NEWS RELEASE

CHEMTRADE LOGISTICS INCOME FUND REPORTS SECOND QUARTER 2022 RESULTS AND SIGNIFICANTLY INCREASES 2022 ADJUSTED EBITDA GUIDANCE

TORONTO, Ontario, August 10, 2022 – Chemtrade Logistics Income Fund (TSX: CHE.UN) today announced results for the three months ended June 30, 2022 and issued updated 2022 guidance. The financial statements and MD&A will be available on Chemtrade's website at www.chemtradelogistics.com and on SEDAR at www.sedar.com.

Second Quarter 2022 Highlights

- Revenue of $446.4 million, an increase of $109.1 million or 32% year-over-year, reflecting improvements in both operating segments.
- Net earnings of $34.8 million, an increase of $48.9 million year-over-year.
- Adjusted EBITDA (1) of $81.7 million, an increase of $16.6 million or 25% year-over-year, despite the approximately $21.0 million negative impact related to the North Vancouver facility's biennial maintenance turnaround ($17.1 million) and costs related to the planned closure of the Beauharnois, QC sodium chlorate facility later this year ($3.9 million)**.**
- Cash flows from operating activities of $84.0 million, an increase of $33.1 million or 65% year-over-year.
- Distributable Cash (1) of $25.9 million, an increase of $4.7 million or 22% year-over-year, with a distribution payout ratio (1) of 47% for the trailing twelve months ended June 30, 2022.
- Continued balance sheet improvement, as demonstrated by a Net Debt / Adjusted EBITDA (1) ratio of 3.2x at quarter-end, as compared to 6.1x at the end of Q2 2021.
- Increased 2022 Adjusted EBITDA guidance to a range of $360 million to $380 million, compared to previous 2022 guidance of $300 million to $330 million. This increase primarily reflects Chemtrade's strong year-to-date results and ongoing favourable market fundamentals for the majority of Chemtrade's key products, but most notably for chlor-alkali chemicals.

Scott Rook, President and CEO of Chemtrade, commented on the second quarter 2022 results, "We are very pleased with our performance during the second quarter of 2022. Chemtrade continues to capitalize on strong market fundamentals across the majority of our product portfolio, including chlor-alkali chemicals. The results also reflect our ongoing focus on productivity and reliability which was evident in the safe and successful execution of the biennial maintenance turnaround at our North Vancouver facility during the quarter."

Mr. Rook continued, "Our positive year-to-date results and the continued strong demand and pricing we are realizing for our products have given us the confidence to increase our 2022 Adjusted EBITDA guidance. We also continue to take steps to ensure the momentum we are generating in the business continues for years to come. This includes the various organic growth projects we have previously detailed. In particular, we are excited about our recent announcement of a joint arrangement with Kanto Group to further strengthen Chemtrade's position as the leading manufacturer of ultrapure sulphuric acid in the North America market. As we have previously mentioned, demand for ultrapure sulphuric in the US is expected to show significant growth, driven by new investments in the semi-conductor industry. We remain focused on strengthening our balance sheet and disciplined capital allocation."

Consolidated Financial Summary of Q2 2022

(1) Adjusted EBITDA is a Total of Segments measure, Distributable Cash after Maintenance Capital Expenditures is a Non-IFRS measure and Distributable Cash after Maintenance Capital Expenditures per Unit, Payout Ratio and Debt/Adjusted EBITDA are Non-IFRS Ratios. Please see Non-IFRS and Other Financial Measures for more information.

Revenue for the second quarter of 2022 was $446.4 million, compared to $337.3 million in the second quarter of 2021. The increase in revenue for the second quarter of 2022 was primarily due to: (i) higher selling prices of chlor-alkali products in the Electrochemicals ("EC") segment; and (ii) higher selling prices of merchant acid and water solutions products in the Sulphur and Water Chemicals ("SWC") segment. This growth was partly offset by lower sales volumes of sodium chlorate in the EC segment and because revenue during the second quarter of last year included $12.9 million related to the specialty chemicals businesses that were sold in the fourth quarter of 2021.

Adjusted EBITDA for the second quarter of 2022 was $81.7 million, compared to $65.2 million in the second quarter of 2021. Chemtrade achieved an increase of $16.6 million in Adjusted EBITDA this quarter, primarily owing to strong revenue growth in both the EC and SWC segments. This was despite the approximately $21.0 million negative impact related to the North Vancouver facility's biennial maintenance turnaround ($17.1 million) and costs related to the planned closure of the Beauharnois, QC sodium chlorate facility later this year ($3.9 million)**.** Also, the specialty chemicals businesses sold in the fourth quarter of 2021 contributed $4.5 million of Adjusted EBITDA in the second quarter of 2021.

Distributable Cash after maintenance capital expenditures for the second quarter of 2022 was $25.9 million or $0.25 per unit, compared to $21.2 million or $0.21 per unit in the second quarter of 2022. This increase primarily reflects growth in Adjusted EBITDA, as noted above and was partly offset by higher maintenance capital expenditures during the period. Chemtrade expects its maintenance capital expenditures to be more evenly incurred during 2022 relative to 2021, when spending was skewed to the latter part of the year. Chemtrade's distribution payout ratio was 60% and 47% for the second quarter and twelve months ended June 30, 2022, respectively.

Chemtrade continued to strengthen its balance sheet during the second quarter of 2022. As of June 30, 2022, Chemtrade's Net Debt / Adjusted EBITDA ratio stood at 3.2x, compared to 6.1x at the end of the second quarter of 2021. This balance sheet improvement reflects a combination of cash generation, Adjusted EBITDA growth, the sale of the specialty chemicals businesses in the fourth quarter of 2021 and, to a lesser extent the sale of an idled Augusta, GA sulphuric acid plant during the second quarter of 2022 for cash proceeds of US$10.0 million. At the end of the second quarter of 2022, Chemtrade had US$247.9 million available on its credit facility, in addition to $23.3 million of cash on hand, and no outstanding debt maturities until May 2024.

Segmented Financial Summary of Q2 2022

The SWC segment reported revenue of $269.5 million for the second quarter of 2022, compared to $213.8 million in the second quarter of 2021. Adjusted EBITDA in the SWC segment for the second quarter of 2022 was $54.8 million, which was similar to the second quarter of 2021. Adjusting for the impact of the specialty chemicals businesses sold in the fourth quarter of 2021, which contributed $12.9 million of revenue and $4.5 million of Adjusted EBITDA in the prior year period, SWC's Adjusted EBITDA increased year-over-year by $5.3 million.

The increase in SWC revenue was primarily attributable to higher selling prices of merchant acid, water solutions products, and Regen acid. The increase in selling prices for these products is largely reflective of higher sulphur prices and, in the case of merchant acid, tight industry supply-demand dynamics. A partial offset to this revenue growth was lower sales volumes of merchant acid stemming from lower by-product supply as compared to the prior year period. Higher sulphur costs muted the improvement in Adjusted EBITDA, particularly for Chemtrade's water solutions products which continue to face margin pressures on a year-over-year basis due to the sharp rise in sulphur prices. Chemtrade continues to work proactively with its customers to pass through the higher input costs for its water solutions products.

The EC segment reported revenue of $176.9 million for the second quarter of 2022, compared to $123.5 million in the second quarter of 2021. Adjusted EBITDA in the EC segment was $50.7 million for the second quarter of 2022, as compared to $23.8 million in the second quarter of 2021. The significant increase in Adjusted EBITDA was achieved despite the approximately $21.0 million negative impact related to the North Vancouver facility's biennial maintenance turnaround ($17.1 million) and costs related to the planned closure of the Beauharnois, QC sodium chlorate facility later this year ($3.9 million)**.**

The increase in EC revenue and Adjusted EBITDA is reflective of higher selling prices for each of Chemtrade's chlor-alkali products – caustic soda, chlorine, and hydrochloric acid. Continued favourable market fundamentals for chlor-alkali chemicals resulted in Chemtrade's MECU netbacks (i.e. selling price less freight) being up approximately $1,000 year-over-year in the second quarter, with approximately 55% of the increase in netbacks attributable to higher realized prices for caustic soda and the balance attributable to higher realized prices for chlorine and to a lesser extent, for hydrochloric acid. Management maintains a positive outlook for chlor-alkali chemicals over the medium and long-term, supported by expectations of growing end-use demand. Chemtrade's Brazil business also delivered improved results relative to the second quarter of 2021, with this business benefitting from strong market fundamentals, including strong demand from its key customer. Growth in the EC segment was partially offset by lower sales volumes for sodium chlorate, which continued to experience soft demand related to decreased end use demand for office paper.

Corporate costs for the second quarter of 2022 were $23.8 million, compared to $12.6 million in the second quarter of 2021. The increase primarily reflects: (i) a realized foreign exchange loss of $0.4 million, as compared to a gain of $4.1 million in Q2 2021; (ii) higher costs related to Chemtrade's long-term incentive plan and other incentive costs of $4.6 million; and (iii) $1.0 million recognized in the prior year period for government support programs. Operating costs within the corporate segment were relatively consistent with the prior year period, reflecting Chemtrade's ongoing focus on efficiency.

Updated 2022 Guidance

($ million)	**Updated 2022 Guidance**	**Prior 2022 Guidance**	**2021 Actual**	**Six months ended Actual**	
				June 30,2022	**June 30,2021**
Adjusted EBITDA	$360.0 - $380.0	$300.0 - $330.0	$280.4	$189.6	$120.6
Maintenance Capital Expenditures	$80.0 - $90.0	$73.0 - $78.0	$75.3	$40.4	$23.8
Lease Payments	$50.0 - $55.0	$50.0 - $55.0	$51.6	$25.4	$25.7
Cash Interest (1)	$50.0 - $55.0	$50.0 - $55.0	$65.9	$26.5	$33.3
Cash Taxes	$10.0 - $15.0	$10.0 - $15.0	$3.5	$8.0	($1.3)

(1) Cash Interest is a supplementary financial measure. See Non-IFRS and Other Financial Measures

Chemtrade now expects its Adjusted EBITDA for the 2022 year to range between $360.0 million and $380.0 million. This compares to its previously issued guidance range of $300 million and $330 million. The increase to Adjusted EBITDA guidance primarily reflects Chemtrade's strong year-to-date results, ongoing positive market fundamentals for chlor-alkali chemicals, and favourable market conditions for many of Chemtrade's other key products.

This guidance is based on numerous assumptions. Certain key assumptions that underpin the 2022 Adjusted EBITDA guidance are as follows:

- There will be no significant lockdowns or stay-at-home orders issued in North America due to a resurgence of COVID-19 during 2022.
- None of the principal manufacturing facilities (as set out in Chemtrade's AIF) incurs significant unplanned downtime.

Key Assumptions	**Updated 2022 Assumption**	**Prior 2022 Assumption**	**2021 Actual**
Approximate North American MECU sales volumes	180,000	175,000	181,000
Year-over-year increase of the 2022 average CMA (1) NE Asia Caustic spot price index, per tonne	US$350	US$285	N/A

Key Assumptions	Updated 2022 Assumption	Prior 2022 Assumption	2021 Actual
Approximate North American production volumes of sodium chlorate (MTs)	350,000	350,000	361,000
USD to CAD average foreign exchange rate	1.250	1.250	1.254
LTIP costs (in millions)	$18.0 - $23.0	$15.0 - $20.0	$25.7

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

KPCT Advanced Chemicals LLC Joint Arrangement Agreement

On July 18, 2022, Chemtrade announced a joint arrangement with privately held Kanto Group for the greenfield construction of a high purity sulphuric acid plant in Casa Grande, Arizona having a total annual capacity of approximately 100,000MT of electronic grade acid. Kanto Group and Chemtrade own 51% and 49%, respectively, of this joint arrangement. While detailed cost estimates and timelines are not yet available, Chemtrade currently estimates that the aggregate capital to construct the plant will range from US$175 million to US$250 million and expects the plant to be operational in from late 2024 to 2025.

Distributions & Distribution Reinvestment Plan

Distributions declared in the second quarter of 2022 totaled $0.15 per unit, comprised of monthly distributions of $0.05 per unit.

About Chemtrade

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

NON-IFRS AND OTHER FINANCIAL MEASURES

Non-IFRS Measures and non-IFRS ratios

Non-IFRS financial measures are financial measures disclosed by an entity that (a) depict historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) are not disclosed in the financial statements of the entity and (d) are not a ratio, fraction, percentage or similar representation. Non-IFRS ratios are financial measures disclosed by an entity that are in the form of a ratio, fraction, percentage or similar representation that has a non-IFRS financial measure as one or more of its components, and that are not disclosed in the financial statements of the entity.

These non-IFRS financial measures and non-IFRS ratios are not standardized financial measures under IFRS and, therefore, are unlikely to be comparable to similar financial measures presented by other entities. Management believes these non-IFRS financial measures and non-IFRS ratios provide transparent and useful supplemental information to help investors evaluate our financial performance, financial condition and liquidity using the same measures as management. These non-IFRS financial measures and non-IFRS ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.

The following section outlines our non-IFRS financial measures and non-IFRS ratios, their compositions, and why management uses each measure. It includes reconciliations to the most directly comparable IFRS measures. Except as otherwise described herein, our non-IFRS financial measures and non-IFRS ratios are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable.

Distributable Cash after maintenance capital expenditures

Most directly comparable IFRS financial measure: Cash flows from operating activities

Definition: Distributable cash after maintenance capital expenditures is calculated as cash flow from operating activities less lease payments net of sub-lease receipts, maintenance capital expenditures and adjusting for cash interest and current taxes, and before decreases or increases in working capital.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.

	Three months ended		Twelve months ended
($'000)	**June 30, 2022**	**June 30, 2021**	**June 30, 2022**
Cash flows from (used in) operating activities	$83,976	$50,846	$295,698
(Less) Add:			
Lease payments net of sub-lease receipts	(12,586)	(12,671)	(51,306)
Increase in working capital	(23,984)	(3,075)	(19,178)
Changes in other items [1]	4,708	1,714	846
Maintenance capital expenditures [2]	(26,196)	(15,583)	(91,883)
Distributable cash after maintenance capital expenditures	$25,918	$21,231	$134,177

[1] Changes in other items relate to cash interest and current taxes.
[2] Maintenance capital expenditures are a supplementary financial measure. See “Supplementary Financial Measures” for more information.

Distributable Cash after maintenance capital expenditures per unit

Definition: Distributable cash after maintenance capital expenditures per unit is calculated as distributable cash after maintenance capital expenditures divided by the weighted average number of units outstanding.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.

Payout Ratio

Definition: Payout ratio is calculated as Distributions declared per unit divided by Distributable Cash after maintenance capital expenditures per unit.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including the amount of cash available for distribution to Unitholders.

	Three months ended		Twelve months ended
($'000)	**June 30, 2022**	**June 30, 2021**	**June 30, 2022**
Distributable cash after maintenance capital expenditures	$25,918	$21,231	$134,177
Divided by:			
Weighted average number of units outstanding	104,651,180	103,374,452	104,187,478
Distributable cash after maintenance capital expenditures per unit	$0.25	$0.21	$1.29
Distributions declared per unit [1]	$0.15	$0.15	$0.60
Payout ratio (%)	60%	71%	47%

[1] Based on actual number of units outstanding on record date.

Net Debt

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

Definition: Net Debt is calculated as the total of Long-term debt, the principal value of Debentures, lease liabilities and long-term lease liabilities, less cash and cash equivalents.

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

Net Debt/Adjusted EBITDA

Definition: Net Debt/Adjusted EBITDA is calculated as Net Debt divided by LTM Adjusted EBITDA. LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA and is calculated from Adjusted EBITDA reported in the MD&A.

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

	Three months ended	
($'000)	**June 30, 2022**	**June 30, 2021**
Long-term debt [1]	$498,305	$730,194
Add (Less):		
Convertible unsecured convertible debentures [1]	517,365	531,115
Long-term lease liabilities	90,663	113,205
Lease liabilities [2]	43,856	48,452
Cash and cash equivalents	(23,341)	(14,295)
Net Debt	$1,126,848	$1,408,671
LTM Adjusted EBITDA [3]	$349,349	$229,452
Net Debt / Adjusted EBITDA	3.23x	6.14x

[1] Principal amount outstanding.

[2] Presented as current liabilities in the condensed consolidated interim statements of financial position.

[3] LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA.

Total of Segments Measures

Total of segments measures are financial measures disclosed by an entity that (a) are a subtotal of two or more reportable segments, (b) are not a component of a line item disclosed in the primary financial statements of the entity, (c) are disclosed in the notes of the financial statements of the entity, and (d) are not disclosed in the primary financial statements of the entity.

The following section provides an explanation of the composition of the total of segments measures.

Adjusted EBITDA

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

	Three months ended	
($'000)	**June 30, 2022**	**June 30, 2021**
Net earnings (loss)	$34,835	$(14,078)
Add (Less):		
Depreciation and amortization	53,229	60,571
Net finance costs	9,801	19,122
Income tax expense (recovery)	(3,287)	(6,615)
Change in environmental liability	(66)	—
Net (gain) loss on disposal and write-down of PPE	(18,282)	404
(Gain) loss on disposal of assets held for sale	(238)	—
Unrealized foreign exchange loss	5,737	5,760
Adjusted EBITDA	$81,729	$65,164

Supplementary Financial Measures

Supplementary financial measures are financial measures disclosed by an entity that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity, (b) are not disclosed in the financial statements of the entity, (c) are not non-IFRS financial measures, and (d) are not non-IFRS ratios.

The following section provides an explanation of the composition of those supplementary financial measures.

Maintenance capital expenditures

Represents capital expenditures that are required to sustain operations at existing levels and include major repairs and maintenance and plant turnarounds.

Cash Interest

Represents the interest expense on long-term debt, interest on Debentures, pension interest expense and interest income.

Caution Regarding Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking statements within the meaning of certain securities laws, including the Securities Act (Ontario). Forward-looking statements can be generally identified by the use of words such as “anticipate”, “continue”, “estimate”, “expect”, “expected”, “intend”, “may”, “will”, “project”, “plan”, “should”, “believe” and similar expressions. Specifically, forward-looking statements in this news release include statements respecting certain future expectations about: Chemtrade’s expectations regarding continuation of momentum; and positioning as ultrapure sulfuric acid leader; expected growth in U.S. ultrapure sulphuric acid demand; the even incurrence throughout the year of its maintenance capital expenditures, Chemtrade’s positive outlook, and expected growth in end-use demand, for chlor-alkali chemicals; the expected range of capital required and start-up timing of the joint arrangement ultrapure acid plant; the Fund’s expected Adjusted EBITDA range for 2022; the expected 2022 range of maintenance capital expenditures, lease payments, cash interest, and cash taxes costs. Forward-looking statements in this news release describe the expectations of the Fund and its subsidiaries as of the date hereof. These statements are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including without limitation the risks and uncertainties detailed under the “RISK FACTORS” section of the Fund’s latest Annual Information Form and the “RISKS AND UNCERTAINTIES” section of the Fund’s most recent Management’s Discussion & Analysis.

Although the Fund believes the expectations reflected in these forward-looking statements and the assumptions upon which they are based are reasonable, no assurance can be given that actual results will be consistent with such forward-looking statements, and they should not be unduly relied upon. With respect to the forward-looking statements contained in this news release, the Fund has made assumptions regarding: there being no significant North American lockdowns or stay-at-home orders issued; there being no significant disruptions affecting Chemtrade’s principal manufacturing facilities; the stated North American MECU sales volumes and sodium chlorate production volumes; the 2022 average CMA NE Asia caustic spot price index; and the stated U.S. dollar average foreign exchange rate and the stated LTIP costs.

Except as required by law, the Fund does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

Further information can be found in the disclosure documents filed by Chemtrade Logistics Income Fund with the securities regulatory authorities, available at www.sedar.com.

A conference call to review the first quarter 2022 results will be webcast live on Thursday, August 11, 2022 at 10:00 a.m. ET. To access the webcast click here.

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