



CHEMTRADE



RESPONSIBLE CARE[®]
OUR COMMITMENT TO
SUSTAINABILITY

2023

Q2 2023 Earnings Review | August 15, 2023

- Q2 2023 Financial Results Review
- 2023 Guidance & Assumptions
- Outlook for Key Products
- Update on 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 2023 represents Chemtrade's highest quarterly Adjusted EBITDA ever

	Q2 2023	Q2 2022	Change (\$)	Change (%)
Revenue	470.0	446.4	23.6	5%
Net Earnings ⁽¹⁾	87.3	34.8	52.5	151%
Adjusted EBITDA ⁽²⁾	144.2	81.7	62.5	76%
Cash Flows from Operating Activities	119.3	84.0	35.3	42%
Distributable cash after maintenance capital expenditures ⁽²⁾	95.5	25.9	69.5	268%
DCPU ⁽²⁾⁽³⁾	0.82	0.25	0.57	228%
LTM Payout ratio (%) ⁽²⁾⁽⁴⁾	22%	47%	n/a	n/a
Net debt ⁽²⁾	928.1	1,126.8	(198.7)	(18)%
Net debt to Adjusted EBITDA ⁽²⁾	1.8x	3.2x	n/a	n/a

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

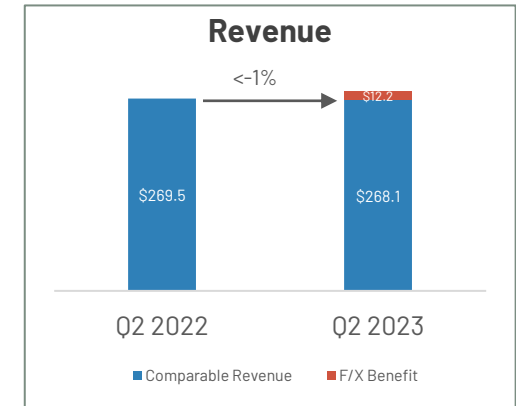
(2) Adjusted EBITDA is a Total of segments measure; Distributable cash after maintenance capital expenditures is a non-IFRS financial measure and DCPU (Distributable cash after maintenance capital expenditures per unit) and Payout ratio are non-IFRS ratios. Net debt to Adjusted EBITDA is a Capital management measure that includes Net debt, which is a non-IFRS measure. See Appendix for more information.

(3) Based on weighted average number of units outstanding for the period.

(4) Payout ratio for the last twelve months.

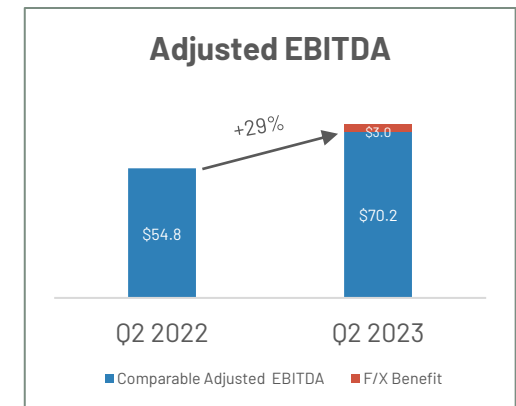
Revenue

- Revenue was \$280.3 million for the period
- Weaker CAD improved revenue by \$12.2million.
- Excluding impact of F/X, revenue declined by \$1.4 million or <1%.
- Lower selling prices of merchant acid primarily due to lower sulfur costs led to the reduction in Revenue.
- Partially offset by higher selling prices of water solutions products and higher Regen acid volumes.



Adjusted EBITDA ⁽¹⁾

- Adjusted EBITDA was 73.2 million for the period.
- Excluding impact of F/X, Adjusted EBITDA increased by \$15.7 million or 29%.
- Adjusted EBITDA benefitted from higher selling prices for water solutions products, higher Regen acid volumes
- Lower merchant pricing had minimal impact on Adjusted EBITDA year-over-year.

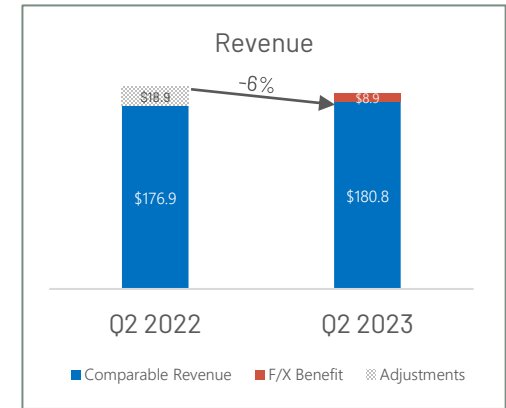


(1) Adjusted EBITDA is a Total of segments measure. See Appendix for more information.



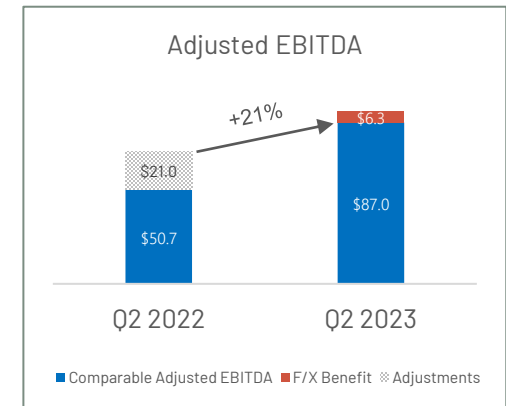
Revenue

- Revenue for the period was \$189.7 million.
- Q2 2022 revenue was negatively impacted by the biennial maintenance turnaround at North Van.
- Adjusting for the impacts of the North Van turnaround (\$15.0 million) and F/X (\$8.9 million) revenue declined by 11.1 million or 6%.
- Revenue benefitted from significantly higher selling prices for sodium chlorate, reflecting a global shift in operating rates but was offset by selling prices for caustic soda and lower sales volumes of sodium chlorate.
- Realized MECU netbacks for Q2 2023 were up ~\$45 compared to Q2 2022.



Adjusted EBITDA ⁽¹⁾

- Adjusted EBITDA was \$93.3 million.
- Q2 2022 Adjusted EBITDA was negatively impacted by the North Van turnaround and the closure of the Beauharnois, QC sodium chlorate facility.
- Adjusting for the impacts of the North Van turnaround (\$17.1 million), Beauharnois (\$3.9 million) and F/X (\$6.3 million) Adjusted EBITDA increased \$15.3 million or 21% year-over-year
- Significantly higher selling prices for sodium chlorate represented approximately 80% of the improvement in Gross profit in Q2 2023 compared to Q2 2022
- Improved realized MECU netbacks despite lower caustic soda pricing



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

Corporate Costs

- Long-term incentive plan costs lower by \$2.0 million year-over-year.
- Higher realized foreign exchange provided \$1.4 million gain year-over-year.

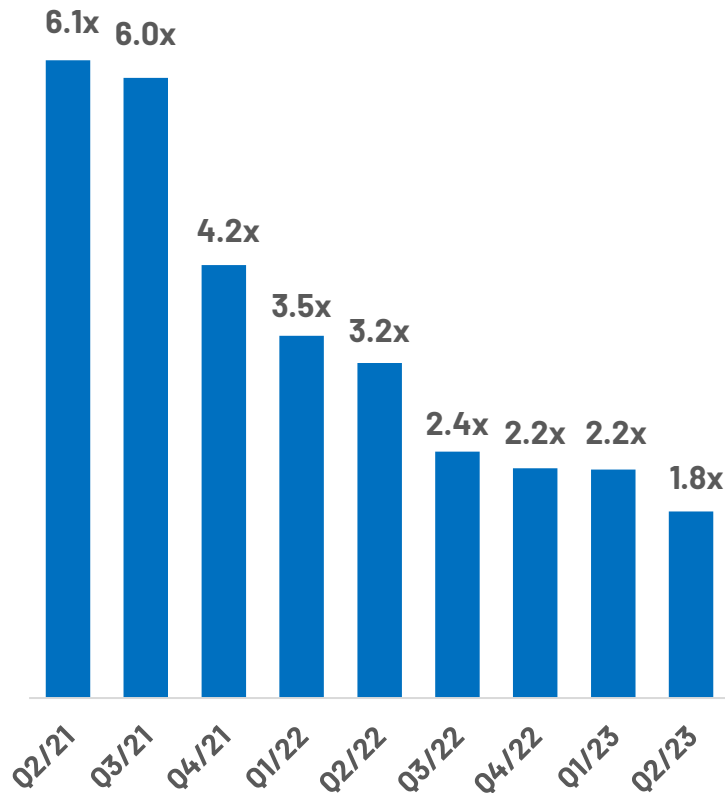
Partially offset by:

- Short-term incentive compensation costs increased by \$0.5 million year-over-year





Net Debt / LTM Adjusted EBITDA



- **Net debt to Adjusted EBITDA ⁽¹⁾ of 1.8x at the end of Q2 2023, down from 2.2x at the end of 2022.**

- Reflects a combination of cash generated from the business, Adjusted EBITDA growth.
- Leverage expected to remain below 2.2x in 2023, based on guidance and anticipated Growth capital expenditures of \$70 million - \$100 million.

- **Revolving Credit Facilities of US\$650.0 million - mature in December 2026; fully revolving.**

- US\$358.1 million undrawn as of end of Q2 2023, in addition to C\$34.3 million of cash on hand.

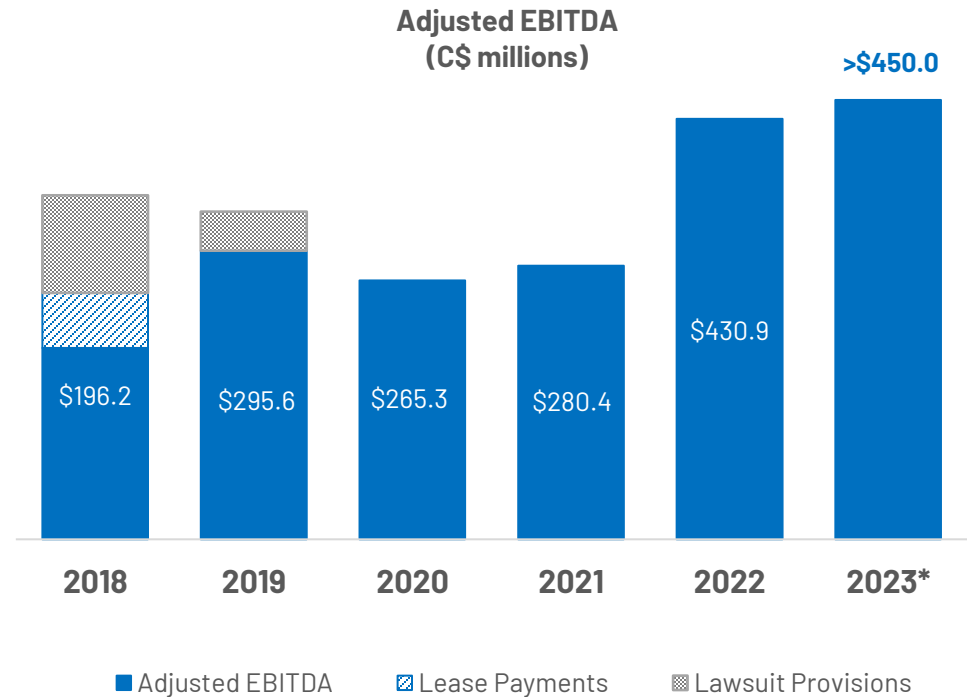
- **Redeemed Fund 2017 4.75% Debentures during Q2 2023**

- Redeemed full principal amount (\$201.1 million) of Fund 2017 4.75% Debentures (May 2024 maturity) during the quarter using proceeds from Fund 2023 7.00% Debentures offering, borrowings under the revolving credit facilities, and cash on hand.

(1) Net debt to Adjusted EBITDA is a Capital management measure. See Appendix for more information.

2023 Guidance

- In June 2023, Chemtrade announced that it believes 2023 Adjusted EBITDA will exceed \$450 million.
- Achieving 2023 guidance would represent a new record annual Adjusted EBITDA for the Company, following a record year in 2022.
- The June 2023 outlook reflects the strong performance in the first half of 2023
- Implied Payout ratio⁽¹⁾ at or below ~30% based on the updated guidance highlights the sustainability of Chemtrade's distribution.



* 2023 Adjusted EBITDA Guidance

(1) Payout ratio is a non-IFRS ratio. See Appendix for more information.

2023 Guidance (\$ million)	Updated 2023 Guidance	Prior 2023 Guidance	Actual 2022 Results
Adjusted EBITDA ⁽¹⁾	>\$450	At or above 2022	\$430.9
Maintenance Capital Expenditures ⁽¹⁾	\$80 - \$105	\$80 - \$105	\$99.8
Growth capital expenditures ⁽²⁾	\$70 - \$100	\$110 - \$140	\$21.6
Lease Payments	\$50 - \$60	\$50 - \$60	\$52.4
Cash interest ⁽¹⁾	\$45 - \$50	\$50 - \$55	\$51.7
Cash Tax ⁽¹⁾	\$10 - \$20	\$10 - \$20	\$12.0

(1) Adjusted EBITDA is a Total of segments measure. Maintenance capital expenditures, Cash interest and Cash tax are Supplementary financial measures. See Appendix for more information.

(2) Growth capital expenditures is a non-IFRS financial measure. See Appendix for more information

Key Assumptions	Updated 2023 Assumption	Prior 2023 Assumption	2022 Actual
Approximate North American MECU sales volumes	180,000	185,000	184,000
2023 average MECU Netback being lower than 2022 average per MECU*	↓ CAD \$60	↓ CAD \$60	N/A
Average CMA ⁽¹⁾ NE Asia caustic spot price index per tonne ⁽²⁾	US\$445 ⁽³⁾	US\$465	US\$650
Approximate North American production volumes of sodium chlorate (MTs)	285,000	285,000	343,000
USD to CAD average foreign exchange rate	1.340	1.330	1.302
Long Term Incentive Plan costs (in \$ millions)	\$10.0 - \$20.0	\$10.0 - \$20.0	\$21.0

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

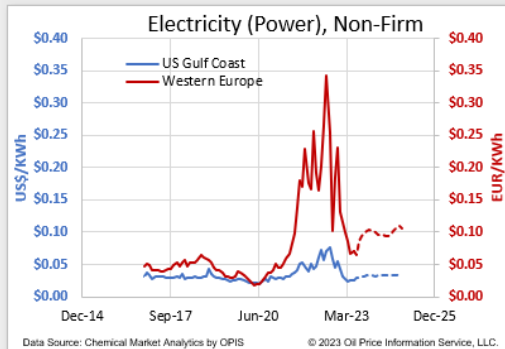
(2) The average CMA NE Asia caustic spot price for 2023 and 2022 is the average spot price for the four quarters ending with the third quarter of that year as the majority of our pricing is based on a one quarter lag.

(3) Implies that the index pricing H2 2023 will be approximately US\$340 per tonne



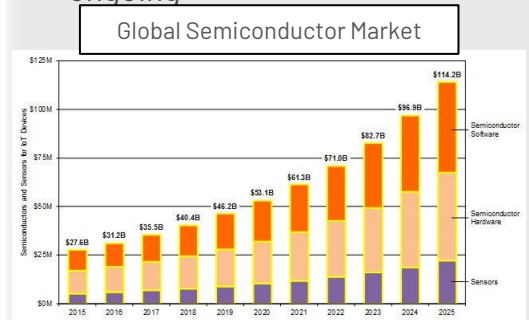
Energy

- Globally elevated electricity costs driven by Ukraine conflict.
- Energy-intensive industrial production shifting from Europe to low-cost energy regions.
- Chemtrade's Chlorate and Chlor-Alkali benefit from advantaged position in North America with hydro-electricity.
- Elevated natural gas prices in Europe are supporting increased exports of natural gas from North America contributing to HCl demand.



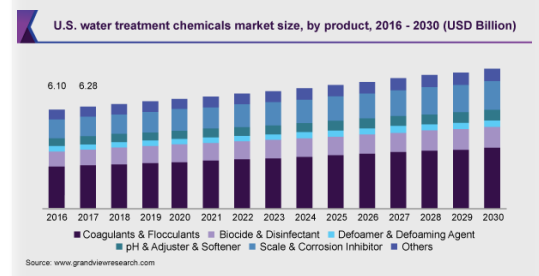
Semi-Conductor

- North American strategic focus on onshoring semi-conductor production.
- CHIPS Act to fuel growth of 2-3x over the next 5 years.
- 8-10 new semiconductor Fabs currently underway in the US.
- Chemtrade has two projects to add capacity in North America
 - Expansion and upgrade in Cairo, Ohio - In progress
 - Greenfield plant in Casa Grande, Arizona - On hold with commercial negotiations ongoing



Water

- Increasing regulations and population growth support increased demand for coagulants across North America.
- Small projects to expand capacity will contribute more meaningfully as 2023 progresses.
- Exploring expansion into new specialized products and other growth opportunities:
 - New pilot plant in Augusta, Georgia.
 - Leading to both increased margins and lowered environmental liabilities.



Sulphuric Acid

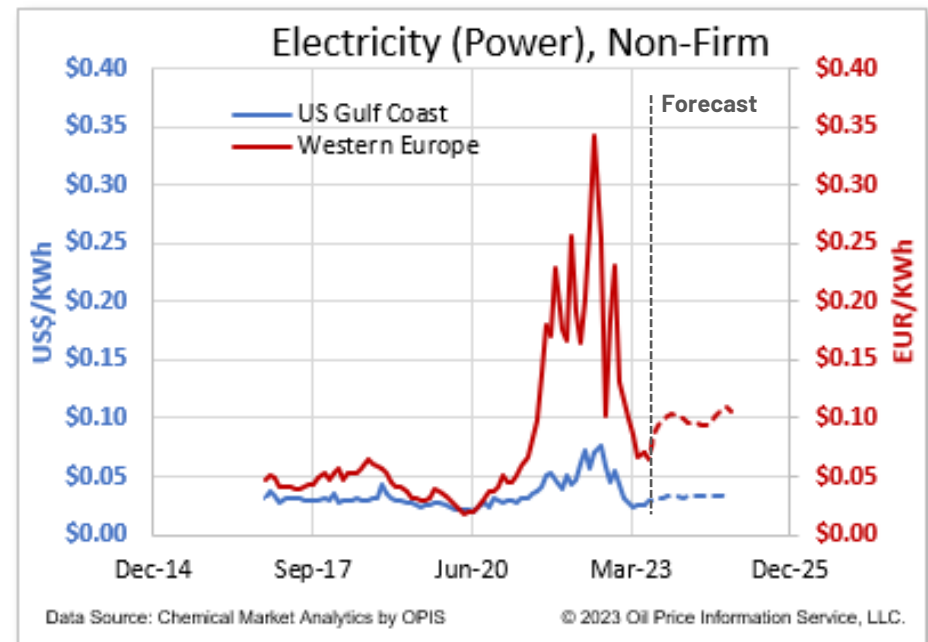
- Regen acid, used in gasoline alkylate production, continues to experience strong demand. Chemtrade maintains an optimistic near-term outlook, given refinery utilization rates generally remain high in a typical recession.
- Merchant acid demand is down slightly. Pricing has begun to weaken, tracking lower sulfur prices. However, we expect any softening to be mitigated by risk-sharing agreements and reduced input costs.
- Ultrapure acid demand outlook remains very strong over the medium- and long-term, supported by semiconductor industry production capacity expansion in North America.

Water Chemicals

- Realizing margin expansion as pricing catches up to raw material costs. Any weakness in raw materials costs caused by an economic downturn could further bolster margins.
- Demand supported by increasing regulations and population growth – alum demand relatively stable; PACI/ACH demand growing at least 5% per year.
- Additional production capacity of PACI and ACH was installed in 2022 and will contribute more meaningfully as 2023 progresses.
- Demand has historically exhibited seasonality, with stronger demand during summer months.

Sodium Chlorate

- Brandon, Manitoba plant is the largest and one of the lowest cost sodium chlorate plants globally*.
- Chemtrade's sodium chlorate plants operate in energy regulated markets supplied by renewable hydroelectric energy.
- With utility costs representing ~75% of the variable production cost of sodium chlorate, elevated electricity costs overseas are resulting in increasing interest in export volumes from North America to Europe and Asia.
- Chemtrade's plants could remain advantaged relative to overseas competitors for several years.
- Expect pricing to remain strong for the balance of 2023.



*Management estimate

Chlorine and HCl

- Merchant chlorine prices remain strong due to tighter industry supply and robust end-market demand in North America.
- North American rig counts remain high, signaling continued good near-term demand for HCl.
- Elevated natural gas prices in Europe are supporting increased exports of natural gas from North America to Europe and contributing to HCl demand. This could help offset the impact of an economic downturn on North American HCl demand.
- Expecting total 2023 MECU sales volumes to be similar to 2022, as demand for chlorine and HCl remain strong.

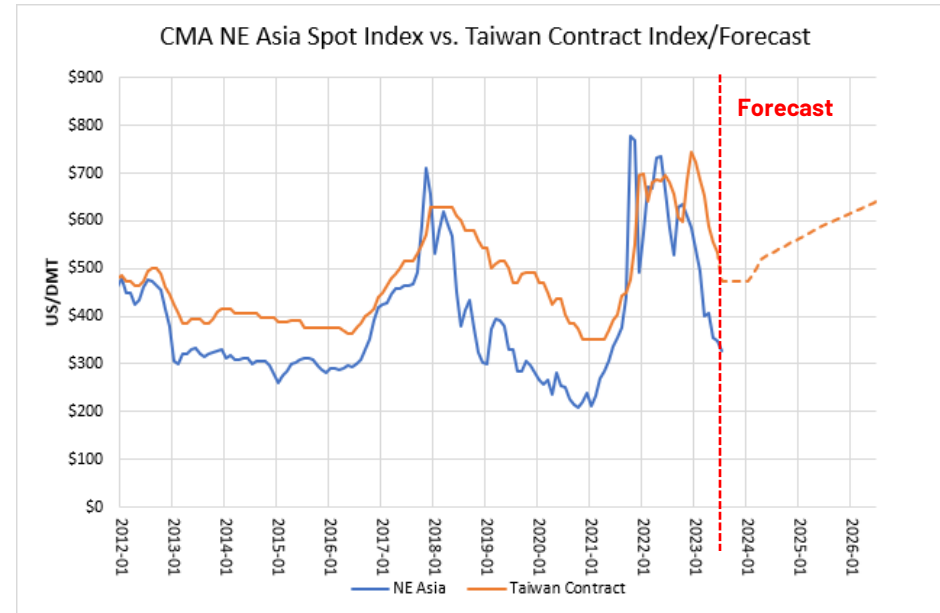
Long Term Market Demand

2020:	Oil WTI:	US\$39/bbl
	US & Can Rigs:	522
2021:	Oil WTI:	US\$68/bbl
	US & Can Rigs:	606
2022:	Oil WTI:	US\$68/bbl
	US & Can Rigs:	897
July 2023:	Oil WTI:	US\$82/bbl
	US & Can Rigs:	857

Sources: Baker Hughes, NYMEX

Caustic Soda

- After historically high pricing in 2022, NE Asia spot index pricing has declined steadily year-to-date in 2023.
- Taiwan contract pricing suggests pricing has reached a trough, with improvement over the balance of 2023 and into 2024 and 2025.
- Chemtrade's access to low-cost hydroelectricity expected to remain a competitive advantage relative to overseas competitors for several years.
- 2023 guidance assumes an average NE Asian average index of US\$445/DMT for the full year which implies US\$340/DMT for H2 2023.



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

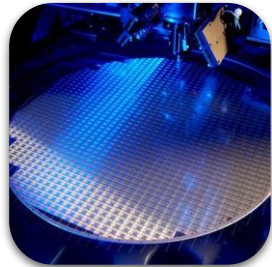
Chemtrade plans to allocate \$70 million - \$100 million for Growth capital expenditures⁽¹⁾ to support its organic growth projects in 2023.

(1) Growth capital expenditures is a non-IFRS financial measure. See Appendix for more information



Cairo, Ohio: Ultra-Pure Acid Expansion Project

- Project is progressing well, on schedule and on budget.
- Construction completion expected in Q1 2024 with start-up later in 2024.
- Cairo will be the first plant in North America to meet quality requirements for next generation semiconductor nodes.



Casa Grande, Arizona: Joint Venture KPCT to Build World Scale Ultra-Pure Acid Plant

- Now expect the aggregate capital costs to be US\$300-\$380 million, which represents an increase of approximately 50% over the original estimate.
- Chemtrade and its JV partner have made the decision to put the project temporarily on hold. This will allow us time to make sure that commercial agreements are negotiated with UPA customers which ensure that the project will generate an acceptable level of return on investment.



Water Chemicals, Hydrogen and Other Projects

- Continue to evaluate additional opportunities for organic value creation.
- Water chemicals pilot in Augusta, Georgia is underway.
- Planning continues for hydrogen projects to commercialize green hydrogen produced in EC Chemicals Sodium Chlorate and Chlor-Alkali facilities

Chemtrade is better-positioned than many chemical manufacturers, should an economic downturn occur.

- This is owing to the defensive attributes of many key products, its diverse product portfolio that is benefitting from a number of varied tailwinds, 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 is resilient as refinery utilization rates generally remain high in a typical recession.
- Ultrapure demand is anticipated to increase irrespective of the economic backdrop, supported by Fab onshoring and semiconductor industry capacity expansions.
- Merchant acid demand is tied to industrial activity, but North American demand is being supported by global supply dislocations, potentially mitigating the impact of any economic weakness.

EC Segment

- High energy pricing for electrochemical production in Europe / Asia contributing to increased North American demand and pricing for electrochemicals – expected to remain a competitive advantage for Chemtrade for several years and could support elevated electrochemical prices and demand through an economic downturn.
- Chlor-alkali impact determined by relative demand for caustic soda and chlorine.

Market Leadership	<ul style="list-style-type: none"> ▪ Diversified exposure to industrial and consumer end-markets, given extensive product portfolio ▪ Significant regional market share across products including sulphuric acid, Ultrapure sulphuric acid, sodium chlorate, water chemicals, and caustic soda ▪ Advantaged competitive position in electrochemicals for next several years owing to global supply dislocations and elevated overseas energy costs
Strong Execution	<ul style="list-style-type: none"> ▪ Anticipating another record year in 2023, based on updated guidance, reflecting continued strength across most of the businesses ▪ Operational and efficiency improvements being realized across footprint
Compelling Growth	<ul style="list-style-type: none"> ▪ Compelling organic growth opportunities across the business (Ultrapure acid; Green Hydrogen; Water Chemicals; Productivity and Reliability initiatives)
Strengthened Balance Sheet	<ul style="list-style-type: none"> ▪ Strong balance sheet (1.8x Net debt to Adjusted EBITDA ⁽¹⁾) offers improved financial flexibility ▪ Prudent capital allocation and generating unitholder value a core focus
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 commodity pricing
Attractive and Sustainable Distribution	<ul style="list-style-type: none"> ▪ ~7% distribution yield (annualized)⁽²⁾; Long track-record of paying distributions ▪ LTM Payout ratio⁽¹⁾ of 22%; Implied 2023 Payout ratio of ~30% or lower based on updated guidance
ESG	<ul style="list-style-type: none"> ▪ Chemtrade aiming to be an industry-leader on ESG, based on 2025 ESG targets

(1) Adjusted EBITDA is a Total of segments measure. Net debt to Adjusted EBITDA is a Capital management measure that includes Net debt, which is a non-IFRS measure. Payout ratio is a non-IFRS ratio and is shown as of Q1 2023. See Appendix for more information.

(2) As of July 28, 2023.

Q&A

Agenda

Financial Results
Review

2023 Guidance
and Assumptions

Outlook for Key
Products

Organic Growth
Projects

Investment
Highlights

Appendix

APPENDIX

Agenda

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Appendix

Electrochemicals (EC) Segment



Electrochemicals

Chlor-alkali - #1 producer in Canada

Sodium Chlorate - Top 3 supplier⁽¹⁾

Sulphur and Water Chemicals (SWC) Segment



Acids & Non-Acid

UP Acid - #1 supplier to Semi- conductors⁽¹⁾

Regen Acid - #2 supplier to Refineries⁽¹⁾

Merchant Acid - Top 3 supplier⁽¹⁾



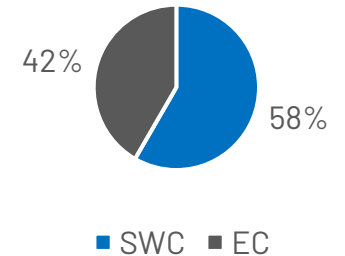
Water

Alum - #1 supplier to drinking water plants⁽¹⁾

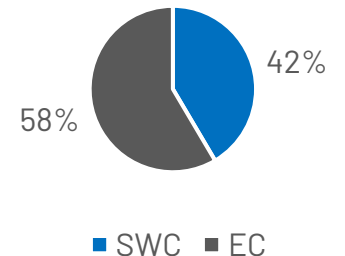
Poultry Litter - #2 in Treatment⁽¹⁾

PACI/ACH - #2 in water coagulants⁽¹⁾

LTM Revenue



LTM Adjusted EBITDA*



Customers prefer our “high quality products with reliable service”
55+ sites • 1,400 employees • \$1.9B in sales⁽²⁾ • >3,000 customers

(1) Based on internal estimates of North American Markets

(2) Based on Revenue for the last twelve months

*Excludes corporate costs



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 • 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; Chlorum Solutions
Chlorine	Construction (PVC); water treatment; chlorine derivatives		
Hydrochloric Acid	Oil & gas drilling; steel manufacturing		
Sodium Chlorate	Pulp & paper bleaching		



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) 	Ecovyst; 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 Rigorous qualification process for customers 	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; Ecovyst; Southern States Chemical Company; Rio Tinto Kennecott; Cornerstone Chemical Company; Nouryon Chemicals
Water solutions (Alum; ACH; PACl; Ferric)	Municipal and industrial water treatment	<ul style="list-style-type: none"> One of North America's largest suppliers of inorganic coagulants 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.; Ecovyst; GAC Chemical Corporation; Border Chemicals Company Ltd.; PVS Chemicals, Inc.; Summit Chemicals, Inc.; Harcross Chemicals Inc.; Pencco, Inc.



Capital Structure and Capital Allocation



(1) Net debt to Adjusted EBITDA is a Capital management measure that includes Adjusted EBITDA, which is a Total of segments measure, and Net debt, which is a non-IFRS measure. Payout ratio is a non-IFRS ratio and is based on Distributable cash after maintenance capital expenditures per unit and distributions declared per unit. See Appendix for more information.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>GHG and other air emissions</p> <ul style="list-style-type: none"> Reduce or offset or displace 2021 baseline direct GHG emissions emitted from sources we own or control (Scope 1 emissions) by 50% by 2025⁽¹⁾ 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 2023 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 2022 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 	<p>For more information, please refer to Chemtrade's Sustainability Report, available at www.chemtradelogistics.com/sustainability.</p>

(1) Reduction and offset is achieved via various strategies, including the capture, use and/or sale of hydrogen produced at our electrochemical facilities.

Caustic Soda Price

- Change of US\$50/DMT = CA\$13 million

Sodium Chlorate Price

- Change of CA\$50/metric tonne = CA\$14.3 million

CA\$/US\$ exchange rate

- Change of 1 cent = CA\$3.9 million (favourable if C\$ weakens and vice versa)

Segmented Information

SWC Segment

(C\$ Thousands)	Three months ended June 30	
	2023	2022
Revenue	\$ 280,288	\$ 269,493
Gross profit (loss)	49,073	51,110
Adjusted EBITDA	73,226	54,788

(C\$ Thousands)	Three months ended June 30	
	2023	2022
North American sales volumes:		
Sodium chlorate sales volume (000's MT)	62	85
Chlor-alkali sales volume (000's MECU)	48	46
Revenue	\$ 189,685	\$ 176,879
Gross profit (loss)	70,915	28,786
Adjusted EBITDA	93,317	50,714



Non-IFRS financial 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 it is 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 it is 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 it is useful to investors: It provides useful information related to our cash flows including our ability to pay distributions to Unitholders.



Non-IFRS financial measures and ratios

C\$ Thousands, except per unit metrics and ratios

	Three months ended June 30	
	2023	2022
Cash flow from operating activities	\$ 119,318	\$ 83,976
Add (Less):		
Lease payments net of sub-lease receipts	(14,507)	(12,586)
(Decrease) Increase in working capital	(3,536)	(23,984)
Changes in other items ⁽¹⁾	11,504	4,708
Maintenance capital expenditures	(17,318)	(26,196)
Distributable cash after maintenance capital expenditures	95,461	25,918
Weighted average number of units outstanding	115,986,636	104,651,180
Distributable cash after maintenance capital expenditures per unit	\$ 0.82	\$ 0.25

(1) Changes in other items relates to Cash interest and Cash tax.

Non-IFRS financial measures and ratios

C\$ Millions, except per unit metrics and ratios

	For the quarter ended				
	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
LTM Cash flow from operating activities	\$ 421.8	\$ 386.4	\$ 369.2	\$ 357.8	\$ 295.7
Add (Less):					
LTM lease payments net of sub-lease receipts	(55.5)	(53.6)	(52.4)	(51.6)	(51.3)
LTM (decrease) Increase in working capital	1.9	(18.6)	(6.0)	(12.5)	(19.2)
LTM changes in other items ⁽¹⁾	35.0	28.2	4.0	6.6	0.8
LTM Maintenance capital expenditures	(94.2)	(103.1)	(99.8)	(103.0)	(91.9)
LTM Distributable cash after maintenance capital expenditures	309.0	239.4	215.1	197.4	134.2
Weighted average number of units outstanding	114,060,633	111,234,533	108,445,732	105,596,847	104,187,478
LTM Distributable cash after maintenance capital expenditures per unit	\$ 2.71	\$ 2.15	\$ 1.98	\$ 1.87	\$ 1.29
LTM Distributions declared per unit ⁽²⁾	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60
LTM Payout ratio (%)	22%	28%	30%	32%	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, Debentures, lease liabilities, and 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 Debentures, lease liabilities and long-term lease liabilities, less cash and cash equivalents.

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

	For the quarter ended								
	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Long-term debt⁽¹⁾	\$ 368.1	\$ 327.8	\$ 370.0	\$ 377.5	\$ 498.3	\$ 524.1	\$ 373.5	\$ 714.2	\$ 730.2
Add (Less):									
Debentures ⁽¹⁾	426.2	627.3	517.4	517.4	517.4	517.4	661.1	531.1	531.1
Lease liabilities	48.0	47.9	45.6	45.4	43.9	44.4	47.2	48.7	48.5
Long-term lease liabilities	120.1	107.8	94.1	90.8	90.7	93.8	100.9	107.9	113.2
Cash and cash equivalents	(34.3)	(132.7)	(72.6)	(36.9)	(23.3)	(19.5)	(13.9)	(16.8)	(14.3)
Net debt	\$ 928.1	\$ 978.0	\$ 954.5	\$ 994.2	\$1,126.8	\$1,160.1	\$1,168.8	\$1,385.1	\$1,408.7

(1) Principal amount outstanding.

Agenda

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Appendix

Growth capital expenditures –

Most directly comparable IFRS financial measure: Capital expenditures

Definition: Growth capital expenditures are calculated as Capital expenditures less Maintenance Capital expenditures, plus Investments in a joint venture

Why we use the measure and why it is useful to investors: It provides useful information related to the capital spending and investments intended to grow earnings

	Three months ended		Year ended
	June 30, 2023	June 30, 2022	December 31, 2022
Capital expenditures	\$ 33,564	\$ 27,709	\$ 115,440
Add (Less):			
Maintenance capital expenditures	(17,318)	(26,196)	(99,766)
Non-maintenance capital expenditures	16,246	1,513	15,674
Investment in a joint venture ⁽¹⁾	-	-	5,931
Growth capital expenditures	\$ 16,246	\$ 1,513	\$ 21,605

(1) KPCT Advanced Chemicals LLC (“KPCT”) joint venture’s project to build an ultrapure sulphuric acid facility in Arizona

Capital management measures

Capital management measures are financial measures disclosed by an entity that (a) are intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital, (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.

Net debt to Adjusted EBITDA-

Definition: Net debt to 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 it is useful to investors: It provides useful information related to our debt leverage and our ability to service debt. We monitor Net debt to Adjusted EBITDA as a part of liquidity management to sustain future investment in the growth of the business and make decisions about capital.

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.

Adjusted EBITDA –

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

	Three months ended June 30	
	2023	2022
Net earnings (loss)	\$ 87,325	\$ 34,835
Add (Less):		
Depreciation and amortization	53,186	53,229
Net finance costs (income)	5,457	9,801
Income tax expense (recovery)	1,388	(3,287)
Change in environmental liability	-	(66)
Net loss (gain) on disposal and write-down of PPE	1,152	(18,282)
Loss (gain) on disposal of assets held for sale	-	(238)
Unrealized foreign exchange (gain) loss	(4,306)	5,737
Adjusted EBITDA	\$ 144,202	\$ 81,729

Adjusted EBITDA –

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

LTM Adjusted EBITDA for the quarter ended									
	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
LTM Net earnings (loss)	\$230.5	\$ 178.0	\$ 109.1	\$ (59.7)	\$ (155.2)	\$ (204.1)	\$ (235.2)	\$ (80.5)	\$ (108.6)
Add (Less):									
LTM depreciation and amortization	216.8	216.9	217.0	222.1	222.1	229.4	239.6	235.9	244.0
LTM net finance costs	4.0	8.4	50.0	69.7	114.2	123.5	116.2	83.3	110.8
LTM Income tax (recovery) expense	60.8	56.1	60.1	49.3	44.7	41.4	15.0	(21.8)	(47.7)
LTM impairment of intangible assets and PPE	-	-	-	130.0	130.0	130.0	130.0	-	-
LTM change in environmental liability	0.9	0.8	-	0.6	0.6	0.6	0.6	4.4	4.4
LTM net (gain) loss on disposal and write-down of PPE	6.0	(13.4)	(15.3)	(18.3)	(19.3)	(0.6)	(0.4)	2.1	22.0
LTM loss on disposal of assets held for sale	-	(0.2)	0.5	7.6	7.6	7.9	7.1	-	-
LTM unrealized foreign exchange (gain) loss	(1.8)	8.2	9.6	17.8	4.6	4.6	7.5	8.6	4.6
LTM Adjusted EBITDA	\$ 517.2	\$ 454.7	\$ 430.9	\$ 419.2	\$ 349.3	\$ 332.8	\$ 280.4	\$ 232.1	\$ 229.5

Adjusted EBITDA –

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

Adjusted EBITDA for the year ended December 31					
	2022	2021	2020	2019	2018
Net earnings (loss)	\$ 109.1	\$ (235.2)	\$ (167.5)	\$ (99.7)	\$ (131.5)
Add (Less):					
Depreciation and amortization	217.0	239.6	253.9	262.5	214.5
Net finance costs	50.0	116.2	140.3	88.5	74.1
Income tax (recovery) expense	60.1	15.0	(47.5)	(24.3)	(48.7)
Impairment of intangible assets and PPE	-	130.0	56.0	65.6	90.0
Change in environmental liability	-	0.6	8.2	-	-
Net (gain) loss on disposal and write-down of PPE	(15.3)	(0.4)	21.0	13.8	(4.0)
Loss on disposal of assets held for sale	0.5	7.1	-	-	-
Unrealized foreign exchange (gain) loss	9.6	7.5	0.8	(10.8)	1.8
Adjusted EBITDA	\$ 430.9	\$ 280.4	\$ 265.3	\$ 295.6	\$ 196.2

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.

Non-maintenance capital expenditures

Represents capital expenditures that are: (a) pre-identified or pre-funded, usually as part of a significant acquisition and related financing; (b) considered to expand the capacity of our operations; (c) significant environmental capital expenditures that are considered to be non-recurring; or (d) capital expenditures to be reimbursed by a third party.

Cash interest

Represents interest expense related to long-term debt, interest on Debentures, and pension plan interest expense, net of interest income.

Cash tax

Represents current income tax expense.