.33
Cash flows from operating activities	**98.9**	79.9	**245.4**	338.7
Cash flows from operating activities, per share[(2)]	**0.35**	0.32	**0.88**	1.42

(1) Restated, see Note 2(a) of the unaudited Condensed Consolidated Financial Statements as at and for the three and six months ended June 30, 2024.

(2) The weighted average number of shares outstanding for the three and six months ended June 30, 2024 was 278.6 million (three and six months ended June 30, 2023 was 247.3 million 239.0 million respectively). The weighted average number of shares assumes the exchange of the issued and outstanding preferred shares into common shares. There were no other dilutive instruments for the three and six months ended June 30, 2024 and 2023.

Below is GAAP financial information not disclosed in Superior's operating segments for three months ended June 30, 2024.

Net loss for the three months ended June 30 2024 was $45.3 million, compared to a net loss of $29.1 million in the prior year quarter. The decrease in net earnings is primarily due to an unrealized gain on financial and non-financial derivatives in the prior year compared to an unrealized loss in the current year and lower gross profit in the propane distribution segment partially offset by the impact of the Certarus acquisition and to a lesser extent lower income tax expense. Basic and diluted loss per share attributable to Superior was $0.20 per share, an increase of $0.04 from a $0.16 loss per share in the prior year quarter. The increased loss per share is due to a higher net loss and is partially offset by the impact from the increase in the weighted average shares outstanding.

Finance expense was $25.7 million, an increase of $4.2 million or 20% from $21.5 million in the prior year quarter. The increase is primarily due to higher average debt balances and, to a lesser extent, higher average interest rates in the quarter. Average debt balances were higher as a result of closing the Certarus acquisition on May 31, 2023.

Gain (loss) on derivative and foreign currency translation of borrowings consists of unrealized gains (losses) on derivative financial instruments and foreign currency translation of borrowings, net of realized gains (losses) on derivative financial instruments and realized gains (losses) on settlement of U.S. denominated borrowings. The loss on derivatives and foreign currency translation of borrowings was $5.5 million for the three months ended June 30, 2024, compared to a gain of $5.0 million in the prior year quarter. The change is primarily due to changes in market prices of commodities, timing of maturities of underlying financial instruments and changes in foreign exchange rates relative to amounts hedged. For additional details, refer to Note 11 in unaudited condensed consolidated financial statements. As a result of the change in reporting currency from Canadian dollars to U.S. dollars Superior has stopped hedging its U.S. denominated based EBITDA and has therefore, excluded the $0.3 million prior year quarter realized gain on foreign currency contracts from the prior year quarter Adjusted EBITDA.

Below is GAAP financial information not disclosed in Superior's operating segments for the six months ended June 30, 2024.

Net earnings for the six months ended June 30, 2024 was $39.9 million, compared to $80.1 million in the prior comparable period. The decrease is primarily due to an unrealized gain on financial and non-financial derivatives in the prior year compared to an unrealized loss in the current year, lower gross profit in the propane distribution segment and lower income tax recovery partially offset by the impact of the Certarus acquisition. Basic and diluted loss per share attributable to Superior was $0.12 per share, a decrease of $0.21 from $0.33 per share in the prior year quarter. The decrease in earnings per share is due to lower net earnings in the period, and the impact from the increase in the weighted average shares outstanding.

Finance expense for the six months ended June 30, 2024 was $52.9 million, an increase of $11.9 million or 29% from $41.0 million in the prior comparable period. The increase is primarily due to higher average debt balances and, to a lesser extent, higher average interest rates in the quarter. Average debt balances were higher as a result of closing the Certarus acquisition on May 31, 2023.

Gain (loss) on derivative and foreign currency translation of borrowings consists of unrealized gains (losses) on derivative financial instruments and foreign currency translation of borrowings, net of realized gains (losses) on derivative financial instruments and realized gains (losses) on settlement of U.S. denominated borrowings. The loss on derivatives and foreign currency translation of borrowings for the six months ended June 30, 2024 was $13.3 million a decrease of $25.8 million compared to a gain of $12.5 million in the prior comparable period. The change is primarily due to changes in market prices of commodities, timing of maturities of underlying financial instruments and changes in foreign exchange rates relative to amounts hedged. For additional details, refer to Note 11 in unaudited condensed consolidated financial statements. As a result of the change in reporting currency from Canadian dollars to U.S. dollars Superior has stopped hedging its U.S. denominated based EBITDA and has therefore, excluded the $4.1 million realized loss on foreign currency contracts from Adjusted EBITDA for the six months ended June 30, 2024 (2023 – realized loss of $2.7 million).

INCOME TAXES

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

Total income tax recovery for the three months ended June 30, 2024 was $10.7 million, comprised of $5.8 million in current income tax expense and $16.5 million in deferred income tax recovery. This compares to a total income tax recovery of $24.0 million in the prior year quarter, which consisted of a current income tax expense of $3.5 million and $27.5 million deferred income tax recovery.

Current income tax expense for the three months ended June 30, 2024 was $5.8 million (2023 – $3.5 million), consisting of income taxes in Canada of $1.7 million (2023 – $1.5 million), in the U.S. of $3.5 million (2023 – $0.4 million) and in Hungary of $0.6 million (2023 – $1.6 million). Deferred income tax recovery for the three months ended June 30, 2024 was $16.5 million (2023 – $27.5 million recovery), resulting in a net deferred income tax liability of $157.8 million as at June 30, 2024.

LIQUIDITY AND CAPITAL RESOURCES

Debt Management Update

Superior's Leverage Ratio as at June 30, 2024 was 3.8x, compared to 3.9x at December 31, 2023. The decrease in the Leverage Ratio was due to lower Net Debt related to the seasonality of the business and the impact of the weaker Canadian dollar on the translation of Canadian denominated debt partially offset by lower Pro forma Adjusted EBITDA.

Net Debt, Pro forma Adjusted EBITDA and Leverage Ratio are Non-GAAP measures, see "Non-GAAP financial measures and Reconciliations" on page 29.

Borrowing

Superior's revolving syndicated bank facilities ("revolving credit facilities"), senior unsecured notes, lease obligations, deferred consideration and other debt (collectively "borrowing") before deferred financing fees was $1,594.4 million as at June 30, 2024, a decrease of $116.2 million from $1,710.6 million as at December 31, 2023. The decrease is primarily due to the seasonality of working capital and is partially offset by the impact of the weaker Canadian dollar on the translation of Canadian denominated debt.

Superior's total and available sources of credit as at June 30, 2024 are detailed below:

(millions of dollars)	Total Amount	Borrowing	Letters of Credit Issued	Amount Available
Revolving credit facilities[(1)]	950.4	601.2	11.4	337.8
Senior unsecured notes[(1)]	965.5	965.5	–	–
Deferred consideration and other	27.7	27.7	–	–
Lease liabilities	169.8	169.8	–	–
Total	**2,113.4**	**1,764.2**	**11.4**	**337.8**

[(1)] The revolving credit facilities, including the existing and the new credit facility, and the senior unsecured notes balances are presented before deferred financing fees, see Note 9 of the unaudited condensed consolidated financial statements. The total amount that can be borrowed under the revolving credit facilities is $950.4 million (C$1,300 million) and the available amount as of June 30, 2024 is $337.8 million (C$462.1 million).

Net Working Capital

Consolidated net working capital (deficit) was ($88.3) million as at June 30, 2024, a decrease of $47.8 million from ($40.5) million as at December 31, 2023. The decrease from December 31, 2023 is primarily due to the seasonality of its businesses and the timing of supplier payments and customer receipts. Net working capital is defined in the unaudited condensed consolidated financial statements and notes thereto as at and for the three and six months ended June 30, 2024 and 2023. See Note 18 of the unaudited condensed consolidated financial statements.

Compliance

In accordance with the credit facility, Superior must maintain certain covenants and ratios that represent Non-GAAP financial measures. Superior was in compliance with its lender covenants as at June 30, 2024, and the covenant details are found in the credit facility documents filed in www.sedarplus.ca.

Pension Plans

As at June 30, 2024, Superior's defined benefit pension plans had an estimated net defined benefit going concern surplus of approximately $3.6 million (December 31, 2023 – surplus $3.7 million) and a net pension solvency surplus of approximately $3.8 million (December 31, 2023 – surplus $4.0 million). Funding requirements by applicable pension legislation are based upon going concern and solvency actuarial assumptions. These assumptions differ from the going concern actuarial assumptions found in Superior's 2023-year end audited consolidated financial statements.

Contractual Obligations and Other Commitments[1]

	July 1 to June 30						
	Current	2025	2026	2027	2028	Thereafter	Total
Borrowings before deferred financing fees and discounts [2]	7.6	5.6	290.5	315.6	366.0	609.1	1,594.4
Lease liabilities [3]	49.2	29.8	25.2	19.9	11.4	34.3	169.8
Interest payments on borrowings and lease liabilities [4]	91.7	93.6	78.5	55.7	36.6	17.5	373.6
Non-cancellable, low-value, short-term leases and leases with variable lease payments [3]	4.0	0.1	0.1	0.1	–	–	4.3
Certarus capital, transmission and other commitments	51.0	2.0	0.4	0.3	0.3	0.1	54.1
Equity derivative contracts [2]	28.4	6.7	–	–	–	–	35.1
US dollar foreign currency forward sales contracts [2]	13.2	1.7	–	–	–	–	14.9
Propane, WTI, heating oil, diesel and natural gas purchase and sale contracts [1] [2]	107.8	10.8	0.1	–	–	–	118.7

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

(2) See Notes 9 and 11 of the June 30, 2024 unaudited condensed consolidated financial statements.

(3) See Note 10 of the June 30, 2024 unaudited condensed consolidated financial statements. Operating leases comprise Superior's off-balance-sheet obligations and are contracts that do not meet the definition of a lease under IFRS 16 or are exempt.

(4) Estimated based on interest rates, foreign exchange rates and outstanding balances as of June 30, 2024 and assumes the settlement of debt will occur on each instrument's respective maturity date.

In addition to the commitments mentioned above, Superior has entered into purchase orders and contracts during the normal course of business related to commodity purchase obligations transacted at market prices. Furthermore, Superior has entered into purchase agreements that require it to purchase minimum amounts or quantities of propane and other natural gas liquids over certain time periods which vary but are generally for one year. Superior has generally exceeded such minimum requirements in the past and expects to continue doing so for the foreseeable future. Failure to satisfy the minimum purchase requirements could result in the termination of contracts, change in pricing and/or payments to the applicable supplier.

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 and proceeds on revolving term bank credit facilities. Superior's financial instruments' sensitivities are consistent as at June 30, 2024 and December 31, 2023. In the normal course of business, Superior is subject to lawsuits and claims. Superior believes the resolution of these matters will not have a material adverse effect, individually or in the aggregate, on Superior's liquidity, consolidated financial position or results of operations. Superior records costs as they are incurred or when they become determinable.

SHAREHOLDERS' CAPITAL

As at June 30, 2024, the following shares were issued and outstanding:

	Common shares		Preferred shares	
	Issued number (Millions)	Share capital	Issued number (Millions)	Equity attributable to NCI
Balance as at December 31, 2023	248.6	$2,712.2	0.3	$260.0
Balance as at June 30, 2024	**248.6**	**$2,712.2**	**0.3**	**$260.0**

Superior has a normal course issuer bid (the "NCIB") with respect to its common shares which commenced on November 10, 2023 and will terminate on the earlier of November 9, 2024, the date Superior has purchased the maximum number of common shares permitted under the NCIB or the date on which Superior terminates the NCIB in accordance with its terms. The NCIB permits the purchase of up to 12,427,942 common shares, such amount representing 5% of the 248,558,857 common shares issued and outstanding as at October 27, 2023, by way of normal course purchases effected through the facilities of the TSX and/or alternative trading platforms. The NCIB is subject to additional standard regulatory requirements. Furthermore, subject to certain exemptions for block purchases, the maximum number of common shares that Superior may acquire on anyone trading day is 201,908 common shares, such amount representing 25% of the average daily trading volume of the common shares of 807,635 for the six calendar months prior to the start of the NCIB. All common shares purchased by Superior under the NCIB will be cancelled.

DIVIDENDS

Dividends Declared to Common Shareholders

Dividends declared to Superior's common shareholders depend on its cash flow from operating activities with consideration for Superior's changes in working capital requirements, investing activities and financing activities. See "Summary of Adjusted EBITDA" for 2024 above, and "Summary of Cash Flow" for additional details.

Dividends declared to common shareholders for the three and six months ended June 30, 2024 were $32.6 million and $65.7 million respectively or $0.13 per and $0.26 per common share respectively. This compares to $33.4 million and $60.2 million respectively or $0.16 and $0.29 per common share respectively in the prior period. The increase was due primarily to the issuance of common shares issued in accordance with the Certarus Acquisition. Dividends to shareholders are declared at the discretion of Superior's Board of Directors.

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

Dividends Declared to Preferred Shareholders

Dividends declared to preferred shareholders for the three and six months ended June 30, 2024 were $4.7 million and $9.4 million respectively or $18.1 per preferred share (three and six months ended June 30, 2023 - $4.7 million and $9.4 million respectively or $18.1 per preferred share).

SUMMARY OF CASH FLOW

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

(millions of dollars)	Three Months Ended June 30 2024	2023	Six Months Ended June 30 2024	2023
Cash flows from operating activities	**98.9**	79.9	**245.4**	338.7
Cash flows used in investing activities	**(29.5)**	(264.9)	**(64.4)**	(288.8)
Cash flows used in financing activities	**(75.7)**	168.0	**(181.4)**	(50.5)
Net decrease in cash and cash equivalents	**(6.3)**	(17.0)	**(0.4)**	(0.6)
Cash and cash equivalents, beginning of the period	**37.1**	59.7	**30.7**	43.1
Effect of translation of foreign currency-denominated cash and cash equivalents	**(0.8)**	0.4	**(0.3)**	0.6
Cash and cash equivalents, end of the period	**30.0**	43.1	**30.0**	43.1

Cash flows used in operating activities for the three months ended June 30, 2024 was $98.9 million, an increase of $19.0 million from the prior year quarter, primarily due to the positive change in non-cash operating working capital, partially offset by higher income taxes and interest paid compared to the prior year quarter.

Cash flows used in investing activities were $29.5 million, a decrease of $235.4 million from the prior year quarter primarily due to the timing of acquisitions, partially offset by the increase in proceeds from disposal of property, plant and equipment.

Cash flows used in financing activities were $75.7 million, a decrease of $243.7 million from the prior year quarter, primarily due to lower advances under the credit facility and payments made to repurchase Superior's common shares.

FINANCIAL OUTLOOK

Superior is confirming its 5% Adjusted EBITDA growth target compared to 2023 Pro Forma Adjusted EBITDA. The target is primarily due to organic growth, the assumption of normal weather and continued cost-saving initiatives, partially offset by the impact of market and supply differentials regressing to the average.

Achieving Superior's Adjusted EBITDA depends on the operating results of its segments. In addition to the operating results of Superior's segments, the significant assumptions underlying the achievement of Superior's 2024 guidance are consistent with those disclosed in the MD&A for the year ended December 31, 2023.

FINANCIAL INSTRUMENTS – RISK MANAGEMENT

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

Effective January 1, 2024, Superior changed its reporting currency from Canadian dollars to U.S. dollars. As a result, Superior will no longer hedge its U.S dollar EBITDA exposure as the foreign currency exchange risk will be significantly reduced. Subsequent to the 2023 year-end, Superior entered into foreign currency forward contracts and options to offset the below notional amounts. As a result of this change the realized gains (losses) on these instruments are excluded from Adjusted EBITDA.

As at June 30, 2024, a summary of the net notional amounts of Superior's U.S. dollar forward contracts and options and the offsetting amounts for the rolling twelve months is provided in the table below.

	July 1 to June 30						
	Current	2025	2026	2027	2028	Thereafter	Total
USD-foreign currency forward sales							
Contracts, net	13.0	1.9	–	–	–	–	14.9
Net average external US$/CDN$ exchange rate	1.33	1.34	1.33	–	–	–	1.33

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded, summary of fair values, notional balances, effective rates and terms, and significant assumptions used in the calculation of the fair value of Superior's financial instruments, see Note 11 to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2024.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures (DC&P) are designed by or under the supervision of Superior's President and Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) in order to provide reasonable assurance that all material information relating to Superior is communicated to them by others in the organization as it becomes known and is appropriately disclosed as required under the continuous disclosure requirements of securities legislation and regulation. In essence, these types of controls are related to the quality, reliability and transparency of financial and non-financial information that is filed or submitted under securities legislation and regulation. The CEO and CFO are assisted in this responsibility by a Disclosure Committee, which is composed of senior leadership of Superior. The Disclosure Committee has established procedures so that it becomes aware of any material information affecting Superior in order to evaluate and discuss this information and determine the appropriateness and timing of its public release.

Internal Controls over Financial Reporting (ICFR) are also designed by or under the supervision of Superior's CEO and CFO and effected by Superior's Board of Directors, management and other personnel in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues within a company have been detected. Accordingly, Superior's disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of the corporation's disclosure control system are met.

Changes in Internal Controls over Financial Reporting

No changes were made in Superior's ICFR that have materially affected, or are reasonably likely to materially affect, Superior's ICFR in the six months ended June 30, 2024. However, management continues the process of harmonizing and integrating acquired businesses on to Superior's existing information technology platform.

Effectiveness

An evaluation of the effectiveness of Superior's DC&P and ICFR was conducted as at June 30, 2024 by and under the supervision of Superior's management, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that Superior's DC&P and ICFR were effective as at June 30, 2024.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Superior's audited consolidated financial statements were prepared in accordance with IFRS. The significant accounting policies are described in the audited consolidated financial statements for the year ended December 31, 2023, except for changes disclosed below. Certain of these accounting policies, as well as estimates made by management in applying such policies, are recognized as critical because they require management to make subjective or complex judgments about matters that are inherently uncertain. Superior's critical accounting estimates relate to the allowance for doubtful accounts, employee future benefits, deferred income tax assets and liabilities, the valuation of financial and non-financial derivatives, asset impairments, estimating liabilities under the cap and trade programs, the translation of the January 1, 2023 opening retained earnings and cumulative translation adjustment on the transition to a US dollar presentation currency and estimating the incremental borrowing rate on leases.

Changes in Accounting Policies and Disclosures

Amendments to IAS 1, Presentation of Financial Statements ("IAS 1")
Adopted January 1, 2024, IAS 1 clarifies the requirements for classifying liabilities as current or non-current and introduces additional disclosures of material information that enables users of financial statements to comprehend the risk that non-current liabilities with covenants may become payable within the next twelve months. The amendment has been applied retrospectively and had no material impact on the condensed consolidated financial statements.

Amendment to IFRS 16, Leases ("IFRS 16")
Adopted January 1, 2024, IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. This amendment has been applied retrospectively and had no material impact on the condensed consolidated financial statements.

Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures
Adopted January 1, 2024, these standards clarify the characteristics of supplier finance arrangements and require certain disclosures on these arrangements, intended to assist users of financial statements in understanding their impacts on the companies' liabilities and cash flows. This amendment has been applied retrospectively and had no material impact on the condensed consolidated financial statements.

Presentation Currency

Effective January 1, 2024, Superior elected to change its presentation currency from Canadian dollars to U.S. dollars. The comparative financial statements were translated as if the U.S. dollar had been used as the reporting currency since the beginning of 2010. Amounts denominated in Canadian dollars within the notes to these unaudited interim consolidated financial statements are denoted with "C$" immediately prior to the stated amount. The Company believes that the change in reporting currency to U.S. dollars will provide more relevant information for the users of the unaudited interim financial statements as over 60% of the Company's consolidated revenues and 75% of the Company's consolidated assets are derived from operations in the United States. The Company's Canadian operations are determined to have the Canadian dollar as their functional currency since their operating, financing and investing transactions are predominately denominated in Canadian dollars. The financial statements of these operations are translated into U.S. dollars using the current rate method, whereby assets and liabilities are translated at the rate prevailing at the balance sheet date, and revenue and expenses are translated using average rates for the period. Unrealized gains or losses arising as a result of the translation of the financial statements of these entities are reported as a component of other comprehensive income (loss) ("OCI") and are accumulated in a component of equity on the consolidated balance sheets, and are not recorded in income unless there is a complete or substantially complete sale or liquidation of the investment.

Recent Accounting Pronouncements

The recent accounting pronouncements are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended December 31, 2023, except for the following:

Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments address the lack of exchangeability of illiquid currencies and specify how an entity determines the exchange rate when a currency is not readily exchangeable at the measurement date as well as additional required disclosures. When a currency is not exchangeable, an entity estimates the spot rate as the rate that would have been applied to an orderly transaction between market participants at the measurement date and that would reflect the prevailing economic conditions. An entity must disclose information that would enable users to evaluate how a currency's lack of exchangeability affects financial performance, financial positions, and cash flows of an entity. The amendments to IAS 21 are effective January 1, 2025, with early adoption permitted. Superior is currently assessing the impact of these amendments on its consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued a new IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 introduces the following key changes:

- Structure of the statement of income (loss) - IFRS 18 introduces a defined structure for the statement of income (loss) composed of operating, investing, financing categories with defined subtotals, such as operating earnings (loss), earnings (loss) before financing and income taxes and net earnings (loss) for the year. The new guidance also requires disclosure of expenses in the operating category by nature, function or a mix of both on the face of the statement of income (loss).
- Disclosures on management defined performance measures (MPMs) - IFRS 18 requires companies to disclose definitions of company-specific MPMs that are related to the statement of income (loss) and provide reconciliations between the MPMs and the most similar specified subtotals within the statement of income (loss) in a single note.
- Aggregation and disaggregation (impacting all primary financial statements and notes) - IFRS 18 sets out enhanced guidance on the principles of how items should be aggregated based on shared characteristics. The changes are expected to provide more detailed and useful information to investors.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. Superior is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled using an electronic payment system. The amendments also clarify the requirements for assessing whether a financial asset meets the solely payments of principal and interest criterion, and adds disclosure requirements for financial instruments with certain contingent features and for equity investments designated at fair value through other comprehensive income. The amendments are effective January 1, 2026, with early adoption permitted. The amendments are required to be adopted retrospectively by adjusting the opening balance of financial assets, financial liabilities and retained earnings at the date of adoption. The Company is assessing the impact of the amendments on the Company’s consolidated financial statements.

QUARTERLY FINANCIAL AND OPERATING INFORMATION

(millions of dollars, except per share amounts)	**Q2 2024**	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue	**422.9**	897.7	724.3	395.9	432.9	928.8	788.5	390.8
Gross profit	**235.2**	465.2	377.4	215.5	200.4	400.3	316.2	131.8
Net (loss) earnings	**(45.3)**	85.2	57.5	(80.1)	(29.2)	109.3	46.4	(158.4)
Per share, basic	**($0.20)**	$0.30	$0.20	($0.34)	($0.16)	$0.47	$0.20	($0.81)
Per share, diluted	**($0.20)**	$0.30	$0.20	($0.34)	($0.16)	$0.47	$0.20	($0.81)
Adjusted EBITDA (1)	**43.3**	229.7	161.3	18.9	29.6	204.3	137.5	(6.4)
Net working (deficit) capital (2)	**(88.3)**	2.0	(39.5)	(104.2)	(40.5)	42.4	121.3	(0.3)

(1) Adjusted EBITDA is a Non-GAAP financial measure, see " Non-GAAP financial measures and Reconciliations" on page 26 .

(2) Net working (deficit) capital is comprised of trade and other receivables, prepaid expenses and deposits and inventories, less trade and other payables, contract liabilities, and dividends payable.

Superior commenced reporting its financial results in U.S. dollars effective Q1 2024, below is a summary of historical financial information in 2023 in Canadian and U.S. dollars:

	Canadian dollars				U.S. dollars			
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	**Q4 2023**	Q3 2023	Q2 2023	Q1 2023
Adjusted EBITDA								
U.S. Propane	**113.8**	(5.8)	18.6	175.9	**84.0**	(4.5)	13.7	130.1
Canadian Propane	**50.2**	4.3	13.6	65.8	**37.0**	3.2	10.1	48.7
Wholesale Propane	**16.3**	1.5	5.4	40.2	**12.1**	1.0	4.0	29.7
Certarus (1)	**47.2**	35.5	12.6	–	**34.8**	26.4	9.5	–
Corporate costs	**(8.0)**	(10.1)	(10.5)	(5.7)	**(5.7)**	(7.5)	(7.8)	(4.2)
Net earnings (loss)	**77.5**	(107.8)	(39.8)	147.1	**57.5**	(80.1)	(29.2)	109.3

(1) Certarus 2023 sales volumes are from the date of acquisition to June 30, 2023.

Fluctuations in Superior's individual quarterly results is subject to seasonality. Sales typically peak in the first quarter when approximately one-third of annual propane and other refined fuels sales volumes and gross profits are generated due to the demand of heating from end-use customers. They then decline through the second and third quarters, rising seasonally again in the fourth quarter with heating demand. In addition, the timing of acquisitions and divestitures may impact quarterly results. For information on acquisitions see Note 3 Acquisitions in the December 31, 2023 annual audited consolidated financial statements.

Volumes

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

(millions of gallons)	**Q2 2024**	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Residential	**24**	82	64	18	28	91	72	20
Commercial	**30**	58	50	31	36	63	58	34
Total	**54**	140	114	49	64	154	130	54

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

(millions of gallons)	**Q2 2024**	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Residential	**7**	16	14	5	7	20	15	6
Commercial	**47**	75	67	41	49	90	79	42
Total	**54**	91	81	46	56	110	94	48

Wholesale Propane sales by region [1] are as follows:

(millions of gallons)	**Q2 2024**	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
United States	**53**	98	89	63	70	112	85	67
Canada	**10**	24	19	8	9	20	19	7
Total	**63**	122	108	71	79	132	104	74

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

Certarus sales by region are as follows:

(thousands of MMBtu)	**Q2 2024**	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
United States	**5,850**	6,214	4,850	4,803	1,724	-	-	-
Canada	**1,162**	1,837	1,290	868	311	-	-	-
Total	**7,012**	8,051	6,140	5,671	2,035	-	-	-

(2) Certarus 2023 sales volumes are from the date of acquisition to June 30, 2023.

NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS

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

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

Non-GAAP financial measures are identified and defined as follows:

Adjusted EBITDA and Adjusted EBITDA per share

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, restructuring costs, transaction, restructuring and other costs, unrealized gains (losses) on derivative financial instruments, except for unrealized gains (losses) related to equity derivative contracts and realized gains (losses) on foreign currency forward contracts. Adjusted EBITDA is used by Superior and investors to assess its consolidated results and ability to service debt. Adjusted EBITDA is consistent with Superior's segment profit (loss) as disclosed in Note 18 of the unaudited condensed consolidated financial statements.

Adjusted EBITDA is a significant performance measure used by management and investors to evaluate Superior's ongoing performance of its businesses. Adjusted EBITDA is also used as one component in determining short-term incentive compensation for certain management employees. Adjusted EBITDA is consistent with Segment Profit as disclosed in Note 18 of the unaudited condensed consolidated financial statements. Adjusted EBITDA per share is calculated by dividing Adjusted EBITDA by the weighted average shares assuming the exchange of the issued and outstanding preferred shares into common shares.

Superior changed the definition of Adjusted EBITDA from its historical definition to exclude the realized gains (losses) on foreign currency forward contracts and include unrealized gains (losses) related to equity derivatives. The foreign currency forward contracts were used to provide a hedge on the translation of U.S. denominated Adjusted EBITDA to Canadian dollars. As a result of the change in presentation currency, management is no longer hedging U.S. denominated Adjusted EBITDA and is excluding these realized gains (losses) from Adjusted EBITDA as there is no longer an offsetting gain (loss) on the translation of U.S. denominated Adjusted EBITDA. Management is currently not entering into similar instruments related to the translation of Canadian denominated Adjusted EBITDA. This change has been made retrospectively. In addition to the change in presentation currency, effective January 1, 2024 Superior implemented hedge accounting for Superior's long-term incentive plan and related equity derivatives, and now includes these unrealized gains/losses as part of Adjusted EBITDA. The intention of this change in accounting policy is to reduce some of the volatility related to changes in Superior's share price on the long-term incentive costs.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized Adjusted EBITDA.

Adjusted EBTDA and Adjusted EBTDA per share
Adjusted EBTDA is calculated as Adjusted EBTDA less interest on borrowings and interest on lease liability. Adjusted EBTDA per share is calculated by dividing Adjusted EBTDA by the weighted average shares assuming the exchange of the issued and outstanding preferred shares into common shares.

Adjusted EBITDA from operations
Adjusted EBITDA from operations is defined as the sum of U.S. Propane, Canadian Propane, Wholesale Propane and Certarus segment profit (loss). Management uses Adjusted EBITDA from operations to set targets for Superiors' operating segments (including annual guidance and variable compensation targets). Note 18 of the unaudited condensed consolidated financial statements discloses the segment profit (loss).

Below is a reconciliation of net earnings to EBITDA and Adjusted EBITDA related to Certarus for the period of January 1, 2023 to the date of acquisition. The Adjusted EBITDA number is used as part of 2023 Pro Forma Adjusted EBITDA to include the impact of the Certarus Acquisition from January 1, 2023, as the full economic benefit of Certarus' 2023 Adjusted EBITDA prior to the close of the Certarus Acquisition was retained in the business. The pro forma Adjusted EBITDA for Certarus for the period of January 1, 2023 to the date of acquisition was approximately $68.4 million.

For the period January 1, 2023 to the date of acquisition	Certarus
Net earnings before income taxes for the year ended December 31, 2023	**55.1**
Adjust for:	
Amortization and depreciation	64.4
Finance expense	6.1
EBITDA	**125.6**
Adjust for transaction, restructuring and other costs	13.2
Adjusted EBITDA for the year ended December 31, 2023	**138.2**
Less Adjusted EBITDA from the date of acquisition to December 31, 2023	(70.7)
Adjusted EBITDA for the period January 1, 2023 to the date of acquisition	**67.5**

The above Adjusted EBITDA earned from January 1, 2023 to March 31, 2023 was $47.2M and from April 1, 2023 to the date of acquisition was $20.3M.

Adjusted Gross Profit

Adjusted gross profit represents revenue less cost of sales adjusted for realized gains and losses on commodity derivative instruments related to risk management. Management uses Adjusted Gross Profit to set margin targets and measure results. Unrealized gains and losses on commodity derivative instruments are excluded as a result of the customer contract not being included in the determination of the fair value for this risk management activity.

Realized gain (loss) on derivatives related to commodity risk management reconcile to total gain (loss) follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Realized gains (losses) related to commodity risk management				
U.S. Propane	**–**	(4.0)	**3.2**	(18.0)
Wholesale Propane	**1.4**	(1.5)	**0.1**	(6.3)
Realized gains (losses) included in Adjusted Gross profit	**1.4**	(5.5)	**3.3**	(24.3)
Unrealized gain on equity derivative contracts	**(1.7)**	-	**(0.5)**	-
Gains (losses) included in Adjusted EBITDA	**(0.3)**	(5.5)	**2.8**	(24.3)
Unrealized loss on equity derivative contracts	**–**	(2.0)	**–**	(2.9)
Foreign currency forward contracts, net	**(0.1)**	10.3	**(9.9)**	10.2
Unrealized gains (losses) related to commodity risk management	**1.3**	(10.2)	**12.5**	15.4
Unrealized gain (loss) on U.S. dollar debt issued by a Canadian entity	**(6.4)**	12.4	**(18.7)**	14.1
(Loss) gain on derivatives and foreign currency translation of borrowings	**(5.5)**	5.0	**(13.3)**	12.5

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded, summary of fair values, notional balances, effective rates and terms, and significant assumptions used in the calculation of the fair value of Superior's financial instruments, see Note 11 to the unaudited condensed consolidated financial statements for the three months ended March 31, 2024.

Per MSU amounts

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

Adjusted EBITDA per average MSU

Adjusted EBITDA per average MSU is used to evaluate the productivity during a reporting period. Adjusted EBITDA per average MSU is equal to Adjusted EBITDA divided by the average number of MSUs for the period.

Operating Costs

Operating costs for the U.S., Canadian, Wholesale Propane and Certarus segments include wages and benefits for employees, drivers, service and administrative labour, fleet maintenance, freight and distribution expenses excluded from cost of sales, along with the costs associated with owning and maintaining land, buildings and equipment, such as rent, repairs and maintenance, environmental, utilities, insurance and property tax costs. Operating costs exclude gains or losses on disposal of assets, depreciation and amortization, transaction, restructuring and integration costs.

Corporate operating costs include wages and benefits for employees, professional fees and other costs associated with the corporate function. Corporate operating costs are defined as SD&A expenses related to the corporate office adjusted for amortization and depreciation, gains or losses on disposal of assets and transaction, restructuring and integration costs. As a result of implementing hedge accounting for Superior's long-term incentive plan and related equity derivatives, Superior now includes these unrealized gains/losses as part of Corporate operating costs. See above for a reconciliation of gains (losses) on derivatives and foreign currency translation of borrowings included in Adjusted EBITDA.

Net Debt, Pro Forma Adjusted EBITDA and Leverage Ratio

Pro Forma Adjusted EBITDA and Net debt are Non-GAAP financial measures. Superior uses Pro Forma Adjusted EBITDA and Net debt to calculate its Leverage ratio and, as a result, Leverage ratio is a Non-GAAP ratio. This ratio is used by Superior, investors and other users of financial information to assess its ability to service debt.

Pro Forma Adjusted EBITDA is Adjusted EBITDA calculated on a 12-month trailing basis giving pro forma effect to acquisitions to the first day of the calculation period. Pro Forma Adjusted EBITDA is used by Superior to calculate its Leverage Ratio.

2023 Pro Forma Adjusted EBITDA is used to provide comparable 2023 results which reflect pro forma adjustment impact related to Certarus for the period of January 1, 2023 to the date of the acquisition on May 31, 2023. This adjustment is reconciled to Certarus' net income for the same period above.

Net Debt is calculated by the sum of borrowings and lease liabilities before deferred financing fees reduced by Superior cash and cash equivalents and Vendor Note. Net Debt is used by Superior to calculate its Leverage Ratio.

Leverage ratio is determined by dividing Superior's Net Debt by their Pro Forma Adjusted EBITDA.

Reconciliation of Net debt and Pro Forma Adjusted EBITDA

(in millions)	**June 30 2024**	December 31 2023
Current borrowings	**7.6**	8.5
Current lease liabilities	**49.2**	48.0
Non-current borrowings	**1,571.3**	1,684.7
Non-current lease liabilities	**120.6**	132.9
	1,748.7	1,874.1
Add back deferred financing fees and discounts	**15.5**	17.4
Deduct cash and cash equivalents	**(30.0)**	(30.7)
Net debt	**1,734.2**	1,860.8
Adjusted EBITDA for the year ended December 31, 2023	**414.7**	414.7
Adjusted EBITDA for the six months ended June 30, 2023	**(233.8)**	–
Adjusted EBITDA for the six months ended June 30, 2024	**278.9**	–
Pro-forma adjustment	**-**	67.5
Pro-forma Adjusted EBITDA for the trailing-twelve months	**459.8**	482.2
Leverage Ratio	**3.8x**	3.9x

RISK FACTORS TO SUPERIOR

Superior's assessment and summary of its material risk factors are detailed in Superior's most recent Annual Information Form ("AIF") under "Risks associated with our business" which is filed on the Canadian Securities Administrators' website, www.sedarplus.ca, and on Superior's website, www.superiorplus.com. The AIF describes some of the most material risks to Superior's business by type of risk: financial; corporate; operational; and legal.

Superior Plus Corp.
Condensed Consolidated Balance Sheets

(Unaudited, millions of United States dollars)	Note	**As at June 30 2024**	As at December 31 2023[(1)]	As at December 31 2022[(1)]
Assets				
Current Assets				
Cash and cash equivalents		**30.0**	30.7	43.1
Trade and other receivables	**4**	**201.4**	322.6	392.4
Prepaids and deposits		**41.1**	48.3	73.5
Inventories	**5**	**61.2**	87.3	112.9
Other current financial assets	**11**	**10.2**	5.5	7.9
Total Current Assets		**343.9**	494.4	629.8
Non-current Assets				
Property, plant and equipment		**1,423.3**	1,462.7	1,006.8
Goodwill and intangible assets		**1,868.9**	1,925.4	1,639.3
Employee future benefits and other assets		**6.5**	5.6	5.0
Deferred tax assets	**12**	**11.1**	15.3	23.7
Other non-current financial assets	**11**	**2.1**	3.7	0.4
Total Non-current Assets		**3,311.9**	3,412.7	2,675.2
Total Assets		**3,655.8**	3,907.1	3,305.0
Liabilities and Equity				
Current Liabilities				
Trade and other payables	**7**	**340.8**	441.7	428.3
Contract liabilities		**13.8**	18.5	18.4
Lease liabilities	**10**	**49.2**	48.0	34.9
Borrowings	**9**	**7.6**	8.5	10.9
Dividends payable		**37.4**	38.5	10.5
Other current financial liabilities	**11**	**12.4**	14.5	41.0
Total Current Liabilities		**461.2**	569.7	544.0
Non-current Liabilities				
Lease liabilities	**10**	**120.6**	132.9	129.6
Borrowings	**9**	**1,571.3**	1,684.7	1,410.2
Other liabilities	**8**	**12.4**	8.4	27.4
Provisions	**6**	**8.1**	8.0	6.1
Employee future benefits		**4.7**	3.8	4.0
Deferred tax liabilities	**12**	**168.9**	159.3	96.5
Other non-current financial liabilities	**11**	**2.6**	3.0	9.4
Total Non-current Liabilities		**1,888.6**	2,000.1	1,683.2
Total Liabilities		**2,349.8**	2,569.8	2,227.2
Equity				
Capital		**2,712.2**	2,712.2	2,360.2
Deficit		**(1,649.5)**	(1,614.3)	(1,528.0)
Accumulated other comprehensive loss		**(16.7)**	(20.6)	(14.4)
Non-controlling interest		**260.0**	260.0	260.0
Total Equity	**13**	**1,306.0**	1,337.3	1,077.8
Total Liabilities and Equity		**3,655.8**	3,907.1	3,305.0

(1) Restated, see Note 2(a)

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Changes in Equity

(Unaudited, millions of United States dollars)	Share Capital (Note 13)	Contributed Surplus	Total Capital	Deficit	Accumulated Other Comprehensive (Loss) Earnings	Non-controlling Interest (Note 13)	Total
As at December 31, 2023	**2,711.1**	**1.1**	**2,712.2**	**(1,614.3)**	**(20.6)**	**260.0**	**1,337.3**
Net earnings for the period	**–**	**–**	**–**	**30.5**	**–**	**9.4**	**39.9**
Unrealized foreign currency gain on translation of foreign operations	**–**	**–**	**–**	**–**	**4.6**	**–**	**4.6**
Net loss on equity hedges	**–**	**–**	**–**	**–**	**(0.7)**		**(0.7)**
Total comprehensive earnings	**–**	**–**	**–**	**30.5**	**3.9**	**9.4**	**43.8**
Dividends and dividend equivalent declared to common shareholders	**–**	**–**	**–**	**(65.7)**	**–**	**–**	**(65.7)**
Dividends to non-controlling interest shareholders	**–**	**–**	**–**	**–**	**–**	**(9.4)**	**(9.4)**
As at June 30, 2024	**2,711.1**	**1.1**	**2,712.2**	**(1,649.5)**	**(16.7)**	**260.0**	**1,306.0**
As at December 31, 2022[(1)]	2,359.1	1.1	2,360.2	(1,528.0)	(14.4)	260.0	1,077.8
Net earnings for the period	–	–	–	70.7	–	9.4	80.1
Unrealized foreign currency on translation of foreign operations	–	–	–	–	0.1	–	0.1
Actuarial defined benefit loss	–	–	–	–	(0.3)	–	(0.3)
Income tax recovery on other comprehensive earnings	–	–	–	–	0.1	–	0.1
Total comprehensive earnings (loss)	–	–	–	70.7	(0.1)	9.4	80.0
Common shares issued, net of costs	358.9	–	358.9	–	–	–	358.9
Dividends and dividend equivalent declared to common shareholders	–	–	–	(60.2)	–	–	(60.2)
Dividends to non-controlling interest shareholders	–	–	–	–	–	(9.4)	(9.4)
As at June 30, 2023	2,718.0	1.1	2,719.1	(1,517.5)	(14.5)	260.0	1,447.1

[(1)] Restated, see Note 2(a)

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.

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

(Unaudited, millions of United States dollars, except per share amounts)	Note	Three Months Ended June 30 2024	Three Months Ended June 30 2023[(1)]	Six Months Ended June 30 2024	Six Months Ended June 30 2023[(1)]
Revenue	**14, 16**	**422.9**	432.9	**1,320.6**	1,361.7
Cost of sales (includes products and services)	**14**	**(187.7)**	(232.5)	**(620.2)**	(761.0)
Gross profit		**235.2**	200.4	**700.4**	600.7
Expenses					
Selling, distribution and administrative costs (“SD&A”)	**14**	**(260.0)**	(237.1)	**(566.4)**	(471.0)
Finance expense	**14**	**(25.7)**	(21.5)	**(52.9)**	(41.0)
Loss (gain) on derivatives and foreign currency translation of borrowings	**11, 14**	**(5.5)**	5.0	**(13.3)**	12.5
		(291.2)	(253.6)	**(632.6)**	(499.5)
(Loss) earnings before income taxes	**14**	**(56.0)**	(53.2)	**67.8**	101.2
Income tax recovery (expense)	**12**	**10.7**	24.0	**(27.9)**	(21.1)
Net (loss) earnings for the period	**14**	**(45.3)**	(29.2)	**39.9**	80.1
Net (loss) earnings attributable to:					
Superior		**(50.0)**	(33.9)	**30.5**	70.7
Non-controlling interest		**4.7**	4.7	**9.4**	9.4
Net (loss) earnings per share attributable to Superior					
Basic and diluted	**15**	**(0.20)**	(0.16)	**0.12**	0.33
Other comprehensive earnings (loss)					
Item that may be reclassified subsequently to net (loss) earnings					
Unrealized foreign currency gain on translation of foreign operations		**0.9**	1.1	**4.6**	0.1
Unrealized loss on equity hedges		**(1.0)**		**(0.7)**	
Realized foreign currency gain reclassified to net (loss) earnings		**–**	–	**–**	0.1
Items that will not be reclassified to net (loss) earnings					
Actuarial defined benefit loss		**0.3**	(0.1)	**–**	(0.3)
Other comprehensive (loss) earnings for the period		**0.2**	1.0	**3.9**	(0.1)
Total comprehensive (loss) earnings for the period		**(45.1)**	(28.2)	**43.8**	80.0
Total comprehensive (loss) earnings for the period attributable to:					
Superior		**(49.8)**	(32.9)	**34.4**	70.6
Non-controlling interest		**4.7**	4.7	**9.4**	9.4

(1) Restated, see Note 2(a)

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Consolidated Statements of Cash Flows

(Unaudited, millions of United States dollars)	Note	Three Months Ended June 30 2024	Three Months Ended June 30 2023(1)	Six Months Ended June 30 2024	Six Months Ended June 30 2023(1)
OPERATING ACTIVITIES					
Net (loss) earnings for the period		**(45.3)**	(29.2)	**39.9**	80.1
Adjustments for:					
Depreciation included in SD&A		**36.4**	28.3	**71.6**	54.1
Depreciation of right-of-use assets included in SD&A		**8.6**	7.7	**18.2**	15.5
Amortization of intangible assets included in SD&A		**20.6**	19.3	**41.6**	36.7
(Gain) loss on disposal of assets		**(0.4)**	0.1	**0.5**	0.1
Unrealized loss (gain) on financial and non-financial derivatives and foreign exchange loss on U.S. dollar debt	**11**	**6.9**	(10.2)	**12.5**	(39.5)
Finance expense		**25.7**	21.5	**52.9**	41.0
Income tax (expense) recovery		**(10.7)**	(24.0)	**27.9**	21.1
Changes in non-cash operating working capital and other	**17**	**89.9**	83.8	**50.3**	166.6
Cash flows from operating activities before income taxes and interest paid		**131.7**	97.3	**315.4**	375.7
Income taxes paid		**(13.5)**	(0.4)	**(20.8)**	1.3
Interest paid		**(19.3)**	(17.0)	**(49.2)**	(38.3)
Cash flows from operating activities		**98.9**	79.9	**245.4**	338.7
INVESTING ACTIVITIES					
Acquisitions, net of cash acquired		–	(245.5)	–	(248.1)
Purchase of property, plant and equipment and intangible assets	**18**	**(30.4)**	(22.1)	**(68.4)**	(44.3)
Proceeds on disposal of property, plant and equipment and other assets		**0.9**	2.7	**4.0**	3.6
Cash flows (used in) from investing activities		**(29.5)**	(264.9)	**(64.4)**	(288.8)
FINANCING ACTIVITIES					
Proceeds from borrowings		**115.0**	692.0	**248.1**	1,018.7
Repayment of borrowings		**(143.0)**	(499.7)	**(333.8)**	(1,005.4)
Principal repayment of lease obligations		**(10.3)**	(8.8)	**(20.5)**	(16.8)
Common share issuance costs	**13**	–	(0.1)	–	(0.1)
Debt issue costs on credit facilities		–	(1.7)	–	(1.7)
Repurchased and cancelled common shares	**13**	–	(0.1)	–	(0.1)
Dividends paid to shareholders		**(37.4)**	(13.6)	**(75.2)**	(45.1)
Cash flows (used in) from financing activities		**(75.7)**	168.0	**(181.4)**	(50.5)
Net decrease in cash and cash equivalents		**(6.3)**	(17.0)	**(0.4)**	(0.6)
Cash and cash equivalents, beginning of the period		**37.1**	59.7	**30.7**	43.1
Effect of translation of foreign currency-denominated cash and cash equivalents		**(0.8)**	0.4	**(0.3)**	0.6
Cash and cash equivalents, end of the period		**30.0**	43.1	**30.0**	43.1

(1) Restated, see Note 2(a)

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 is a publicly traded company with its common shares trading on the Toronto Stock Exchange (the "TSX") under the exchange symbol "SPB".

These condensed consolidated financial statements were authorized for issue by the Board of Directors on August 13, 2024.

Reportable Operating Segments

Superior reports four distinct segments: 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 residential and commercial customers. The Canadian Propane segment distributes propane gas and liquid fuels across Canada to residential and commercial customers. The Wholesale Propane segment 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. Certarus' principal business is supplying fuel for large-scale industrial and commercial customers in the United States and Canada. Superior acquired all the issued and outstanding shares of Certarus on May 31, 2023.

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, 2023, except for the following:

Change in Presentation Currency

The presentation currency used to prepare these condensed consolidated financial statements is U.S. dollars. The comparative financial statements were translated as if the U.S. dollar had been used as the reporting currency since the beginning of 2010. Amounts denominated in Canadian dollars within the notes to these condensed consolidated financial statements are denoted with "C$" immediately prior to the stated amount. The Company believes that the change in reporting currency to U.S. dollars will provide more relevant information for the users of the condensed financial statements as the majority of the Company's consolidated revenues and consolidated assets are derived from operations in the United States. The Company's Canadian operations are determined to have the Canadian dollar as their functional currency since their operating, financing and investing transactions are predominately denominated in Canadian dollars. The condensed consolidated financial statements of these operations are translated into U.S. dollars using the current rate method, whereby assets and liabilities are translated at the rate prevailing at the balance sheet date, and revenue and expenses are translated using average rates for the period. Unrealized gains or losses arising as a result of the translation of the financial statements of these entities are reported as a component of other comprehensive earnings (loss) ("OCI") and are accumulated in a component of equity on the consolidated balance sheets and are not recorded in income unless there is a complete or substantially complete sale or liquidation of the investment.

Hedge Accounting

Superior uses derivative financial instruments, primarily total return swaps, to hedge the exposure to changes in its share price on its long-term incentive plan. The derivatives are carried as financial assets or liabilities when their fair value is positive or negative respectively. These instruments are considered cash flow hedges as they are attributable to a particular risk associated with a highly probable transaction.

At the inception of the hedge relationship, Superior designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. A hedging relationship qualifies for hedge accounting if it meets the effectiveness requirements which would determine that an economic relationship exists, the hedging relationship is consistent, and credit risk does not dominate the value changes from the economic relationship. Only a portion of the long-term incentive plan, primarily the restricted share grants, meets the criteria for hedge accounting.

The effective portion of the gain (loss) related to the fair value of the hedging instrument is recognized in OCI, while the ineffective portion is recognized immediately in the condensed consolidated statement of net earnings (loss) and comprehensive earnings (loss). The amount accumulated in OCI is reclassified to earnings (loss) as a reclassification adjustment in the same period that the hedged cash flows effect earnings (loss).

Hedge ineffectiveness can arise from forfeitures related to the long-term incentive plan program and financing costs associated with the underlying hedge instrument.

(b) 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 2023 annual consolidated financial statements.

(c) Changes in Accounting Policies and Disclosures

Amendments to IAS 1, *Presentation of Financial Statements ("IAS 1")*

Adopted January 1, 2024, this amendment to IAS 1 clarifies the requirements for classifying liabilities as current or non-current and introduces additional disclosures of material information that enables users of financial statements to comprehend the risk that non-current liabilities with covenants may become payable within the next twelve months. The amendment has been applied retrospectively and had no material impact on the condensed consolidated financial statements.

Amendment to IFRS 16, *Leases ("IFRS 16")*

Adopted January 1, 2024, this amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. This amendment has been applied retrospectively and had no material impact on the condensed consolidated financial statements.

Amendments to IAS 7, *Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures*

Adopted January 1, 2024, these amendments clarify the characteristics of supplier finance arrangements and require certain disclosures on these arrangements, intended to assist users of financial statements in understanding their impacts on the companies' liabilities and cash flows. This amendment has been applied retrospectively and had no material impact on the condensed consolidated financial statements.

(d) Standards Issued But Not Yet Effective

The standards issued but not yet effective are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended December 31, 2023, except for the following:

Amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*

In August 2023, the IASB issued amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments address the lack of exchangeability of illiquid currencies and specify how an entity determines the exchange rate when a currency is not readily exchangeable at the measurement date as well as additional required disclosures. When a currency is not exchangeable, an entity estimates the spot rate as the rate that would have been applied to an orderly transaction between market participants at the measurement date and that would reflect the prevailing economic conditions. An entity must disclose information that would enable users to evaluate how a currency's lack of exchangeability affects financial performance, financial positions, and cash flows of an entity. The amendments to IAS 21 are effective January 1, 2025, with early adoption permitted. Superior is currently assessing the impact of these amendments on its consolidated financial statements.

IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued a new IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 introduces the following key changes:

- IFRS 18 introduces a defined structure for the statement of income (loss) composed of operating, investing, financing categories with defined subtotals, such as operating earnings (loss), earnings (loss) before financing and income taxes and net earnings (loss) for the year. The new guidance also requires disclosure of expenses in the operating category by nature, function or a mix of both on the face of the statement of income (loss).

- Disclosures on management defined performance measures (MPMs) - IFRS 18 requires companies to disclose definitions of company-specific MPMs that are related to the statement of income (loss) and provide reconciliations between the MPMs and the most similar specified subtotals within the statement of income (loss) in a single note.

- Aggregation and disaggregation (impacting all primary financial statements and notes) - IFRS 18 sets out enhanced guidance on the principles of how items should be aggregated based on shared characteristics. The changes are expected to provide more detailed and useful information to investors.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. Superior is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled using an electronic payment system. The amendments also clarify the requirements for assessing whether a financial asset meets the solely payments of principal and interest criterion, and adds disclosure requirements for financial instruments with certain contingent features and for equity investments designated at fair value through other comprehensive income. The amendments are effective January 1, 2026, with early adoption permitted. The amendments are required to be adopted retrospectively by adjusting the opening balance of financial assets, financial liabilities and retained earnings at the date of adoption. The Company is assessing the impact of the amendments on the Company's consolidated financial statements.

3. SEASONALITY OF OPERATIONS

Propane distribution 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. Net working capital is also significantly influenced by wholesale propane prices and other refined fuels. Certarus is also seasonal in nature with the greatest activity being in the first and fourth quarters due to seasonal winter heating however, activity levels in the summer months have begun to increase through actively targeting counter-seasonal customers such as road infrastructure and planned utility maintenance.

For the 12 months ended June 30, 2024, Superior reported gross profit of $1,294.0 million (June 30, 2023 − $1,048.6 million) and net earnings of $17.3 million (June 30, 2023 − $32.8 million net loss).

4. TRADE AND OTHER RECEIVABLES

A summary of trade and other receivables is as follows:

	June 30 2024	December 31 2023	December 31 2022
Trade receivables, net of allowances	**191.4**	304.7	277.0
Vendor Note [(1)]	**–**	–	94.4
Accounts receivable – other [(2)]	**10.0**	17.9	21.0
Trade and other receivables	**201.4**	322.6	392.4

(1) As part of divesting an operating segment in a prior period Superior received as part of the consideration C$125 million in the form of a 6% unsecured Vendor Note.

(2) This balance consists of accounts receivable related to indirect taxes, final settlements related to acquisitions and other miscellaneous balances.

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

	June 30 2024	December 31 2023	December 31 2022
Current	**109.2**	198.0	199.4
Past due less than 90 days	**60.8**	97.1	71.3
Past due over 90 days	**34.0**	22.9	18.4
Trade receivables	**204.0**	318.0	289.1

Superior's trade receivables are stated after deducting the below allowance for doubtful accounts:

	June 30 2024	December 31 2023	December 31 2022
Allowance for doubtful accounts, beginning of the period	**(13.3)**	(12.1)	(10.2)
Impairment losses recognized on receivables	**(4.0)**	(6.9)	(7.2)
Amounts written off during the period as uncollectible	**2.5**	4.8	4.8
Amounts recovered	**2.2**	0.9	0.5
Allowance for doubtful accounts, end of the period	**(12.6)**	(13.3)	(12.1)

5. INVENTORIES

A summary of inventories is as follows:

	June 30 2024	December 31 2023	December 31 2022
Propane and other refined fuels	**46.9**	73.2	98.2
Propane retailing materials, supplies, appliances and other	**14.3**	14.1	14.7
	61.2	87.3	112.9

6. PROVISIONS

A summary of provisions is as follows:

	Restructuring	**Decommissioning**	**Other**	**Total**
Balance as at December 31, 2022	0.7	6.1	22.7	29.5
Additions	–	1.8	–	1.8
Utilization	–	(0.2)	(20.5)	(20.7)
Amounts reversed	–	–	(2.2)	(2.2)
Unwinding of discount, impact of change in discount rate and foreign currency	(0.2)	0.3	–	0.1
Balance as at December 31, 2023	0.5	8.0	–	8.5
Additions	**2.8**	**0.2**	–	**3.0**
Utilization	**(2.2)**	**(0.1)**	–	**(2.3)**
Balance as at June 30, 2024	**1.1**	**8.1**	–	**9.2**

	June 30 2024	December 31 2023	December 31 2022
Current (Note 7)	**1.1**	0.5	23.5
Non-current	**8.1**	8.0	6.1
	9.2	8.5	29.6

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.

7. TRADE AND OTHER PAYABLES

A summary of trade and other payables is as follows:

	June 30 2024	December 31 2023	December 31 2022
Trade payables	**204.1**	312.3	315.0
Provisions (Note 6)	**1.1**	0.5	23.5
Accrued liabilities and other payables	**93.2**	84.8	80.3
Cap and trade payable, current portion	**28.9**	29.0	–
Current taxes payable	**5.0**	6.0	0.6
Share-based payments, current portion	**8.5**	9.1	8.9
Trade and other payables	**340.8**	441.7	428.3

8. OTHER LIABILITIES

A summary of other liabilities is as follows:

	June 30 2024	December 31 2023	December 31 2022
Quebec cap and trade payable	**2.6**	–	8.9
California cap and trade payable	**5.4**	3.0	17.0
Washington cap and trade payable	**1.7**	2.4	–
Share-based payments	**2.7**	3.0	1.5
Other liabilities	**12.4**	8.4	27.4

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 unaudited 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.

9. BORROWINGS

A summary of borrowings is as follows:

	Year of Maturity	Effective Interest Rate	June 30 2024	December 31 2023	December 31 2022
Revolving Term Bank Credit Facilities					
Canadian Overnight Repo Rate Average ("CORRA") loan (C$ 162.0 million) (1)	2027	Floating CORRA plus 1.70%	**118.4**	126.1	68.6
Canadian prime rate loan (prime and swing line) (C$ Nil) (1)	2027	Prime rate plus 0.70%	**–**	2.9	–
Secured Overnight Financing Rate ("SOFR") loan (1)	2027	Term SOFR rate plus 1.70%	**195.0**	236.0	365.0
U.S. base rate loans (prime and swing line) (1)	2027	U.S. prime rate plus 0.70%	**1.2**	5.0	–
Sidecar Facility (2) (C$392 million)	2026	Floating CORRA plus 1.95%	**286.6**	330.7	–
			601.2	700.7	433.6
Senior Unsecured Notes					
Senior unsecured notes (3)	2029	4.50%	**600.0**	600.0	600.0
Senior unsecured notes (4)	2028	4.25%	**365.5**	377.6	368.9
			965.5	977.6	968.9
Deferred Consideration and Other Debt	2024–2031	1.74%–8.5%	**27.7**	32.3	33.3
Total borrowings before deferred financing fees			**1,594.4**	1,710.6	1,435.8
Deferred financing fees and discounts			**(15.5)**	(17.4)	(14.7)
Total borrowings before current maturities			**1,578.9**	1,693.2	1,421.1
Current maturities			**(7.6)**	(8.5)	(10.9)
Total non-current borrowings			**1,571.3**	1,684.7	1,410.2

(1) As at June 30, 2024, Superior had $11.4 million of outstanding letters of credit (December 31, 2023 – $17.4 million) and $321.9 million of outstanding financial guarantees on behalf of its businesses (December 31, 2023 – $324.3 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 6, 2027. The lender commitments can be increased from C$750 million to C$1,050 million on the condition that no event of default has occurred, and lender consent is provided. On May 31, 2024 Superior's credit facilities were updated as a result of Canadian interest rate reform and the effective benchmark rates were changed from a Banker's Acceptance ("BA") based rate to Canadian Overnight Repo Rate Average ("CORRA"), on a go-forward basis.

(2) Superior entered into a C$550 million senior secured revolving credit facility with a syndicate of ten lenders to fund the acquisition of Certarus. The senior secured credit facility matures on May 31, 2026 and is secured by the same assets as above.

(3) Superior's subsidiaries, Superior Plus LP and Superior General Partner Inc., issued at par $600 million of 4.5% senior unsecured notes due March 15, 2029. The fair value of the outstanding $600 million senior unsecured notes is $550.2 million (December 31, 2023 – $554.6 million) based on prevailing market prices. There was an unrealized foreign exchange translation loss on the $600 million senior unsecured note of $6.1 million and $19.3 million for the three and six months ended June 30, 2024 (three and six months ended June 30, 2023 – $12.2 million and $13.9 million gain respectively) as a result of the note being issued and held in a Canadian entity.

(4) Superior's wholly owned subsidiary, Superior Plus LP, completed a private placement of CAD$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 notes based on prevailing market rates is $344.8 million (December 31, 2023 – $351.9 million).

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

2024	7.6
2025	5.6
2026	290.5
2027	315.6
2028	366.0
Thereafter	609.1
Total	**1,594.4**

10. LEASING ARRANGEMENTS

The lease liabilities by operating segment are as follows:

	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total
Balance as at December 31, 2022	100.8	47.4	15.7	-	0.6	164.5
Lease liabilities assumed as part of a business combination	0.2	–	–	12.0	–	12.2
Additions	14.2	19.2	6.3	2.8	–	42.5
Finance expense on lease liabilities	4.6	2.5	1.0	0.4		8.5
Lease payments	(23.1)	(16.4)	(5.7)	(2.1)	(0.2)	(47.5)
Impact of changes in foreign exchange rates and other		1.1	0.5	(0.9)		0.7
Balance as at December 31, 2023	96.7	53.8	17.8	12.2	0.4	180.9
Additions, net of terminated leases	**3.8**	**2.9**	**(1.8)**	**6.2**	**–**	**11.1**
Finance expense on lease liabilities	**2.3**	**1.5**	**0.4**	**0.5**	**–**	**4.7**
Lease payments	**(11.6)**	**(8.2)**	**(3.0)**	**(2.3)**	**(0.1)**	**(25.2)**
Impact of changes in foreign exchange rates and other	**-**	**(1.8)**	**(0.1)**	**0.2**	**–**	**(1.7)**
Balance as at June 30, 2024	**91.2**	**48.2**	**13.3**	**16.8**	**0.3**	**169.8**

	June 30 2024	December 31 2023	December 31 2022
Current portion of lease liabilities	**49.2**	48.0	34.9
Non-current portion of lease liabilities	**120.6**	132.9	129.6
Total lease liabilities	**169.8**	180.9	164.5

The present values of lease payments are as follows:

	Minimum Rental Payments		Present Value of Minimum Rental Payments		
	June 30 2024	December 31 2023	**June 30 2024**	December 31 2023	December 31 2022
Not later than one year	**55.0**	53.4	**49.2**	48.0	34.9
Later than one year and not later than five	**102.5**	112.7	**86.3**	94.0	86.9
Later than five years	**43.3**	50.5	**34.3**	38.9	42.7
Less: future finance charges	**(31.0)**	(35.7)	**–**	–	–
Present value of minimum rental	**169.8**	180.9	**169.8**	180.9	164.5

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

	June 30 2024	December 31 2023	December 31 2022
Not later than one year	**4.0**	7.2	1.5
Later than one year and not later than five years	**0.3**	0.2	0.5
	4.3	7.4	2.0

11. 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.

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

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

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

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period. During the three and six months ended June 30, 2024, 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.

				June 30, 2024
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Foreign currency forward contracts, net sale	**3.0**	**–**	**–**	**3.0**
Propane, West Texas Intermediate ("WTI"), heating oil and diesel purchase and sale contracts	**–**	**7.8**	**1.5**	**9.3**
Total assets	**3.0**	**7.8**	**1.5**	**12.3**
Liabilities				
Foreign currency forward contracts, net sale and foreign currency options	**(7.9)**	**–**	**–**	**(7.9)**
Equity derivative contract	**–**	**(3.8)**	**–**	**(3.8)**
Propane, WTI, heating oil and diesel purchase and sale contracts	**–**	**(3.3)**	**–**	**(3.3)**
Total liabilities	**(7.9)**	**(7.1)**	**–**	**(15.0)**
Total net assets (liabilities)	**(4.9)**	**0.7**	**1.5**	**(2.7)**
Current portion of assets	**2.3**	**7.9**	**–**	**10.2**
Current portion of liabilities	**(6.2)**	**(6.2)**	**–**	**(12.4)**

				December 31, 2023
	Level 1	Level 2	Level 3	Total
Assets				
Foreign currency forward contracts, net sale	4.2	–	–	4.2
Equity derivative contract	–	0.2	–	0.2
Propane, WTI, heating oil and diesel purchase and sale contracts	–	4.1	0.7	4.8
Total assets	4.2	4.3	0.7	9.2
Liabilities				
Foreign currency forward contracts, net sale and foreign currency options	(3.4)	–	–	(3.4)
Equity derivative contract	–	(2.8)	–	(2.8)
Propane, WTI, heating oil and diesel purchase and sale contracts	–	(11.3)	–	(11.3)
Total liabilities	(3.4)	(14.1)	–	(17.5)
Total net assets (liabilities)	0.8	(9.8)	0.7	(8.3)
Current portion of assets	1.4	4.1	–	5.5
Current portion of liabilities	(2.6)	(11.9)	–	(14.5)

				December 31, 2022
	Level 1	Level 2	Level 3	Total
Assets				
Foreign currency forward contracts, net sale	2.2	–	–	2.2
Equity derivative contract	–	1.4	–	1.4
Propane, WTI, heating oil and diesel purchase and sale contracts	–	4.7		4.7
Total assets	2.2	6.1	–	8.3
Liabilities				
Foreign currency forward contracts, net sale and foreign currency options	(15.0)	–	–	(15.0)
Equity derivative contract	–	(1.3)	–	(1.3)
Propane, WTI, heating oil and diesel purchase and sale contracts	–	(34.1)	–	(34.1)
Total liabilities	(15.0)	(35.4)	–	(50.4)
Total net liabilities	(12.8)	(29.3)	–	(42.1)
Current portion of assets	2.0	5.9	–	7.9
Current portion of liabilities	(6.6)	(34.4)	–	(41.0)

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 Value**	**Term**	**Effective Rates**	**Valuation Technique(s) and Key Input(s)**
Level 1 fair value hierarchy:				
Foreign currency forward contracts related to Wholesale Propane	$14.9	July 2024 - 2026	$1.26–$1.37	Quoted bid prices in the active market
Level 2 fair value hierarchy:				
Equity derivative contracts (CAD)	$35.1	July 2024 - 2025	$9.46–$14.55	Discounted cash flows – Future cash flows are estimated based on the share price
Propane, WTI, heating oil and diesel purchase and sale contracts	94.5 USG[(1)]	July 2024 - 2026	$0.50–$2.60	Quoted bid prices for similar products in an active market
Level 3 fair value hierarchy:				
Propane, WTI, heating oil and diesel purchase and sale contracts	1.5 USG[(1)]	July 2024-2026	$0.50–$2.60	Quoted bid prices for similar products in an active market adjusted by supplier prices internally obtained by management

(1) Millions of U.S. gallons ("USG") purchased.

Superior's realized and unrealized financial instrument gains (losses) for the three and six months ended June 30, 2024 and 2023 are as follows:

	Three Months Ended June 30					
	2024			2023		
Description	**Realized Gain**	**Unrealized (Loss) Gain**	**Total**	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Foreign currency forward contracts – net sale and foreign currency options, USD/CAD calls	**–**	**(0.1)**	**(0.1)**	0.3	10.0	10.3
Equity derivative contracts	**–**	**(1.7)**	**(1.7)**	–	(2.0)	(2.0)
Propane, WTI, heating oil and diesel purchase and sale contracts	**1.4**	**1.3**	**2.7**	(5.5)	(10.2)	(15.7)
Total gain (loss) gain on financial and non- financial derivatives	**1.4**	**(0.5)**	**0.9**	(5.2)	(2.2)	(7.4)
Foreign exchange (loss) gain on U.S. dollar debt issued by a Canadian entity	**–**	**(6.4)**	**(6.4)**	–	12.4	12.4
Total Gain (loss)	**1.4**	**(6.9)**	**(5.5)**	(5.2)	10.2	5.0

	Six Months Ended June 30					
	2024			2023		
Description	**Realized (Loss) Gain**	**Unrealized (Loss) Gain**	**Total**	Realized (Loss) Gain	Unrealized Gain (Loss)	Total
Foreign currency forward contracts – net sale and foreign currency options	**(4.1)**	**(5.8)**	**(9.9)**	(2.7)	12.9	10.2
Equity derivative contracts	**–**	**(0.5)**	**(0.5)**	–	(2.9)	(2.9)
Propane, WTI, heating oil and diesel purchase and sale contracts	**3.3**	**12.5**	**15.8**	(24.3)	15.4	(8.9)
Total (loss) gain on financial and non-financial derivatives	**(0.8)**	**6.2**	**5.4**	(27.0)	25.4	(1.6)
Foreign exchange (loss) gain on U.S. dollar debt issued by a Canadian entity	**–**	**(18.7)**	**(18.7)**	–	14.1	14.1
Total (loss) gain	**(0.8)**	**(12.5)**	**(13.3)**	(27.0)	39.5	12.5

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
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 9 and other liabilities correspond to their respective carrying amounts due to their short-term nature and/or the interest rate being commensurate with market interest rates. The fair value of senior unsecured notes disclosed in Note 9 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, 2024 and December 31, 2023, Superior has not recorded any amount against other current and non-current financial assets and liabilities except for the offsetting forward currency contracts that were outstanding as at December 31, 2023. On the adoption of the U.S. dollar as the reporting currency, management entered into forward foreign currency contracts to offset the position as at December 31, 2023. The notional amount of these forward currency contracts that were offset is approximately $324.0 million. The remaining loss that will be realized relating to these offsetting transactions is approximately $5.0 million (C$7.0 million).

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. With the exception of the fair value of Superior's share-based compensation program, Superior does not formally designate these 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. Effective January 1, 2024, Superior began using hedge accounting to reduce the volatility in earnings (loss) related to the fair value of the share-based compensation programs and the related equity derivatives.

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, may enter into foreign currency forward contracts to manage the economic exposure of its operations to movements in foreign currency exchange rates.

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 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.

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.

Effective January 1, 2024, Superior changed its reporting currency from Canadian dollars to U.S. dollars. As a result, Superior will no longer hedge its U.S dollar segment profit (loss) exposure as the foreign currency exchange risk will be significantly reduced. In Q1 2024, Superior entered into foreign currency forward contracts and options to offset prior foreign currency positions, below is the net impact.

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:

	Current	2025	2026	2027	2028	Thereafter	Total
Borrowings before deferred financing fees and discounts	7.6	5.6	290.5	315.6	366.0	609.1	1,594.4
Lease liabilities	49.2	29.8	25.2	19.9	11.4	34.3	169.8
Non-cancellable, low-value, short-term leases and leases with variable lease payments	4.0	0.1	0.1	0.1	–	–	4.3
Certarus capital, transmission and other	51.0	2.0	0.4	0.3	0.3	0.1	54.1
US dollar foreign currency forward contracts and options, net	13.0	1.9	–	–	–	–	14.9
Equity derivative contracts	28.4	6.7	–	–	–	–	35.1
Propane, WTI, heating oil, diesel and natural gas purchase and sale contracts	107.8	10.8	0.1	–	–	–	118.7

In addition to the commitments mentioned above, Superior has entered into purchase orders and contracts during the normal course of business related to commodity purchase obligations transacted at market prices. Furthermore, Superior has entered into purchase agreements that require it to purchase minimum amounts or quantities of propane and other natural gas liquids over certain time periods which vary but are generally for one year. Superior has generally exceeded such minimum requirements in the past and expects to continue doing so for the foreseeable future. Failure to satisfy the minimum purchase requirements could result in the termination of contracts, a change in pricing and/or payments to the applicable supplier.

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 and proceeds on revolving term bank credit facilities. Superior's reported financial instruments' sensitivities are consistent as at June 30, 2024 and December 31, 2023.

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. Effective January 1, 2024, Superior began using hedge accounting to reduce the volatility in earnings (loss) related to the fair value of the share-based compensation programs and its equity derivatives.

As at June 30, 2024, Superior estimates that a 10% increase in its share price would have resulted in a $2.2 million increase in earnings due to the revaluation of equity derivative contracts and a decrease in earnings of $2.2 million due to the revaluation of the underlying long-term incentive plan.

12. INCOME TAXES

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

Total income tax for the three and six months ended June 30, 2024 consisting of current income tax expense of $5.8 million and $13.1 million and deferred income tax recovery of $16.5 million and expense of $14.8 million, respectively (three and six months ended June 30, 2023 – total income tax expense consisting of current income tax expense of $3.5 million and $7.0 million and deferred income tax recovery of $27.5 million and expense of $14.1 million, respectively) with a corresponding total net deferred income tax liability of $157.8 million as at June 30, 2024 (December 31, 2023 – total net deferred income tax liability of $144 million; restated see Note 2(a)).

Superior is within the scope of the OECD Pillar Two model rules. As at June 30, 2024, the Pillar Two legislation has been enacted in Canada and Hungary, and has not been enacted or is not substantially enacted in all other jurisdictions that Superior operates in. Superior applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The assessment of the potential exposure of the Pillar Two model rules is based on the most recent available information for Superior and its constituent entities. Included in the cash taxes, is $0.6 million for Pillar Two income taxes in Hungary. For the other jurisdictions that Superior operates in, the Pillar Two effective tax rates are either above the minimum tax rate, or the transitional safe harbor relief will apply.

13. 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 of Superior Plus U.S. Holdings below.

As at June 30, 2024 and December 31, 2023 there are 248.6 million common shares (June 30, 2023- 249.3 million common shares) issued and outstanding.

Superior has a normal course issuer bid (the "NCIB") with respect to its common shares, which commenced on November 10, 2023 and will terminate on the earlier of November 9, 2024, the date Superior has purchased the maximum number of common shares permitted under the NCIB or the date on which Superior terminates the NCIB in accordance with its terms. The NCIB permits the purchase of up to 12,427,942 common shares, such amount representing 5% of the 248,558,857 common shares issued and outstanding as at October 27, 2023, by way of normal course purchases effected through the facilities of the TSX and/or alternative trading platforms. The NCIB is subject to additional standard regulatory requirements. Furthermore, subject to certain exemptions for block purchases, the maximum number of common shares that Superior may acquire on any-one trading day is 201,908 common shares, such amount representing 25% of the average daily trading volume of the common shares of 807,635 for the six calendar months prior to the start of the NCIB. All common shares purchased by Superior under the NCIB will be cancelled.

Preferred Shares of Superior Plus U.S. 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 C$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 on or after July 13, 2027 with not less than 30 days' prior written notice to the holders of the Preferred Shares. The Preferred Shares can be redeemed at $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, 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, is greater than 145% of the exchange price or C$8.67. On an as-exchanged basis, the Preferred Shares currently represent 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, an increase in or additional dividends to common shareholders, 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 to, 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 $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, 2024 were $4.7 million and $9.4 million, respectively (2023 - $4.7 million and $9.4 million, respectively). As at June 30, 2024 there are 260 thousand preferred shares issued and outstanding.

14. SUPPLEMENTAL DISCLOSURE OF CONSOLIDATED STATEMENTS OF NET EARNINGS

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	**2024**	2023
Revenue				
Revenue from products [(1)]	**388.3**	409.4	**1,231.8**	1,319.9
Revenue from the rendering of services	**16.6**	14.0	**40.9**	27.4
Tank and equipment rental	**18.0**	9.5	**47.9**	14.4
	422.9	432.9	**1,320.6**	1,361.7
Cost of sales				
Cost of products and services [(2)]	**(184.3)**	(231.3)	**(612.8)**	(758.1)
Low value, short-term and variable lease payments	**(3.4)**	(1.2)	**(7.4)**	(2.9)
	(187.7)	(232.5)	**(620.2)**	(761.0)
SD&A				
Other expenses in SD&A [(3)]	**(34.2)**	(43.8)	**(71.0)**	(77.4)
Transaction, restructuring and other costs	**(3.2)**	(16.3)	**(10.2)**	(22.0)
Employee costs and employee future benefits expense	**(99.5)**	(80.1)	**(226.0)**	(180.6)
Distribution and vehicle operating costs [(3)]	**(37.6)**	(29.7)	**(90.2)**	(63.8)
Maintenance and insurance expense [(3)]	**(19.6)**	(11.1)	**(35.7)**	(19.4)
Depreciation of right-of-use assets	**(8.6)**	(7.7)	**(18.2)**	(15.5)
Depreciation of property, plant and equipment	**(36.4)**	(28.3)	**(71.6)**	(54.1)
Amortization of intangible assets	**(20.6)**	(19.3)	**(41.6)**	(36.7)
Low value, short-term and variable lease payments	**(0.7)**	(0.7)	**(1.4)**	(1.4)
Gain (loss) on disposal of assets and other	**0.4**	(0.1)	**(0.5)**	(0.1)
	(260.0)	(237.1)	**(566.4)**	(471.0)
Finance expense				
Interest on borrowings	**(22.2)**	(18.0)	**(46.1)**	(34.5)
Interest on lease liability	**(2.3)**	(2.0)	**(4.7)**	(3.9)
Amortization of borrowing fees and other non-cash financing expenses	**(1.2)**	(1.5)	**(2.1)**	(2.6)
	(25.7)	(21.5)	**(52.9)**	(41.0)
(Loss) Gain on derivatives and foreign currency translation of borrowings				
Realized (loss) gain on financial and non-financial derivatives and foreign currency translation	**1.4**	(5.2)	**(0.8)**	(27.0)
Unrealized gain (loss) on financial and non-financial derivatives and foreign currency translation	**(6.9)**	10.2	**(12.5)**	39.5
	(5.5)	5.0	**(13.3)**	12.5
(Loss) Earnings before income taxes	**(56.0)**	(53.2)	**67.8**	101.2
Income tax expense				
Current income tax expense	**(5.8)**	(3.5)	**(13.1)**	(7.0)
Deferred income tax recovery (expense)	**16.5**	27.5	**(14.8)**	(14.1)
	10.7	24.0	**(27.9)**	(21.1)
Net (loss) earnings for the period	**(45.3)**	(29.2)	**39.9**	80.1

(1) Included in revenue from products is the sale of carbon credits of $2.8 million during the six months ended June 30, 2024 (2023 –$nil).

(2) During the three and six months ended June 30, 2024, the cost of products and services includes inventories recognized as an expense and inventory write-down of $179.4 million and $0.3 million and $602.1 million and $1.1 million, respectively (2023 – $227.6 million and $0.2 million and $748.3 million and $1.1 million, respectively).

(3) Restated to conform with current period presentation.

15. NET EARNINGS PER SHARE, BASIC AND DILUTED

	Three Months Ended June 30		Six Months Ended June 30	
Net Loss (earnings) per share	**2024**	2023	**2024**	2023
Basic				
Net Loss (earnings) for the period attributable to common shareholders	**(50.0)**	(33.9)	**30.5**	70.7
Dividends declared to common shareholders	**32.6**	33.4	**65.7**	60.2
Excess earnings allocated to common shareholders	–	–	–	9.0
Total Loss (earnings) allocated to common shareholders	**(50.0)**	(33.9)	**30.5**	69.2
Weighted average number of shares outstanding (millions) – basic	**248.6**	217.3	**248.6**	209.0
Net Loss (earnings) per share attributable to common shareholders	**$(0.20)**	$(0.16)	**$0.12**	$0.33
Diluted				
Net Loss (earnings) for the period attributable to common shareholders assuming Preferred Shares convert	**(45.3)**	(29.2)	**39.9**	80.1
Weighted average number of Common Shares outstanding (millions) assuming Preferred Shares convert	**278.6**	247.3	**278.6**	239.0
	$(0.16)	$(0.12)	**$0.14**	$0.34
Net Loss (earnings) per share attributable to common shareholders	**$(0.20)**	$(0.16)	**$0.12**	$0.33

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 (loss) 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 13). The two-class method requires earnings (loss) for the period to be allocated between Common Shares and Preferred Shares based upon their respective rights to receive distributed and undistributed earnings.

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

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

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

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

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

16. 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, 2024

	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from delivery of propane and other fuels	**158.7**	**215.2**	**(58.9)**	**315.0**
Revenue from delivery of CNG, RNG and hydrogen	**13.8**	**59.5**	**–**	**73.3**
Revenue from services	**4.9**	**11.7**	**–**	**16.6**
Tank and equipment rental	**4.9**	**13.1**	**–**	**18.0**
Total revenue	**182.3**	**299.5**	**(58.9)**	**422.9**

For the Six Months Ended June 30, 2024

	Canada	**U.S.**	**Inter-segment**	**Total**
Revenue from delivery of propane and other fuels	**472.5**	**776.6**	**(187.3)**	**1,061.8**
Revenue from delivery of CNG, RNG and hydrogen	**37.6**	**132.4**	**–**	**170.0**
Revenue from services	**9.8**	**31.1**	**–**	**40.9**
Tank and equipment rental	**10.2**	**37.7**	**–**	**47.9**
Total revenue	**530.1**	**977.8**	**(187.3)**	**1,320.6**

For the Three Months Ended June 30, 2023

	Canada	U.S.	Inter-segment	Total
Revenue from delivery of propane and other fuels	170.4	280.2	(67.8)	382.8
Revenue from delivery of CNG, RNG and hydrogen	3.9	22.7	–	26.6
Revenue from services	4.3	9.7	–	14.0
Tank and equipment rental	2.3	7.2	–	9.5
Total revenue	180.9	319.8	(67.8)	432.9

For the Six Months Ended June 30, 2023

	Canada	U.S.	Inter-segment	Total
Revenue from delivery of propane and other fuels	545.9	983.6	(236.2)	1,293.3
Revenue from delivery of CNG, RNG and hydrogen	3.9	22.7	–	26.6
Revenue from services	7.2	20.2	–	27.4
Tank and equipment rental	3.1	11.3	–	14.4
Total revenue	560.1	1,037.8	(236.2)	1,361.7

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

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	**2024**	2023
Changes in non-cash operating working capital and other				
Trade and other receivables, and prepaids and deposits	**132.9**	117.5	**153.5**	254.7
Inventories	**11.9**	11.5	**27.8**	47.6
Trade and other payables and other liabilities	**(54.9)**	(45.2)	**(131.0)**	(135.7)
	89.9	83.8	**50.3**	166.6

18. 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, 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 U.S. and Canada.

Segment information is presented below. In the tables below, income tax recovery and expense are not allocated to the segments. Information by geographical region is provided in Note 19 of these unaudited condensed consolidated financial statements.

Three Months Ended June 30, 2024	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue								
External customers	**160.4**	**101.7**	**67.7**	**93.1**	**–**	**422.9**	**–**	**422.9**
Inter-segment	**–**	**2.7**	**56.2**	**–**	**–**	**58.9**	**(58.9)**	**–**
Total revenue	**160.4**	**104.4**	**123.9**	**93.1**	**–**	**481.8**	**(58.9)**	**422.9**
Cost of sales (includes products and services)	**(71.0)**	**(53.7)**	**(113.5)**	**(8.4)**	**–**	**(246.6)**	**58.9**	**(187.7)**
Gain (loss) on derivatives included in segment profit [1]	**–**	**–**	**1.4**	**–**	**(1.7)**	**(0.3)**	**–**	**(0.3)**
SD&A excluding costs identified below	**(79.6)**	**(40.2)**	**(9.0)**	**(57.5)**	**(5.30)**	**(191.6)**	**–**	**(191.6)**
Segment profit (loss)	**9.8**	**10.5**	**2.8**	**27.2**	**(7.0)**	**43.3**	**–**	**43.3**
Depreciation included in SD&A	**(13.6)**	**(8.9)**	**(0.6)**	**(13.3)**	**–**	**(36.4)**	**–**	**(36.4)**
Depreciation of right-of-use assets included in SD&A	**(4.5)**	**(1.5)**	**(1.2)**	**(1.3)**	**(0.1)**	**(8.6)**	**–**	**(8.6)**
Amortization of intangible assets included in SD&A	**(11.5)**	**(3.5)**	**(1.5)**	**(4.1)**	**–**	**(20.6)**	**–**	**(20.6)**
Transaction, restructuring and other costs included in SD&A	**(2.1)**	**(0.8)**	**0.2**	**–**	**(0.5)**	**(3.2)**	**–**	**(3.2)**
Gain (loss) on disposal of assets and impairment of goodwill included in SD&A	**0.2**	**0.4**	**(0.1)**	**(0.1)**	**–**	**0.4**	**–**	**0.4**
Finance expense	**(1.5)**	**(0.7)**	**(0.3)**	**(0.4)**	**(22.8)**	**(25.7)**	**–**	**(25.7)**
Gain (loss) on derivatives and foreign currency translation of borrowings excluded from segment profit (loss)	**1.7**	**–**	**(0.4)**	**(0.2)**	**(6.3)**	**(5.2)**	**–**	**(5.2)**
(Loss) earnings before income taxes	**(21.5)**	**(4.5)**	**(1.1)**	**7.8**	**(36.7)**	**(56.0)**	**–**	**(56.0)**
Income tax recovery								**10.7**
Net loss for the period								**(45.3)**

[1] Management includes the realized gain (loss) on commodity derivatives and the gain (loss) on equity derivatives in the determination of segment profit (loss). Other realized gains (losses) on derivatives are excluded from segment profit (loss) as well as foreign currency forward and option derivative contracts, refer to the financial instruments Note 11 for more details.

Six Months Ended June 30, 2024	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue								
External customers	**591.3**	**285.3**	**218.4**	**225.6**	**–**	**1,320.6**	**–**	**1,320.6**
Inter-segment	**–**	**8.5**	**178.8**	**–**	**–**	**187.3**	**(187.3)**	**–**
Total revenue	**591.3**	**293.8**	**397.2**	**225.6**	**–**	**1,507.9**	**(187.3)**	**1,320.6**
Cost of sales (includes products and services)	**(269.8)**	**(155.4)**	**(355.1)**	**(27.2)**	**–**	**(807.5)**	**187.3**	**(620.2)**
Gain(loss) on derivatives included in segment profit (loss) [(1)]	**3.2**	**–**	**0.1**	**–**	**(0.5)**	**2.8**	**–**	**2.8**
SD&A excluding costs identified below	**(183.5)**	**(86.8)**	**(22.3)**	**(119.7)**	**(12.0)**	**(424.3)**	**–**	**(424.3)**
Segment profit (loss)	**141.2**	**51.6**	**19.9**	**78.7**	**(12.5)**	**278.9**	**–**	**278.9**
Depreciation included in SD&A	**(28.1)**	**(15.7)**	**(1.5)**	**(26.3)**	**–**	**(71.6)**	**–**	**(71.6)**
Depreciation of right-of-use assets included in SD&A	**(9.0)**	**(4.3)**	**(2.4)**	**(2.4)**	**(0.1)**	**(18.2)**	**–**	**(18.2)**
Amortization of intangible assets included in SD&A	**(23.2)**	**(7.1)**	**(3.1)**	**(8.1)**	**(0.1)**	**(41.6)**	**–**	**(41.6)**
Transaction, restructuring and other costs included in SD&A	**(4.8)**	**(4.0)**	**–**	**–**	**(1.4)**	**(10.2)**	**–**	**(10.2)**
Gain (loss) on disposal of assets and impairment of goodwill included in SD&A	**0.1**	**0.5**	**(0.6)**	**(0.5)**	**–**	**(0.5)**	**–**	**(0.5)**
Finance expense	**(3.2)**	**(1.5)**	**(0.7)**	**(0.7)**	**(46.8)**	**(52.9)**	**–**	**(52.9)**
Gain (loss) on derivatives and foreign currency translation of borrowings excluded from segment profit (loss)	**10.3**	**–**	**2.2**	**0.6**	**(29.2)**	**(16.1)**	**–**	**(16.1)**
Earnings (loss) before income taxes	**83.3**	**19.5**	**13.8**	**41.3**	**(90.1)**	**67.8**	**–**	**67.8**
Income tax expense								**(27.9)**
Net earnings for the period								**39.9**

(1) Management includes the realized gain (loss) on commodity derivatives and the gain (loss) on equity derivatives in the determination of segment profit (loss). Other realized gains (losses) on derivatives are excluded from segment profit (loss) as well as foreign currency forward and option derivative contracts, refer to the financial instruments Note 11 for more details.

Three Months Ended June 30, 2023	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue								
External customers	196.3	110.0	93.1	33.5	–	432.9	–	432.9
Inter-segment	–	3.2	64.6	–	–	67.8	(67.8)	–
Total revenue	196.3	113.2	157.7	33.5	–	500.7	(67.8)	432.9
Cost of sales (includes products and services)	(94.6)	(60.7)	(140.0)	(5.0)	–	(300.3)	67.8	(232.5)
Loss on derivatives included in segment profit [(1)]	(4.0)	–	(1.5)	–	–	(5.5)	–	(5.5)
SD&A excluding costs identified below	(84.0)	(42.4)	(12.2)	(19.0)	(7.8)	(165.4)	–	(165.4)
Segment profit (loss)	13.7	10.1	4.0	9.5	(7.8)	29.5	–	29.5
Depreciation included in SD&A	(15.8)	(8.6)	(0.3)	(3.5)	(0.1)	(28.3)	–	(28.3)
Depreciation of right-of-use assets included in SD&A	(4.7)	(1.4)	(1.2)	(0.3)	(0.1)	(7.7)	–	(7.7)
Amortization of intangible assets included in SD&A	(12.1)	(3.5)	(1.2)	(2.4)	(0.1)	(19.3)	–	(19.3)
Transaction, restructuring and other costs included in SD&A	(2.8)	(0.2)	(0.3)	(0.2)	(12.8)	(16.3)	–	(16.3)
(Loss) gain on disposal of assets included in SD&A	(0.3)	1.4	–	(1.2)	–	(0.1)	–	(0.1)
Finance expense	(1.5)	(0.6)	(0.1)	–	(19.3)	(21.5)	–	(21.5)
(Loss) gain on derivatives and foreign currency translation of borrowings excluded from segment profit (loss)	(8.5)	–	(1.7)	–	20.7	10.5	–	10.5
(Loss) earnings before income taxes	(32.0)	(2.8)	(0.8)	1.9	(19.5)	(53.2)	–	(53.2)
Income tax recovery								24.0
Net loss for the period								(29.2)

(1) Management includes the realized gain (loss) on commodity derivatives in the determination of segment profit (loss). Other gains (losses) on derivatives and foreign currency translation of borrowings are excluded from segment profit (loss), refer to the financial instruments Note 11 for more details. This differs from the current period as a result of adopting hedge accounting in 2024.

Six months ended June 30, 2023	U.S. Propane	Canadian Propane	Wholesale Propane	Certarus	Corporate	Total Segments	Inter-segment	Total Consolidated
Revenue								
External customers	700.4	332.2	295.6	33.5	–	1,361.7	–	1,361.7
Inter-segment	–	10.6	225.6	–	–	236.2	(236.2)	–
Total revenue	700.4	342.8	521.2	33.5	–	1,597.9	(236.2)	1,361.7
Cost of sales (includes products and services)	(346.1)	(193.1)	(453.0)	(5.0)	–	(997.2)	236.2	(761.0)
Loss on derivatives included in segment profit (loss)[1]	(18.0)	–	(6.3)	–	–	(24.3)	–	(24.3)
SD&A excluding costs identified below	(192.5)	(90.9)	(28.2)	(19.0)	(12.0)	(342.6)	–	(342.6)
Segment profit (loss)	143.8	58.8	33.7	9.5	(12.0)	233.8	–	233.8
Depreciation included in SD&A	(33.4)	(16.0)	(1.1)	(3.5)	(0.1)	(54.1)	–	(54.1)
Depreciation of right-of-use assets included in SD&A	(9.3)	(3.7)	(2.1)	(0.3)	(0.1)	(15.5)	–	(15.5)
Amortization of intangible assets included in SD&A	(24.5)	(6.9)	(2.7)	(2.4)	(0.2)	(36.7)	–	(36.7)
Transaction, restructuring and other costs included in SD&A	(6.9)	(0.4)	(0.4)	(0.2)	(14.1)	(22.0)	–	(22.0)
(Loss) gain on disposal of assets included in SD&A	(0.2)	1.3	–	(1.2)	–	(0.1)	–	(0.1)
Finance expense	(3.2)	(1.2)	(0.2)	–	(36.4)	(41.0)	–	(41.0)
Gain (loss) on derivatives and foreign currency translation of borrowings excluded from segment profit (loss)	7.9	–	7.5	–	21.4	36.8	–	36.8
Earnings (loss) before income taxes	74.2	31.9	34.7	1.9	(41.5)	101.2	–	101.2
Income tax expense								(21.1)
Net earnings for the period								80.1

(1) Management includes the realized gain (loss) on commodity derivatives in the determination of segment profit (loss). Other gains (losses) on derivatives and foreign currency translation of borrowings are excluded from segment profit (loss), refer to the financial instruments Note 11 for more details. This differs from the current period as a result of adopting hedge accounting in 2024.

Net Working Capital, Total Assets, Total Liabilities and Capital Expenditures

	U.S. Propane	**Canadian Propane**	**Wholesale Propane**	**Certarus**	**Corporate**	**Total**
As at June 30, 2024						
Net working capital [1]	**(56.1)**	**20.0**	**(26.7)**	**28.4**	**(53.9)**	**(88.3)**
Total assets	**1,802.4**	**646.8**	**245.2**	**904.5**	**56.9**	**3,655.8**
Total liabilities	**408.9**	**99.7**	**122.1**	**128.9**	**1,590.2**	**2,349.8**
As at December 31, 2023						
Net working capital [1] [2]	(20.8)	41.4	(15.8)	35.2	(80.5)	(40.5)
Total assets [2]	1,910.6	713.0	293.1	936.4	54.0	3,907.1
Total liabilities [2]	457.4	120.7	151.5	136.6	1,703.6	2,569.8

Capital expenditures for the three months ended June 30, 2024						
Purchase of property, plant and equipment and intangible assets	**3.8**	**7.0**	**(0.2)**	**19.8**	**–**	**30.4**
Vehicle lease additions	**1.8**	**0.8**	**–**	**1.5**	**–**	**4.1**
Capital expenditures excluding other lease liabilities	**5.6**	**7.8**	**(0.2)**	**21.3**	**–**	**34.5**
Other lease additions	**0.6**	**0.1**	**0.3**	**1.8**	**–**	**2.8**
Proceeds on disposal of property, plant and equipment	**(0.4)**	**(0.5)**	**–**	**–**	**–**	**(0.9)**
Total net capital expenditures	**5.8**	**7.4**	**0.1**	**23.1**	**–**	**36.4**
Capital expenditures for the three months ended June 30, 2023 [2]						
Purchase of property, plant and equipment and intangible assets	7.2	8.5	1.3	5.1	–	22.1
Vehicle lease additions	4.2	2.8	(0.3)	0.1	–	6.8
Capital expenditures excluding other lease liabilities	11.4	11.3	1.0	5.2	–	28.9
Other lease additions	0.9	0.9	0.1	–	–	1.9
Proceeds on disposal of property, plant and equipment	(0.5)	(1.6)	–	(0.6)	–	(2.7)
Total net capital expenditures	11.8	10.6	1.1	4.6	–	28.1

Capital expenditures for the six months ended June 30, 2024						
Purchase of property, plant and equipment and intangible assets	**13.7**	**12.5**	**0.1**	**42.1**	**–**	**68.4**
Vehicle lease additions	**3.0**	**2.6**	**–**	**4.0**	**–**	**9.6**
Capital expenditures excluding other lease liabilities	**16.7**	**15.1**	**0.1**	**46.1**	**–**	**78.0**
Other lease additions, net of terminated leases	**0.8**	**0.3**	**(1.8)**	**2.2**	**–**	**1.5**
Proceeds on disposal of property, plant and equipment	**(2.0)**	**(1.0)**	**(0.1)**	**(0.9)**	**–**	**(4.0)**
Total net capital expenditures	**15.5**	**14.4**	**(1.8)**	**47.4**	**–**	**75.5**
Capital expenditures for the six months ended June 30, 2023[2]						
Purchase of property, plant and equipment and intangible assets	21.7	14.6	2.9	5.1	–	44.3
Vehicle lease additions	5.0	3.7	0.3	0.1	–	9.1
Capital expenditures excluding other lease liabilities	26.7	18.3	3.2	5.2	–	53.4
Other lease additions	0.9	1.2	4.0	–	–	6.1
Proceeds on disposal of property, plant and equipment	(0.9)	(2.0)	(0.1)	(0.6)		(3.6)
Total net capital expenditures	26.7	17.5	7.1	4.6	–	55.9

(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).

19. GEOGRAPHICAL INFORMATION

	U.S.	Canada	Other	Total Consolidated
Revenue for the three months ended June 30, 2024	**299.5**	**123.4**	**–**	**422.9**
Revenue for the six months ended June 30, 2024	**977.8**	**342.8**	**–**	**1,320.6**
Property, plant and equipment as at June 30, 2024	**549.4**	**728.1**	**–**	**1,277.5**
Right-of-use assets as at June 30, 2024	**114.9**	**30.9**	**–**	**145.8**
Intangible assets as at June 30, 2024	**292.7**	**145.8**	**–**	**438.5**
Goodwill as at June 30, 2024	**1,025.6**	**404.8**	**–**	**1,430.4**
Total assets as at June 30, 2024	**2,187.3**	**1,447.6**	**20.9**	**3,655.8**
Revenue for the three months ended June 30, 2023	319.8	113.1	–	432.9
Revenue for the six months ended June 30, 2023	1,037.8	323.9	–	1,361.7
Property, plant and equipment as at December 31, 2023	567.6	705.5	–	1,273.1
Right-of-use assets as at December 31, 2023	118.2	71.4	–	189.6
Intangible assets as at December 31, 2023	312.9	169.3	–	482.2
Goodwill as at December 31, 2023	1,025.0	418.2	–	1,443.2
Total assets as at December 31, 2023	2,327.8	1,554.8	24.5	3,907.1