

CHEMTRADE LOGISTICS INCOME FUND

# Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2025 and 2024  
(Unaudited)

# Q2 2025



**CHEMTRADE**

## Where to find it

|                                                                                  |    |
|----------------------------------------------------------------------------------|----|
| CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME.....           | 2  |
| CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION.....             | 3  |
| CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY..... | 4  |
| CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS.....                     | 5  |
| Note 1 CORPORATE INFORMATION.....                                                | 6  |
| Note 2 BASIS OF PREPARATION.....                                                 | 7  |
| Note 3 REPORTABLE SEGMENTS.....                                                  | 8  |
| Note 4 REVENUE.....                                                              | 14 |
| Note 5 SELLING AND ADMINISTRATIVE EXPENSES.....                                  | 14 |
| Note 6 DEPRECIATION AND AMORTIZATION.....                                        | 14 |
| Note 7 NET FINANCE COSTS.....                                                    | 15 |
| Note 8 INCOME TAXES.....                                                         | 16 |
| Note 9 NET EARNINGS PER UNIT.....                                                | 18 |
| Note 10 PROPERTY, PLANT AND EQUIPMENT.....                                       | 19 |
| Note 11 INTANGIBLE ASSETS.....                                                   | 20 |
| Note 12 PROVISIONS.....                                                          | 21 |
| Note 13 CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES.....                       | 22 |
| Note 14 LONG-TERM DEBT.....                                                      | 24 |
| Note 15 UNITS AND OTHER COMPONENTS OF EQUITY.....                                | 27 |
| Note 16 SHARE- BASED PAYMENTS.....                                               | 29 |
| Note 17 FINANCIAL INSTRUMENTS.....                                               | 31 |
| Note 18 CAPITAL MANAGEMENT.....                                                  | 36 |
| Note 19 MATERIAL ACCOUNTING POLICIES.....                                        | 37 |
| Note 20 SUBSEQUENT EVENTS.....                                                   | 38 |

# 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<br>June 30, |            | Six months ended<br>June 30, |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------------|------------|------------------------------|------------|
|                                                                                                                                                     |        | 2025                           | 2024       | 2025                         | 2024       |
| Revenue                                                                                                                                             | 4      | \$ 496,652                     | \$ 448,096 | \$ 962,973                   | \$ 866,330 |
| Cost of sales and services                                                                                                                          | 6      | (368,466)                      | (339,493)  | (730,644)                    | (659,685)  |
| Gross profit                                                                                                                                        |        | 128,186                        | 108,603    | 232,329                      | 206,645    |
| Selling and administrative expenses                                                                                                                 | 5      | (34,057)                       | (44,086)   | (66,931)                     | (82,277)   |
| Impairment of PPE                                                                                                                                   | 10     | (43,484)                       | —          | (43,484)                     | —          |
| Share of loss from joint venture                                                                                                                    |        | —                              | (31)       | —                            | (41)       |
| Operating income                                                                                                                                    |        | 50,645                         | 64,486     | 121,914                      | 124,327    |
| Net finance costs                                                                                                                                   | 7      | (35,596)                       | (39,268)   | (46,122)                     | (44,910)   |
| Income before income tax                                                                                                                            |        | 15,049                         | 25,218     | 75,792                       | 79,417     |
| Income tax expense                                                                                                                                  | 8      |                                |            |                              |            |
| Current                                                                                                                                             |        | (9,493)                        | (11,146)   | (18,189)                     | (20,145)   |
| Deferred                                                                                                                                            |        | 4,140                          | 527        | 1,162                        | (2,718)    |
|                                                                                                                                                     |        | (5,353)                        | (10,619)   | (17,027)                     | (22,863)   |
| Net earnings                                                                                                                                        |        | \$ 9,696                       | \$ 14,599  | \$ 58,765                    | \$ 56,554  |
| Other comprehensive (loss) income                                                                                                                   |        |                                |            |                              |            |
| <b>Items that may subsequently be reclassified to earnings:</b>                                                                                     |        |                                |            |                              |            |
| Net investment hedge of foreign operations, net of tax of \$nil and \$nil (2024 - net of tax of \$nil and \$nil)                                    | 14, 17 | 3,612                          | (3,317)    | 3,612                        | (8,821)    |
| Foreign currency translation differences for foreign operations, net of tax of \$nil and \$nil (2024 - net of tax of \$nil and \$nil)               |        | (46,099)                       | 8,094      | (46,937)                     | 26,880     |
| Effective portion of change in the fair value of cash flow hedges, net of tax of (\$344) and (\$171) (2024 - net of tax of (\$145) and (\$169))     |        | 1,037                          | 436        | 525                          | 508        |
| Cash flow hedges reclassified to earnings, net of tax of \$nil and \$nil (2024 - net of tax of \$435 and \$876)                                     | 7      | —                              | (1,319)    | —                            | (2,632)    |
| <b>Items that will not be reclassified to earnings:</b>                                                                                             |        |                                |            |                              |            |
| Defined benefit plan adjustments, net of tax of (\$316) and (\$198) (2024 - net of tax of (\$35) and (\$928))                                       |        | 801                            | 44         | 456                          | 2,822      |
| Change in fair value of convertible debentures due to own credit risk, net of tax of \$nil and \$nil (2024 - net of tax of (\$1,999) and (\$2,041)) | 13     | 5,664                          | 3,669      | (6,331)                      | (535)      |
| Other comprehensive (loss) income                                                                                                                   |        | (34,985)                       | 7,607      | (48,675)                     | 18,222     |
| Total comprehensive (loss) income                                                                                                                   |        | \$ (25,289)                    | \$ 22,206  | \$ 10,090                    | \$ 74,776  |
| Net earnings per unit                                                                                                                               | 9      |                                |            |                              |            |
| Basic net earnings per unit                                                                                                                         |        | \$ 0.09                        | \$ 0.12    | \$ 0.51                      | \$ 0.48    |
| Diluted net earnings per unit                                                                                                                       |        | \$ 0.09                        | \$ 0.12    | \$ 0.51                      | \$ 0.48    |

# CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Financial Position

(In thousands of Canadian dollars)

(Unaudited)

|                                                              | Notes | June 30, 2025       | December 31, 2024   |
|--------------------------------------------------------------|-------|---------------------|---------------------|
| <b>ASSETS</b>                                                |       |                     |                     |
| <b>Current assets</b>                                        |       |                     |                     |
| Cash and cash equivalents                                    |       | \$ 20,077           | \$ 25,497           |
| Trade and other receivables                                  |       | 174,459             | 148,085             |
| Inventories                                                  |       | 134,551             | 134,932             |
| Income taxes receivable                                      |       | 18,282              | 5,498               |
| Prepaid expenses and other assets                            |       | 20,605              | 20,689              |
| <b>Total current assets</b>                                  |       | <b>367,974</b>      | <b>334,701</b>      |
| <b>Non-current assets</b>                                    |       |                     |                     |
| Property, plant and equipment                                | 10    | 1,005,042           | 1,088,145           |
| Right-of-use assets                                          |       | 173,613             | 186,036             |
| Investment in a joint venture                                |       | 707                 | 707                 |
| Income taxes receivable                                      | 8     | 66,000              | 66,000              |
| Other assets                                                 |       | 16,273              | 18,870              |
| Intangible assets                                            | 11    | 554,293             | 541,952             |
| Deferred tax assets                                          | 8     | 44,451              | 47,996              |
| <b>Total non-current assets</b>                              |       | <b>1,860,379</b>    | <b>1,949,706</b>    |
| <b>Total assets</b>                                          |       | <b>\$ 2,228,353</b> | <b>\$ 2,284,407</b> |
| <b>LIABILITIES AND UNITHOLDERS' EQUITY</b>                   |       |                     |                     |
| <b>Current liabilities</b>                                   |       |                     |                     |
| Trade and other payables                                     |       | \$ 284,803          | \$ 327,448          |
| Distributions payable                                        | 15    | 6,492               | 6,548               |
| Provisions                                                   | 12    | 15,995              | 49,265              |
| Lease liabilities                                            |       | 54,755              | 58,145              |
| Convertible unsecured subordinated debentures <sup>(1)</sup> | 13    | 371,120             | 356,596             |
| <b>Total current liabilities</b>                             |       | <b>733,165</b>      | <b>798,002</b>      |
| <b>Non-current liabilities</b>                               |       |                     |                     |
| Long-term debt                                               | 14    | 470,100             | 336,250             |
| Other long-term liabilities                                  |       | 18,632              | 26,316              |
| Long-term lease liabilities                                  |       | 129,370             | 148,268             |
| Employee benefits                                            |       | 18,680              | 19,576              |
| Provisions                                                   |       | 120,064             | 121,130             |
| Deferred tax liabilities                                     | 8     | 12,460              | 16,508              |
| <b>Total non-current liabilities</b>                         |       | <b>769,306</b>      | <b>668,048</b>      |
| <b>Total liabilities</b>                                     |       | <b>1,502,471</b>    | <b>1,466,050</b>    |
| <b>Unitholders' equity</b>                                   |       |                     |                     |
| Units                                                        | 15    | 1,546,366           | 1,629,576           |
| Contributed surplus                                          |       | 46,649              | 26,384              |
| Deficit                                                      |       | (1,075,716)         | (1,095,317)         |
| Accumulated other comprehensive income                       |       | 208,583             | 257,714             |
| <b>Total unitholders' equity</b>                             |       | <b>725,882</b>      | <b>818,357</b>      |
| <b>Total liabilities and unitholders' equity</b>             |       | <b>\$ 2,228,353</b> | <b>\$ 2,284,407</b> |

<sup>(1)</sup> 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 gains (losses) on cash flow and net investment hedges* | Change in fair value of convertible debentures due to own credit risk* | Total unitholders' equity |
|------------------------------------------------------------------------------|-------|---------------------|---------------------|-----------------------|---------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------|
| <b>Balance at January 1, 2025</b>                                            |       | <b>\$ 1,629,576</b> | <b>\$ 26,384</b>    | <b>\$ (1,095,317)</b> | <b>\$ 263,864</b>               | <b>\$ (23,394)</b>                                                | <b>\$ 17,244</b>                                                       | <b>\$ 818,357</b>         |
| Units repurchased under the Normal Course Issuer Bid ("NCIB") <sup>(1)</sup> | 15    | (83,210)            | 20,265              | —                     | —                               | —                                                                 | —                                                                      | (62,945)                  |
| Net earnings                                                                 |       | —                   | —                   | 58,765                | —                               | —                                                                 | —                                                                      | 58,765                    |
| Other comprehensive (loss) income                                            |       | —                   | —                   | 456                   | (46,937)                        | 4,137                                                             | (6,331)                                                                | (48,675)                  |
| Distributions                                                                | 15    | —                   | —                   | (39,620)              | —                               | —                                                                 | —                                                                      | (39,620)                  |
| <b>Balance at June 30, 2025</b>                                              |       | <b>\$ 1,546,366</b> | <b>\$ 46,649</b>    | <b>\$ (1,075,716)</b> | <b>\$ 216,927</b>               | <b>\$ (19,257)</b>                                                | <b>\$ 10,913</b>                                                       | <b>\$ 725,882</b>         |

<sup>(1)</sup> A share buyback tax was substantively enacted in 2024 and the Fund has applied this tax of \$1,233 on its contributed surplus for the six months ended June 30, 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 |
|------------------------------------------------------------------------------------|--------|---------------------|---------------------|-----------------------|---------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------|---------------------------|
| <b>Balance at January 1, 2024</b>                                                  |        | <b>\$ 1,648,411</b> | <b>\$ 9,720</b>     | <b>\$ (1,147,923)</b> | <b>\$ 194,447</b>               | <b>\$ (10,805)</b>                                        | <b>\$ 13,291</b>                                                       | <b>\$ 707,141</b>         |
| Issuance of units upon conversion of unsecured subordinated convertible debentures | 13, 15 | 45                  | —                   | —                     | —                               | —                                                         | —                                                                      | 45                        |
| Issuance of units under the Distribution Reinvestment Plan ("DRIP")                | 15     | 1,070               | —                   | —                     | —                               | —                                                         | —                                                                      | 1,070                     |
| Net earnings                                                                       |        | —                   | —                   | 56,554                | —                               | —                                                         | —                                                                      | 56,554                    |
| Other comprehensive income (loss)                                                  |        | —                   | —                   | 2,822                 | 26,880                          | (10,945)                                                  | (535)                                                                  | 18,222                    |
| Distributions                                                                      | 15     | —                   | —                   | (38,666)              | —                               | —                                                         | —                                                                      | (38,666)                  |
| <b>Balance at June 30, 2024</b>                                                    |        | <b>\$ 1,649,526</b> | <b>\$ 9,720</b>     | <b>\$ (1,127,213)</b> | <b>\$ 221,327</b>               | <b>\$ (21,750)</b>                                        | <b>\$ 12,756</b>                                                       | <b>\$ 744,366</b>         |

\* Accumulated other comprehensive income.

# CHEMTRADE LOGISTICS INCOME FUND

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

|                                                                                     |       | Three months ended<br>June 30, |                  | Six months ended<br>June 30, |                  |
|-------------------------------------------------------------------------------------|-------|--------------------------------|------------------|------------------------------|------------------|
|                                                                                     | Notes | 2025                           | 2024             | 2025                         | 2024             |
| <b>Cash flows from operating activities:</b>                                        |       |                                |                  |                              |                  |
| Net earnings                                                                        |       | \$ 9,696                       | \$ 14,599        | \$ 58,765                    | \$ 56,554        |
| Adjustments for:                                                                    |       |                                |                  |                              |                  |
| Depreciation and amortization                                                       | 6     | 54,004                         | 48,223           | 107,487                      | 93,113           |
| Net (gain) loss on disposal and write-down of property, plant and equipment ("PPE") |       | (827)                          | 1,782            | (842)                        | 2,493            |
| Change in environmental and decommissioning liability                               |       | (1,686)                        | (1,494)          | (383)                        | (2,224)          |
| Impairment of PPE                                                                   | 10    | 43,484                         | —                | 43,484                       | —                |
| Income tax expense                                                                  | 8     | 5,353                          | 10,619           | 17,027                       | 22,863           |
| Net finance costs                                                                   | 7     | 35,596                         | 39,268           | 46,122                       | 44,910           |
| Unrealized foreign exchange (gain) loss                                             | 5     | (7,639)                        | 2,115            | (13,622)                     | 7,337            |
|                                                                                     |       | 137,981                        | 115,112          | 258,038                      | 225,046          |
| (Increase) decrease in working capital                                              |       | (29,182)                       | 5,949            | (108,939)                    | (72,663)         |
| Interest paid                                                                       |       | (11,629)                       | (13,353)         | (25,967)                     | (24,231)         |
| Interest received                                                                   |       | 689                            | 883              | 1,570                        | 1,630            |
| Income tax paid                                                                     |       | (14,486)                       | (6,439)          | (29,693)                     | (25,218)         |
| <b>Net cash flows from operating activities</b>                                     |       | <b>83,373</b>                  | <b>102,152</b>   | <b>95,009</b>                | <b>104,564</b>   |
| <b>Cash flows from investing activities:</b>                                        |       |                                |                  |                              |                  |
| Capital expenditures                                                                |       | (37,756)                       | (44,248)         | (62,093)                     | (79,475)         |
| Acquisition of intangible assets                                                    | 11    | (39,141)                       | —                | (39,141)                     | —                |
| <b>Net cash flows used in investing activities</b>                                  |       | <b>(76,897)</b>                | <b>(44,248)</b>  | <b>(101,234)</b>             | <b>(79,475)</b>  |
| <b>Cash flows from financing activities:</b>                                        |       |                                |                  |                              |                  |
| Distributions to unitholders, net of distributions reinvested                       | 15    | (19,688)                       | (19,333)         | (39,676)                     | (37,036)         |
| Repayment of lease liability, net of sub-lease receipts                             |       | (17,079)                       | (17,164)         | (34,892)                     | (31,807)         |
| Net change in revolving credit facility                                             | 14    | 44,820                         | (13,911)         | 15,134                       | 56,772           |
| Proceeds from issuance of senior unsecured notes                                    | 14    | —                              | —                | 125,000                      | —                |
| Transaction costs related to the issuance of senior unsecured notes                 | 14    | —                              | —                | (2,251)                      | —                |
| Repurchase of units under NCIB                                                      | 15    | (22,516)                       | —                | (61,712)                     | —                |
| <b>Net cash flows (used in) from financing activities</b>                           |       | <b>(14,463)</b>                | <b>(50,408)</b>  | <b>1,603</b>                 | <b>(12,071)</b>  |
| <b>(Decrease) increase in cash and cash equivalents</b>                             |       | <b>(7,987)</b>                 | <b>7,496</b>     | <b>(4,622)</b>               | <b>13,018</b>    |
| Cash and cash equivalents, beginning of the period                                  |       | 28,881                         | 27,543           | 25,497                       | 21,524           |
| Effect of exchange rates on cash held in foreign currencies                         |       | (817)                          | 234              | (798)                        | 731              |
| <b>Cash and cash equivalents, end of the period</b>                                 |       | <b>\$ 20,077</b>               | <b>\$ 35,273</b> | <b>\$ 20,077</b>             | <b>\$ 35,273</b> |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 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.

The Condensed Consolidated Interim Financial Statements were authorized for issue by the Board of Trustees (the "Board") on August 14, 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

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

Three and six months ended June 30, 2025 and 2024

---

## 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 (loss) 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 (loss) 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 3. REPORTABLE SEGMENTS (continued):

### Three months ended June 30, 2025

|                                                       | SWC        | EC         | Corporate items and eliminations | Total      |
|-------------------------------------------------------|------------|------------|----------------------------------|------------|
| Revenue - third party                                 | \$ 302,445 | \$ 194,207 | \$ —                             | \$ 496,652 |
| - inter-segment                                       | 108        | 1,847      | (1,955)                          | —          |
| Revenue - total                                       | 302,553    | 196,054    | (1,955)                          | 496,652    |
| Cost of sales and services                            | (244,361)  | (126,060)  | 1,955                            | (368,466)  |
| Gross profit                                          | 58,192     | 69,994     | —                                | 128,186    |
| Selling and administrative expenses                   | (8,151)    | (3,239)    | (22,667)                         | (34,057)   |
| Impairment of PPE                                     | (15,080)   | (28,404)   | —                                | (43,484)   |
| Operating income (loss)                               | 34,961     | 38,351     | (22,667)                         | 50,645     |
| Depreciation and amortization                         | 28,157     | 25,847     | —                                | 54,004     |
| Net loss (gain) on disposal and write-down of PPE     | (825)      | (2)        | —                                | (827)      |
| Change in environmental and decommissioning liability | (1,142)    | (544)      | —                                | (1,686)    |
| Impairment of PPE                                     | 15,080     | 28,404     | —                                | 43,484     |
| Unrealized foreign exchange gain                      | —          | —          | (7,639)                          | (7,639)    |
| Adjusted EBITDA                                       | 76,231     | 92,056     | (30,306)                         | 137,981    |
| Capital expenditures                                  | 26,383     | 10,702     | 671                              | 37,756     |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 3. REPORTABLE SEGMENTS (continued):

### Three months ended June 30, 2024

|                                                       | SWC        | EC         | Corporate items and eliminations | Total      |
|-------------------------------------------------------|------------|------------|----------------------------------|------------|
| Revenue - third party                                 | \$ 266,928 | \$ 181,168 | \$ —                             | \$ 448,096 |
| - inter-segment                                       | 40         | 1,665      | (1,705)                          | —          |
| Revenue - total                                       | 266,968    | 182,833    | (1,705)                          | 448,096    |
| Cost of sales and services                            | (206,621)  | (134,577)  | 1,705                            | (339,493)  |
| Gross profit                                          | 60,347     | 48,256     | —                                | 108,603    |
| Selling and administrative expenses                   | (7,443)    | (6,292)    | (30,351)                         | (44,086)   |
| Share of loss from joint venture                      | (31)       | —          | —                                | (31)       |
| Operating income (loss)                               | 52,873     | 41,964     | (30,351)                         | 64,486     |
| Depreciation and amortization                         | 24,652     | 23,571     | —                                | 48,223     |
| Net loss (gain) on disposal and write-down of PPE     | 2,046      | (264)      | —                                | 1,782      |
| Change in environmental and decommissioning liability | (1,328)    | (166)      | —                                | (1,494)    |
| Unrealized foreign exchange loss                      | —          | —          | 2,115                            | 2,115      |
| Adjusted EBITDA                                       | 78,243     | 65,105     | (28,236)                         | 115,112    |
| Capital expenditures                                  | 25,903     | 18,069     | 276                              | 44,248     |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 3. REPORTABLE SEGMENTS (continued):

### Six months ended June 30, 2025

|                                                       | SWC        | EC         | Corporate<br>items and<br>eliminations | Total      |
|-------------------------------------------------------|------------|------------|----------------------------------------|------------|
| Revenue - third party                                 | \$ 573,479 | \$ 389,494 | \$ —                                   | \$ 962,973 |
| - inter-segment                                       | 180        | 4,629      | (4,809)                                | —          |
| Revenue - total                                       | 573,659    | 394,123    | (4,809)                                | 962,973    |
| Cost of sales and services                            | (476,960)  | (258,493)  | 4,809                                  | (730,644)  |
| Gross profit                                          | 96,699     | 135,630    | —                                      | 232,329    |
| Selling and administrative expenses                   | (16,129)   | (6,441)    | (44,361)                               | (66,931)   |
| Impairment of PPE                                     | (15,080)   | (28,404)   | —                                      | (43,484)   |
| Operating income (loss)                               | 65,490     | 100,785    | (44,361)                               | 121,914    |
| Depreciation and amortization                         | 55,898     | 51,589     | —                                      | 107,487    |
| Net loss (gain) on disposal and write-down of PPE     | (797)      | (45)       | —                                      | (842)      |
| Change in environmental and decommissioning liability | 50         | (433)      | —                                      | (383)      |
| Impairment of PPE                                     | 15,080     | 28,404     | —                                      | 43,484     |
| Unrealized foreign exchange gain                      | —          | —          | (13,622)                               | (13,622)   |
| Adjusted EBITDA                                       | 135,721    | 180,300    | (57,983)                               | 258,038    |
| Capital expenditures                                  | 41,683     | 19,526     | 884                                    | 62,093     |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 3. REPORTABLE SEGMENTS (continued):

### Six months ended June 30, 2024

|                                                       | SWC        | EC         | Corporate<br>items and<br>eliminations | Total      |
|-------------------------------------------------------|------------|------------|----------------------------------------|------------|
| Revenue - third party                                 | \$ 497,553 | \$ 368,777 | \$ —                                   | \$ 866,330 |
| - inter-segment                                       | 74         | 3,265      | (3,339)                                | —          |
| Revenue - total                                       | 497,627    | 372,042    | (3,339)                                | 866,330    |
| Cost of sales and services                            | (402,859)  | (260,165)  | 3,339                                  | (659,685)  |
| Gross profit                                          | 94,768     | 111,877    | —                                      | 206,645    |
| Selling and administrative expenses                   | (14,537)   | (8,225)    | (59,515)                               | (82,277)   |
| Share of loss from joint venture                      | (41)       | —          | —                                      | (41)       |
| Operating income (loss)                               | 80,190     | 103,652    | (59,515)                               | 124,327    |
| Depreciation and amortization                         | 47,142     | 45,971     | —                                      | 93,113     |
| Net loss (gain) on disposal and write-down of PPE     | 2,725      | (232)      | —                                      | 2,493      |
| Change in environmental and decommissioning liability | (433)      | (1,791)    | —                                      | (2,224)    |
| Unrealized foreign exchange loss                      | —          | —          | 7,337                                  | 7,337      |
| Adjusted EBITDA                                       | 129,624    | 147,600    | (52,178)                               | 225,046    |
| Capital expenditures                                  | 50,593     | 28,192     | 690                                    | 79,475     |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 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

|               | Three months ended<br>June 30, |            | Six months ended<br>June 30, |            |
|---------------|--------------------------------|------------|------------------------------|------------|
|               | 2025                           | 2024       | 2025                         | 2024       |
| Canada        | \$ 163,791                     | \$ 144,535 | \$ 314,672                   | \$ 283,853 |
| United States | 307,936                        | 277,867    | 600,709                      | 532,322    |
| South America | 24,925                         | 25,694     | 47,592                       | 50,155     |
|               | \$ 496,652                     | \$ 448,096 | \$ 962,973                   | \$ 866,330 |

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

|               | June 30, 2025 | December 31, 2024 |
|---------------|---------------|-------------------|
| Canada        | \$ 705,618    | \$ 751,859        |
| United States | 950,721       | 979,101           |
| South America | 76,609        | 85,173            |
|               | \$ 1,732,948  | \$ 1,816,133      |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 4. REVENUE:

The components of revenue are as follows:

|                     | <u>Three months ended</u><br><u>June 30,</u> |                   | <u>Six months ended</u><br><u>June 30,</u> |                   |
|---------------------|----------------------------------------------|-------------------|--------------------------------------------|-------------------|
|                     | 2025                                         | 2024              | 2025                                       | 2024              |
| Sale of products    | \$ 429,791                                   | \$ 389,113        | \$ 837,999                                 | \$ 760,729        |
| Processing services | 66,861                                       | 58,983            | 124,974                                    | 105,601           |
| <b>Revenue</b>      | <b>\$ 496,652</b>                            | <b>\$ 448,096</b> | <b>\$ 962,973</b>                          | <b>\$ 866,330</b> |

## 5. SELLING AND ADMINISTRATIVE EXPENSES:

The components of selling and administrative expenses are as follows:

|                                                           | <u>Three months ended</u><br><u>June 30,</u> |                  | <u>Six months ended</u><br><u>June 30,</u> |                  |
|-----------------------------------------------------------|----------------------------------------------|------------------|--------------------------------------------|------------------|
|                                                           | 2025                                         | 2024             | 2025                                       | 2024             |
| Wages, salaries and benefits, including bonuses and other | \$ 41,635                                    | \$ 37,505        | \$ 73,252                                  | \$ 70,417        |
| Realized foreign exchange (gain) loss                     | (442)                                        | 3,537            | 3,975                                      | 4,984            |
| Unrealized foreign exchange (gain) loss                   | (7,639)                                      | 2,115            | (13,622)                                   | 7,337            |
| Net reserve (reversal of reserve) for legal proceedings   | (143)                                        | 138              | 2,124                                      | (1,599)          |
| Depreciation (note 6)                                     | 646                                          | 791              | 1,202                                      | 1,138            |
| <b>Selling and administrative expenses</b>                | <b>\$ 34,057</b>                             | <b>\$ 44,086</b> | <b>\$ 66,931</b>                           | <b>\$ 82,277</b> |

## 6. DEPRECIATION AND AMORTIZATION:

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

|                                                      | <u>Three months ended</u><br><u>June 30,</u> |                  | <u>Six months ended</u><br><u>June 30,</u> |                  |
|------------------------------------------------------|----------------------------------------------|------------------|--------------------------------------------|------------------|
|                                                      | 2025                                         | 2024             | 2025                                       | 2024             |
| <b>Cost of sales and services:</b>                   |                                              |                  |                                            |                  |
| Depreciation expense on PPE                          | \$ 32,683                                    | \$ 26,988        | \$ 65,893                                  | \$ 52,340        |
| Depreciation expense on ROU assets                   | 14,890                                       | 15,023           | 29,181                                     | 27,468           |
| Amortization expense                                 | 5,785                                        | 5,421            | 11,211                                     | 12,167           |
| <b>Selling and administrative expenses (note 5):</b> |                                              |                  |                                            |                  |
| Depreciation expense on PPE                          | 278                                          | 510              | 475                                        | 557              |
| Depreciation expense on ROU assets                   | 368                                          | 281              | 727                                        | 581              |
| <b>Total depreciation and amortization expense</b>   | <b>\$ 54,004</b>                             | <b>\$ 48,223</b> | <b>\$ 107,487</b>                          | <b>\$ 93,113</b> |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 7. NET FINANCE COSTS:

The components of net finance costs are as follows:

|                                                                                                                               | <b>Three months ended<br/>June 30,</b> |                  | <b>Six months ended<br/>June 30,</b> |                  |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------|--------------------------------------|------------------|
|                                                                                                                               | <b>2025</b>                            | <b>2024</b>      | <b>2025</b>                          | <b>2024</b>      |
| Interest expense on long-term debt                                                                                            | \$ 8,276                               | \$ 4,505         | \$ 13,970                            | \$ 7,723         |
| Interest expense on convertible debentures (note 13)                                                                          | 5,647                                  | 7,361            | 11,137                               | 14,709           |
| Change in the fair value of convertible debentures (note 13)                                                                  | 17,163                                 | 26,048           | 8,193                                | 19,429           |
| Interest expense on lease liabilities                                                                                         | 2,568                                  | 2,357            | 5,066                                | 4,635            |
| Income reclassified from other comprehensive income relating to change in the fair value of the interest rate swaps (note 17) | —                                      | (1,754)          | —                                    | (3,508)          |
| Change in the fair value of embedded derivative asset (note 14)                                                               | (361)                                  | —                | (361)                                | —                |
| Change in the fair value of interest rate swaps (note 17)                                                                     | 1,395                                  | 113              | 3,488                                | 787              |
| Interest expense on Superior lawsuit (note 12)                                                                                | —                                      | —                | 2,597                                | —                |
| Accretion of provisions                                                                                                       | 1,003                                  | 1,121            | 2,113                                | 2,192            |
| Accretion of transaction costs on issuance of long-term debt (note 14)                                                        | 332                                    | —                | 957                                  | —                |
| Pension net interest cost                                                                                                     | 262                                    | 289              | 532                                  | 573              |
| Interest income                                                                                                               | (689)                                  | (772)            | (1,570)                              | (1,630)          |
| <b>Net finance costs</b>                                                                                                      | <b>\$ 35,596</b>                       | <b>\$ 39,268</b> | <b>\$ 46,122</b>                     | <b>\$ 44,910</b> |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 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 six months ended June 30, 2025 was \$17,027 and the effective tax rate was 22.58%. The effective tax rate differs from the statutory tax rate of 25.04% 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 in Brazil and other foreign exchange translation adjustments, 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  
(In thousands of Canadian dollars, except per unit amounts)  
(Unaudited)

Three and six months ended June 30, 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.

In June 2025, Canada, as a part of G7 countries, had reached an agreement with the US government to exclude US companies from the undertaxed profits rule and the income inclusion rule in the Pillar Two framework. 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 a temporary mandatory relief from deferred tax accounting for the future tax impacts of top-up tax is currently applicable, Chemtrade would account for top-up tax as a current tax when it is incurred. Chemtrade has reviewed the application of the above-mentioned rules and determined that there is no material impact on Chemtrade for the six months ended June 30, 2025.

### **US One Big Beautiful Bill Act**

The U.S. One Big Beautiful Bill Act ("OBBA") was enacted on July 4, 2025. At this time, an estimate of the impact on taxes related to OBBA cannot be made. We will continue to assess the impacts of the new legislation as they become known, as well as additional regulatory guidance that may be issued.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 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</u><br><u>June 30,</u> |           | <u>Six months ended</u><br><u>June 30,</u> |           |
|----------------------------------------------------------------|----------------------------------------------|-----------|--------------------------------------------|-----------|
|                                                                | 2025                                         | 2024      | 2025                                       | 2024      |
| <b>Numerator</b>                                               |                                              |           |                                            |           |
| Net earnings                                                   | \$ 9,696                                     | \$ 14,599 | \$ 58,765                                  | \$ 56,554 |
| Net fair value adjustment on deferred unit plan <sup>(1)</sup> | —                                            | —         | \$ 351                                     | —         |
| Diluted net earnings                                           | \$ 9,696                                     | \$ 14,599 | \$ 59,116                                  | \$ 56,554 |

1) For the three months ended June 30, 2025, and for the three months and six months ended June 30, 2024, the potential conversion of the Debentures and deferred units have not been included as the effect on net earnings per unit would be anti-dilutive. For the six months ended June 30, 2025, the potential conversion of the Debentures has not been included as the effect on net earnings would be anti-dilutive.

|                                                                   | <u>Three months ended</u><br><u>June 30,</u> |             | <u>Six months ended June</u><br><u>30,</u> |             |
|-------------------------------------------------------------------|----------------------------------------------|-------------|--------------------------------------------|-------------|
|                                                                   | 2025                                         | 2024        | 2025                                       | 2024        |
| <b>Denominator</b>                                                |                                              |             |                                            |             |
| Weighted average number of units                                  | 113,683,855                                  | 117,172,181 | 115,292,369                                | 117,154,471 |
| Weighted average deferred unit plan dilutive units <sup>(1)</sup> | —                                            | —           | 852,622                                    | —           |
| Weighted average number of diluted units                          | 113,683,855                                  | 117,172,181 | 116,144,991                                | 117,154,471 |

1) For the three months ended June 30, 2025, and for the three months and six months ended June 30, 2024, the potential conversion of the Debentures and deferred units have not been included as the effect on net earnings per unit would be anti-dilutive. For the six months ended June 30, 2025, the potential conversion of the Debentures has not been included as the effect on net earnings would be anti-dilutive.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 10. PROPERTY, PLANT AND EQUIPMENT:

### **Impairment of the Prince George Sodium Chlorate Plant**

During the third quarter of 2024, Chemtrade made the decision to cease sodium chlorate production at its Prince George, BC facility, following an announced production curtailment by the plant's principal customer earlier that year. The facility was converted into a sodium chlorate dissolving operation. The cessation of sodium chlorate production at the facility was conducted in a manner that would allow for a return to service if market conditions changed. During the second quarter of 2025, Chemtrade concluded that the cessation of sodium chlorate production at the facility would be permanent and recorded an impairment of \$28,404, mostly attributable to the property, plant and equipment with a small portion attributable to spare parts inventory related to sodium chlorate production. The recoverable amount was estimated to be \$nil based on the fair value less costs to sell approach. This facility will continue to dissolve sodium chlorate sourced from Chemtrade's Brandon, MB plant, so that it fulfills local demand. This impairment is included in the EC reportable segment.

### **Impairment of the Sodium Nitrite CGU**

During the second quarter of 2025, market protections which benefited the Sodium Nitrite CGU were eliminated. The carrying value of this CGU exceeded the recoverable amount by \$15,080 and an impairment loss of \$15,080 was fully allocated to property, plant and equipment. The recoverable amount was based on the fair value less cost to sell. The estimated market price is based on a multiplier based on earnings before interest, taxes, depreciation and amortization and market capitalization. The fair value measurement was categorized as Level 3, as defined in Note 17 (b) on page [34](#), as certain key assumptions are unobservable and have estimation uncertainty.

The Sodium Nitrite CGU is included in the SWC reportable segment.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 11. INTANGIBLE ASSETS:

### **Water Treatment Customers Acquisition**

On May 27, 2025 Chemtrade acquired from certain subsidiaries of Thatcher Group Inc. their aluminum sulphate water treatment chemicals customers in Florida, New York, and California for \$41,892 (USD \$30,000). A cash outflow of \$39,141 (USD \$28,000) was recorded during the quarter, with the remaining balance recognized as a liability related to an indemnity holdback. An intangible asset was recognized for the full purchase amount in the second quarter of 2025.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 12. 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 after which Chemtrade filed for leave to appeal to the Supreme Court of Canada on March 26, 2025. Following the appeal decision, Chemtrade paid \$28,119 to Superior, which was recorded against the provision. Chemtrade has recorded an additional expense of \$4,037 (\$2,597 in net finance costs and \$1,440 in selling and administrative expense) to cover the additional costs of trial, appeal and interest which was paid during Q2 2025.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 13. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES:

Changes in convertible unsecured subordinated debentures are as follows:

|                                                            | Convertible unsecured subordinated debentures <sup>(1)</sup> |                                  |                                  |                |
|------------------------------------------------------------|--------------------------------------------------------------|----------------------------------|----------------------------------|----------------|
|                                                            | Fund 2019<br>6.50%<br>Debentures                             | Fund 2021<br>6.25%<br>Debentures | Fund 2023<br>7.00%<br>Debentures | Total          |
| 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                          | <b>340,000</b> |
| Principal outstanding at June 30, 2025                     | 100,000                                                      | 130,000                          | 110,000                          | <b>340,000</b> |
| Balance at January 1, 2025                                 | 103,000                                                      | 140,010                          | 113,586                          | <b>356,596</b> |
| Change in fair value recognized in profit or loss          | (2,751)                                                      | 10,486                           | 458                              | <b>8,193</b>   |
| Change in fair value due to own credit risk <sup>(2)</sup> | 1,271                                                        | 304                              | 4,756                            | <b>6,331</b>   |
| Balance at June 30, 2025                                   | 101,520                                                      | 150,800                          | 118,800                          | <b>371,120</b> |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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

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

Three and six months ended June 30, 2025 and 2024

## 13. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES (continued):

|                                                            | Convertible unsecured subordinated debentures |                                  |                                  |                                  |         |
|------------------------------------------------------------|-----------------------------------------------|----------------------------------|----------------------------------|----------------------------------|---------|
|                                                            | Fund 2019<br>6.50%<br>Debentures              | Fund 2020<br>8.50%<br>Debentures | Fund 2021<br>6.25%<br>Debentures | Fund 2023<br>7.00%<br>Debentures | Total   |
| Maturity                                                   | October 31,<br>2026                           | September<br>30, 2025            | August 31,<br>2027               | June 30,<br>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 June 30, 2024                     | 100,000                                       | 85,507                           | 130,000                          | 110,000                          | 425,507 |
| Balance at January 1, 2024                                 | 98,250                                        | 101,807                          | 130,650                          | 106,810                          | 437,517 |
| Conversions                                                | —                                             | (45)                             | —                                | —                                | (45)    |
| Change in fair value recognized in profit or loss          | 6,880                                         | 13,963                           | (1,184)                          | (230)                            | 19,429  |
| Change in fair value due to own credit risk <sup>(1)</sup> | (5,130)                                       | (4,780)                          | 4,434                            | 3,970                            | (1,506) |
| Balance at June 30, 2024                                   | 100,000                                       | 110,945                          | 133,900                          | 110,550                          | 455,395 |

<sup>(1)</sup> 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 and six months ended June 30, 2025, interest expense of \$5,647 and \$11,137, respectively (2024 - \$7,361 and \$14,709, respectively) 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.

On June 25, 2024, the Fund commenced a substantial issuer bid (SIB), under which the Fund offered to purchase for cancellation up to all of the issued and outstanding Fund 2020 8.50% Debentures due September 30, 2025. The purchase price under the SIB was \$1,300 in cash per \$1,000 principal amount of Fund 2020 8.50% Debentures. During Q3 2024, the SIB expired with a total of \$28,288 aggregate principal amount of Fund 2020 8.50% Debentures tendered for total consideration of \$37,600, including accrued interest of \$800. The Fund incurred transaction costs of \$863 in order to execute the SIB.

Subsequent to June 30, 2025, the Fund announced that on September 15, 2025 it will redeem the \$100,000 aggregate principal amount of its 6.50% convertible unsecured subordinated debentures due October 31, 2026. Refer to Note 20 (c) [Subsequent Events](#) on page [38](#) for further details.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 14. LONG-TERM DEBT:

Changes in long-term debt are as follows:

|                                                                      | Revolving credit <sup>(1)(2)</sup> |                        | Senior<br>Unsecured<br>Notes <sup>(3)</sup> | Embedded<br>Derivative<br>Asset <sup>(3)</sup> | Transaction<br>costs <sup>(3)</sup> | Total      |
|----------------------------------------------------------------------|------------------------------------|------------------------|---------------------------------------------|------------------------------------------------|-------------------------------------|------------|
|                                                                      | (US\$<br>denominated)              | (Cdn\$<br>denominated) |                                             |                                                |                                     |            |
| Maturity                                                             | October 24,<br>2028                | October 24,<br>2028    | August 28,<br>2029                          |                                                |                                     |            |
| Balance at January 1, 2025                                           | \$ 78,295                          | \$ 15,000              | \$ 252,207                                  | \$ (2,207)                                     | \$ (7,045)                          | \$ 336,250 |
| Net change                                                           | 30,134                             | (15,000)               | —                                           | —                                              | —                                   | 15,134     |
| Proceeds from issuance of senior unsecured notes                     | —                                  | —                      | 125,000                                     | —                                              | —                                   | 125,000    |
| Redemption option derivative asset <sup>(3)</sup>                    | —                                  | —                      | 1,019                                       | (1,019)                                        | —                                   | —          |
| Gain on net investment hedge of foreign operations                   | (3,612)                            | —                      | —                                           | —                                              | —                                   | (3,612)    |
| Foreign exchange rate changes                                        | (1,017)                            | —                      | —                                           | —                                              | —                                   | (1,017)    |
| Financing transaction costs on senior unsecured notes <sup>(3)</sup> | —                                  | —                      | —                                           | —                                              | (2,251)                             | (2,251)    |
| Change in fair value of embedded derivative asset                    | —                                  | —                      | —                                           | (361)                                          | —                                   | (361)      |
| Accretion                                                            | —                                  | —                      | —                                           | —                                              | 957                                 | 957        |
| Balance at June 30, 2025                                             | \$ 103,800                         | \$ —                   | \$ 378,226                                  | \$ (3,587)                                     | \$ (8,339)                          | \$ 470,100 |

<sup>(1)</sup> At June 30, 2025, Chemtrade had committed a total of \$18,691 of the revolving credit facilities ("Credit Facilities") towards standby letters of credit.

<sup>(2)</sup> At June 30, 2025, Cdn\$ limit of the Credit Facilities was \$816,240 (US\$600,000) and Chemtrade had drawn US\$76,301 and Cdn\$nil on the Credit Facilities.

<sup>(3)</sup> 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 six months ended June 30, 2025, Chemtrade has recognized accretion expense of \$957 (2024 - \$nil).

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 14. LONG-TERM DEBT (continued):

| Maturity                                           | Revolving credit <sup>(1)(2)</sup> |                     | Total      |
|----------------------------------------------------|------------------------------------|---------------------|------------|
|                                                    | (US\$ denominated)                 | (Cdn\$ denominated) |            |
|                                                    | December 24, 2026                  | December 24, 2026   |            |
| Balance at January 1, 2024                         | \$ 246,147                         | \$ 398              | \$ 246,545 |
| Net change                                         | 57,170                             | (398)               | 56,772     |
| Loss on net investment hedge of foreign operations | 8,821                              | —                   | 8,821      |
| Foreign exchange rate changes                      | (257)                              | —                   | (257)      |
| Balance at June 30, 2024                           | \$ 311,881                         | \$ —                | \$ 311,881 |

<sup>(1)</sup> At June 30, 2024, Chemtrade had committed a total of \$19,061 of the Credit Facilities towards standby letters of credit.

<sup>(2)</sup> At June 30, 2024, Cdn\$ limit of the Credit Facilities was \$889,135 (US\$650,000) and Chemtrade had drawn US\$228,000 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 June 30, 2025, the weighted average effective interest rate of the facilities was 3.8% (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 June 30, 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 14. LONG-TERM DEBT (continued):

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 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 June 30, 2025 and December 31, 2024.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 15. 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<br>Units | Amount              | Number of<br>Units | Amount       |
| Balance - January 1                                         | 119,010,732        | \$ 1,629,576        | 117,048,304        | \$ 1,648,411 |
| Units repurchased under NCIB                                | (6,104,400)        | (83,210)            | —                  | —            |
| Conversion of unsecured subordinated convertible debentures | —                  | —                   | 6,122              | 45           |
| Issuance of units under the DRIP                            | —                  | —                   | 118,203            | 1,070        |
| Balance – June 30                                           | <b>112,906,332</b> | <b>\$ 1,546,366</b> | 117,172,629        | \$ 1,649,526 |

On June 3, 2024, the Fund commenced an NCIB, under which the Fund was authorized to purchase up to 11,672,524 of its units over a 12 month period which ended June 2, 2025.

During the six months ended June 30, 2025, the Fund purchased 6,104,400 units as part of the NCIB and recorded a reduction in the book value of units of \$83,210. The difference between the book value and purchase cost of \$21,498 less estimated unit buy-back tax of \$1,233 was recognized in contributed surplus.

Subsequent to June 30, 2025, the Fund announced that it has filed a notice of intention to proceed with a new NCIB with the TSX - refer to Note 20 (c) [Subsequent Events](#) on page [38](#) for further details.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 15. 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 and six months ended June 30, 2025 were \$19,688 and \$39,676 (2024 - \$19,333 and \$38,106, respectively) or \$0.1725 and \$0.3425 per unit respectively, (2024 - \$0.1650 and \$0.3250 per unit, respectively). Of the distributions paid for the three and six months ended June 30, 2025, \$19,688 and \$39,676 respectively, (2024 - \$19,333 and \$37,036, respectively) were in cash and \$nil and \$nil (2024 - \$nil and \$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 and six months ended June 30, 2025 were \$19,556 and \$39,620, respectively, (2024 - \$19,333 and \$38,666, respectively) or \$0.1725 and \$0.3450 per unit, respectively, (2024 - \$0.1650 and \$0.3300 per unit).

As at June 30, 2025, Chemtrade had distributions payable of \$6,492 (December 31, 2024 - \$6,548) which were paid on July 31, 2025. On July 22, 2025, Chemtrade declared a cash distribution of \$0.0575 per unit for the month of July 2025, payable on August 29, 2025 to Unitholders of record at the close of business on July 31, 2025.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 16. 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 the 2023 - 2025 and 2024 - 2026 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 June 30, 2025, a liability of \$29,727 (December 31, 2024 - \$48,476) has been recorded for LTIP awards, of which \$17,630 (December 31, 2024 - \$27,538) is included in trade and other payables and \$12,097 (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 and six months ended June 30, 2025, Chemtrade recorded an expense of \$5,658 and \$8,408 (2024 - \$5,953 and \$9,571) 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          | 713,368          |
| – distribution equivalents | 65,948           | 91,877           |
| Forfeitures                | (52,025)         | (41,624)         |
| Settlements                | (830,293)        | (765,055)        |
| <b>Balance – June 30</b>   | <b>2,022,265</b> | <b>2,213,871</b> |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 16. 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          | 693,020          |
| – estimated performance adjustment | 69,555           | 242,672          |
| – distribution equivalents         | 49,096           | 192,088          |
| Forfeitures                        | (84,157)         | (5,820)          |
| Settlements                        | (1,703,173)      | (3,984)          |
| <b>Balance – June 30</b>           | <b>2,935,645</b> | <b>3,653,543</b> |

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 June 30, 2025, 906,099 deferred units at a value of \$10,058 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        | 50,097           | 53,123         |
| – distribution equivalents | 27,922           | 25,835         |
| <b>Balance – June 30</b>   | <b>906,099</b>   | <b>756,360</b> |

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 16. 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:

|                                 | June 30, 2025 | December 31, 2024 |
|---------------------------------|---------------|-------------------|
| Chemtrade units:                |               |                   |
| Average base price              | \$9.47        | \$8.32            |
| Period-end unit price           | \$11.10       | \$10.94           |
| Average expected volatility     | 26.50%        | 27.30%            |
| Average risk free interest rate | 2.61%         | 2.96%             |
| Average expected remaining term | 1.50 years    | 1.50 years        |

## 17. FINANCIAL INSTRUMENTS:

### (a) Derivatives and hedging:

|                                                                    | June 30, 2025   |                  |             | December 31, 2024 |                  |                 |
|--------------------------------------------------------------------|-----------------|------------------|-------------|-------------------|------------------|-----------------|
|                                                                    | Notional Amount | Fair Value Asset | Liability   | Notional Amount   | Fair Value Asset | Liability       |
| <b>Derivatives designated in a formal hedging relationship</b>     |                 |                  |             |                   |                  |                 |
| Cash-settled unit swaps <sup>(1)</sup>                             | —               | \$ 15,366        | \$ —        | —                 | \$ 13,550        | \$ —            |
| <b>Derivatives not designated in a formal hedging relationship</b> |                 |                  |             |                   |                  |                 |
| Interest rate swaps <sup>(1)</sup>                                 | US\$ 175,000    | 3,511            | —           | US\$ 175,000      | 7,000            | —               |
| Foreign exchange contracts <sup>(1)(2)</sup>                       | —               | 939              | —           | —                 | —                | 9,317           |
| Redemption option derivative asset <sup>(3)</sup>                  | —               | 3,587            | —           | —                 | 2,207            | —               |
| Cash-settled unit swaps <sup>(1)</sup>                             | —               | 3,624            | —           | —                 | 3,773            | —               |
| <b>Total</b>                                                       |                 | <b>\$ 27,027</b> | <b>\$ —</b> |                   | <b>\$ 26,530</b> | <b>\$ 9,317</b> |

<sup>(1)</sup> 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 June 30, 2025 and December 31, 2024.

<sup>(2)</sup> See below for notional amounts.

<sup>(3)</sup> Redemption option derivative asset is disclosed as a net of the proceeds of issuance of the Notes (see note 14).

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 17. 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 and six months ended June 30, 2025, Chemtrade reclassified \$nil (2024 - a gain of \$1,754 and \$3,508, respectively) 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 and six months ended June 30, 2025, Chemtrade recognized a loss of \$1,395 and \$3,488, respectively (2024 - loss of \$113 and \$787, respectively) 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 and six months ended June 30, 2025, a foreign exchange gain of \$3,612 and \$3,612, respectively (2024 - loss of \$3,317 and \$8,821, respectively) 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

## 17. FINANCIAL INSTRUMENTS (continued):

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.

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 June 30, 2025, the notional number of units hedged was 2,657,959 (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 June 30, 2025, the notional number of units not designated as hedges was 645,055 (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 June 30, 2025 include future contracts to sell the following amounts for periods through to March 2026:

| Amount     | Maturity | Exchange rate |
|------------|----------|---------------|
| 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 14) associated with the Notes is an embedded derivative separately recognized to reflect the redemption features of the Notes.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 17. 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 \$385,970, 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 June 30, 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

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

Three and six months ended June 30, 2025 and 2024

---

## 17. 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

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

Three and six months ended June 30, 2025 and 2024

## 18. 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.

|                                        | June 30, 2025  | December 31, 2024 |
|----------------------------------------|----------------|-------------------|
| Long-term debt <sup>(1)</sup>          | \$ 478,800     | \$ 343,295        |
| Add (Less):                            |                |                   |
| Debentures <sup>(1)</sup>              | 340,000        | 340,000           |
| Long-term lease liabilities            | 129,370        | 148,268           |
| Lease liabilities <sup>(2)</sup>       | 54,755         | 58,145            |
| Cash and cash equivalents              | (20,077)       | (25,497)          |
| <b>Net debt</b>                        | <b>982,848</b> | <b>864,211</b>    |
| LTM Adjusted EBITDA <sup>(3)</sup>     | \$ 503,784     | \$ 470,792        |
| <b>Net debt to LTM Adjusted EBITDA</b> | <b>1.95</b>    | <b>1.84</b>       |

<sup>(1)</sup> Principal outstanding amount, see notes 13 and 14.

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

<sup>(3)</sup> LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA.

There were no changes in Chemtrade's approach to managing capital during the second quarter ended June 30, 2025.

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 19. 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).

### (b) 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. Chemtrade is currently assessing the impact on its financial statements:

- 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).

# CHEMTRADE LOGISTICS INCOME FUND

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

Three and six months ended June 30, 2025 and 2024

---

## 20. SUBSEQUENT EVENTS:

### (a) Acquisition of Polytec, Inc. a Provider of Turnkey Water Treatment Solutions

Chemtrade announced that it has entered into an agreement to acquire Polytec, Inc. ("Polytec"), a southeastern United States-based provider of turnkey water treatment solutions, for US\$150,000. The transaction is expected to close in the fourth quarter of 2025 subject to regulatory approvals and customary closing conditions.

### (b) Normal Course Issuer Bid (NCIB) For Units

Chemtrade has filed with the Toronto Stock Exchange ("TSX") a notice of intention to commence a new normal course issuer bid for a one year period. If accepted by the TSX, Chemtrade would be permitted to purchase for cancellation, through the facilities of the TSX and/or alternative Canadian trading systems, up to 10% of the public float (calculated in accordance with the TSX rules) of Chemtrade's issued and outstanding units during the 12 month period. Chemtrade currently anticipates the NCIB commencing on or about August 19, 2025 and in any event, at least two trading days after TSX acceptance of the normal course issuer bid.

### (c) Redemption of all of the 6.50% Convertible Debentures Due October 31, 2026

Chemtrade will redeem on September 15, 2025 (the "Redemption Date") all of its outstanding 6.50% convertible unsecured subordinated debentures due October 31, 2026 (the "2026 Debentures") in accordance with the terms of the trust indenture, as amended and supplemented by supplemental indentures thereto (collectively, the "Indenture"), pursuant to which they were issued (the "Redemption").

Chemtrade will use cash on hand, or a combination of cash on hand and draws on its credit facilities, to fund the Redemption.