



CHEM TRADE



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Q1 EARNINGS REVIEW | May 10, 2022



- Q1 2022 Financial Results Review
- Updated 2022 Guidance & Assumptions
- Outlook for Key Products
- Organic Growth Projects
- ESG Targets
- Q & A



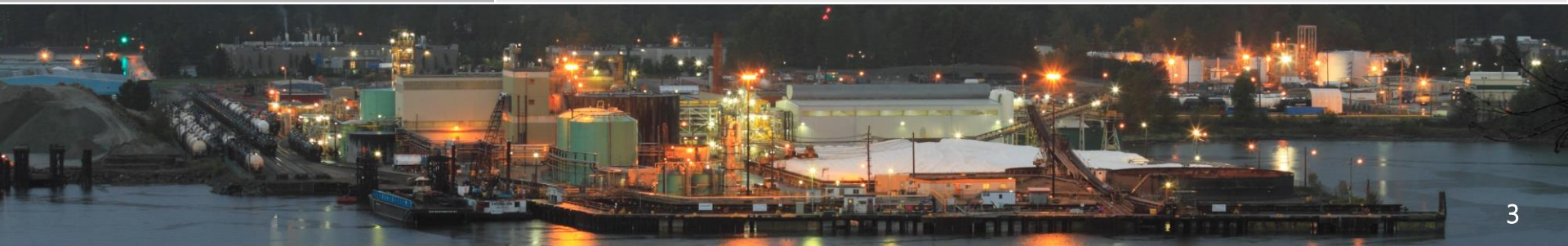


CAUTION REGARDING FORWARD- LOOKING STATEMENTS



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.

One of the 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. Non-IFRS and other financial measure are fully defined in our MD&A.





Q1 2022 Consolidated Results

C\$ Millions, except per share metrics and ratios

	Q1 2022	Q1 2021	Change (\$)	Change (%)
Revenue	390.3	312.4	77.9	25%
Net Earnings (Loss)	10.7	(20.4)	31.1	n/a
Cash Flows from (used in) Operating Activities	37.8	(6.4)	44.2	n/a
Adjusted EBITDA ⁽¹⁾	107.8	55.4	52.4	95%
Maintenance Capex ⁽¹⁾	14.2	8.2	6.0	73%
Lease Payments	12.9	13.0	(0.1)	(1)%
Cash Interest ⁽¹⁾	13.8	16.8	(3.0)	(18)%
Current Taxes	3.7	(0.5)	4.2	n/a
Distributable Cash ⁽¹⁾	63.3	17.9	45.4	254%
DCPU ⁽¹⁾	0.61	0.19	0.42	221%
Distributions declared per unit ⁽²⁾	0.15	0.15	-	-
Payout Ratio (%) ⁽¹⁾	25%	79%	n/a	n/a
Net Debt ⁽¹⁾	1,160.1	1,418.2	(258.1)	(18)%
Net Debt / Adjusted EBITDA ⁽¹⁾	3.5x	5.9x	n/a	n/a

(1) Adjusted EBITDA is a Total of Segments measure. Distributable Cash and Net Debt are non-IFRS measures. Maintenance Capex and Cash Interest are Supplementary Financial Measures. DCPU (Distributable Cash Per Unit), Payout Ratio and Net Debt / Adjusted EBITDA are non-IFRS ratios. See Appendix for more information.

(2) Based on actual number of units outstanding on record date.



Reconfiguration of Operating Segments

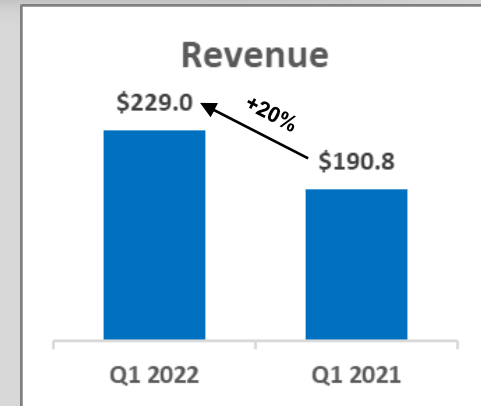
- As a result of the sale of the Potassium Chloride (KCl) and Vaccine Adjuvants businesses on November 2, 2021, Chemtrade reconfigured its operating segments, effective this quarter.
- The operating segments in the Sulphur Products and Performance Chemicals (SPPC) reportable segment were combined with the remaining operating segments in the Water Solutions and Specialty Chemicals (WSSC) reportable segment to form a new reportable segment called **Sulphur and Water Chemicals (SWC)**.
- There are no changes to the **Electrochemicals (EC)** segment as a result of this reconfiguration.





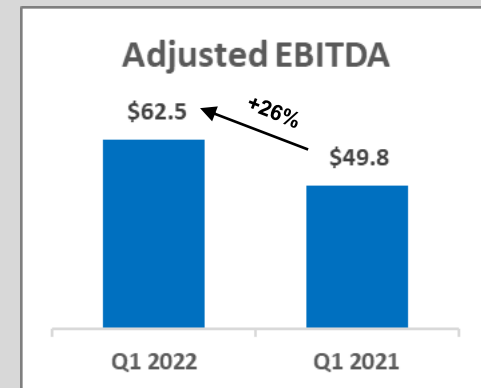
Revenue:

- Higher selling prices of merchant acid, water solutions products, and sulphur products
- Higher sales volumes of regen acid – recovery in gasoline demand; prior year period impacted by severe winter storms and stay-at-home orders in California
- Decrease in revenue for specialty chemicals due to the sale of the KCl and vaccine adjuvant businesses (\$12.7 million)



Adjusted EBITDA⁽¹⁾:

- Higher revenue, as outlined above
- Partially offset by higher sulphur costs
- Loss of EBITDA related to the businesses sold (\$5.0 million)
- Excluding the impact of the sale, Adjusted EBITDA increased by \$17.7 million year-over-year.



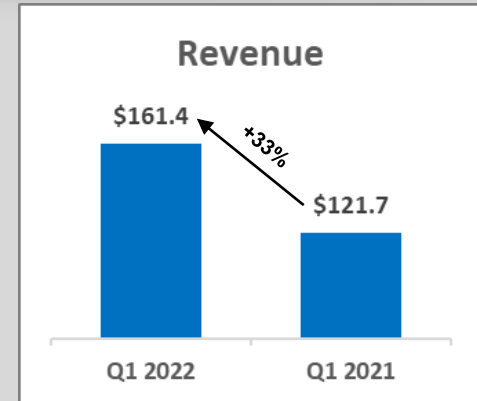
(1) Adjusted EBITDA is a Total of Segments measure. See Appendix for more information.





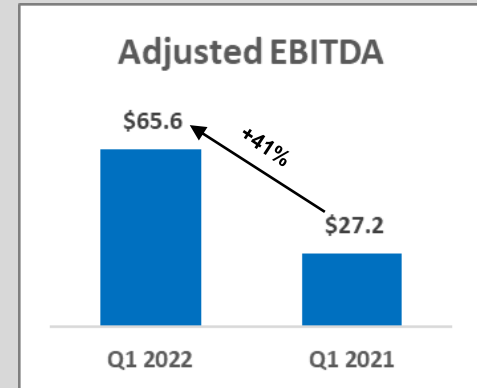
Revenue:

- Higher selling prices for chlor-alkali products (realized MECU netbacks up ~\$715 year-over-year, with 60% of increase attributable to stronger caustic soda pricing and remaining 40% attributable to stronger HCl and chlorine pricing)
- Lower sales volumes of sodium chlorate



Adjusted EBITDA⁽¹⁾:

- Higher sales volumes and selling prices for chlor-alkali products
- Lower sales volumes of sodium chlorate



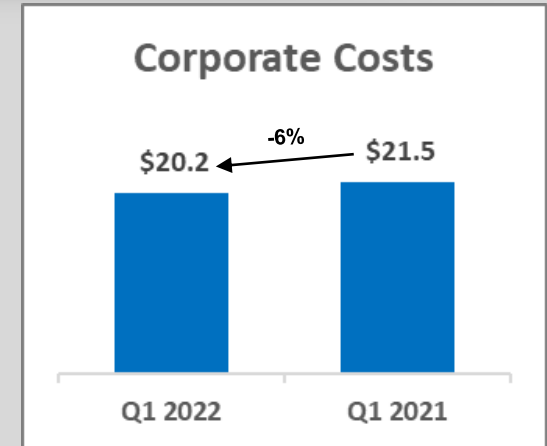
(1) Adjusted EBITDA is a Total of Segments measure. See Appendix for more information.





Corporate Costs:

- Lower LTIP costs of \$1.4 million
- Higher realized foreign exchange gains of \$2.9 million
- Q1 2021 included \$4.7 million related to government support programs





- Net Debt / Adjusted EBITDA of 3.5x at end of Q1 2022, down from 5.9x in Q1 2021 and 4.2x in Q4 2021.
 - Reflects a combination of cash generated from the business, Adjusted EBITDA growth, and the sale of specialty chemicals businesses in Q4 2021.
- Senior Credit Facility of US\$650.0 million – matures in December 2026; fully revolving.
 - US\$215.6 million undrawn as of end of Q1 2022, in addition to C\$19.5 million of cash on hand.
- No debt maturities until May 2024.
- Sold idled Augusta, GA sulphuric acid plant subsequent to quarter-end for net proceeds of US\$10 million.
- On April 19, 2022, Chemtrade announced the launch of a process to sell real estate at its North Vancouver, BC site through a sale-leaseback transaction.
 - Includes approximately 40 acres (16 hectares) of industrial-zoned and rail-serviced land.
 - Would provide additional financial flexibility and liquidity for primary capital priorities of deleveraging and investing in organic growth.
 - Updates to be provided when terms of an agreement are reached or the process is terminated.





- 2022 Adjusted EBITDA guidance increased, primarily reflecting strong Q1/22 results and ongoing strength across chlor-alkali chemicals.
- Midpoint of 2022 Adjusted EBITDA guidance is \$315 million, a \$66.5 million improvement over 2021 after normalizing for sale of specialty chemicals businesses (\$14.2 million EBITDA contribution in 2021) and NATO lawsuit settlement in 2021 (\$17.7 million net recovery in 2021), despite anticipated impact of biennial turnaround at North Vancouver facility in Q2 2022 (~\$20 million impact).
- Implied payout ratio of ~50% for 2022, assuming the midpoint of EBITDA guidance.

	Updated 2022 Guidance	Prior 2022 Guidance	2021 Actual
Adjusted EBITDA ⁽¹⁾	\$300 - \$330	\$265 - \$295	\$280.4 ⁽²⁾
Maintenance Capex	\$73 - \$78	\$72 - \$77	\$75.3
Lease Payments	\$50 - \$55	\$50 - \$55	\$51.6
Cash Interest	\$50 - \$55	\$55 - \$60	\$65.9
Cash Taxes	\$10 - \$15	\$6 - \$10	\$3.5

(1) Adjusted EBITDA is a Total of Segments measure. See Appendix for more information.

(2) Includes \$14.2 million relating to the KCl and vaccine adjuvants businesses sold in November 2021 and \$17.7 million benefit from the settlement of the NATO Lawsuit.





Key Assumptions	Updated 2022 Assumption	Prior 2022 Assumption	2021 Actuals
Approximate North American MECU sales volume	~175K	~175K	~181K
2022 average IHS NE Asia Caustic price index being higher per tonne than the 2021 average	↑ US\$285	↑ US\$150	N/A
North American production volume of sodium chlorate	~350KT	~365KT	~361KT
Biennial maintenance turnaround at the North Vancouver chlor-alkali facility, which is scheduled for the second quarter of 2022	~\$20.0 million	~\$11.0 million	-
USD to CAD average foreign exchange rate	1.250	1.234	1.254
LTIP expense (in millions)	\$15.0 - \$20.0	\$10.0 - \$15.0	\$25.7





Sulphuric acid

- Regen acid demand rebounding as mobility of individuals normalizes (U.S. driving miles have returned to 2019 levels) and refinery utilization rates have increased.
- Ultrapure acid demand from semiconductor industry remains robust and very strong medium- to long-term outlook, supported by on-shoring of production in North America – demand projected to increase by 2-3x over next five years.
- Merchant acid demand continues to rebound on improved industrial activity; tight supply-demand market dynamics.

Water chemicals

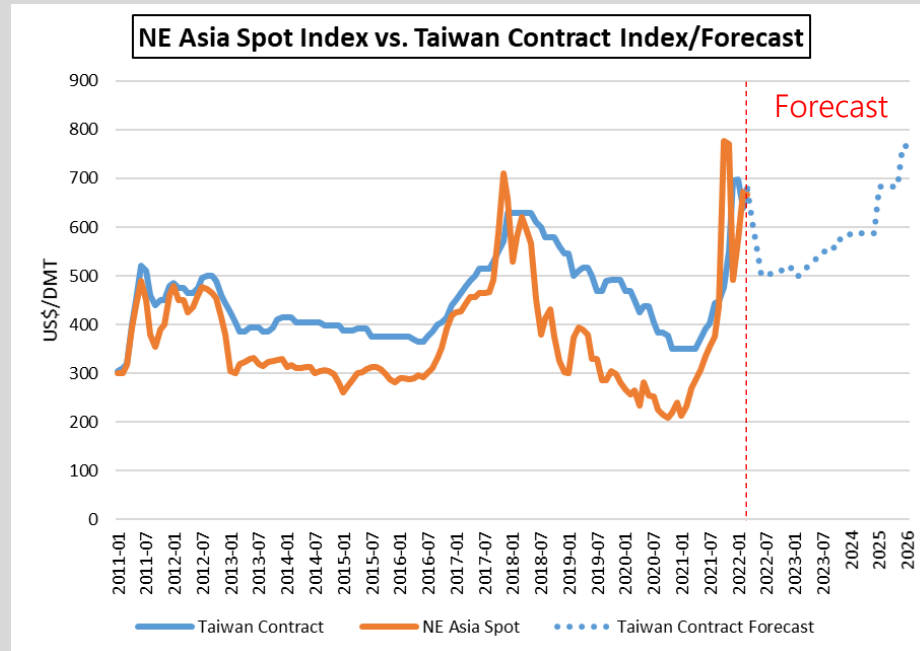
- Demand supported by increasing regulations and population growth – alum demand stable; PAC/ACH demand growing >5% per year.
- Short-term margin pressure from recent upward move in sulphur prices, driven by sanctions on Russian supply (Q2 2022 pricing up ~US\$200/LT quarter-over-quarter to ~US\$480/LT).
- Proactively working with customers to pass-on higher raw material costs.





Caustic Soda

- Prices remain well above levels seen a year ago, with recent support from ongoing geopolitical conflicts.
- Demand and pricing expected to remain elevated over the short- to medium-term (at least 12-18 months).
- NE Asia mid-April price US\$650/DMT.
- Revised 2022 guidance assumes US\$575/DMT.
- Long-term outlook remains favourable, as demand growth (aluminum; lithium ion batteries) projected to significantly outpace industry supply growth.



Source: IHS Markit





Chlorine

- Demand and pricing benefitting from tight industry supply and improving industrial and construction end-markets (PVC; bleach products).
- Prices expect to remain elevated through 2022.

HCl

- Steady increase in US and Canadian rig counts signals improving outlook for HCl market.
- Geopolitical conflicts expected to lead to increased fracking activity in North America as exports of natural gas to Europe increase.
- Fracking activity (and therefore HCl demand) is forecasted to grow 20-25% over the next ~ 12 months.

Long Term Market Demand		
2018:	Oil WTI:	\$65/bbl
	US & Can Rigs:	1,200
2020:	Oil WTI:	\$39/bbl
	US & Can Rigs:	522
2021:	Oil WTI:	\$68/bbl
	US & Can Rigs:	606
April 2022:	Oil WTI:	\$100/bbl
	US & Can Rigs:	795

Source: Baker Hughes Rig Count





Sodium Chlorate

- Volumes remain under pressure from ongoing softness in demand for office paper.
- Focused on renewing contracts at higher prices.
- Optimistic that demand could improve with broader return to the office.

Planned closure of Beauharnois, QC facility

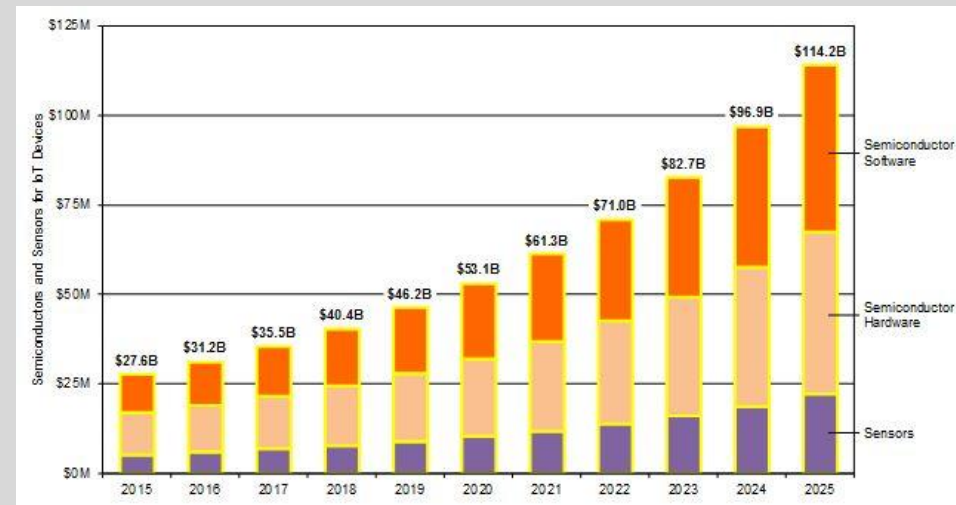
- To be completed by the end of 2022.
- Volumes to be absorbed by Brandon, MB and Prince George, BC facilities.
- Footprint rationalization to lead to improved cost structure moving forward.





- Demand expected to increase by 2-3x over next 5 years, given renewed on-shoring of semiconductor capacity in North America.
- Chemtrade is the leading North American producer of ultrapure acid to the semiconductor manufacturing sector.
- Cairo, Ohio facility expansion
 - \$50mm cost with 25%+ ROIC
 - 60% increase in production capacity
 - Project progressing on schedule; expected to be completed by end of 2023
- Continue to evaluate additional projects to capture anticipated demand growth.

Global Semiconductor Market



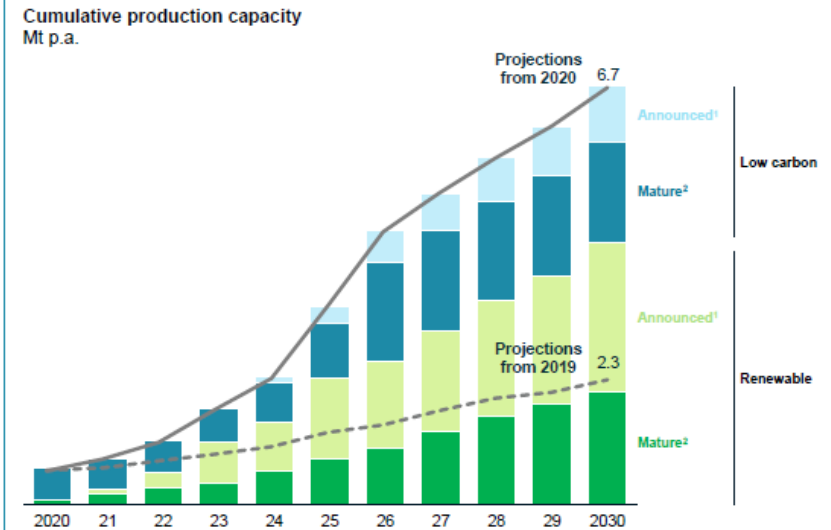
Source: International Business Strategies





- Hydrogen expected to become a more significant energy source in a low carbon future.
- “Green hydrogen” already produced by Chemtrade through sodium chlorate and chlor-alkali manufacturing processes, using hydro-electric power.
- Developing projects at Prince George, BC and Brandon, MB plants to fully monetize the hydrogen streams.
- Construction at Prince George expected to commence in 2022; production expected to begin by in 2023.
- Brandon opportunity expected to be even more significant, given the facility’s scale.

Exhibit 5: Announced clean hydrogen capacity through 2030



1. Includes projects at preliminary studies or at press announcement stage
2. Includes projects that are at the feasibility study or front-end engineering and design stage or where a final investment decision (FID) has been taken, under construction, commissioned or operational

Source: Hydrogen Insights Report 2021 – Hydrogen Council, McKinsey & Company





Water Chemicals

- Chemtrade is one of North America's largest suppliers of inorganic coagulants for water treatment.
- Increasing regulations and population growth support heightened demand for coagulants.
- Undertaking small projects to expand capacity for higher growth PAC/ACH, which are proceeding on schedule and are expected to contribute more meaningfully in 2023.
- Opportunity to expand into new specialized products.

Other Projects

- Continue to evaluate additional organic projects to drive further growth and improve operational efficiency and effectiveness.
- Target \$10 million in incremental cost savings annually through executing on productivity and reliability initiatives, implementing best practices, and leveraging technology to improve performance.





1. Green House Gas (GHG) Emissions

- ✓ We will reduce or offset 2021 Scope 1 GHG emissions from operations, private fleet and process by 50% by 2025

2. Energy Management

- ✓ We will ensure a minimum of 85% of our electricity is from hydro or other renewable sources, including future acquisitions

3. Industrial Waste

- ✓ We will reduce high clay alumina (HCA) landfill disposal by an additional 20% of 2021 baseline by 2025, through reuse and process efficiencies

4. Workforce Safety

- ✓ We will target a 50% reduction of workplace injuries by 2025

5. Board and Executive Diversity

- ✓ We will achieve and maintain at least 30% women and 50% designated groups (women, visible minorities, Indigenous, and/or disable individuals) in management positions and on the Board by the 2024 AGM

➤ The new Sustainability Report will be released in Q2





Chemtrade is well-positioned for a potential economic downturn, given numerous defensive attributes across the business.

SWC Segment

- Water treatment chemicals are non-discretionary.
- Regen business resilient as refinery utilization rates generally remain high in a typical recession.
- Ultrapure demand supported by chip shortages and on-shoring of manufacturing.
- Merchant acid demand tied to industrial activity, but supported by increased North American fertilizer demand from Russia-Ukraine conflict.

EC Segment

- Chlor-alkali impact determined by relative demand for caustic and chlorine.
- Sodium chlorate volumes typically impacted in a recession, but return-to-office expected to serve as offset.





- Strong Q1 2022 results, supported by ongoing improvement across most key products and broad-based rebound in industrial end-markets
- Continue to see favourable market conditions for most key products for balance of 2022, including very strong chlor-alkali backdrop, leading to increased 2022 guidance
- Improved Balance Sheet offers increased financial flexibility moving forward and continue to take steps for further improvement
- Compelling organic growth projects offer significant growth potential over the coming years
- Recently introduced ESG targets to establish Chemtrade as an industry leader in ESG





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Q & A





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APPENDIX





- Caustic Soda Price
 - Change of US\$50/DMT = CAD\$10 million
- Sodium Chlorate Price
 - Change of \$50/metric tonne = \$18.1 million
- CA\$/US\$ exchange rate
 - Change of 1 cent = \$3.1 million





(\$'000)	Three months ended March 31	
	2022	2021
Revenue	\$ 228,988	\$ 190,753
Gross profit (loss)	39,302	21,034
Adjusted EBITDA	62,464	49,774





(\$'000)	Three months ended March 31	
	2022	2021
North American sales volumes:		
Sodium chlorate sales volume (000's MT)	87	92
Chlor-alkali sales volume (000's MECU)	40	41
Revenue	\$ 161,357	\$ 121,687
Gross (loss) profit	39,517	(105)
Adjusted EBITDA	65,596	27,177





Non-IFRS financial measures are financial measures disclosed by an entity that (a) depict historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) are not disclosed in the financial statements of the entity and (d) are not a ratio, fraction, percentage or similar representation. Non-IFRS ratios are financial measures disclosed by an entity that are in the form of a ratio, fraction, percentage or similar representation that has a non-IFRS financial measure as one or more of its components, and that are not disclosed in the financial statements of the entity.

These non-IFRS financial measures and non-IFRS ratios are not standardized financial measures under IFRS and, therefore, are unlikely to be comparable to similar financial measures presented by other entities. Management believes these non-IFRS financial measures and non-IFRS ratios provide transparent and useful supplemental information to help investors evaluate our financial performance, financial condition and liquidity using the same measures as management. These non-IFRS financial measures and non-IFRS ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.

The following slides outline our non-IFRS financial measures and non-IFRS ratios, their compositions, and why management uses each measure. It includes reconciliations to the most directly comparable IFRS measures. Except as otherwise described herein, our non-IFRS financial measures and non-IFRS ratios are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable.





Distributable cash after maintenance capital expenditures –

Most directly comparable IFRS financial measure: Cash flows from operating activities

Definition: Distributable cash after maintenance capital expenditures is calculated as cash flow from operating activities less lease payments net of sub-lease receipts, maintenance capital expenditures and adjusting for cash interest and current taxes, and before decreases or increases in working capital.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.





Distributable cash after maintenance capital expenditures per unit –

Definition: Distributable cash after maintenance capital expenditures per unit is calculated as distributable cash after maintenance capital expenditures divided by the weighted average number of units outstanding.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.

Payout Ratio –

Definition: Payout ratio is calculated as Distributions declared per unit divided by Distributable cash after maintenance capital expenditures per unit.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including our ability to pay distributions to Unitholders.

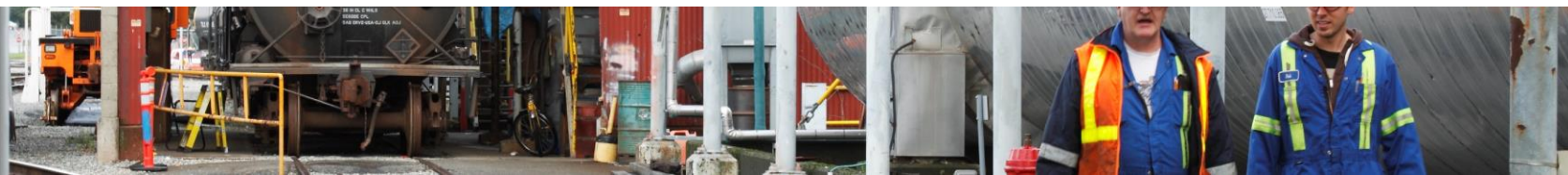




(\$'000)	Three months ended March 31	
	2022	2021
Cash flow from (used in) operating activities	\$ 37,849	\$ (6,396)
Add (Less):		
Lease payments net of sub-lease receipts	(12,856)	(13,028)
Increase in working capital	57,035	45,942
Changes in other items ⁽¹⁾	(4,567)	(447)
Maintenance capital expenditures	(14,192)	(8,187)
Distributable cash after maintenance capital expenditures	63,269	17,884
Weighted average number of units outstanding	104,347,274	95,673,137
Distributable cash after maintenance capital expenditures per unit	\$ 0.61	\$ 0.19
Distributions declared per unit ⁽²⁾	\$ 0.15	\$ 0.15
Payout ratio (%)	25%	79%

(1) Changes in other items relates to cash interest and current taxes.

(2) Based on actual number of units outstanding on record date.





Net Debt –

Most directly comparable IFRS financial measure: Total long-term debt, convertible unsecured subordinated debentures, lease liabilities, long-term lease liabilities, less cash and cash equivalents

Definition: Net Debt is calculated as the total of Long-term debt, the principal value of convertible unsecured subordinated debentures, lease liabilities and long-term lease liabilities, less cash and cash equivalents.

Why we use the measure and why is it useful to investors: It provides useful information related to our aggregate debt balances.

Net Debt/Adjusted EBITDA–

Definition: Net Debt/Adjusted EBITDA is calculated as Net Debt divided by LTM Adjusted EBITDA. LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA and is calculated from Adjusted EBITDA reported in the MD&A.

Why we use the measure and why is it useful to investors: It provides useful information related to our debt leverage and our ability to service debt.





(\$'000)	Three months ended March 31	
	2022	2021
Long-term debt ⁽¹⁾	\$ 524,065	\$ 745,264
Add (Less):		
Convertible unsecured convertible debentures ⁽¹⁾	517,365	531,115
Lease liabilities	44,414	46,589
Long-term lease liabilities	93,813	107,177
Cash and cash equivalents	(19,531)	(11,978)
Net Debt	\$ 1,160,126	\$ 1,418,167
LTM Adjusted EBITDA ⁽²⁾	\$ 332,784	\$ 239,816
Net Debt / Adjusted EBITDA	3.5x	5.9x

(1) Principal amount outstanding.

(2) LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA and is calculated from Adjusted EBITDA reported in the MD&A.





Total of segments measures are financial measures disclosed by an entity that (a) are a subtotal of two or more reportable segments, (b) are not a component of a line item disclosed in the primary financial statements of the entity, (c) are disclosed in the notes of the financial statements of the entity, and (d) are not disclosed in the primary financial statements of the entity.

The following slide provides an explanation of the composition of the total of segments measures.





Adjusted EBITDA –

Most directly comparable IFRS financial measure: Net earnings (loss)

(\$'000)	Three months ended March 31	
	2022	2021
Net earnings (loss)	\$ 10,686	\$ (20,448)
Add (Less):		
Depreciation and amortization	52,201	62,393
Net finance costs	28,845	21,498
Income tax expense (recovery)	17,816	(8,596)
Change in environmental liability	66	-
Net (gain) loss on disposal and write-down of PPE	(69)	151
Loss on disposal of assets held for sale	716	-
Unrealized foreign exchange (gain) loss	(2,429)	430
Adjusted EBITDA	\$ 107,832	\$ 55,428





Supplementary financial measures are financial measures disclosed by an entity that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity, (b) are not disclosed in the financial statements of the entity, (c) are not non-IFRS financial measures, and (d) are not non-IFRS ratios.

The following provides an explanation of the composition of those supplementary financial measures.

Maintenance capital expenditures

Represents capital expenditures that are required to sustain operations at existing levels and include major repairs and maintenance and plant turnarounds.

Cash Interest

Represents interest expense related to long-term debt, convertible unsecured subordinated debentures and pension plans. It excludes non-cash finance costs such as changes in fair value of the convertible unsecured subordinated debentures, ineffective portion of cash flow hedges, changes in fair value of interest rate swaps and accretion expense.

