

NEWS RELEASE

CHEMTRADE LOGISTICS INCOME FUND ISSUES 2023 GUIDANCE

TORONTO, Ontario, January 16, 2023 – Chemtrade Logistics Income Fund (TSX: CHE.UN) today issued 2023 Guidance.

2023 Guidance

(\$ million)	2023 Guidance	2022 Guidance Updated in Q3	2021 Actual
Adjusted EBITDA ⁽¹⁾	\$360.0 - \$400.0	\$420.0 - \$430.0	\$280.4
Maintenance Capital Expenditures ⁽¹⁾	\$80.0 - \$105.0	\$95.0 - \$105.0	\$75.3
Growth Capital Expenditures ⁽¹⁾	\$110.0 - \$140.0	N/A	\$10.9
Lease Payments	\$50.0 - \$60.0	\$50.0 - \$55.0	\$51.6
Cash Interest ⁽¹⁾	\$50.0 - \$55.0	\$50.0 - \$55.0	\$65.9
Cash Tax ⁽¹⁾	\$10.0 - \$20.0	\$10.0 - \$15.0	\$3.5

(1) Adjusted EBITDA is a Total of Segments measure. Maintenance Capital Expenditures, Growth Capital Expenditures, Cash Interest and Cash Tax are supplementary financial measures. See Non-IFRS and Other Financial Measures.

Chemtrade expects its 2023 Adjusted EBITDA to range between \$360 million and \$400 million.

Chemtrade's latest guidance for 2022 was that it expected the 2022 Adjusted EBITDA to range between \$420 million and \$430 million. This is the highest level of annual Adjusted EBITDA ever generated by Chemtrade. Although, Adjusted EBITDA in 2023 is expected to be below 2022, the mid-point of 2023's Adjusted EBITDA of \$380 million represents the second highest level ever generated by Chemtrade.

Chemtrade's guidance is based on numerous assumptions. Certain key assumptions that underpin the 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 2023.
- None of the principal manufacturing facilities (as set out in Chemtrade's AIF) incurs significant unplanned downtime.

Key Assumptions	2023 Assumption	Q3 2022 Assumption	2021 Actual
Approximate North American MECU sales volumes	170,000	178,000	181,000
2023 average CMA ⁽¹⁾ NE Asia caustic spot price index being lower per tonne than the 2022 average	US\$185	N/A	N/A
Approximate North American production volumes of sodium chlorate (MTs)	310,000	345,000	361,000
USD to CAD average foreign exchange rate	1.280	1.280	1.254
LTIP ⁽²⁾ costs (in millions)	\$10.0 - \$15.0	\$18.0 - \$23.0	\$25.7

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

⁽²⁾ Long Term Incentive Plan

The lower expected Adjusted EBITDA for 2023 compared to 2022 is attributed to the following key factors:

- Lower average selling prices for caustic soda due to lower NE Asia index prices.
- Lower MECU sales volumes of chlor-alkali products due to lower expected demand.
- Lower sales volumes of sodium chlorate.
- Higher spending at sulphuric acid plants for reliability improvements.

The factors above are partially offset by the following:

- Higher selling prices for sodium chlorate.
- Higher sales volumes and pricing of ultrapure sulphuric acid.

Chemtrade's long-term objective is to deliver sustained earnings growth and generate value for investors. To accomplish this Chemtrade has identified a number of organic growth projects including two large ultrapure sulphuric acid growth expansion projects in Cairo, OH and Casa Grande, Arizona. Chemtrade also plans to invest in hydrogen and water chemicals projects as well as other smaller organic growth projects. Chemtrade is targeting to achieve an incremental \$45 million in EBITDA growth by 2025 and \$75 million in EBITDA growth by 2027. In 2023, Chemtrade plans to allocate \$110 million - \$140 million for growth capital expenditures to support these organic growth projects. Additional details on Chemtrade's growth projects can be found in the disclosure documents filed by Chemtrade with the securities regulatory authorities, available on sedar.com and on Chemtrade's investor page at chemtradelogistic.com/investors.

Hydrogen Organic Growth Project Update

Chemtrade's previously announced hydrogen project at the Prince George, BC chlorate plant has been delayed as one of the partners in this project wants to conserve capital due to the prevailing global economic uncertainty.

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 also the largest producer of high purity sulphuric acid for the semiconductor industry in North America. Chemtrade is a leading regional supplier of sulphur, chlor-alkali products, 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 financial measures and non-IFRS ratios

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

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

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

Growth capital expenditures

Most directly comparable IFRS financial measure: Capital expenditures

Definition: Growth capital expenditures is calculated as Capital expenditures less Maintenance Capital expenditures, plus Investments in a joint venture.

Why we use the measure and why is it useful to investors: It provides useful information related to the capital spending and investments intended to grow earnings.

<u>(\$'000)</u>	<u>Year ended</u> <u>December 31,</u> <u>2021</u>
Capital Expenditures	\$86,209
Add (Less):	
Maintenance Capital Expenditures	(\$75,265)
Growth Capital Expenditures	\$10,876

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)

<u>(\$'000)</u>	<u>Year ended</u> <u>December 31,</u> <u>2021</u>
Net earnings (loss)	\$(235,209)
Add (Less):	
Depreciation and amortization	239,622
Net finance (income) costs	116,182
Income tax expense	14,969
Impairment of intangible assets	81,657
Impairment of PPE	48,343
Change in environmental liability	561
Net loss (gain) on disposal and write-down of PPE	(373)
Loss on disposal of assets held for sale	7,135
Unrealized foreign exchange loss	7,493
Adjusted EBITDA	\$280,380

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.

Cash tax

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

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: the Fund’s expected adjusted EBITDA range for 2022 and 2023; the expected maintenance capital

expenditures, growth capital expenditures, lease payments, cash interest and cash tax; the ability of Chemtrade to invest in hydrogen, water chemical and other organic growth projects; Chemtrade's targeted incremental EBITDA growth in 2025 and 2027; and its ability to fund and allocate funds for growth capital expenditures in support thereof. 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 during 2023; there being no significant disruptions affecting Chemtrade's principal manufacturing facilities; the stated North American MECU and sodium chlorate production volumes; the 2023 average NE Asia caustic spot price index; the stated U.S. dollar foreign exchange rate; and the stated long term incentive plan 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.

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