



CHEMTRADE

Great partnerships begin with chemistry



2025 | First Quarter Report

MANAGEMENT'S DISCUSSION AND ANALYSIS

This MD&A is intended to assist you to understand and assess the trends and significant changes in the results of operations and financial condition of Chemtrade Logistics Income Fund.

This MD&A should be read in conjunction with the unaudited Condensed Consolidated Interim Financial Statements of Chemtrade for the three months ended March 31, 2025, the audited consolidated financial statements of Chemtrade for the year ended December 31, 2024 and the annual MD&A for the year ended December 31, 2024.

Chemtrade's financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"). Chemtrade's reporting currency is the CAD. In this MD&A, amounts are presented in thousands of CAD unless otherwise indicated. This MD&A is current as at May 12, 2025 and was approved by the Board on that date.

This MD&A contains certain non-IFRS financial measures and ratios which do not have standard meanings under IFRS. Therefore they may not be comparable to similar measures presented by other issuers. Further information and reconciliations of these measures to the most directly comparable measures under IFRS may be found at [Non-IFRS and Other Financial Measures](#) on page 33.

This MD&A also contains statements and information about our expectations about the future. Please refer to the cautionary statement in [Caution Regarding Forward - Looking Statements](#) on page 31.

Definitions

MD&A means Management's Discussion & Analysis

Fund means Chemtrade Logistics Income Fund

Chemtrade, we, us and *our* mean the Fund and its consolidated subsidiaries

IFRS means International Financial Reporting Standards as issued by the IASB

SWC means our Sulphur and Water Chemicals reportable segment

EC means our Electrochemicals reportable segment

More terms and definitions are explained on page 40.

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About Chemtrade

We provide industrial chemicals and services to customers in North America and around the world. We report our results in two reportable segments:

Sulphur and Water Chemicals (SWC) and Electrochemicals (EC).

SWC markets, removes and/or produces merchant, Regen and ultra pure sulphuric acid, sodium hydrosulphite, elemental sulphur, hydrogen sulphide, sodium bisulphite, and sulphides, and provides other processing services. SWC also manufactures and markets a variety of inorganic coagulants used in water treatment, including aluminum sulphate, aluminum chlorohydrate, polyaluminum chloride, ferric sulphate, and sodium nitrite. SWC products are marketed primarily to North American customers.

EC manufactures and markets sodium chlorate and chlor-alkali products including caustic soda, chlorine and HCl, largely for the pulp and paper, oil and gas and water treatment industries. These products are marketed primarily to North American and South American customers.

FINANCIAL HIGHLIGHTS

These financial highlights have been presented in accordance with IFRS, except where noted.

(\$'000 except per unit amounts)	Three months ended	
	March 31, 2025	March 31, 2024
Revenue	\$ 466,321	\$ 418,234
Net earnings	\$ 49,069	\$ 41,955
Net earnings per unit ⁽¹⁾	\$ 0.42	\$ 0.36
Diluted net earnings per unit ⁽¹⁾	\$ 0.30	\$ 0.25
Total assets	\$ 2,277,591	\$ 2,169,280
Long-term debt	\$ 430,070	\$ 322,468
Convertible unsecured subordinated debentures	\$ 359,621	\$ 435,035
Adjusted EBITDA ⁽²⁾	\$ 120,057	\$ 109,934
Cash flows from operating activities	\$ 11,636	\$ 2,412
Distributable cash after maintenance capital expenditures ⁽²⁾	\$ 62,078	\$ 59,894
Distributable cash after maintenance capital expenditures per unit ⁽²⁾	\$ 0.5309	\$ 0.5113
Distributions declared	\$ 20,064	\$ 19,333
Distributions declared per unit ⁽³⁾	\$ 0.1725	\$ 0.1650
Distributions paid, net of distributions reinvested	\$ 19,988	\$ 17,703

⁽¹⁾ Based on weighted average number of units outstanding for the period.

⁽²⁾ See [Non-IFRS and Other Financial Measures](#) on page 33.

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

FIRST QUARTER 2025 HIGHLIGHTS

- Revenue of \$466.3 million, an increase of \$48.1 million or 11.5% year-over-year driven by higher selling prices for several key products and the weaker CAD, which more than offset the impact of lower volumes of caustic soda and chlorine.
- Adjusted EBITDA of \$120.1 million, an increase of \$10.1 million or 9.2% year-over-year; excluding the impact of foreign exchange, Adjusted EBITDA for 2025 was \$3.6 million higher than 2024, primarily owing to higher selling prices for several products, partially offset by higher input costs.
- Net earnings of \$49.1 million, an increase of \$7.1 million year-over-year primarily owing to higher Adjusted EBITDA, favourable unrealized foreign exchange gains and lower tax expense, partially offset by higher finance costs.
- Cash flows from operating activities of \$11.6 million, an increase of \$9.2 million or 382.4% year-over-year mainly due to higher Adjusted EBITDA.
- Distributable cash after maintenance capital expenditures of \$62.1 million, an increase of \$2.2 million or 3.6% year-over-year, reflecting higher cash flows from operating activities, partially offset by higher lease payments, and higher maintenance capex.
- Uncertain macro-economic conditions make it particularly challenging to forecast results. We have taken this uncertainty into account and given our strong start to 2025 and our visibility on the balance of the year, we are raising our Adjusted EBITDA guidance to the higher end of the previously communicated range of \$430.0 to \$460.0 million, see [Financial Outlook](#) on page 25.
- During Q1 2025, we increased our monthly distribution rate by approximately 5% to \$0.0575 per unit or \$0.6900 per unit per year. Chemtrade's Payout ratio⁽¹⁾ for the first quarter of 2025 was 32%.
- We purchased approximately 3.9 million units during the quarter as part of our NCIB. We intend to renew our NCIB, subject to approval from regulatory authorities.
- During Q1 2025, Chemtrade issued an additional \$125.0 million aggregate principal amount of 6.375% Notes due August 28, 2029, resulting in an aggregate principal amount of \$375.0 million outstanding on these Notes.
- Chemtrade is introducing Chemtrade Vision 2030, a strategic framework targeting strong total unitholder returns, supported by 5-10% annual growth in Adjusted EBITDA and distributable cash after maintenance capital expenditures per unit, disciplined capital allocation, and a continued focus on high-return growth investments.

RECENT DEVELOPMENTS

Normal Course Issuer Bid

During the first quarter of 2025, Chemtrade purchased approximately 3.9 million units as part of its NCIB. Chemtrade is authorized to purchase approximately 11.7 million units under its current NCIB which expires in June 2025 and as of May 9th, 2025, it has acquired 10.4 million units. Chemtrade intends to renew its NCIB, subject to approval from regulatory authorities.

Senior Unsecured Notes

In January 2025, Chemtrade issued an additional \$125.0 million aggregate principal amount of 6.375% Notes due August 28, 2029, resulting in an aggregate principal amount of \$375.0 million outstanding on these Notes. Chemtrade incurred transaction costs of \$2.3 million. Chemtrade used the net proceeds of the issuance to reduce indebtedness under the Credit Facilities.

Superior Lawsuit

During 2022, Chemtrade was successful in a lawsuit against Superior involving the failed attempt by Superior to acquire Canexus, prior to Chemtrade's 2017 acquisition of Canexus. Chemtrade received a payment of \$28.1 million, representing \$25.0 million in respect of the disputed reverse termination fee, plus interest and costs. Superior appealed the judgment, at which time Chemtrade established a provision of \$28.1 million due to the uncertainty associated with the outcome of the appeal. On January 31, 2025, the Alberta Court of Appeal ruled in favour of Superior. Following the January 31, 2025 Alberta Court of Appeal decision in favour of Superior, on March 26, 2025, Chemtrade filed for leave to appeal to the Supreme Court of Canada. Following the appeal decision, Chemtrade paid \$28.1 million to Superior, which was recorded against the provision. Chemtrade has recorded an expense of \$4.2 million to cover the additional costs of trial, appeal and interest.

Water Treatment Business Acquisition

On May 5, 2025 Chemtrade entered into an agreement with certain subsidiaries of Thatcher Group Inc. to purchase their aluminum sulphate water treatment chemicals businesses in Florida, New York, and California for USD \$30.0 million, representing a multiple of roughly 5x expected Adjusted EBITDA.

CONSOLIDATED OPERATING RESULTS

	Q1 2025 vs Q1 2024
F/X Rate	US\$1.00 = \$1.435 in 2025 compared with US\$1.00 = \$1.348 in 2024. The weaker Canadian dollar during 2025 compared with 2024 had a positive impact on consolidated revenue and Adjusted EBITDA of approximately \$21.0 million and \$6.5 million, respectively.
Revenue	Consolidated revenue for 2025 was \$466.3 million, which was \$48.1 million higher than revenue for 2024. Excluding the impact of foreign exchange, revenue for 2025 was \$27.1 million higher primarily due to: • higher selling prices and volumes of water solutions products, merchant acid and Regen in the SWC segment, • higher selling prices for caustic soda, HCl and sodium chlorate in the EC segment, partially offset by: • lower sales volumes of caustic soda, lower sales volumes and selling prices for chlorine, and lower revenue in Brazil in the EC segment.
Adjusted EBITDA	Adjusted EBITDA for 2025 was \$120.1 million which was \$10.1 million higher than the Adjusted EBITDA for 2024. Excluding the impact of foreign exchange, Adjusted EBITDA for 2025 was \$3.6 million higher than 2024 primarily due to: • higher selling prices and volumes of Regen acid and water solutions products in the SWC segment, and • higher selling prices for caustic soda, HCl and sodium chlorate in the EC segment, partially offset by: • lower sales volumes of caustic soda, lower sales volumes and selling prices for chlorine, and lower revenue in Brazil in the EC segment, and • higher corporate costs.
Net Earnings (loss)	Net earnings for 2025 were \$49.1 million, which were \$7.1 million higher than 2024 primarily due to: • higher Adjusted EBITDA, • unrealized foreign exchange gains during 2025 compared to unrealized foreign exchange losses during 2024, and • lower income tax expenses recorded during 2025 (see Income Taxes on page 13), offset by: • higher net finance costs during 2025 (see Net Finance Costs on page 12), and • higher depreciation and amortization expense.

RESULTS OF OPERATIONS BY REPORTABLE SEGMENT

SULPHUR AND WATER CHEMICALS (SWC)

(\$'000)	March 31, 2025	March 31, 2024
Revenue	\$ 271,034	\$ 230,625
Gross profit	38,507	34,421
Adjusted EBITDA	59,490	51,381

	SWC OPERATING RESULTS
	Q1 2025 vs Q1 2024
F/X Rate	US\$1.00 = \$1.435 in 2025 compared with US\$1.00 = \$1.348 in 2024. The weaker Canadian dollar during 2025 compared with 2024 had a positive impact on consolidated revenue, gross profit and Adjusted EBITDA of approximately \$12.9 million, \$1.0 million and \$1.7 million, respectively.
Revenue	Revenue for 2025 was \$271.0 million, which was \$40.4 million higher than revenue for 2024. Excluding the impact of foreign exchange, revenue for 2025 was \$27.5 million higher primarily due to: • higher selling prices and volumes of merchant acid and Regen acid, and • higher selling prices and volumes for water solutions products.
Adjusted EBITDA	Adjusted EBITDA for 2025 was \$59.5 million which was \$8.1 million higher than Adjusted EBITDA for 2024. Excluding the impact of foreign exchange, Adjusted EBITDA for 2025 was \$6.4 million higher than 2024 primarily due to: • higher selling prices and volumes of Regen acid, and • higher selling prices and volumes for water solutions products which more than offset higher input costs. Higher input costs for merchant acid were offset by higher selling prices.
Gross Profit	Gross profit for 2025 was \$38.5 million, which was \$4.1 million higher than gross profit for 2024. Excluding the impact of foreign exchange, gross profit for 2025 was \$3.0 million higher than 2024. Higher Adjusted EBITDA was partially offset by increased depreciation and amortization expenses during 2025.

ELECTROCHEMICALS (EC)

(\$'000)	March 31, 2025	March 31, 2024
North American sales volumes:		
Sodium chlorate sales volumes (000's MT)	70	70
Chlor-alkali sales volumes (000's MECU)	42	43
Revenue	\$ 195,287	\$ 187,609
Gross profit	65,636	63,621
Adjusted EBITDA	88,244	82,495

EC OPERATING RESULTS	
Q1 2025 vs Q1 2024	
F/X Rate	US\$1.00 = \$1.435 in 2025 compared with US\$1.00 = \$1.348 in 2024. The weaker Canadian dollar during 2025 compared with 2024 had a positive impact on consolidated revenue, gross profit and Adjusted EBITDA of approximately \$8.1 million, \$5.1 million and \$5.3 million, respectively.
Revenue	Revenue for 2025 was \$195.3 million, which was \$7.7 million higher than revenue for 2024. Excluding the impact of foreign exchange, revenue for 2025 was similar to 2024 due to: • higher selling prices for caustic soda, HCl and sodium chlorate, offset by: • lower sales volumes of caustic soda, • lower sales volumes and selling prices for chlorine, and • lower revenue in Brazil. MECU netbacks increased by approximately \$165 mainly due to higher netbacks for caustic soda. Higher netbacks for HCl offset lower netbacks for chlorine.
Adjusted EBITDA	Adjusted EBITDA for 2025 was \$88.2 million, which was \$5.7 million higher than Adjusted EBITDA for 2024. Excluding the impact of foreign exchange, Adjusted EBITDA for 2025 was similar to 2024 due to: • higher selling prices for caustic soda, HCl and sodium chlorate, offset by: • lower sales volumes of caustic soda, • lower sales volumes and selling prices for chlorine, and • lower revenue in Brazil. MECU netbacks increased by approximately \$165 mainly due to higher netbacks for caustic soda. Higher netbacks for HCl offset lower netbacks for chlorine.
Gross Profit	Gross profit for 2025 was \$65.6 million, which was \$2.0 million higher than gross profit for 2024. Excluding the impact of foreign exchange, gross profit for 2025 was \$3.1 million lower than 2024. In addition to the factors that affected Adjusted EBITDA, gross profit was also affected by higher depreciation and amortization expense.

Corporate Costs

Corporate costs include the administrative costs of corporate activities such as treasury, finance, information technology, human resources, legal and risk management, and environmental, health and safety support, which are not directly allocable to a reportable segment.

(\$'000)	<u>Three months ended</u>	
	March 31, 2025	March 31, 2024
Corporate costs (Adjusted EBITDA)	\$ (27,677)	\$ (23,942)

CORPORATE COSTS	
Q1 2025 vs Q1 2024	
Corporate costs	Corporate costs were higher primarily due to: • \$3.4 million of higher realized foreign exchange losses in 2025, and • \$1.6 million of expenses related to the Superior lawsuit, partially offset by: • \$0.9 million lower LTIP costs. Corporate costs include gains and losses recorded from Chemtrade's hedging program. Business results are presented on an unhedged basis, and during 2025 are benefitting from the weakness in the CAD relative to the USD.

Foreign Exchange

We have certain operating subsidiaries that use the USD as their functional currency. As we report in CAD, our reported net earnings are exposed to fluctuations in the CAD/USD exchange rate. If the CAD weakened by one-cent (for example, from \$1.44 to \$1.45 for US\$1.00), on an unhedged basis, this would have the impact as below:

Measure	Impact
Annual net earnings	+\$2.8 million
Adjusted EBITDA	+\$3.6 million
Annual distributable cash after maintenance capital expenditures	+\$2.6 million

If the CAD strengthened by one-cent, on an unhedged basis, this would have the opposite impact.

We manage our financial exposure to fluctuations in the value of the USD relative to the CAD as follows:

- a) We maintain USD denominated Credit Facilities, under which most of the borrowings are denominated in USD; and
- b) We enter into foreign exchange contracts to hedge a portion of our USD net cash flows for up to eighteen months in the future.

All foreign exchange contracts are under ISDA agreements. Contracts in place at March 31, 2025 include future contracts to sell the following amounts for periods through to March 2026:

Amount (\$'000)	Maturity	Exchange rate
US\$35,077	Q2 2025	\$1.37
US\$32,177	Q3 2025	\$1.38
US\$16,000	Q4 2025	\$1.37
US\$7,000	Q1 2026	\$1.37

The purpose of these contracts is to manage foreign exchange risk on specific transactions in a foreign currency. The amount of the related derivative is recorded at fair value at the period end and is included with prepaid expense and other assets or trade and other payables on the Condensed Consolidated Interim Statements of Financial Position. The resultant non-cash charge or gain is included in selling and administrative expense. The impact of this non-cash charge or gain is excluded from Adjusted EBITDA and Distributable cash after maintenance capital expenditures. See [Non-IFRS and Other Financial Measures](#) on page 33.

We have hedged our investments in foreign operations that use the USD as their functional currency with our USD-denominated bank debt. As a result, any gains and losses arising from the USD-denominated debt will be offset by the foreign currency gain or loss arising from the investment in the foreign operations. The gains and losses on the translation of the designated amount of USD-denominated debt and investment in foreign operations are recognized on a net basis in other comprehensive income. The changes recorded in the accumulated other comprehensive income account since December 31, 2024 were a result of changes in the CAD/USD exchange rate between December 31, 2024 and March 31, 2025. For the three months ended March 31, 2025, a foreign exchange gain/

loss of \$nil and during the three months ended March 31, 2024 a foreign exchange loss of \$5.5 million, on the revaluation of the USD-denominated debt was recognized in other comprehensive income.

The rate of exchange used to translate USD-denominated balances has remained unchanged from a rate of US\$1.00 = \$1.44 at December 31, 2024 to US\$1.00 = \$1.44 at March 31, 2025. The quarterly average rate of exchange during the first quarter of 2025 was US\$1.00 = \$1.44 as compared to the same period of 2024 at US\$1.00 = \$1.35. See [Risks and Uncertainties](#) on MD&A on page 27 for additional comments on foreign exchange.

NET FINANCE COSTS AND INCOME TAXES

Net Finance Costs

During the three months ended March 31, 2025, net finance costs were \$10.5 million compared with net finance costs of \$5.6 million during the same period of 2024.

Q1 2025 vs Q1 2024
Net finance costs were \$4.9 million higher during 2025 relative to 2024. The increase was primarily due to: • \$2.5 million of higher interest expense on long term debt, • \$2.6 million of interest expense related to the Superior lawsuit in 2025 compared to \$nil in 2024, • \$1.8 million of lower income reclassified from other comprehensive income relating to the fair value of the interest rate swaps in 2025 compared with 2024, and • \$1.4 million of higher losses related to the changes in the fair value of interest rate swaps in 2025 compared with 2024. partially offset by: • \$2.4 million of higher gains related to the change in fair value of Debentures in 2025 compared with 2024, and • \$1.9 million lower interest on Debentures in 2025 compared to 2024.

The Debentures are recognized at fair value with changes in fair value due to changes in the risk free interest rate presented in net finance costs and changes in our own credit risk presented in other comprehensive income rather than net earnings. During the three months ended March 31, 2025, the fair value of the Fund's Debentures increased by \$3.0 million compared to a decrease of \$2.5 million during the same period of 2024.

Below is an explanation of the change in the fair value of Debentures:

(\$ million)	Recorded in	Q1 2025	Q1 2024	Variance
Decrease due to a change in risk free rate and a change in the conversion option fair value	Net finance costs	\$ (9.0)	\$ (6.6)	\$ (2.4)
Increase due to a change in our credit risk, net of taxes	Other comprehensive income	12.0	4.2	7.8
Tax (expense) recovery due to own credit risk	Other comprehensive income	0.0	(0.1)	0.1
(Decrease) increase in fair value of Debentures		\$ 3.0	\$ (2.5)	\$ 5.5

Since changes in fair value due to credit risk changes are presented in other comprehensive income, they are shown net of related taxes.

The weighted average effective annual interest rate of the Credit Facilities at March 31, 2025 was 4.7% (December 31, 2024 - 5.4%). See [Liquidity and Capital Resources - Financial Instruments](#) for information concerning swap arrangements on page 18.

Income Taxes

The Fund is a mutual fund trust and a SIFT for income tax purposes. The Fund is subject to current income taxes at the top marginal tax rate applicable to individuals of approximately 53.5% on all taxable income not distributed to Unitholders. The Fund is also subject to current income taxes on all taxable income, other than dividends, earned from Canadian corporate and flow-through subsidiaries (other than Canadian subsidiaries that earn certain investment income) at a tax rate similar to the corporate tax rate. The Fund is not subject to tax on income received from non-Canadian subsidiaries, provided that the income is distributed to Unitholders during the year. Based on the current organization of the Fund and its subsidiaries, we expect that our income distributed to Unitholders will not be subject to SIFT tax.

Taxable income distributed by the Fund to its Unitholders is considered taxable income of those Unitholders.

	Q1 2025 vs Q1 2024
Income taxes	Income tax expense in 2025 was \$0.6 million lower than the same period of 2024. The change was primarily due to: - impacts of favourable taxable foreign exchange in Brazil partially offset by: - higher operating income in 2025 relative to the same period in 2024, and - lower amounts of deferred tax recovery associated with the change in fair value of the Debentures in 2025 relative to 2024.

As at March 31, 2025 vs December 31, 2024	
Deferred tax assets and liabilities	Net deferred tax assets decreased by \$2.7 million which was primarily due to: - a decrease in deferred tax assets related to other long-term liabilities and employee benefits, and - a decrease in deferred tax assets related to the payment of disputed termination fee related to the Superior Lawsuit, partially offset by: - a decrease in deferred tax liabilities related to depreciation of non-deductible intangible assets and fixed assets, and - a decrease in deferred tax liabilities related to unrealized foreign exchange.
Income taxes receivable	We made income tax payments totaling \$66.0 million in previous years to the CRA. As we are disputing the availability of certain historical Canadian tax losses with the CRA which would offset taxes in respect of 2021 to 2024, we have recorded these payments as non-current income taxes receivable in the Consolidated Statements of Financial Position. We have appealed this assessment by the CRA and the resolution of this matter in our favour would result in significant taxes paid on our account to be refunded. We believe that our asserted position is appropriate and would be sustained upon full examination by tax authorities and, if necessary, upon consideration by judicial process.

Chemtrade's income tax expense for the first three months ended March 31, 2025 was \$11.7 million and the effective tax rate was 19.22%. The effective tax rate differs from the statutory tax rate of 25.3% primarily due to the net deferred tax impacts associated with the change in fair value of the Debentures, the non-taxability to the Fund of the income distributed to Unitholders, impacts of taxable foreign exchange, changes in level of earnings in jurisdictions taxed at different rates, and the non-recognition of deferred tax assets related to certain carryforward amounts of business interest expense deductions.

DISTRIBUTIONS

Distributions to Unitholders for the three months ended March 31, 2025 were declared as follows:

Record Date	Payment Date	Distribution Per Unit ⁽¹⁾		Total (\$'000)
Three months ended March 31:				
January 31, 2025	February 28, 2025	\$	0.0575	\$ 6,758
February 28, 2025	March 31, 2025		0.0575	6,682
March 31, 2025	April 30, 2025		0.0575	6,624
Sub-total			0.1725	20,064
Total for the three months ended March 31, 2025		\$	0.1725	\$ 20,064

⁽¹⁾ Based on actual number of units outstanding on record date.

Distributions to Unitholders, for the three months ended March 31, 2024 were declared as follows:

Record Date	Payment Date	Distribution Per Unit ⁽¹⁾		Total (\$'000)
Three months ended March 31:				
January 31, 2024	February 26, 2024	\$	0.0550	\$ 6,444
February 29, 2024	March 28, 2024		0.0550	6,444
March 28, 2024	April 30, 2024		0.0550	6,445
Sub-total			0.1650	19,333
Total for the three months ended March 31, 2024		\$	0.1650	\$ 19,333

⁽¹⁾ Based on actual number of units outstanding on record date.

Treatment of our distributions for Canadian income tax purposes for 2024 and 2025 is as follows:

	Other Income	Dividends ⁽¹⁾	Foreign Non-Business Income	Total
2024	5.3%	31.4%	63.3%	100%
2025 ⁽²⁾	5.7%	29.8%	64.5%	100%

⁽¹⁾ These dividends are not considered to be eligible dividends for Canadian resident Unitholders and therefore not eligible for the enhanced tax credit.

⁽²⁾ Represents anticipated tax characterization of planned distributions. The actual tax treatment of 2025 distributions will be determined by March 2, 2026.

CASH FLOWS

Three months ended

(\$'000)	March 31, 2025 March 31, 2024	
Net cash flows from (used in):		
Operating activities	\$ 11,636	\$ 2,412
Investing activities	(24,337)	(35,227)
Financing activities	16,066	38,337
Increase (Decrease) in cash and cash equivalents	3,365	5,522
Effect of exchange rates on cash held in foreign currencies	19	497
Cash and cash equivalents, beginning of the period	25,497	21,524
Cash and cash equivalents, end of the period	\$ 28,881	\$ 27,543

Our distributions to Unitholders are sourced entirely from the Fund's investments in operating subsidiary entities. The Fund's investments are financed by trust units held by Unitholders, the Credit Facilities (see [Financing Activities](#) below), the Debentures and the Notes. Our cash flow is required to fund cash distributions to Unitholders, capital requirements, interest, general trust purposes and other legal obligations.

Q1 2025 vs Q1 2024	
Operating Activities	Cash flows from operating activities in the first quarter of 2025 were an inflow of \$11.6 million, compared with \$2.4 million for the same period of 2024. The increase in cash flows from operating activities of \$9.2 million was primarily due to higher Adjusted EBITDA, lower changes in working capital and lower income taxes paid, partially offset by higher interest paid.
Investing Activities	Capital expenditures were \$24.3 million in the first quarter of 2025, compared with \$35.2 million for the same period in 2024. These amounts included \$17.1 million in the first quarter of 2025 and \$15.4 million in the first quarter of 2024 for maintenance capital expenditures ¹ . Non-maintenance capital expenditures ² were \$7.2 million during the first quarter of 2025, compared with \$19.8 million during the first quarter of 2024. Most of the non-maintenance capital spending during the first quarter of 2025 was for small expansion projects of water solutions products and for the ultrapure sulphuric acid business. Non-maintenance capital spending was lower in 2025 as 2024 includes higher spending related to the expansion of our Cairo, OH ultrapure sulphuric acid facility.

¹ Maintenance capital expenditures is a supplementary financial measure. See [Non-IFRS and Other Financial Measures](#)

² Non-maintenance capital expenditures is a supplementary financial measure. See [Non-IFRS and Other Financial Measures](#)

	Q1 2025 vs Q1 2024
Financing Activities	Cash flows from financing activities for the first quarter of 2025 were an inflow of \$16.1 million, compared with \$38.3 million for the same period of 2024. The decrease in cash flows from financing activities of \$22.3 million was primarily due to the purchase of units under the NCIB and higher distributions to unitholders partially offset by higher borrowings in 2025. During the first quarter of 2025, we issued \$125.0 million of additional Notes and used a portion of the proceeds to reduce our revolving credit facility by \$29.7 million. During the first quarter of 2024, we borrowed \$70.7 million from our Credit Facilities.

In January 2025, Chemtrade issued an additional \$125.0 million aggregate principal amount of 6.375% Notes due August 28, 2029, resulting in an aggregate principal amount of \$375.0 million outstanding on these Notes. Chemtrade recognized transaction costs of \$2.3 million related to the issuance against the proceeds of the offering. The Notes include early redemption options allowing Chemtrade to redeem the Notes at a premium, in cash, any time prior to August 27, 2028 and at principal any time after August 28, 2028. Chemtrade recognized a derivative asset of \$1.0 million to reflect the redemption features of the Notes. Chemtrade utilized proceeds of the issuance to pay down its Credit Facilities.

In June 2024, we implemented an NCIB, under which the Fund is authorized to purchase up to 11.7 million units over a 12 month period ending June 2, 2025. Purchases of units for the first quarter of 2025 were \$39.2 million which were funded by cash flows from operations.

There was a net decrease in borrowings from our Credit Facilities of \$29.7 million during the three months ended March 31, 2025 compared with a net increase of \$70.7 million during the same period of 2024. The decrease in borrowings the first quarter of 2025 was a result of using proceeds received from the issuance of Notes. The increase in borrowings for the first quarter of 2024 was a result of cash used in financing and investing activities.

Distributions paid to Unitholders during the three months ended March 31, 2025 were \$20.0 million compared to \$17.7 million for the same period of 2024. The increase in distributions paid for the three months ended March 31, 2025 relative to 2024 was primarily due to units issued from conversions of Debentures and an increase in monthly distributions from \$0.0550 per unit to \$0.0575 per unit effective with the distribution declared in January 2025.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Cash Equivalents

At March 31, 2025, we had cash and cash equivalents of \$28.9 million (December 31, 2024 - \$25.5 million) and a Net working capital¹ deficit of \$21.0 million (December 31, 2024 - \$106.7 million). The net working capital deficiency is sufficiently covered by availability under the Credit Facilities. Cash we generate will be used to fund cash distributions to Unitholders, capital requirements, interest, general trust purposes and other legal obligations.

Future Liquidity

Our future liquidity is primarily dependent on cash flows of our operating subsidiaries. These cash flows will be used to finance ongoing expenditures, including maintenance capital, growth initiatives, distributions to Unitholders and normal course financial commitments. Cash flows are sensitive to changes in volumes, sales prices and input costs and any changes in these may impact future liquidity. Management believes that cash flows from operating activities will be sufficient for us to meet future obligations and commitments that arise in the normal course of business activities. In addition, we have revolving Credit Facilities which can be used for general trust purposes, including to fund capital expenditures and growth opportunities. See [Capital Resources](#) below for more details.

Capital Resources

(\$'000)		March 31, 2025	December 31, 2024
Long-term debt ⁽¹⁾	\$	438,741	\$ 343,295
Debentures ⁽¹⁾		340,000	340,000
Total debt ⁽²⁾	\$	778,741	\$ 683,295

⁽¹⁾ Principal outstanding amount

⁽²⁾ Total debt is a Non-IFRS financial measure. See [Non-IFRS and Other Financial Measures](#)

At March 31, 2025, we had Credit Facilities of approximately \$863.2 million (US\$600.0 million). At March 31, 2025, we had drawn \$63.7 million on our Credit Facilities. Additionally, we had committed a total of \$19.3 million of our Credit Facilities towards standby letters of credit. At March 31, 2025, we had undrawn US\$542.3 million on our Credit Facilities.

¹ Net working capital is a non-IFRS measure. See [Non-IFRS and Other Financial Measures](#)

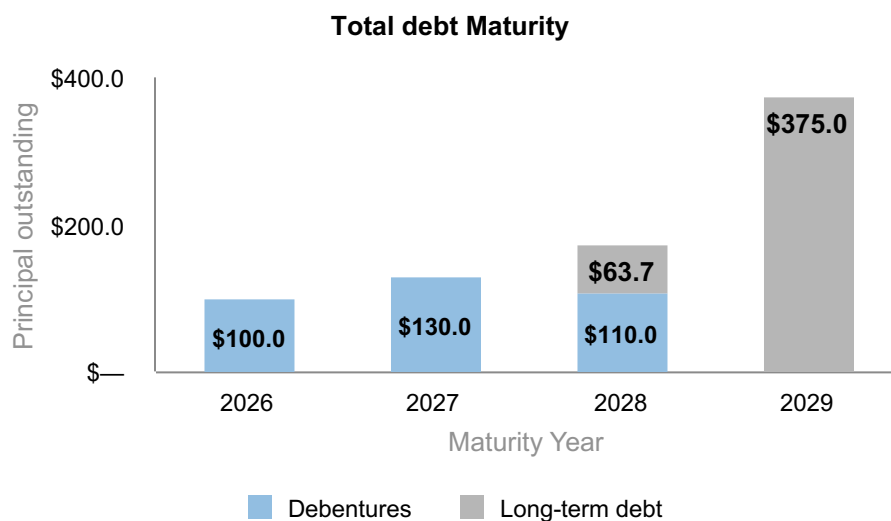
During Q3 2024, Chemtrade closed its private offering of \$250.0 million of 6.375% Notes due August 28, 2029. In January 2025, Chemtrade closed its private offering of an additional \$125.0 million aggregate principal amount of Notes. As a result, a total of \$375.0 million principal amount of Notes are outstanding. The Notes include early redemption options allowing Chemtrade to redeem the Notes at a premium, in cash, any time prior to August 27, 2028 and at principal any time after August 28, 2028.

Our Debentures as of the date of this MD&A are described in the table below:

	Fund 2019 6.50% Debentures	Fund 2021 6.25% Debentures	Fund 2023 7.00% Debentures	Total
Maturity	October 31, 2026	August 31, 2027	June 30, 2028	
Interest Rate	6.50 %	6.25 %	7.00 %	
Principal outstanding at March 31, 2025	\$ 100.0	\$ 130.0	\$ 110.0	\$ 340.0 ⁽¹⁾
Conversion Price per unit	\$ 15.80	\$ 10.00	\$ 12.85	

⁽¹⁾ At March 31, 2025, the market value of the outstanding Debentures was \$359.6 million.

The graph below shows the maturity of our Total debt as at March 31, 2025:



Debt Covenants

Chemtrade is subject to certain covenants pursuant to its Credit Facilities, which include Net debt to EBITDA ratios and an Interest Coverage ratio (as such terms are defined in the credit agreement). The Notes are subject to customary terms, conditions and covenants. As at March 31, 2025, Chemtrade is in compliance with these debt covenants.

Financial Instruments

As of January 1, 2022, we had swap arrangements in place to fix the LIBOR components of our interest rates on US\$325.0 million of our Credit Facilities until October 2024. During the first quarter of 2022, we formally designated

the interest rate swaps as cashflow hedges and changes in the fair value of the effective portion of the swaps were recognized in other comprehensive income.

During the third quarter of 2022, we de-designated our interest rate swaps and hedge accounting on these swaps was discontinued prospectively. The accumulated balance of the change in fair value of the interest rate swaps in other comprehensive income at the time the swaps were de-designated was reclassified to net earnings until October 2024. For the three months ended March 31, 2025, we reclassified \$nil (2024 - \$1.8 million) from other comprehensive income to net earnings. As a result of discontinuing hedge accounting, all subsequent changes in the fair value of the interest rate swaps are recognized in net earnings. For the three months ended March 31, 2025, we recognized a loss of \$2.1 million (2024 - \$0.7 million) in net earnings relating to the changes in the fair value of the swaps.

During the first quarter of 2024, we blended and extended our existing US\$175.0 million and US\$150.0 million interest rate swaps on our outstanding long-term debt. Effective January 24, 2024, the terms of these swaps were extended until December 2026 to align with the maturity date of our long-term debt and the aggregate amount of the swap was reduced to US\$175.0 million. As a result of the extension, we presented the fair value relating to the interest rate swap in Other assets under non-current assets in the Condensed Consolidated Interim Statements of Financial Position.

We hedge our investment in foreign operations that use the USD as their functional currency with our USD-denominated bank debt. Any foreign currency gains and losses arising from the USD-denominated bank debt will be offset by the foreign currency gain or loss arising from the investment in the foreign operations. The gains and losses on the foreign currency translation of the designated amount of USD-denominated debt and investment in foreign operations are recognized in other comprehensive income.

We have entered into cash-settled unit swap arrangements which fix the unit price on a portion of the RSU and PSU components of our LTIP awards and a portion of the deferred units awarded under the DUP. During the first quarter of 2024, we rolled over the hedged units maturing on March 31, 2024, into 2025, 2026 and 2027. During the first quarter of 2025, we rolled over the hedged units maturing on March 31, 2025, into 2026, 2027 and 2028. The RSU component of the LTIP awards is a phantom plan which is payable in cash at the end of the performance period. The PSU component of the LTIP awards gives a right to the participants to receive cash payments upon the achievement of performance goals during the performance periods. As at March 31, 2025, the notional number of units hedged was 2.6 million (December 31, 2024 - 2.5 million) with maturity dates ranging between March 2026 and March 2028. Distributions on the hedged units are notionally reinvested in these swap arrangements. These RSU and PSU swaps are formally designated as cash flow hedges at the date of inception and any changes in the fair value of the unvested portion of the RSU and PSU hedges are recognized in other comprehensive income. However, the swaps which fix the unit price on deferred units are not formally designated as cash flow hedges and any changes in the fair value of the deferred units swaps are recognized in net earnings. As at March 31, 2025, the notional number of units not designated as hedges was 0.6 million (December 31, 2024 - 0.7 million) maturing in March 2026.

FINANCIAL CONDITION REVIEW

The Consolidated Statements of Financial Position contain certain categories as set out below. Since December 31, 2024, there have been material variances in these categories, which are explained below.

(\$'000)	March 31, 2025	December 31, 2024	\$ Change	% Change
LIABILITIES and UNITHOLDERS' EQUITY				
Trade and other payables	285,718	327,448	(41,730)	(13)
Provisions	23,662	49,265	(25,603)	(52)
Long-term debt	430,070	336,250	93,820	28
Contributed Surplus	38,942	26,384	12,558	48

Trade and other payables	Decrease is primarily due to the payment of 2022 - 2024 LTIP awards and short-term incentive compensation relating to 2024 during the first quarter of 2025 and payments made during first quarter of 2025 relating to Q4 2024 capital expenditures which were unpaid as of December 31, 2024, partially offset by the reclassification of the accrual for the 2023 - 2025 LTIP awards from long-term liabilities to current liabilities.
Provisions	The decrease is primarily due to payment of legal provisions related to the Superior lawsuit of \$28.1 million, partially offset by additional accrual related to the Superior lawsuit of \$4.2 million.
Long-term debt	Increase is primarily to fund the increase in working capital during the quarter.
Contributed Surplus	Increase is primarily due to the difference in the book value of our average unit price compared to the price paid under the NCIB net of share buy-back tax.

SUMMARY OF QUARTERLY RESULTS

(\$ millions)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	\$ 466.3	\$ 446.5	\$ 474.1	\$ 448.1	\$ 418.2	\$ 422.0	\$ 483.5	\$ 470.0
Cost of sales and services	(362.2)	(347.9)	(348.9)	(339.5)	(320.2)	(359.9)	(354.9)	(350.0)
Gross profit	104.1	98.6	125.2	108.6	98.0	62.1	128.6	120.0
Selling and administrative expenses:								
Unrealized foreign exchange gain (loss)	6.0	(21.4)	1.3	(2.1)	(5.2)	8.2	(5.3)	4.3
Realized foreign exchange gain (loss)	(4.4)	(5.0)	2.2	(3.5)	(1.4)	0.7	(1.2)	2.5
LTIP	(2.8)	(4.5)	(9.3)	(6.0)	(3.6)	(5.2)	(4.0)	(4.0)
Other	(31.7)	(34.9)	(29.4)	(32.5)	(28.0)	(34.6)	(33.1)	(28.0)
Total selling and administrative expenses	(32.9)	(65.8)	(35.2)	(44.1)	(38.2)	(30.9)	(43.6)	(25.2)
Gain on disposal of assets	—	—	—	—	—	24.3	—	—
Impairment of Joint Venture	—	(3.8)	—	—	—	—	—	—
Share of loss from joint venture	—	—	—	—	—	—	(0.1)	(0.6)
Operating income	71.2	29.0	90.0	64.5	59.8	55.5	85.0	94.2
Net finance costs:								
Change in fair value of Debentures	9.0	(1.8)	2.7	(26.0)	6.6	(19.2)	14.5	5.3
Income reclassified from other comprehensive income	—	0.9	1.8	1.8	1.8	1.8	1.8	1.8
Change in the fair value of interest rate swaps	(2.1)	2.9	(6.0)	(0.1)	(0.7)	(5.7)	(2.1)	1.6
Interest on Superior lawsuit	(2.6)	—	—	—	—	—	—	—
Other	(14.8)	(13.5)	(14.6)	(15.0)	(13.3)	(10.6)	(11.8)	(14.2)
Total net finance (costs) income	(10.5)	(11.5)	(16.1)	(39.3)	(5.6)	(33.7)	2.4	(5.5)
Income tax expense	(11.6)	(7.2)	(13.8)	(10.6)	(12.2)	(10.1)	(16.7)	(1.4)
Net earnings	\$ 49.1	\$ 10.3	\$ 60.1	\$ 14.6	\$ 42.0	\$ 11.7	\$ 70.8	\$ 87.3
Adjusted EBITDA	\$ 120.1	\$ 108.6	\$ 137.2	\$ 115.1	\$ 109.9	\$ 84.6	\$ 142.1	\$ 144.2
Net earnings per unit	\$ 0.42	\$ 0.09	\$ 0.51	\$ 0.12	\$ 0.36	\$ 0.10	\$ 0.61	\$ 0.75
Diluted net earnings per unit	\$ 0.30	\$ 0.09	\$ 0.40	\$ 0.12	\$ 0.25	\$ 0.10	\$ 0.41	\$ 0.57

Below are some of the key items that had a significant impact on financial results over the last eight quarters.

Revenue and Gross Profit

Gross profit for the first quarter of 2025 relative to 2024 was higher primarily due to higher selling prices and volumes of water solutions products, merchant acid and Regen in the SWC segment, higher selling prices for caustic soda, HCl and sodium chlorate in the EC segment, partially offset by lower sales volumes of caustic soda, lower sales volumes and lower selling prices for chlorine, and lower revenue in Brazil in the EC segment. Gross profit for the last six months of 2024 was higher relative to the same period of 2023 due to an improvement in margins for water solutions products and sodium nitrite as well as higher selling prices for caustic soda, sodium chlorate and HCl, partially offset by lower sales volumes of sodium chlorate. Gross profit for the third quarter of 2024 was negatively affected by the work stoppage at Canadian railways. Excluding this, gross profit for the third quarter of 2024 is similar to the third quarter of 2023. Gross profit for the first six months of 2024 was lower relative to the same period of 2023 due to significantly lower selling prices for caustic soda and lower margins for Brazil, sodium nitrite and merchant acid partially offset by an improvement in margins for water solutions products, sodium chlorate, HCL and chlorine. Gross profit for the second quarter of 2024 was also negatively affected by the impact of the maintenance turnaround at North Vancouver.

Selling and Administrative Expenses

The change in fair value of our LTIP obligation recorded in any quarter depends on changes in the various factors used in arriving at the fair value of the obligation. In addition, changes in foreign exchange gains and losses are also included in Selling and Administrative Expenses and are subject to changes in foreign exchange rates.

Net Finance Costs

Net finance costs include changes in the fair value of the Debentures. The amount recorded in any quarter related to the fair value adjustments on the Debentures fluctuates depending upon the market value of the Debentures at the end of the period. The primary component of other net finance costs is interest from our Credit Facilities, Notes and Debentures.

OUTSTANDING SECURITIES OF THE FUND

As at May 9, 2025 and March 31, 2025, the following units and securities convertible into our units were issued and outstanding:

	Maturity	May 9, 2025		March 31, 2025	
		Convertible Securities	Units	Convertible Securities	Units
Units outstanding			113,753,932		115,145,732
6.50% Debentures ⁽¹⁾	October 31, 2026	100,000	6,329,114	100,000	6,329,114
6.25% Debentures ⁽²⁾	August 31, 2027	130,000	13,000,000	130,000	13,000,000
7.00% Debentures ⁽³⁾	June 30, 2028	110,000	8,560,311	110,000	8,560,311
Units outstanding and issuable upon conversion of Debentures			141,643,357		143,035,157
Deferred units plan ⁽⁴⁾⁽⁵⁾		\$ 8,498	874,288	\$ 8,466	869,154
Units outstanding and issuable upon conversion of Debentures and Deferred units			142,517,645		143,904,311

⁽¹⁾ Convertible at \$15.80 per unit

⁽²⁾ Convertible at \$10.00 per unit

⁽³⁾ Convertible at \$12.85 per unit

⁽⁴⁾ Based on \$9.72 and \$9.74, the closing price of a unit on the TSX on May 9, 2025 and March 31, 2025, respectively

⁽⁵⁾ 125,712 and 130,846 deferred units were available for future grants as at May 9, 2025 and March 31, 2025, respectively

CONTRACTUAL OBLIGATIONS

Information concerning contractual obligations at March 31, 2025 is shown below:

Contractual Obligations (\$'000)	Total	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years
Long-term debt	\$ 438,741	\$ —	\$ —	\$ 438,741	\$ —
Debentures (Principal)	340,000	—	230,000	110,000	—
Purchase commitments	52,971	34,327	18,644	—	—
Interest on Debentures	54,965	22,325	30,720	1,920	—
Interest on long-term debt	117,318	26,902	54,648	35,768	—
Lease payments	272,078	66,418	112,766	52,200	40,694
Trade and other payables	280,562	280,562	—	—	—
Distributions payable	6,624	6,624	—	—	—
Total contractual obligations	\$ 1,563,259	\$ 437,158	\$ 446,778	\$ 638,629	\$ 40,694

2025 FINANCIAL OUTLOOK AND VISION 2030

2025 Guidance

Uncertain macro-economic conditions make it particularly challenging to forecast results. We have taken this uncertainty into account and given our strong start to 2025 and our visibility on the balance of the year, we are raising our Adjusted EBITDA guidance to the higher end of the previously communicated range of \$430.0 to \$460.0 million. Based on our guidance assumptions, including the anticipated spending on growth capital expenditures and capital allocation, Chemtrade's implied Payout ratio⁽¹⁾ for 2025 is approximately 45%.

Chemtrade's Adjusted EBITDA for 2024 was \$470.8 million, marking the second-highest annual Adjusted EBITDA in Chemtrade's history. Achieving the high-end of 2025 guidance would mark the third highest annual Adjusted EBITDA in Chemtrade's history. This level of Adjusted EBITDA reinforces the significant step-change in Chemtrade's Adjusted EBITDA and cashflow generation compared to pre-pandemic levels as it would be the fourth consecutive year at the higher level of Adjusted EBITDA.

(\$ million)	2025 Guidance	2024 Actual	Three Months ended Actual	
			March 31, 2025	March 31, 2024
Adjusted EBITDA	\$430.0 - \$460.0	\$470.8	\$120.1	\$109.9
Maintenance capital expenditures ⁽¹⁾	\$100.0 - \$120.0	\$104.5	\$17.1	\$15.4
Growth capital expenditures ⁽¹⁾	\$40.0 - \$60.0	\$81.3	\$7.2	\$19.9
Lease payments	\$65.0 - \$75.0	\$65.4	\$17.8	\$14.6
Cash interest ⁽¹⁾	\$45.0 - \$55.0	\$45.7	\$14.4	\$11.0
Cash tax ⁽¹⁾	\$45.0 - \$55.0	\$42.1	\$8.7	\$9.0

⁽¹⁾ 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](#) on page 33.

Key Assumptions	2025 Assumptions	2024 Actual	2023 Actual
Approximate North American MECU sales volumes	168,500	172,000	181,000
2025 realized MECU netback being higher than 2024 (per MECU)	CAD \$30	N/A	N/A
Average CMA NE Asia Caustic spot price index per tonne ⁽¹⁾	US\$450	US\$385	US\$455
Approximate North American production volumes of sodium chlorate	254,500	270,000	283,000
USD to CAD average foreign exchange rate	1.380	1.370	1.349
LTIP costs (in millions)	\$12.0 - \$18.0	\$23.3	\$17.3

⁽¹⁾ The average CMA NE Asia Caustic spot price for 2025, 2024 and 2023 is the average spot price of the four quarters ending with the third quarter of that year as the majority of our pricing is based on a one quarter lag.

Chemtrade Vision 2030

The high level of macro-economic uncertainty makes it challenging to make long term projections. Nonetheless, to support, Chemtrade's longer-term growth vision, we are announcing a roadmap aimed at delivering sustainable growth and enhanced value for unitholders – *Chemtrade Vision 2030*. The *Chemtrade Vision 2030* provides insight into how Chemtrade's leadership team is strategically thinking about our future growth, underscoring the strength of our business and our ability to drive meaningful unitholder value in the years ahead.

Chemtrade Vision 2030 builds on Chemtrade's strong foundation and operational momentum, while outlining a strategy to deliver strong total unitholder returns. Central to this plan is Chemtrade's objective to grow Adjusted EBITDA and Distributable cash after maintenance capital expenditures per unit by an average of 5% - 10% annually through a combination of organic growth initiatives, continued investment in high-return projects – particularly in the water solutions and Ultrapure acid businesses – and disciplined execution of external growth opportunities.

To further enhance unitholder value on a per unit basis, we also intend to reduce the number of units outstanding through additional unit repurchases. At the same time, our monthly distribution will remain an important element of unitholder returns. As earnings and cash flow continue to grow, the opportunity exists for additional potential increases to this attractive monthly distribution.

Chemtrade Vision 2030 positions Chemtrade to generate between \$550.0 million and \$600.0 million in annual Adjusted EBITDA by 2030. While the path to this target may evolve based on new opportunities, our approach will remain disciplined and focused on maximizing long-term value creation. We will continue to prioritize capital allocation with significant capital being returned to unitholders and toward the highest value-enhancing opportunities, whether through organic investments or strategic acquisitions. We also remain committed to maintaining a prudent balance sheet, targeting to keep our key leverage ratio, Net debt to LTM Adjusted EBITDA ratio⁽¹⁾, below 2.5 times, with flexibility to modestly exceed this threshold in the short-term for strategic opportunities, with a clear timeline to bringing leverage expeditiously back to target levels.

Update on Organic Growth Projects

We remain focused on our long-term objective of delivering sustained earnings growth and generating value for investors. To achieve this, we have identified various organic growth initiatives. In 2025, we plan to invest between \$40.0 million and \$60.0 million in growth capital expenditures, which includes expansions of water treatment chemicals, upgrades to ultrapure sulphuric acid production and other organic growth projects.

¹ Net debt to LTM Adjusted EBITDA is a capital management measure. See [Non-IFRS and Other Financial Measures](#)

The Cairo project construction is complete, and the project is in the startup process. The commercial ramp up is expected to begin towards the end of 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. This project will further bolster our position as a leading North American supplier of ultrapure sulphuric acid to the semiconductor industry.

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

Capital Allocation Update

During the first quarter of 2025, Chemtrade purchased approximately 3.9 million units as part of its NCIB. Chemtrade is authorized to purchase approximately 11.7 million units under its current NCIB which expires in June 2025 and as of May 9th, 2025, it has acquired 10.4 million units. Chemtrade intends to renew its NCIB, subject to approval from regulatory authorities.

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.

In January 2025, we issued an additional \$125.0 million aggregate principal amount of 6.375% Notes due August 28, 2029, resulting in an aggregate principal amount of \$375.0 million outstanding on these Notes. The Fund incurred transaction costs of \$2.3 million. The Fund utilized the net proceeds of the issuance to reduce indebtedness under the Credit Facilities.

RISKS AND RISK MANAGEMENT

There are a number of risks and uncertainties that warrant additional disclosure which are discussed in detail in our annual MD&A for the year ended December 31, 2024. There have been no material changes to our business that require an update to the discussion of these risks and uncertainties.

SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgments

Information about judgments that have a significant risk of resulting in a material adjustment within the next financial year are discussed in detail in our MD&A for the year ended December 31, 2024. There have been no material changes to our business that require an update to the discussion of these significant judgments.

Key Sources of Estimation Uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed in detail in our MD&A for the year ended December 31, 2024. There have been no material changes to our business that require an update to the discussion of these sources of estimation uncertainty.

STANDARDS AND INTERPRETATIONS

(a) Standards and interpretations adopted during the period:

Chemtrade adopted the following accounting amendment that was effective for its interim and annual consolidated financial statements beginning January 1, 2025. Adoption did not have a material impact on its financial results:

- Amendments to IAS 21, *Lack of exchangeability*, specifying how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking (effective for annual periods beginning on or after January 1, 2025).

(b) Standards and interpretations not yet adopted:

IASB has issued the following new standards and amendments to existing standards that will become effective in future years:

- Amendments to IFRS 10, and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, addressing the conflict in dealing with the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely with an option of early adoption).
- IFRS 18, *Presentation and Disclosure in Financial Statements*, specifying the requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements, would supersede IAS 1, "Presentation of Financial Statements" and increase the comparability of financial statements by enhancing principles on aggregation and disaggregation (effective for annual periods beginning on or after January 1, 2027).
- Amendments to IFRS 9 and IFRS 7, *Classification and measurement of financial instruments*, specifying how an entity should classify some financial assets, especially on the recognition of financial assets and liabilities when settled using electronic payments (effective for annual periods beginning on or after January 1, 2026).

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in the reports that the Fund publicly files is recorded, processed, summarized and reported within a timely manner and that such information is accumulated and communicated to our Management, including our CEO and CFO, as appropriate, to allow timely decisions regarding disclosure. Our CEO and CFO have evaluated our disclosure controls procedures as of March 31, 2025 through inquiry and review. Our CEO and CFO have concluded that, as at March 31, 2025, our design and implementation of the controls were effective.

We also maintain a system of internal controls over financial reporting designed under the supervision of our CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Our Management, including our CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting and evaluating its effectiveness. Management has used the COSO framework (2013) to evaluate the effectiveness of our internal control over financial reporting as of March 31, 2025. There have been no changes to the design of internal controls over financial reporting that occurred during the three months ended March 31, 2025 that have materially affected or are reasonably likely to materially affect the internal controls over financial reporting.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes statements and information about our expectations for the future. When we talk about strategy, risks, plan and future financial and operating performance, or other things that have not taken place, we are making statements that are considered forward-looking information or forward-looking statements under Canadian securities laws, including the Securities Act (Ontario).

Key things to understand about the forward-looking information in this MD&A:

- It typically includes words about the future, such as anticipate, continue, estimate, expect, expected, intend, may, will, intend, project, plan, should, believe and others (see examples below).
- It represents our current views, and can change significantly.
- It is based on a number of material assumptions, including those we have listed below, which may prove to be incorrect.
- Actual results and events may be significantly different from what we expect, due to the risks associated with our business. We recommend you review other parts of this document, including [Risks and Risk Management](#), which starts on page 27, which includes a discussion of material risks that could cause actual results to differ significantly from our current expectations.

Forward-looking information is designed to help you understand management's current views of our near and longer-term prospects, and it may not be appropriate for other purposes. We will not necessarily update this information unless we are required to by securities laws.

Examples of forward-looking information in this MD&A

This MD&A contains statements about our future expectations for:

- our expectation that 2025 Adjusted EBITDA will be at the higher end of the range of \$430.0 to \$460.0 million;
- our intention to renew our NCIB;
- our ability to close the acquisition of Thatcher Group Inc;
- the effect of changes in exchange rates and our ability to offset U.S.-dollar denominated debt;
- our ability to access tax losses and tax attributes;
- the deductibility of certain tax losses and outcome of our appeal;
- the tax characterization of planned distributions;
- sources, use, availability and sufficiency of cash flows;
- statements in the Financial Outlook section, including:
 - our expected adjusted EBITDA guidance to be at the higher end of the range of \$430.0 to \$460.0 million,
 - our expected implied Payout ratio for 2025 of approximately 45%, and
 - our expectation to achieve the the third highest annual Adjusted EBITDA in Chemtrade's history and the fourth consecutive year at the higher level of Adjusted EBITDA
 - the expected range of maintenance capital and growth capital expenditures, lease payments, cash interest, and cash tax,
- our ability to achieve the objectives of Chemtrade Vision 2030, namely:
 - our ability to deliver strong total unitholder returns

- our ability to achieve 5 – 10% average annual growth in Adjusted EBITDA and Distributable cash after maintenance capital expenditures per unit and the means to achieve such growth (organic growth initiatives, investment in high-return projects, and strategic, disciplined execution of external growth opportunities),
 - our intention to reduce the number of units outstanding through additional unit repurchases,
 - our expectation of potential distribution increases,
 - our ability to generate between \$550.0 million and \$600.0 million in annual Adjusted EBITDA and timeline in which to do so,
 - our intention to follow a disciplined approach focused on maximizing long-term value creation,
 - our intention to continue to prioritize capital allocation, return significant capital to unitholders and toward organic investments or strategic acquisitions, and
 - our intention and ability to maintain our key leverage ratio, Net debt to LTM Adjusted EBITDA, below 2.5 times and to exceed such threshold as required for short-term strategic opportunities and to expeditiously return to target levels.
- our intention to invest between \$40.0 million and \$60.0 million in growth capital expenditures and its allocation among water treatment chemicals expansions, ultrapure sulphuric acid production upgrades, and other organic growth projects;
 - the expected timing of 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 a leading North American supplier to the semiconductor industry;
 - the ability of the KPCT joint venture Arizona planned project to generate an acceptable level of return and the timing thereof;
 - the effectiveness of disclosure controls procedures and of their design and implementation; and
 - long-term incentive compensation amounts.

Material assumptions

The forward-looking information contained in this MD&A includes the following material assumptions, among others:

- certain key elements as set out in the Financial Outlook section, including:
 - the stated North American MECU sales volumes and sodium chlorate production volumes,
 - 2025 realized MECU netback being lower than 2024 by the stated amount,
 - the stated average CMA NE Asia caustic spot price index,
 - the stated U.S. dollar foreign exchange rate, and
 - the stated range of LTIP costs.

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 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 section outlines 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 flows from operating activities less lease payments net of sub-lease receipts, maintenance capital expenditures incurred, including unpaid amounts, 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.

(\$'000)	Three months ended	
	March 31, 2025	March 31, 2024
Cash flows from operating activities	\$ 11,636	\$ 2,412
(Less) Add:		
Lease payments net of sub-lease receipts	(17,813)	(14,643)
(Decrease) Increase in working capital	79,757	78,612
Changes in other items ⁽¹⁾	5,603	8,874
Maintenance capital expenditures	(17,105)	(15,361)
Distributable cash after maintenance capital expenditures	\$ 62,078	\$ 59,894
Divided by:		
Weighted average number of units outstanding	116,919,311	117,136,762
Distributable cash after maintenance capital expenditures per unit	\$ 0.5309	\$ 0.5113
Distributions declared per unit	\$ 0.1725	\$ 0.1650
Payout ratio (%)	32 %	32 %

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

Excess cash flows and net earnings over distributions paid

Most directly comparable IFRS financial measures: Cash flows from operating activities and net earnings (loss)

Definition: Excess cash flows over distributions paid is calculated as cash flows from operating activities less cash distributions paid. Excess earnings over distributions paid is calculated as net earnings (loss) less cash distributions paid.

Why we use the measure and why it is useful to investors: We consider the amount of cash generated by the business in determining the amount of distributions available for payment to our Unitholders. In general, we do not take into account quarterly working capital fluctuations as these tend to be temporary in nature. We do not generally consider net earnings in setting the level of distributions as this is a non-cash metric and is not reflective of the level of cash flow that we can generate. This divergence is particularly relevant for us as we have a relatively high level of depreciation and amortization expense, foreign exchange gains and losses, and deferred tax expense and recovery.

(\$'000)	<u>Three months ended</u>	
	March 31, 2025	March 31, 2024
Cash flows from operating activities	\$ 11,636	\$ 2,412
Net earnings	\$ 49,069	\$ 41,955
Cash distributions paid during period	\$ 19,988	\$ 17,703
Shortfall of cash flows from operating activities over cash distributions paid	\$ (8,352)	\$ (15,291)
Excess of net earnings over cash distributions paid	\$ 29,081	\$ 24,252

Total debt

Most directly comparable IFRS financial measure: Total long-term debt and Debentures.

Definition: Total debt is calculated as the principal value of long-term debt and the principal value of Debentures.

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

Net debt

Most directly comparable IFRS financial measure: Total long-term debt, Debentures, lease liabilities, long-term lease liabilities, less cash and cash equivalents.

Definition: Net debt is calculated as the principal 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.

(\$'000)	March 31, 2025		December 31, 2024	
Long-term debt ⁽¹⁾	\$	438,741	\$	343,295
Add (Less):				
Debentures ⁽¹⁾		340,000		340,000
Long-term lease liabilities		142,324		148,268
Lease liabilities ⁽²⁾		57,627		58,145
Cash and cash equivalents		(28,881)		(25,497)
Net debt	\$	949,811	\$	864,211

⁽¹⁾ Principal outstanding amount

⁽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 a joint venture. These include unpaid amounts at each reporting period.

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)	Three months ended			
	March 31, 2025		March 31, 2024	
Capital expenditures	\$	24,337	\$	35,227
Maintenance capital expenditures		(17,105)		(15,361)
Non-maintenance capital expenditures		7,232		19,866
Growth capital expenditures	\$	7,232	\$	19,866

Net working capital

Most directly comparable IFRS financial measure: Current assets less current liabilities

Definition: Net working capital is calculated as current assets less current liabilities excluding Debentures.

Why we use the measure and why it is useful to investors: Although the Debentures are presented as current liabilities, management views the Debentures as non-current liabilities for purposes of managing liquidity and working capital. The Debenture holders do not have the right to demand their repayment prior to their maturity date, which for all the outstanding series of the Debentures is more than one year in the future. Net working capital provides investors with more useful information related to how we manage working capital.

(\$'000)	March 31, 2025	December 31, 2024
Current assets	\$ 352,659	\$ 334,701
Less: Current liabilities	(733,252)	(798,002)
Working capital deficit	(380,593)	(463,301)
Add: Debentures	359,621	356,596
Net working capital deficit	\$ (20,972)	\$ (106,705)

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.

Adjusted EBITDA

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

(\$'000)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net earnings	\$ 49,069	\$ 10,274	\$ 60,080	\$ 14,599	\$ 41,955	\$ 11,677	\$ 70,784	\$ 87,325
Add (less):								
Depreciation and amortization	53,483	49,929	45,503	48,223	44,890	57,423	54,741	53,186
Net finance costs (income)	10,526	11,501	16,149	39,268	5,642	33,716	(2,429)	5,457
Income tax expense	11,674	7,250	13,809	10,619	12,244	10,121	16,669	1,388
Impairment of joint venture	—	3,834	—	—	—	—	—	—
Change in environmental and decommissioning liability	1,303	(1,116)	2,410	(1,494)	(730)	9,842	(3,504)	—
Net (gain) loss on disposal and write-down of PPE	(15)	5,488	521	1,782	711	(5,547)	606	1,152
Gain on disposal of assets	—	—	—	—	—	(24,337)	—	—
Unrealized foreign exchange (gain) loss	(5,983)	21,433	(1,319)	2,115	5,222	(8,247)	5,251	(4,306)
Adjusted EBITDA	\$ 120,057	\$ 108,593	\$ 137,153	\$ 115,112	\$ 109,934	\$ 84,648	\$ 142,118	\$ 144,202

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 our debt leverage and our ability to service debt. We monitor 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.

Maintenance capital expenditures

Represents capital expenditures that are required to sustain operations at existing levels and include major repairs and maintenance and plant turnarounds. These include unpaid amounts at each reporting period.

Non-maintenance capital expenditures

Represents capital expenditures, including unpaid amounts, 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 the interest expense on long-term debt, interest on Debentures, pension interest expense and interest income.

Cash tax

Represents current income tax expense.

TERMS AND DEFINITIONS

Terms

AB	Alberta
AI	Artificial Intelligence
AIF	Annual Information Form
AOCI	Accumulated Other Comprehensive Income
AZ	Arizona
BC	British Columbia
BEAT	Base Erosion and Anti-Abuse Tax
Board	Board of Trustees
CAD	Canadian Dollar
Canadian railways	Canadian Pacific Kansas City Ltd and Canadian National Railway
CANEXUS	Canexus Corporation
CEO	Chief Executive Officer
CA	California
CMA	Chemical Market Analytics by OPIS, a Dow Jones Company (formerly IHS Markit Base Chemical)
CORRA	Canadian Overnight Repo Rate Average
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CFO	Chief Financial Officer
CRA	Canada Revenue Agency
DRIP	Distribution Reinvestment Plan
DUP	Deferred Unit Plan
ESG	Environmental, Social and Governance
FEED	Front End Engineering Design
GA	Georgia
HCl	Hydrochloric acid
IASB	International Accounting Standards Board
ISDA	International Swap and Derivatives Association
LIBOR	London Interbank Offered Rate
LTIP	Long Term Incentive Plan
LTM	Last Twelve Months
MB	Manitoba
MECU	MECU is a Metric Electrochemical Unit, consisting of 1.0 tonne of chlorine and 1.1 tonnes of caustic soda
MT	Metric Tonne
NATO	North American Terminal Operations
NCIB	Normal Course Issuer Bid
NE	Northeast
OK	Oklahoma
OH	Ohio
PPE	Property, Plant and Equipment
PSU	Performance Share Unit

Q1	First Quarter or three months ended March 31
Q2	Second Quarter or three months ended June 30
Q3	Third Quarter or three months ended September 30
Q4	Fourth Quarter or three months ended December 31
QC	Quebec
Regen	Regenerated Acid Services
ROU	Right-of-use
RSU	Restricted Share Unit
SIB	Substantial Issuer Bid
SOFR	Secured Overnight Financing Rate
SIFT	Specified investment flow-through trust
SUPERIOR	Superior Plus Corporation
TSX	Toronto Stock Exchange
TX	Texas
USD	U.S. Dollar
WA	Washington

Definitions

Credit Facilities	Revolving credit facilities
Debentures	We have \$100.0 million principal amount of 6.50% of convertible unsecured subordinated debentures outstanding (the "Fund 2019 6.50% Debentures"), \$130.0 million principal amount of 6.25% of convertible unsecured subordinated debentures outstanding (the "Fund 2021 6.25% Debentures") and \$110.0 million principal amount of 7.00% of convertible unsecured subordinated debentures outstanding (the "Fund 2023 7.00% Debentures").
KPCT joint venture	KPCT Holdings LLC, a joint venture between Chemtrade Advanced Chemicals LLC and KPPC Advanced Chemicals Inc. and/or its operating subsidiary, KPCT Advanced Chemicals LLC.
LTIP costs	Corporate costs include LTIP expense, which relate to the 2023 - 2025, 2024 - 2026 and 2025 - 2027 LTIPs which we operate and pursuant to which we grant cash awards based on certain criteria. The 2023 - 2025 LTIP payout is payable in the first quarter of 2026. The 2024 - 2026 LTIP payout is payable in the first quarter of 2027. The 2025 - 2027 LTIP payout is payable in the first quarter of 2028. The LTIP awards have a performance based PSU component and a RSU component. The performance based PSU component of 2023 – 2025 LTIP awards is based on return on investment capital improvement and total return to Chemtrade's Unitholders relative to the total return of companies comprising the S&P/TSX Dividend Composite Index. The performance based PSU component of 2024 – 2026 and 2025 – 2027 LTIP awards is based on return on investment capital improvement and total return to our Unitholders relative to two peer groups which are S&P/TSX Dividend Composite Index and a group of peer companies selected by us. Total Unitholder return consists of changes in unit price and distributions paid to Unitholders over the course of the performance periods. The performance based PSU component under these LTIP awards is also adjusted for achievement of ESG goals to be achieved by the end of the performance periods. The RSU and PSU components of the LTIP awards are both phantom plans which are payable in cash at the end of the performance period. The nature of these calculations makes it difficult to forecast the amount of LTIP expense that will be recorded in any period, as it is based upon a valuation model which considers several variables.
Notes	At December 31, 2024 we had \$250.0 million principal amount of 6.375% senior unsecured notes (the "Notes") outstanding. In January 2025, we issued an additional \$125.0 million principal amount of 6.375% senior unsecured notes. As of May 9, 2025 we had a total of \$375.0 million principal amount of Notes outstanding due on August 28, 2029.

OTHER

Additional information concerning Chemtrade, including the AIF, is filed on SEDAR+ and can be accessed at www.sedarplus.com.

May 12, 2025

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CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Comprehensive Income

(In thousands of Canadian dollars, except per unit amounts)

(Unaudited)

	Notes	Three months ended March 31,	
		2025	2024
Revenue	4	\$ 466,321	\$ 418,234
Cost of sales and services	6	(362,178)	(320,192)
Gross profit		104,143	98,042
Selling and administrative expenses	5	(32,874)	(38,191)
Share of loss from joint venture		—	(10)
Operating income		71,269	59,841
Net finance costs	7	(10,526)	(5,642)
Income before income tax		60,743	54,199
Income tax expense	8		
Current		(8,696)	(8,999)
Deferred		(2,978)	(3,245)
		(11,674)	(12,244)
Net earnings		\$ 49,069	\$ 41,955
Other comprehensive (loss) income			
Items that may subsequently be reclassified to earnings:			
Net investment hedge of foreign operations, net of tax of \$nil (2024 - net of tax \$nil)	12, 15	—	(5,504)
Foreign currency translation differences for foreign operations, net of tax of \$nil (2024 - net of tax \$nil)		(838)	18,786
Effective portion of change in the fair value of cash flow hedges, net of tax of \$173 (2024 - net of tax of (\$24))		(512)	72
Cash flow hedges reclassified to earnings, net of tax of \$nil (2024 - net of tax of \$441)	7	—	(1,313)
Items that will not be reclassified to earnings:			
Defined benefit plan adjustments, net of tax of \$118 (2024 - net of tax of (\$893))		(345)	2,778
Change in fair value of convertible debentures due to own credit risk, net of tax of \$nil (2024 - net of tax (\$42))	11	(11,995)	(4,204)
Other comprehensive (loss) income		(13,690)	10,615
Total comprehensive income		\$ 35,379	\$ 52,570
Net earnings per unit	9		
Basic net earnings per unit		\$ 0.42	\$ 0.36
Diluted net earnings per unit		\$ 0.30	\$ 0.25

CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Financial Position

(In thousands of Canadian dollars)

(Unaudited)

	Notes	March 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 28,881	\$ 25,497
Trade and other receivables		158,180	148,085
Inventories		137,390	134,932
Income taxes receivable		12,306	5,498
Prepaid expenses and other assets		15,902	20,689
Total current assets		352,659	334,701
Non-current assets			
Property, plant and equipment		1,080,770	1,088,145
Right-of-use assets		180,235	186,036
Investment in a joint venture		707	707
Income taxes receivable	8	66,000	66,000
Other assets		16,736	18,870
Intangible assets		536,599	541,952
Deferred tax assets	8	43,885	47,996
Total non-current assets		1,924,932	1,949,706
Total assets		\$ 2,277,591	\$ 2,284,407
LIABILITIES AND UNITHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		\$ 285,718	\$ 327,448
Distributions payable	13	6,624	6,548
Provisions	10	23,662	49,265
Lease liabilities		57,627	58,145
Convertible unsecured subordinated debentures ⁽¹⁾	11	359,621	356,596
Total current liabilities		733,252	798,002
Non-current liabilities			
Long-term debt	12	430,070	336,250
Other long-term liabilities		17,729	26,316
Long-term lease liabilities		142,324	148,268
Employee benefits		20,576	19,576
Provisions		124,889	121,130
Deferred tax liabilities	8	15,058	16,508
Total non-current liabilities		750,646	668,048
Total liabilities		1,483,898	1,466,050
Unitholders' equity			
Units	13	1,577,039	1,629,576
Contributed surplus		38,942	26,384
Deficit		(1,066,657)	(1,095,317)
Accumulated other comprehensive income		244,369	257,714
Total unitholders' equity		793,693	818,357
Total liabilities and unitholders' equity		\$ 2,277,591	\$ 2,284,407

⁽¹⁾ Maturities ranging from October 2026 to June 2028.

CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity

(In thousands of Canadian dollars)

(Unaudited)

	Notes	Units	Contributed surplus	Deficit	Cumulative translation account*	Unrealized losses on cash flow and net investment hedges*	Change in fair value of convertible debentures due to own credit risk*	Total unitholders' equity
Balance at January 1, 2025		\$ 1,629,576	\$ 26,384	\$ (1,095,317)	\$ 263,864	\$ (23,394)	\$ 17,244	\$ 818,357
Units repurchased under the Normal Course Issuer Bid ("NCIB") ⁽¹⁾	13	(52,537)	12,558	—	—	—	—	(39,979)
Net earnings		—	—	49,069	—	—	—	49,069
Other comprehensive (loss) income		—	—	(345)	(838)	(512)	(11,995)	(13,690)
Distributions	13	—	—	(20,064)	—	—	—	(20,064)
Balance at March 31, 2025		\$ 1,577,039	\$ 38,942	\$ (1,066,657)	\$ 263,026	\$ (23,906)	\$ 5,249	\$ 793,693

⁽¹⁾ A share buyback tax was substantively enacted in 2024 and the Fund has applied this tax of \$783 on its contributed surplus for the first quarter ended March 31, 2025.

	Notes	Units	Contributed surplus	Deficit	Cumulative translation account*	Unrealized losses on cash flow and net investment hedges*	Change in fair value of convertible debentures due to own credit risk*	Total unitholders' equity
Balance at January 1, 2024		\$ 1,648,411	\$ 9,720	\$ (1,147,923)	\$ 194,447	\$ (10,805)	\$ 13,291	\$ 707,141
Issuance of units upon conversion of unsecured subordinated convertible debentures	11, 13	25	—	—	—	—	—	25
Issuance of units under the Distribution Reinvestment Plan ("DRIP")	13	1,070	—	—	—	—	—	1,070
Net earnings		—	—	41,955	—	—	—	41,955
Other comprehensive (loss) income		—	—	2,778	18,786	(6,745)	(4,204)	10,615
Distributions	13	—	—	(19,333)	—	—	—	(19,333)
Balance at March 31, 2024		\$ 1,649,506	\$ 9,720	\$ (1,122,523)	\$ 213,233	\$ (17,550)	\$ 9,087	\$ 741,473

* Accumulated other comprehensive income.

CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Cash Flows
(In thousands of Canadian dollars)
(Unaudited)

		Three months ended March 31,	
	Notes	2025	2024
Cash flows from operating activities:			
Net earnings		\$ 49,069	\$ 41,955
Adjustments for:			
Depreciation and amortization	6	53,483	44,890
Net (gain) loss on disposal and write-down of property, plant and equipment ("PPE")		(15)	711
Change in environmental and decommissioning liability		1,303	(730)
Income tax expense	8	11,674	12,244
Net finance costs	7	10,526	5,642
Unrealized foreign exchange (gain) loss	5	(5,983)	5,222
		120,057	109,934
Increase in working capital		(79,757)	(78,612)
Interest paid		(14,338)	(10,878)
Interest received		881	747
Income tax paid		(15,207)	(18,779)
Net cash flows from operating activities		11,636	2,412
Cash flows from investing activities:			
Capital expenditures		(24,337)	(35,227)
Net cash flows used in investing activities		(24,337)	(35,227)
Cash flows from financing activities:			
Distributions to unitholders, net of distributions reinvested	13	(19,988)	(17,703)
Repayment of lease liability net of sub-lease receipts		(17,813)	(14,643)
Net change in revolving credit facility	12	(29,686)	70,683
Proceeds from issuance of senior unsecured notes	12	125,000	—
Transaction costs related to the issuance of senior unsecured notes	12	(2,251)	—
Repurchase of units under NCIB	13	(39,196)	—
Net cash flows from financing activities		16,066	38,337
Increase in cash and cash equivalents			
Cash and cash equivalents, beginning of the period		25,497	21,524
Effect of exchange rates on cash held in foreign currencies		19	497
Cash and cash equivalents, end of the period		\$ 28,881	\$ 27,543

CHEMTRADE LOGISTICS INCOME FUND

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three months ended March 31, 2025 and 2024

1. CORPORATE INFORMATION:

Chemtrade Logistics Income Fund (the "Fund") is a publicly listed Income Trust formed in Ontario, Canada and its units are listed on the Toronto Stock Exchange ("TSX"). The term "Chemtrade" refers to the Fund, its consolidated subsidiaries and equity accounted investments, including joint ventures. Chemtrade commenced operations on July 18, 2001 when it completed an initial public offering. 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 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. Chemtrade operates in two reportable segments: Sulphur and Water Chemicals ("SWC") and Electrochemicals ("EC"). In addition to the above two reportable segments, Chemtrade discloses results of corporate activities separately. For additional information regarding Chemtrade's reportable segments, see note 3.

Chemtrade is an entity domiciled in Canada. The head office, principal address, and registered and records office of the Fund are located at 155 Gordon Baker Road, Suite 300, Toronto, Ontario, M2H 3N5.

Chemtrade's Condensed Consolidated Interim Financial Statements include all of its controlled subsidiaries and equity accounted investments and have been prepared on a going concern basis, which contemplates the realization of assets and settlements of liabilities in the normal course of business.

2. BASIS OF PREPARATION:

(a) Statement of compliance:

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"), using the same accounting policies and standards as were used for Chemtrade's 2024 annual consolidated financial statements. Certain amendments and interpretations apply for the first time in 2025, but do not have a material impact on these Condensed Consolidated Interim Financial Statements.

These Condensed Consolidated Interim Financial Statements should be read in conjunction with Chemtrade's 2024 annual consolidated financial statements.

CHEMTRADE LOGISTICS INCOME FUND

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2. BASIS OF PREPARATION (continued):

The Condensed Consolidated Interim Financial Statements were authorized for issue by the Board of Trustees (the "Board") on May 12, 2025.

(b) Basis of measurement:

The Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis, except for the following material items in the Condensed Consolidated Interim Statements of Financial Position:

- Derivative financial instruments, convertible unsecured subordinated debentures (the "Debentures") and liabilities for cash settled share-based payment arrangements are measured at fair value;
- The defined benefit liability is recognized as the present value of the defined benefit obligation net of the fair value of the plan assets; and
- Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse.

(c) Presentation currency:

These Condensed Consolidated Interim Financial Statements are presented in thousands of Canadian dollars, except for net earnings per unit information which is presented in Canadian dollars.

CHEMTRADE LOGISTICS INCOME FUND

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3. REPORTABLE SEGMENTS:

Chemtrade operates in two reportable segments: Sulphur and Water Chemicals ("SWC") and Electrochemicals ("EC"). The reportable segments of Chemtrade are strategic business groups that offer products and services to target markets.

Chemtrade's chief operating decision maker ("CODM") is the Chief Executive Officer ("CEO"). The CODM regularly reviews the operations and performance by segment and considers Adjusted EBITDA as an indirect measure of net earnings for the purpose of assessing performance of each segment and to make decisions about the allocation of resources. Adjusted EBITDA is defined as net earnings before any deduction for net finance costs, income taxes, depreciation, amortization and other non-cash charges such as impairment, change in environmental and decommissioning liability, net gain and losses on the disposal and write-down of PPE, gain on disposal of assets and unrealized foreign exchange gains and losses. Adjusted EBITDA is not intended to be representative of cash flow from operations or financial performance determined in accordance with IFRS Accounting Standards or cash available for distribution. The remaining net earnings items and the Statements of Financial Position are reviewed on a consolidated basis by the CODM and therefore are not included in the segmented information below.

Three months ended March 31, 2025

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	\$ 271,034	\$ 195,287	\$ —	\$ 466,321
- inter-segment	72	2,782	(2,854)	—
Revenue - total	271,106	198,069	(2,854)	466,321
Cost of sales and services	(232,599)	(132,433)	2,854	(362,178)
Gross profit	38,507	65,636	—	104,143
Selling and administrative expenses	(7,978)	(3,202)	(21,694)	(32,874)
Operating income (loss)	30,529	62,434	(21,694)	71,269
Depreciation and amortization	27,741	25,742	—	53,483
Net loss (gain) on disposal and write-down of PPE	28	(43)	—	(15)
Change in environmental and decommissioning liability	1,192	111	—	1,303
Unrealized foreign exchange gain	—	—	(5,983)	(5,983)
Adjusted EBITDA	59,490	88,244	(27,677)	120,057
Capital expenditures	15,300	8,824	213	24,337

CHEMTRADE LOGISTICS INCOME FUND

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Three months ended March 31, 2025 and 2024

3. REPORTABLE SEGMENTS (continued):

Three months ended March 31, 2024

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	\$ 230,625	\$ 187,609	\$ —	\$ 418,234
- inter-segment	34	1,600	(1,634)	—
Revenue - total	230,659	189,209	(1,634)	418,234
Cost of sales and services	(196,238)	(125,588)	1,634	(320,192)
Gross profit	34,421	63,621	—	98,042
Selling and administrative expenses	(7,094)	(1,933)	(29,164)	(38,191)
Share of loss from joint venture	(10)	—	—	(10)
Operating income (loss)	27,317	61,688	(29,164)	59,841
Depreciation and amortization	22,490	22,400	—	44,890
Net loss on disposal and write-down of PPE	679	32	—	711
Change in environmental and decommissioning liability	895	(1,625)	—	(730)
Unrealized foreign exchange loss	—	—	5,222	5,222
Adjusted EBITDA	51,381	82,495	(23,942)	109,934
Capital expenditures	24,690	10,123	414	35,227

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Three months ended March 31, 2025 and 2024

3. REPORTABLE SEGMENTS (continued):

Geographic segments:

Chemtrade operates primarily in Canada, the United States and South America. Revenue is attributed to customers based on location of sale.

Revenue

	<u>Three months ended March 31,</u>	
	2025	2024
Canada	\$ 150,881	\$ 139,318
United States	292,773	254,455
South America	22,667	24,461
	\$ 466,321	\$ 418,234

PPE, Right-of-use ("ROU") assets and intangible assets

	March 31, 2025	December 31, 2024
Canada	\$ 742,260	\$ 751,859
United States	972,391	979,101
South America	82,953	85,173
	\$ 1,797,604	\$ 1,816,133

CHEMTRADE LOGISTICS INCOME FUND

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4. REVENUE:

The components of revenue are as follows:

	Three months ended March 31,	
	2025	2024
Sale of products	\$ 408,208	\$ 371,616
Processing services	58,113	46,618
Revenue	\$ 466,321	\$ 418,234

5. SELLING AND ADMINISTRATIVE EXPENSES:

The components of selling and administrative expenses are as follows:

	Three months ended March 31,	
	2025	2024
Wages, salaries and benefits, including bonuses and other	\$ 31,617	\$ 32,912
Realized foreign exchange loss	4,417	1,447
Unrealized foreign exchange (gain) loss	(5,983)	5,222
Net reserve (reversal of reserve) for legal proceedings	2,267	(1,737)
Depreciation (note 6)	556	347
Selling and administrative expenses	\$ 32,874	\$ 38,191

6. DEPRECIATION AND AMORTIZATION:

The components of depreciation expense of PPE and ROU assets and amortization expense of intangible assets are as follows:

	Three months ended March 31,	
	2025	2024
Cost of sales and services:		
Depreciation expense on PPE	\$ 33,210	\$ 25,352
Depreciation expense on ROU assets	14,291	12,445
Amortization expense	5,426	6,746
Selling and administrative expenses (note 5):		
Depreciation expense on PPE	197	47
Depreciation expense on ROU assets	359	300
Total depreciation and amortization expense	\$ 53,483	\$ 44,890

CHEMTRADE LOGISTICS INCOME FUND

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three months ended March 31, 2025 and 2024

7. NET FINANCE COSTS:

The components of net finance costs are as follows:

	Three months ended March 31,	
	2025	2024
Interest expense on long-term debt	\$ 5,694	\$ 3,218
Interest expense on convertible debentures (note 11)	5,490	7,348
Change in the fair value of convertible debentures (note 11)	(8,970)	(6,619)
Interest expense on lease liabilities	2,498	2,278
Income reclassified from other comprehensive income relating to change in the fair value of the interest rate swaps (note 15)	—	(1,754)
Change in the fair value of interest rate swaps (note 15)	2,093	674
Interest expense on Superior lawsuit (note 10)	2,597	—
Accretion of provisions	1,110	1,071
Accretion of transaction costs on issuance of long-term debt (Note 12)	625	—
Pension net interest cost	270	284
Interest income	(881)	(858)
Net finance costs	\$ 10,526	\$ 5,642

CHEMTRADE LOGISTICS INCOME FUND

Notes to Condensed Consolidated Interim Financial Statements
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Three months ended March 31, 2025 and 2024

8. INCOME TAXES:

The Fund is a mutual fund trust and a specified investment flow-through trust ("SIFT") for income tax purposes. The Fund is subject to current income taxes at the top marginal tax rate applicable to individuals of approximately 53.5% on all taxable income not distributed to Unitholders.

The Fund is also subject to current income taxes on all taxable income, other than dividends, earned from Canadian corporate and flow-through subsidiaries (other than Canadian subsidiaries that earn certain investment income) at a tax rate similar to the corporate tax rate.

The Fund will not be subject to tax on income received from non-Canadian subsidiaries, provided that the income is distributed to Unitholders during the year. Based on the current organization of Chemtrade, the Fund expects that its income distributed to Unitholders will not be subject to SIFT tax.

Income tax expense or recovery is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period, taking into account the tax effect of certain items recognized in the interim period. Chemtrade calculates the consolidated estimated effective annual tax rate by determining the amount of annual current and deferred income taxes as a percentage of estimated annual income before tax.

Chemtrade's income tax expense for the three months ended March 31, 2025 was \$11,674 and the effective tax rate was 19.22%. The effective tax rate differs from the statutory tax rate of 25.3% primarily due to the net deferred tax impacts associated with the change in fair value of the Debentures, the non-taxability to the Fund of the income distributed to Unitholders, impacts of taxable foreign exchange, changes in level of earnings in jurisdictions taxed at different rates, and the non-recognition of deferred tax assets related to certain carryforward amounts of business interest expense deductions.

Chemtrade is subject to challenges from various tax authorities on an ongoing basis. As a result, from time to time, tax authorities may disagree with the positions and conclusions taken by Chemtrade in its tax filings or legislation could be amended or interpretations of current legislation could change, any of which events could lead to assessments of additional amounts of tax, interest and possibly penalties. Chemtrade accrues and accounts for any probable assessments of tax; however, there can be no assurance as to the final resolution of any tax authority positions.

CHEMTRADE LOGISTICS INCOME FUND

Notes to Condensed Consolidated Interim Financial Statements
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Three months ended March 31, 2025 and 2024

8. INCOME TAXES (continued):

Chemtrade is disputing the availability of certain historical Canadian tax losses with the Canada Revenue Agency ("CRA") which would offset taxes owed in 2021 to 2024. Chemtrade has made Canadian income tax payments of \$66,000 in previous years in connection with this matter. Chemtrade has appealed CRA's assessment of this matter as Chemtrade believes that its asserted position is appropriate and would be sustained upon full examination by tax authorities and, if necessary, upon consideration by judicial process. These payments have been presented as income taxes receivable under non-current assets in the Condensed Consolidated Interim Statements of Financial Position. Resolution of this matter in Chemtrade's favour would result in a refund of the amounts paid of \$66,000. Resolution of this matter in favour of the CRA would not have a cash impact, but the income tax receivable would be written off and recorded as an expense.

Pillar Two Top-up Tax - Global Minimum Tax

Chemtrade has operations in Canada, US, and Brazil. In 2024, the Global Minimum Tax Act ("GMTA") was enacted in Canada. The GMTA implements the Organization for Economic Co-operation and Development's ("OECD") Pillar Two 15% global minimum tax regime in Canada and applies to Chemtrade for taxation years beginning January 1, 2024. In January 2025, Brazil also adopted a domestic minimum top-up tax which could apply to Chemtrade's subsidiary in Brazil effective January 1, 2025. Chemtrade has reviewed the application of the above-mentioned rules and determined that there is no material impact on Chemtrade for the three months ended March 31, 2025.

Currently, it is still uncertain whether the US will adopt the Pillar Two rules. Chemtrade will continue to monitor the implementation of, and changes in, Pillar Two Global Minimum Tax legislation in jurisdictions relevant to Chemtrade, and will assess additional impacts, if any.

While Chemtrade does not expect any significant tax impact from Pillar Two Global Minimum Tax, a temporary mandatory relief from deferred tax accounting for the future tax impacts of top-up tax is currently applicable. Accordingly, Chemtrade would account for top-up tax as a current tax when it is incurred.

CHEMTRADE LOGISTICS INCOME FUND

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9. NET EARNINGS PER UNIT:

Net earnings per unit has been calculated on the basis of the weighted average number of units outstanding. The following tables provide a breakdown of the numerator and denominator used in the calculation of net earnings per unit and diluted net earnings per unit:

	<u>Three months ended March 31,</u>	
	2025	2024
Numerator		
Net earnings	\$ 49,069	\$ 41,955
Net interest and fair value adjustment on the Debentures	(4,869)	(2,483)
Net fair value adjustment on deferred unit plan	(625)	69
Diluted net earnings	\$ 43,575	\$ 39,541

	<u>Three months ended March 31,</u>	
	2025	2024
Denominator		
Weighted average number of units	116,919,311	117,136,762
Weighted average Debentures dilutive units	27,889,443	39,526,426
Weighted average deferred unit plan dilutive units	831,676	680,653
Weighted average number of diluted units	145,640,430	157,343,841

CHEMTRADE LOGISTICS INCOME FUND

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10. PROVISIONS:

Superior Lawsuit Judgment

During 2022, Chemtrade was successful in a lawsuit against Superior Plus Corporation ("Superior") involving the failed attempt by Superior to acquire Canexus Corporation ("Canexus"), prior to Chemtrade's 2017 acquisition of Canexus. Chemtrade received a payment of \$28,119, representing \$25,000 in respect of the disputed reverse termination fee, plus interest and costs. Superior appealed the judgment, at which time Chemtrade established a provision of \$28,119 due to the uncertainty associated with the outcome of the appeal. On January 31, 2025, the Alberta Court of Appeal ruled in favour of Superior. Following the January 31, 2025 Alberta Court of Appeal decision in favour of Superior, on March 26, 2025, Chemtrade filed for leave to appeal to the Supreme Court of Canada. Following the appeal decision, Chemtrade paid \$28,119 to Superior, which was recorded against the provision. Chemtrade has recorded an additional expense of \$4,170 (\$2,597 in net finance costs and \$1,573 in selling and administrative expense) to cover the additional costs of trial, appeal and interest.

CHEMTRADE LOGISTICS INCOME FUND

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11. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES:

Changes in convertible unsecured subordinated debentures are as follows:

	Convertible unsecured subordinated debentures ⁽¹⁾			Total
	Fund 2019 6.50% Debentures	Fund 2021 6.25% Debentures	Fund 2023 7.00% Debentures	
Maturity	October 31, 2026	August 31, 2027	June 30, 2028	
Interest rate	6.50 %	6.25 %	7.00 %	
Conversion price	\$ 15.80	\$ 10.00	\$ 12.85	
Principal outstanding at January 1, 2025	100,000	130,000	110,000	340,000
Principal outstanding at March 31, 2025	100,000	130,000	110,000	340,000
Balance at January 1, 2025	103,000	140,010	113,586	356,596
Change in fair value recognized in profit or loss	(4,388)	(1,994)	(2,588)	(8,970)
Change in fair value due to own credit risk ⁽²⁾	2,388	4,984	4,623	11,995
Balance at March 31, 2025	101,000	143,000	115,621	359,621

⁽¹⁾ The Fund 2019 6.50% Debentures, the Fund 2021 6.25% Debentures, the Fund 2023 7.00% Debentures and the Fund 2020 8.50% Debentures (which were redeemed in the third quarter of 2024) are collectively referred to as the "Debentures". Chemtrade has designated the Debentures as financial liabilities at fair value through profit or loss.

⁽²⁾ The change in fair value of the Debentures due to Chemtrade's own credit risk has been presented in other comprehensive income, net of taxes, rather than net earnings.

CHEMTRADE LOGISTICS INCOME FUND

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11. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES (continued):

	Convertible unsecured subordinated debentures				
	Fund 2019 6.50% Debentures	Fund 2020 8.50% Debentures	Fund 2021 6.25% Debentures	Fund 2023 7.00% Debentures	Total
Maturity	October 31, 2026	September 30, 2025	August 31, 2027	June 30, 2028	
Interest rate	6.50 %	8.50 %	6.25 %	7.00 %	
Conversion price	\$ 15.80	\$ 7.35	\$ 10.00	\$ 12.85	
Principal outstanding at January 1, 2024	100,000	85,552	130,000	110,000	425,552
Principal outstanding at March 31, 2024	100,000	85,527	130,000	110,000	425,527
Balance at January 1, 2024	98,250	101,807	130,650	106,810	437,517
Conversions	—	(25)	—	—	(25)
Change in fair value recognized in profit or loss	4,962	(2,067)	(6,566)	(2,948)	(6,619)
Change in fair value due to own credit risk ⁽¹⁾	(3,112)	(4,780)	5,916	6,138	4,162
Balance at March 31, 2024	100,100	94,935	130,000	110,000	435,035

⁽¹⁾ The change in fair value of the Debentures due to Chemtrade's own credit risk has been presented in other comprehensive income, net of taxes, rather than net earnings.

For the three months ended March 31, 2025, interest expense of \$5,490 (2024 - \$7,348) relating to the Debentures was recognized in net finance costs.

While the Debentures are presented as current liabilities, Debenture holders do not have the right to demand their repayment prior to their maturity date, which for all the outstanding series of Debentures is more than one year in the future. However, the Debenture holders have the right to convert Debentures into units at predetermined prices, thus, the Debentures are classified as current liabilities.

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12. LONG-TERM DEBT:

Changes in long-term debt are as follows:

	Revolving credit ⁽¹⁾⁽²⁾		Senior Unsecured Notes ⁽³⁾	Embedded Derivative Asset ⁽³⁾	Transaction costs ⁽³⁾	Total
	(US\$ denominated)	(Cdn\$ denominated)				
Maturity	October 24, 2028	October 24, 2028	August 28, 2029			
Balance at January 1, 2025	\$ 78,295	\$ 15,000	\$ 252,207	\$ (2,207)	\$ (7,045)	\$ 336,250
Net change	(14,686)	(15,000)	—	—	—	(29,686)
Proceeds from issuance of senior unsecured notes	—	—	125,000	—	—	125,000
Redemption option derivative asset ⁽³⁾	—	—	1,019	(1,019)	—	—
Foreign exchange rate changes	132	—	—	—	—	132
Financing transaction costs on senior unsecured notes ⁽³⁾	—	—	—	—	(2,251)	(2,251)
Accretion	—	—	—	—	625	625
Balance at March 31, 2025	\$ 63,741	\$ —	\$ 378,226	\$ (3,226)	\$ (8,671)	\$ 430,070

⁽¹⁾ At March 31, 2025 Chemtrade had committed a total of \$19,278 of the revolving credit facilities ("Credit Facilities") towards standby letters of credit.

⁽²⁾ At March 31, 2025 Cdn\$ limit of the Credit Facilities was \$863,220 (US\$600,000) and Chemtrade had drawn US\$44,305 and Cdn\$nil on the Credit Facilities.

⁽³⁾ During Q1 2025, Chemtrade issued additional senior unsecured notes, for proceeds of \$125,000, net of transaction costs of \$2,251. A derivative asset of \$1,019 was recognized against the proceeds of issuance. For the three months ended March 31, 2025, Chemtrade has recognized accretion expense of \$625 (2024 - \$nil).

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12. LONG-TERM DEBT (continued):

Maturity	Revolving credit ⁽¹⁾⁽²⁾		Total
	(US\$ denominated)	(Cdn\$ denominated)	
	December 24, 2026	December 24, 2026	
Balance at January 1, 2024	\$ 246,147	\$ 398	\$ 246,545
Net change	71,081	(398)	70,683
Loss on net investment hedge of foreign operations	5,504	—	5,504
Foreign exchange rate changes	(264)	—	(264)
Balance at March 31, 2024	\$ 322,468	\$ —	\$ 322,468

⁽¹⁾ At March 31, 2024, Chemtrade had committed a total of \$18,954 of the Credit Facilities towards standby letters of credit.

⁽²⁾ At March 31, 2024, Cdn\$ limit of the Credit Facilities was \$880,100 (US\$650,000) and Chemtrade had drawn US\$238,160 and Cdn\$nil on the Credit Facilities.

Revolving Credit Facilities

In the first quarter of 2024, Chemtrade amended its Credit Facilities to replace Canadian Bankers' Acceptance rate with Canadian Overnight Repo Rate Average ("CORRA").

In the fourth quarter of 2024, Chemtrade amended its Credit Facilities by extending the maturity of the facility to October 2028. Certain terms of the facility including leverage covenants were changed to accommodate the addition of senior unsecured notes (the "Notes"). The facility was also reduced in size from US\$650,000 to US\$600,000.

The Credit Facilities are secured by substantially all of Chemtrade's assets. At March 31, 2025, the weighted average effective interest rate of the facilities was 4.7% (December 31, 2024 - 5.4%). Interest rates on the Credit Facilities are based on Secured Overnight Financing Rate ("SOFR") and CORRA, adjusted by Chemtrade's credit spread.

Chemtrade is subject to certain covenants pursuant to its Credit Facilities, which include Net debt to EBITDA ratios and an Interest Coverage ratio (as such terms are defined in the credit agreement). Chemtrade monitors these ratios and reports them to its lenders on a quarterly basis. As at March 31, 2025 and December 31, 2024, Chemtrade was in compliance with all covenants.

Senior unsecured notes

During the third quarter of 2024, Chemtrade closed its private offering of \$250,000 of aggregate principal amount of 6.375% Notes due August 28, 2029. In January 2025, Chemtrade issued an additional \$125,000 aggregate principal amount of 6.375% Notes due August 28, 2029, resulting in an aggregate principal amount of \$375,000 outstanding on these Notes. Chemtrade recognized transaction costs of \$8,343 (\$6,092 for the issuance of the \$250,000 of aggregate principal amount in 2024 and \$2,251 for the additional \$125,000 aggregate principal amount in 2025) related to the issuance against the proceeds of the offering. The Notes include early redemption options allowing Chemtrade to redeem the Notes at a premium, in cash, any time prior to August 27, 2028 and at principal any time after August 28, 2028. Chemtrade recognized a derivative asset of \$3,226 (\$2,207 for the issuance of the \$250,000 of aggregate principal amount in 2024 and \$1,019 for the additional \$125,000 aggregate

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12. LONG-TERM DEBT (continued):

principal amount in 2025) to reflect the redemption features of the Notes. Chemtrade utilized proceeds of the issuance to pay down its Credit Facilities.

The Notes are subject to customary terms, conditions and covenants. Chemtrade is in compliance with these as at March 31, 2025 and December 31, 2024.

CHEMTRADE LOGISTICS INCOME FUND

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13. UNITS AND OTHER COMPONENTS OF EQUITY:

(a) Units:

Chemtrade has authorized an unlimited number of units. Chemtrade's units have no par value. The following table presents the number of units outstanding:

	2025		2024	
	Number of Units	Amount	Number of Units	Amount
Balance - January 1	119,010,732	\$ 1,629,576	117,048,304	\$ 1,648,411
Units repurchased under NCIB	(3,865,000)	(52,537)	—	—
Conversion of unsecured subordinated convertible debentures	—	—	3,401	25
Issuance of units under the DRIP	—	—	118,203	1,070
Balance – March 31	115,145,732	\$ 1,577,039	117,169,908	\$ 1,649,506

On June 3, 2024, the Fund commenced an NCIB, under which, the Fund is authorized to purchase up to 11,672,524 of its units over a 12 month period ending June 2, 2025. In connection with the NCIB, Chemtrade entered into an automatic share purchase plan ("ASPP") with its designated broker for the purpose of allowing the Fund to purchase its units under the NCIB during self-imposed trading blackout periods. Under the ASPP, the broker is authorized to purchase units during blackout periods, without consultation with Chemtrade, on predefined terms, including unit price, time period and subject to other limitations imposed in advance by Chemtrade and subject to the rules and policies of the TSX and applicable securities laws, such as daily purchase restrictions.

During the three months ended March 31, 2025, the Fund purchased 3,865,000 units as part of the NCIB and recorded a reduction in the book value of units of \$52,537. The difference between the book value and purchase cost of \$13,341 less estimated share buy-back tax of \$783 was recognized in contributed surplus. Chemtrade did not recognize a liability under the ASPP at March 31, 2025 as the latest blackout period did not start until after March 31, 2025.

CHEMTRADE LOGISTICS INCOME FUND

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(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

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13. UNITS AND OTHER COMPONENTS OF EQUITY (continued):

(b) Distributions:

Effective with the distributions declared in January 2024 and paid in February 2024, Chemtrade suspended its DRIP and increased the monthly distributions from \$0.0500 per unit to \$0.0550 per unit. Effective with the distributions declared in January 2025 and paid in February 2025, Chemtrade increased the monthly distributions from \$0.0550 per unit to \$0.0575 per unit.

Distributions paid for the three months ended March 31, 2025 were \$19,988 (2024 - \$18,773) or \$0.1700 per unit (2024 - \$0.1600 per unit). Of the distributions paid for the three months ended March 31, 2025, \$19,988 (2024 - \$17,703) were in cash and \$nil (2024 - \$1,070) were reinvested in additional units pursuant to the DRIP. All of Chemtrade's distributions are discretionary and subject to Board approval.

Distributions declared for the three months ended March 31, 2025 were \$20,064 (2024 - \$19,333) or \$0.1725 per unit (2024 - \$0.1650 per unit).

As at March 31, 2025, Chemtrade had distributions payable of \$6,624 (December 31, 2024 - \$6,548) which were paid on April 30, 2025. On April 21, 2025, Chemtrade declared a cash distribution of \$0.0575 per unit for the month of April 2025, payable on May 30, 2025 to Unitholders of record at the close of business on April 30, 2025.

CHEMTRADE LOGISTICS INCOME FUND

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14. SHARE-BASED PAYMENTS:

Chemtrade operates a Long-term Incentive Plan ("LTIP"), which grants cash awards based on certain criteria. The LTIP awards have a performance based Performance Share Unit ("PSU") component and a Restricted Share Unit ("RSU") component. The performance based PSU component of the 2023 – 2025 LTIP awards is based on return on investment capital improvement and total return to Chemtrade's Unitholders relative to the total return of companies comprising the S&P/TSX Dividend Composite Index. The performance based PSU component of the 2024 – 2026 and 2025 – 2027 LTIP awards is based on return on investment capital improvement and total return to Chemtrade's Unitholders relative to two peer groups which are the S&P/TSX Dividend Composite Index and a group of peer companies selected by Chemtrade. Total Unitholder return consists of changes in unit price and distributions paid to Unitholders over the course of the performance periods. For certain participants, the performance based PSU component under these LTIP awards is also adjusted by Environmental, Social and Governance goals to be achieved by the end of the performance period. The RSU component of the LTIP awards is a phantom plan which is payable in cash at the end of the performance period.

As at March 31, 2025, a liability of \$21,420 (December 31, 2024 - \$48,476) has been recorded for LTIP awards, of which \$13,554 (December 31, 2024 - \$27,538) is included in trade and other payables and \$7,866 (December 31, 2024 - \$20,938) is included in other long-term liabilities. During the first quarter of 2025, Chemtrade paid \$27,345 to settle the 2022 - 2024 LTIP awards. For the three months ended March 31, 2025, Chemtrade recorded an expense of \$2,750 (2024 - \$3,618) in selling and administrative expenses related to the fair value adjustments on the LTIP.

The following RSUs under these plans are outstanding:

	Number of rights	
	2025	2024
Balance – January 1	2,262,291	2,215,305
Grants – new grants	576,344	706,859
– distribution equivalents	22,935	52,106
Forfeitures	(24,522)	(4,089)
Settlements	(830,293)	(765,055)
Balance – March 31	2,006,755	2,205,126

CHEMTRADE LOGISTICS INCOME FUND

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14. SHARE-BASED PAYMENTS (continued):

The following PSUs under these plans are outstanding:

	Number of rights	
	2025	2024
Balance – January 1	4,015,314	2,535,567
Grants – new grants	589,010	688,878
– estimated performance adjustment	(197,808)	38,604
– distribution equivalents	11,923	113,854
Forfeitures	(30,566)	(5,820)
Settlements	(1,703,173)	(3,984)
Balance – March 31	2,684,701	3,367,099

Chemtrade has in place a deferred unit plan ("DUP") for non-employee trustees ("Participants"), pursuant to which the Participants can elect to take all or a portion of their compensation in the form of deferred units of Chemtrade, with the remainder as a cash payment. The deferred units are settled in units of the Fund issued from treasury or in cash at the Participant's request. Currently, the Participants are required to take a minimum of 50% of their compensation in the form of deferred units of Chemtrade. As at March 31, 2025, 869,154 deferred units at a value of \$8,466 were outstanding (December 31, 2024 - 828,080 deferred units at a value of \$9,059).

The following rights under the DUP are outstanding:

	Number of rights	
	2025	2024
Balance – January 1	828,080	677,402
Grants – new grants	27,185	26,290
– distribution equivalents	13,889	12,651
Balance – March 31	869,154	716,343

CHEMTRADE LOGISTICS INCOME FUND

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14. SHARE-BASED PAYMENTS (continued):

Inputs for measurement of fair values

The inputs used in the measurement of the fair value of the share-based component of LTIP are as follows:

	March 31, 2025	December 31, 2024
Chemtrade units:		
Average base price	\$9.47	\$8.32
Period-end unit price	\$9.74	\$10.94
Average expected volatility	27.50%	27.30%
Average risk free interest rate	2.47%	2.96%
Average expected remaining term	1.75 years	1.50 years

15. FINANCIAL INSTRUMENTS:

(a) Derivatives and hedging:

	March 31, 2025			December 31, 2024		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Derivatives designated in a formal hedging relationship						
Cash-settled unit swaps ⁽¹⁾	—	\$ 11,322	\$ —	—	\$ 13,550	\$ —
Derivatives not designated in a formal hedging relationship						
Interest rate swaps ⁽¹⁾	US\$ 175,000	4,907	—	US\$ 175,000	7,000	—
Foreign exchange contracts ⁽¹⁾⁽²⁾	—	—	5,156	—	—	9,317
Redemption option derivative asset ⁽³⁾	—	3,226	—	—	2,207	—
Cash-settled unit swaps ⁽¹⁾	—	2,646	—	—	3,773	—
Total		\$ 22,101	\$ 5,156		\$ 26,530	\$ 9,317

⁽¹⁾ Current portion of assets is included in Prepaid expenses and other assets, non-current portion of assets is included in Other assets, current portion of liabilities is included in Trade and other payables in the Condensed Consolidated Interim Statements of Financial Position as of March 31, 2025 and December 31, 2024.

⁽²⁾ See below for notional amounts.

⁽³⁾ Redemption option derivative asset is disclosed as a net of the proceeds of issuance of the Notes (see note 12).

CHEMTRADE LOGISTICS INCOME FUND

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
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15. FINANCIAL INSTRUMENTS (continued):

As of January 1, 2022, Chemtrade had swap arrangements in place to fix the LIBOR components of its interest rates on US\$325,000 of its Credit Facilities until October 2024. During the first quarter of 2022, Chemtrade formally designated the interest rate swaps as cashflow hedges and changes in the fair value of the effective portion of the swaps were recognized in other comprehensive income.

During the third quarter of 2022, Chemtrade de-designated its interest rate swaps and hedge accounting on these swaps was discontinued prospectively. The accumulated balance of the change in the fair value of the interest rate swaps in other comprehensive income at the time the swaps were de-designated were reclassified to net earnings until October 2024. For the three months ended March 31, 2025, Chemtrade reclassified \$nil (2024 - \$1,754) from other comprehensive income to net earnings. As a result of discontinuing hedge accounting, all subsequent changes in the fair value of the interest rate swaps are recognized in net earnings. For the three months ended March 31, 2025, Chemtrade recognized a loss of \$2,093 (2024 - loss of \$674) in net earnings relating to the changes in the fair value of the swaps.

During the first quarter of 2024, Chemtrade amended the terms of its existing US\$175,000 and US\$150,000 interest rate swaps on its outstanding long-term debt. Effective January 24, 2024, the terms of these swaps were extended until December 2026 to align with the maturity date of the long-term debt and the aggregate amount of the swap was reduced to US\$175,000. As a result of the extension, Chemtrade presented the fair value relating to the interest rate swap in Other assets under non-current assets in the Condensed Consolidated Interim Statements of Financial Position.

Chemtrade hedges its investment in foreign operations that use the U.S. dollar as their functional currency by Chemtrade's U.S. dollar-denominated bank debt. Any foreign currency gains and losses arising from the U.S. dollar-denominated debt will be offset by the foreign currency gain or loss arising from the investment in the foreign operations. The gains and losses on the foreign currency translation of the designated amount of U.S. dollar-denominated debt and investment in foreign operations are recognized in other comprehensive income.

For the three months ended March 31, 2025, a foreign exchange loss of \$nil (2024 - \$5,504) on the revaluation of the U.S. dollar-denominated debt related to this hedging strategy was recognized in other comprehensive income, net of tax.

Chemtrade has entered into cash-settled unit swap arrangements which fix the unit price on a portion of the RSU and PSU components of its LTIP awards and a portion of the deferred units awarded under the DUP. During the first quarter of 2024, Chemtrade rolled over the hedged units maturing on March 31, 2024, into 2025, 2026 and 2027. During the first quarter of 2025, Chemtrade rolled over the hedged units maturing on March 31, 2025, into 2026, 2027 and 2028.

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15. FINANCIAL INSTRUMENTS (continued):

The RSU component of the LTIP awards is a phantom plan which is payable in cash at the end of the performance period. The PSU component of the LTIP awards gives a right to the participants to receive cash payments upon the achievement of performance goals during the performance periods.

As at March 31, 2025, the notional number of units hedged was 2,615,312 (December 31, 2024 - 2,487,211) with maturity dates ranging between March 2026 and March 2028. Distributions on the hedged units are reinvested in these swap arrangements. The RSU and PSU swaps are formally designated as cash flow hedges at the date of inception and any changes in the fair value of the unvested portion of the RSU and PSU hedges are recognized in other comprehensive income. However, the swaps which fix the unit price on deferred units are not formally designated as cash flow hedges and any changes in the fair value of these deferred units swaps are recognized in net earnings. As at March 31, 2025, the notional number of units not designated as hedges was 634,704 (December 31, 2024 - 709,148), maturing in March 2026.

Chemtrade has entered into foreign exchange contracts to manage some of its exposure to foreign currencies. Chemtrade buys and sells specific amounts of currencies at pre-determined dates and exchange rates, which are matched with the anticipated operational cash flows. Contracts in place at March 31, 2025 include future contracts to sell the following amounts for periods through to March 2026:

Amount	Maturity	Exchange rate
US\$35,077	Q2 2025	\$1.37
US\$32,177	Q3 2025	\$1.38
US\$16,000	Q4 2025	\$1.37
US\$7,000	Q1 2026	\$1.37

The redemption option derivative asset (see note 12) associated with the Notes is an embedded derivative separately recognized to reflect the redemption features of the Notes.

CHEMTRADE LOGISTICS INCOME FUND

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15. FINANCIAL INSTRUMENTS (continued):

(b) Fair values of financial instruments:

Fair value is the value that would be agreed upon in an arm's length transaction between willing and knowledgeable counter-parties. The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and distributions payable approximate their fair values because of the short-term maturity of these financial instruments. The carrying amount of the Credit Facilities, approximates fair value as the debt accrues interest at variable interest rates. The fair value of the Notes is \$382,550, which is higher than the carrying amount as the fixed interest rate is higher than the market interest rate for this grade of Notes as at March 31, 2025.

For fair value estimates relating to the Debentures, the Notes and derivatives, Chemtrade classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Debentures are classified within Level 1 because they are actively traded on the TSX and the fair value is based on the quoted prices on the TSX. Any changes in the fair value of the Debentures are recognized in net earnings except for changes due to the Fund's own credit risk which are recorded in other comprehensive income.

The Notes are classified within Level 2 because they are based on rates quoted by banks and other public data sources.

All of Chemtrade's derivative financial instruments are classified within Level 2 because they are based on rates quoted by banks and other public data sources. The current portion of these derivatives is recorded in Prepaid expenses and other assets and trade and other payables and

CHEMTRADE LOGISTICS INCOME FUND

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15. FINANCIAL INSTRUMENTS (continued):

the non-current portion is recorded in Other assets and Other long-term liabilities in the Condensed Consolidated Interim Statements of Financial Position.

The fair value of the foreign exchange contracts is the difference between the forward exchange rate and the contract rate. Any changes in the fair value of these contracts are recognized in net earnings.

The fair value of the interest rate swap arrangements is the difference between the forward interest rates and the contract rates discounted. Any changes in the fair value of these arrangements are recognized in net earnings.

The fair value of the cash-settled unit swap arrangements is the difference between the forward unit price and the contract unit price. Any changes in the fair value of the unvested portion of the unit swaps are recognized in other comprehensive income. Any changes in the fair value of the deferred unit swaps are recognized in net earnings.

The fair value of the redemption option derivative asset reflects the redemption features of the Notes and changes to the fair value are recognized in net earnings with fair value based on models using observable interest rate inputs.

CHEMTRADE LOGISTICS INCOME FUND

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16. CAPITAL MANAGEMENT:

Chemtrade monitors capital using a Net debt to LTM Adjusted EBITDA ratio. Net debt to LTM Adjusted EBITDA ratio is 'Net debt' divided by last twelve months (LTM) Adjusted EBITDA. Chemtrade includes within Net debt, long-term debt, Debentures, lease liabilities, less cash and cash equivalents. 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.

	March 31, 2025	December 31, 2024
Long-term debt ⁽¹⁾	\$ 438,741	\$ 343,295
Add (Less):		
Debentures ⁽¹⁾	340,000	340,000
Long-term lease liabilities	142,324	148,268
Lease liabilities ⁽²⁾	57,627	58,145
Cash and cash equivalents	(28,881)	(25,497)
Net debt	949,811	864,211
LTM Adjusted EBITDA ⁽³⁾	\$ 480,915	\$ 470,792
Net debt to LTM Adjusted EBITDA	1.98	1.84

⁽¹⁾ Principal outstanding amount, see notes 11 and 12.

⁽²⁾ Presented as current liabilities in the Condensed Consolidated Interim Statements of Financial Position.

⁽³⁾ LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA.

There were no changes in Chemtrade's approach to managing capital during the three months ended March 31, 2025.

CHEMTRADE LOGISTICS INCOME FUND

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17. MATERIAL ACCOUNTING POLICIES:

(a) Standards and interpretations adopted during the period:

Chemtrade adopted the following accounting amendment that was effective for its interim and annual consolidated financial statements beginning January 1, 2025. Adoption did not have a material impact on its financial results:

- Amendments to IAS 21, *Lack of exchangeability*, specifying how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking (effective for annual periods beginning on or after January 1, 2025).

a. Standards and interpretations not yet adopted:

The IASB has issued the following new standards and amendments to existing standards that will become effective in future years:

- Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, addressing the conflict in dealing with the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely with an option of early adoption).
- IFRS 18, *Presentation and Disclosure in Financial Statements*, specifying the requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements (effective for annual periods beginning on or after January 1, 2027).
- Amendments to IFRS 9 and IFRS 7, *Classification and measurement of financial instruments*, specifying how an entity should classify some financial assets, especially on the recognition of financial assets and liabilities when settled using electronic payments (effective for annual periods beginning on or after January 1, 2026).

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18. SUBSEQUENT EVENTS:

Normal Course Issuer Bid

During the first quarter of 2025, Chemtrade purchased 3,865,000 units as part of its NCIB. Chemtrade is authorized to purchase 11,672,524 units under its current NCIB which expires in June 2025 and as of May 9th, 2025, it has acquired 10,390,800 units. Chemtrade intends to renew its NCIB, subject to approval from regulatory authorities.

Water Treatment Business Acquisition

On May 5, 2025 Chemtrade entered into an agreement with certain subsidiaries of Thatcher Group Inc. to purchase their aluminum sulphate water treatment chemicals businesses in Florida, New York, and California for USD \$30,000, representing a multiple of roughly 5x expected Adjusted EBITDA.



Information for Unit Holders

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Timothy Montgomery

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Information for Investors

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