



CHEM TRADE



Responsible Care[®]
Our commitment to sustainability



2022

Q3 EARNINGS REVIEW | November 8, 2022

- Q3 2022 Financial Results Review
- 2022 Guidance & Assumptions
- Outlook for Key Products
- Organic Growth Projects
- Investment Highlights
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CAUTION REGARDING FORWARD- LOOKING STATEMENTS

Certain statements contained in this presentation constitute forward-looking statements within the meaning of certain securities laws, including the Securities Act (Ontario). Forward-looking statements can be generally identified by the use of words such as “anticipate”, “continue”, “estimate”, “expect”, “expected”, “intend”, “may”, “will”, “project”, “plan”, “should”, “believe” and similar expressions. Forward-looking statements in this presentation describe the expectations of Chemtrade Logistics Income Fund (“Chemtrade”) and its subsidiaries as of the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including without limitation the risks and uncertainties detailed under the “RISK FACTORS” section of Chemtrade’s latest Annual Information Form and the “RISKS AND UNCERTAINTIES” section of Chemtrade’s most recent Management’s Discussion & Analysis. Although Chemtrade believes the expectations reflected in these forward-looking statements and the assumptions upon which they are based are reasonable, no assurance can be given that actual results will be consistent with such forward-looking statements, and they should not be unduly relied upon. Except as required by law, Chemtrade does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Further information can be found in the disclosure documents filed by Chemtrade with the securities regulatory authorities, available on www.sedar.com.

One of the measures referred to in this presentation is Adjusted EBITDA, which is EBITDA modified to exclude only non-cash items such as unrealized foreign exchange gains and losses. Non-IFRS and other financial measure are fully defined in our MD&A.



Q3 2022 Consolidated Quarterly Results

C\$ Millions, except per unit metrics and ratios

	Q3 2022	Q3 2021	Change (\$)	Change (%)
Revenue	519.9	365.0	154.9	42%
Net Earnings (Loss)	75.3	(20.2)	95.5	n/a
Adjusted EBITDA ⁽¹⁾	137.1	67.3	69.8	104%
Cash Flows from Operating Activities	143.5	81.4	62.1	76%
Distributable Cash ⁽¹⁾	82.5	19.3	63.2	327%
DCPU ⁽¹⁾⁽²⁾	0.75	0.19	0.56	295%
Distributions declared per unit ⁽³⁾	0.15	0.15	-	-
Payout Ratio (%) ⁽¹⁾	20%	79%	n/a	n/a
Net Debt ⁽¹⁾	994.2	1,385.1	(390.9)	(28)%
Net Debt / Adjusted EBITDA ⁽¹⁾	2.4x	6.0x	n/a	n/a

(1) Adjusted EBITDA is a Total of Segments measure. DCPU (Distributable Cash Per Unit), Payout Ratio, and Net Debt / Adjusted EBITDA are non-IFRS ratios. See Appendix for more information.

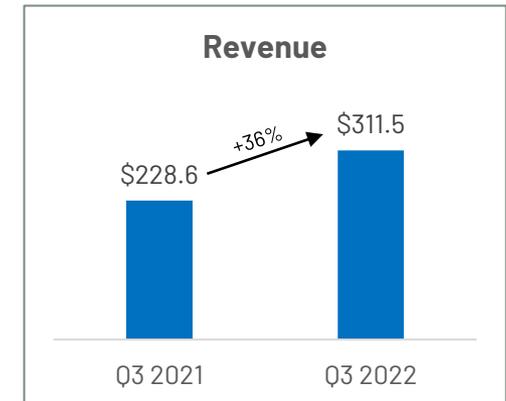
(2) Based on weighted average number of units outstanding for the period.

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



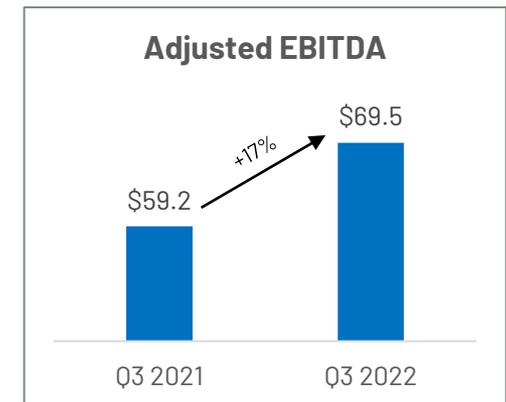
Revenue

- Higher selling prices of merchant acid, water solutions products, and Regen acid
- Higher sales volumes of merchant acid and water solutions
- Decrease in revenue due to the sale of certain specialty chemicals businesses (KCl and vaccine adjuvant businesses) in Q4 2021 (\$12.3 million)



Adjusted EBITDA ⁽¹⁾

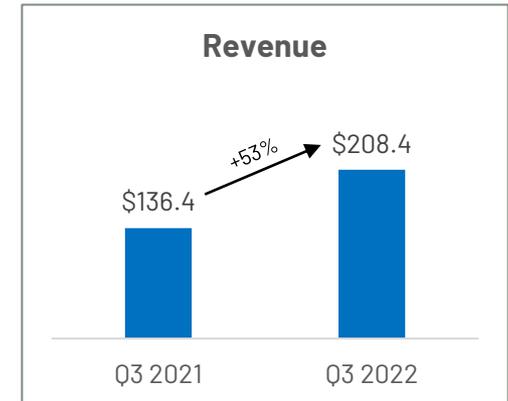
- Higher volumes for merchant acid and water solutions and higher selling prices of Regen Acid
- Higher selling prices for merchant acid and water solutions products offset higher costs for sulphur and freight compared to the third quarter of 2021
- Loss of EBITDA related to the specialty chemicals businesses sold in Q4 2021 (\$3.6 million). Excluding the impact of the specialty chemicals businesses sold, Adjusted EBITDA increased by \$13.8 million year-over-year



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

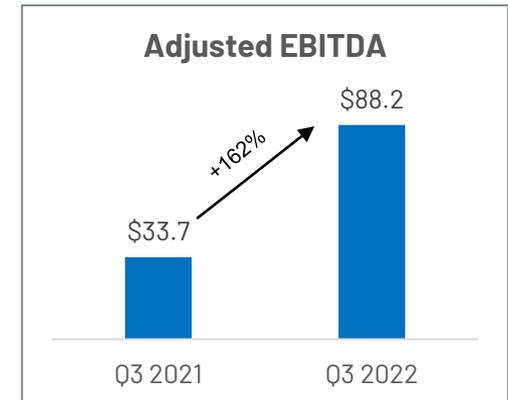
Revenue

- Higher selling prices for chlor-alkali products
 - Realized MECU netbacks up ~\$980 year-over-year, with ~50% of increase attributable to stronger caustic soda pricing and the other ~50% attributable to stronger pricing for chlorine and, to a lesser extent, HCl
- Sodium chlorate steady year-over-year
- Strong quarter in Brazil with widespread improvement in demand and pricing



Adjusted EBITDA ⁽¹⁾

- Higher revenue, as outlined above



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

Corporate Costs

- LTIP costs lower by \$5.7 million year-over-year
- Operating costs relatively consistent year-over-year
- Continuing to focus on efficiencies to mitigate inflationary impacts



- **Net Debt / Adjusted EBITDA ⁽¹⁾ of 2.4x at end of Q3 2022, down from 6.0x in Q3 2021.**

- Reflects a combination of cash generated from the business, Adjusted EBITDA growth, an \$86.5 million equity offering completed in Q3 2022, the sale of an idled sulphuric acid plant in Augusta, GA in Q2 2022, and the sale of specialty chemicals businesses in Q4 2021.
- Expect to end 2022 with slightly lower leverage than Q3 2022.

- **Senior Credit Facility of US\$650.0 million – matures in December 2026; fully revolving.**

- US\$362.5 million available as of end of Q3 2022, in addition to C\$36.9 million of cash on hand.
- No material debt maturities until May 2024.
- Proceeds of recent equity financing to be used to partially finance previously announced Ultrapure sulphuric acid growth projects.

- **Process to sell real estate at North Vancouver site through a sale-and-leaseback transaction is ongoing.**

- If successful, would provide additional financial flexibility and liquidity for primary capital priorities of deleveraging and investing in organic growth.
- Updates to be provided when terms of an agreement are reached or the process is terminated.

(1) Net Debt / Adjusted EBITDA is a non-IFRS ratio. See Appendix for more information.

- 2022 Adjusted EBITDA guidance increased for third consecutive quarter, primarily reflecting strong year-to-date results and ongoing strength in market fundamentals across Chemtrade's product portfolio.
- Midpoint of 2022 Adjusted EBITDA guidance is \$425.0 million, a \$176.5 million improvement over 2021 after adjusting for the sale of specialty chemicals businesses (\$14.2 million Adjusted EBITDA contribution in 2021) and NATO lawsuit settlement in 2021 (\$17.7 million net recovery in 2021), despite impact of biennial turnaround at North Vancouver facility in Q2 2022 (\$17 million impact).
- Implied payout ratio ⁽¹⁾ of 32% for 2022, assuming the midpoint of Adjusted EBITDA guidance.

	Updated 2022 Guidance	Prior 2022 Guidance	2021 Actual	Nine months ended Actual	
				September 30, 2022	September 30, 2021
Adjusted EBITDA ⁽¹⁾	\$420 - \$430	\$360 - \$380	\$280.4 ⁽²⁾	\$326.6	\$187.8
Maintenance Capex ⁽¹⁾	\$95 - \$105	\$80 - \$90	\$75.3	\$67.1	\$39.4
Lease Payments	\$50 - \$55	\$50 - \$55	\$51.6	\$38.8	\$38.8
Cash Interest ⁽¹⁾	\$50 - \$55	\$50 - \$55	\$65.9	\$39.5	\$49.9
Cash Tax ⁽¹⁾	\$10 - \$15	\$10 - \$15	\$3.5	\$9.5	\$1.4

(1) Adjusted EBITDA is a Total of Segments measure. Maintenance Capex, Cash Interest and Cash Tax are Supplementary Financial Measures. Payout Ratio is a non-IFRS ratio. See Appendix for more information.

(2) Includes \$14.2 million relating to the KCI and vaccine adjuvants businesses sold in November 2021 and \$17.7 million benefit from the settlement of the NATO Lawsuit.

2022 Guidance Key Assumptions

Key Assumptions	Updated 2022 Assumption	Prior 2022 Assumption	2021 Actuals
Approximate North American MECU sales volume	~178K	~180K	~181K
2022 average CMA ⁽¹⁾ NE Asia Caustic price index being higher per tonne than the 2021 average	↑ US\$360	↑ US\$350	N/A
North American production volume of sodium chlorate	~345KT	~350KT	~361KT
USD to CAD average foreign exchange rate	1.280	1.250	1.254
LTIP expense (in millions)	\$18.0 - \$23.0	\$18.0 - \$23.0	\$25.7

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

Sulphuric acid

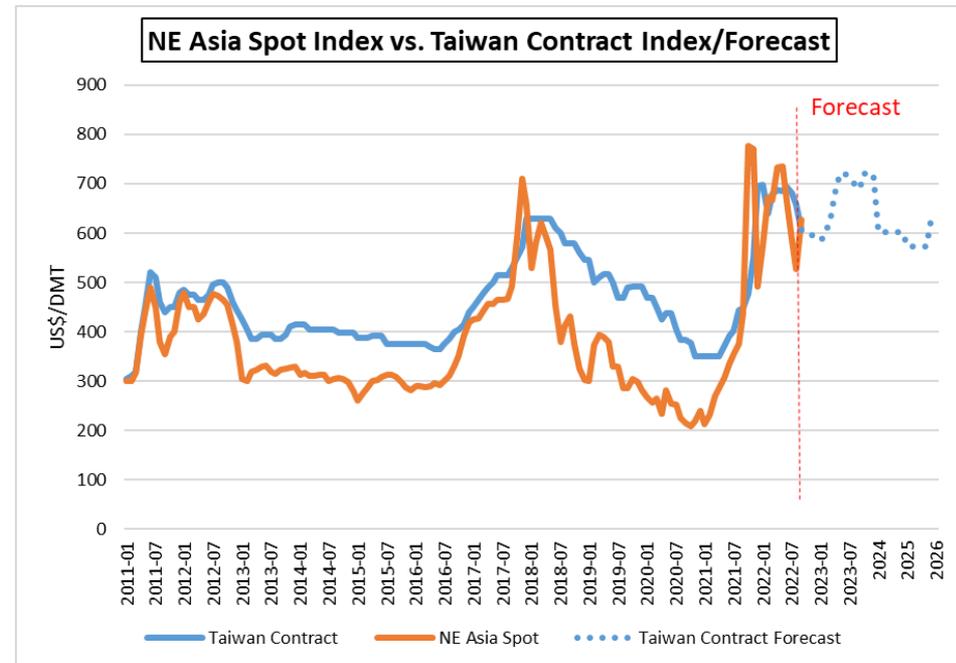
- Merchant acid market remains tight on stronger economic activity, given widespread industrial uses. Stronger demand and pricing have contributed to margin expansion, despite high sulphur prices.
- Demand for Regen acid, which is used in gasoline alkylate production, has rebounded from 2020 levels. Pricing for Regen acid has also improved recently.
- Ultrapure acid demand from the semiconductor industry remains robust and very strong medium- and long-term outlook, supported by semiconductor industry production capacity expansions in North America. Chemtrade is expecting improved demand and pricing for Ultrapure acid in 2023.

Water chemicals

- Demand supported by increasing regulations and population growth – alum demand stable; PAC/ACH demand growing >5% per year.
- Have been successfully offsetting higher input costs with pricing.
- Sulphur prices have begun easing (Tampa pricing down ~\$200/ton recently), offering a tailwind for margins in the coming quarters.
- Additional production capacity of PAC and ACH will be available for 2023.

Caustic Soda

- Prices have recently strengthened, supported by continued strong demand, supply dislocations stemming from geopolitical conflicts, increased utility costs in Europe and Asia, and increased global freight costs.
- NE Asia October price of US\$650/DMT.
- Revised 2022 guidance assumes US\$650/DMT.
- Long-term outlook remains strong, supported by reinvestment economics and with demand growth (aluminum; lithium-ion batteries) projected to significantly outpace industry supply growth.
- Chemtrade's access to low-cost electricity provides a competitive advantage relative to overseas competitors.



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

Chlorine

- Demand and pricing remain strong, benefitting from tight industry supply and improved end-market demand (PVC; bleach products), as well as increased utility costs in Europe and Asia and increased global freight costs.
- Prices expected to remain elevated through the balance of 2022 and into 2023.

HCl

- Higher natural gas prices in Europe are supporting increased exports of natural gas from North America to Europe and, by extension, increased fracking activity in North America.
- Market gradually improving, in terms of both volume and price; ongoing steady increase in US and Canadian rig counts signals continued improvement for the HCl market.

Long Term Market Demand

2018:	Oil WTI:	\$65/bbl
	US & Can Rigs:	1,200
2020:	Oil WTI:	\$39/bbl
	US & Can Rigs:	522
2021:	Oil WTI:	\$68/bbl
	US & Can Rigs:	606
Oct. 2022:	Oil WTI:	\$85/bbl
	US & Can Rigs:	980

Source: Baker Hughes

Strong fundamentals for chlorine and HCl enabling Chemtrade to fully capture the benefits of higher caustic soda pricing.

Sodium Chlorate

- Chemtrade expects to see significant gains in sodium chlorate in 2023, due to both increased market demand and increased pricing. This is due to two factors:
 - 1) Sodium chlorate capacity rationalizations taking place in North America are expected to result in improved industry operating rates
 - 2) North American market seeing new interest in export volumes, given elevated electricity prices in Europe and Asia
- Chemtrade's access to low-cost electricity provides a competitive advantage relative to overseas competitors, as electricity represents ~60% of the variable cost of sodium chlorate production
- Beauharnois, QC facility closure remains on track to be completed by the end of 2022, with volumes to be absorbed by the Brandon, MB and Prince George, BC facilities. This footprint rationalization and optimizing utilization of the other facilities should lead to an improved cost structure moving forward.

Ultrapure Acid Capacity Expansions

- Both the 15,000 MT Cairo, Ohio and 100,00 MT Casa Grande, Arizona projects continue to proceed on schedule.
- A groundbreaking ceremony at the Cairo, Ohio facility will be held on December 9th, 2022, with attendees expected to include representatives from the American Chemistry Council, major global foundries, and U.S. Congress.

Water Chemicals Capacity Expansion

- Small projects to expand capacity for higher growth PAC and ACH are proceeding on schedule to be completed this year and contribute to results in 2023.

Green Hydrogen Monetization

- Prince George, BC project progressing on schedule, with production expected to begin in 2023.
- Planning continuing for the anticipated larger Brandon, MB green hydrogen project.

Key ESG Targets for 2022 and Beyond

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>GHG and other air emissions</p> <ul style="list-style-type: none"> Reduce or offset 2021 baseline direct GHG emissions emitted from sources we own or control (Scope 1 emissions) by 50% by 2025⁽¹⁾ Including all future acquisitions, maintain GHG intensity (kg GHG/kg product) below the chemical industry average 	<p>Workforce Health and Safety</p> <ul style="list-style-type: none"> Achieve employee occupational injury/illness incident rate (OIR) of 0.7 by 2025 Avoid all serious injuries or fatalities (SIFs) for employees and contractors in 2022 and beyond 	<p>Governance of Environmental and Social Issues</p> <ul style="list-style-type: none"> Demonstrate ESG leadership by reporting material SASB factors in alignment with the Task Force on Climate-Related Financial Disclosure model (Governance, Strategy, Risk Management, Metrics, and Targets) Incorporate ESG related targets into short-term and long-term incentive plans of executives starting in 2022
<p>Industrial and Hazardous Waste</p> <ul style="list-style-type: none"> Reduce high clay alumina (HCA) landfill disposal by an additional 20% of 2021 baseline by 2025 	<p>Operational Safety, Emergency Preparedness and Response</p> <ul style="list-style-type: none"> Reduce Level 1 spills or releases by 50% of 2021 baseline by 2025 Reduce the number of transportation incidents by 40% of 2021 baseline by 2025 	<p>Board and Executive Diversity Targets</p> <ul style="list-style-type: none"> Maintain 30% women and achieve 50% designated groups on Board of Directors by our annual meeting in 2024 Maintain 30% women and 50% designated groups in our Executive Officer Positions
<p>Energy Management</p> <ul style="list-style-type: none"> Ensure a minimum of 85% of our electricity usage is from hydroelectric or other renewable sources and maintain this target when making acquisitions 	<p>Employee Engagement and Diversity</p> <ul style="list-style-type: none"> Achieve industry benchmark employee engagement survey results by 2023 Across the organization, fill 40% of vacancies with black, Indigenous and people of colour (BIPOC) and/or women by 2024 Achieve 50% BIPOC and/or women in all management positions by the end of 2025 	

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

For more information, please refer to our recently published Sustainability Report, available at www.chemtradelogistics.com/sustainability.

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Chemtrade continues to see ongoing strength across its business and product portfolio and the company maintains a positive outlook for Q4 2022 and into 2023.

Given numerous defensive attributes, its diverse product portfolio that is benefitting from a number of varied tailwinds, and its strengthened balance sheet, Chemtrade believes it is better-positioned than many chemical manufacturers, should an economic downturn occur.

SWC Segment

- Water treatment chemicals are non-discretionary and any decline in raw material costs could result in stronger margins.
- Regen business resilient as refinery utilization rates generally remain high in a typical recession.
- Ultrapure demand supported by chip shortages and semiconductor industry capacity expansions.
- Merchant acid demand tied to industrial activity, but North American demand supported by global supply dislocations, potentially dampening the impact of any economic weakness.

EC Segment

- Chlor-alkali impact determined by relative demand for caustic soda and chlorine.
- Sodium chlorate volumes historically impacted in a recession, but already subdued North American demand and export opportunities could result in limited downside.
- Potential for electrochemical prices to remain elevated on high energy pricing for competitors in Europe / Asia.

Size, Scale and Diversity of Earnings	<ul style="list-style-type: none"> ▪ Extensive product portfolio offers diversified exposure to industrial and consumer end-markets ▪ Exposure to strong chlor-alkali backdrop and robust industrial activity ▪ Benefitting from supply dislocations and pricing impacts caused by geopolitical conflicts
Market Leadership	<ul style="list-style-type: none"> ▪ Significant regional market share across multiple products
Defensive Attributes	<ul style="list-style-type: none"> ▪ Many key products are expected to see limited impact in a typical economic recession ▪ Natural inflation hedge through exposure to higher commodity pricing
Compelling Growth	<ul style="list-style-type: none"> ▪ Compelling organic growth opportunities across the business offer significant growth potential in the coming years (Ultrapure acid; Green Hydrogen; Water Chemicals; Productivity and Reliability initiatives)
Improving Balance Sheet	<ul style="list-style-type: none"> ▪ Significantly strengthened balance sheet (2.4x Net Debt / Adjusted EBITDA ⁽²⁾) offers improved financial flexibility ▪ Continue to focus on balance sheet improvement and prudent capital allocation
Attractive and Sustainable Distribution	<ul style="list-style-type: none"> ▪ 8.0% distribution yield (annualized) ⁽¹⁾ ▪ LTM payout ratio of 32%; Implied 2022 payout ratio of 32% at midpoint of guidance ⁽²⁾
ESG	<ul style="list-style-type: none"> ▪ 2025 ESG targets positioning Chemtrade to be an industry-leader on ESG

(1) As of November 4, 2022.

(2) Payout Ratio and Net Debt / Adjusted EBITDA are non-IFRS ratios. See Appendix for more information.

Q&A

APPENDIX

Agenda

Financial Results
Review

2022 Guidance
and Assumptions

Outlook for Key
Products

Organic Growth
Projects

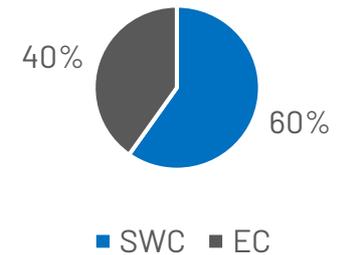
Investment
Highlights

Appendix

Sulphur and Water Chemicals(SWC)

- Manufactures and markets sulphur-based products, water treatment products, and specialty chemicals.
- One of North America’s largest suppliers of industrial sulphuric acid, including Regen acid for the petroleum industry and Ultrapure acid for the semiconductor manufacturing sector.
- One of North America’s largest suppliers of inorganic coagulents for water treatment, serving a diverse customer base including industrial markets and municipalities.

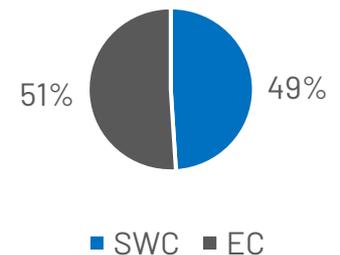
LTM Revenue



Electrochemicals(EC)

- Manufactures and markets sodium chlorate and chlor-alkali products.
- A leading supplier of sodium chlorate in Canada, primarily for the pulp and paper industry.
- A leading regional supplier of chlor-alkali products for diverse industrial end-markets.
- Operates Brazilian electrochemicals plant, supported by a long-term contract with Suzano.

LTM Adjusted EBITDA*



*excluding corporate costs

Key Products	Primary End-Uses	Competitive Advantages	Key Competitors
Regen sulphuric acid	Gasoline production	<ul style="list-style-type: none"> Largest facilities are closely connected to customers (connected via pipeline at most facilities) 	Ecoservices; Veolia North America; PVS Chemical Solutions Inc.
Ultrapure sulphuric acid	Semiconductor manufacturing	<ul style="list-style-type: none"> North America's leading producer of ultrapure acid 	PVS Chemical Solutions Inc; Imports from overseas
Merchant sulphuric acid	Wood pulp; industrial chemicals; automobile batteries; steel production; water treatment; mining	<ul style="list-style-type: none"> One of North America's top three marketers of sulphuric acid Half of sulphuric acid manufactured internally Risk-sharing agreements with by-product suppliers 	Glencore; International Raw Materials; Veolia North America; Ecoservices; Southern States Chemical Company; Rio Tinto Kennecott; Cornerstone Chemical Company; Nouryon Chemicals
Water solutions (Alum; ACH; PACI)	Municipal and industrial water treatment	<ul style="list-style-type: none"> One of North America's largest suppliers of inorganic coagulents for water treatment Sulphuric acid is a key raw material; able to source from own facilities 35+ facilities are located in close proximity to customers 	USALCO; Southern Ionics Incorporated; Affinity Chemical LLC; C&S Chemicals, Inc. Kemira Water Solutions Inc.; Thatcher Company; Brenntag Southwest, Inc.; Chameleon Specialty Chemicals; Holland Company, Inc.; Ecoservices Operations LLC; GAC Chemical Corporation; Border Chemicals Company Ltd.; PVS Chemicals, Inc.; Summit Chemicals, Inc.; Harcros Chemicals Inc.

Key Products	Primary End-Uses	Competitive Advantages	Key Competitors
Caustic soda	Pulp & paper; soaps and detergents; aluminum; oil & gas exploration and refining; lithium-ion battery production; chemical processes	<ul style="list-style-type: none"> North America: Access to low-cost hydroelectric power (electricity ~2/3rds of production cost) Brazil production of caustic soda mostly sold to Suzano under a long-term contract Both facilities use membrane cell technology, which is newer and more efficient than legacy technologies 	<ul style="list-style-type: none"> North America: Univar; ERCO Worldwide; Westlake Chemical Corporation; Olin Corporation; US Magnesium LLC; K2 Pure Solutions; Occidental Chemical Corporation; Shintech Inc.; Formosa Plastics Corporation Brazil: Unipar Carbocloro; Katrium; Compass Minerals
Chlorine	Construction (PVC); water treatment; chlorine derivatives		
Hydrochloric Acid	Oil & gas drilling; steel manufacturing		
Sodium Chlorate	Pulp & paper bleaching	<ul style="list-style-type: none"> North America: Access to low-cost hydroelectric power (electricity ~2/3rds of production cost) Brazil production mostly sold to Suzano under a long-term contract; delivered by pipeline 	<ul style="list-style-type: none"> North America: ERCO Worldwide; Nouryon Chemicals (Eka); Kemira Water Solutions Inc. Brazil: Nouryon Chemicals (Eka)

Equity(CHE.UN)

- 115.3 million units outstanding, as of November 4, 2022.
- Proceeds of recent \$86.5 million equity financing to be used to partially finance previously announced Ultrapure sulphuric acid growth projects.

Long-Term Debt

- US\$650 million revolving credit facility
- US\$362.5 million available, as of September 30, 2022
- December 2026 maturity (amended & extended December 2021)

Capital Allocation Priorities:

1. Maintaining a strong balance sheet
2. Investing in financially accretive organic growth opportunities
3. Return of capital to unitholders
4. Strategic, opportunistic tuck-in acquisitions

Convertible Unsecured Subordinated Debentures

	Fund 2017 Debentures (CHE.DB.D)	Fund 2019 Debentures (CHE.DB.E)	Fund 2020 Debentures (CHE.DB.F)	Fund 2021 Debentures (CHE.DB.G)	Total
Maturity	May 31, 2024	October 31, 2026	September 30, 2025	August 31, 2027	
Interest Rate	4.75%	6.50%	8.50%	6.25%	
Principal outstanding (June 30, 2022) (C\$ millions)	\$201.1	\$100.0	\$86.3	\$130.0	\$517.4
Conversion Price	\$26.70/unit	\$15.80/unit	\$7.35/unit	\$10.00/unit	

Caustic Soda Price

- Change of US\$50/DMT = CAD\$10 million

Sodium Chlorate Price

- Change of \$50/metric tonne = \$17.25 million

CA\$/US\$ exchange rate

- Change of 1 cent = \$3.9 million

Segmented Information

SWC Segment

(C\$ Thousands)	Three months ended September 30	
	2022	2021
Revenue	\$ 311,527	\$ 228,614
Gross profit (loss)	45,427	36,777
Adjusted EBITDA	69,471	59,228



Segmented Information

EC Segment

(C\$ Thousands)	Three months ended September 30	
	2022	2021
North American sales volumes:		
Sodium chlorate sales volume (000's MT)	91	91
Chlor-alkali sales volume (000's MECU)	52	52
Revenue	\$ 208,393	\$ 136,389
Gross profit (loss)	63,757	8,231
Adjusted EBITDA	88,221	33,706

Non-IFRS Measures and Ratios

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

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

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

Distributable cash after maintenance capital expenditures –

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

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

Why we use the measure and why 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.

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 our ability to pay distributions to Unitholders.

Non-IFRS Measures and Ratios

C\$ Thousands, except per unit metrics and ratios

	Three months ended September 30,		Twelve months ended September 30,
	2022	2021	2022
Cash flow from operating activities	\$ 143,472	\$ 81,360	\$ 357,810
Add (Less):			
Lease payments net of sub-lease receipts	(13,358)	(13,100)	(51,564)
(Decrease) Increase in working capital	(22,572)	(29,294)	(12,456)
Changes in other items ⁽¹⁾	1,657	(4,064)	6,567
Maintenance capital expenditures	(26,670)	(15,589)	(102,964)
Distributable cash after maintenance capital expenditures	82,529	19,313	197,393
Weighted average number of units outstanding	109,315,091	103,723,574	105,596,847
Distributable cash after maintenance capital expenditures per unit	\$ 0.75	\$ 0.19	\$ 1.87
Distributions declared per unit ⁽²⁾	\$ 0.15	\$ 0.15	\$ 0.60
Payout ratio (%)	20%	79%	32%

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

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

Net Debt –

Most directly comparable IFRS financial measure: Total long-term debt, convertible unsecured subordinated debentures, lease liabilities, and long-term lease liabilities, less cash and cash equivalents

Definition: Net Debt is calculated as the total of Long-term debt, the principal amount of convertible unsecured subordinated debentures outstanding, 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.

Non-IFRS Measures and Ratios

C\$ Thousands, except ratios

	Three months ended September 30	
	2022	2021
Long-term debt ⁽¹⁾	\$ 377,532	\$ 714,195
Add (Less):		
Convertible unsecured convertible debentures ⁽¹⁾	517,365	531,115
Lease liabilities	45,435	48,727
Long-term lease liabilities	90,787	107,858
Cash and cash equivalents	(36,891)	(16,768)
Net Debt	\$ 994,228	\$ 1,385,127
LTM Adjusted EBITDA ⁽²⁾	\$ 419,153	\$ 232,055
Net Debt / Adjusted EBITDA	2.4x	6.0x

(1) Principal amount outstanding.

(2) LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA and is calculated from Adjusted EBITDA reported in the MD&A.

Total of Segments Measures

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

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

Adjusted EBITDA -

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

	Three months ended September 30	
	2022	2021
Net earnings (loss)	\$ 75,341	\$ (20,159)
Add (Less):		
Depreciation and amortization	56,598	56,590
Net finance (income) costs	(25,864)	18,657
Income tax (recovery) expense	12,870	8,248
Net (gain) loss on disposal and write-down of PPE	895	(132)
Unrealized foreign exchange (gain) loss	17,217	4,049
Adjusted EBITDA	\$ 137,057	\$ 67,253

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

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

Maintenance capital expenditures

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

Cash Interest

Represents interest expense related to long-term debt, convertible unsecured subordinated debentures and pension plans. It excludes non-cash finance costs such as changes in fair value of the convertible unsecured subordinated debentures, ineffective portion of cash flow hedges, changes in fair value of interest rate swaps and accretion expense.

Cash Tax

Represents current income tax expense adjusted to exclude current income expense related to the disposal of assets held for sale