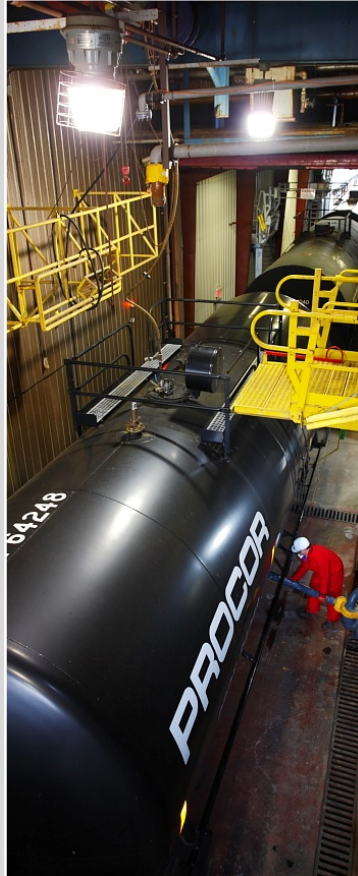




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**BUSINESS UPDATE**  
**MARCH 2021**



## CAUTION REGARDING FORWARD- LOOKING STATEMENTS



Certain statements contained in this presentation constitute forward-looking statements within the meaning of certain securities laws, including the Securities Act (Ontario). Forward-looking statements can be generally identified by the use of words such as “anticipate”, “continue”, “estimate”, “expect”, “expected”, “intend”, “may”, “will”, “project”, “plan”, “should”, “believe” and similar expressions. Forward-looking statements in this presentation describe the expectations of Chemtrade Logistics Income Fund (“Chemtrade”) and its subsidiaries as of the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including without limitation the risks and uncertainties detailed under the “RISK FACTORS” section of Chemtrade’s latest Annual Information Form and the “RISKS AND UNCERTAINTIES” section of Chemtrade’s most recent Management’s Discussion & Analysis. Although Chemtrade believes the expectations reflected in these forward-looking statements and the assumptions upon which they are based are reasonable, no assurance can be given that actual results will be consistent with such forward-looking statements, and they should not be unduly relied upon. Except as required by law, Chemtrade does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Further information can be found in the disclosure documents filed by Chemtrade with the securities regulatory authorities, available on [www.sedar.com](http://www.sedar.com).

One of the non-IFRS measures referred to in this presentation is Adjusted EBITDA, which is EBITDA modified to exclude only non-cash items such as unrealized foreign exchange gains and losses. For simplicity, the presentation will just refer to it as EBITDA as opposed to Adjusted EBITDA. Both these terms are fully defined in our MD&A.





### 1

#### Growth

Increased size, scale and diversity of earnings (acquisitions and organic growth)



### 2

#### Business Model

Mitigates Commodity Risks



### 3

#### Operational Excellence

Ensures sustainable earnings through improved operations focussed on productivity improvement, assets and people



### 4

#### Financial Prudence

Maintain financial flexibility & balance sheet strength with sound capital management



## SULPHUR PRODUCTS AND PERFORMANCE CHEMICALS (SPPC)

Approx 60% of revenue  
based on risk shared  
contracts



## WATER SOLUTIONS AND SPECIALTY CHEMICALS (WSSC)

Wide diversity of sources  
of earnings  
  
Includes specialty  
chemicals with distinct  
barriers to entry



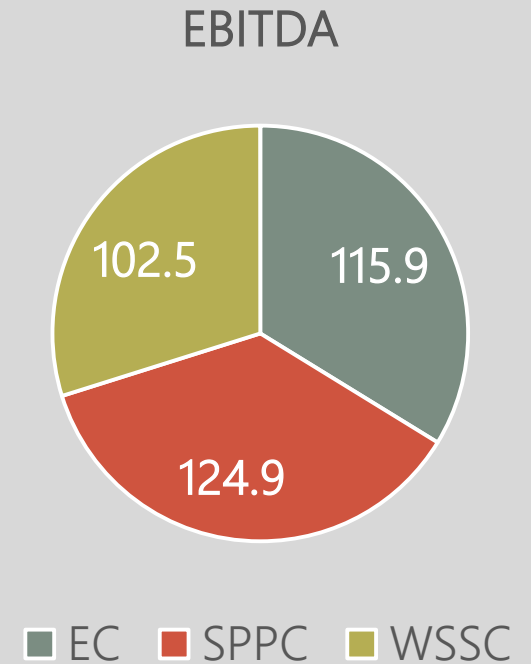
## ELECTROCHEMICALS (EC)

Three sources  
of earnings:

- NA sodium chlorate
- SA sodium chlorate  
and chlor-alkali
- NA chlor-alkali



	C\$ MILLIONS
Adjusted EBITDA	265.3
Maintenance Capex	74.4
Lease Expense	56.0
Cash Interest	68.6
Cash Taxes	7.3
Distributable Cash	59.0
DCPU	\$0.64





- **SPPC 2020 EBITDA was \$35.8 million lower than 2019:**
  - Regen affected by travel restrictions and reduced driven miles (resulting from COVID-19 Pandemic)
  - Merchant acid affected by lower economic activity
- **EC 2020 EBITDA was \$55.5 million lower than 2019:**
  - NE Asia caustic remained low as increased Chlorine demand
  - HCl demand affected by reduced oil demand and lower fracking
- **Partially Offset by WSSC, which had a \$24.6 million improvement over 2019 (Water Solutions margins expanded – stable volume, higher prices and lower costs)**





- **Adjusted EBITDA \$300 - \$350 million**
- **2019 actual EBITDA was \$335.6 million\***
- **Major differences from 2019:**
  - Lower caustic and HCL pricing
  - Vancouver biennial turnaround
  - Major turnaround of material refinery customer
  - COVID-19 impact on Regen, Merchant and Sodium Chlorate

*\*Excluding the \$40.0 million legal provision.*





Key Assumptions – Electrochemicals (EC) Segment	Original	Actual
Approximate North American MECU production volume	~190KT	~140KT
2020 average IHS NE Asia Caustic price index being lower per tonne than the 2019 average; and	US\$15	US\$80
North American production volume of sodium chlorate	~420KT	~375KT







Key Assumptions – Electrochemicals (EC) Segment	2021 Assumption	2020 Actuals
Approximate North American MECU production volume	~175K	~140K
2021 average IHS NE Asia Caustic price index being lower per tonne than the 2020 average; and	US\$40	N/A
North American production volume of sodium chlorate	~375KT	~375KT
None of the principal manufacturing facilities (as set out in Chemtrade's AIF) incurs significant unplanned downtime		

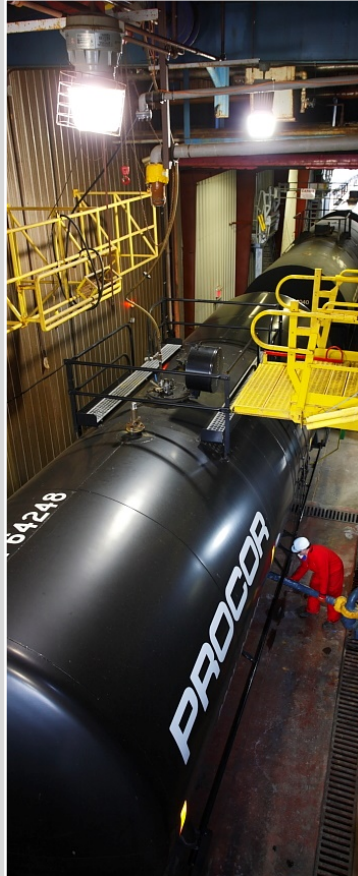




- **Maintenance Capex - \$80-\$85 million**
- **Lease Expense - \$55-\$60 million**
- **Cash Interest - \$70-\$75 million**
- **Cash Taxes - \$5-\$10 million**



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Responsible Care®  
FOR CHEMICALS MANUFACTURERS



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**LONG-TERM OUTLOOK**



- **2020 was a challenging year on all fronts**
- **Priority was to operate safely as we are an essential service**
- **Some parts of the business were significantly affected:**
  - Regen – reduced driving, but started to recover as year progressed
  - HCl demand from reduced fracking
  - Sodium chlorate – reduced demand due to printing paper
  - Asia – where downstream chlorine products demand was strong, but caustic demand was not as strong, so depressed caustic pricing
  - Generally reduced economic activity
- **H1 2021 looks weak, but H2 should start to improve**
- **Well positioned for post-COVID-19 recovery**





- **Merchant Acid: One of the widely used chemicals and expected to recover:**
  - Industrial activity recovery
  - Base metals and fertilizer
- **Regen Acid:**
  - As travel restrictions are lifted, expect recovery in refinery utilization rates and miles driven
- **Ultrapure Sulphuric Acid:**
  - Short-term headwinds due to a shift in customer mix
  - Expect to regain lost volume in 18-24 months
  - Long term fundamentals are very strong
  - All major semi-conductors manufacturers have announced US expansions
  - New US administration focused on increasing chip manufacturing in the US
  - US Ultrapure acid demand exceeds domestic supply





- **Water demand is stable**
- **Margins should remain stable**
  - Short-term higher raw materials, but offset with higher prices
- **Organic growth opportunities:**
  - New applications
  - Specialized products
- **Could consider smaller acquisitions at some point in the future**



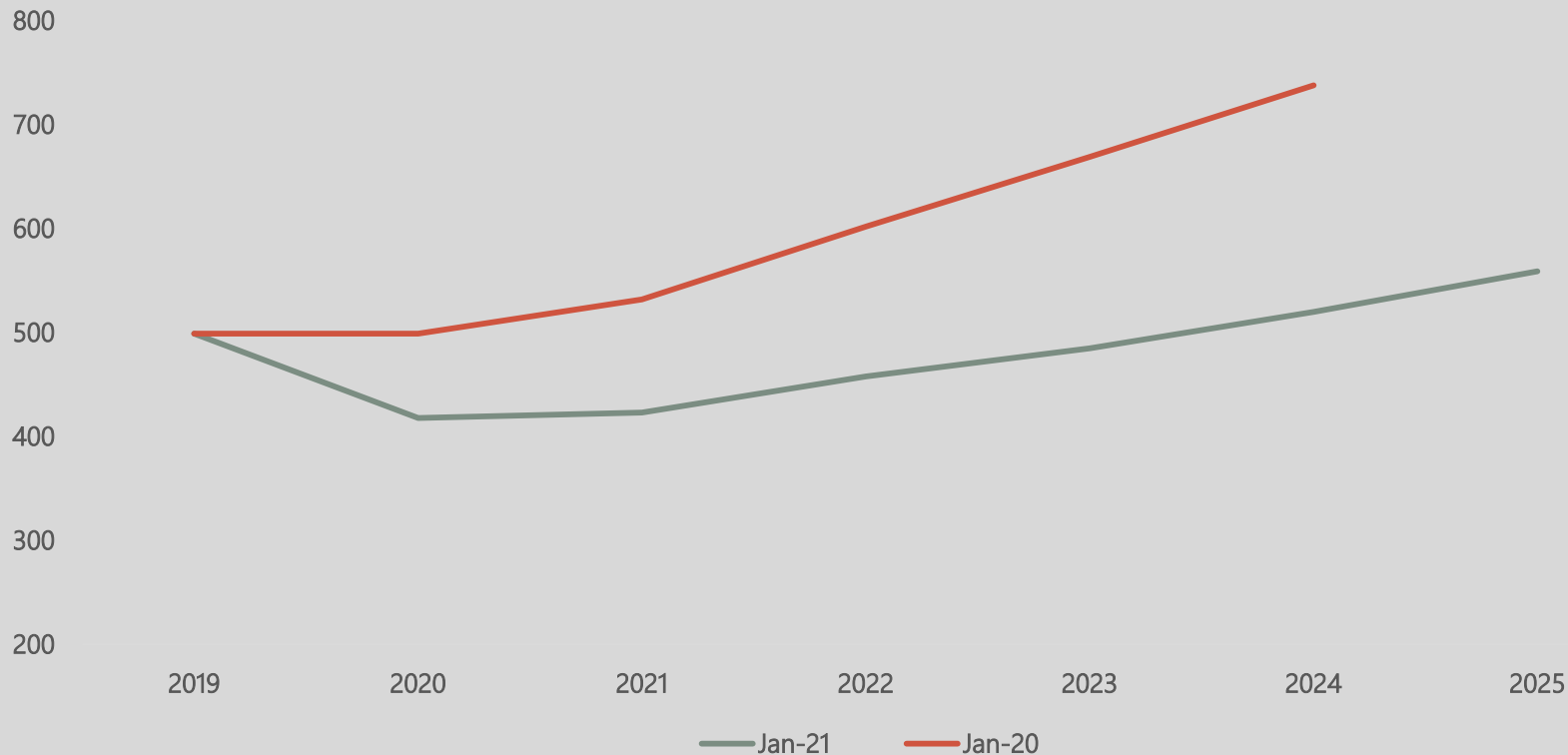


## Caustic Soda: **A Key Improvement Driver**

- We believe the 'trough' is behind us and market fundamentals will improve for next several years
- Market analysts are bullish mid to long-term
- Demand continues to grow, minimal new supply
- Movements in Taiwan contract price are indicative of movements in NE Asia spot pricing



Taiwan Forecast Delivered Price - Caustic Soda (US\$/DMT)



Source – IHS Markit – Jan 2021







▪ **HCl:**

- Demand and pricing should improve from extremely weak in 2020 as oil recovers and additional fracking activity picks up – particularly Western Canada

▪ **Chlorine:**

- Demand and pricing should improve
- Strong demand for PVC and bleach and there has been capacity rationalization in the US

▪ **Sodium Chlorate:**

- As schools and offices open, printing paper and demand for sodium chlorate should recover
- Sodium Chlorate industry is concentrated and excess capacity tends to be rationalized over the longer term to balance with demand





- **Sodium Chlorate and to a lesser extent, chlor-alkali manufacturing process generates hydrogen**
- **Our manufacturing sites use hydro-electric power – so we generate Green Hydrogen**
- **Announced a deal for one of our small Chlorate Plants in Prince George, BC – limited returns for first five years and then more significant**
- **Big opportunity for the Brandon, Manitoba facility as that's five times the size of the Prince George facility**
- **Important from an ESG perspective and financial return**





- **We will improve our Balance Sheet and deliver future growth in earnings driven by:**
  - Market / COVID-19 Recovery
  - Targeted Divestitures
- **Organic growth, until ready for acquisitions:**
  - Ultrapure acid
  - Water
  - Hydrogen
- **Focused efforts on Productivity, Reliability, and Cost Control**





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**CONCLUDING REMARKS**