

CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025 and 2024
(Unaudited)

Q3 2025



CHEMTRADE

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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,		Nine months ended September 30,	
		2025	2024	2025	2024
Revenue	4	\$ 532,762	\$ 474,178	\$ 1,495,735	\$ 1,340,508
Cost of sales and services	6	(390,919)	(348,922)	(1,121,563)	(1,008,607)
Gross profit		141,843	125,256	374,172	331,901
Selling and administrative expenses	5	(46,626)	(35,218)	(113,557)	(117,495)
Impairment of PPE	10	—	—	(43,484)	—
Share of loss from joint venture		—	—	—	(41)
Operating income		95,217	90,038	217,131	214,365
Net finance costs	7	(55,385)	(16,149)	(101,507)	(61,059)
Income before income tax		39,832	73,889	115,624	153,306
Income tax (expense) recovery	8				
Current		(11,461)	(16,820)	(29,650)	(36,965)
Deferred		14,002	3,011	15,164	293
		2,541	(13,809)	(14,486)	(36,672)
Net earnings		\$ 42,373	\$ 60,080	\$ 101,138	\$ 116,634
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 (2024 - net of tax of \$nil and \$nil)	14, 17	(1,582)	3,378	2,030	(5,443)
Foreign currency translation differences for foreign operations, net of tax of \$nil and \$nil (2024 - net of tax of \$nil and \$nil)		20,135	(10,370)	(26,802)	16,510
Effective portion of change in the fair value of cash flow hedges, net of tax of (\$364) and (\$535) (2024 - net of tax of (\$199) and (\$368))		1,087	594	1,612	1,102
Cash flow hedges reclassified to earnings, net of tax of \$nil and \$nil (2024 - net of tax of \$442 and \$1,318)	7	—	(1,313)	—	(3,945)
Items that will not be reclassified to earnings:					
Defined benefit plan adjustments, net of tax of (\$247) and (\$445) (2024 - net of tax of (\$110) and (\$1,038))		760	545	1,216	3,367
Change in fair value of convertible debentures due to own credit risk, net of tax of \$nil and \$nil (2024 - net of tax of \$528 and (\$1,513))	13	(2,350)	1,904	(8,681)	1,369
Other comprehensive (loss) income		18,050	(5,262)	(30,625)	12,960
Total comprehensive (loss) income		\$ 60,423	\$ 54,818	\$ 70,513	\$ 129,594
Net earnings per unit	9				
Basic net earnings per unit		\$ 0.38	\$ 0.51	\$ 0.88	\$ 0.99
Diluted net earnings per unit		\$ 0.38	\$ 0.40	\$ 0.88	\$ 0.93

CHEMTRADE LOGISTICS INCOME FUND

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

	Notes	September 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 18,737	\$ 25,497
Trade and other receivables		180,719	148,085
Inventories		140,992	134,932
Income taxes receivable		12,968	5,498
Prepaid expenses and other assets		25,250	20,689
Total current assets		378,666	334,701
Non-current assets			
Property, plant and equipment	10	1,027,967	1,088,145
Right-of-use assets		193,972	186,036
Investment in a joint venture		707	707
Income taxes receivable	8	66,000	66,000
Other assets		18,696	18,870
Intangible assets	11	556,117	541,952
Deferred tax assets	8	56,495	47,996
Total non-current assets		1,919,954	1,949,706
Total assets		\$ 2,298,620	\$ 2,284,407
LIABILITIES AND UNITHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		\$ 322,167	\$ 327,448
Distributions payable	15	6,439	6,548
Provisions	12	13,078	49,265
Lease liabilities		61,149	58,145
Convertible unsecured subordinated debentures ⁽¹⁾	13	309,935	356,596
Total current liabilities		712,768	798,002
Non-current liabilities			
Long-term debt	14	504,673	336,250
Other long-term liabilities		28,372	26,316
Long-term lease liabilities		145,469	148,268
Employee benefits		18,072	19,576
Provisions		123,614	121,130
Deferred tax liabilities	8	11,002	16,508
Total non-current liabilities		831,202	668,048
Total liabilities		1,543,970	1,466,050
Unitholders' equity			
Units	15	1,533,637	1,629,576
Contributed surplus		47,136	26,384
Deficit		(1,051,996)	(1,095,317)
Accumulated other comprehensive income		225,873	257,714
Total unitholders' equity		754,650	818,357
Total liabilities and unitholders' equity		\$ 2,298,620	\$ 2,284,407

⁽¹⁾ Maturities ranging from November 2025 to June 2028.

CHEMTRADE LOGISTICS INCOME FUND

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity

(In thousands of Canadian dollars)

(Unaudited)

	Notes	Units	Contributed surplus	Deficit	Cumulative translation account*	Unrealized gains (losses) on cash flow and net investment hedges*	Change in fair value of convertible debentures due to own credit risk*	Total unitholders' equity
Balance at January 1, 2025		\$ 1,629,576	\$ 26,384	\$ (1,095,317)	\$ 263,864	\$ (23,394)	\$ 17,244	\$ 818,357
Issuance of units upon conversion of unsecured subordinated convertible debentures	13, 15	336	—	—	—	—	—	336
Units repurchased under the Normal Course Issuer Bid ("NCIB") ⁽¹⁾	15	(96,275)	20,752	—	—	—	—	(75,523)
Net earnings		—	—	101,138	—	—	—	101,138
Other comprehensive (loss) income		—	—	1,216	(26,802)	3,642	(8,681)	(30,625)
Distributions	15	—	—	(59,033)	—	—	—	(59,033)
Balance at September 30, 2025		\$ 1,533,637	\$ 47,136	\$ (1,051,996)	\$ 237,062	\$ (19,752)	\$ 8,563	\$ 754,650

⁽¹⁾ A share buyback tax was substantively enacted in 2024 and the Fund has applied this tax of \$1,471 on its contributed surplus for the nine months ended September 30, 2025.

	Notes	Units	Contributed surplus	Deficit	Cumulative translation account*	Unrealized losses on cash flow and net investment hedges*	Change in fair value of convertible debentures due to own 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	13, 15	51,290	—	—	—	—	—	51,290
Issuance of units under the Distribution Reinvestment Plan ("DRIP")	15	1,070	—	—	—	—	—	1,070
Units repurchased under NCIB ⁽¹⁾		(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	15	—	—	(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

⁽¹⁾ A share buyback tax was substantively enacted in 2024 and the Fund has applied this tax of \$nil on its contributed surplus for the nine months ended September 30, 2024.

* 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	2025	2024	2025	2024
Cash flows from operating activities:					
Net earnings		\$ 42,373	\$ 60,080	\$ 101,138	\$ 116,634
Adjustments for:					
Depreciation and amortization	6	54,802	45,503	162,289	138,616
Net (gain) loss on disposal and write-down of property, plant and equipment ("PPE")		768	521	(74)	3,014
Change in environmental and decommissioning liability		(138)	2,410	(521)	186
Impairment of PPE	10	—	—	43,484	—
Income tax (recovery) expense	8	(2,541)	13,809	14,486	36,672
Net finance costs	7	55,385	16,149	101,507	61,059
Unrealized foreign exchange loss (gain)	5	550	(1,319)	(13,072)	6,018
		151,199	137,153	409,237	362,199
Decrease (increase) in working capital		30,921	29,680	(78,018)	(42,983)
Interest paid		(21,968)	(15,520)	(47,935)	(39,751)
Interest received		573	915	2,143	2,545
Income tax paid		(5,243)	(8,984)	(34,936)	(34,202)
Net cash flows from operating activities		155,482	143,244	250,491	247,808
Cash flows from investing activities:					
Capital expenditures		(40,983)	(45,610)	(103,076)	(125,085)
Acquisition of intangible assets	11	—	—	(39,141)	—
Net cash flows used in investing activities		(40,983)	(45,610)	(142,217)	(125,085)
Cash flows from financing activities:					
Distributions to unitholders, net of distributions reinvested	15	(19,466)	(19,605)	(59,142)	(56,641)
Repayment of convertible debentures	13	(99,970)	(42,748)	(99,970)	(42,748)
Repayment of lease liability, net of sub-lease receipts		(17,217)	(16,430)	(52,109)	(48,237)
Net change in revolving credit facility	14	32,715	(254,404)	47,849	(197,632)
Proceeds from issuance of senior unsecured notes	14	—	250,000	125,000	250,000
Transaction costs related to the issuance of senior unsecured notes	14	—	(5,976)	(2,251)	(5,976)
Debt extinguishment costs	13	—	(863)	—	(863)
Repurchase of units under NCIB	15	(12,340)	(26,368)	(74,052)	(26,368)
Net cash flows used in financing activities		(116,278)	(116,394)	(114,675)	(128,465)
(Decrease) increase in cash and cash equivalents		(1,779)	(18,760)	(6,401)	(5,742)
Cash and cash equivalents, beginning of the period		20,077	35,273	25,497	21,524
Effect of exchange rates on cash held in foreign currencies		439	(178)	(359)	553
Cash and cash equivalents, end of the period		\$ 18,737	\$ 16,335	\$ 18,737	\$ 16,335

CHEMTRADE LOGISTICS INCOME FUND

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three and nine months ended September 30, 2025 and 2024

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.

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Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three and nine months ended September 30, 2025 and 2024

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 accounting policies consistent with IFRS Accounting Standards which are the same as those used in preparation of Chemtrade's 2024 annual consolidated financial statements. Certain amendments and interpretations apply for the first time in 2025, but do not have a material impact on these Condensed Consolidated Interim Financial Statements.

These Condensed Consolidated Interim Financial Statements should be read in conjunction with Chemtrade's 2024 annual consolidated financial statements.

The Condensed Consolidated Interim Financial Statements were authorized for issue by the Board of Trustees (the "Board") on November 11, 2025.

(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.

CHEMTRADE LOGISTICS INCOME FUND

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three and nine months ended September 30, 2025 and 2024

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) loss 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.

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Notes to Condensed Consolidated Interim Financial Statements
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(Unaudited)

Three and nine months ended September 30, 2025 and 2024

3. REPORTABLE SEGMENTS (continued):

Three months ended September 30, 2025

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	\$ 334,197	\$ 198,565	\$ —	\$ 532,762
- inter-segment	123	2,735	(2,858)	—
Revenue - total	334,320	201,300	(2,858)	532,762
Cost of sales and services	(265,172)	(128,605)	2,858	(390,919)
Gross profit	69,148	72,695	—	141,843
Selling and administrative expenses	(7,616)	(3,720)	(35,290)	(46,626)
Operating income (loss)	61,532	68,975	(35,290)	95,217
Depreciation and amortization	30,017	24,785	—	54,802
Net loss on disposal and write-down of PPE	720	48	—	768
Change in environmental and decommissioning liability	(121)	(17)	—	(138)
Unrealized foreign exchange loss	—	—	550	550
Adjusted EBITDA	92,148	93,791	(34,740)	151,199
Capital expenditures	30,175	10,419	389	40,983

CHEMTRADE LOGISTICS INCOME FUND

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three and nine months ended September 30, 2025 and 2024

3. REPORTABLE SEGMENTS (continued):

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

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Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three and nine months ended September 30, 2025 and 2024

3. REPORTABLE SEGMENTS (continued):

Nine months ended September 30, 2025

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	\$ 907,676	\$ 588,059	\$ —	\$ 1,495,735
- inter-segment	303	7,364	(7,667)	—
Revenue - total	907,979	595,423	(7,667)	1,495,735
Cost of sales and services	(742,132)	(387,098)	7,667	(1,121,563)
Gross profit	165,847	208,325	—	374,172
Selling and administrative expenses	(23,745)	(10,161)	(79,651)	(113,557)
Impairment of PPE	(15,080)	(28,404)	—	(43,484)
Operating income (loss)	127,022	169,760	(79,651)	217,131
Depreciation and amortization	85,915	76,374	—	162,289
Net (gain) loss on disposal and write-down of PPE	(77)	3	—	(74)
Change in environmental and decommissioning liability	(71)	(450)	—	(521)
Impairment of PPE	15,080	28,404	—	43,484
Unrealized foreign exchange gain	—	—	(13,072)	(13,072)
Adjusted EBITDA	227,869	274,091	(92,723)	409,237
Capital expenditures	71,858	29,945	1,273	103,076

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Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three and nine months ended September 30, 2025 and 2024

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

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

Three and nine months ended September 30, 2025 and 2024

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

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	2025	2024	2025	2024
Canada	\$ 172,885	\$ 147,769	\$ 487,557	\$ 431,622
United States	337,065	303,473	937,774	835,795
South America	22,812	22,936	70,404	73,091
	\$ 532,762	\$ 474,178	\$1,495,735	\$1,340,508

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

	<u>September</u> <u>30, 2025</u>	<u>December</u> <u>31, 2024</u>
Canada	\$ 696,368	\$ 751,859
United States	1,004,853	979,101
South America	76,835	85,173
	\$ 1,778,056	\$ 1,816,133

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Notes to Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three and nine months ended September 30, 2025 and 2024

4. REVENUE:

The components of revenue are as follows:

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	2025	2024	2025	2024
Sale of products	\$ 465,830	\$ 416,213	\$1,303,829	\$1,176,942
Processing services	66,932	57,965	191,906	163,566
Revenue	\$ 532,762	\$ 474,178	\$1,495,735	\$1,340,508

5. SELLING AND ADMINISTRATIVE EXPENSES:

The components of selling and administrative expenses are as follows:

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	2025	2024	2025	2024
Wages, salaries and benefits, including bonuses and other	\$ 43,417	\$ 38,175	\$ 115,881	\$ 108,592
Realized foreign exchange (gain) loss	(19)	(2,194)	3,956	2,790
Unrealized foreign exchange (gain) loss	550	(1,319)	(13,072)	6,018
Net reserve (reversal of reserve) for legal proceedings	69	—	2,193	(1,599)
Depreciation (note 6)	639	556	1,841	1,694
Acquisition Costs ⁽¹⁾	1,970	—	2,758	—
Selling and administrative expenses	\$ 46,626	\$ 35,218	\$ 113,557	\$ 117,495

⁽¹⁾Comprises professional service costs related to business acquisitions. Also refer to Note 20 (a) **Subsequent events**.

6. DEPRECIATION AND AMORTIZATION:

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

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	2025	2024	2025	2024
Cost of sales and services:				
Depreciation expense on PPE	\$ 32,565	\$ 25,543	\$ 98,458	\$ 77,883
Depreciation expense on ROU assets	15,102	13,982	44,283	41,450
Amortization expense	6,496	5,422	17,707	17,589
Selling and administrative expenses (note 5):				
Depreciation expense on PPE	268	203	743	760
Depreciation expense on ROU assets	371	353	1,098	934
Total depreciation and amortization expense	\$ 54,802	\$ 45,503	\$ 162,289	\$ 138,616

CHEMTRADE LOGISTICS INCOME FUND

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7. NET FINANCE COSTS:

The components of net finance costs are as follows:

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	2025	2024	2025	2024
Interest expense on long-term debt	\$ 9,378	\$ 4,114	\$ 23,348	\$ 11,837
Debt extinguishment costs (note 13)	—	863	—	863
Interest expense on convertible debentures (note 13)	5,359	6,658	16,496	21,367
Change in the fair value of convertible debentures (note 13)	36,771	(2,671)	44,964	16,758
Interest expense on lease liabilities	2,547	2,369	7,613	7,004
Income reclassified from other comprehensive income relating to change in the fair value of the interest rate swaps (note 17)	—	(1,755)	—	(5,263)
Change in the fair value of embedded derivative asset (note 14)	(131)	—	(492)	—
Change in the fair value of interest rate swaps (note 17)	763	6,047	4,251	6,834
Interest expense on Superior lawsuit (note 12)	—	—	2,597	—
Accretion of provisions	1,068	1,153	3,181	3,345
Accretion on issuance of long-term debt (note 14)	(58)	—	899	—
Pension net interest cost	261	286	793	859
Interest income	(573)	(915)	(2,143)	(2,545)
Net finance costs	\$ 55,385	\$ 16,149	\$ 101,507	\$ 61,059

CHEMTRADE LOGISTICS INCOME FUND

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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 nine months ended September 30, 2025 was \$14,486 and the effective tax rate was 12.53%. The total income tax expense for the nine months ended September 30, 2025 includes the discrete impact of the One Big Beautiful Bill Act ("OBBBA") enactment and related adjustments. The effective tax rate differs from the statutory tax rate of 25.04% primarily due to the recognition of previously unrecognized deferred tax assets related to certain carryforward amounts of business interest expense resulting from the enactment of OBBBA, impacts of taxable foreign exchange in Brazil and other foreign exchange translation adjustments, and the changes in level of earnings in jurisdictions taxed at different rates, partially offset by the net deferred tax impacts associated with the change in fair value of the Debentures and the non-taxability to the Fund of the income distributed to Unitholders.

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 availability of certain historical Canadian tax losses with the Canada Revenue Agency ("CRA") which would offset taxes owed in 2021 to 2024. Chemtrade has made Canadian income tax payments of \$66,000 in previous years in connection with this matter. Chemtrade has appealed CRA's assessment of this matter as Chemtrade believes that its

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8. INCOME TAXES (continued):

asserted position is appropriate and would be sustained upon full examination by tax authorities and, if 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. Resolution of this matter in Chemtrade's favour would result in a refund of the amounts paid of \$66,000. On the other hand, the resolution of this matter in favour of the CRA would not have a cash impact, but the income tax receivable would be written off and recorded as an expense.

Pillar Two Top-up Tax - Global Minimum Tax

Chemtrade has operations in Canada, US, and Brazil. In 2024, the Global Minimum Tax Act ("GMTA") was enacted in Canada. The GMTA implements the Organization for Economic Co-operation and Development's ("OECD") Pillar Two 15% global minimum tax regime in Canada and applies to Chemtrade for taxation years beginning January 1, 2024. In January 2025, Brazil also adopted a domestic minimum top-up tax which could apply to Chemtrade's subsidiary in Brazil effective January 1, 2025.

Chemtrade will continue to monitor the implementation of, and changes in, Pillar Two Global Minimum Tax legislation in jurisdictions relevant to Chemtrade, and will assess additional impacts, if any.

While a temporary mandatory relief from deferred tax accounting for the future tax impacts of top-up tax is currently applicable, Chemtrade would account for top-up tax as a current tax when it is incurred. Chemtrade has reviewed the application of the above-mentioned rules and determined that there is no material impact on Chemtrade for the nine months ended September 30, 2025.

US One Big Beautiful Bill Act

On July 4, 2025, the OBBBA was signed into law, enacting significant changes to the U.S. federal corporate income tax code. Key provisions of the OBBBA include the immediate expensing of domestic research and development expenditures, 100% bonus depreciation for qualified assets, and modifications to the interest expense limitation under IRC Section 163(j), including the calculation of adjusted taxable income based on EBITDA rather than EBIT.

As a result of these legislative changes, Chemtrade has reflected the tax impacts in its deferred tax assets and liabilities. In connection with the revised IRC Section 163(j) rules, Chemtrade adjusted its recognition of previously unrecognized deferred tax assets against disallowed interest deductions resulting in a deferred tax recovery in the amount of approximately \$13,000 during the quarter.

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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:

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	2025	2024	2025	2024
Numerator				
Net earnings	\$ 42,373	\$ 60,080	\$ 101,138	\$ 116,634
Net interest and fair value adjustment on the Debentures ⁽¹⁾	—	558	—	27,613
Diluted net earnings	\$ 42,373	\$ 60,638	\$ 101,138	\$ 144,247

(1) For the three and nine months ended September 30, 2025, the potential conversion of the Debentures have not been included as the effect on net earnings per unit would be anti-dilutive. For the three and nine months ended September 30, 2025, and for the three 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.

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	2025	2024	2025	2024
Denominator				
Weighted average number of units	112,651,485	118,769,869	114,402,401	117,696,867
Weighted average Debentures dilutive units ⁽¹⁾	—	34,406,630	—	37,806,393
Weighted average number of diluted units	112,651,485	153,176,499	114,402,401	155,503,260

(1) For the three and nine months ended September 30, 2025, the potential conversion of the Debentures have not been included as the effect on net earnings per unit would be anti-dilutive. For the three and nine months ended September 30, 2025, and for the three 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.

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10. PROPERTY, PLANT AND EQUIPMENT:

Impairment of the Prince George Sodium Chlorate Plant

During the third quarter of 2024, Chemtrade made the decision to cease sodium chlorate production at its Prince George, BC facility, following an announced production curtailment by the plant's principal customer earlier that year. The facility was converted into a sodium chlorate dissolving operation. The cessation of sodium chlorate production at the facility was conducted in a manner that would allow for a return to service if market conditions changed. During the second quarter of 2025, Chemtrade concluded that the cessation of sodium chlorate production at the facility would be permanent and recorded an impairment of \$28,404, mostly attributable to the property, plant and equipment with a small portion attributable to spare parts inventory related to sodium chlorate production. The recoverable amount was estimated to be \$nil based on the fair value less costs to sell approach. This facility will continue to dissolve sodium chlorate sourced from Chemtrade's Brandon, MB plant, so that it fulfills local demand. This impairment is included in the EC reportable segment.

Impairment of the Sodium Nitrite CGU

During the second quarter of 2025, market protections which benefited the Sodium Nitrite CGU were eliminated. The carrying value of this CGU exceeded the recoverable amount by \$15,080 and an impairment loss of \$15,080 was fully allocated to property, plant and equipment. The recoverable amount was based on the fair value less cost to sell. The estimated market price is based on a multiplier based on earnings before interest, taxes, depreciation and amortization and market capitalization. The fair value measurement was categorized as Level 3, as defined in Note 17 (b), as certain key assumptions are unobservable and have estimation uncertainty.

The Sodium Nitrite CGU is included in the SWC reportable segment.

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11. INTANGIBLE ASSETS:

Water Treatment Customers Acquisition

On May 27, 2025, Chemtrade acquired from certain subsidiaries of Thatcher Group Inc. their aluminum sulphate water treatment chemicals customers in Florida, New York, and California for \$41,892 (USD \$30,000). A cash outflow of \$39,141 (USD \$28,000) was recorded during the second quarter, with the remaining balance recognized as a liability related to an indemnity holdback. An intangible asset was recognized for the full purchase amount in the second quarter of 2025.

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12. PROVISIONS:

Superior Lawsuit Judgment

During 2022, Chemtrade was successful in a lawsuit against Superior Plus Corporation ("Superior") involving the failed attempt by Superior to acquire Canexus Corporation ("Canexus"), prior to Chemtrade's 2017 acquisition of Canexus. Chemtrade received a payment of \$28,119, representing \$25,000 in respect of the disputed reverse termination fee, plus interest and costs. Superior appealed the judgment, at which time Chemtrade established a provision of \$28,119 due to the uncertainty associated with the outcome of the appeal. On January 31, 2025, the Alberta Court of Appeal ruled in favour of Superior. Chemtrade paid \$28,119 to Superior, which was recorded against the provision. Chemtrade has recorded an additional expense of \$4,037 (\$2,597 in net finance costs and \$1,440 in selling and administrative expense) to cover the additional costs of trial, appeal and interest which was paid during Q2 2025. On March 26, 2025, Chemtrade filed for leave to appeal to the Supreme Court of Canada, which was denied on September 18, 2025.

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13. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES:

Changes in convertible unsecured subordinated debentures are as follows:

	Convertible unsecured subordinated debentures ⁽¹⁾			
	Fund 2019 6.50% Debentures	Fund 2021 6.25% Debentures	Fund 2023 7.00% Debentures	Total
Maturity	October 31, 2026	November 4, 2025	June 30, 2028	
Interest rate	6.50 %	6.25 %	7.00 %	
Conversion price	\$ 15.80	\$ 10.00	\$ 12.85	
Principal outstanding at January 1, 2025	100,000	130,000	110,000	340,000
Principal outstanding at September 30, 2025	—	129,694	110,000	239,694
Balance at January 1, 2025	103,000	140,010	113,586	356,596
Conversions	(30)	(306)	—	(336)
Redemption ⁽²⁾	(99,970)	—	—	(99,970)
Change in fair value recognized in profit or loss	(4,271)	34,656	14,579	44,964
Change in fair value due to own credit risk ⁽³⁾	1,271	1,375	6,035	8,681
Balance at September 30, 2025	—	175,735	134,200	309,935

⁽¹⁾ The Fund 2019 6.50% Debentures (which were redeemed in the third quarter of 2025), the Fund 2021 6.25% Debentures, the Fund 2023 7.00% Debentures and the Fund 2020 8.50% Debentures (which were redeemed in the third quarter of 2024) are collectively referred to as the "Debentures". Chemtrade has designated the Debentures as financial liabilities at fair value through profit or loss. The Fund 2021 6.25% Debentures were redeemed in the fourth quarter of 2025; refer to Note 20 (c) [Subsequent Events](#).

⁽²⁾ During the third quarter of 2025, Chemtrade redeemed the remaining outstanding Fund 2019 6.50% Debentures for \$1,000 of principal amount of Debentures. \$99,970 aggregate principal amount were redeemed.

⁽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.

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13. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES (continued):

	Convertible unsecured subordinated debentures				
	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 ⁽¹⁾	—	(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 ⁽²⁾	(5,445)	(4,780)	3,158	4,185	(2,882)
Balance at September 30, 2024	101,020	—	140,010	116,325	357,355

⁽¹⁾ 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.

⁽²⁾ 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, 2025, interest expense of \$5,359 and \$16,496, respectively (2024 - \$6,658 and \$21,367, respectively) and transaction costs of \$nil and \$nil, (2024 - \$863 and \$863, respectively) relating to the Debentures were recognized in net finance costs.

While the Debentures 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.

On June 25, 2024, the Fund commenced a substantial issuer bid (SIB), under which the Fund offered to purchase for cancellation up to 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 \$28,288 aggregate principal amount of Fund 2020 8.50% Debentures tendered for total consideration of \$37,600, including accrued interest of \$800. The Fund incurred transaction costs of \$863 in order to execute the SIB.

On September 15, 2025, the Fund redeemed \$99,970 aggregate principal amount of 6.50% convertible unsecured subordinated debentures due October 31, 2026 (2026 Debentures). As a result of the redemption, holders of the 2026 Debentures received approximately \$1,024.58 for each \$1,000 principal amount of 2026 Debentures redeemed, representing their par value, plus all accrued and unpaid interest.

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13. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES (continued):

Subsequent to September 30, 2025, the Fund redeemed all of its issued and outstanding 6.25% convertible unsecured subordinated debentures due August 31, 2027. An SIB on these debentures commenced during September 2025 and expired on November 3, 2025; refer to Note 20 (c) [Subsequent Events](#) for further details.

During September, 2025 the Fund commenced a second SIB, under which the Fund offered to purchase for cancellation up to all of the issued and outstanding 7.00% convertible unsecured subordinated debentures due June 30, 2028. The SIB expired on November 3, 2025; refer to Note 20 (d) [Subsequent Events](#) for further details.

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14. LONG-TERM DEBT:

Changes in long-term debt are as follows:

	Revolving credit ⁽¹⁾⁽²⁾		Senior Unsecured Notes ⁽³⁾	Embedded Derivative Asset ⁽³⁾	Transaction costs ⁽³⁾	Total
	(US\$ denominate d)	(Cdn\$ denominate d)				
Maturity	October 24, 2028	October 24, 2028	August 28, 2029			
Balance at January 1, 2025	\$ 78,295	\$ 15,000	\$ 252,207	\$ (2,207)	\$ (7,045)	\$ 336,250
Net change	(22,151)	70,000	—	—	—	47,849
Proceeds from issuance of senior unsecured notes	—	—	125,000	—	—	125,000
Redemption option derivative asset ⁽³⁾	—	—	1,019	(1,019)	—	—
Gain on net investment hedge of foreign operations	(2,030)	—	—	—	—	(2,030)
Foreign exchange rate changes	(552)	—	—	—	—	(552)
Financing transaction costs on senior unsecured notes ⁽³⁾	—	—	—	—	(2,251)	(2,251)
Change in fair value of embedded derivative asset	—	—	—	(492)	—	(492)
Accretion	—	—	(492)	—	1,391	899
Balance at September 30, 2025	\$ 53,562	\$ 85,000	\$ 377,734	\$ (3,718)	\$ (7,905)	\$ 504,673

⁽¹⁾ At September 30, 2025, Chemtrade had committed a total of \$23,039 of the revolving credit facilities ("Credit Facilities") towards standby letters of credit.

⁽²⁾ At September 30, 2025, Cdn\$ limit of the Credit Facilities was \$835,140 (US\$600,000) and Chemtrade had drawn US\$38,481 and Cdn\$85,000 on the Credit Facilities.

⁽³⁾ During Q1 2025, Chemtrade issued additional senior unsecured notes, for proceeds of \$125,000, net of transaction costs of \$2,251. A derivative asset of \$1,019 was recognized against the proceeds of issuance. For the nine months ended September 30, 2025, Chemtrade has recognized accretion expense of \$899 (2024 - \$nil).

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14. LONG-TERM DEBT (continued):

Maturity	Revolving credit ⁽¹⁾⁽²⁾		Senior Unsecured Notes ⁽³⁾	Embedded Derivative Asset ⁽³⁾	Transaction costs ⁽³⁾	Total
	(US\$ denominate d)	(Cdn\$ denominate d)				
	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 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 Facilities

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

In the fourth quarter of 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 senior unsecured notes (the "Notes"). The facility was also reduced in size from US\$650,000 to US\$600,000.

The Credit Facilities are secured by substantially all of Chemtrade's assets. At September 30, 2025, the weighted average effective interest rate of the facilities was 4.7% (December 31, 2024 - 5.4%). 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 Net debt to EBITDA ratios 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, 2025 and December 31, 2024, Chemtrade was in compliance with all covenants.

Subsequent to September 30, 2025, Chemtrade extended its credit facility by two years, moving the maturity date from October 24, 2028 to October 31, 2030. Refer to Note 20 (e) [Subsequent Events](#).

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14. LONG-TERM DEBT (continued):

Senior unsecured notes

During the third quarter of 2024, Chemtrade closed its private offering of \$250,000 of aggregate principal amount of 6.375% Notes due August 28, 2029. In January 2025, Chemtrade issued an additional \$125,000 aggregate principal amount of 6.375% Notes due August 28, 2029, resulting in an aggregate principal amount of \$375,000 outstanding on these Notes (2029 Notes). Chemtrade recognized transaction costs of \$8,343 (\$6,092 for the issuance of the \$250,000 of aggregate principal amount in 2024 and \$2,251 for the additional \$125,000 aggregate principal amount in 2025) 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, any time prior to August 27, 2028 and at principal any time after August 28, 2028. Chemtrade recognized a derivative asset of \$3,226 (\$2,207 for the issuance of the \$250,000 of aggregate principal amount in 2024 and \$1,019 for the additional \$125,000 aggregate principal amount in 2025) to reflect the redemption features of the Notes. Chemtrade utilized proceeds of the issuance to pay down its Credit Facilities.

The 2029 Notes are subject to customary terms, conditions and covenants. Chemtrade is in compliance with these as at September 30, 2025 and December 31, 2024.

Subsequent to September 30, 2025, the Fund closed another private offering of \$250,000 of aggregate principal amount of 5.750% Senior Unsecured Notes due October 1, 2032. Refer to Note 20 (b) [Subsequent Events](#) for further details.

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15. 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:

	2025		2024	
	Number of Units	Amount	Number of Units	Amount
Balance - January 1	119,010,732	\$ 1,629,576	117,048,304	\$ 1,648,411
Units repurchased under NCIB	(7,058,800)	(96,275)	(2,642,500)	(36,796)
Conversion of unsecured subordinated convertible debentures	32,498	336	6,978,225	51,290
Issuance of units under the DRIP	—	—	118,203	1,070
Balance –September 30	111,984,430	\$ 1,533,637	121,502,232	\$ 1,663,975

On June 3, 2024, the Fund commenced an NCIB, under which the Fund was authorized to purchase up to 11,672,524 of its units over a 12 month period which ended June 2, 2025. On August 19, 2025, the Fund commenced a new NCIB, under which the Fund is authorized to purchase up to 11,231,131 of its units over a 12 month period ending August 18, 2026.

During the nine months ended September 30, 2025, the Fund purchased 7,058,800 units (2024 - 2,642,500 units) as part of the NCIB and recorded a reduction in the book value of units of \$96,275 (2024 - \$36,796). The difference between the book value and purchase cost of \$22,223 (2024 - \$10,428) less estimated unit buy-back tax of \$1,471 (2024 - \$nil) was recognized in contributed surplus.

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15. UNITS AND OTHER COMPONENTS OF EQUITY (continued):

(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 \$0.0500 per unit to \$0.0550 per unit. Effective with the distributions declared in January 2025 and paid in February 2025, Chemtrade increased the monthly distributions from \$0.0550 per unit to \$0.0575 per unit.

Distributions paid for the three and nine months ended September 30, 2025 were \$19,466 and \$59,142 (2024 - \$19,605 and \$57,711, respectively) or \$0.1725 and \$0.5150 per unit respectively, (2024 - \$0.1650 and \$0.4900 per unit, respectively). Of the distributions paid for the three and nine months ended September 30, 2025, \$19,466 and \$59,142 respectively, (2024 - \$19,605 and \$56,641, respectively) were in cash and \$nil and \$nil (2024 - \$nil and \$1,070) 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, 2025 were \$19,413 and \$59,033, respectively, (2024 - \$19,849 and \$58,515, respectively) or \$0.1725 and \$0.5175 per unit, respectively, (2024 - \$0.1650 and \$0.4950 per unit).

As at September 30, 2025, Chemtrade had distributions payable of \$6,439 (December 31, 2024 - \$6,548) which were paid on October 31, 2025. On October 22, 2025, Chemtrade declared a cash distribution of \$0.0575 per unit for the month of October 2025, payable on November 28, 2025 to Unitholders of record at the close of business on October 31, 2025.

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16. 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 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 and 2025 – 2027 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. For certain participants, the performance based PSU component under the 2023 - 2025 and 2024 - 2026 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, 2025, a liability of \$46,106 (December 31, 2024 - \$48,476) has been recorded for LTIP awards, of which \$25,126 (December 31, 2024 - \$27,538) is included in trade and other payables and \$20,980 (December 31, 2024 - \$20,938) is included in other long-term liabilities. During the first quarter of 2025, Chemtrade paid \$27,345 to settle the 2022 - 2024 LTIP awards. For the three and nine months ended September 30, 2025, Chemtrade recorded an expense of \$11,169 and \$19,577 (2024 - \$9,273 and \$18,844) 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	
	2025	2024
Balance – January 1	2,262,291	2,215,305
Grants – new grants	579,894	713,368
– distribution equivalents	94,127	125,489
Forfeitures	(61,312)	(56,297)
Settlements	(836,878)	(767,487)
Balance – September 30	2,038,122	2,230,378

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16. SHARE-BASED PAYMENTS (continued):

The following PSUs under these plans are outstanding:

	Number of rights	
	2025	2024
Balance – January 1	4,015,314	2,535,567
Grants – new grants	589,010	693,020
– estimated performance adjustment	477,044	380,546
– distribution equivalents	136,035	268,749
Forfeitures	(84,157)	(5,820)
Settlements	(1,703,173)	(3,984)
Balance – September 30	3,430,073	3,868,078

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, 2025, 735,391 deferred units at a value of \$9,884 were outstanding (December 31, 2024 - 828,080 deferred units at a value of \$9,059).

The following rights under the DUP are outstanding:

	Number of rights	
	2025	2024
Balance – January 1	828,080	677,402
Grants – new grants	68,216	76,882
– distribution equivalents	38,249	38,353
Settlements	(199,154)	—
Balance – September 30	735,391	792,637

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16. 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, 2025	December 31, 2024
Chemtrade units:		
Average base price	\$9.47	\$8.32
Period-end unit price	\$13.44	\$10.94
Average expected volatility	25.70%	27.30%
Average risk free interest rate	2.45%	2.96%
Average expected remaining term	1.25 years	1.50 years

17. FINANCIAL INSTRUMENTS:

(a) Derivatives and hedging:

	September 30, 2025			December 31, 2024		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Derivatives designated in a formal hedging relationship						
Cash-settled unit swaps ⁽¹⁾	—	\$ 22,100	\$ —	—	\$ 13,550	\$ —
Derivatives not designated in a formal hedging relationship						
Interest rate swaps ⁽¹⁾	US\$ 175,000	2,750	—	US\$ 175,000	7,000	—
Foreign exchange contracts ⁽¹⁾⁽²⁾	—	—	703	—	—	9,317
Redemption option derivative asset ⁽³⁾	—	3,718	—	—	2,207	—
Cash-settled unit swaps ⁽¹⁾	—	5,254	—	—	3,773	—
Total		\$ 33,822	\$ 703		\$ 26,530	\$ 9,317

⁽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 in the Condensed Consolidated Interim Statements of Financial Position as of September 30, 2025 and December 31, 2024.

⁽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 14).

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17. 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 were reclassified to net earnings until October 2024. For the three and nine months ended September 30, 2025, Chemtrade reclassified \$nil and \$nil, respectively, (2024 - a 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, 2025, Chemtrade recognized a loss of \$763 and \$4,251, respectively (2024 - loss of \$6,047 and \$6,834, 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 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, 2025, a foreign exchange loss of \$1,582 and gain of \$2,030, respectively (2024 - gain of \$3,378 and loss of \$5,443, 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 2024, Chemtrade rolled over the hedged units

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17. FINANCIAL INSTRUMENTS (continued):

maturing on March 31, 2024, into 2025, 2026 and 2027. During the first quarter of 2025, Chemtrade rolled over the hedged units maturing on March 31, 2025, into 2026, 2027 and 2028.

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, 2025, the notional number of units hedged was 2,694,812 (December 31, 2024 - 2,487,211) with maturity dates ranging between March 2026 and March 2028. 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, 2025, the notional number of units not designated as hedges was 653,988 (December 31, 2024 - 709,148), maturing in March 2026.

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, 2025 include future contracts to sell the following amounts for periods through to June 2026:

Amount	Maturity	Exchange rate
US\$25,177	Q4 2025	\$1.37
US\$15,978	Q1 2026	\$1.37
US\$15,000	Q2 2026	\$1.37

The redemption option derivative asset (see note 14) associated with the Notes is an embedded derivative separately recognized to reflect the redemption features of the Notes.

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17. FINANCIAL INSTRUMENTS (continued):

(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 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 \$390,908, 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, 2025.

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

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17. FINANCIAL INSTRUMENTS (continued):

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.

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.

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18. 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, 2025	December 31, 2024
Long-term debt ⁽¹⁾	\$ 513,562	\$ 343,295
Add (Less):		
Debentures ⁽¹⁾	239,694	340,000
Long-term lease liabilities	145,469	148,268
Lease liabilities ⁽²⁾	61,149	58,145
Cash and cash equivalents	(18,737)	(25,497)
Net debt	941,137	864,211
LTM Adjusted EBITDA ⁽³⁾	\$ 517,830	\$ 470,792
Net debt to LTM Adjusted EBITDA	1.82	1.84

⁽¹⁾ Principal outstanding amount, see notes 13 and 14.

⁽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 nine months ended September 30, 2025.

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19. MATERIAL ACCOUNTING POLICIES:

(a) Standards and interpretations adopted during the period:

Chemtrade adopted the following accounting amendment that was effective for its interim and annual consolidated financial statements beginning January 1, 2025. Adoption did not have a material impact on its financial results:

- 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).

(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. Chemtrade is currently assessing the impact on its financial statements:

- 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 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).

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20. SUBSEQUENT EVENTS:

(a) Acquisition of Polytec, Inc. a Provider of Turnkey Water Treatment Solutions

On August 14, 2025, Chemtrade announced that it had entered into an agreement to acquire Polytec, Inc. ("Polytec"), a southeastern United States-based provider of turnkey water treatment solutions, for US\$150,000. The closing of this transaction is subject to regulatory approvals which have been delayed due to the U.S. government shutdown.

(b) Senior Unsecured Notes

On October 1, 2025, Chemtrade closed its private offering of \$250,000 of aggregate principal amount of 5.750% Notes due October 1, 2032 (2032 Notes) and incurred transaction costs of \$4,638. Chemtrade utilized net proceeds of the issuance to pay down its revolving credit facility and for general corporate purposes.

(c) Substantial Issuer Bid (SIB) And Redemption Of All The 6.25% Convertible Debentures Due August 31, 2027

On September 22, 2025, the Fund announced that it would redeem on November 4, 2025 all of its issued and outstanding 6.25% convertible unsecured subordinated debentures due August 31, 2027 (the "2027 Debentures") in accordance with the terms of the indenture pursuant to which they were issued (the "Redemption"). Also on September 22, 2025, the Fund commenced an SIB, under which the Fund offered to purchase for cancellation all of the issued and outstanding 2027 Debentures. The purchase price under the SIB was \$1,340 in cash per \$1,000 principal amount of 2027 Debentures, plus all accrued and unpaid interest thereon to, but excluding the payment date.

Prior to the expiry of the SIB, \$39,498 aggregate principal amount of 2027 Debentures converted into 3.9 million units. On November 3, 2025, the SIB expired with a total of \$85,628 aggregate principal amount of 2027 Debentures tendered for total consideration of \$115,695, representing a purchase price of \$1,340 per \$1,000 principal amount of 2027 Debentures, plus all accrued and unpaid interest thereon to, but excluding the payment date. On November 4, 2025, the Fund completed the redemption of \$4,874 aggregate principal amount of 2027 Debentures which remained outstanding.

(d) Substantial Issuer Bid (SIB) For The 7.00% Convertible Debentures Due June 30, 2028

On September 22, 2025, the Fund also commenced a second SIB, under which the Fund offered to purchase for cancellation up to all of the issued and outstanding 7.00% convertible unsecured subordinated debentures due June 30, 2028 (the "2028 Debentures"). Under the SIB Offer, the Fund offered to purchase, at the election of the holders of 2028 Debentures, for each \$1,000 principal amount of 2028 Debentures validly tendered and not withdrawn:

(a) pursuant to a cash election (the "2028 Cash Election"), (i) \$1,200 in cash, plus (ii) a cash payment in respect of all accrued and unpaid interest on such 2028 Debentures up to, but excluding, the date they were taken up and paid for by the Fund; or

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20. SUBSEQUENT EVENTS (continued):

(b) pursuant to a debenture election (the “2028 Debenture Election”), (i) \$1,000 principal amount of 7.00% Unsecured Subordinated Debentures due June 30, 2028 of Chemtrade (the “New Debentures”), plus (ii) \$200 in cash, plus (iii) a cash payment in respect of all accrued and unpaid interest on such 2028 Debentures up to, but excluding, the date they were taken up and paid for by the Fund.

On November 3, 2025, the SIB expired with a total of \$8,541 aggregate principal amount of 2028 Debentures tendered under the 2028 Cash Election and \$73,917 aggregate principal amount of 2028 Debentures tendered under the 2028 Debenture Election. The Fund issued \$73,917 aggregate principal amount of new debentures and paid cash of \$27,041. As at November 4, 2025, \$27,542 aggregate principal amount of 2028 Debentures remain outstanding.

(e) Extension of Credit Facility

Subsequent to September 30, 2025, Chemtrade extended its credit facility by two years, moving the maturity date from October 24, 2028 to October 31, 2030.