



NEWS RELEASE

CHEMTRADE LOGISTICS INCOME FUND REPORTS FOURTH QUARTER AND RECORD FULL YEAR RESULTS FOR 2023

REAFFIRMS 2024 GUIDANCE FOR ADJUSTED EBITDA OF BETWEEN \$395.0 MILLION AND \$435.0 MILLION

TORONTO, Ontario, February 20, 2024 – Chemtrade Logistics Income Fund (TSX: CHE.UN) (“Chemtrade” or the “Fund”) today announced results for the three months and year ended December 31, 2023. The financial statements and MD&A will be available on Chemtrade’s website at www.chemtradelogistics.com and on SEDAR+ at www.sedarplus.ca.

Full Year 2023 Highlights

- Adjusted EBITDA⁽¹⁾ of \$502.6 million, an increase of \$71.8 million or 16.7% year-over-year, reflecting both higher revenue and improved margins. This is the highest level of Adjusted EBITDA ever generated by Chemtrade. The increase over 2022 was driven by higher selling prices for sodium chlorate in the Electrochemicals (“EC”) segment, higher selling prices for water products in the Sulphur and Water Chemicals (“SWC”) segment and the benefit of a weaker Canadian dollar relative to the U.S. dollar.
- Distributable cash after maintenance capital expenditures⁽¹⁾ of \$283.0 million, an increase of \$67.9 million or 31.6% year-over-year, with a distribution Payout ratio⁽¹⁾ of 25% for the twelve months ended December 31, 2023.
- Cash flows from operating activities of \$401.5 million, an increase of \$32.3 million or 8.7% year-over-year.
- Revenue of \$1,846.8 million, an increase of \$33.4 million or 1.8% year-over-year, mainly due to the weaker Canadian dollar during 2023 compared with 2022. Higher selling prices across numerous key products offset lower volumes of merchant sulphuric acid and sodium chlorate.
- Net earnings of \$249.3 million, an increase of \$140.2 million or 128.5% year-over-year.
- Continued balance sheet improvement, with a reduction in Total debt⁽¹⁾ of \$215.3M, a 24% decline from the start of the year and Net debt to Adjusted EBITDA⁽¹⁾ ratio declined to 1.7x at year-end from 2.2x at the end of 2022.
- Reaffirming 2024 Adjusted EBITDA guidance of \$395.0 million to \$435.0 million. Increased monthly distribution by 10% and suspended the Distribution Reinvestment Plan (“DRIP”).

Fourth Quarter 2023 Highlights

- Revenue of \$422.0 million, a decrease of \$34.7 million or 7.6% year-over-year, driven by lower prices for merchant acid, sulphur products and caustic soda, which was partially offset by higher prices for water products, sodium chlorate, Regen acid and chlorine.
- Net earnings of \$11.7 million, an increase of \$23.4 million year-over-year, mainly due to lower income tax expenses in Q4 2023.
- Adjusted EBITDA⁽¹⁾ of \$84.6 million, a decrease of \$19.6 million or 18.8% year-over-year, reflecting reduced revenues, which more than offset improved margins for several products.
- Cash flows from operating activities of \$98.6 million, a decrease of \$6.0 million or 5.7% year-over-year, mainly due to lower Adjusted EBITDA and higher income taxes paid, partially offset by lower interest paid and changes in working capital.

(1) Adjusted EBITDA is a Total of Segments measure, Distributable cash after maintenance capital expenditures, Growth capital expenditures and Total debt are non-IFRS measures and Distributable cash after maintenance capital expenditures per Unit, Payout ratio and Net debt to Adjusted EBITDA are Non-IFRS ratios. Please see Non-IFRS and Other Financial Measures for more information.

- Distributable cash after maintenance capital expenditures⁽¹⁾ of \$13.5 million, a decrease of \$29.9 million or 68.9% year-over-year, reflecting lower cash flows from operating activities and higher maintenance capital expenditures during Q4 2023.

Scott Rook, President and CEO of Chemtrade, commented on the fourth quarter and full year 2023 results, “The fourth quarter represented a successful end to what was another record year for Chemtrade, one in which we set a new high watermark for Adjusted EBITDA. More than anything else, these strong results are reflective of the continued strong execution across Chemtrade’s operations, from the plant floor through all levels to our senior leadership.”

“Both of our operational segments generated improved Adjusted EBITDA year-over-year in 2023. In the Sulphur and Water Chemicals segment, the water solutions business was a standout performer, generating substantial margin expansion. The Regen acid business was also a meaningful contributor to growth in this segment, while reduced by-product merchant acid supply and lower sodium nitrite volumes were partial offsets. In the Electrochemicals segment, results were buoyed by very strong sodium chlorate performance in addition to improved chlorine and hydrochloric acid results, which more than offset the impact of weaker caustic soda pricing.”

Mr. Rook continued, “Looking to 2024, we anticipate another successful year as we remain focused on executing with diligence and determination and our commitment to safety. We expect to complete and commission the expansion and upgrade of our Cairo, Ohio ultrapure sulphuric acid facility this year. This plant will be the first in North America to meet the quality requirements for next generation semiconductor nodes, furthering Chemtrade’s position as the top North American supplier of ultrapure acid to the semiconductor industry. We also expect to make additional progress on other high-return organic growth projects during the year, including in our water solutions business, while remaining disciplined on balanced capital allocation and maintaining a strong balance sheet.”

“We anticipate another solid year financially in 2024 and reaffirm our previously issued 2024 Adjusted EBITDA guidance of \$395.0 million to \$435.0 million. While Adjusted EBITDA is expected to be below the record level we achieved in 2023, achieving the mid-point of guidance of \$415.0 million would represent the third highest Adjusted EBITDA in our history. We believe that this mid-point, which is well above the level of earnings that Chemtrade generated pre-COVID, represents a normalized and sustainable level of mid-cycle earnings with the current business portfolio, reflective of the various strategic improvements we have undertaken in recent years,” Mr. Rook concluded.

Consolidated Financial Summary of Q4 2023

Revenue for the fourth quarter of 2023 was \$422.0 million, compared to \$456.7 million in the fourth quarter of 2022. Excluding the impact of foreign exchange, revenue for the fourth quarter of 2023 was lower by \$35.6 million. The lower revenue was primarily due to: (i) lower selling prices for merchant acid and sulphur products due to lower sulphur costs, and lower volumes of sodium nitrite and merchant acid in the SWC segment; and (ii) significantly lower selling prices for caustic soda and lower sales volumes of chlor-alkali products and sodium chlorate in the EC segment. Partial offsets to these factors included higher selling prices for sodium chlorate, chlorine and hydrochloric acid in the EC segment, as well as higher selling prices for water solutions products and higher volumes of Regen acid in the SWC segment.

Adjusted EBITDA for the fourth quarter of 2023 was \$84.6 million, compared to \$104.3 million in the fourth quarter of 2022. The decrease in Adjusted EBITDA for the fourth quarter of 2023 was primarily due to: (i) lower gross profit for sodium nitrite and merchant acid in the SWC segment; and (ii) significantly lower selling prices for caustic soda in the EC segment. This decrease was partially offset by lower corporate costs.

Distributable cash after maintenance capital expenditures for the fourth quarter of 2023 was \$13.5 million or \$0.12 per unit, compared to \$43.4 million or \$0.38 per unit in the fourth quarter of 2022. This decrease primarily reflects the same factors that impacted Adjusted EBITDA, as noted above, higher income taxes paid and higher maintenance capital expenditures. Partial offsets to the decrease included lower interest

paid and changes in working capital. Chemtrade's distribution Payout ratio for the twelve months ended December 31, 2023 was 25%.

Chemtrade maintained a strong balance sheet through the fourth quarter of 2023. As of December 31, 2023, Chemtrade's Net Debt to Adjusted EBITDA ratio was 1.7x, compared to 2.2x at the end of 2022. This balance sheet improvement reflects a combination of cash generation, Adjusted EBITDA growth, the sale of the P₂S₅ business in November 2023 for gross proceeds of approximately US\$43.0 million, and a reduction in debt. During 2023 Chemtrade reduced Total debt by \$215.3M, a 24% decline from the start of the year. At the end of the fourth quarter of 2023, Chemtrade had US\$449.8 million undrawn on its revolving credit facilities, in addition to \$21.5 million of cash on hand.

Segmented Financial Summary of Q4 2023

The SWC segment reported revenue of \$243.8 million for the fourth quarter of 2023, compared to \$264.7 million for the fourth quarter of 2022. Adjusted EBITDA in the SWC segment was \$40.8 million for the fourth quarter of 2023, compared to \$57.1 million for the fourth quarter of 2022.

The decrease in SWC revenue was primarily due to: (i) lower selling prices for merchant acid and sulphur products due to lower sulphur costs; (ii) lower volumes of sodium nitrite due to an extended turnaround; and (iii) lower volumes of merchant acid due to reduced by-product supply. Partial offsets to the lower SWC revenue included higher volumes for Regen acid and higher selling prices for water solutions products. The same factors that impacted SWC revenue also contributed to lower SWC Adjusted EBITDA.

The EC segment reported revenue of \$178.2 million for the fourth quarter of 2023, compared to \$192.0 million for the fourth quarter of 2022. Adjusted EBITDA in the EC segment was \$73.3 million for the fourth quarter of 2023, compared to \$78.3 million for the fourth quarter of 2022.

The decreases in EC revenue and Adjusted EBITDA were primarily due to significantly lower selling prices of caustic soda and lower sales volumes of chlor-alkali products and sodium chlorate. These factors were partially offset by significantly higher selling prices for sodium chlorate, and higher selling prices for chlorine and hydrochloric acid. MECU netbacks declined by approximately \$220 year-over-year, excluding the impact of foreign exchange. Higher netbacks for chlorine and hydrochloric acid offset approximately 30% of the decline in caustic soda.

Corporate costs for the fourth quarter of 2023 were \$29.4 million, compared to \$31.1 million in the fourth quarter of 2022. The decrease was primarily due to \$1.8 million of lower long-term incentive plan costs and \$0.2 million of realized foreign exchange gains compared to \$3.3 million of realized foreign exchange losses in the prior year period. Partial offsets to this decrease were \$2.1 million of higher short-term incentive compensation costs and higher discretionary spending year-over-year.

2024 Guidance

Chemtrade is reaffirming its 2024 guidance, as set out below and previously issued in January 2024. Chemtrade expects Adjusted EBITDA for 2024 to range between \$395.0 million and \$435.0 million. Based on the mid-point of the below guidance, including the anticipated spending on organic growth, Chemtrade expects to end 2024 with a Net debt to Adjusted EBITDA ratio⁽¹⁾ below 2.0.

Chemtrade's Adjusted EBITDA in 2024 is expected to be below the record high 2023 level, but still in the range of Chemtrade's second highest Adjusted EBITDA, achieved in 2022. Further, Chemtrade considers the mid-point of 2024's anticipated Adjusted EBITDA of \$415 million to represent a sustainable level of mid-cycle earnings with the current business portfolio.

(\$ million)	2024 Guidance	2023 Actual	2022 Actual
Adjusted EBITDA ⁽¹⁾	\$395.0 - \$435.0	\$502.6	\$430.9
Maintenance capital expenditures ⁽¹⁾	\$85.0 - \$105.0	\$104.2	\$99.8
Growth capital expenditures ⁽¹⁾	\$60.0 - \$90.0	\$62.1	\$21.6
Lease payments	\$55.0 - \$65.0	\$58.3	\$52.4
Cash interest ⁽¹⁾	\$45.0 - \$55.0	\$42.4	\$51.7
Cash tax ⁽¹⁾	\$30.0 - \$50.0	\$14.7	\$12.0

(1) Adjusted EBITDA is a Total of Segments measure. Maintenance capital expenditures, Cash interest and Cash tax are supplementary financial measures. Growth capital expenditures is a Non-IFRS financial measure. See Non-IFRS And Other Financial Measures.

Chemtrade's guidance is based on numerous assumptions. Certain key assumptions that underpin the 2023 guidance are as follows:

- There will be no significant lockdowns or stay-at-home orders issued in North America due to a pandemic outbreak during 2024.
- None of the principal manufacturing facilities (as set out in Chemtrade's AIF) incurs significant unplanned downtime.
- No labour disruptions occur at any of Chemtrade's principal manufacturing facilities (as set out in Chemtrade's AIF).

Key Assumptions	2024 Assumptions	2023 Actual	2022 Actual
Approximate North American MECU sales volumes	173,000	181,000	184,000
2024 average MECU Netback being lower than 2023 average per MECU	CAD (\$210)	N/A	N/A
Average CMA ⁽¹⁾ NE Asia caustic spot price index per tonne ⁽²⁾	US\$375	US\$455	US\$650
Approximate North American production volumes of sodium chlorate (MTs)	268,000	283,000	343,000
USD to CAD average foreign exchange rate	1.300	1.349	1.302
LTIP ⁽⁴⁾ costs (in millions)	\$10.0 - \$20.0	\$17.3	\$21.0

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

(2) The average CMA NE Asia caustic spot price for 2024, 2023 and 2022 is the average spot price for the four quarters ending with the third quarter of that year as the majority of our pricing is based on a one quarter lag.

(3) Long Term Incentive Plan.

The lower expected Adjusted EBITDA for 2024 compared to 2023 is attributed to the following key factors:

- Lower average selling prices for caustic due to lower NE Asia index prices.
- Turnaround at North Vancouver chlor-alkali plant.
- Lower sales volumes of sodium chlorate.
- Higher cost of raw materials for water treatment chemicals.
- Stronger Canadian dollar relative to the U.S. dollar.

Update on Organic Growth Projects

Chemtrade remains focused on its long-term objective of delivering sustained earnings growth and generating value for investors. To accomplish this, Chemtrade has identified various organic growth initiatives. In 2024, Chemtrade plans to invest between \$60 million and \$90 million in growth capital expenditures. This includes approximately \$40 million for Chemtrade's ultrapure sulphuric acid ("UPA") business, principally at the Cairo, OH facility, with the remainder for water treatment chemicals and other organic growth projects.

The Cairo project is generally on track and we expect to finish construction later this year. We now expect costs to be between US\$ 60 million and US\$ 65 million. Following startup later this year, the commercial ramp up will begin to take place in 2025. This will be the first UPA plant in North America that will meet the quality requirements for next generation semiconductor nodes. As a result, completion of this project will further bolster Chemtrade's position as the top North American supplier of UPA to the semiconductor industry. We will provide an update on the expected return on this project after the start up of the project is complete.

Chemtrade also previously identified a second large UPA growth project, undertaken via a joint venture with KPCT Advanced Chemicals LLC and located in Casa Grande, AZ. Together with its joint venture partner, Chemtrade made the decision to put the project on hold until it can be assured the project generates an acceptable level of return. Discussions with customers are on-going and the joint venture has applied for CHIPS Act funding.

Disposal of P₂S₅ Business

On November 8, 2023, Chemtrade completed the sale of its P₂S₅ business for gross proceeds of approximately US\$43.0 million (C\$58.9 million), which consisted of cash of approximately US\$39.4 million (\$53.9 million) and the assumption of Indebtedness (as defined in the sales agreement) of approximately US\$3.6 million (\$4.9 million). After deducting a net working capital adjustment of approximately US\$1.0 million (\$1.4 million), Chemtrade recorded a gain of US\$14.6 million (\$20.1 million). Chemtrade also reclassified the cumulative amount of foreign exchange difference of \$4.3 million from AOCI to net earnings. Combined, the total gain on disposal recorded was \$24.3 million. The net proceeds were used to reduce borrowings from the Credit Facilities.

Distributions and Capital Allocation Update

Distributions declared in the fourth quarter of 2023 (prior to the increase) totaled \$0.15 per unit, comprised of monthly distributions of \$0.05 per unit.

Chemtrade's management and Board of Trustees periodically assess Chemtrade's capital structure and capital allocation to ensure that it is positioned to deliver maximum long-term value to unitholders. Chemtrade's balance sheet has significantly improved over the past few quarters and leverage has decreased with a Net Debt to Adjusted EBITDA ratio of 1.7x at December 31, 2023. Chemtrade's business has also strengthened as evidenced by two consecutive record years in terms of Adjusted EBITDA generated. While 2023 is unlikely to represent a new Adjusted EBITDA run-rate, Chemtrade believes that its business has undergone a step-change improvement from the pre-COVID levels. In light of the improved sustainable long-term outlook for Chemtrade's cash flow, Chemtrade's Board increased its monthly distribution by 10%, from 5-cents per month to 5.5-cents per month on January 15, 2024, effective with the distribution declared during the month of January 2024. This distribution represents a Payout ratio of 45% based on the mid-point of Chemtrade's guidance for 2024.

In addition, as part of its updated capital structure and capital allocation strategy, Chemtrade also announced the suspension of its DRIP", initiated during the COVID pandemic. The suspension of the DRIP is effective with the distribution declared in January 2024 and payable in February 2024, at which time all distributions of the Fund will be paid only in cash.

The increase in the level of cash distributions is expected to have minimal impact on Chemtrade's leverage and is not expected to impede Chemtrade's ability to execute growth initiatives while maintaining a healthy balance sheet.

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 and sodium hydrosulphite. 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, 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 Chemtrade's 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 Chemtrade's 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, Chemtrade's 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 it is useful to investors: It provides useful information related to Chemtrade's cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.

Distributable cash after maintenance capital expenditures per unit

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

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

Payout ratio

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

Why we use the measure and why it is useful to investors: It provides useful information related to Chemtrade's cash flows including Chemtrade's ability to pay distributions to Unitholders.

(\$'000, except per unit metrics and ratios)	Three months ended		Twelve months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Cash flows from operating activities	\$98,607	\$104,610	\$401,463	\$369,191
Add (Less):				
Lease payments net of sub-lease receipts	(15,231)	(13,560)	(58,256)	(52,360)
(Decrease) increase in working capital	(34,305)	(17,184)	16	(5,989)
Changes in other items ⁽¹⁾	8,075	2,238	44,038	4,036
Maintenance capital expenditures ⁽²⁾	(43,635)	(32,708)	(104,249)	(99,766)
Distributable cash after maintenance capital expenditures	\$13,511	\$43,396	\$283,012	\$215,112
Divided by:				
Weighted average number of units outstanding	116,811,269	115,339,042	116,212,199	108,445,732
Distributable cash after maintenance capital expenditures per unit	\$0.12	\$0.38	\$2.44	\$1.98
Distributions declared per unit ⁽³⁾	\$0.15	\$0.15	\$0.60	\$0.60
Payout ratio (%)	125%	39%	25%	30%

(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.

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

Total debt

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

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

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

(\$'000)	December 31, 2023	December 31, 2022
Long-term debt ⁽¹⁾	\$246,545	\$370,024
Debentures ⁽¹⁾	425,552	517,365
Total debt	672,097	\$887,389

(1) Principal outstanding amount

Net debt

Most directly comparable IFRS financial measure: Total long-term debt, 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 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 Chemtrade's aggregate debt balances.

(\$'000)	December 31, 2023	December 31, 2022
Long-term debt ⁽¹⁾	\$246,545	\$370,024
Add (Less):		
Debentures ⁽¹⁾	425,552	517,365
Long-term lease liabilities	130,583	94,071
Lease liabilities ⁽²⁾	49,304	45,571
Cash and cash equivalents	(21,524)	(72,569)
Net debt	\$830,460	\$954,462

(1) Principal amount outstanding.

(2) Presented as current liabilities in the condensed consolidated interim statements of financial position.

Growth capital expenditures

Most directly comparable IFRS financial measure: Capital expenditures

Definition: Growth capital expenditures are calculated as capital expenditures less Maintenance capital expenditures, plus investments in joint ventures.

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

(\$'000)	<u>Three months ended</u>		<u>Year ended</u>	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Capital expenditures	\$67,398	\$39,881	\$166,395	\$115,440
Add (Less):				
Maintenance capital expenditures	(43,635)	(32,708)	(104,249)	(99,766)
Non-maintenance capital expenditures ⁽¹⁾	23,763	7,173	62,146	15,674
Investment in Joint Venture ⁽²⁾	-	-	-	5,931
Growth capital expenditures	\$23,763	\$7,173	\$62,146	\$21,605

(1) Non-maintenance capital expenditures is a Supplementary financial measure.

(2) Joint venture with KPCT Advanced Chemicals LLC ("KPCT") to build an ultrapure sulphuric acid facility in Arizona.

Capital management measures

Capital management measures are financial measures disclosed by an entity that (a) are intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital, (b)

are not a component of a line item disclosed in the primary financial statements of the entity, (c) are disclosed in the notes of the financial statements of the entity, and (d) are not disclosed in the primary financial statements of the entity.

Net debt to Adjusted EBITDA

Definition: Net debt to 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 it is useful to investors: It provides useful information related to Chemtrade's debt leverage and Chemtrade's ability to service debt. Chemtrade monitors Net debt to Adjusted EBITDA as a part of liquidity management to sustain future investment in the growth of the business and make decisions about capital.

Total of segments measures

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

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

Adjusted EBITDA

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

(\$'000, except per unit metrics and ratios)	Three months ended		Twelve months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net earnings (loss)	\$11,677	\$(11,747)	\$249,319	\$109,115
Add (less):				
Depreciation and amortization	57,423	54,922	217,490	216,950
Net finance costs (income)	33,716	37,187	24,008	49,969
Income tax expense (recovery)	10,121	32,669	42,053	60,068
Change in environmental and decommissioning liability	9,842	-	7,232	-
Net (gain) loss on disposal and write-down of PPE	(5,547)	2,152	(2,002)	(15,305)
(Gain) loss on disposal of assets held for sale	-	-	-	(478)
Gain on sale of business	(24,337)	-	(24,337)	-
Unrealized foreign exchange (gain) loss	(8,247)	(10,933)	(11,126)	9,592
Adjusted EBITDA	\$84,648	\$104,250	\$502,637	\$430,868

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.

Non-maintenance capital expenditures

Represents capital expenditures that are (a) pre-identified or pre-funded, usually as part of a significant acquisition and related financing; (b) considered to expand the capacity of Chemtrade's operations; (c) significant environmental capital expenditures that are considered to be non-recurring; or (d) capital expenditures to be reimbursed by a third party.

Cash interest

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

Cash tax

Represents current income tax expense.

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: 2024 being a successful year; the timing of completion and commissioning of the Cairo facility's expansion; our ability to succeed in making the Cairo plant North America's first plant to meet the quality requirements for the next generation semiconductor nodes and its resultant positioning of Chemtrade as top North American ultrapure acid supplier to the semiconductor industry; our ability to progress organic growth projects during 2024; our ability to ensure such projects are high-return; our ability to remain disciplined on balanced capital allocation; our ability to maintain a strong balance sheet; our anticipation that 2024 will be a solid year financially; our belief that the mid-point of the 2024 Adjusted EBITDA range of \$415 million represents a sustainable level mid-cycle earnings with the current business portfolio; Chemtrade's expected Adjusted EBITDA range for 2024; the expected Net debt to Adjusted EBITDA ratio at the end of 2024; the expected stated maintenance capital expenditures, growth capital expenditures (including allocation of such amounts), lease payments, cash interest and cash tax; the expected cost, timing of construction completion, start-up and commercial ramp-up of the Cairo project; our ability to be the first North American UPA plant to meet the quality requirements of the next generation semiconductor nodes, our ability to retain our position as the top North American supplier to the semiconductor industry; our intention to update the expected return of the Cairo project and timing thereof; our belief that the business has undergone a step-change improvement since prior to COVID; the expected minimal impact of the increase in cash distributions on leverage and on our ability to execute growth initiatives while maintaining a healthy balance sheet.

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 due to a pandemic outbreak in 2024; there being no significant unplanned downtime nor labour disruptions affecting Chemtrade’s principal manufacturing facilities; the stated North American MECU sales volumes; the 2024 average MECU netback being lower than 2023 ; the stated average CMA NE Asia caustic spot price index; the stated North American sodium chlorate production volumes; and the stated U.S. dollar average foreign exchange rate; the stated range of LTIP costs.; the factors expected to cause the lower expected Adjusted EBITDA for 2024.

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.sedarplus.ca.

A conference call to review the fourth quarter and full year 2023 results will be webcast live on Wednesday, February 21, 2024 at 10:00 a.m. ET. To access the webcast [click here](#).

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