CHEMTRADE

2024

Chemtrade Logistics Income Fund

2024 Third Quarter Report

CHEMTRADE LOGISTICS INCOME FUND

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2024

November 14, 2024

Q3 2024

CHEMTRADE

MANAGEMENT'S DISCUSSION AND ANALYSIS

This MD&A is intended to assist you to understand and assess the trends and significant changes in the results of operations and financial condition of Chemtrade Logistics Income Fund.

This MD&A should be read in conjunction with the unaudited Condensed Consolidated Interim Financial Statements of Chemtrade for the three and nine months ended September 30, 2024, the audited consolidated financial statements of Chemtrade for the year ended December 31, 2023 and the annual MD&A for the year ended December 31, 2023.

Chemtrade's financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"). Chemtrade's reporting currency is the CAD. In this MD&A, amounts are presented in thousands of CAD unless otherwise indicated. This MD&A is current as at November 14, 2024 and was approved by the Board on that date.

This MD&A contains certain non-IFRS financial measures and ratios which do not have standard meanings under IFRS. Therefore they may not be comparable to similar measures presented by other issuers. Further information and reconciliations of these measures to the most directly comparable measures under IFRS may be found at **Non-IFRS and Other Financial Measures** on page 40.

This MD&A also contains statements and information about our expectations about the future. Please refer to the cautionary statement in **Caution Regarding Forward - Looking Statements** on page 38.

Definitions

MD&A means Management's Discussion & Analysis

Fund means Chemtrade Logistics Income Fund

Chemtrade, we, us and *our* mean the Fund and its consolidated subsidiaries

*IFR*S means International Financial Reporting Standards as issued by the IASB

SWC means our Sulphur and Water Chemicals reportable segment

EC means our Electrochemicals reportable segment

More terms and definitions are explained on page 47.

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About Chemtrade

We provide industrial chemicals and services to customers in North America and around the world. We report our results in two reportable segments:

Sulphur and Water Chemicals (SWC) and **Electrochemicals (EC).**

SWC markets, removes and/or produces merchant, Regen and ultra pure sulphuric acid, sodium hydrosulphite, elemental sulphur, hydrogen sulphide, sodium bisulphite, and sulphides, and provides other processing services. SWC also manufactures and markets a variety of inorganic coagulants used in water treatment, including aluminum sulphate, aluminum chlorohydrate, polyaluminum chloride, ferric sulphate, and sodium nitrite. SWC products are marketed primarily to North American customers.

EC manufactures and markets sodium chlorate and chlor-alkali products including caustic soda, chlorine and HCl, largely for the pulp and paper, oil and gas and water treatment industries. These products are marketed primarily to North American and South American customers.

FINANCIAL HIGHLIGHTS

These financial highlights have been presented in accordance with IFRS, except where noted.

	Three months ended		Nine months ended	
($'000 except per unit amounts)	**September 30, 2024**	September 30, 2023	**September 30, 2024**	September 30, 2023
Revenue	$ 474,178	$ 483,532	$ 1,340,508	$ 1,424,750
Net earnings	$ 60,080	$ 70,784	$ 116,634	$ 237,642
Net earnings per unit [1]	$ 0.51	$ 0.61	$ 0.99	$ 2.05
Diluted net earnings per unit [1]	$ 0.40	$ 0.41	$ 0.93	$ 1.30
Total assets	$ 2,161,850	$ 2,159,605	$ 2,161,850	$ 2,159,605
Long-term debt	$ 298,124	$ 314,986	$ 298,124	$ 314,986
Convertible unsecured subordinated debentures	$ 357,355	$ 425,424	$ 357,355	$ 425,424
Adjusted EBITDA [2]	$ 137,153	$ 142,118	$ 362,199	$ 417,989
Cash flows from operating activities	$ 143,244	$ 129,166	$ 247,808	$ 302,856
Distributable cash after maintenance capital expenditures [2]	$ 65,939	$ 86,465	$ 173,606	$ 269,501
Distributable cash after maintenance capital expenditures per unit [1] [2]	$ 0.56	$ 0.74	$ 1.48	$ 2.32
Distributions declared	$ 19,849	$ 17,566	$ 58,515	$ 52,509
Distributions declared per unit [3]	$ 0.165	$ 0.150	$ 0.495	$ 0.450
Distributions paid, net of distributions reinvested	$ 19,605	$ 14,421	$ 56,641	$ 43,650

[1] Based on weighted average number of units outstanding for the period.

[2] See **Non-IFRS and Other Financial Measures** on page 40.

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

THIRD QUARTER 2024 HIGHLIGHTS

- Third quarter results were stronger than expected and this momentum is continuing into the fourth quarter. We now expect 2024 Adjusted EBITDA to be in the range of $445.0 - $460.0 million, which would make it the second highest level ever achieved by Chemtrade. See **Financial Outlook** on page 31.
- Revenue of $474.2 million, a decrease of $9.4 million or 1.9% year-over-year. Excluding $11.4 million in the prior year period related to the P_2S_5 business sold in Q4 2023, revenue in the third quarter of 2024 was $2.0 million higher than 2023, primarily driven by higher selling prices of water solutions, HCl and sodium chlorate products, partially offset by the impact of the work stoppage at the Canadian railways, lower revenue for Regen acid and Brazil, lower selling prices for chlorine and lower volumes of sodium chlorate.
- Adjusted EBITDA of $137.2 million, which was $5.0 million or 3.5% lower than the record Adjusted EBITDA earned in the third quarter of 2023. Excluding the negative $5.8 million impact of the work stoppage at the Canadian railways and $1.9 million in the prior year period related to the P_2S_5 business sold in Q4 2023, Adjusted EBITDA increased by $2.7 million or 1.9% year-over-year.
- Net earnings of $60.1 million, a decrease of $10.7 million, due to higher finance costs, and lower Adjusted EBITDA, partially offset by lower depreciation and amortization expenses and lower income tax expense.
- Cash flows from operating activities of $143.2 million, an increase of $14.1 million or 10.9% year-over-year mainly due to changes in working capital and lower income taxes paid, partially offset by lower EBITDA and higher interest paid.
- Distributable cash after maintenance capital expenditures of $65.9 million, a decrease of $20.5 million or 23.7% year-over-year.
- We maintained a strong balance sheet during the quarter, with a Net debt to LTM Adjusted EBITDA[1] ratio of 1.8x, US$596.0 million undrawn on our Credit Facilities, and $16.3 million of cash on hand at the end of Q3 2024.
- We completed a SIB, under which the Fund offered to purchase for cancellation all of the issued and outstanding Fund 2020 8.50% Debentures and purchased all tendered Debentures for total consideration of $37.6 million.
- Subsequent to the SIB, the Fund issued a notice of redemption for the remaining Debentures, pursuant to which 7.0 million units were issued to debenture holders who elected to convert their Debentures into units and the Fund redeemed the unconverted Debentures at par, for total consideration of $6.2 million, which included accrued and unpaid interest.
- We commenced an NCIB under which the Fund is authorized to purchase up to approximately 11.7 million of its units. As of September 30, 2024, approximately 2.6 million units were purchased as part of the NCIB.
- During Q3 2024, Chemtrade closed a private offering of $250.0 million of aggregate principal amount of 6.375% Notes due August 28, 2029.

[1] Net debt to LTM Adjusted EBITDA is a capital management measure. See **Non-IFRS and Other Financial Measures**

NINE MONTHS 2024 HIGHLIGHTS

- Revenue of $1,340.5 million, a decrease of $84.2 million or 5.9% year-over-year. Excluding $34.6 million in the prior year period related to the P_2S_5 business sold in Q4 2023 and a $10.5 million negative impact from the biennial maintenance turnaround at the North Vancouver chlor-alkali facility in 2024, revenue decreased by $39.1 million or 2.7% year-over-year. The decrease in revenue was primarily driven by lower volumes and selling prices for merchant sulphuric acid and sodium nitrite, lower selling prices for caustic soda, lower sales volumes of sodium chlorate, the impact of the work stoppage at the Canadian railways, lower revenue for Brazil and Regen acid, partially offset by higher selling prices for water products, HCl, chlorine and sodium chlorate.
- Adjusted EBITDA of $362.2 million, a decrease of $55.8 million or 13.3% relative to Adjusted EBITDA reported in the prior year period. Excluding a $17.9 million negative impact from the biennial maintenance turnaround at the North Vancouver chlor-alkali facility in 2024, a $5.8 million impact of the work stoppage at the Canadian railways and $4.8 million in the prior year period related to the P_2S_5 business sold in Q4 2023, Adjusted EBITDA decreased by $27.3 million or 6.5% year-over-year.
- Net earnings of $116.6 million, a decrease of $121.0 million, due to lower Adjusted EBITDA, higher net finance costs, higher income tax expense, partially offset by lower depreciation and amortization expenses.
- Cash flows from operating activities of $247.8 million, a decrease of $55.1 million or 18.2% year-over-year mainly due to lower Adjusted EBITDA.
- Distributable cash after maintenance capital expenditures of $173.6 million, a decrease of $95.9 million or 35.6% year-over-year, reflecting lower cash flows from operating activities and higher maintenance capital expenditures.
- In January 2024, the monthly distribution rate was increased by 10% to $0.055 per unit or $0.660 per unit per year.

RECENT DEVELOPMENTS

Substantial Issuer Bid

The Fund completed a SIB, under which the Fund offered to purchase for cancellation all of the issued and outstanding Fund 2020 8.50% Debentures due September 30, 2025. The purchase price under the SIB was $1,300 in cash per $1,000 principal amount of Fund 2020 8.50% Debentures. During Q3 2024, the SIB expired with a total of $28.3 million aggregate principal amount of Fund 2020 8.50% Debentures tendered for total consideration of $37.6 million, including accrued interest of $0.8 million. We incurred transaction costs of $0.9 million in order to execute the SIB.

Redemption of Debentures

Subsequent to the SIB, the Fund issued a notice of redemption for the remaining Debentures, pursuant to which 7.0 million units were issued to debenture holders who elected to convert their Debentures into units and the Fund redeemed the unconverted Debentures at par, for total consideration of $6.2 million, which included accrued and unpaid interest.

Normal Course Issuer Bid

We have implemented an NCIB, which enables us to, from time to time, purchase a portion of our units with available funds that are not required for operations or investment. Under the NCIB, we are authorized to purchase up to 11.7 million units over a 12 month period ending June 2, 2025. As of September 30, 2024, approximately 2.6 million units were purchased as part of the NCIB. For the period from October 1, 2024 to November 13, 2024, approximately 0.6 million units were purchased by the Fund.

Senior Unsecured Notes

During Q3 2024, Chemtrade closed its private offering of $250.0 million of aggregate principal amount of 6.375% Notes due August 28, 2029. The Fund incurred transaction costs of $6.0 million. The Fund utilized net proceeds of the issuance to pay down our revolving credit facility.

Credit Facilities Amendment

In October 2024, Chemtrade amended its Credit Facilities by extending the maturity of the facility to October 2028. Certain terms of the facility including leverage covenants were changed to accommodate the addition of the Notes. The facility was also reduced in size from US$650.0 million to US$600.0 million.

CONSOLIDATED OPERATING RESULTS

<table>
<tr><th></th><th>Q3 2024 vs Q3 2023</th><th>YTD 2024 vs YTD 2023</th></tr>
<tr><td>F/X Rate</td><td>US$1.00 = $1.36 in 2024 compared with US$1.00 = $1.34 in 2023.
The weaker Canadian dollar during 2024 compared with 2023 did not have a significant impact on consolidated revenue, gross profit or Adjusted EBITDA.</td><td>US$1.00 = $1.36 in 2024 compared with US$1.00 = $1.35 in 2023.
The weaker Canadian dollar during 2024 compared with 2023 did not have a significant impact on consolidated revenue, gross profit or Adjusted EBITDA.</td></tr>
<tr><td>General Comments</td><td colspan="2">The three and nine months ended September 30, 2023 included revenue of $11.4 million and $34.6 million, respectively, and Gross profit and Adjusted EBITDA of $1.9 million and $4.8 million, respectively, related to the P_2S_5 business which was sold in the fourth quarter of 2023. The biennial maintenance turnaround at the North Vancouver chlor-alkali plant during the second quarter of 2024 had a negative impact of approximately $10.5 million on revenue and approximately $17.9 million on gross profit and Adjusted EBITDA.</td></tr>
<tr><td>Revenue</td><td>Consolidated revenue for 2024 was $474.2 million, which was $9.4 million lower than revenue for 2023. Excluding revenue related to the P_2S_5 business as noted above, revenue was $2.0 million higher primarily due to:
• higher selling prices for water solutions products in the SWC segment, and
• higher selling prices for HCl and sodium chlorate in the EC segment,
partially offset by:
• the impact of the work stoppage at the Canadian railways in the EC segment,
• lower revenue for Regen acid in the SWC segment, and
• lower selling prices for chlorine and lower revenue in Brazil as well as lower sales volumes of sodium chlorate in the EC segment.</td><td>Consolidated revenue for 2024 was $1,340.5 million, which was $84.2 million lower than revenue for 2023. Excluding the maintenance turnaround at North Vancouver and revenue related to the P_2S_5 business as noted above, revenue was $39.1 million lower primarily due to:
• lower sales volumes and selling prices for merchant acid and sodium nitrite in the SWC segment,
• significantly lower selling prices for caustic soda and lower sales volumes of sodium chlorate in the EC segment,
• the impact of the work stoppage at the Canadian railways in the EC segment,
• lower revenue for Brazil in the EC segment, and
• lower revenue for Regen acid in the SWC segment,
partially offset by:
• higher selling prices for water solutions products in the SWC segment, and
• higher selling prices for HCl, chlorine and sodium chlorate in the EC segment.</td></tr>
</table>

	Q3 2024 vs Q3 2023	YTD 2024 vs YTD 2023
Adjusted EBITDA	Adjusted EBITDA for 2024 was \$5.0 million lower than the Adjusted EBITDA for 2023. Excluding the negative \$5.8 million impact of the work stoppage at the Canadian railways in the EC segment and Adjusted EBITDA related to the P_2S_5 business, as noted above, Adjusted EBITDA was \$2.7 million higher primarily due to: • higher selling prices for HCl and sodium chlorate in the EC segment, • an improvement in margins for water solutions products in the SWC segment, and • lower Corporate costs, partially offset by: • lower margins for Regen acid in the SWC segment, and • lower selling prices for chlorine, lower sales volume of sodium chlorate and lower margins for Brazil in the EC segment.	Adjusted EBITDA for 2024 was \$55.8 million lower than the Adjusted EBITDA for the same period of 2023. Excluding the negative \$5.8 million impact of the work stoppage at the Canadian railways in the EC segment, the maintenance turnaround at North Vancouver and Adjusted EBITDA related to the P_2S_5 business as noted above, Adjusted EBITDA was \$27.3 million lower primarily due to: • significantly lower selling prices for caustic soda, lower margins for Brazil and lower volumes of sodium chlorate in the EC segment, • lower margins for sodium nitrite and merchant acid in the SWC segment, and • higher Corporate costs, partially offset by: • an improvement in margins for water solutions products in the SWC segment, and • higher selling prices for HCl, chlorine and sodium chlorate in the EC segment.
Net Earnings (loss)	Net earnings for 2024 were \$10.7 million lower than 2023 primarily due to: • higher net finance costs during 2024 (see Net Finance Costs on page 17), and • lower Adjusted EBITDA, partially offset by: • lower depreciation and amortization expense, and • lower income tax expense recorded during 2024 (see Income Taxes on page 18).	Net earnings for 2024 were \$121.0 million lower than 2023 primarily due to: • lower Adjusted EBITDA, • net finance costs during 2024 compared with net finance income during 2023 (see Net Finance Costs on page 17), and • higher income tax expense recorded during 2024 (see Income Taxes on page 18, partially offset by: • lower depreciation and amortization expense.

RESULTS OF OPERATIONS BY REPORTABLE SEGMENT

SULPHUR AND WATER CHEMICALS (SWC)

	Three months ended		Nine months ended	
($'000)	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue	$ 280,500	$ 290,498	$ 778,053	$ 833,322
Gross profit	62,137	58,076	156,905	137,843
Adjusted EBITDA	78,296	83,724	207,920	212,388

<table>
<tr><th></th><th colspan="2">SWC OPERATING RESULTS</th></tr>
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<tr><td>F/X Rate</td><td>US$1.00 = $1.36 in 2024 compared to 1.34 in 2023.
The weaker Canadian dollar during 2024 compared with 2023 did not have a significant impact on revenue, gross profit or Adjusted EBITDA.</td><td>US$1.00 = $1.36 in 2024 compared to 1.35 in 2023.
The weaker Canadian dollar during 2024 compared with 2023 did not have a significant impact on revenue, gross profit or Adjusted EBITDA.</td></tr>
<tr><td>General comments</td><td colspan="2">The three and nine months ended September 30, 2023 included revenue of $11.4 million and $34.6 million, respectively, and Gross profit and Adjusted EBITDA of $1.9 million and $4.8 million, respectively, related to the P_2S_5 business which was sold in the fourth quarter of 2023.</td></tr>
<tr><td>Revenue</td><td>Revenue for 2024 was $10.0 million lower than revenue for 2023. Excluding the impact of the P_2S_5 business, revenue was $1.4 million higher primarily due to:
• higher selling prices for water solutions products,
partially offset by:
• lower revenue for Regen acid.</td><td>Revenue for 2024 was $55.3 million lower than revenue for 2023. Excluding the impact of the P_2S_5 business, revenue was $20.7 million lower primarily due to:
• lower volumes and selling prices for merchant acid,
• lower revenue for Regen acid, and
• lower volumes and selling prices for sodium nitrite,
partially offset by:
• higher selling prices for water solutions products.</td></tr>
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	SWC OPERATING RESULTS	
	Q3 2024 vs Q3 2023	**YTD 2024 vs YTD 2023**
Adjusted EBITDA	Adjusted EBITDA for 2024 was $78.3 million which was $5.4 million lower than Adjusted EBITDA for 2023. Excluding the impact of the P_2S_5 business, Adjusted EBITDA was $3.5 million lower primarily due to: • lower margins for Regen acid relative to 2023, as that period benefited from favourable adjustments related to a customer contract and the release of provisions that were no longer required, partially offset by: • an improvement in margins of water solutions products.	Adjusted EBITDA for 2024 was $4.5 million lower than Adjusted EBITDA for 2023. Excluding the impact of the P_2S_5 business, Adjusted EBITDA was $0.3 million higher primarily due to: • an improvement in margins of water solutions products, partially offset by: • lower margins for sodium nitrite, and • lower margins for merchant acid,
Gross Profit	Gross profit for 2024 was $62.1 million, which was $4.1 million higher than gross profit for 2023. Excluding the impact of the P_2S_5 business, Gross profit was $6.0 million higher primarily due to: • lower depreciation and amortization expense during 2024, partially offset by: • the factors that affected Adjusted EBITDA.	Gross profit for 2024 was $156.9 million, which was $19.1 million higher than gross profit for 2023. Excluding the impact of the P_2S_5 business, Gross Profit was $23.9 million higher primarily due to: • lower depreciation and amortization expense during 2024, and • the factors that affected Adjusted EBITDA.

ELECTROCHEMICALS (EC)

($'000)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
North American sales volumes:				
Sodium chlorate sales volumes (000's MT)	65	67	205	211
Chlor-alkali sales volumes (000's MECU)	47	49	129	140
Revenue	$ 193,678	$ 193,034	$ 562,455	$ 591,428
Gross profit	63,119	70,589	174,996	220,665
Adjusted EBITDA	82,993	84,234	230,593	277,445

	EC OPERATING RESULTS	
	Q3 2024 vs Q3 2023	**YTD 2024 vs YTD 2023**
F/X Rate	US$1.00 = $1.36 in 2024 compared with US$1.00 = $1.34 in 2023. The weaker Canadian dollar during 2024 compared with 2023 did not have a significant impact on revenue, gross profit or Adjusted EBITDA.	US$1.00 = $1.36 in 2024 compared with US$1.00 = $1.35 in 2023. The weaker Canadian dollar during 2024 compared with 2023 did not have a significant impact on revenue, gross profit or Adjusted EBITDA.
General Comments	-	The biennial maintenance turnaround at the North Vancouver chlor-alkali plant during the second quarter of 2024 had a negative impact of approximately $10.5 million on revenue and approximately $17.9 million on gross profit and Adjusted EBITDA.

	EC OPERATING RESULTS	
	Q3 2024 vs Q3 2023	**YTD 2024 vs YTD 2023**
Revenue	Revenue for 2024 was $193.7 million, which was $0.6 million higher than revenue for 2023 primarily due to: • higher selling prices for HCl, and • higher selling prices for sodium chlorate, partially offset by: • the impact of the work stoppage at the Canadian railways, • lower selling prices for chlorine, • lower sales volumes of sodium chlorate, and • lower revenue in Brazil. MECU netbacks improved by approximately $115. Higher netbacks for HCl and, to a lesser extent, caustic soda were partially offset by lower netbacks for chlorine.	Revenue for 2024 was $562.5 million, which was $29.0 million lower than revenue for 2023. Excluding the impact of the maintenance turnaround at North Vancouver as noted above, revenue was $18.5 million lower primarily due to: • significantly lower selling prices for caustic soda, • the impact of the work stoppage at the Canadian railways, • lower revenue in Brazil, and • lower sales volumes of sodium chlorate, partially offset by: • higher selling prices for HCl and chlorine, and • higher selling prices for sodium chlorate. MECU netbacks declined by approximately $70. Higher netbacks for HCl and chlorine offset approximately 60% of the decline in caustic soda.
Adjusted EBITDA	Adjusted EBITDA for 2024 was $83.0 million, which was $1.2 million lower than Adjusted EBITDA for 2023. Excluding the negative $5.8 million impact of the work stoppage at the Canadian railways, Adjusted EBITDA was $4.6 million higher primarily due to: • higher selling prices for HCl and sodium chlorate, partially offset by: • the impact of the work stoppage at the Canadian railways, • lower selling prices for chlorine, • lower sales volumes of sodium chlorate, and • lower margins for Brazil. MECU netbacks improved by approximately $115. Higher netbacks for HCl and, to a lesser extent, caustic soda were partially offset by lower netbacks for chlorine.	Adjusted EBITDA for 2024 was $230.6 million, which was $46.9 million lower than Adjusted EBITDA for 2023. Excluding the maintenance turnaround at North Vancouver and the negative $5.8 million impact of the work stoppage at the Canadian railways, Adjusted EBITDA was $23.2 million lower primarily due to: • significantly lower caustic soda prices, • the impact of the work stoppage at the Canadian railways, • lower margins for Brazil, and • lower sales volumes of sodium chlorate, partially offset by: • higher selling prices for HCl, chlorine and sodium chlorate. MECU netbacks declined by approximately $70. Higher netbacks for HCl and chlorine offset approximately 60% of the decline in caustic soda.

	EC OPERATING RESULTS	
	Q3 2024 vs Q3 2023	**YTD 2024 vs YTD 2023**
Gross Profit	Gross profit for 2024 was $63.1 million, which was $7.5 million lower than gross profit for 2023. Excluding the impact of the work stoppage at the Canadian railways, gross profit was $1.7 million lower than 2023. The factors that affected Adjusted EBITDA also affected gross profit.	Gross profit for 2024 was $175.0 million, which was $45.7 million lower than gross profit for 2023. Excluding the impact of the maintenance turnaround at North Vancouver and the work stoppage at the Canadian railways, gross profit was $22.0 million lower than 2023. The factors that affected Adjusted EBITDA also affected gross profit.

Corporate Costs

Corporate costs include the administrative costs of corporate activities such as treasury, finance, information technology, human resources, legal and risk management, and environmental, health and safety support, which are not directly allocable to a reportable segment.

	Three months ended		Nine months ended	
($'000)	**September 30, 2024**	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
Corporate costs (Adjusted EBITDA)	$ (24,136)	$ (25,840)	$ (76,314)	$ (71,844)

	CORPORATE COSTS	
	Q3 2024 vs Q3 2023	**YTD 2024 vs YTD 2023**
Corporate costs	Corporate costs shown above were lower primarily due to: • $4.4 million of realized foreign exchange gains in 2024 compared to $0.2 million of losses in 2023, and • provisions recorded for non-income tax related audits during Q3 2023, partially offset by: • $5.3 million higher LTIP costs.	Corporate costs shown above were higher primarily due to: • $6.7 million higher LTIP costs, and • $3.0 million higher legal and other costs, partially offset by: • $3.2 million of realized foreign exchange gains in 2024 compared to $0.2 million of gains in 2023, and • provisions recorded for non-income tax related audits during Q3 2023.

Foreign Exchange

We have certain operating subsidiaries that use the USD as their functional currency. As we report in CAD, our reported net earnings are exposed to fluctuations in the CAD/USD exchange rate. If the CAD weakened by one-cent (for example, from $1.35 to $1.36 for US$1.00), on an unhedged basis, this would have the impact as below:

Measure	Impact
Annual net earnings	+ $2.9 million
Adjusted EBITDA	+ $3.8 million
Annual distributable cash after maintenance capital expenditures	+ $2.8 million

If the CAD strengthened by one-cent, on an unhedged basis, this would have the opposite impact.

We manage our financial exposure to fluctuations in the value of the USD relative to the CAD as follows:

a) We maintain USD denominated Credit Facilities, under which most of the borrowings are denominated in USD; and

b) We enter into foreign exchange contracts to hedge a portion of our USD net cash flows for up to eighteen months in the future.

All foreign exchange contracts are under ISDA agreements. Contracts in place at September 30, 2024 include future contracts to sell the following amounts for periods through to December 2025:

Amount ($'000)	Maturity	Exchange rate
US$110,728	Q4 2024	$1.35
US$50,538	Q1 2025	$1.35
US$24,000	Q2 2025	$1.36
US$15,000	Q3 2025	$1.37
US$7,000	Q4 2025	$1.36

The purpose of these contracts is to manage foreign exchange risk on specific transactions in a foreign currency. The amount of the related derivative is recorded at fair value at the period end and is included with prepaid expense and other assets or trade and other payables on the Condensed Consolidated Interim Statements of Financial Position. The resultant non-cash charge or gain is included in selling and administrative expense. The impact of this non-cash charge or gain is excluded from Adjusted EBITDA and Distributable cash after maintenance capital expenditures. See Non-IFRS and Other Financial Measures on page 40.

We have hedged our investments in foreign operations that use the USD as their functional currency with our USD-denominated bank debt. As a result, any gains and losses arising from the USD-denominated debt will be offset by the foreign currency gain or loss arising from the investment in the foreign operations. The gains and losses on the translation of the designated amount of USD-denominated debt and investment in foreign operations are recognized on a net basis in other comprehensive income. The changes recorded in the accumulated other comprehensive income account since December 31, 2023 were a result of changes in the CAD/USD exchange rate between

December 31, 2023 and September 30, 2024. For the three and nine months ended September 30, 2024, a foreign exchange gain of $3.4 million and a foreign exchange loss of $5.4 million, respectively, on the revaluation of the USD-denominated debt was recognized in other comprehensive income, compared with foreign exchange losses of $8.9 million and $3.0 million, respectively, during the three and nine months ended September 30, 2023.

The rate of exchange used to translate USD-denominated balances has increased from a rate of US$1.00 = $1.32 at December 31, 2023 to US$1.00 = $1.35 at September 30, 2024. The quarterly average rate of exchange has increased from US$1.00 = $1.34 during the third quarter of 2023 to US$1.00 = $1.36 in the third quarter of 2024. The average rate for the nine months ended September 30, 2024 has increased from US$1.00 = $1.34 during the nine months ended September 30, 2023 to US$1.00 = $1.36 in the nine months ended September 30, 2024. See **Risks and Risk Management** on MD&A on page 33 for additional comments on foreign exchange.

NET FINANCE COSTS AND INCOME TAXES

Net Finance Costs

During the three and nine months ended September 30, 2024, net finance costs were $16.1 million and $61.1 million, respectively, compared with net finance income of $2.4 million and $9.7 million, respectively, during the same periods of 2023.

<table>
<tr><th>Q3 2024 vs Q3 2023</th><th>YTD 2024 vs YTD 2023</th></tr>
<tr><td>Net finance costs were $18.6 million higher during 2024 relative to 2023. The increase was primarily due to:
$11.9 million of lower gains related to the change in fair value of Debentures in 2024 compared with 2023,
$3.9 million of higher losses related to the change in the fair value of interest rate swaps during 2024 compared with 2023, and
$1.5 million of higher interest expense on long term debt.</td><td>Net finance costs were $70.8 million higher during 2024 relative to 2023. The increase was primarily due to:
$16.8 million of losses related to the change in fair value of Debentures during 2024 compared with $53.0 million of gains for 2023,
$2.3 million of higher losses related to the change in the fair value of interest rate swaps during 2024 compared with 2023, and
$2.9 million lower interest income
$1.2 million higher interest expense on lease liabilities
$1.4 million higher accretion of provisions
partially offset by:
$5.0 million lower transaction costs incurred on issuance of Debentures in 2023, and
$3.4 million lower interest on Debentures in 2024 compared to 2023.</td></tr>
</table>

The Debentures are recognized at fair value with changes in fair value due to changes in the risk free interest rate presented in net finance costs and changes in our own credit risk presented in other comprehensive income rather than net earnings. During the three and nine months ended September 30, 2024, the fair value of the Fund's Debentures decreased by $4.1 million and increased by $13.9 million, respectively, and decreased by $9.5 million and $16.1 million, respectively, during the same periods of 2023.

Below is an explanation of the change in the fair value of Debentures:

		Three months ended September 30,			Nine months ended September 30,		
($ million)	**Recorded in**	**2024**	**2023**	**Variance**	**2024**	**2023**	**Variance**
Decrease (increase) due to a change in risk free rate and a change in the conversion option fair value	Net finance costs	$ (2.7)	$ (14.5)	$ 11.8	$ 16.8	$ (53.0)	$ 69.8
(Decrease) increase due to a change in our credit risk, net of taxes	Other comprehensive income	(1.9)	4.9	(6.8)	(1.4)	33.8	(35.2)
Tax (expense) recovery due to credit risk	Other comprehensive income	0.5	0.1	0.4	(1.5)	3.1	(4.6)
Increase (decrease) in fair value of Debentures		$ (4.1)	$ (9.5)	$ 5.4	$ 13.9	$ (16.1)	$ 30.0

Since changes in fair value due to credit risk changes are presented in other comprehensive income, they are shown net of related taxes.

The weighted average effective annual interest rate of the Credit Facilities at September 30, 2024 was 4.4% (December 31, 2023 - 3.5%). See **Liquidity and Capital Resources - Financial Instruments** for information concerning swap arrangements on page 21.

Income Taxes

The Fund is a mutual fund trust and a SIFT for income tax purposes. The Fund is subject to current income taxes at the top marginal tax rate applicable to individuals of approximately 53.5% on all taxable income not distributed to Unitholders. The Fund is also subject to current income taxes on all taxable income, other than dividends, earned from Canadian corporate and flow-through subsidiaries (other than Canadian subsidiaries that earn certain investment income) at a tax rate similar to the corporate tax rate. The Fund is not subject to tax on income received from non-Canadian subsidiaries, provided that the income is distributed to Unitholders during the year. Based on the current organization of the Fund and its subsidiaries, we expect that our income distributed to Unitholders will not be subject to SIFT tax.

Taxable income distributed by the Fund to its Unitholders is considered taxable income of those Unitholders.

<table>
<tr><th></th><th>Q3 2024 vs Q3 2023</th><th>YTD 2024 vs YTD 2023</th></tr>
<tr><td>Income taxes</td><td>Income tax expense in 2024 was $2.9 million lower than the same period of 2023. The change was primarily due to:
lower operating income in 2024 relative to the same period of 2023,
impact of favourable taxable foreign exchange in Brazil,
partially offset by:
a lower proportion of operating income offset by available tax losses in 2024 relative to the same period of 2023, and
lower amounts of deferred tax recovery associated with the change in fair value of the Debentures in 2024 relative to 2023, as well as the repayment of the Fund 2020 8.50% Debentures in 2024.</td><td>Income tax expense in 2024 was $4.7 million more than the same period of 2023. The change was primarily due to:
a lower proportion of operating income offset by available tax losses in 2024 relative to the same period of 2023,
lower amounts of deferred tax recovery associated with the change in fair value of the Debentures in 2024 relative to 2023, as well as the repayment of the Fund 2020 8.50% Debentures in 2024, and,
impact of unfavourable taxable foreign exchange and other taxable amounts in Brazil,
partially offset by:
lower operating income in 2024 relative to the same period of 2023.</td></tr>
</table>

<table>
<tr><th></th><th>As at September 30, 2024 vs December 31, 2023</th></tr>
<tr><td>Deferred tax assets and liabilities</td><td>Net deferred tax assets decreased by $1.4 million which was primarily due to:
utilization of loss carryforwards previously recognized as deferred tax assets to offset operating income earned in 2024, and
change in deferred tax assets related to reversals of certain reserves for legal proceedings,
partially offset by:
additional deferred tax assets related to other long-term liabilities and employee benefits, and
a decrease in deferred tax liabilities related to depreciation of non-deductible intangible and fixed assets, as well as the change in fair value of debentures and the repayment of the 2020 Fund 8.50% Debentures.</td></tr>
<tr><td>Income taxes receivable</td><td>We made income tax payments of $17.6 million in 2024 to the CRA. As we are disputing the deductibility of certain Canadian tax losses with the CRA which would offset the taxes owed for 2021 to 2024, we have recorded these payments as non-current income taxes receivable in the Condensed Consolidated Interim Statements of Financial Position. We have appealed this assessment by the CRA and the resolution of this matter in our favour would result in significant taxes paid on our account to be refunded. We believe that our asserted position is appropriate and would be sustained upon full examination by tax authorities and, if necessary, upon consideration by judicial process. The cumulative amount of taxes paid to CRA related to this matter is $66.0 million.</td></tr>
</table>

Our income tax expense for the nine months ended September 30, 2024 was $36.7 million and the effective tax rate was 23.9%. The effective tax rate differs from the statutory tax rate of 25.3% primarily due to the net deferred tax impact associated with the change in fair value of the Debentures, the non-taxability to the Fund of the income distributed to Unitholders, and the repayment of the Fund 2020 8.50% Debentures, impact of taxable foreign exchange, changes in level of earnings in jurisdictions taxed at different rates, and the non-recognition of deferred tax assets related to certain carryforward amounts of business interest expense deductions.

DISTRIBUTIONS

Distributions to Unitholders for the three and nine months ended September 30, 2024 were declared as follows:

Record Date	Payment Date	Distribution Per Unit [1]	Total ($'000)
Three months ended September 30:			
July 31, 2024	August 30, 2024	$ 0.055	$ 6,445
August 30, 2024	September 27, 2024	0.055	6,716
September 27, 2024	October 31, 2024	0.055	6,688
Sub-total		0.165	19,849
Three months ended June 30, 2024		0.165	19,333
Three months ended March 31, 2024		0.165	19,333
Total for the nine months ended September 30, 2024		**$ 0.495**	**$ 58,515**

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

Distributions to Unitholders, including bonus distributions pursuant to the DRIP, for the three and nine months ended September 30, 2023 were declared as follows:

Record Date	Payment Date	Distribution Per Unit [1]	Total ($'000)
Three months ended September 30:			
July 31, 2023	August 28, 2023	$ 0.050	$ 5,848
August 31, 2023	September 26, 2023	0.050	5,854
September 29, 2023	October 26, 2023	0.050	5,864
Sub-total		0.150	17,566
Three months ended June 30, 2023		0.150	17,503
Three Months Ended March 31, 2023		0.150	17,440
Total for the nine months ended September 30, 2023		**$ 0.450**	**$ 52,509**

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

Treatment of our distributions for Canadian income tax purposes for 2023 and 2024 is as follows:

	Other Income	Dividends [1]	Foreign Non-Business Income	Total
2023	6.0%	24.0%	70.0%	100%
2024 [2]	6.0%	31.0%	63.0%	100%

[1] These dividends are not considered to be eligible dividends for Canadian resident Unitholders and therefore not eligible for the enhanced tax credit.

[2] Represents anticipated tax characterization of planned distributions. The actual tax treatment of 2024 distributions will be determined by March 3, 2025.

CASH FLOWS

($'000)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net cash flows from (used in):				
Operating activities	$ 143,244	$ 129,166	$ 247,808	$ 302,856
Investing activities	(45,610)	(37,530)	(125,085)	(98,997)
Financing activities	(116,394)	(90,873)	(128,465)	(240,695)
Decrease in cash and cash equivalents	(18,760)	763	(5,742)	(36,836)
Effect of exchange rates on cash held in foreign currencies	(178)	688	553	62
Cash and cash equivalents, beginning of the period	35,273	34,344	21,524	72,569
Cash and cash equivalents, end of the period	$ 16,335	$ 35,795	$ 16,335	$ 35,795

Our distributions to Unitholders are sourced entirely from the Fund's investments in operating subsidiary entities. The Fund's investments are financed by trust units held by Unitholders, the Credit Facilities (see Financing Activities below), and the Debentures. Our cash flow is required to fund cash distributions to Unitholders, capital requirements, interest, general trust purposes and other legal obligations.

	Q3 2024 vs Q3 2023	YTD 2024 vs YTD 2023
Operating Activities	Cash flows from operating activities in 2024 were an inflow of $143.2 million, compared with $129.2 million for the same period of 2023. The increase in cash flows from operating activities of $14.0 million was primarily due to changes in working capital and lower income taxes paid, partially offset by higher interest paid and lower Adjusted EBITDA.	Cash flows from operating activities in 2024 were an inflow of $247.8 million, compared with $302.9 million for the same period of 2023. The decrease in cash flows from operating activities of $55.1 million was primarily due to lower Adjusted EBITDA and changes in working capital, partially offset by lower income taxes paid.
Investing Activities	Capital expenditures were $45.6 million in 2024, compared with $37.5 million for the same period in 2023. These amounts included $26.5 million during 2024 and $25.8 million in 2023 for maintenance capital expenditures[1]. Non-maintenance capital expenditures[2] were $19.1 million in 2024, compared with $11.7 million in 2023. Most of the non-maintenance capital spending during 2024 was for the ultrapure sulphuric acid business, primarily for the expansion at our facility in Cairo, OH.	Capital expenditures were $125.1 million in 2024, compared with $99.0 million in 2023. These amounts included $68.4 million in 2024 and $60.6 million in 2023 for maintenance capital expenditures[1]. Non-maintenance capital expenditures[2] were $56.7 million in 2024, compared with $38.4 million in 2023. Most of the non-maintenance capital spending during 2024 was for the ultrapure sulphuric acid business, primarily for the expansion at our facility in Cairo, OH.

[1] Maintenance capital expenditures is a supplementary financial measure. See Non-IFRS and Other Financial Measures

[2] Non-maintenance capital expenditures is a supplementary financial measure. See Non-IFRS and Other Financial Measures

	Q3 2024 vs Q3 2023	YTD 2024 vs YTD 2023
Financing Activities	Cash flows from financing activities in 2024 were an outflow of $116.4 million, compared with an outflow of $90.9 million for the same period of 2023. The increase in cash used in financing activities of $25.5 million was primarily due to the net decrease in borrowings from our Credit Facilities, settlement of the Fund 2020 8.50% Debentures in Q3 2024, purchase of units under the NCIB and higher distributions to unitholders, partially offset by the issuance of the Notes.	Cash flows from financing activities in 2024 were an outflow of $128.5 million, compared with an outflow of $240.7 million for the same period of 2023. The decrease in cash used in financing activities of $112.2 million was primarily due to the issuance of the Notes in 2024 and lower settlements of Debentures in 2024, partially offset by the issuance of the Fund 2023 7.00% Debentures in 2023, the net decrease in borrowings from our Credit Facilities, purchase of units under the NCIB and higher distributions to unitholders.

During the first quarter of 2023, we completed a public offering of the Fund 2023 7.00% Debentures, at a price of $1,000 per debenture, resulting in total gross proceeds of $110.0 million. The Fund 2023 7.00% Debentures are convertible, at the option of the holder, into trust units of the Fund at a conversion price of $12.85 per unit. Chemtrade incurred transaction costs of $5.0 million which included underwriters' fees and other expenses relating to the offering.

During the third quarter of 2024, Chemtrade closed a private offering of $250.0 million of aggregate principal amount of Notes and incurred transaction costs of $6.0 million. The net proceeds of the issuance were used to reduce borrowings from our Credit Facilities.

In June 2024, the Fund implemented an NCIB which enables it to purchase up to 11.7 million units over a 12 month period ending June 2, 2025. Purchases of units for the third quarter were $26.4 million which were funded by cash flows from operations.

There was a net decrease in borrowings from our Credit Facilities of $254.4 million and $197.6 million during the three and nine months ended September 30, 2024 respectively, compared with a net decrease of $62.0 million and $57.9 million during the same period of 2023. The decrease in borrowings for the third quarter of 2024 was a result of using proceeds received from the issuance of the Notes. During 2023, a portion of the proceeds from the Fund 2023 7.00% Debentures were used to reduce borrowings from our Credit Facilities.

Distributions paid to Unitholders, net of distributions reinvested during the three and nine months ended September 30, 2024 were $19.6 million and $56.6 million, respectively compared to $14.4 million and $43.7 million for the same periods of 2023. The increase in distributions paid for the three and nine months ended September 30, 2024 relative to 2023 was primarily due to units issued under the DRIP, which was discontinued in January 2024, conversions of Debentures into units and an increase in monthly distributions from $0.050 per unit to $0.055 per unit effective with the distribution declared in January 2024.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Cash Equivalents

At September 30, 2024, we had cash and cash equivalents of $16.3 million (December 31, 2023 - $21.5 million) and a Net working capital[1] deficit of $91.7 million (December 31, 2023 - $83.8 million). The Net working capital deficiency is amply covered by availability under the Credit Facilities. Cash we generate will be used to fund cash distributions to Unitholders, capital requirements, interest, general trust purposes and other legal obligations.

Future Liquidity

Our future liquidity is primarily dependent on cash flows of our operating subsidiaries. These cash flows will be used to finance ongoing expenditures, including maintenance capital, growth initiatives, distributions to Unitholders and normal course financial commitments. Cash flows are sensitive to changes in volumes, sales prices and input costs and any changes in these may impact future liquidity. Management believes that cash flows from operating activities will be sufficient for us to meet future obligations and commitments that arise in the normal course of business activities. In addition, we have revolving Credit Facilities which can be used for general trust purposes, including to fund capital expenditures and growth opportunities. See **Capital Resources** below for more details.

Capital Resources

($'000)	**September 30, 2024**	**December 31, 2023**
Long-term debt (1)	$ 304,100	$ 246,545
Debentures (1)	340,000	425,552
Total debt (2)	$ 644,100	$ 672,097

(1) Principal outstanding amount

(2) Total debt is a Non-IFRS financial measure. See **Non-IFRS and Other Financial Measures**

At September 30, 2024, we had Credit Facilities of approximately $879.1 million (US$650.0 million). At September 30, 2024, we had drawn $54.1 million on our Credit Facilities. Additionally, we had committed a total of $18.9 million of our Credit Facilities towards standby letters of credit. At September 30, 2024, we had undrawn US$596.0 million on our Credit Facilities.

In March 2024, we amended our Credit Facilities to replace Canadian Bankers' Acceptance rate with CORRA.

In October 2024, Chemtrade amended certain terms of its Credit Facilities by extending the maturity of the facility to October 2028. See **Recent Developments** on page 6.

[1] Net working capital is a non-IFRS measure. See **Non-IFRS and Other Financial Measures**

During Q3 2024, Chemtrade closed its private offering of $250.0 million of Notes. The Notes include early redemption options allowing Chemtrade to redeem the Notes at a premium, in cash, anytime prior to August 27, 2028 and at principal anytime after August 28, 2028.

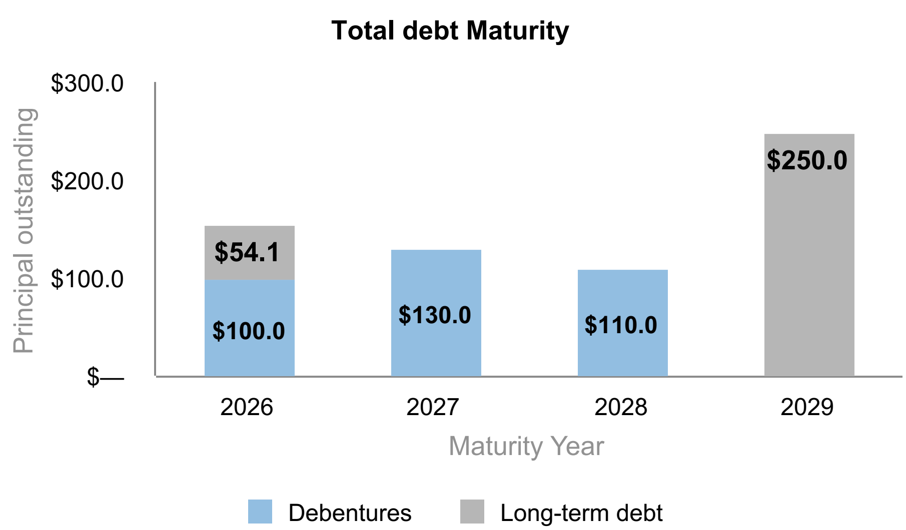
Effective January 1, 2024, we have presented the Debentures as current liabilities in the Condensed Consolidated Interim Statements of Financial Position in accordance with amendments to IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current.* Since the amendments are applicable retrospectively, we have restated the December 31, 2023 Condensed Consolidated Interim Statements of Financial Position by re-classifying the Debentures from non-current to current liabilities. While these are presented as current liabilities, Debenture holders do not have the right to demand their repayment prior to their maturity date, which for all the outstanding series of Debentures is more than one year in the future. However, Debenture holders have the right to convert Debentures into units at predetermined prices, thus, the Debentures are classified as current liabilities (see **Recent Developments** on page 6 and **Standards and Interpretations** on page 35).

Our Debentures as of the date of this MD&A are described in the table below:

	Fund 2019 6.50% Debentures	Fund 2021 6.25% Debentures	Fund 2023 7.00% Debentures	**Total**
Maturity	October 31, 2026	August 31, 2027	June 30, 2028	
Interest Rate	6.50 %	6.25 %	7.00 %	
Principal outstanding at September 30, 2024	$ 100.0	$ 130.0	$ 110.0	$ 340.0 [1]
Conversion Price per unit	$ 15.80	$ 10.00	$ 12.85	

[1] At September 30, 2024, the market value of the outstanding Debentures was $357.4 million.

The graph below shows the maturity of our Total Debt as at September 30, 2024:



Debt Covenants

As at September 30, 2024, we were compliant with all debt covenants contained in our credit agreement.

Financial Instruments

As of January 1, 2022, we had swap arrangements in place to fix the LIBOR components of our interest rates on US$325.0 million of our Credit Facilities until October 2024. During the first quarter of 2022, we formally designated the interest rate swaps as cashflow hedges and changes in the fair value of the effective portion of the swaps were recognized in other comprehensive income.

During the third quarter of 2022, we de-designated our interest rate swaps and hedge accounting on these swaps was discontinued prospectively. The accumulated balance of the change in fair value of the interest rate swaps in other comprehensive income at the time the swaps were de-designated will be reclassified to net earnings until October 2024. For the three and nine months ended September 30, 2024, we reclassified $1.8 million and $5.3 million, respectively (2023 - $1.8 million and $5.3 million, respectively) from other comprehensive income to net earnings. As a result of discontinuing hedge accounting, all subsequent changes in the fair value of the interest rate swaps are recognized in net earnings. For the three and nine months ended September 30, 2024, we recognized a loss of $6.0 million and $6.8 million, respectively (2023 - loss of $2.1 million and loss of $4.5 million, respectively) in net earnings relating to the changes in the fair value of the swaps.

During the first quarter of 2024, we blended and extended our existing US$175.0 million and US$150.0 million interest rate swaps on our outstanding long-term debt. Effective January 24, 2024, the terms of these swaps were extended until December 2026 to align with the maturity date of our long-term debt and the aggregate amount of the swap was reduced to US$175.0 million. As a result of the extension, we presented the fair value relating to the interest rate swap in Other assets under non-current assets compared to December 31, 2023 when these were presented in Prepaid expense and other assets in the Condensed Consolidated Interim Statements of Financial Position.

We hedge our investment in foreign operations that use the USD as their functional currency with our USD-denominated bank debt. Any foreign currency gains and losses arising from the USD-denominated bank debt will be offset by the foreign currency gain or loss arising from the investment in the foreign operations. The gains and losses on the foreign currency translation of the designated amount of USD-denominated debt and investment in foreign operations are recognized in other comprehensive income.

We have entered into cash-settled unit swap arrangements which fix the unit price on a portion of the RSU and PSU components of our LTIP awards and a portion of the deferred units awarded under the DUP. During the first quarter of 2023, we rolled over the hedged units maturing on March 31, 2023, into 2024, 2025 and 2026. During the first quarter of 2024, we rolled over the hedged units maturing on March 31, 2024, into 2025, 2026 and 2027. The RSU component of the LTIP awards is a phantom plan which is payable in cash at the end of the performance period. The PSU component of the LTIP awards gives a right to the participants to receive cash payments upon the achievement of performance goals during the performance periods. As at September 30, 2024, the notional number of units hedged was 2.5 million (December 31, 2023 - 2.4 million) with maturity dates ranging between March 2025 and March 2027. Distributions on the hedged units are notionally reinvested in these swap arrangements. These RSU and PSU swaps are formally designated as cash flow hedges at the date of inception and any changes in the fair value of the unvested portion of the RSU and PSU hedges are recognized in other comprehensive income.

However, the swaps which fix the unit price on deferred units are not formally designated as cash flow hedges and any changes in the fair value of the deferred units swaps are recognized in net earnings. As at September 30, 2024, the notional number of units not designated as hedges was 0.7 million (December 31, 2023 - 0.5 million) maturing in March 2025.

FINANCIAL CONDITION REVIEW

The Condensed Consolidated Interim Statements of Financial Position contain certain categories as set out below. Since December 31, 2023, there have been material variances in these categories, which are explained below.

($'000)	September 30, 2024	December 31, 2023	$ Change	% Change
ASSETS				
Income taxes receivable	66,000	48,381	17,619	36 %
LIABILITIES and UNITHOLDERS' EQUITY				
Convertible unsecured subordinated debentures	357,355	437,517	(80,162)	(18)%
Long-term debt	298,124	246,545	51,579	21 %
Contributed Surplus	20,148	9,720	10,428	107 %

Income taxes receivable	Increase is primarily due to Canadian income taxes paid relating to the 2023 and 2024 taxation years. We are disputing the deductibility of certain Canadian tax losses with the CRA which would offset the taxes owed for 2021, 2022, 2023 and 2024. We have appealed this assessment by the CRA and the resolution of this matter in our favour would result in significant taxes paid on account to be refunded.
Convertible unsecured subordinated debentures	Decrease is primarily due to the elimination of the Fund 2020 8.50% Debentures through a combination of a substantial issuer bid, conversions into units followed by a redemption. This was partially offset by an increase in fair value of our Debentures.
Long-term debt	Increase is primarily due to the issuance of the Notes partially offset by re-payment of our Credit Facilities.
Contributed Surplus	Increase is due to the difference in the book value of our average unit price compared to the price paid under the Normal Course Issuer Bid.

SUMMARY OF QUARTERLY RESULTS

($ millions)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Revenue	$ 474.1	$ 448.1	$ 418.2	$ 422.0	$ 483.5	$ 470.0	$ 471.3	$ 456.7
Cost of sales and services	(348.9)	(339.5)	(320.2)	(359.9)	(354.9)	(350.0)	(361.4)	(370.7)
Gross profit	125.2	108.6	98.0	62.1	128.6	120.0	109.9	86.0
Selling and administrative expenses:								
Unrealized foreign exchange gain (loss)	1.3	(2.1)	(5.2)	8.2	(5.3)	4.3	3.8	10.9
Realized foreign exchange gain (loss)	2.2	(3.5)	(1.4)	0.7	(1.2)	2.5	(0.4)	(3.3)
LTIP	(9.3)	(6.0)	(3.6)	(5.2)	(4.0)	(4.0)	(4.1)	(6.9)
Other	(29.4)	(32.5)	(28.0)	(34.6)	(33.1)	(28.0)	(27.8)	(28.2)
Total selling and administrative expenses	(35.2)	(44.1)	(38.2)	(30.9)	(43.6)	(25.2)	(28.5)	(27.5)
Gain on disposal of assets	—	—	—	24.3	—	—	—	—
Share of loss from joint venture	—	—	—	—	(0.1)	(0.6)	(0.7)	(0.4)
Operating income	90.0	64.5	59.8	55.5	85.0	94.2	80.7	58.1
Net finance costs:								
Change in fair value of Debentures	2.7	(26.0)	6.6	(19.2)	14.5	5.3	33.2	(25.2)
Transaction costs on issuance of Debentures	—	—	—	—	—	—	(5.0)	—
Income reclassified from other comprehensive income	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Change in the fair value of interest rate swaps	(6.0)	(0.1)	(0.7)	(5.7)	(2.1)	1.6	(3.9)	0.9
Other	(14.6)	(15.0)	(13.3)	(10.6)	(11.8)	(14.2)	(13.4)	(14.7)
Total net finance (costs) income	(16.1)	(39.3)	(5.6)	(33.7)	2.4	(5.5)	12.7	(37.2)
Income tax expense	(13.8)	(10.6)	(12.2)	(10.1)	(16.7)	(1.4)	(13.9)	(32.7)
Net earnings (loss)	$ 60.1	$ 14.6	$ 42.0	$ 11.7	$ 70.8	$ 87.3	$ 79.5	$ (11.7)
Adjusted EBITDA	$ 137.2	$ 115.1	$ 109.9	$ 84.6	$ 142.1	$ 144.2	$ 131.7	$ 104.3
Net earnings (loss) per unit	$ 0.51	$ 0.12	$ 0.36	$ 0.10	$ 0.61	$ 0.75	$ 0.69	$ (0.10)
Diluted net earnings (loss) per unit	$ 0.40	$ 0.12	$ 0.25	$ 0.10	$ 0.41	$ 0.57	$ 0.32	$ (0.10)

Below are some of the key items that had a significant impact on financial results over the last eight quarters.

Revenue and Gross Profit

Gross profit for the third quarter of 2024 was negatively affected by the work stoppage at Canadian railways. Excluding this, gross profit for the third quarter of 2024 is similar to the third quarter of 2023. Gross profit for the first six months of 2024 was lower relative to the same period of 2023 due to significantly lower selling prices for caustic soda and lower margins for Brazil, sodium nitrite and merchant acid partially offset by an improvement in margins for water solutions products, sodium chlorate, HCL and chlorine. Gross profit for the second quarter of 2024 was also negatively affected by the impact of the maintenance turnaround at North Vancouver. Gross profit for Q4 2023 was low due to lower gross profit for sodium nitrite and merchant sulphuric acid in the SWC segment and significantly lower selling prices for caustic soda and lower volumes of sodium chlorate in the EC segment.

Selling and Administrative Expenses

The change in fair value of our LTIP obligation recorded in any quarter depends on changes in the various factors used in arriving at the fair value of the obligation.

Net Finance Costs

Net finance costs include changes in the fair value of the Debentures. The amount recorded in any quarter related to the fair value adjustments on the Debentures fluctuates depending upon the market value of the Debentures at the end of the period. The primary component of other net finance costs is interest from our Credit Facilities and Debentures.

Net finance costs include income reclassified from other comprehensive income. The amount recorded in any quarter is as a result of de-designation of interest rate swaps and discontinuation of hedge accounting prospectively. As a result of the de-designation, any changes relating to the fair value of the effective portion of the swaps are re-classified from accumulated other comprehensive income to net earnings. The fair value changes of these de-designated swaps are recognized in net earnings. Net finance costs for the first quarter of 2023 included $5.0 million of transaction costs on the issuance of the Fund 2023 7.00% Debentures.

OUTSTANDING SECURITIES OF THE FUND

As at November 13, 2024 and September 30, 2024, the following units and securities convertible into our units were issued and outstanding:

		November 13, 2024		September 30, 2024	
	Maturity	Convertible Securities	Units	Convertible Securities	Units
Units outstanding			**120,916,432**		**121,502,232**
6.50% Debentures [1]	**October 31, 2026**	**100,000**	**6,329,114**	**100,000**	**6,329,114**
6.25% Debentures [2]	**August 31, 2027**	**130,000**	**13,000,000**	**130,000**	**13,000,000**
7.00% Debentures [3]	**June 30, 2028**	**110,000**	**8,560,311**	**110,000**	**8,560,311**
Units outstanding and issuable upon conversion of Debentures			**148,805,857**		**149,391,657**
Deferred units plan [4][5]		**$ 8,763**	**796,618**	**$ 8,735**	**792,637**
Units outstanding and issuable upon conversion of Debentures and Deferred units			**149,602,475**		**150,184,294**

[1] Convertible at $15.80 per unit

[2] Convertible at $10.00 per unit

[3] Convertible at $12.85 per unit

[4] Based on $11.00 and $11.02, the closing price of a unit on the TSX on November 13, 2024 and September 30, 2024, respectively

[5] 203,382 and 207,363 deferred units were available for future grants as at November 13, 2024 and September 30, 2024, respectively

CONTRACTUAL OBLIGATIONS

Information concerning contractual obligations at September 30, 2024 is shown below:

Contractual Obligations *($'000)*	**Total**	**Less Than 1 Year**	**2-3 Years**	**4-5 Years**	**After 5 Years**
Long-term debt	$ 304,100	$ —	$ 54,100	$ 250,000	$ —
Debentures	340,000	—	230,000	110,000	—
Purchase commitments	71,826	38,376	33,450	—	—
Interest on Debentures	66,118	22,325	38,034	5,759	—
Interest on long-term debt	83,579	18,326	34,819	30,434	—
Lease payments	200,944	58,586	91,688	40,679	9,991
Trade and other payables	278,405	278,405	—	—	—
Distributions payable	6,690	6,690	—	—	—
Total contractual obligations	$ 1,351,662	$ 422,708	$ 482,091	$ 436,872	$ 9,991

FINANCIAL OUTLOOK

Given strong year-to-date results in 2024 and our outlook for the fourth quarter of 2024, we have updated our expectations for the full year 2024 Adjusted EBITDA. We now expect our 2024 Adjusted EBITDA to be within the range of $445.0 million and $460.0 million, as compared to our previous guidance range of between $430.0 million and $460.0 million. Based on this guidance, 2024's Adjusted EBITDA will be the second highest achieved in our history.

($ million)	Revised 2024 Guidance	Prior 2024 Guidance	2023 Actual	Nine months ended Actual	
				September 30, 2024	September 30, 2023
Adjusted EBITDA	$445.0 - $460.0	$430.0 - $460.0	$502.6	$362.2	$418.0
Maintenance capital expenditures	$100.0 - $110.0	$100.0 - $110.0	$104.2	$68.4	$60.6
Growth capital expenditures	$70.0 - $80.0	$70.0 - $100.0	$62.1	$56.7	$38.4
Lease payments	$60.0 - $70.0	$60.0 - $70.0	$58.3	$48.2	$43.0
Cash interest [(1)]	$40.0 - $50.0	$45.0 - $55.0	$42.4	$35.0	$32.8
Cash tax [(1)]	$40.0 - $50.0	$30.0 - $50.0	$14.7	$37.0	$12.0

[(1)] 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** on page 40.

Our 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 pandemic outbreak during 2024.
- None of the principal manufacturing facilities (as set out in our AIF) incurs significant unplanned downtime.
- No labour disruptions at any of our principal manufacturing facilities (as set out in our AIF).

Key Assumptions	Revised 2024 Assumptions	Prior 2024 Assumptions	2023 Actual	2022 Actual
Approximate North American MECU sales volumes	175,000	180,000	181,000	184,000
2024 realized MECU netback being lower than 2023 (per MECU)	CAD ($45)	CAD ($95)	N/A	N/A
Average CMA NE Asia Caustic spot price index per tonne [(1)]	US$385	US$385	US$455	US$650
Approximate North American production volumes of sodium chlorate	265,000	257,000	283,000	343,000
USD to CAD average foreign exchange rate	1.358	1.354	1.349	1.302
LTIP costs (in millions)	$20.0 - $25.0	$15.0 - $25.0	17.3	$21.0

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

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 price.
- Turnaround at North Vancouver chlor-alkali plant.
- Lower sales volumes of sodium chlorate.
- Higher cost of raw materials for water treatment chemicals.

Update on Organic Growth Projects

We remain focused on our long-term objective of delivering sustained earnings growth and generating value for investors. To accomplish this, we have identified various organic growth initiatives. In 2024, we plan to invest between $70.0 million and $80.0 million in growth capital expenditures. This includes approximately $50.0 million for our ultrapure sulphuric acid business, principally at our Cairo, OH facility, with the remainder for water treatment chemicals and other organic growth projects.

The Cairo project is on track and we expect to finish construction later this year. We expect costs to be between US$60.0 million and US$65.0 million. Following startup later this year, the commercial ramp up will begin to take place in 2025. This will be one of the first ultrapure sulphuric acid plants in North America that is expected to meet the quality requirements for next generation semiconductor nodes. As a result, completion of this project will further bolster our position as the top North American supplier of ultrapure sulphuric acid to the semiconductor industry.

We also previously identified a second large ultrapure sulphuric acid plant growth project, undertaken via KPCT joint venture and located in Casa Grande, AZ. Together with our joint venture partner, we made the decision to put the project on hold until it can be assured the project generates an acceptable level of return.

Capital Allocation Update

We have implemented an NCIB, which enables us to, from time to time, purchase a portion of our units. Under the NCIB, we are authorized to purchase up to 11.7 million of our units over a 12 month period ending June 2, 2025. As of September 30, 2024, we purchased 2.6 million units as part of the NCIB. For the period from October 1, 2024 to November 13, 2024, approximately 0.6 million units were purchased by the Fund under the NCIB's automatic share purchase plan.

Purchases of units are effected through the facilities of the TSX and/or alternative Canadian trading systems and are made by means of open market transactions, or such other means as may be permitted by the TSX, including block purchases of units, at prevailing market rates. The timing and amount of any purchases are subject to management's discretion.

On June 25, 2024, the Fund commenced a SIB, pursuant to which Chemtrade acquired all of the tendered Debentures for total consideration of $37.6 million, ($28.3 million par value), including all accrued and unpaid interest. On August 19, 2024 the Fund announced its intention to redeem all of the remaining Fund 2020 8.50% Debentures. Pursuant to this, the remaining Fund 2020 8.50% Debentures were retired by the issuance of 7.0 million units to the debenture holders who elected to convert their Debentures and the payment of $6.2 million to those who did not elect to convert. See **Recent Developments** on page 6.

During Q3 2024, Chemtrade closed its private offering of $250.0 million of aggregate principal amount of 6.375% Notes due August 28, 2029. The Fund incurred transaction costs of $6.0 million due to the issuance against the proceeds of the offering. The Fund utilized proceeds of the notes offering to reduce indebtedness under its Credit Facilities.

We are also looking at other opportunities to further adjust and optimize our capital structure. This could potentially include looking to supplement our organic growth initiatives with M&A, should we identify an opportunity that fits strategically within our portfolio and has synergistic value. The acquisitions we would target would primarily be those with annual Adjusted EBITDA in the $10.0 - $50.0 million range.

RISKS AND RISK MANAGEMENT

There are a number of risks and uncertainties that warrant additional disclosure which are discussed in detail in our annual MD&A for the year ended December 31, 2023. There have been no material changes to our business that require an update to the discussion of these risks and uncertainties.

SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgments

Information about judgments that have a significant risk of resulting in a material adjustment within the next financial year are discussed in detail in our MD&A for the year ended December 31, 2023. There have been no material changes to our business that require an update to the discussion of these significant judgments.

Key Sources of Estimation Uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed in detail in our MD&A for the year ended December 31, 2023. There have been no material changes to our business that require an update to the discussion of these sources of estimation uncertainty.

STANDARDS AND INTERPRETATIONS

(a) Standards and interpretations adopted during the period:

We adopted the following accounting amendments that were effective for our interim and annual consolidated financial statements beginning January 1, 2024:

- Amendments to IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*, clarifying requirements for the classification of liabilities as non-current (effective for annual periods beginning on or after January 1, 2024). These amendments removed an exception related to the requirement for the unconditional right to defer settlement for more than twelve months for equity settled liabilities that permitted classification as non-current liabilities. Chemtrade does not have an unconditional right to defer the settlement of its Debentures upon conversion into units by the debenture holder nor does it classify the conversion option as equity. As a result, in the Condensed Consolidated Interim Statements of Financial Position effective January 1, 2024, we re-classified from non-current to current liabilities, $437.5 million, being the fair value of Debentures as of January 1, 2024. Since, the amendments are applicable retrospectively, we have restated December 31, 2023 Condensed Consolidated Interim Statements of Financial Position by re-classifying the Debentures from non-current to current liabilities. While these are presented as current liabilities, Debenture holders do not have the right to demand their repayment prior to maturity, which for all the outstanding series is more than twelve months in the future. However, the Debenture holders have the right to convert Debentures into units at predetermined prices, thus, the Debentures are classified as current liabilities.

Adoption of the following standards has not had a material impact on our financial results:

- Amendments to IAS 7 and IFRS 7, *Supplier Finance Arrangements,* specifying the disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk (effective for annual periods beginning on or after January 1, 2024).

- Amendments to IFRS 16, *Lease liability in a Sale and Leaseback*, specifying how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction (effective for annual periods beginning on or after January 1, 2024).

(b) Standards and interpretations not yet adopted:

IASB has issued the following new standards and amendments to existing standards that will become effective in future years:

- Amendments to IFRS 10, and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,* addressing the conflict in dealing with the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely with an option of early adoption).

- IFRS 18, *Presentation and Disclosure in Financial Statements,* specifying the requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements (effective for annual periods beginning on or after January 1, 2027).

- Amendments to IAS 21, *Lack of exchangeability*, specifying how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking (effective for annual periods beginning on or after January 1, 2025).

- Amendments to IFRS 9 and IFRS 7, *Classification and measurement of financial instruments,* specifying how an entity should classify some financial assets, especially on the recognition of financial assets and liabilities when settled using electronic payments (effective for annual periods beginning on or after January 1, 2026).

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in the reports that the Fund publicly files is recorded, processed, summarized and reported within a timely manner and that such information is accumulated and communicated to our Management, including our CEO and CFO, as appropriate, to allow timely decisions regarding disclosure. Our CEO and CFO have evaluated our disclosure controls procedures as of September 30, 2024 through inquiry and review. Our CEO and CFO have concluded that, as at September 30, 2024, our design and implementation of the controls were effective.

We also maintain a system of internal controls over financial reporting designed under the supervision of our CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Our Management, including our CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting and evaluating its effectiveness. Management has used the COSO framework (2013) to evaluate the effectiveness of our internal control over financial reporting as of September 30, 2024. There have been no changes to the design of internal controls over financial reporting that occurred during the three and nine months ended September 30, 2024 that have materially affected or are reasonably likely to materially affect the internal controls over financial reporting.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes statements and information about our expectations for the future. When we talk about strategy, risks, plan and future financial and operating performance, or other things that have not taken place, we are making statements that are considered forward-looking information or forward-looking statements under Canadian securities laws, including the Securities Act (Ontario).

Key things to understand about the forward-looking information in this MD&A:

- It typically includes words about the future, such as anticipate, continue, estimate, expect, expected, intend, may, will, intend, project, plan, should, believe and others (see examples below).
- It represents our current views, and can change significantly.
- It is based on a number of material assumptions, including those we have listed below, which may prove to be incorrect.
- Actual results and events may be significantly different from what we expect, due to the risks associated with our business. We recommend you review other parts of this document, including **Risks and Risk Management**, which starts on page 33, which includes a discussion of material risks that could cause actual results to differ significantly from our current expectations.

Forward-looking information is designed to help you understand management's current views of our near and longer-term prospects, and it may not be appropriate for other purposes. We will not necessarily update this information unless we are required to by securities laws.

Examples of forward-looking information in this MD&A

This MD&A contains statements about our future expectations for:

- our expectation that 2024 Adjusted EBITDA will be in the range of $445.0 million to $460.0 million
- the effect of changes in exchange rates and our ability to offset U.S.-dollar denominated debt;
- our ability to access tax losses and tax attributes;
- the deductibility of certain tax losses and outcome of our appeal;
- the tax characterization of planned distributions;
- sources, use, availability and sufficiency of cash flows;
- statements in the Financial Outlook section, including:
  - our expected adjusted EBITDA range for 2024, that it will be the second highest Adjusted EBITDA achieved in our history;
  - the expected range of maintenance capital and growth capital expenditures, lease payments, cash interest, and cash tax;
  - our expectations regarding lower 2024 Adjusted EBITDA compared to 2023 due to expected lower average selling prices for caustic soda due to lower NE Asia index prices, the impact of a turnaround at the North Vancouver chlor-alkali plant, the expected lower sales volumes of sodium chlorate; and the anticipated higher cost of raw materials for water treatment chemicals;

- our intention to invest between $70.0 million and $80.0 million in growth capital expenditures and its allocation between the ultrapure sulphuric acid business, water treatment chemicals and other organic growth projects.
- the expected cost and timing of construction completion, and the expected timing of start-up and commercial ramp-up of the Cairo project;
- our ability to be one of 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;
- the ability of our KPCT joint venture Arizona planned project to generate an acceptable level of return and the timing thereof;
- our ability to identify strategic and synergistic M&A opportunities and execute upon them;
- the effectiveness of disclosure controls procedures and of their design and implementation;
- long-term incentive compensation amounts.

Material assumptions

The forward-looking information contained in this MD&A includes the following material assumptions, among others:

- certain key elements as set out in the Financial Outlook section, including:
    - there being no significant North American lockdowns or stay-at-home orders issued due to a 2024 pandemic outbreak;
    - there being no significant unplanned downtime nor labour disruptions affecting Chemtrade's principal manufacturing facilities;
    - the stated North American MECU sales volumes and sodium chlorate production volumes;
    - 2024 realized MECU netback being lower than 2023 by the stated amount;
    - the stated average CMA NE Asia caustic spot price index;
    - the stated U.S. dollar foreign exchange rate; and
    - the stated range of LTIP costs.

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.

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 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 it is 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 it is useful to investors: It provides useful information related to our cash flows including our ability to pay distributions to Unitholders.

	Three months ended		Nine months ended	
($'000)	**September 30, 2024**	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
Cash flows from operating activities	$ 143,244	$ 129,166	$ 247,808	$ 302,856
(Less) Add:				
Lease payments net of sub-lease receipts	(16,430)	(14,435)	(48,237)	(43,025)
(Decrease) Increase in working capital	(29,680)	(7,317)	42,983	34,321
Changes in other items [1]	(4,718)	4,816	(529)	35,963
Maintenance capital expenditures	(26,477)	(25,765)	(68,419)	(60,614)
Distributable cash after maintenance capital expenditures	**$ 65,939**	**$ 86,465**	**$ 173,606**	**$ 269,501**
Divided by:				
Weighted average number of units outstanding	118,769,869	116,378,970	117,696,867	116,010,315
Distributable cash after maintenance capital expenditures per unit	$ 0.56	$ 0.74	$ 1.48	$ 2.32
Distributions declared per unit	$ 0.165	$ 0.150	$ 0.495	$ 0.450
Payout ratio (%)	29 %	20 %	33 %	19 %

[1] Changes in other items relate to cash interest and cash taxes.

Excess cash flows and net earnings over distributions paid

Most directly comparable IFRS financial measures: Cash flows from operating activities and net earnings (loss)

Definition: Excess cash flows over distributions paid is calculated as cash flows from operating activities less cash distributions paid. Excess earnings over distributions paid is calculated as net earnings (loss) less cash distributions paid.

Why we use the measure and why it is useful to investors: We consider the amount of cash generated by the business in determining the amount of distributions available for payment to our Unitholders. In general, we do not take into account quarterly working capital fluctuations as these tend to be temporary in nature. We do not generally consider net earnings in setting the level of distributions as this is a non-cash metric and is not reflective of the level of cash flow that we can generate. This divergence is particularly relevant for us as we have a relatively high level of depreciation and amortization expense, foreign exchange gains and losses, and deferred tax expense and recovery.

	Three months ended		Nine months ended	
($'000)	**September 30, 2024**	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
Cash flows from operating activities	$ 143,244	$ 129,166	$ 247,808	$ 302,856
Net earnings	$ 60,080	$ 70,784	$ 116,634	$ 237,642
Cash distributions paid during period	$ 19,605	$ 14,421	$ 56,641	$ 43,650
Excess of cash flows from operating activities over cash distributions paid	$ 123,639	$ 114,745	$ 191,167	$ 259,206
Excess of net earnings over cash distributions paid	$ 40,475	$ 56,363	$ 59,993	$ 193,992

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.

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 it is useful to investors: It provides useful information related to our aggregate debt balances.

($'000)	September 30, 2024	December 31, 2023
Long-term debt [(1)]	$ 304,100	$ 246,545
Add (Less):		
Debentures [(1)]	340,000	425,552
Long-term lease liabilities	130,931	130,583
Lease liabilities [(2)]	52,023	49,304
Cash and cash equivalents	(16,335)	(21,524)
Net debt	$ 810,719	$ 830,460

(1) Principal outstanding amount

(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 a joint venture.

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.

	Three months ended		Nine months ended	
($'000)	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Capital expenditures	$ 45,610	$ 37,530	$ 125,085	$ 98,997
Maintenance capital expenditures	(26,477)	(25,765)	(68,419)	(60,614)
Non-maintenance capital expenditures	19,133	11,765	56,666	38,383
Investment in a joint venture	—	—	—	—
Growth capital expenditures	$ 19,133	$ 11,765	$ 56,666	$ 38,383

Net working capital

Most directly comparable IFRS financial measure: Current assets less current liabilities

Definition: Net working capital is calculated as current assets less current liabilities excluding Debentures.

Why we use the measure and why it is useful to investors: Although the Debentures are presented as current liabilities, management views the Debentures as non-current liabilities for purposes of managing liquidity and working capital. The Debenture holders do not have the right to demand their repayment prior to their maturity date, which for all the outstanding series of the Debentures is more than one year in the future. Net working capital provides investors with more useful information related to how we manage working capital.

($'000)	**September 30, 2024**	**December 31, 2023**
Current assets	$ 304,355	$ 326,022
Less: Current liabilities	(753,361)	(847,341)
Working capital deficit	(449,006)	(521,319)
Add: Debentures	357,355	437,517
Net working capital deficit	$ (91,651)	$ (83,802)

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)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net earnings (loss)	$ 60,080	$ 14,599	$ 41,955	$ 11,677	$ 70,784	$ 87,325	$ 79,533	$ (11,747)
Add (less):								
Depreciation and amortization	45,503	48,223	44,890	57,423	54,741	53,186	52,140	54,922
Net finance costs (income)	16,149	39,268	5,642	33,716	(2,429)	5,457	(12,736)	37,187
Income tax expense	13,809	10,619	12,244	10,121	16,669	1,388	13,875	32,669
Change in environmental and decommissioning liability	2,410	(1,494)	(730)	9,842	(3,504)	—	894	—
Net loss (gain) on disposal and write-down of PPE	521	1,782	711	(5,547)	606	1,152	1,787	2,152
Gain on disposal of assets	—	—	—	(24,337)	—	—	—	—
Unrealized foreign exchange (gain) loss	(1,319)	2,115	5,222	(8,247)	5,251	(4,306)	(3,824)	(10,933)
Adjusted EBITDA	$ 137,153	$115,112	$109,934	$ 84,648	$142,118	$144,202	$131,669	$104,250

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 LTM Adjusted EBITDA

Definition: Net debt to LTM Adjusted EBITDA is calculated as Net debt divided by LTM Adjusted EBITDA. LTM Adjusted EBITDA represents the last twelve months' Adjusted EBITDA.

Why we use the measure and why it is useful to investors: It provides useful information related to our debt leverage and our ability to service debt. We monitor Net debt to LTM Adjusted EBITDA as a part of liquidity management to sustain future investment in the growth of the business and make decisions about capital.

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 our 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, pension interest expense and interest income.

Cash tax

Represents current income tax expense.

TERMS AND DEFINITIONS

Terms

AB	Alberta
AI	Artificial Intelligence
AIF	Annual Information Form
AOCI	Accumulated Other Comprehensive Income
AZ	Arizona
BC	British Columbia
BEAT	Base Erosion and Anti-Abuse Tax
Board	Board of Trustees
CAD	Canadian Dollar
Canadian railways	Canadian Pacific Kansas City Ltd and Canadian National Railway
CANEXUS	Canexus Corporation
CEO	Chief Executive Officer
CERS	Canada Emergency Rent Subsidy
CEWS	Canada Emergency Wage Subsidy
CA	California
CMA	Chemical Market Analytics by OPIS, a Dow Jones Company (formerly IHS Markit Base Chemical)
CORRA	Canadian Overnight Repo Rate Average
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CFO	Chief Financial Officer
CRA	Canada Revenue Agency
DRIP	Distribution Reinvestment Plan
DUP	Deferred Unit Plan
ESG	Environmental, Social and Governance
FEED	Front End Engineering Design
GA	Georgia
HCl	Hydrochloric acid
IASB	International Accounting Standards Board
ISDA	International Swap and Derivatives Association
KCl	Potassium Chloride
LIBOR	London Interbank Offered Rate
LTIP	Long Term Incentive Plan
LTM	Last Twelve Months
MB	Manitoba
MECU	MECU is a Metric Electrochemical Unit, consisting of 1.0 tonne of chlorine and 1.1 tonnes of caustic soda
MT	Metric Tonne
NATO	North American Terminal Operations
NCIB	Normal Course Issuer Bid
NE	Northeast
OK	Oklahoma

OH	Ohio
PPE	Property, Plant and Equipment
PSU	Performance Share Unit
Q1	First Quarter or three months ended March 31
Q2	Second Quarter or three months ended June 30
Q3	Third Quarter or three months ended September 30
Q4	Fourth Quarter or three months ended December 31
QC	Quebec
Regen	Regenerated Acid Services
ROU	Right-of-use
RSU	Restricted Share Unit
SIB	Substantial Issuer Bid
SOFR	Secured Overnight Financing Rate
SIFT	Specified investment flow-through trust
SUPERIOR	Superior Plus Corporation
TSX	Toronto Stock Exchange
TX	Texas
USD	U.S. Dollar
WA	Washington

Definitions

Credit Facilities	Revolving credit facilities
Debentures	We have \$100.0 million principal amount of 6.50% of convertible unsecured subordinated debentures outstanding (the "Fund 2019 6.50% Debentures"), \$130.0 million principal amount of 6.25% of convertible unsecured subordinated debentures outstanding (the "Fund 2021 6.25% Debentures") and \$110.0 million principal amount of 7.00% of convertible unsecured subordinated debentures outstanding (the "Fund 2023 7.00% Debentures").
KPCT joint venture	KPCT Holdings LLC, a joint venture between Chemtrade Advanced Chemicals LLC and KPPC Advanced Chemicals Inc. and/or its operating subsidiary, KPCT Advanced Chemicals LLC.
LTIP costs	Corporate costs include LTIP expense, which relate to the 2022 - 2024, 2023 - 2025 and 2024 - 2026 LTIPs which we operate and pursuant to which we grant cash awards based on certain criteria. The 2022 - 2024 LTIP payout is payable in the first quarter of 2025. The 2023 - 2025 LTIP payout is payable in the first quarter of 2026. The 2024 - 2026 LTIP payout is payable in the first quarter of 2027. The LTIP awards have a performance based PSU component and a RSU component. The performance based PSU component of 2022 – 2024 and 2023 – 2025 LTIP awards is based on return on investment capital improvement and total return to Chemtrade's Unitholders relative to the total return of companies comprising the S&P/TSX Dividend Composite Index. The performance based PSU component of 2024 – 2026 LTIP awards is based on return on investment capital improvement and total return to our Unitholders relative to two peer groups which are S&P/TSX Dividend Composite Index and a group of peer companies selected by us. Total Unitholder return consists of changes in unit price and distributions paid to Unitholders over the course of the performance periods. The performance based PSU component under these LTIP awards is also adjusted for achievement of ESG goals to be achieved by the end of the performance periods. The RSU component of the LTIP awards is a phantom plan which is payable in cash at the end of the performance period. The nature of these calculations makes it difficult to forecast the amount of LTIP expense that will be recorded in any period, as it is based upon a valuation model which considers several variables.
Notes	We have \$250.0 million principal amount of 6.375% senior unsecured notes (the "Notes") outstanding.

OTHER

Additional information concerning Chemtrade, including the AIF, is filed on SEDAR+ and can be accessed at www.sedarplus.com.

November 14, 2024

CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023
(Unaudited)

Q3 2024

CHEMTRADE

Where to find it

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CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Comprehensive Income
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

	Notes	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenue	4	**$ 474,178**	$ 483,532	**$1,340,508**	$1,424,750
Cost of sales and services	6	**(348,922)**	(354,867)	**(1,008,607)**	(1,066,242)
Gross profit		**125,256**	128,665	**331,901**	358,508
Selling and administrative expenses	5	**(35,218)**	(43,582)	**(117,495)**	(97,262)
Share of loss from joint venture		**—**	(59)	**(41)**	(1,380)
Operating income		**90,038**	85,024	**214,365**	259,866
Net finance (costs) income	7	**(16,149)**	2,429	**(61,059)**	9,708
Income before income tax		**73,889**	87,453	**153,306**	269,574
Income tax (expense) recovery	8				
Current		**(16,820)**	(4,878)	**(36,965)**	(12,044)
Deferred		**3,011**	(11,791)	**293**	(19,888)
		(13,809)	(16,669)	**(36,672)**	(31,932)
Net earnings		**$ 60,080**	$ 70,784	**$ 116,634**	$ 237,642
Other comprehensive (loss) income					
Items that may subsequently be reclassified to earnings:					
Net investment hedge of foreign operations, net of tax of $nil and $nil (2023 - net of tax of $1,116 and $355)	11,14	**3,378**	(7,760)	**(5,443)**	(2,671)
Foreign currency translation differences for foreign operations, net of tax of $nil (2023 - $nil)		**(10,370)**	20,545	**16,510**	1,218
Effective portion of change in the fair value of cash flow hedges, net of tax of ($199) and ($368) (2023 - net of tax of $30 and $39)		**594**	(87)	**1,102**	(113)
Cash flow hedges reclassified to earnings, net of tax of $442 and $1,318 (2023 - net of tax of $441 and $1,344)	7	**(1,313)**	(1,314)	**(3,945)**	(3,919)
Items that will not be reclassified to earnings:					
Defined benefit plan adjustments, net of tax of ($110) and ($1,038) (2023 - net of tax of ($179) and ($2,013))		**545**	597	**3,367**	7,326
Change in fair value of convertible debentures due to own credit risk, net of tax of $528 and ($1,513) (2023 - net of tax of $126 and $3,083)	10	**1,904**	(4,868)	**$ 1,369**	(33,796)
Other comprehensive (loss) income		**(5,262)**	7,113	**12,960**	(31,955)
Total comprehensive income		**$ 54,818**	$ 77,897	**$ 129,594**	$ 205,687
Net earnings per unit	9				
Basic net earnings per unit		**$ 0.51**	$ 0.61	**$ 0.99**	$ 2.05
Diluted net earnings per unit		**$ 0.40**	$ 0.41	**$ 0.93**	$ 1.30

CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Financial Position
(In thousands of Canadian dollars)
(Unaudited)

	Notes	September 30, 2024	December 31, 2023 [1]
ASSETS			
Current assets			
Cash and cash equivalents		$ **16,335**	$ 21,524
Trade and other receivables		**144,286**	146,686
Inventories		**122,907**	124,906
Income taxes receivable		**—**	7,925
Prepaid expenses and other assets		**20,827**	24,981
Total current assets		**304,355**	326,022
Non-current assets			
Property, plant and equipment		**1,022,760**	963,813
Right-of-use assets		**172,152**	165,043
Investment in a joint venture		**4,042**	4,082
Income taxes receivable	**8**	**66,000**	48,381
Other assets		**16,324**	13,572
Intangible assets		**527,555**	538,615
Deferred tax assets	**8**	**48,662**	49,704
Total non-current assets		**1,857,495**	1,783,210
Total assets		$ **2,161,850**	$ 2,109,232
LIABILITIES AND UNITHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		$ **278,405**	$ 299,351
Distributions payable	**12**	**6,690**	5,884
Provisions		**53,291**	55,285
Lease liabilities		**52,023**	49,304
Income taxes payable	**8**	**5,597**	—
Convertible unsecured subordinated debentures [2]	**10,16**	**357,355**	437,517
Total current liabilities		**753,361**	847,341
Non-current liabilities			
Long-term debt	**11**	**298,124**	246,545
Other long-term liabilities		**22,274**	23,228
Long-term lease liabilities		**130,931**	130,583
Employee benefits		**18,633**	20,491
Provisions		**118,706**	118,681
Deferred tax liabilities	**8**	**15,609**	15,222
Total non-current liabilities		**604,277**	554,750
Total liabilities		**1,357,638**	1,402,091
Unitholders' equity			
Units	**12**	**1,663,975**	1,648,411
Contributed surplus		**20,148**	9,720
Deficit		**(1,086,437)**	(1,147,923)
Accumulated other comprehensive income		**206,526**	196,933
Total unitholders' equity		**804,212**	707,141
Total liabilities and unitholders' equity		$ **2,161,850**	$ 2,109,232

[1] As restated, see note 2.
[2] Maturities ranging from October 2026 to June 2028.

CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

	Notes	Units	Contributed surplus	Deficit	Cumulative translation account*	Unrealized gains on cash flow and net investment hedges*	Change in fair value of convertible debentures due to credit risk*	Total unitholders' equity
Balance at January 1, 2024		**$ 1,648,411**	**$ 9,720**	**$ (1,147,923)**	**$ 194,447**	**$ (10,805)**	**$ 13,291**	**$ 707,141**
Issuance of units upon conversion of unsecured subordinated convertible debentures	**10,12**	51,290	—	—	—	—	—	51,290
Issuance of units under the Distribution Reinvestment Plan ("DRIP")	**12**	1,070	—	—	—	—	—	1,070
Units repurchased under NCIB	**12**	(36,796)	10,428	—	—	—	—	(26,368)
Net earnings		—	—	116,634	—	—	—	116,634
Other comprehensive income (loss)		—	—	3,367	16,510	(8,286)	1,369	12,960
Distributions	**12**	—	—	(58,515)	—	—	—	(58,515)
Balance at September 30, 2024		**$ 1,663,975**	**$ 20,148**	**$ (1,086,437)**	**$ 210,957**	**$ (19,091)**	**$ 14,660**	**$ 804,212**

	Notes	Units	Contributed surplus	Deficit	Cumulative translation account*	Unrealized gains on cash flow and net investment hedges*	Change in fair value of convertible debentures due to credit risk*	Total unitholders' equity
Balance at January 1, 2023		**$ 1,635,683**	**$ 9,720**	**$ (1,334,524)**	**$ 217,970**	**$ (4,262)**	**$ 41,620**	**$ 566,207**
Issuance of units upon conversion of unsecured subordinated convertible debentures	**10,12**	530	—	—	—	—	—	530
Issuance of units under the DRIP	**12**	8,800	—	—	—	—	—	8,800
Net earnings		—	—	237,642	—	—	—	237,642
Other comprehensive income (loss)		—	—	7,326	1,218	(6,703)	(33,796)	(31,955)
Distributions	**12**	—	—	(52,509)	—	—	—	(52,509)
Balance at September 30, 2023		**$ 1,645,013**	**$ 9,720**	**$ (1,142,065)**	**$ 219,188**	**$ (10,965)**	**$ 7,824**	**$ 728,715**

* Accumulated other comprehensive income.

CHEMTRADE LOGISTICS INCOME FUND

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

		Three months ended September 30,		Nine months ended September 30,	
	Notes	**2024**	2023	**2024**	2023
Cash flows from operating activities:					
Net earnings		**$ 60,080**	$ 70,784	**$ 116,634**	$ 237,642
Adjustments for:					
Depreciation and amortization	6	**45,503**	54,741	**138,616**	160,067
Net loss on disposal and write-down of property, plant and equipment ("PPE")		**521**	606	**3,014**	3,545
Change in environmental and decommissioning liability		**2,410**	(3,504)	**186**	(2,610)
Income tax expense	8	**13,809**	16,669	**36,672**	31,932
Net finance costs (income)	7	**16,149**	(2,429)	**61,059**	(9,708)
Unrealized foreign exchange (gain) loss	5	**(1,319)**	5,251	**6,018**	(2,879)
		137,153	142,118	**362,199**	417,989
Decrease (increase) in working capital		**29,680**	7,317	**(42,983)**	(34,321)
Interest paid		**(15,520)**	(8,096)	**(39,751)**	(34,414)
Interest received		**915**	1,293	**2,545**	5,426
Net income tax paid		**(8,984)**	(13,466)	**(34,202)**	(51,824)
Net cash flows from operating activities		**143,244**	129,166	**247,808**	302,856
Cash flows from investing activities:					
Capital expenditures		**(45,610)**	(37,530)	**(125,085)**	(98,997)
Net cash flows used in investing activities		**(45,610)**	(37,530)	**(125,085)**	(98,997)
Cash flows from financing activities:					
Distributions to unitholders, net of distributions reinvested	12	**(19,605)**	(14,421)	**(56,641)**	(43,650)
Repayment of convertible debentures	10	**(42,748)**	—	**(42,748)**	(201,115)
Issuance of convertible debentures	10	**—**	—	**—**	110,000
Transaction costs related to the issuance of convertible debentures	7,10	**—**	—	**—**	(4,980)
Repayment of lease liability		**(16,430)**	(14,435)	**(48,237)**	(43,025)
Net change in revolving credit facility	11	**(254,404)**	(62,017)	**(197,632)**	(57,925)
Proceeds from issuance of senior unsecured notes	11	**250,000**	—	**250,000**	—
Transaction costs related to the issuance of senior unsecured notes	11	**(5,976)**	—	**(5,976)**	—
Debt extinguishment costs	10	**(863)**	—	**(863)**	—
Repurchase of units under Normal Course Issuer Bid ("NCIB") offer	12	**(26,368)**	—	**(26,368)**	—
Net cash flows used in financing activities		**(116,394)**	(90,873)	**(128,465)**	(240,695)
(Decrease) increase in cash and cash equivalents		**(18,760)**	763	**(5,742)**	(36,836)
Cash and cash equivalents, beginning of the period		**35,273**	34,344	**21,524**	72,569
Effect of exchange rates on cash held in foreign currencies		**(178)**	688	**553**	62
Cash and cash equivalents, end of the period		**$ 16,335**	$ 35,795	**$ 16,335**	$ 35,795

1. CORPORATE INFORMATION:

Chemtrade Logistics Income Fund (the "Fund") is a publicly listed Income Trust formed in Ontario, Canada and its units are listed on the Toronto Stock Exchange ("TSX"). The term "Chemtrade" refers to the Fund, its consolidated subsidiaries and equity accounted investments, including joint ventures. Chemtrade commenced operations on July 18, 2001 when it completed an initial public offering. Chemtrade operates a diversified business providing industrial chemicals and services to customers in North America and around the world. Chemtrade is one of North America’s largest suppliers of sulphuric acid, spent acid processing services, inorganic coagulants for water treatment, sodium chlorate, sodium nitrite and sodium hydrosulphite. Chemtrade is a leading regional supplier of sulphur, chlor-alkali products and zinc oxide. Additionally, Chemtrade provides industrial services such as processing by-products and waste streams. Chemtrade operates in two reportable segments: Sulphur and Water Chemicals (“SWC”) and Electrochemicals ("EC"). In addition to the above two reportable segments, Chemtrade discloses results of corporate activities separately. For additional information regarding Chemtrade's reportable segments, see note 3.

Chemtrade is an entity domiciled in Canada. The head office, principal address, and registered and records office of the Fund are located at 155 Gordon Baker Road, Suite 300, Toronto, Ontario, M2H 3N5.

Chemtrade's Condensed Consolidated Interim Financial Statements include all of its controlled subsidiaries and equity accounted investments and have been prepared on a going concern basis, which contemplates the realization of assets and settlements of liabilities in the normal course of business.

2. BASIS OF PREPARATION:

(a) Statement of compliance:

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"), using the same accounting policies and standards as were used for Chemtrade's 2023 annual consolidated financial statements. Certain amendments and interpretations apply for the first time in 2024, but do not have a material impact on these Condensed Consolidated Interim Financial Statements except for amendments to IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*, see note 16.

These Condensed Consolidated Interim Financial Statements should be read in conjunction with Chemtrade's 2023 annual consolidated financial statements.

2. BASIS OF PREPARATION (continued):

The Condensed Consolidated Interim Financial Statements were authorized for issue by the Board of Trustees (the "Board") on November 14, 2024.

(b) Basis of measurement:

The Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis, except for the following material items in the Condensed Consolidated Interim Statements of Financial Position:

- Derivative financial instruments, convertible unsecured subordinated debentures (the "Debentures") and liabilities for cash settled share-based payment arrangements are measured at fair value;
- The defined benefit liability is recognized as the present value of the defined benefit obligation net of the fair value of the plan assets; and
- Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse.

(c) Presentation currency:

These Condensed Consolidated Interim Financial Statements are presented in thousands of Canadian dollars, except for net earnings per unit information which is presented in Canadian dollars.

(d) Amendments to IAS 1, *Presentation of Financial Statements*

Effective January 1, 2024, Chemtrade has presented the Debentures (as defined in note 10) as current liabilities in the Condensed Consolidated Interim Statements of Financial Position in accordance with the amendments to IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current.* Since the amendments are applicable retrospectively, Chemtrade has restated the comparative figures. See note 16 for details of the amendments to IAS 1. The following table outlines the impact of the restatements.

As at	January 1, 2023			December 31, 2023		
	As reported	Restatement	As restated	As reported	Restatement	As restated
Non-current liabilities	$ 533,218	$ (533,218)	—	$ 437,517	$ (437,517)	—
Current liabilities	—	$ 533,218	$ 533,218	—	$ 437,517	$ 437,517

(In thousands of Canadian dollars, except per unit amounts)

3. REPORTABLE SEGMENTS:

Chemtrade operates in two reportable segments: Sulphur and Water Chemicals (“SWC”) and Electrochemicals ("EC"). The reportable segments of Chemtrade are strategic business groups that offer products and services to target markets.

Chemtrade’s chief operating decision maker (“CODM”) is the Chief Executive Officer (“CEO”). The CODM regularly reviews the operations and performance by segment and considers Adjusted EBITDA as an indirect measure of net earnings (loss) for the purpose of assessing performance of each segment and to make decisions about the allocation of resources. Adjusted EBITDA is defined as net earnings before any deduction for net finance costs, income taxes, depreciation, amortization and other non-cash charges such as impairment, change in environmental and decommissioning liability, net gain and losses on the disposal and write-down of PPE, gain on disposal of assets and unrealized foreign exchange gains and losses. Adjusted EBITDA is not intended to be representative of cash flow from operations or financial performance determined in accordance with IFRS Accounting Standards or cash available for distribution. The remaining net earnings (loss) items and the Statements of Financial Position are reviewed on a consolidated basis by the CODM and therefore are not included in the segmented information below.

Three months ended September 30, 2024

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	$ 280,500	$ 193,678	$ —	**$ 474,178**
- inter-segment	56	1,699	(1,755)	**—**
Revenue - total	280,556	195,377	(1,755)	**474,178**
Cost of sales and services	(218,419)	(132,258)	1,755	**(348,922)**
Gross profit	62,137	63,119	—	**125,256**
Selling and administrative expenses	(6,896)	(5,505)	(22,817)	**(35,218)**
Share of loss from joint venture	—	—	—	**—**
Operating income (loss)	55,241	57,614	(22,817)	**90,038**
Depreciation and amortization	21,680	23,823	—	**45,503**
Net loss (gain) on disposal and write-down of PPE	536	(15)	—	**521**
Change in environmental and decommissioning liability	839	1,571	—	**2,410**
Unrealized foreign exchange (gain)	—	—	(1,319)	**(1,319)**
Adjusted EBITDA	78,296	82,993	(24,136)	**137,153**

Capital expenditures	31,140	13,952	518	**45,610**

(In thousands of Canadian dollars, except per unit amounts)

3. REPORTABLE SEGMENTS (continued):

Three months ended September 30, 2023

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	$ 290,498	$ 193,034	$ —	$ 483,532
- inter-segment	50	2,247	(2,297)	—
Revenue - total	290,548	195,281	(2,297)	483,532
Cost of sales and services	(232,472)	(124,692)	2,297	(354,867)
Gross profit	58,076	70,589	—	128,665
Selling and administrative expenses	(5,917)	(6,574)	(31,091)	(43,582)
Share of loss from joint venture	(59)	—	—	(59)
Operating income (loss)	52,100	64,015	(31,091)	85,024
Depreciation and amortization	31,331	23,410	—	54,741
Net loss (gain) on disposal and write-down of PPE	659	(53)	—	606
Change in environmental and decommissioning liability	(366)	(3,138)	—	(3,504)
Unrealized foreign exchange loss	—	—	5,251	5,251
Adjusted EBITDA	83,724	84,234	(25,840)	142,118

Capital expenditures	24,315	12,713	502	37,530

(In thousands of Canadian dollars, except per unit amounts)

3. REPORTABLE SEGMENTS (continued):

Nine months ended September 30, 2024

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	$ 778,053	$ 562,455	$ —	**$ 1,340,508**
- inter-segment	130	4,964	(5,094)	**—**
Revenue - total	778,183	567,419	(5,094)	**1,340,508**
Cost of sales and services	(621,278)	(392,423)	5,094	**(1,008,607)**
Gross profit	156,905	174,996	—	**331,901**
Selling and administrative expenses	(21,433)	(13,730)	(82,332)	**(117,495)**
Share of loss from joint venture	(41)			**(41)**
Operating income (loss)	135,431	161,266	(82,332)	**214,365**
Depreciation and amortization	68,822	69,794	—	**138,616**
Net loss (gain) on disposal and write-down of PPE	3,261	(247)	—	**3,014**
Change in environmental and decommissioning liability	406	(220)	—	**186**
Unrealized foreign exchange loss	—	—	6,018	**6,018**
Adjusted EBITDA	207,920	230,593	(76,314)	**362,199**

Capital expenditures	81,733	42,144	1,208	**125,085**

(In thousands of Canadian dollars, except per unit amounts)

3. REPORTABLE SEGMENTS (continued):

Nine months ended September 30, 2023

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	$ 833,322	$ 591,428	$ —	$ 1,424,750
- inter-segment	166	6,198	(6,364)	—
Revenue - total	833,488	597,626	(6,364)	1,424,750
Cost of sales and services	(695,645)	(376,961)	6,364	(1,066,242)
Gross profit	137,843	220,665	—	358,508
Selling and administrative expenses	(18,343)	(9,954)	(68,965)	(97,262)
Share of loss from joint venture	(1,380)	—	—	(1,380)
Operating income (loss)	118,120	210,711	(68,965)	259,866
Depreciation and amortization	90,148	69,919	—	160,067
Net loss (gain) on disposal and write-down of PPE	3,592	(47)	—	3,545
Change in environmental and decommissioning liability	528	(3,138)	—	(2,610)
Unrealized foreign exchange (gain)	—	—	(2,879)	(2,879)
Adjusted EBITDA	212,388	277,445	(71,844)	417,989

Capital expenditures	70,921	27,036	1,040	98,997

(In thousands of Canadian dollars, except per unit amounts)

3. REPORTABLE SEGMENTS (continued):

Geographic segments:

Chemtrade operates primarily in Canada, the United States and South America. Revenue is attributed to customers based on location of sale.

Revenue

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Canada	**$ 147,769**	$ 146,485	**$ 431,622**	$ 449,445
United States	**303,473**	308,923	**835,795**	894,272
South America	**22,936**	28,124	**73,091**	81,033
	$ 474,178	$ 483,532	**$1,340,508**	$1,424,750

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

	September 30, 2024	December 31, 2023
Canada	**$ 741,467**	$ 740,495
United States	**897,150**	840,051
South America	**83,850**	86,925
	$ 1,722,467	$ 1,667,471

(In thousands of Canadian dollars, except per unit amounts)

4. REVENUE:

The components of revenue are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Sale of products	**$ 416,213**	$ 417,372	**$1,176,942**	$1,251,789
Processing services	**57,965**	66,160	**163,566**	172,961
Revenue	**$ 474,178**	$ 483,532	**$1,340,508**	$1,424,750

5. SELLING AND ADMINISTRATIVE EXPENSES:

The components of selling and administrative expenses are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Wages, salaries and benefits, including bonuses and other	**$ 38,175**	$ 34,288	**$ 108,592**	$ 96,949
Realized foreign exchange (gain) loss	**(2,194)**	1,176	**2,790**	(928)
Unrealized foreign exchange (gain) loss	**(1,319)**	5,251	**6,018**	(2,879)
Net reversal of reserve for legal proceedings	**—**	2,563	**(1,599)**	2,867
Depreciation (note 6)	**556**	304	**1,694**	1,253
	$ 35,218	$ 43,582	**$ 117,495**	$ 97,262

6. DEPRECIATION AND AMORTIZATION:

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Cost of sales and services:				
Depreciation expense on PPE	**$ 25,543**	$ 33,226	**$ 77,883**	$ 93,248
Depreciation expense on ROU assets	**13,982**	11,821	**41,450**	36,472
Amortization expense	**5,422**	9,390	**17,589**	29,094
Selling and administrative expenses (note 5):				
Depreciation expense on PPE	**203**	56	**760**	500
Depreciation expense on ROU assets	**353**	248	**934**	753
Total depreciation and amortization expense	**$ 45,503**	$ 54,741	**$ 138,616**	$ 160,067

(In thousands of Canadian dollars, except per unit amounts)

7. NET FINANCE COSTS:

The components of net finance costs (income) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Interest expense on long-term debt	**$ 4,114**	$ 2,637	**$ 11,837**	$ 10,959
Debt extinguishment costs (note 10)	**863**	—	**863**	—
Interest expense on convertible debentures (note 10)	**6,658**	7,455	**21,367**	24,741
Transaction costs on issuance of convertible debentures (note 10)	**—**	—	**—**	4,980
Change in the fair value of convertible debentures (note 10)	**(2,671)**	(14,532)	**16,758**	(53,028)
Interest expense on lease liabilities	**2,369**	1,947	**7,004**	5,768
Income reclassified from other comprehensive income relating to the fair value of the interest rate swaps (note 14)	**(1,755)**	(1,755)	**(5,263)**	(5,263)
Change in the fair value of interest rate swaps (note 14)	**6,047**	2,147	**6,834**	4,487
Accretion of provisions	**1,153**	589	**3,345**	1,944
Pension interest	**286**	376	**859**	1,130
Interest income	**(915)**	(1,293)	**(2,545)**	(5,426)
Net finance costs (income)	**$ 16,149**	$ (2,429)	**$ 61,059**	$ (9,708)

8. INCOME TAXES:

The Fund is a mutual fund trust and a specified investment flow-through trust ("SIFT") for income tax purposes. The Fund is subject to current income taxes at the top marginal tax rate applicable to individuals of approximately 53.5% on all taxable income not distributed to Unitholders.

The Fund is also subject to current income taxes on all taxable income, other than dividends, earned from Canadian corporate and flow-through subsidiaries (other than Canadian subsidiaries that earn certain investment income) at a tax rate similar to the corporate tax rate.

The Fund will not be subject to tax on income received from non-Canadian subsidiaries, provided that the income is distributed to Unitholders during the year. Based on the current organization of Chemtrade, the Fund expects that its income distributed to Unitholders will not be subject to SIFT tax.

Income tax expense or recovery is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period, taking into account the tax effect of certain items recognized in the interim period. Chemtrade calculates the consolidated estimated effective annual tax rate by determining the amount of annual current and deferred income taxes as a percentage of estimated annual income before tax.

Chemtrade's income tax expense for the first nine months of 2024 was $36,672 and the effective tax rate was 23.9%. The effective tax rate differs from the statutory tax rate of 25.3% primarily due to the net deferred tax impacts associated with the change in fair value of the Debentures, the non-taxability to the Fund of the income distributed to Unitholders, and the repayment of the Fund 2020 8.50% Debentures, impacts of taxable foreign exchange, changes in level of earnings in jurisdictions taxed at different rates, and the non-recognition of deferred tax assets related to certain carryforward amounts of business interest expense deductions.

Chemtrade is subject to challenges from various tax authorities on an ongoing basis. As a result, from time to time, tax authorities may disagree with the positions and conclusions taken by Chemtrade in its tax filings or legislation could be amended or interpretations of current legislation could change, any of which events could lead to assessments of additional amounts of tax, interest and possibly penalties. Chemtrade accrues and accounts for any probable assessments of tax; however, there can be no assurance as to the final resolution of any tax authority positions

Chemtrade is disputing the deductibility of certain Canadian tax losses with the Canada Revenue Agency ("CRA") which would offset the taxes owed for 2021 to 2024. Chemtrade has appealed this assessment by the CRA and the resolution of this matter in Chemtrade's favour would result in significant taxes paid on its account to be refunded.

In connection with this matter, Chemtrade made Canadian income tax payments of $17,619 during the nine months ended September 30, 2024, and $48,381 in previous years. These tax payments have been made in respect of the 2021 to 2024 taxation years. Chemtrade believes that its asserted position is appropriate and would be sustained upon full examination by tax authorities and, if

(In thousands of Canadian dollars, except per unit amounts)

8. INCOME TAXES (continued):

necessary, upon consideration by judicial process. These payments have been presented as income taxes receivable under non-current assets in the Condensed Consolidated Interim Statements of Financial Position.

9. NET EARNINGS PER UNIT:

Net earnings per unit has been calculated on the basis of the weighted average number of units outstanding. The following tables provide a breakdown of the numerator and denominator used in the calculation of net earnings per unit and diluted net earnings per unit:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Numerator				
Net earnings	**$ 60,080**	$ 70,784	**$ 116,634**	$ 237,642
Net interest and fair value adjustment on the Debentures	**558**	(7,221)	**27,613**	(31,090)
Net fair value adjustment on deferred unit plan[(1)]	**—**	16	**—**	(125)
Diluted net earnings	**$ 60,638**	$ 63,579	**$ 144,247**	$ 206,427

[(1)] For the three months and nine months ended September 30, 2024, the potential conversion of the deferred units have not been included as the effect on net earnings per unit would be anti-dilutive.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Denominator				
Weighted average number of units	**118,769,869**	116,378,970	**117,696,867**	116,010,315
Weighted average Debentures dilutive units	**34,406,630**	39,547,608	**37,806,393**	41,688,360
Weighted average deferred unit plan dilutive units[(1)]	**—**	300,685	**—**	572,672
Weighted average number of diluted units	**153,176,499**	156,227,263	**155,503,260**	158,271,347

[(1)] For the three months and nine months ended September 30, 2024, the potential conversion of the deferred units have not been included as the effect on net earnings per unit would be anti-dilutive.

(In thousands of Canadian dollars, except per unit amounts)

10. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES:

Changes in convertible unsecured subordinated debentures are as follows:

	Convertible unsecured subordinated debentures [1]				
	Fund 2019 6.50% Debentures	Fund 2020 8.50% Debentures	Fund 2021 6.25% Debentures	Fund 2023 7.00% Debentures	Total
Maturity	October 31, 2026	September 30, 2025	August 31, 2027	June 30, 2028	
Interest rate	6.50 %	8.50 %	6.25 %	7.00 %	
Conversion price	$ 15.80	$ 7.35	$ 10.00	$ 12.85	
Principal outstanding at January 1, 2024	100,000	85,552	130,000	110,000	**425,552**
Principal outstanding at September 30, 2024	100,000	—	130,000	110,000	**340,000**
Balance at January 1, 2024	98,250	101,807	130,650	106,810	**437,517**
Repurchase/Redemption [2]	—	(42,748)	—	—	**(42,748)**
Conversions	—	(51,290)	—	—	**(51,290)**
Change in fair value recognized in profit or loss	8,215	(2,989)	6,202	5,330	**16,758**
Change in fair value due to own credit risk [3]	(5,445)	(4,780)	3,158	4,185	**(2,882)**
Balance at September 30, 2024	101,020	—	140,010	116,325	**357,355**

[1] The Fund 2019 6.50% Debentures, the Fund 2021 6.25% Debentures, the Fund 2023 7.00% Debentures, the Fund 2020 8.50% Debentures (which were redeemed in the third quarter of 2024) and the Fund 2017 4.75% Debentures (which were redeemed during the second quarter of 2023) are collectively referred to as the "Debentures". Chemtrade has designated the Debentures as financial liabilities at fair value through profit or loss.

[2] During the third quarter of 2024, Chemtrade repaid $42,748 of the Fund 2020 8.50% Debentures through: (a) a substantial issuer bid to repurchase $28,288 aggregate principal amount of Fund 2020 8.50% Debentures at a purchase price of $1,300 per $1,000 principal amount of Debentures for a total repurchase value of $36,774 and (b) a redemption of the outstanding Fund 2020 8.50% Debentures for $1,039 for each $1,000 of principal amount of Debentures, for a total redemption value of $5,974. Chemtrade used a portion of its Credit Facilities and cash on hand to fund the redemption.

[3] The change in fair value of the Debentures due to Chemtrade's own credit risk has been presented in other comprehensive income, net of taxes, rather than net earnings.

(In thousands of Canadian dollars, except per unit amounts)

10. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES (continued):

	Convertible unsecured subordinated debentures					
	Fund 2017 4.75% Debentures	**Fund 2019 6.50% Debentures**	**Fund 2020 8.50% Debentures**	**Fund 2021 6.25% Debentures**	**Fund 2023 7.00% Debentures**	**Total**
Maturity	May 31, 2024	October 31, 2026	September 30, 2025	August 31, 2027	June 30, 2028	
Interest rate	4.75 %	6.50 %	8.50 %	6.25 %	7.00 %	
Conversion price	$ 26.70	$ 15.80	$ 7.35	$ 10.00	$ 12.85	
Principal outstanding at January 1, 2023	201,115	100,000	86,250	130,000	—	517,365
Principal outstanding at September 30, 2023	—	100,000	85,720	130,000	110,000	425,720

Balance at January 1, 2023	195,283	97,510	107,812	132,613	—	533,218
Issuance [(1)]	—	—	—	—	110,000	110,000
Redemption [(2)]	(201,115)	—	—	—	—	(201,115)
Conversion	—	—	(530)	—	—	(530)
Change in fair value recognized in profit or loss	4,992	(3,948)	(25,678)	(16,411)	(11,983)	(53,028)
Change in fair value due to own credit risk [(3)]	840	4,488	13,545	11,523	6,483	36,879
Balance at September 30, 2023	—	98,050	95,149	127,725	104,500	425,424

[(1)] During the first quarter of 2023, Chemtrade completed a public offering of the Fund 2023 7.00% Debentures, at a price of $1,000 per debenture. The Fund 2023 7.00% Debentures are convertible, at the option of the holder, into trust units of the Fund at a conversion price of $12.85 per unit. Chemtrade incurred transaction costs of $4,980 which included underwriters' fees and other expenses relating to the offering.
[(2)] During the second quarter of 2023, Chemtrade redeemed all of the outstanding Fund 2017 4.75% Debentures for their par value, including accrued interest for a total of $203,527. Chemtrade used the net proceeds from the Fund 2023 7.00% Debentures offering, a portion of its Credit Facilities and cash on hand to fund the redemption.
[(3)] The change in fair value of the Debentures due to Chemtrade's own credit risk has been presented in other comprehensive income, net of taxes, rather than net earnings.

For the three and nine months ended September 30, 2024, interest expense of $6,658 and $21,367 respectively, (2023 - $7,455 and $24,741 respectively) and transaction costs of $863 and $863, respectively, (2023 - $nil and $4,980, respectively) relating to the Debentures were recognized in net finance costs.

Effective January 1, 2024, Chemtrade has presented the Debentures as current liabilities in the Condensed Consolidated Interim Statements of Financial Position in accordance with amendments to IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current.* Since the amendments are applicable retrospectively, Chemtrade has restated the December 31, 2023 Condensed Consolidated Interim Statements of Financial Position by re-classifying the Debentures from non-current to current liabilities. While these are presented as current liabilities, Debenture holders do not have the right to demand their repayment prior to their maturity date, which for all the outstanding series of Debentures is more than one year in the future. However, the Debenture holders have the right to convert Debentures into units at predetermined prices, thus, the Debentures are classified as current liabilities.

(In thousands of Canadian dollars, except per unit amounts)

11. LONG-TERM DEBT:

Changes in long-term debt are as follows:

	Revolving credit[1][2]					
	(US$ denominated)	(Cdn$ denominated)	Senior Unsecured Notes[3]	Embedded Derivative Asset[3]	Transaction costs[3]	Total
Maturity	December 24, 2026	December 24, 2026	August 28, 2029			
Balance at January 1, 2024	$ 246,147	$ 398	$ —	$ —	$ —	**$ 246,545**
Net change	(197,234)	(398)	—	—	—	**(197,632)**
Proceeds from issuance of senior unsecured notes	—	—	250,000	—	—	**250,000**
Redemption option derivative asset [3]	—	—	2,207	(2,207)	—	**—**
Loss on net investment hedge of foreign operations	5,443	—	—	—	—	**5,443**
Foreign exchange rate changes	(256)	—	—	—	—	**(256)**
Financing transaction costs [3]	—	—	—	—	(5,976)	**(5,976)**
Balance at September 30, 2024	**$ 54,100**	**$ —**	**$ 252,207**	**$ (2,207)**	**$ (5,976)**	**$ 298,124**

[1] At September 30, 2024, Chemtrade had committed a total of $18,942 of the revolving credit facilities ("Credit Facilities") towards standby letters of credit.

[2] At September 30, 2024, Cdn$ limit of the Credit Facilities was $879,125 (US$650,000) and Chemtrade had drawn US$40,000 and Cdn$ nil on the Credit Facilities.

[3] During Q3 2024, Chemtrade issued senior unsecured notes, for proceeds of $250,000, net of transaction costs of $5,976. A derivative asset of $2,207 was recognized against the proceeds of issuance.

	Revolving credit (US$ denominated)[1][2]	Total
Maturity	December 24, 2026	
Balance at January 1, 2023	$ 370,024	$ 370,024
Net change	(57,925)	(57,925)
Loss on net investment hedge of foreign operations	3,026	3,026
Foreign exchange rate changes	(139)	(139)
Balance at September 30, 2023	**$ 314,986**	**$ 314,986**

[1] At September 30, 2023, Chemtrade had committed a total of $18,849 of the Credit Facilities towards standby letters of credit.

[2] At September 30, 2023, Cdn$ limit of the Credit Facilities was $882,505 (US$650,000) and Chemtrade had drawn US$232,000 and Cdn$ nil on the Credit Facilities.

Revolving Credit Facilities

In March 2024, Chemtrade amended its Credit Facilities to replace Canadian Bankers' Acceptance rate with Canadian Overnight Repo Rate Average ("CORRA").

In October 2024, Chemtrade amended its Credit Facilities by extending the maturity of the facility to October 2028. Certain terms of the facility including leverage covenants were changed to accommodate the addition of the senior unsecured notes ("the Notes"). The facility was also reduced in size from US$650,000 to US$600,000. See note 17.

11. LONG-TERM DEBT (continued):

The Credit Facilities are secured by substantially all of Chemtrade's assets. At September 30, 2024, the weighted average effective interest rate of the facilities was 4.4% (December 31, 2023 - 3.5%). Interest rates on the Credit Facilities are based on Secured Overnight Financing Rate ("SOFR") and CORRA, adjusted by Chemtrade's credit spread.

Chemtrade is subject to certain covenants pursuant to its Credit Facilities, which include a Net debt to EBITDA ratio and an Interest Coverage ratio (as such terms are defined in the credit agreement). Chemtrade monitors these ratios and reports them to its lenders on a quarterly basis. As at September 30, 2024 and December 31, 2023, Chemtrade was in compliance with all covenants.

Senior unsecured notes

During Q3 2024, Chemtrade closed its private offering of $250,000 of aggregate principal amount of 6.375% Notes due August 28, 2029. Chemtrade recognized transaction costs of $5,976 related to the issuance against the proceeds of the offering. The Notes include early redemption options allowing Chemtrade to redeem the Notes at a premium, in cash, anytime prior to August 27, 2028 and at principal anytime after August 28, 2028. Chemtrade recognized a derivative asset of $2,207 to reflect the redemption features of the Notes. Chemtrade utilized proceeds of the issuance to pay down our Credit Facilities.

The Notes are subject to customary terms, conditions and covenants. Chemtrade is in compliance with these as at September 30, 2024.

(In thousands of Canadian dollars, except per unit amounts)

12. UNITS AND OTHER COMPONENTS OF EQUITY:

(a) Units:

Chemtrade has authorized an unlimited number of units. Chemtrade's units have no par value. The following table presents the number of units outstanding:

	2024			2023		
	Number of Units		**Amount**	**Number of Units**		**Amount**
Balance - January 1	117,048,304	$	1,648,411	115,536,668	$	1,635,683
Units repurchased under NCIB	(2,642,500)		(36,796)	—		—
Conversion of unsecured subordinated convertible debentures	6,978,225		51,290	72,107		530
Issuance of units under the DRIP	118,203		1,070	1,033,381		8,800
Balance – September 30	**121,502,232**	**$**	**1,663,975**	116,642,156	$	1,645,013

On June 3, 2024, the Fund commenced a normal course issuer bid (NCIB) under which the Fund is authorized to purchase up to 11,672,524 of its units over a 12 month period ending June 2, 2025. As of September 30, 2024, 2,642,500 units were repurchased as part of the NCIB. The units outstanding book value decreased by $36,796, the difference of $10,428 between the book value and purchase cost was recognized in contributed surplus.

(b) Distributions:

Effective with the distributions declared in January 2024 and paid in February 2024, Chemtrade suspended its DRIP and increased the monthly distributions from $0.050 per unit to $0.055 per unit.

Distributions paid for the three and nine months ended September 30, 2024 were $19,605 and $57,711, respectively, (2023 - $17,544 and $52,450, respectively) or $0.165 and $0.490 per unit respectively, (2023 - $0.150 and $0.450 per unit, respectively). Of the distributions paid for the three and nine months ended September 30, 2024, $19,605 and $56,641, respectively, (2023 - $14,421 and $43,650, respectively) were in cash and $nil and $1,070, respectively, (2023 - $3,123 and $8,800, respectively) were reinvested in additional units pursuant to the DRIP. All of Chemtrade's distributions are discretionary and subject to Board approval.

Distributions declared for the three and nine months ended September 30, 2024 were $19,849 and $58,515, respectively, (2023 - $17,566 and $52,509 including the DRIP bonus distributions) or $0.165 and $0.495 per unit, respectively, (2023 - $0.150 and $0.450 per unit).

As at September 30, 2024, Chemtrade had distributions payable of $6,690 (December 31, 2023 - $5,884) which were paid on October 31, 2024. On October 22, 2024, Chemtrade declared a cash distribution of $0.055 per unit for the month of October 2024 payable on November 29, 2024 to Unitholders of record at the close of business on October 31, 2024.

(In thousands of Canadian dollars, except per unit amounts)

13. SHARE-BASED PAYMENTS:

Chemtrade operates a Long-term Incentive Plan ("LTIP"), which grants cash awards based on certain criteria. The LTIP awards have a performance based Performance Share Unit ("PSU") component and a Restricted Share Unit ("RSU") component. The performance based PSU component of the 2022 – 2024 and 2023 – 2025 LTIP awards is based on return on investment capital improvement and total return to Chemtrade's Unitholders relative to the total return of companies comprising the S&P/TSX Dividend Composite Index. The performance based PSU component of the 2024 – 2026 LTIP awards is based on return on investment capital improvement and total return to Chemtrade's Unitholders relative to two peer groups which are the S&P/TSX Dividend Composite Index and a group of peer companies selected by Chemtrade. Total Unitholder return consists of changes in unit price and distributions paid to Unitholders over the course of the performance periods. The performance based PSU component under these LTIP awards is also adjusted by Environmental, Social and Governance goals to be achieved by the end of the performance period. The RSU component of the LTIP awards is a phantom plan which is payable in cash at the end of the performance period.

As at September 30, 2024, a liability of $42,428 (December 31, 2023 - $33,640) has been recorded for LTIP awards, of which $25,222 (December 31, 2023 - $15,206) is included in trade and other payables and $17,206 (December 31, 2023 - $18,434) is included in other long-term liabilities. During the first quarter of 2024, Chemtrade paid $14,975 to settle the 2021 - 2024 LTIP awards. For the three and nine months ended September 30, 2024, Chemtrade recorded an expense of $9,273 and $18,844, respectively (2023 - $4,016 and $12,143, respectively) in selling and administrative expenses related to the fair value adjustments on the LTIP.

The following RSUs under these plans are outstanding:

	Number of rights	
	2024	**2023**
Balance – January 1	2,215,305	3,293,965
Grants – new grants	713,368	647,758
– distribution equivalents	125,489	133,083
Forfeitures	(56,297)	(65,087)
Settlements	(767,487)	(1,816,237)
Balance – September 30	**2,230,378**	**2,193,482**

(In thousands of Canadian dollars, except per unit amounts)

13. SHARE-BASED PAYMENTS (continued):

The following PSUs under these plans are outstanding:

	Number of rights	
	2024	**2023**
Balance – January 1	2,535,567	1,398,638
Grants – new grants	693,020	637,656
– estimated performance adjustment	380,546	420,810
– distribution equivalents	268,749	110,767
Forfeitures	(5,820)	(70,026)
Settlements	(3,984)	—
Balance – September 30	**3,868,078**	**2,497,845**

Chemtrade has in place a deferred unit plan ("DUP") for non-employee trustees ("Participants"), pursuant to which the Participants can elect to take all or a portion of their compensation in the form of deferred units of Chemtrade, with the remainder as a cash payment. The deferred units are settled in units of the Fund issued from treasury or in cash at the Participant's request. Currently, the Participants are required to take a minimum of 50% of their compensation in the form of deferred units of Chemtrade. As at September 30, 2024, 792,637 deferred units at a value of $8,778 were outstanding (December 31, 2023 - 677,402 deferred units at a value of $5,771).

The following rights under the DUP are outstanding:

	Number of rights	
	2024	**2023**
Balance – January 1	677,402	583,501
Grants – new grants	76,882	92,202
– distribution equivalents	38,353	30,303
Settlements	—	(69,421)
Balance – September 30	792,637	636,585

(In thousands of Canadian dollars, except per unit amounts)

13. SHARE-BASED PAYMENTS (continued):

Inputs for measurement of fair values

The inputs used in the measurement of the fair value of the share-based component of LTIP are as follows:

	September 30, 2024	December 31, 2023
Chemtrade units:		
Average base price	**$8.32**	**$7.84**
Period-end unit price	**$11.02**	**$8.52**
Average expected volatility	**27.90%**	**31.00%**
Average risk free interest rate	**3.07%**	**4.14%**
Average expected remaining term	**1.25 years**	**1.50 years**

14. FINANCIAL INSTRUMENTS:

(a) Derivatives and hedging:

	September 30, 2024			December 31, 2023		
		Fair Value			Fair Value	
	Notional Amount	**Asset**	**Liability**	Notional Amount	Asset	Liability
Derivatives designated in a formal hedging relationship						
Cash-settled unit swaps [1]	—	$ 12,586	$ —	—	$ 6,252	$ —
Derivatives not designated in a formal hedging relationship						
Interest rate swaps [1]	US$ 175,000	4,052	—	US$ 325,000	10,886	—
Foreign exchange contracts [1] [2]	—	628	—	—	2,483	—
Redemption option derivative asset [3]	—	2,207	—	—	—	—
Cash-settled unit swaps [1]	—	3,713	—	—	1,332	—
Total		$ 23,186	$ —		$ 20,953	$ —

[1] Current portion of assets is included in Prepaid expenses and other assets, non-current portion of assets is included in Other assets, current portion of liabilities is included in Trade and other payables and non-current portion of liabilities is included in Other long-term liabilities in the Condensed Consolidated Interim Statements of Financial Position as of September 30, 2024 and December 31, 2023.

[2] See below for notional amounts.

[3] Redemption option derivative asset is disclosed as a net of the proceeds of issuance of the Notes (see note 11).

14. FINANCIAL INSTRUMENTS (continued):

As of January 1, 2022, Chemtrade had swap arrangements in place to fix the LIBOR components of its interest rates on US$325,000 of its Credit Facilities until October 2024. During the first quarter of 2022, Chemtrade formally designated the interest rate swaps as cashflow hedges and changes in the fair value of the effective portion of the swaps were recognized in other comprehensive income.

During the third quarter of 2022, Chemtrade de-designated its interest rate swaps and hedge accounting on these swaps was discontinued prospectively. The accumulated balance of the change in the fair value of the interest rate swaps in other comprehensive income at the time the swaps were de-designated will be reclassified to net earnings until October 2024. For the three and nine months ended September 30, 2024, Chemtrade reclassified a gain of $1,755 and $5,263, respectively, (2023 - gain of $1,755 and $5,263, respectively) from other comprehensive income to net earnings. As a result of discontinuing hedge accounting, all subsequent changes in the fair value of the interest rate swaps are recognized in net earnings. For the three and nine months ended September 30, 2024, Chemtrade recognized a loss of $6,047 and $6,834, respectively, (2023 - loss of $2,147 and $4,487, respectively) in net earnings relating to the changes in the fair value of the swaps.

During the first quarter of 2024, Chemtrade amended the terms of its existing US$175,000 and US$150,000 interest rate swaps on its outstanding long-term debt. Effective January 24, 2024, the terms of these swaps were extended until December 2026 to align with the maturity date of the long-term debt and the aggregate amount of the swap was reduced to US$175,000. As a result of the extension, Chemtrade presented the fair value relating to the interest rate swap in Other assets under non-current assets, which compares to December 31, 2023 when these were presented in Prepaid expenses and other assets in the Condensed Consolidated Interim Statements of Financial Position.

Chemtrade hedges its investment in foreign operations that use the U.S. dollar as their functional currency by Chemtrade's U.S. dollar-denominated bank debt. Any foreign currency gains and losses arising from the U.S. dollar-denominated debt will be offset by the foreign currency gain or loss arising from the investment in the foreign operations. The gains and losses on the foreign currency translation of the designated amount of U.S. dollar-denominated debt and investment in foreign operations are recognized in other comprehensive income.

For the three and nine months ended September 30, 2024, a foreign exchange gain of $3,378 and loss of $5,443, respectively, (2023 - loss of $8,876 and $3,026, respectively) on the revaluation of the U.S. dollar-denominated debt related to this hedging strategy was recognized in other comprehensive income, net of tax.

Chemtrade has entered into cash-settled unit swap arrangements which fix the unit price on a portion of the RSU and PSU components of its LTIP awards and a portion of the deferred units awarded under the DUP. During the first quarter of 2023, Chemtrade rolled over the hedged

(In thousands of Canadian dollars, except per unit amounts)

14. FINANCIAL INSTRUMENTS (continued):

units maturing on March 31, 2023, into 2024, 2025 and 2026. During the first quarter of 2024, Chemtrade rolled over the hedged units maturing on March 31, 2024, into 2025, 2026 and 2027. The RSU component of the LTIP awards is a phantom plan which is payable in cash at the end of the performance period. The PSU component of the LTIP awards gives a right to the participants to receive cash payments upon the achievement of performance goals during the performance periods.

As at September 30, 2024, the notional number of units hedged was 2,450,902 (December 31, 2023 - 2,439,105) with maturity dates ranging between March 2025 and March 2027. Distributions on the hedged units are reinvested in these swap arrangements. The RSU and PSU swaps are formally designated as cash flow hedges at the date of inception and any changes in the fair value of the unvested portion of the RSU and PSU hedges are recognized in other comprehensive income. However, the swaps which fix the unit price on deferred units are not formally designated as cash flow hedges and any changes in the fair value of these deferred units swaps are recognized in net earnings. As at September 30, 2024, the notional number of units not designated as hedges was 698,818 (December 31, 2023 - 548,568) maturing in March 2025.

Chemtrade has entered into foreign exchange contracts to manage some of its exposure to foreign currencies. Chemtrade buys and sells specific amounts of currencies at pre-determined dates and exchange rates, which are matched with the anticipated operational cash flows. Contracts in place at September 30, 2024 include future contracts to sell the following amounts for periods through to December 2025:

Amount	Maturity	Exchange rate
US$110,728	Q4 2024	$1.35
US$50,538	Q1 2025	$1.35
US$24,000	Q2 2025	$1.36
US$15,000	Q3 2025	$1.37
US$7,000	Q4 2025	$1.36

The redemption option derivative asset (see note 11) associated with the Notes is an embedded derivative separately recognized to reflect the redemption features of the Notes.

(b) Fair values of financial instruments:

Fair value is the value that would be agreed upon in an arm's length transaction between willing and knowledgeable counter-parties. The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and distributions payable approximate their fair

14. FINANCIAL INSTRUMENTS (continued):

values because of the short-term maturity of these financial instruments. The carrying amount of the Credit Facilities, approximates fair value as the debt accrues interest at variable interest rates. The fair value of the Notes is $254,313, which is higher than the carrying amount as the fixed interest rate is higher than the market interest rate for this grade of Notes as at September 30, 2024.

For fair value estimates relating to the Debentures, the Notes and derivatives, Chemtrade classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Debentures are classified within Level 1 because they are actively traded on the TSX and the fair value is based on the quoted prices on the TSX. Any changes in the fair value of the Debentures are recognized in net earnings except for changes due to the Fund's own credit risk which are recorded in other comprehensive income.

The Notes are classified within Level 2 because they are based on rates quoted by banks and other public data sources.

All of Chemtrade's derivative financial instruments are classified within Level 2 because they are based on rates quoted by banks and other public data sources. The current portion of these derivatives is recorded in Prepaid expenses and other assets and trade and other payables and the non-current portion is recorded in Other assets and Other long-term liabilities in the Condensed Consolidated Interim Statements of Financial Position.

The fair value of the foreign exchange contracts is the difference between the forward exchange rate and the contract rate. Any changes in the fair value of these contracts are recognized in net earnings.

14. FINANCIAL INSTRUMENTS (continued):

The fair value of the interest rate swap arrangements is the difference between the forward interest rates and the contract rates discounted. Any changes in the fair value of these arrangements are recognized in net earnings.

The fair value of the cash-settled unit swap arrangements is the difference between the forward unit price and the contract unit price. Any changes in the fair value of the unvested portion of the unit swaps are recognized in other comprehensive income. Any changes in the fair value of the deferred unit swaps are recognized in net earnings.

The fair value of the redemption option derivative asset reflects the redemption features of the Notes and changes to the fair value are recognized in net earnings with fair value based on models using observable interest rate inputs.

(In thousands of Canadian dollars, except per unit amounts)

15. CAPITAL MANAGEMENT:

Chemtrade monitors capital using a Net debt to LTM Adjusted EBITDA ratio. Net debt to LTM Adjusted EBITDA ratio is 'Net debt' divided by last twelve months (LTM) Adjusted EBITDA. Chemtrade includes within Net debt, long-term debt, Debentures, lease liabilities, less cash and cash equivalents. Chemtrade monitors Net debt to LTM Adjusted EBITDA as a part of liquidity management to sustain future investment in the growth of the business and make decisions about capital.

	September 30, 2024	December 31, 2023
Long-term debt	$ 304,100	$ 246,545
Add (Less):		
Debentures [1]	340,000	425,552
Long-term lease liabilities	130,931	130,583
Lease liabilities [2]	52,023	49,304
Cash and cash equivalents	(16,335)	(21,524)
Net debt	810,719	830,460
LTM Adjusted EBITDA [3]	$ 446,847	$ 502,637
Net debt to LTM Adjusted EBITDA	1.81	1.65

[1] Principal outstanding amount, see note 10.
[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.

There were no changes in Chemtrade's approach to managing capital during the quarter ended September 30, 2024.

16. MATERIAL ACCOUNTING POLICIES:

(a) Standards and interpretations adopted during the period:

Chemtrade adopted the following accounting amendments that were effective for its interim and annual consolidated financial statements beginning January 1, 2024:

- Amendments to IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*, clarifying requirements for the classification of liabilities as non-current (effective for annual periods beginning on or after January 1, 2024). These amendments removed an exception related to the requirement for the unconditional right to defer settlement for more than twelve months for equity settled liabilities that permitted classification as non-current liabilities. Chemtrade does not have an unconditional right to defer the settlement of its Debentures upon conversion into units by the Debenture holder nor does it classify the conversion option as equity. As a result, in the Condensed Consolidated Interim Statements of Financial Position effective January 1, 2024, Chemtrade reclassified from non-current to current liabilities, $437,517, being the fair value of Debentures as of January 1, 2024. Since, the amendments are applicable retrospectively, Chemtrade has restated the December 31, 2023 Condensed Consolidated Interim Statements of Financial Position by re-classifying the Debentures from non-current to current liabilities. While these are presented as current liabilities, Debenture holders do not have the right to demand their repayment prior to their maturity date, which for all the outstanding series is more than twelve months in the future. However, the Debenture holders have the right to convert Debentures into units at predetermined prices, thus, the Debentures are classified as current liabilities.

Adoption of the following standards have not had a material impact on its financial results:

- Amendments to IAS 7 and IFRS 7, *Supplier Finance Arrangements,* specifying the disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk (effective for annual periods beginning on or after January 1, 2024).

- Amendments to IFRS 16, *Lease liability in a Sale and Leaseback*, specifying how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction (effective for annual periods beginning on or after January 1, 2024).

16. MATERIAL ACCOUNTING POLICIES (continued):

(b) Standards and interpretations not yet adopted:

The IASB has issued the following new standards and amendments to existing standards that will become effective in future years:

- Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,* addressing the conflict in dealing with the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely with an option of early adoption).

- IFRS 18, *Presentation and Disclosure in Financial Statements,* specifying the requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements (effective for annual periods beginning on or after January 1, 2027).

- Amendments to IAS 21, *Lack of exchangeability*, specifying how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking (effective for annual periods beginning on or after January 1, 2025).

- Amendments to IFRS 9 and IFRS 7, *Classification and measurement of financial instruments,* specifying how an entity should classify some financial assets, especially on the recognition of financial assets and liabilities when settled using electronic payments (effective for annual periods beginning on or after January 1, 2026).

17. SUBSEQUENT EVENTS:

Credit Facilities Amendment

In October 2024, Chemtrade amended its Credit Facilities by extending the maturity of the facility to October 2028. Certain terms of the facility including leverage covenants were changed to accommodate the addition of the Notes. The facility was also reduced in size from US$650,000 to US$600,000.

Normal Course Issuer Bid

For the period from October 1, 2024 to November 13, 2024, 585,800 units were purchased by the Fund.

Information for Unitholders

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