



NEWS RELEASE

CHEMTRADE LOGISTICS INCOME FUND ANNOUNCES FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2024 AND UPDATES GUIDANCE HIGHER AND NOW EXPECTS 2024 ADJUSTED EBITDA TO BE BETWEEN \$445.0 MILLION AND \$460.0 MILLION

TORONTO, Ontario, November 14, 2024 – Chemtrade Logistics Income Fund (TSX: CHE.UN) (“Chemtrade” or the “Fund”) today announced results for the three- and nine-month periods ended September 30, 2024. The financial statements and MD&A will be available on Chemtrade’s website at www.chemtradelogistics.com and on SEDAR+ at www.sedarplus.com.

Third Quarter 2024 Highlights

- Third quarter results were stronger than expected and this momentum is continuing into the fourth quarter. Chemtrade now expects 2024 Adjusted EBITDA to be between \$445.0 million and \$460.0 million, which would make it the second highest level ever achieved by Chemtrade.
- Revenue of \$474.2 million, a decrease of \$9.4 million or 1.9% year-over-year. Excluding \$11.4 million in the prior year period related to the P₂S₅ business sold in Q4 2023, revenue in the third quarter of 2024 was \$2.0 million higher than 2023, primarily driven by higher selling prices of water solutions, HCl and sodium chlorate products, partially offset by the impact of the work stoppage at the Canadian railways, lower revenue for Regen acid and Brazil, lower selling prices for chlorine and lower volumes of sodium chlorate.
- Adjusted EBITDA⁽¹⁾ of \$137.2 million, which was \$5.0 million or 3.5% lower than the record Adjusted EBITDA earned in the third quarter of 2023. Excluding the negative \$5.8 million impact of the work stoppage at the Canadian railways and \$1.9 million in the prior year period related to the P₂S₅ business sold in Q4 2023, Adjusted EBITDA increased by \$2.7 million or 1.9% year-over-year.
- Net earnings of \$60.1 million, a decrease of \$10.7 million due to higher finance costs and lower Adjusted EBITDA, partially offset by lower depreciation and amortization expenses and lower income tax expense.
- Cash flows from operating activities of \$143.2 million, an increase of \$14.1 million or 10.9% year-over-year mainly due to changes in working capital and lower income taxes paid, partially offset by lower EBITDA and higher interest paid.
- Distributable cash after maintenance capital expenditures⁽¹⁾ of \$65.9 million, a decrease of \$20.5 million or 23.7% year-over-year.
- Maintained a strong balance sheet during the quarter, with a Net debt to LTM Adjusted EBITDA⁽¹⁾ ratio of 1.8x, US\$596.0 million undrawn on Chemtrade’s revolving credit facilities (“Credit Facilities”), and \$16.3 million of cash on hand at the end of Q3 2024.
- Completed a substantial issuer bid (SIB), under which the Fund offered to purchase for cancellation all of the issued and outstanding Fund 2020 8.50% Debentures and purchased all tendered debentures for total consideration of \$37.6 million.
- Subsequent to the SIB, Chemtrade issued a notice of redemption for the remaining debentures, pursuant to which 7.0 million units were issued to debenture holders who elected to convert their debentures into units and Chemtrade redeemed the unconverted debentures at par for total consideration of \$6.2 million, which included accrued and unpaid interest.
- Commenced a normal course issuer bid (NCIB), under which the Fund is authorized to purchase up to approximately 11.7 million of its units. As of September 30, 2024, approximately 2.6 million units were purchased as part of the NCIB.
- During Q3 2024, Chemtrade closed a private offering of \$250.0 million of aggregate principal amount of 6.375% senior unsecured notes due August 28, 2029.

(1) Adjusted EBITDA is a Total of Segments measure, Distributable cash after maintenance capital expenditures, Growth capital expenditures are non-IFRS measures and Distributable cash after maintenance capital expenditures per Unit, Payout ratio and Net debt to LTM Adjusted EBITDA are Non-IFRS ratios. Please see Non-IFRS and Other Financial Measures for more information.

Scott Rook, President and CEO of Chemtrade, commented on the third quarter 2024 results, “Chemtrade delivered another excellent quarter of results this period, only slightly below our very strong third quarter of 2023, with modest underlying growth offset by transitory factors including the impact of the Canadian railway work stoppage during the quarter. This year’s strong performance to date, including in the third quarter, has significantly outperformed our expectations entering the year, demonstrating the resilience of our diversified product portfolio, in concert with outstanding ongoing organization-wide execution. Based on our performance year-to-date and our outlook for the fourth quarter, we expect 2024 will be Chemtrade’s second highest Adjusted EBITDA year in its history.”

Mr. Rook added, “We continue to swiftly and confidently respond to opportunities and challenges as they arise. The third quarter saw a work stoppage from Canada’s two main railways. Thanks to our customers we were able to proactively prepare for the event, limiting the financial impact in the quarter. In addition, a customer’s production curtailment contributed to reduced sales volumes of sodium chlorate this year, to which we responded by consolidating manufacturing into our low-cost Brandon, Manitoba facility, rationalizing costs while maintaining service levels. Further mitigating these impacts, we continue to capitalize on strong market fundamentals and opportunities in our Water Chemicals and Chlor-alkali businesses, both of which continue to perform very well overall, contributing meaningfully to our third quarter results.”

“Looking at the balance of 2024 and ahead into 2025, we maintain an optimistic outlook. Given our broad product portfolio, we expect to see sustained robust performance for several of our key products, while we believe others may see some modest softening. Our diversified portfolio and our defensive characteristics are expected to support continued solid cash flow generation moving forward, which we intend to use to deliver additional value to our unitholders through a balance of strategic growth investments, return of capital to unitholders, and ongoing balance sheet management,” Mr. Rook concluded.

Consolidated Financial Summary of Q3 2024

Revenue for the third quarter of 2024 was \$474.2 million, compared to \$483.5 million in the third quarter of 2023. Excluding \$11.4 million of revenue in the prior year period from the P₂S₅ business sold in the fourth quarter of 2023, consolidated revenue increased by \$2.0 million or 0.4% year-over-year. This increase was primarily due to: (i) higher selling prices for water solutions products in the Sulphur and Water Chemicals (SWC) segment; and (ii) higher selling prices for HCl and sodium chlorate in the Electrochemicals (EC) segment. These factors were mostly offset by: (i) the impact of the work stoppage at the Canadian railways in the EC segment; (ii) lower selling prices for chlorine and lower revenue in Brazil as well as lower sales volumes of sodium chlorate in the EC segment; and (iii) lower revenue for Regen acid in the SWC segment.

Adjusted EBITDA for the third quarter of 2024 was \$137.2 million, compared to \$142.1 million in the third quarter of 2023. Excluding a negative \$5.8 million impact from the work stoppage at the Canadian railways in the EC segment and Adjusted EBITDA related to the P₂S₅ business, Adjusted EBITDA increased by \$2.7 million or 1.9% year-over-year. This increase was primarily due to: (i) higher selling prices for HCl and sodium chlorate in the EC segment; (ii) an improvement in margins for water solutions products in the SWC segment; and (iii) lower corporate costs. Partial offsets included: (i) lower margins for Regen acid in the SWC segment; and (ii) lower selling prices for chlorine, lower sales volumes of sodium chlorate, and lower margins for Brazil in the EC segment.

Distributable cash after maintenance capital expenditures for the third quarter of 2024 was \$65.9 million or \$0.56 per unit, compared to \$86.5 million or \$0.74 per unit in the third quarter of 2023. This decrease primarily reflects the same factors that impacted Adjusted EBITDA, as noted above, in addition to higher lease payments and higher maintenance capital expenditures. Chemtrade’s distribution Payout ratio⁽¹⁾ for the twelve months ended September 30, 2024 was 40%.

Chemtrade maintained a strong balance sheet through the third quarter of 2024. As of September 30, 2024, Chemtrade’s Net debt was \$810.7 million, a decrease of \$76.2 million or 8.6% year-over-year, and its Net debt to LTM Adjusted EBITDA ratio was 1.8x. As of the end of the third quarter of 2024, Chemtrade also maintained strong financial liquidity with US\$596.0 million undrawn on its Credit Facilities, in addition to \$16.3 million of cash on hand.

(1) Payout ratio is a Non-IFRS ratios. Please see Non-IFRS and Other Financial Measures for more information.

Segmented Financial Summary of Q3 2024

The SWC segment reported revenue of \$280.5 million for the third quarter of 2024, compared to \$290.5 million for the third quarter of 2023. Adjusted EBITDA in the SWC segment was \$78.3 million for the third quarter of 2024, compared to \$83.7 million for the third quarter of 2023. The P₂S₅ business that was sold in the fourth quarter of 2023 contributed \$11.4 million of SWC revenue and \$1.9 million of SWC Adjusted EBITDA in the third quarter of 2023.

Excluding the impact of the P₂S₅ business, as noted above, SWC revenue in the third quarter of 2024 increased by \$1.4 million. The increase in comparable SWC revenue was primarily due to higher selling prices for water solutions products, partially offset by lower revenue for Regen acid. Excluding the impact of the P₂S₅ business, as noted above, SWC Adjusted EBITDA decreased by \$3.5 million or 4.3% year-over-year. The decrease in SWC Adjusted EBITDA was primarily due to lower margins for Regen acid on a year-over-year basis, as the prior year period benefitted from favourable adjustments related to a customer contract and the release of provisions that were no longer required. The decrease in SWC Adjusted EBITDA was partially offset by an improvement in margins of water solutions products.

The EC segment reported revenue of \$193.7 million for the third quarter of 2024, compared to \$193.0 million for the third quarter of 2023. Adjusted EBITDA in the EC segment was \$83.0 million for the third quarter of 2024, compared to \$84.2 million for the third quarter of 2023. The work stoppage at the Canadian railways had a negative impact of \$5.8 million on EC Adjusted EBITDA in the third quarter of 2024.

EC revenue in the third quarter of 2024 increased by \$0.6 million or 0.3% year-over-year, primarily due to: (i) higher selling prices for HCl; and (ii) higher selling prices for sodium chlorate. These factors were partially offset by: (i) the impact of the work stoppage at the Canadian railways; (ii) lower selling prices for chlorine; (iii) lower sales volumes of sodium chlorate; and (iv) lower revenue in Brazil. Excluding the impact of the work stoppage at the Canadian railways, EC Adjusted EBITDA increased by \$4.6 million or 5.4% year-over-year. The same factors that impacted EC revenue also impacted EC Adjusted EBITDA on a comparable year-over-year basis, with higher selling prices for HCl and sodium chlorate more than offsetting the other factors noted above. MECU netbacks improved by approximately \$115 year-over-year, with higher netbacks for HCl and, to a lesser extent, caustic soda partially offset by lower netbacks for chlorine.

Corporate costs for the third quarter of 2024 were \$24.1 million, compared with \$25.8 million in the third quarter of 2023. The decrease in corporate costs was primarily due to: (i) \$4.4 million of realized foreign exchange gains in the third quarter of 2024 compared to \$0.2 million of losses in the third quarter of 2023; and (ii) provisions recorded for non-income tax related audits during the third quarter of 2023. These factors were partially offset by \$5.3 million of higher long-term incentive plan (LTIP) costs on a year-over-year basis.

2024 Guidance

Given strong year-to-date results in 2024 and management's outlook for the fourth quarter of 2024, Chemtrade updated its expectations for the full year 2024 Adjusted EBITDA. Chemtrade now expects its 2024 Adjusted EBITDA to be within the range of \$445.0 million and \$460.0 million, as compared to its previous guidance range of between \$430.0 million and \$460.0 million. Based on this guidance, Chemtrade's 2024 Adjusted EBITDA will be the second highest achieved in its history.

(\$ million)	Revised 2024 Guidance	Prior 2024 Guidance	2023 Actual	Nine months ended Actual	
				Sept. 30, 2024	Sept. 30, 2023
Adjusted EBITDA ⁽¹⁾	\$445.0 - \$460.0	\$430.0 - \$460.0	\$502.6	\$362.3	\$418.0
Maintenance capital expenditures ⁽¹⁾	\$100.0 - \$110.0	\$100.0 - \$110.0	\$104.2	\$68.4	\$60.6
Growth capital expenditures ⁽¹⁾	\$70.0 - \$80.0	\$70.0 - \$100.0	\$62.1	\$56.7	\$38.4
Lease payments	\$60.0 - \$70.0	\$60.0 - \$70.0	\$58.3	\$48.2	\$43.0
Cash interest ⁽¹⁾	\$40.0 - \$50.0	\$45.0 - \$55.0	\$42.4	\$35.0	\$32.8
Cash tax ⁽¹⁾	\$40.0 - \$50.0	\$30.0 - \$50.0	\$14.7	\$37.3	\$12.0

(1) Adjusted EBITDA is a Total of Segments measure. Maintenance capital expenditures, Cash interest and Cash tax are supplementary financial measures. Growth capital expenditures is a Non-IFRS financial measure. See Non-IFRS And Other Financial Measures.

Chemtrade's guidance is based on numerous assumptions. Certain key assumptions that underpin the 2023 guidance are as follows:

- There will be no significant lockdowns or stay-at-home orders issued in North America due to a pandemic outbreak during 2024.
- None of the principal manufacturing facilities (as set out in Chemtrade's AIF) incurs significant unplanned downtime.
- No labour disruptions occur at any of Chemtrade's principal manufacturing facilities (as set out in Chemtrade's AIF).

Key Assumptions	Revised 2024 Assumptions	Prior 2024 Assumptions	2023 Actual
Approximate North American MECU sales volumes	175,000	180,000	181,000
2024 average MECU Netback being lower than 2023 average per MECU	CAD (\$45)	CAD (\$95)	N/A
Average CMA ⁽¹⁾ NE Asia caustic spot price index per tonne ⁽²⁾	US\$385	US\$385	US\$455
Approximate North American production volumes of sodium chlorate (MTs)	265,000	257,000	283,000
USD to CAD average foreign exchange rate	1.358	1.354	1.349
LTIP ⁽³⁾ costs (in millions)	\$20.0 - \$25.0	\$15.0 - \$25.0	\$17.3

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

(2) The average CMA NE Asia caustic spot price for 2024 and 2023 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) Long Term Incentive Plan.

The lower expected Adjusted EBITDA for 2024 compared to 2023 is attributed to the following key factors:

- Lower average selling prices for caustic due to lower NE Asia index prices.
- Turnaround at North Vancouver chlor-alkali plant.
- Lower sales volumes of sodium chlorate.
- Higher cost of raw materials for water treatment chemicals.

Update on Organic Growth Projects

Chemtrade remains focused on its long-term objective of delivering sustained earnings growth and generating value for investors. To accomplish this, Chemtrade has identified various organic growth initiatives. In 2024, Chemtrade plans to invest between \$70.0 million and \$80.0 million in growth capital

(1) Payout ratio is a Non-IFRS ratios. Please see Non-IFRS and Other Financial Measures for more information.

expenditures. This includes approximately \$50.0 million for Chemtrade's ultrapure sulphuric acid business, principally at the Cairo, OH facility, with the remainder for water treatment chemicals and other organic growth projects.

The Cairo project is on track and Chemtrade expects to finish construction later this year. Chemtrade expects costs to be between US\$60.0 million and US\$65.0 million. Following startup later this year, the commercial ramp up will begin to take place in 2025. This will be one of the first ultrapure sulphuric acid plants in North America that is expected to meet the quality requirements for next generation semiconductor nodes. As a result, completion of this project will further bolster Chemtrade's position as the top North American supplier of ultrapure sulphuric acid to the semiconductor industry.

Chemtrade also previously identified a second large ultrapure sulphuric acid growth project, undertaken via a joint venture with KPCT Advanced Chemicals LLC and located in Casa Grande, AZ. Together with its joint venture partner, Chemtrade made the decision to put the project on hold until it can be assured the project generates an acceptable level of return.

Distributions and Capital Allocation Update

Distributions declared in the third quarter of 2024 totalled \$0.165 per unit, comprised of monthly distributions of \$0.055 per unit. The monthly distribution rate was increased by 10% earlier this year. The distribution is well-covered by distributable cash flow, as it represents a payout ratio of approximately 40%, based on the midpoint of 2024 guidance.

Chemtrade implemented an NCIB, which enables it to, from time to time, purchase a portion of its units. Under the NCIB, Chemtrade is authorized to purchase up to 11.7 million units over a 12-month period ending June 2, 2025. As of September 30, 2024, 2.6 million units were purchased as part of the NCIB. For the period from October 1, 2024 to November 13, 2024, the Fund purchased approximately 0.6 million units. Purchases of units are effected through the facilities of the TSX and/or alternative Canadian trading systems and are made by means of open market transactions, or such other means as may be permitted by the TSX, including block purchases of units, at prevailing market rates. The timing and amount of any purchases are subject to management's discretion.

On June 25, 2024, the Fund commenced an SIB, pursuant to which Chemtrade acquired all of the tendered debentures, for total consideration of \$37.6 million (\$28.3 million par value), including all accrued and unpaid interest. On August 19, 2024, the Fund announced its intention to redeem all of the remaining Fund 2020 8.50% Debentures. Pursuant to this, the remaining Fund 2020 8.50% Debentures were retired by the issuance of 7.0 million units to debenture holders who elected to convert their debentures into units and the payment of \$6.2 million to those who did not elect to convert.

During Q3 2024, Chemtrade closed its private offering of \$250.0 million of aggregate principal amount of 6.375% senior unsecured notes due August 28, 2029. The Fund incurred transaction costs of \$6.0 million due to the issuance against the proceeds of the offering. The Fund utilized proceeds of the notes offering to reduce indebtedness under its Credit Facilities.

Chemtrade's management and Board of Trustees continue to assess opportunities to further adjust and optimize Chemtrade's capital structure and capital allocation. This could potentially include M&A, should Chemtrade identify an opportunity that fits strategically within its portfolio and has synergistic value. The acquisition Chemtrade would target would primarily be those with annual Adjusted EBITDA in the \$10.0 - \$50.0 million range.

Rohit Bhardwaj, CFO of Chemtrade, commented on Chemtrade's capital allocation, "We took a number of steps during the quarter to further optimize our capital structure. This included the SIB and redemption of our Debentures that were set to mature next year, alongside our inaugural offering of non-convertible debt in the Canadian debt capital markets. These actions reflect a concerted move by Chemtrade away from dilutive capital and, notably, we have reduced the amount of convertible debentures outstanding by approximately 34% in the past two years. We have also begun purchasing our units under our newly launched NCIB, as we leverage this tool to return additional capital to unitholders and drive value for remaining unitholders by acquiring these units at what we believe to be a significant discount to their intrinsic

value. Our balance sheet remains in a strong position, including our key leverage ratio below two times Adjusted EBITDA and with ample financial flexibility to execute on our strategy moving forward. Subsequent to the end of the quarter, we extended by two years our Credit Facilities which now mature in October, 2028. We intend to maintain a balanced capital allocation strategy moving forward and will continue to look at all potential opportunities to drive additional unitholder value over the long-term, including both organic and other growth opportunities.”

About Chemtrade

Chemtrade operates a diversified business providing industrial chemicals and services to customers in North America and around the world. Chemtrade is one of North America's largest suppliers of sulphuric acid, spent acid processing services, inorganic coagulants for water treatment, sodium chlorate, sodium nitrite and sodium hydrosulphite. Chemtrade is also the largest producer of high purity sulphuric acid for the semiconductor industry in North America. Chemtrade is a leading regional supplier of sulphur, chlor-alkali products, and zinc oxide. Additionally, Chemtrade provides industrial services such as processing by-products and waste streams.

NON-IFRS AND OTHER FINANCIAL MEASURES

Non-IFRS financial measures and non-IFRS 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 Chemtrade's 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 section outlines Chemtrade's 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, Chemtrade's 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 Chemtrade's 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 Chemtrade's 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 Chemtrade's cash flows including Chemtrade's ability to pay distributions to Unitholders.

(1) Payout ratio is a Non-IFRS ratios. Please see Non-IFRS and Other Financial Measures for more information.

(\$'000, except per unit metrics and ratios)	<u>Three months ended</u>		<u>Twelve months ended</u>
	September 30, 2024	September 30, 2023	September 30, 2024
Cash flows from operating activities	\$143,244	\$129,166	\$346,415
Add (Less):			
Lease payments net of sub-lease receipts	(16,430)	(14,435)	(63,468)
Increase in working capital	(29,680)	(7,317)	8,678
Changes in other items ⁽¹⁾	(4,718)	4,816	7,546
Maintenance capital expenditures ⁽²⁾	(26,477)	(25,765)	(112,054)
Distributable cash after maintenance capital expenditures	\$65,939	\$86,465	\$187,117
Divided by:			
Weighted average number of units outstanding	118,769,869	116,378,970	117,474,258
Distributable cash after maintenance capital expenditures per unit	\$0.56	\$0.74	\$1.59
Distributions declared per unit ⁽³⁾	\$0.165	\$0.15	\$0.645
Payout ratio (%)	29%	20%	40%

(1) Changes in other items relate to Cash interest and current taxes.

(2) Maintenance capital expenditures are a Supplementary financial measure. See "Supplementary financial measures" for more information.

(3) 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 is it useful to investors: It provides useful information related to Chemtrade's aggregate debt balances.

(\$'000)	As of September 30, 2024	As of September 30, 2023
Long-term debt ⁽¹⁾	\$304,100	\$314,986
Add (Less):		
Debentures ⁽¹⁾	340,000	425,720
Long-term lease liabilities	130,931	130,687
Lease liabilities ⁽²⁾	52,023	51,310
Cash and cash equivalents	(16,335)	(35,795)
Net debt	\$810,719	\$886,908

(1) Principal amount outstanding.

(2) Presented as current liabilities in the condensed consolidated interim statements of financial position.

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 joint ventures.

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.

(\$'000)	<u>Three months ended</u>		<u>Nine months ended</u>		<u>Year ended</u>
	<u>September</u> <u>30, 2024</u>	<u>September</u> <u>30, 2023</u>	<u>September</u> <u>30, 2024</u>	<u>September</u> <u>30, 2023</u>	<u>December</u> <u>31, 2023</u>
Capital expenditures	\$45,610	\$37,530	\$125,085	\$98,997	\$166,395
Add (Less):					
Maintenance capital expenditures	(26,477)	(25,765)	(68,419)	(60,614)	(104,249)
Non-maintenance capital expenditures ⁽¹⁾	19,133	11,765	56,666	38,383	62,146
Investment in Joint Venture ⁽²⁾	-	-	-	-	-
Growth capital expenditures	\$19,133	\$11,765	\$56,666	\$38,383	\$62,146

(1) Non-maintenance capital expenditures is a Supplementary financial measure.

(2) Joint venture with KPCT Advanced Chemicals LLC ("KPCT") to build an ultrapure sulphuric acid facility in Arizona.

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 section provides an explanation of the composition of the Total of segments measures.

(1) Payout ratio is a Non-IFRS ratios. Please see Non-IFRS and Other Financial Measures for more information.

Adjusted EBITDA

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

(\$'000, except per unit metrics and ratios)	<u>Three months ended</u>		<u>Nine months ended</u>		<u>Twelve months ended</u>	
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Net earnings (loss)	\$60,080	\$70,784	\$116,634	\$237,642	\$128,311	\$225,895
Add (less):						
Depreciation and amortization	45,503	54,741	138,616	160,067	196,039	214,989
Net finance costs (income)	16,149	(2,429)	61,059	(9,708)	94,775	27,479
Income tax expense (recovery)	13,809	16,669	36,672	31,932	46,793	64,601
Change in environmental and decommissioning liability	2,410	(3,504)	186	(2,610)	10,028	(2,610)
Net loss (gain) on disposal and write-down of PPE	521	606	3,014	3,545	(2,533)	5,697
(Gain) loss on disposal of assets	-	-	-	-	(24,337)	-
Unrealized foreign exchange loss (gain)	(1,319)	5,251	6,018	(2,879)	(2,229)	(13,812)
Adjusted EBITDA	\$137,153	\$142,118	\$362,199	\$417,989	\$446,847	\$522,239

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 LTM Adjusted EBITDA

Definition: Net debt to LTM Adjusted EBITDA is calculated as Net debt divided by LTM Adjusted EBITDA. LTM Adjusted EBITDA represents the last twelve months' Adjusted EBITDA

Why we use the measure and why it is useful to investors: It provides useful information related to Chemtrade's debt leverage and Chemtrade's ability to service debt. Chemtrade monitors Net debt to LTM Adjusted EBITDA as a part of liquidity management to sustain future investment in the growth of the business and make decisions about capital.

Supplementary financial measures

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 section provides an explanation of the composition of those Supplementary financial measures.

(1) Payout ratio is a Non-IFRS ratios. Please see Non-IFRS and Other Financial Measures for more information.

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 Chemtrade's 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 the interest expense on long-term debt, interest on Debentures, and pension plan interest expense and interest income.

Cash tax

Represents current income tax expense.

Caution Regarding Forward-Looking Statements

Certain statements contained in this news release 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. Specifically, forward-looking statements in this news release include statements respecting certain future expectations about: our 2024 Adjusted EBITDA to be in the range of \$445 million to \$460 million, and be the second highest level ever achieved by Chemtrade; our expectations of a stabilization of growth, sustained robust performance for several key products and modest softening for others; our expectation that our diverse portfolio and defensive characteristics will support continued solid cash flow generation; our intention to deliver unitholder value through a balance of strategic growth investments, return of capital to unitholders, and ongoing balance sheet management; the expected stated 2024 maintenance capital expenditures, growth capital expenditures, lease payments, cash interest and cash tax; our expectations regarding lower 2024 Adjusted EBITDA compared to 2023 due to expected lower average selling prices for caustic soda due to lower NE Asia index prices, the expected impact of a turnaround at the North Vancouver chlor-alkali plant, the expected lower sales volumes of sodium chlorate; the anticipated higher cost of raw materials for water treatment chemicals; our intention to invest between \$70.0 million and \$80.0 million in growth capital expenditures in 2024 and its allocation between the ultrapure sulphuric acid business, water treatment chemicals and other organic growth projects; the expected cost and timing of construction completion, and the expected timing of start-up and commercial ramp-up of the Cairo project; our ability to be one of the first North American UPA plants to meet the quality requirements of the next generation semiconductor nodes, our ability to retain our position as the top North American supplier to the semiconductor industry; the ability of our KPCT joint venture Arizona planned project to generate an acceptable level of return and the timing thereof; our intention to adjust and optimize Chemtrade's capital structure and capital allocation by M&A; and Chemtrade's ability to find and execute on M&A projects that fit strategically in our portfolio, that have synergistic value and that fit within the stated targeted amount of Adjusted EBITDA.

Forward-looking statements in this news release describe the expectations of the Fund and its subsidiaries as of the date hereof. These statements are based on assumptions and 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 the Fund's latest Annual Information Form and the "RISKS AND UNCERTAINTIES" section of the Fund's most recent Management's Discussion & Analysis.

Although the Fund 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. With respect to the forward-looking statements contained in this news release, the Fund has made assumptions regarding: there being no significant North American lockdowns or stay-at-home orders issued due to a pandemic outbreak in 2024; there being no significant unplanned downtime nor labour disruptions affecting Chemtrade's principal manufacturing facilities; the stated North American MECU sales volumes and sodium chlorate production volumes; the 2024 MECU netback being lower than 2023 by the stated amount; the stated average CMA NE Asia caustic spot price index; the stated U.S. dollar average foreign exchange rate; and the stated range of LTIP costs.

Except as required by law, the Fund 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 Logistics Income Fund with the securities regulatory authorities, available at www.sedarplus.com.

A conference call to review the third quarter 2024 results will be webcast live on Friday, November 15, 2024 at 10:00 a.m. ET. To access the webcast [click here](#).

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