



CHEM TRADE



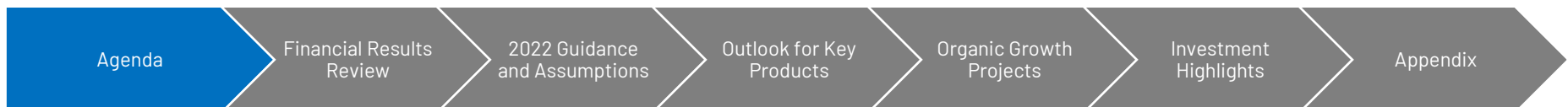
Responsible Care[®]
Our commitment to sustainability



2022

Q2 EARNINGS REVIEW | August 11, 2022

- Q2 2022 Financial Results Review
- 2022 Guidance & Assumptions
- Outlook for Key Products
- Organic Growth Projects
- Investment Highlights
- 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.



Q2 2022 Consolidated Quarterly Results

C\$ Millions, except per unit metrics and ratios

	Q2 2022	Q2 2021	Change(\$)	Change(%)
Revenue	446.4	337.3	109.1	32%
Net Earnings (Loss) ⁽¹⁾	34.8	(14.1)	48.9	n/a
Adjusted EBITDA ⁽²⁾	81.7	65.2	16.6	25%
Cash Flows from Operating Activities	84.0	50.8	33.1	65%
Distributable Cash ⁽²⁾	25.9	21.2	4.7	22%
DCPU ⁽²⁾	0.25	0.21	0.04	19%
Distributions declared per unit ⁽³⁾	0.15	0.15	-	-
Payout Ratio (%) ⁽²⁾	60%	71%	n/a	n/a
Net Debt ⁽²⁾	1,126.8	1,408.7	(281.8)	(20)%
Net Debt / Adjusted EBITDA ⁽²⁾	3.2x	6.1x	n/a	n/a

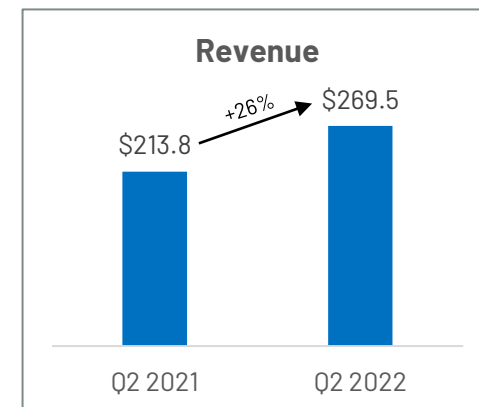
(1) Results for the three months ended June 30, 2022 include a gain of \$17.4 million or \$0.17 per unit related to sale of an idled acid plant in Augusta, Georgia.

(2) Adjusted EBITDA is a Total of Segments measure. DCPU (Distributable Cash Per Unit), Payout Ratio, and Net Debt / Adjusted EBITDA are non-IFRS ratios. See Appendix for more information.

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

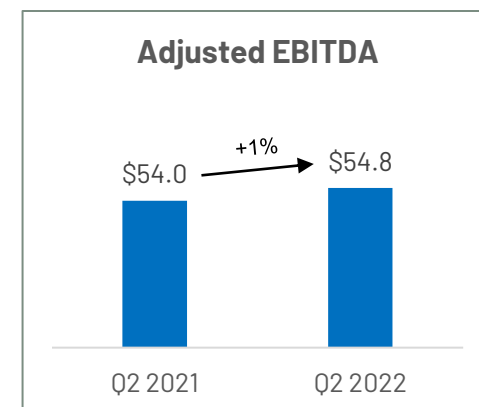
Revenue

- Higher selling prices of merchant acid, water solutions products, and Regen acid
- Lower sales volumes of merchant acid
- Decrease in revenue due to the sale of certain specialty chemicals businesses (KCl and vaccine adjuvant businesses) in Q4 2021 (\$12.9 million)



Adjusted EBITDA ⁽¹⁾

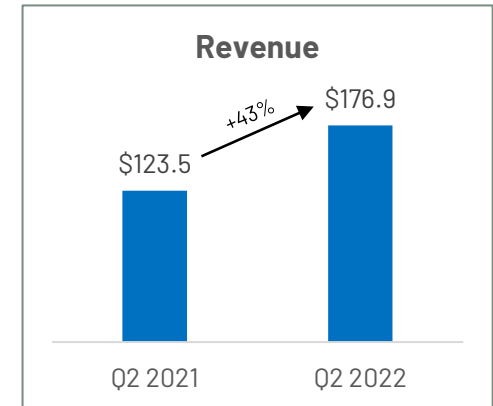
- Higher revenue, as outlined above
- Partially offset by higher sulphur costs
- Loss of EBITDA related to the specialty chemicals businesses sold in Q4 2021 (\$4.5 million)
- Excluding the impact of the specialty chemicals businesses sold, Adjusted EBITDA increased by \$5.3 million year-over-year



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

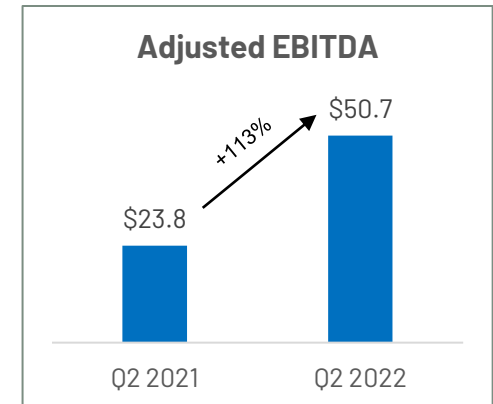
Revenue

- Higher selling prices for chlor-alkali products; realized MECU netbacks up ~\$1,000 year-over-year, with 55% of increase attributable to stronger caustic soda pricing and remaining 45% attributable to stronger HCl and chlorine pricing
- Lower sales volumes of sodium chlorate



Adjusted EBITDA ⁽¹⁾

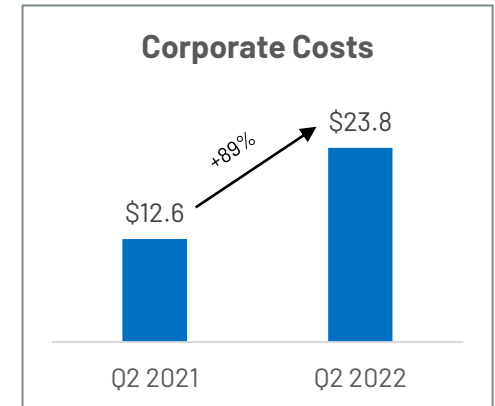
- Higher selling prices for chlor-alkali products
- Lower sales volumes of sodium chlorate
- \$3.9 million in costs related to planned closure of Beauharnois, QC sodium chlorate facility
- Results achieved despite ~\$17.1 million negative impact from biennial maintenance turnaround of North Vancouver chlor-alkali plant during Q2 2022; the turnaround was well executed



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

Corporate Costs

- Realized foreign exchange loss of \$0.4 million, as compared to a gain of \$4.1 million in Q2 2021
- Incentive compensation costs higher by \$1.9 million
- LTIP costs higher by \$2.7 million
- Q2 2021 included \$1.0 million related to government support programs
- Operating costs relatively consistent year-over-year



- **Net Debt / Adjusted EBITDA ⁽¹⁾ of 3.2x at end of Q2 2022, down from 6.1x in Q2 2021.**

- Reflects a combination of cash generated from the business, Adjusted EBITDA growth, the sale of specialty chemicals businesses in Q4 2021, and the sale of an idled Augusta, GA sulphuric acid plant during Q2 2022 for cash proceeds of US\$10 million.

- **Senior Credit Facility of US\$650.0 million – matures in December 2026; fully revolving.**

- US\$247.9 million available as of end of Q2 2022, in addition to C\$23.3 million of cash on hand.
- No material debt maturities until May 2024.
- Amended certain terms in June 2022 to allow for the investment in the KPCT joint arrangement.

- **Process to sell real estate at North Vancouver site through a sale-and-leaseback transaction is ongoing.**

- If successful, 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.

(1) Net Debt / Adjusted EBITDA is a non-IFRS ratio. See Appendix for more information.

- 2022 Adjusted EBITDA guidance increased for second consecutive quarter, primarily reflecting strong year-to-date results and ongoing strength across chlor-alkali chemicals.
- Midpoint of 2022 Adjusted EBITDA guidance is \$370 million, a \$121.5 million improvement over 2021 after adjusting for the sale of specialty chemicals businesses (\$14.2 million Adjusted EBITDA contribution in 2021) and NATO lawsuit settlement in 2021 (\$17.7 million net recovery in 2021), despite impact of biennial turnaround at North Vancouver facility in Q2 2022 (\$17 million impact).
- Implied payout ratio ⁽¹⁾ of ~40% for 2022, assuming the midpoint of Adjusted EBITDA guidance.

	Updated 2022 Guidance	Prior 2022 Guidance	2021 Actual	Six months ended Actual	
				June 30, 2022	June 30, 2021
Adjusted EBITDA ⁽¹⁾	\$360 - \$380	\$300 - \$330	\$280.4 ⁽²⁾	\$189.6	\$120.6
Maintenance Capex ⁽¹⁾	\$80 - \$90	\$73 - \$78	\$75.3	\$40.4	\$23.8
Lease Payments	\$50 - \$55	\$50 - \$55	\$51.6	\$25.4	\$25.7
Cash Interest ⁽¹⁾	\$50 - \$55	\$50 - \$55	\$65.9	\$26.5	\$33.3
Cash Taxes	\$10 - \$15	\$10 - \$15	\$3.5	\$8.0	(\$1.3)

(1) Adjusted EBITDA is a Total of Segments measure. Maintenance Capex and Cash Interest are Supplementary Financial Measures. Payout Ratio is a non-IFRS ratio. 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	~180K	~175K	~181K
2022 average CMA ⁽¹⁾ NE Asia Caustic price index being higher per tonne than the 2021 average	↑ US\$350	↑ US\$285	N/A
North American production volume of sodium chlorate	~350KT	~350KT	~361KT
USD to CAD average foreign exchange rate	1.250	1.250	1.254
LTIP expense (in millions)	\$18.0 - \$23.0	\$15.0 - \$20.0	\$25.7

(1) Chemical Market Analytics by OPIS, a Dow Jones Company, formerly IHS Markit Base Chemical

Sulphuric acid

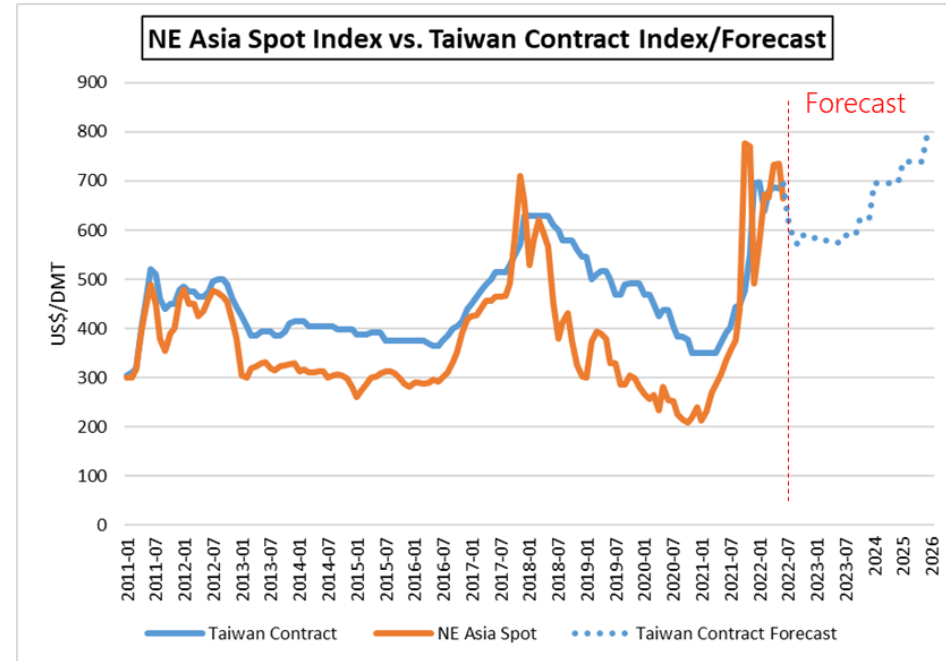
- Demand for Regen acid which is used in gasoline alkylate production, has rebounded from 2020 levels.
- Ultrapure acid demand from the semiconductor industry remains robust and very strong medium- and long-term outlook, supported by semiconductor industry production capacity expansions in North America - significant increase in Ultrapure acid demand expected over the next several years.
- Merchant acid market remains tight on stronger economic activity, given widespread industrial uses

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 elevated sulphur prices (prices are roughly double those from one year ago), though sulphur prices have declined from the recent highs.
- Successful to date in proactively working with customers to pass-on higher raw material costs, but it will take time to fully pass-through these higher costs, given the magnitude of the rise in sulphur prices.

Caustic Soda

- Prices remain very strong, supported by demand for aluminum and supply dislocations stemming from geopolitical conflicts, but below recent highs.
- NE Asia July price US\$585/DMT.
- Revised 2022 guidance assumes US\$640/DMT.
- Long-term outlook remains strong, supported by reinvestment economics and with demand growth (aluminum; lithium-ion batteries) projected to significantly outpace industry supply growth.



Source: CMA (Chemical Market Analytics by OPIS, a Dow Jones Company, formerly IHS Markit Base Chemical)

Chlorine

- Demand and pricing benefitting from tight industry supply and recovery in industrial and construction end-markets (PVC; bleach products).
- Prices expected to remain elevated through the balance of 2022 and into 2023.

HCl

- Market gradually improving, in terms of both volume and price; steady increase in US and Canadian rig counts to above 5-year average signals continued improvement for HCl market.
- Geopolitical conflicts expected to lead to increased fracking activity in North America over the coming years as exports of natural gas to Europe increase.

Strong fundamentals for chlorine and HCl enabling Chemtrade to fully capture the benefits of higher caustic soda pricing.

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
July 2022:	Oil WTI:	\$95/bbl
	US & Can Rigs:	950

Source: Baker Hughes

Sodium Chlorate

- Have seen a modest pick-up in volumes, but overall market demand remains subdued given ongoing softness in demand for office paper.
- Industry operating rates expected to improve, owing to:
 - 1) Sodium chlorate capacity rationalizations taking place in North America
 - 2) North American market seeing new interest in export volumes, given elevated electricity prices in Europe

Planned closure of Beauharnois, QC facility

- Remains on track to be completed by the end of 2022; ~\$4 million in costs booked in Q2 2022 related to the closure.
- Volumes to be absorbed by Brandon, MB and Prince George, BC facilities.
- Footprint rationalization and optimizing utilization of other facilities should lead to improved cost structure moving forward

Joint Arrangement - KPCT Advanced Chemicals LLC

- Joint Arrangement formed with privately held Kanto Group for the greenfield construction of a high purity sulphuric acid plant, with Chemtrade owning 49% of the arrangement.
- The Joint Arrangement will build the plant in Casa Grande, Arizona with the high purity production process based on Kanto Group technology. Kanto Group's technology is currently in use for the leading semiconductor producers in Asia.
- The plant will have a total annual capacity of approximately 100,000 MT of electronic grade acid, with an expected start-up from late 2024 to 2025.
- Expected to cost between US\$175 million and US\$250 million* and Chemtrade expects to realize an IRR of 20%+ on its investment.

Cairo, Ohio Plant Expansion

- Planned expansion progressing on schedule with expected startup in 2024. Budget is now expected to be in range of US\$50-55 million.
- US\$ 50-55 million investment leading to 60% increase in production capacity (15,000 additional MTs) with a 25%+ expected IRR.

These projects will allow Chemtrade to further strengthen its position as the leading manufacturer of ultrapure sulphuric acid in the North American market, while capturing anticipated demand growth from announced semiconductor industry capacity expansions.

* More detailed engineering plans and cost estimates expected to be complete in Q4 2022.

Hydrogen Monetization

- Continue to take positive steps to capitalize on rapidly growing demand for Green Hydrogen.
- Prince George, BC project progressing on schedule, with production expected to begin in 2023.
- Planning continuing for anticipated larger Brandon, MB project.

Water Chemicals Capacity Expansion

- Undertaking small projects to expand capacity for higher growth PAC/ACH, which are proceeding on schedule to be completed this year and to contribute more meaningfully in 2023.

Productivity and Reliability Improvements

- Ongoing focus on operational efficiency and effectiveness across the organization to optimize productivity, increase safety, and reduce operating costs.

While market conditions remain robust across the business, Chemtrade is well-positioned for a potential economic downturn, given numerous defensive attributes and its strengthened balance sheet.

SWC Segment

- Water treatment chemicals are non-discretionary and any decline in raw material costs could result in stronger margins.
- Regen business resilient as refinery utilization rates generally remain high in a typical recession.
- Ultrapure demand supported by chip shortages and semiconductor industry capacity expansions.
- Merchant acid demand tied to industrial activity, but North American demand supported by global supply dislocations, potentially dampening the impact of any economic weakness.

EC Segment

- Chlor-alkali impact determined by relative demand for caustic soda and chlorine.
- Sodium chlorate volumes historically impacted in a recession, but market demand already subdued and therefore unlikely to move significantly lower.

Key ESG Targets for 2022 and Beyond

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>GHG and other air emissions</p> <ul style="list-style-type: none"> Reduce or offset 2021 baseline direct GHG emissions emitted from sources we own or control (Scope 1 emissions) by 50% by 2025 Including all future acquisitions, maintain GHG intensity (kg GHG/kg product) below the chemical industry average 	<p>Workforce Health and Safety</p> <ul style="list-style-type: none"> Achieve employee occupational injury/illness incident rate (OIR) of 0.7 by 2025 Avoid all serious injuries or fatalities (SIFs) for employees and contractors in 2022 and beyond 	<p>Governance of Environmental and Social Issues</p> <ul style="list-style-type: none"> Demonstrate ESG leadership by reporting material SASB factors in alignment with the Task Force on Climate-Related Financial Disclosure model (Governance, Strategy, Risk Management, Metrics, and Targets) Incorporate ESG related targets into short-term and long-term incentive plans of executives starting in 2022
<p>Industrial and Hazardous Waste</p> <ul style="list-style-type: none"> Reduce high clay alumina (HCA) landfill disposal by an additional 20% of 2021 baseline by 2025 	<p>Operational Safety, Emergency Preparedness and Response</p> <ul style="list-style-type: none"> Reduce Level 1 spills or releases by 50% of 2021 baseline by 2025 Reduce the number of transportation incidents by 40% of 2021 baseline by 2025 	<p>Board and Executive Diversity Targets</p> <ul style="list-style-type: none"> Maintain 30% women and achieve 50% designated groups on Board of Directors by our annual meeting in 2024 Maintain 30% women and 50% designated groups in our Executive Officer Positions
<p>Energy Management</p> <ul style="list-style-type: none"> Ensure a minimum of 85% of our electricity usage is from hydroelectric or other renewable sources and maintain this target when making acquisitions 	<p>Employee Engagement and Diversity</p> <ul style="list-style-type: none"> Achieve industry benchmark employee engagement survey results by 2023 Across the organization, fill 40% of vacancies with black, Indigenous and people of colour (BIPOC) and/or women by 2024 Achieve 50% BIPOC and/or women in all management positions by the end of 2025 	

For more information, please refer to our recently published Sustainability Report, available at www.chemtradelogistics.com/sustainability.

Size, Scale and Diversity of Earnings	<ul style="list-style-type: none"> ▪ Extensive product portfolio offers diversified exposure to industrial and consumer end-markets ▪ Exposure to strong chlor-alkali backdrop and robust industrial activity ▪ Benefitting from global supply dislocations caused by geopolitical conflicts
Market Leadership	<ul style="list-style-type: none"> ▪ Significant regional market share across products
Defensive Attributes	<ul style="list-style-type: none"> ▪ Many key products are expected to see limited impact in a typical economic recession ▪ Natural inflation hedge through exposure to higher commodity pricing
Compelling Growth	<ul style="list-style-type: none"> ▪ Compelling organic growth opportunities across the business offer significant growth potential in the coming years (Ultrapure acid; Green Hydrogen; Water Chemicals; Productivity and Reliability initiatives)
Improving Balance Sheet	<ul style="list-style-type: none"> ▪ Significantly strengthened balance sheet (3.2x Net Debt / Adjusted EBITDA ⁽²⁾) offers improved financial flexibility ▪ Continue to focus on balance sheet improvement and prudent capital allocation
Attractive and Sustainable Distribution	<ul style="list-style-type: none"> ▪ 7.3% distribution yield (annualized) ⁽¹⁾ ▪ LTM payout ratio of 47%; Implied 2022 payout ratio of ~40% at midpoint of guidance ⁽²⁾
ESG	<ul style="list-style-type: none"> ▪ 2025 ESG targets positioning Chemtrade to be an industry-leader on ESG

(1) As of July 25, 2022.

(2) Payout Ratio and Net Debt / Adjusted EBITDA are non-IFRS ratios. See Appendix for more information.

Q&A

APPENDIX

Agenda

Financial Results
Review

2022 Guidance
and Assumptions

Outlook for Key
Products

Organic Growth
Projects

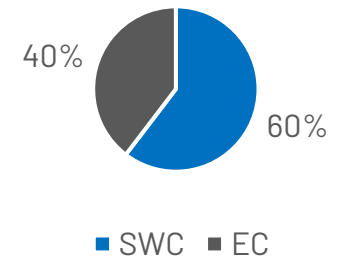
Investment
Highlights

Appendix

Sulphur and Water Chemicals(SWC)

- Manufactures and markets sulphur-based products, water treatment products, and specialty chemicals.
- One of North America’s largest suppliers of industrial sulphuric acid, including Regen acid for the petroleum industry and Ultrapure acid for the semiconductor manufacturing sector.
- One of North America’s largest suppliers of inorganic coagulents for water treatment, serving a diverse customer base including industrial markets and municipalities.

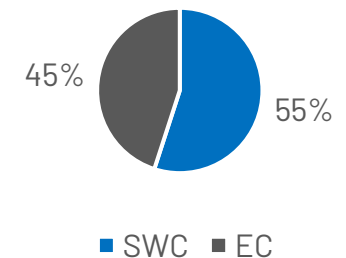
LTM Revenue



Electrochemicals(EC)

- Manufactures and markets sodium chlorate and chlor-alkali products.
- A leading supplier of sodium chlorate in Canada, primarily for the pulp and paper industry.
- A leading regional supplier of chlor-alkali products for diverse industrial end-markets.
- Operates Brazilian electrochemicals plant, supported by a long-term contract with Suzano

LTM Adjusted EBITDA*



*excluding corporate costs

Key Products	Primary End-Uses	Competitive Advantages	Key Competitors
Regen sulphuric acid	Gasoline production	<ul style="list-style-type: none"> Largest facilities are closely connected to customers (connected via pipeline at most facilities) 	Ecoservices; Veolia North America; PVS Chemical Solutions Inc.
Ultrapure sulphuric acid	Semiconductor manufacturing	<ul style="list-style-type: none"> North America's leading producer of ultrapure acid 	PVS Chemical Solutions Inc; Imports from overseas
Merchant sulphuric acid	Wood pulp; industrial chemicals; automobile batteries; steel production; water treatment; mining	<ul style="list-style-type: none"> One of North America's top three marketers of sulphuric acid Half of sulphuric acid manufactured internally Risk-sharing agreements with by-product suppliers 	Glencore; International Raw Materials; Veolia North America; Ecoservices; Southern States Chemical Company; Rio Tinto Kennecott; Cornerstone Chemical Company; Nouryon Chemicals
Water solutions (Alum; ACH; PACI)	Municipal and industrial water treatment	<ul style="list-style-type: none"> One of North America's largest suppliers of inorganic coagulents for water treatment Sulphuric acid is a key raw material; able to source from own facilities 35+ facilities are located in close proximity to customers 	USALCO; Southern Ionics Incorporated; Affinity Chemical LLC; C&S Chemicals, Inc. Kemira Water Solutions Inc.; Thatcher Company; Brenntag Southwest, Inc.; Chameleon Specialty Chemicals; Holland Company, Inc.; Ecoservices Operations LLC; GAC Chemical Corporation; Border Chemicals Company Ltd.; PVS Chemicals, Inc.; Summit Chemicals, Inc.; Harcros Chemicals Inc.

Key Products	Primary End-Uses	Competitive Advantages	Key Competitors
Caustic soda	Pulp & paper; soaps and detergents; aluminum; oil & gas exploration and refining; lithium-ion battery production; chemical processes	<ul style="list-style-type: none"> North America: Access to low-cost hydroelectric power (electricity ~2/3rds of production cost) Brazil production of caustic soda mostly sold to Suzano under a long-term contract Both facilities use membrane cell technology, which is newer and more efficient than legacy technologies 	<ul style="list-style-type: none"> North America: Univar; ERCO Worldwide; Westlake Chemical Corporation; Olin Corporation; US Magnesium LLC; K2 Pure Solutions; Occidental Chemical Corporation; Shintech Inc.; Formosa Plastics Corporation Brazil: Unipar Carbocloro; Katrium; Compass Minerals
Chlorine	Construction (PVC); water treatment; chlorine derivatives		
Hydrochloric Acid	Oil & gas drilling; steel manufacturing		
Sodium Chlorate	Pulp & paper bleaching	<ul style="list-style-type: none"> North America: Access to low-cost hydroelectric power (electricity ~2/3rds of production cost) Brazil production mostly sold to Suzano under a long-term contract; delivered by pipeline 	<ul style="list-style-type: none"> North America: ERCO Worldwide; Nouryon Chemicals (Eka); Kemira Water Solutions Inc. Brazil: Nouryon Chemicals (Eka)

Equity (CHE.UN)

- 104.8 million units outstanding, as of June 30, 2022

Long-Term Debt

- US\$650 million revolving credit facility
- US\$247.9 million available, as of June 30, 2022
- December 2026 maturity (amended & extended December 2021)

Capital Allocation Priorities:

1. Deleveraging
2. Investing in financially accretive organic growth opportunities
3. Return of capital to unitholders
4. Strategic, opportunistic tuck-in acquisitions

Convertible Unsecured Subordinated Debentures

	Fund 2017 Debentures (CHE.DB.D)	Fund 2019 Debentures (CHE.DB.E)	Fund 2020 Debentures (CHE.DB.F)	Fund 2021 Debentures (CHE.DB.G)	Total
Maturity	May 31, 2024	October 31, 2026	September 30, 2025	August 31, 2027	
Interest Rate	4.75%	6.50%	8.50%	6.25%	
Principal outstanding (June 30, 2022) (C\$ millions)	\$201.1	\$100.0	\$86.3	\$130.0	\$517.4
Conversion Price	\$26.70/unit	\$15.80/unit	\$7.35/unit	\$10.00/unit	

Caustic Soda Price

- Change of US\$50/DMT = CAD\$10 million

Sodium Chlorate Price

- Change of \$50/metric tonne = \$17.5 million

CA\$/US\$ exchange rate

- Change of 1 cent = \$3.8 million

Segmented Information

SWC Segment

(C\$ Thousands)	Three months ended June 30	
	2022	2021
Revenue	\$ 269,493	\$ 213,785
Gross profit (loss)	51,110	26,467
Adjusted EBITDA	54,788	54,006

Segmented Information

EC Segment

(C\$ Thousands)	Three months ended June 30	
	2022	2021
North American sales volumes:		
Sodium chlorate sales volume (000's MT)	85	91
Chlor-alkali sales volume (000's MECU)	46	45
Revenue	\$ 176,879	\$ 123,485
Gross profit (loss)	28,786	(2,200)
Adjusted EBITDA	50,714	23,761

Non-IFRS Measures and Ratios

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.

Non-IFRS Measures and Ratios

C\$ Thousands, except per unit metrics and ratios

	Three months ended June 30		Twelve months ended
	2022	2021	June 30, 2022
Cash flow from (used in) operating activities	\$ 83,976	\$ 50,846	\$ 295,698
Add (Less):			
Lease payments net of sub-lease receipts	(12,586)	(12,671)	(51,306)
(Decrease) Increase in working capital	(23,984)	(3,075)	(19,178)
Changes in other items ⁽¹⁾	4,708	1,714	846
Maintenance capital expenditures	(26,196)	(15,583)	(91,883)
Distributable cash after maintenance capital expenditures	25,918	21,231	134,177
Weighted average number of units outstanding	104,651,180	103,374,452	104,187,478
Distributable cash after maintenance capital expenditures per unit	\$ 0.25	\$ 0.21	\$ 1.29
Distributions declared per unit ⁽²⁾	\$ 0.15	\$ 0.15	\$ 0.60
Payout ratio (%)	60%	71%	47%

(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.

Non-IFRS Measures and Ratios

C\$ Thousands, except ratios

	Three months ended June 30	
	2022	2021
Long-term debt ⁽¹⁾	\$ 498,305	\$ 730,194
Add (Less):		
Convertible unsecured convertible debentures ⁽¹⁾	517,365	531,115
Lease liabilities	43,856	48,452
Long-term lease liabilities	90,663	113,205
Cash and cash equivalents	(23,341)	(14,295)
Net Debt	\$ 1,126,848	\$ 1,408,671
LTM Adjusted EBITDA ⁽²⁾	\$ 349,349	\$ 229,452
Net Debt / Adjusted EBITDA	3.2x	6.1x

(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

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.



Total of Segments Measures

C\$ Thousands

Adjusted EBITDA -

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

	Three months ended June 30	
	2022	2021
Net earnings (loss)	\$ 34,835	\$ (14,078)
Add (Less):		
Depreciation and amortization	53,229	60,571
Net finance costs	9,801	19,122
Income tax expense (recovery)	(3,287)	(6,615)
Change in environmental liability	(66)	-
Net (gain) loss on disposal and write-down of PPE	(18,282)	404
(Gain) loss on disposal of assets held for sale	(238)	-
Unrealized foreign exchange (gain) loss	5,737	5,760
Adjusted EBITDA	\$ 81,729	\$ 65,164

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.