CHEMTRADE

Chemtrade Logistics Income Fund

ANNUAL REPORT 2025

March 20, 2026

CORPORATE PROFILE

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, regen 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 value added water solutions, and processing by-products and waste streams.

VISIT OUR WEBSITE

Chemtrade's website – **chemtradelogistics.com** – is our primary medium for communicating with our unitholders. The site is regularly updated with news releases concerning distributions, financial results and other important developments and presentations.

An electronic copy of this report is available on our website.

WHERE TO FIND IT

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 audited consolidated financial statements of Chemtrade for the year ended December 31, 2025.

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 March 6, 2026 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 60.

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 58.

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

IFRS 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 66.

Where to find it

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 also provides turnkey water solutions. 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		Year ended		
($'000 except per unit amounts)	**December 31, 2025**	December 31, 2024	**December 31, 2025**	December 31, 2024	December 31, 2023
Revenue	$ 502,041	$ 446,525	$ 1,997,776	$ 1,787,033	$ 1,846,766
Net earnings	$ 38,252	$ 10,274	$ 139,390	$ 126,908	$ 249,319
Net earnings per unit [1]	$ 0.34	$ 0.09	$ 1.22	$ 1.07	$ 2.15
Diluted net earnings per unit [1]	$ 0.18	$ 0.09	$ 1.22	$ 1.04	$ 1.52
Total assets	$ 2,531,336	$ 2,284,407	$ 2,531,336	$ 2,284,407	$ 2,109,232
Long-term debt	$ 977,054	$ 336,250	$ 977,054	$ 336,250	$ 246,545
Convertible unsecured subordinated debentures	$ 30,960	$ 356,596	$ 30,960	$ 356,596	$ 437,517
Adjusted EBITDA [2]	$ 98,167	$ 108,593	$ 507,404	$ 470,792	$ 502,637
Cash flows from operating activities[4]	$ 85,468	$ 83,842	$ 355,074	$ 342,069	$ 401,463
Distributable cash after maintenance capital expenditures [2]	$ 16,650	$ 39,516	$ 227,981	$ 213,122	$ 283,012
Distributable cash after maintenance capital expenditures per unit [1] [2]	$ 0.1459	$ 0.3277	$ 1.9942	$ 1.7996	$ 2.4353
Distributions declared	$ 19,838	$ 19,833	$ 78,871	$ 78,348	$ 70,140
Distributions declared per unit [3]	$ 0.1725	$ 0.1650	$ 0.6900	$ 0.6600	$ 0.6000
Distributions paid, net of distributions reinvested	$ 19,710	$ 19,973	$ 78,852	$ 76,614	$ 58,031

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

[2] See **Non-IFRS and Other Financial Measures** on page 60.

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

[4] The 2024 comparative amount for the change in working capital within cash flows from operating activities has been restated to reflect capital expenditure related accruals that were previously classified within investing activities.

FULL YEAR 2025 HIGHLIGHTS

- Revenue of $1,997.8 million, an increase of $210.7 million or 11.8% year-over-year. Excluding the impact of foreign exchange and the maintenance turnaround at North Vancouver in 2024, revenue for 2025 was $171.0 million higher than 2024. Revenue for merchant acid, water solutions products and Regen acid in the SWC segment were significantly higher than 2024 which more than offset lower MECU volumes and netbacks in the EC segment.
- Adjusted EBITDA of $507.4 million, is the highest annual Adjusted EBITDA generated by Chemtrade since its inception. This is an increase of $36.6 million or 7.8% year-over year; excluding the impact of foreign exchange and the maintenance turnaround at North Vancouver in 2024, Adjusted EBITDA for 2025 was $8.8 million higher than 2024 due to higher margins for merchant acid, sodium chlorate and Regen acid.
- Net earnings of $139.4 million, an increase of $12.5 million year-over-year primarily due to favourable unrealized foreign exchange gains, higher Adjusted EBITDA, lower income tax expense and lower losses on disposal and write-down of PPE, partially offset by an impairment of PPE, higher finance costs and higher depreciation and amortization expense.
- Cash flows from operating activities of $355.1 million, an increase of $13.0 million or 3.8% year-over-year mainly due to higher Adjusted EBITDA, partially offset by an increase in working capital.
- Distributable cash after maintenance capital expenditures of $228.0 million, an increase of $14.9 million or 7.0% year-over-year, reflecting higher Adjusted EBITDA partially offset by higher maintenance capital expenditures, interest and lease payments.
- We purchased approximately 8.9 million units during the year as part of our two normal course issuer bid ("NCIB").
- In January 2025, we increased our monthly distribution rate by approximately 5% to $0.0575 per unit or $0.6900 per unit per year. Chemtrade's Payout ratio[(2)] for 2025 was 35%. Subsequent to year-end, in January 2026, we increased our monthly distribution rate by approximately 4% to $0.0600 per unit or $0.7200 per unit per year.
- Chemtrade reaffirms its 2026 Adjusted EBITDA guidance range of $485.0 million to $525.0 million. The midpoint of 2026 guidance is similar to 2025's record Adjusted EBITDA and reinforces the significant step-change in Chemtrade's Adjusted EBITDA and cashflow generation in the last five years.

FOURTH QUARTER 2025 HIGHLIGHTS

- Revenue of $502.0 million, an increase of $55.5 million or 12.4% year-over-year; excluding the impact of foreign exchange, revenue for 2025 was $56.5 million higher than 2024, driven by higher selling prices and volumes for merchant acid, and to a lesser extent, Regen acid and water solutions products in the SWC segment. This more than offset lower MECU sales volumes and netbacks in the EC segment.
- Adjusted EBITDA of $98.2 million, a decrease of $10.4 million or 9.6% year-over-year; excluding the impact of foreign exchange, Adjusted EBITDA for 2025 was $10.0 million lower than 2024. With the exception of merchant acid, most key products had lower margins in 2025 relative to 2024.

- Net earnings of $38.3 million, an increase of $28.0 million year-over-year primarily owing to favourable unrealized foreign exchange gains and lower finance costs in 2025, an impairment loss in 2024, partially offset by lower Adjusted EBITDA.
- Cash flows from operating activities of $85.5 million, an increase of $1.6 million or 1.9% year-over-year, mainly due to a decrease in working capital and lower income taxes paid partially offset by lower Adjusted EBITDA.
- Distributable cash after maintenance capital expenditures of $16.7 million, a decrease of $22.9 million or 57.9% year-over-year, reflecting lower Adjusted EBITDA and higher maintenance capital spending.
- Chemtrade purchased approximately 1.9 million units in the fourth quarter under the NCIB.
- Chemtrade continues to maintain a strong balance sheet, with a Net debt to LTM Adjusted EBITDA[1] ratio of 2.3x at the end of the fourth quarter of 2025.

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

[2] Payout Ratio is a capital management measure. See **Non-IFRS and Other Financial Measures**

RECENT DEVELOPMENTS

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

On November 21, 2025, Chemtrade completed the previously announced acquisition of Polytec, Inc, ("Polytec"), a southeastern United States-based provider of turnkey water treatment solutions, for USD $150.0 million on a debt-free basis and subject to customary closing adjustments.

Normal Course Issuer Bid

We have implemented a new NCIB under which we are authorized to purchase up to 11.2 million units over a 12 month period ending August 18, 2026. As of December 31, 2025, approximately 2.9 million units were purchased as part of this NCIB.

Trading on the OTCQX® Best Market

Subsequent to year end, on February 20, 2026, Chemtrade began trading on the OTCQX® Best Market under the symbol "CGIFF". Upgrading to the OTCQX® Best Market is an important step enabling Chemtrade to provide more transparent trading and to expand its reach with U.S. investors.

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 Convertible Debentures") in accordance with the terms of the Indenture pursuant to which they were issued. Also on September 22, 2025, the Fund commenced an SIB, under which the Fund offered to purchase for cancellation up to all of the issued and outstanding 2027 Convertible Debentures. The purchase price under the SIB was $1,340 in cash per $1,000 principal amount of 2027 Convertible Debentures, plus all accrued and unpaid interest thereon to, but excluding the payment date.

Prior to the expiry of the SIB, $39.5 million aggregate principal amount of 2027 Convertible Debentures converted into 3.9 million units. On November 3, 2025, the SIB expired with a total of $85.6 million aggregate principal amount of 2027 Convertible Debentures tendered for total consideration of $115.7 million, representing a purchase price of $1,340 per $1,000 principal amount of 2027 Convertible Debentures, plus all accrued and unpaid interest thereon to, but excluding the payment date. On November 4, 2025, the Fund completed the redemption of $4.9 million aggregate principal amount of 2027 Convertible Debentures which represented all of the 2027 Convertible Debentures which remained outstanding.

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 Convertible Debentures"). Under the SIB, the Fund offered to purchase, at the election of the holders of the 2028 Convertible Debentures, for each $1,000 principal amount of 2028 Convertible Debentures validly tendered and not withdraw:

(a) 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 Convertible Debentures up to, but excluding the date they were taken up and paid for by the Fund; or

(b) a debenture election (the "2028 Non-Convertible Debenture Election"): (i) $1,000 principal amount of 7.00% unsecured subordinated debentures due June 30, 2028 of Chemtrade (the "Non-Convertible Debentures"), plus (ii) $200 in cash, plus (iii) a cash payment in respect of all accrued and unpaid interest on such 2028 Convertible Debentures up to, but excluding, the date they were taken up and paid for by the Fund.

On November 3, 2025, the second SIB expired with a total of $8.5 million aggregate principal amount of 2028 Convertible Debentures tendered under the 2028 Cash Election and $73.9 million aggregate principal amount of 2028 Convertible Debentures tendered under the 2028 Convertible Debenture Election. The Fund issued $73.9 million aggregate principal amount of Non-Convertible Debentures and paid cash of $27.0 million. Following the second SIB, $27.5 million aggregate principal amount of 2028 Convertible Debentures remained outstanding.

Extension of Credit Facility

During the fourth quarter, Chemtrade executed an amended and restated credit agreement to extend its maturity by two years from October 24, 2028 to October 31, 2030. Key terms of the credit agreement remained unchanged.

Senior Unsecured Notes

On October 1, 2025, Chemtrade closed its private placement offering of $250.0 million of aggregate principal amount of 5.750% Notes due October 1, 2032 (the "2032 Notes). The Fund incurred transaction costs of $4.6 million. Chemtrade utilized the net proceeds from the issuance to pay down its revolving credit facility and for general corporate purposes.

CONSOLIDATED OPERATING RESULTS

<table>
<tr><th></th><th>Three months ended December 31, 2025 vs 2024</th><th>Year ended December 31, 2025 vs 2024</th><th>Year ended December 31, 2024 vs 2023</th></tr>
<tr><td>F/X Rate</td><td>US$1.00 = $1.39 in 2025 compared with $1.40 in 2024.
The stronger Canadian dollar during 2025 compared with 2024 had a negative impact on consolidated revenue, gross profit and Adjusted EBITDA of $1.0 million, $0.4 million and $0.4 million, respectively.</td><td>US$1.00 = $1.40 in 2025 compared with US$1.00 = $1.37 in 2024.
The weaker Canadian dollar during 2025 compared with 2024 had a positive impact on consolidated revenue, gross profit and Adjusted EBITDA of $29.2 million, $9.3 million and $9.9 million, respectively.</td><td>US$1.00 = $1.37 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 and Adjusted EBITDA.</td></tr>
<tr><td>General comments</td><td colspan="3">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 for the year ended December 31, 2024. The year ended December 31, 2023 includes revenue of $40.3 million and Adjusted EBITDA of $6.6 million related to the P2S5 business which was sold in the fourth quarter of 2023.</td></tr>
<tr><td>Revenue</td><td>Consolidated revenue for 2025 was $502.0 million, which was $55.5 million higher than revenue for 2024. Excluding the impact of foreign exchange, revenue for 2025 was $56.5 million higher primarily due to:
• higher selling prices and volumes of merchant acid, water solutions products and Regen acid in the SWC segment,
• higher selling prices for sulphur products in the SWC segment, and
• higher sales volumes of sodium chlorate and products at our Brazil plant in the EC segment,
partially offset by:
• lower MECU sales volumes and netbacks in the EC segment.</td><td>Consolidated revenue for 2025 was $1,997.8 million, which was $210.7 million higher than revenue for 2024. Excluding the impact of foreign exchange and the maintenance turnaround at North Vancouver in 2024, revenue was $171.0 million higher primarily due to:
• higher selling prices and volumes of merchant acid, water solutions products and Regen acid in the SWC segment,
• higher selling prices for sulphur products in the SWC segment,
• higher selling prices for caustic soda, sodium chlorate and HCl in the EC segment, and
• higher sales volumes of sodium chlorate in the EC segment,
partially offset by:
• lower selling prices for chlorine and lower MECU sales volumes in the EC segment.</td><td>Consolidated revenue for 2024 was $1,787.0 million, which was $59.7 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 $8.9 million lower primarily due to:
• lower volumes for merchant acid and lower selling prices for sodium nitrite in the SWC segment,
• lower selling prices for caustic soda and chlorine in the EC segment,
• lower sales volume for Brazil in the EC segment, and
• the impact of the work stoppage at the Canadian railways in the EC segment,
partially offset by:
• significantly higher selling prices for water solutions products in the SWC segment, and
• higher selling prices for HCl in the EC segment.</td></tr>
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	Three months ended December 31, 2025 vs 2024	Year ended December 31, 2025 vs 2024	Year ended December 31, 2024 vs 2023
Adjusted EBITDA	Adjusted EBITDA for 2025 was $98.2 million, which was $10.4 million lower than the Adjusted EBITDA for 2024. Excluding the impact of foreign exchange, Adjusted EBITDA for 2025 was $10.0 million lower than 2024 primarily due to: • lower MECU sales volumes and netbacks in the EC segment, • higher costs for sodium nitrite and ultrapure sulphuric acid in the SWC segment, and • lower margins for water solutions products in the SWC segment where higher selling prices did not fully offset higher raw material costs, partially offset by: • higher margins for merchant acid in the SWC segment where significantly higher selling prices more than offset higher input costs.	Adjusted EBITDA for 2025 was $507.4 million, which was $36.6 million higher than the Adjusted EBITDA for the same period of 2024. Excluding the impact of foreign exchange and the maintenance turnaround at North Vancouver in 2024, Adjusted EBITDA was $8.8 million higher primarily due to: • higher selling prices for caustic soda and sodium chlorate in the EC segment, and • higher selling prices and volumes for merchant acid and Regen acid in the SWC segment, offset by: • lower selling prices for chlorine and lower MECU sales volumes in the EC segment, and • higher Corporate costs due to LTIP expenses, Polytec acquisition related costs and lawsuit provisions.	Adjusted EBITDA for 2024 was $470.8 million, which was $31.8 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, the maintenance turnaround at North Vancouver and Adjusted EBITDA related to the P_2S_5 business as noted above, Adjusted EBITDA was similar to 2023. Below are the key factors affecting the comparison: • significantly higher selling prices for water solutions products in the SWC segment, offset by: • lower selling prices for caustic soda and chlorine, partially offset by higher HCl prices resulting in a reduction in realized MECU netbacks of approximately $30 per MECU in the EC segment, and • higher Corporate costs due to compensation related expenses and realized foreign exchange losses.

	Three months ended December 31, 2025 vs 2024	Year ended December 31, 2025 vs 2024	Year ended December 31, 2024 vs 2023
Net Earnings (loss)	Net earnings for 2025 were $28.0 million higher than 2024 primarily due to: • unrealized foreign exchange gains during 2025 compared to unrealized foreign exchange losses during 2024, • lower net finance costs during 2025 (see **Net Finance Costs** on page 19), and • an impairment loss in 2024 on the write-down of an investment in a joint venture, partially offset by: • lower Adjusted EBITDA.	Net earnings for 2025 were $12.5 million higher than 2024 primarily due to: • unrealized foreign exchange gains during 2025 compared to unrealized foreign exchange losses during 2024, • higher Adjusted EBITDA, • lower income tax expense (see **Income Taxes** on page 20), and • lower losses on disposal and write-down of PPE, partially offset by: • impairment of PPE related to the Prince George sodium chlorate facility and sodium nitrite CGU in 2025, • higher net finance costs during 2025 (see **Net Finance Costs** on page 19), and • higher depreciation and amortization expense.	Net earnings for 2024 were $122.4 million lower than 2023 primarily due to: • higher net finance costs during 2024 compared with net finance income during 2023, • unrealized foreign exchange losses during 2024 compared to unrealized foreign exchange gains during 2023, • lower Adjusted EBITDA, and • a $24.3 million gain on sale of the P_2S_5 business during 2023, partially offset by: • lower depreciation and amortization expense.

RESULTS OF OPERATIONS BY REPORTABLE SEGMENT

SULPHUR AND WATER CHEMICALS (SWC)

	Three months ended		Year ended	
($'000)	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Revenue	$ 323,063	$ 260,110	$ 1,230,739	$ 1,038,163
Gross profit	32,983	39,842	198,830	196,747
Adjusted EBITDA	60,707	62,450	288,576	270,370

Starting with the first quarter of 2026, Chemtrade intends to report its water solutions products as a new business segment. This decision is due to the significant, and growing, contribution of these products to the Fund's financial results as well as the acquisition of Polytec, Inc.

	SWC OPERATING RESULTS	
	Q4 2025 vs Q4 2024	**Year ended December 31, 2025 vs 2024**
F/X Rate	The stronger Canadian dollar during 2025 compared with 2024 had a negative impact on consolidated revenue, gross profit and Adjusted EBITDA of $0.8 million, $0.1 million and $0.1 million, respectively.	The weaker Canadian dollar during 2025 compared with 2024 had a positive impact on consolidated revenue, gross profit and Adjusted EBITDA of $17.2 million, $1.5 million and $2.4 million, respectively.
Revenue	Revenue for 2025 was $63.0 million higher than revenue for 2024. Excluding the impact of foreign exchange, revenue was $63.8 million higher primarily due to: • higher selling prices and volumes of merchant acid and, to a lesser extent, water solutions products and Regen acid, • higher selling prices for sulphur products, and • an increase from the Polytec acquisition.	Revenue for 2025 was $192.6 million higher than revenue for 2024. Excluding the impact of foreign exchange, revenue was $175.4 million higher primarily due to: • higher selling prices and volumes of merchant acid, water solutions products and Regen acid, and • higher selling prices for sulphur products.

<table>
<tr><th></th><th colspan="2">SWC OPERATING RESULTS</th></tr>
<tr><th></th><th>Q4 2025 vs Q4 2024</th><th>Year ended December 31, 2025 vs 2024</th></tr>
<tr><td>Adjusted EBITDA</td><td>Adjusted EBITDA for 2025 was $60.7 million which was $1.7 million lower than Adjusted EBITDA for 2024. Excluding the impact of foreign exchange, Adjusted EBITDA was $1.6 million lower primarily due to:
higher costs for sodium nitrite and ultrapure sulphuric acid, and
Lower margins for water solutions products, where higher selling prices did not fully offset higher input costs,
partially offset by:
higher margins for merchant acid as significantly higher selling prices more than offset higher input costs, and
to a lesser extent approximately six-weeks of post acquisition EBITDA generated by Polytec.</td><td>Adjusted EBITDA for 2025 was $288.6 million, which was $18.2 million higher than Adjusted EBITDA for 2024. Excluding the impact of foreign exchange, Adjusted EBITDA was $15.8 million higher primarily due to:
higher selling prices and volumes for merchant acid, Regen acid, and sulphur products, which more than offset higher costs for sodium nitrite and ultrapure sulphuric acid.</td></tr>
<tr><td>Gross Profit</td><td>Gross profit for 2025 was $33.0 million, which was $6.9 million lower than gross profit for 2024. In addition to the factors that affected Adjusted EBITDA, gross profit was also affected by higher depreciation and amortization expenses and lower net losses on the disposal and write-down of PPE.</td><td>Gross profit for 2025 was $198.8 million, which was $2.1 million higher than gross profit for 2024. Excluding the impact of foreign exchange, gross profit for 2025 was $0.6 million higher than 2024. In addition to the factors that affected Adjusted EBITDA, gross profit was also affected by higher depreciation and amortization expenses and lower net losses on the disposal and write-down of PPE.</td></tr>
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ELECTROCHEMICALS (EC)

($'000)	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
North American sales volumes:				
Sodium chlorate sales volumes (000's MT)	67	65	273	270
Chlor-alkali sales volumes (000's MECU)	35	43	170	172
Revenue	$ 178,978	$ 186,415	$ 767,037	$ 748,870
Gross profit	52,933	58,808	261,258	233,804
Adjusted EBITDA	71,589	83,487	345,680	314,080

	EC OPERATING RESULTS	
	Q4 2025 vs Q4 2024	**Year ended December 31, 2025 vs 2024**
F/X Rate	The stronger Canadian dollar during 2025 compared with 2024 had a negative impact on consolidated revenue, gross profit and Adjusted EBITDA of $0.2 million, $0.3 million and $0.3 million, respectively.	The weaker Canadian dollar during 2025 compared with 2024 had a positive impact on consolidated revenue, gross profit and Adjusted EBITDA of $12.0 million, $7.8 million and $8.1 million, respectively.
General Comments	Revenue, gross profit and Adjusted EBITDA for the year ended December 31, 2024 were negatively affected by the biennial maintenance turnaround at the North Vancouver chlor-alkali plant during the second quarter of 2024 as noted above in the consolidated operating results section.	

	EC OPERATING RESULTS	
	Q4 2025 vs Q4 2024	**Year ended December 31, 2025 vs 2024**
Revenue	Revenue for 2025 was $179.0 million, which was $7.4 million lower than revenue for 2024. Excluding the impact of foreign exchange, revenue was $7.2 million lower due to: • lower MECU sales volumes and netbacks, partially offset by: • higher sales volumes of sodium chlorate and products at our Brazil plant. MECU netbacks decreased by approximately $40 mainly due to lower netbacks for chlorine.	Revenue for 2025 was $767.0 million, which was $18.2 million higher than revenue for 2024. Excluding the impact of foreign exchange and the maintenance turnaround at North Vancouver in 2024, revenue was $4.3 million lower due to: • lower selling prices for chlorine, and • lower MECU sales volumes, partially offset by: • higher selling prices for caustic soda, sodium chlorate and HCl, and • higher sales volumes of sodium chlorate. MECU netbacks increased by approximately $60, with lower netbacks for the chlorine side of the molecule, offsetting approximately 40% of higher netbacks for caustic soda.
Adjusted EBITDA	Adjusted EBITDA for 2025 was $71.6 million, which was $11.9 million lower than Adjusted EBITDA for 2024. Excluding the impact of foreign exchange, Adjusted EBITDA was $11.6 million lower primarily due to: • lower MECU sales volumes and netbacks, partially offset by: • higher sales volumes of sodium chlorate and products at our Brazil plant. MECU netbacks decreased by approximately $40 mainly due to lower netbacks for chlorine.	Adjusted EBITDA for 2025 was $345.7 million, which was $31.6 million higher than Adjusted EBITDA for 2024. Excluding the impact of foreign exchange and the maintenance turnaround at North Vancouver in 2024, Adjusted EBITDA was $5.6 million higher primarily due to: • higher selling prices for caustic soda, sodium chlorate and HCl, and • higher sales volumes of sodium chlorate, offset by: • lower selling prices for chlorine, and • lower MECU sales volumes. MECU netbacks increased by approximately $60, with lower netbacks for the chlorine side of the molecule, offsetting approximately 40% of higher netbacks for caustic soda.

	EC OPERATING RESULTS	
	Q4 2025 vs Q4 2024	**Year ended December 31, 2025 vs 2024**
Gross Profit	Gross profit for 2025 was $52.9 million, which was $5.9 million lower than gross profit for 2024. Excluding the impact of foreign exchange, gross profit was $5.6 million lower in 2025. In addition to the factors that affected Adjusted EBITDA, gross profit was also affected by higher depreciation and amortization expense.	Gross profit for 2025 was $261.3 million, which was $27.5 million higher than gross profit for 2024. Excluding the impact of foreign exchange and the maintenance turnaround at North Vancouver in 2024, gross profit was $1.8 million higher in 2025. In addition to the factors that affected Adjusted EBITDA, gross profit was also affected by higher depreciation and amortization expense.

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		Year ended	
($'000)	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Corporate costs (Adjusted EBITDA)	$ (34,129)	$ (37,344)	$ (126,852)	$ (113,658)

	CORPORATE COSTS	
	Q4 2025 vs Q4 2024	**Year ended December 31, 2025 vs 2024**
Corporate costs	Corporate costs were lower primarily due to: • $5.9 million of lower realized foreign exchange losses in 2025 compared to 2024, • $1.3 million lower short-term incentive compensation costs compared to 2024, and • $1.6 million lower professional fees and other administrative expenses, partially offset by: • $5.3 million higher LTIP costs.	Corporate costs were higher primarily due to: • $6.1 million higher LTIP costs, • $5.3 million of legal and other costs related to the Polytec acquisition, and • $1.6 million of expenses related to the Superior lawsuit.
F/X Hedging	Corporate costs include gains and losses arising from Chemtrade's hedging program. Business results are presented on an unhedged basis and, in 2025, have benefited from the relative weakness of the CAD against the USD.	

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 $1.37 to $1.38 for US$1.00), on an unhedged basis, this would have the impact as below:

Measure	Impact
Annual net earnings	+$3.2 million
Adjusted EBITDA	+$4.0 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 December 31, 2025 include future contracts to sell the following amounts for periods through to January 2027:

Amount ($'000)	Maturity	Exchange rate
US$40,978	Q1 2026	$1.38
US$34,077	Q2 2026	$1.38
US$22,177	Q3 2026	$1.38
US$17,177	Q4 2026	$1.38
US$3,000	Q1 2027	$1.39

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 Consolidated 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 60.

We have partially 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 designated amount of 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, 2024 were a result of changes in the CAD/USD exchange rate between December 31, 2024 and December 31, 2025. For the three months and year ended December 31, 2025, a foreign exchange loss of $0.7 million and a foreign exchange gain of $2.8 million, respectively, on the revaluation of the USD-denominated debt was recognized in other comprehensive income, compared with foreign exchange gains, of $3.2 million and $8.6 million, respectively, during the three months and year ended December 31, 2024.

The rate of exchange used to translate USD-denominated balances has decreased from a rate of US$1.00 = $1.44 at December 31, 2024 to US$1.00 = $1.37 at December 31, 2025. The quarterly average rate of exchange during the fourth quarter of 2025 was US$1.00 = $1.39 as compared to the same period of 2024 at US$1.00 = $1.40. The average rate for the year ended December 31, 2025 has increased from US$1.00 = $1.37 during the year ended December 31, 2024 to US$1.00 = $1.40 in the year ended December 31, 2025. See **Risks and Uncertainties** on MD&A on page 40 for additional comments on foreign exchange.

NET FINANCE COSTS AND INCOME TAXES

Net Finance Costs

During the three months and year ended December 31, 2025, net finance costs were $3.0 million and $104.5 million, respectively, compared with net finance costs of $11.5 million and $72.6 million, respectively, during the same periods of 2024.

Q4 2025 vs Q4 2024	Year ended December 31, 2025 vs 2024
Net finance costs were $8.5 million lower during 2025 relative to 2024. The decrease was primarily due to: • $18.4 million of gains related to the change in fair value of Convertible Debentures in 2025 compared with losses of $1.8 million in 2024, • $3.8 million lower interest on Convertible Debentures in 2025 compared to 2024, and • $1.2 million of higher interest income, partially offset by: • $8.3 million of higher interest expense on long term debt, • $3.8 million of higher losses related to the change in the fair value of interest rate swaps during 2025 compared with 2024, • $2.9 million of higher debt extinguishment costs, and • $0.9 million of lower income reclassified from other comprehensive income relating to the fair value of the interest rate swaps in 2024 with no comparable reclassification in 2025.	Net finance costs were $31.9 million higher during 2025 relative to 2024. The increase was primarily due to: • $19.8 million of higher interest expense on long-term debt, • $7.9 million of higher losses related to the change in fair value of Convertible Debentures during 2025 compared 2024, • $6.1 million of lower income reclassified from other comprehensive income relating to the fair value of the interest rate swaps in 2024 with no comparable reclassification in 2025, • $2.6 million of interest expense related to the Superior lawsuit in 2025, • $2.0 million of higher debt extinguishment costs, and • $1.3 million of higher accretion of transaction costs on long-term debt in 2025 compared to 2024, partially offset by: • $8.7 million lower interest on Convertible Debentures in 2025 compared to 2024.

The Convertible 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 months and year ended December 31, 2025, the fair value of the Fund's Convertible Debentures, excluding the effect of redemptions and conversions, decreased by $20.1 million and increased by $33.5 million, respectively, and decreased by $0.8 million and increased by $13.1 million, respectively, during the same periods of 2024.

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

		Three months ended December 31,			Year ended December 31,		
($ million)	**Recorded in**	**2025**	**2024**	**Variance**	**2025**	**2024**	**Variance**
(Decrease) increase due to a change in risk free rate and a change in the conversion option fair value	Net finance costs	$ (18.4)	$ 1.8	$ (20.2)	$ 26.5	$ 18.6	$ 7.9
(Decrease) increase due to a change in our credit risk, net of taxes	Other comprehensive income	(0.8)	(2.6)	1.8	7.9	(4.0)	11.9
Tax (expense) recovery due to own credit risk	Other comprehensive income	(0.9)	0.0	(0.9)	(0.9)	(1.5)	0.6
(Decrease) increase in fair value of Convertible Debentures		$ (20.1)	$ (0.8)	$ (19.4)	$ 33.5	$ 13.1	$ 20.4

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 December 31, 2025 was 4.2% (December 31, 2024 - 5.4%). See **Liquidity and Capital Resources - Financial Instruments** for information concerning swap arrangements on page 28.

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.

	Q4 2025 vs Q4 2024	Year ended December 31, 2025 vs 2024
Income taxes	Income tax expense in 2025 was $5.6 million lower than the same period of 2024. The change was primarily due to: • deferred tax recoveries related to the recognition of previously unrecognized deferred tax assets for certain business interest expense carryforward balances, • higher amounts of deferred tax recovery associated with the change in fair value of the Convertible Debentures in 2025 relative to 2024, • tax impacts related to changes in how entities are grouped for purposes of US state apportionment, and • favourable taxable foreign exchange in Brazil and other foreign exchange translation adjustments, partially offset by: • higher operating income in 2025 relative to the same period of 2024, • tax impacts of the repurchase of Convertible Debentures in 2025, • estimated tax expense associated with US Base Erosion and Anti-Abuse Tax ("BEAT") liability, and • adjustments related to prior years and return-to-provision.	Income tax expense in 2025 was $27.8 million lower than the same period of 2024. The change was primarily due to: • lower income before tax in 2025 relative to the same period of 2024, primarily driven by impairment charges, • deferred tax recoveries related to the recognition of previously unrecognized deferred tax assets for certain business interest expense carryforward balances, • higher amounts of deferred tax recovery associated with the change in fair value of the Convertible Debentures in 2025 relative to 2024, • tax impacts related to changes in how entities are grouped for purposes of US state apportionment, and • favourable taxable foreign exchange in Brazil and other foreign exchange translation adjustments, partially offset by: • tax impacts of the repurchase of the Convertible Debentures in 2025, • estimated tax expense associated with US BEAT, and • adjustments related to prior years and return-to-provision.

<table>
<tr><th></th><th>As at December 31, 2025 vs December 31, 2024</th></tr>
<tr><td>Deferred tax assets and liabilities</td><td>Net deferred tax assets decreased by $28.5 million which was primarily due to:
• an increase in deferred tax liabilities related to property, plant and equipment and intangible assets arising from the acquisition of Polytec,
• an increase in deferred tax liabilities related to certain property, plant and equipment,
• a decrease in deferred tax assets related to the payment of the disputed termination fee related to the Superior Lawsuit, and
• a net decrease in deferred tax assets related to prior year adjustments,
partially offset by:
• an increase in deferred tax assets related to recognition of previously unrecognized deferred tax assets for certain business interest expense carryforward balances,
• an increase in deferred tax assets related to other long-term liabilities and employee benefits,
• a decrease in deferred tax liabilities related to the impairment of certain property, plant and equipment,
• a decrease in deferred tax liabilities related to depreciation of non-deductible intangible and property, plant and equipment, and
• a decrease in deferred tax liabilities related to unrealized foreign exchange.</td></tr>
<tr><td>Income taxes receivable</td><td>We made income tax payments totaling $66.0 million in previous years to the CRA. As we are disputing the availability of certain historical Canadian tax losses with the CRA which would offset taxes in respect of 2021 to 2024, we have recorded these payments as non-current income taxes receivable in the Consolidated 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.</td></tr>
</table>

Our income tax expense for the year ended December 31, 2025 was $16.1 million and the effective tax rate was 10.4%. The total income tax expense for 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 25.0% primarily due to the recognition of previously unrecognized deferred tax assets for certain business interest expense carryforward balances resulting from the enactment of OBBBA, net deferred tax impacts associated with the change in fair value of the Convertible Debentures and the non-taxability to the Fund of the income distributed to unitholders, impacts of taxable foreign exchange in Brazil and other foreign exchange translation adjustments, changes in level of earnings in jurisdictions taxed at different rates and tax impacts related to changes in how entities are grouped for purposes of US state apportionment, partially offset by the tax impacts of the repurchase of the 2027 and 2028 Convertible Debentures in 2025, incremental tax expense associated with US BEAT, and adjustments related to prior years and return-to-provision.

DISTRIBUTIONS

Distributions to Unitholders for the three months and year ended December 31, 2025 were declared as follows:

Record Date	Payment Date		Distribution Per Unit (1)		Total ($'000)
Three months ended December 31:					
October 31, 2025	November 28, 2025	$	0.0575	$	6,650
November 28, 2025	December 31, 2025	$	0.0575		6,621
December 31, 2025	January 30, 2026		0.0575		6,567
Sub-total			0.1725		19,838
Three months ended September 30, 2025			0.1725		19,413
Three months ended June 30, 2025			0.1725		19,556
Three months ended March 31, 2025			0.1725		20,064
Total for the year ended Dec 31, 2025		**$**	**0.6900**	**$**	**78,871**

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

Distributions to Unitholders for the three months and year ended December 31, 2024 were declared as follows:

Record Date	Payment Date		Distribution Per Unit (1)		Total ($'000)
Three months ended December 31:					
October 31, 2024	November 29, 2024	$	0.0550	$	6,666
November 29, 2024	December 31, 2024	$	0.0550		6,619
December 31, 2024	January 31, 2025		0.0550		6,548
Sub-total			0.1650		19,833
Three months ended September 30, 2024		$	0.1650		19,849
Three months ended June 30, 2024		$	0.1650		19,333
Three months ended March 31, 2024			0.1650		19,333
Total for the year ended Dec 31, 2024		**$**	**0.6600**	**$**	**78,348**

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

Treatment of our distributions for Canadian income tax purposes for 2024 and 2025 is as follows:

	Other Income	Dividends (1)	Foreign Non-Business Income	Total
2024	5.3%	31.4%	63.3%	100%
2025 (2)	5.6%	32.8%	61.6%	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 2025 distributions will be determined by March 2, 2026.

CASH FLOWS

($'000)	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
Net cash flows from (used in):				
Operating activities	$ 85,468	$ 83,842	$ 355,074	$ 342,080
Investing activities	(267,234)	(44,569)	(428,566)	(180,073)
Financing activities	190,688	(30,834)	76,013	(159,299)
Increase (Decrease) in cash and cash equivalents	8,922	8,439	2,521	2,697
Effect of exchange rates on cash held in foreign currencies	(239)	723	(598)	1,276
Cash and cash equivalents, beginning of the period	18,737	16,335	25,497	21,524
Cash and cash equivalents, end of the period	$ 27,420	$ 25,497	$ 27,420	$ 25,497

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, long term debt (see Financing Activities below) and Convertible Debentures. Our cash flow is required to fund cash distributions to Unitholders, capital requirements, interest, general trust purposes and other legal obligations.

	Q4 2025 vs Q4 2024	YTD 2025 vs YTD 2024
Operating Activities	Cash flows from operating activities in 2025 were an inflow of $85.5 million, compared with $83.8 million for the same period of 2024. The increase in cash flows from operating activities was primarily due to changes in working capital and lower income taxes paid, partially offset by lower Adjusted EBITDA.	Cash flows from operating activities in 2025 were an inflow of $355.1 million, compared with $342.1 million for the same period of 2024. The increase in cash flows from operating activities of $13.0 million was primarily due to higher Adjusted EBITDA and lower income taxes paid, partially offset by changes in working capital and higher interest paid.

	Q4 2025 vs Q4 2024	Year ended December 31, 2025 vs 2024
Investing Activities	Cash flows used in investing activities totaled $267.2 million in 2025, compared to $44.6 million in the same period of 2024. This increase in outflows primarily related to the business acquisition of Polytec for $212.8 million in Q4 2025, with no comparable in 2024. Capital expenditures were $54.4 million in 2025, compared with $44.6 million for the same period in 2024. This included maintenance capital expenditures[1] of $49.3 million in 2025 and $36.1 million in 2024. Non-maintenance capital expenditures[2] were $19.3 million in 2025, compared with $24.7 million in 2024. The 2025 spending primarily supported small expansion projects of water solutions products, EC initiatives and the ultrapure sulphuric acid business. The year-over-year decrease reflects higher spending in 2024 related to the expansion of our Cairo, OH ultrapure sulphuric acid facility.	Cash flows used in investing activities totaled $428.6 million in 2025, compared to $180.1 million in the same period of 2024. The increase in cash outflows was primarily due to the Polytec and Thatcher acquisitions during 2025. Capital expenditures were $176.6 million in 2025, down from $180.1 million in 2024. These amounts included $123.5 million in 2025 and $104.5 million in 2024 for maintenance capital expenditures[1]. Non-maintenance capital expenditures[2] were $48.2 million in 2025, compared with $81.3 million in 2024. The higher spending in 2024 was primarily driven by spending on the expansion of our Cairo, OH facility.
Financing Activities	Cash flows from financing activities in 2025 were an inflow of $190.7 million, compared with an outflow of $30.8 million for the same period of 2024. The increase in cash from financing activities of $221.5 million was primarily due to the issuance of additional Notes for $250.0 million and an increase in borrowings under the revolving credit facility of $123.3 million, partially offset by the redemption of Convertible Debentures for $144.6 million.	Cash flows from financing activities in 2025 were an inflow of $76.0 million, compared with an outflow of $159.3 million for the same period of 2024. The increase in cash flows from financing activities in 2025 compared with 2024 of $235.3 million was primarily due to increased borrowings under the revolving credit facility and Notes, partially offset by increased outflows for redemptions of Convertible Debentures and purchases of units.

[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**

In January 2025, Chemtrade issued an additional $125.0 million aggregate principal amount of 2029 Notes, resulting in an aggregate principal amount of $375.0 million outstanding on the 2029 Notes. Chemtrade recognized transaction costs of $2.3 million related to the issuance against the proceeds of the offering. The 2029 Notes include early redemption options allowing Chemtrade to redeem the 2029 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 $1.0 million to reflect the redemption features of the 2029 Notes. Chemtrade utilized proceeds of the issuance to pay down its Credit Facilities.

In October 2025, Chemtrade closed its private offering of $250.0 million aggregate principal amount of 2032 Notes, and incurred transaction costs of $4.6 million. The 2032 Notes include early redemption options allowing Chemtrade to redeem the 2032 Notes at a premium, in cash, any time prior to October 1, 2028 and at principal any time after October 1, 2030. Chemtrade recognized a derivative asset of $2.7 million to reflect the redemption features of the 2032 Notes. Chemtrade utilized net proceeds of the issuance to pay down its revolving credit facility and for general corporate purposes.

In June 2024, we implemented an NCIB, under which the Fund was authorized to purchase up to 11.7 million units over a 12 month period ending June 2, 2025. In August 2025, the Fund commenced a new NCIB, under which the Fund is authorized to purchase up to 11.2 million of its units over a 12 month period ending August 18, 2026. Purchases of units for the fourth quarter and year ended December 31, 2025 were $26.8 million and $100.8 million, respectively, compared to $28.1 million and $54.5 million, respectively, in the fourth quarter and year ended December 31, 2024. Purchases of units were funded by cash flows from operations.

During the third quarter of 2024, the Fund completed an SIB, pursuant to which Chemtrade acquired all of the tendered 2025 Convertible Debentures for a total consideration of $37.6 million, ($28.3 million par value), including all accrued and unpaid interest. Also during the third quarter of 2024, the Fund announced its intention to redeem all of the remaining 2025 Convertible Debentures. Pursuant to this, the remaining 2025 Convertible Debentures were retired by the issuance of 7.0 million units to the debenture holders who elected to convert their Convertible Debentures and the payment of $6.2 million to those who did not elect to convert.

During the third quarter of 2025, the Fund completed the redemption of all its outstanding 2026 Convertible Debentures. As a result of the redemption, holders of the 2026 Convertible Debentures received approximately $1,024.58 for each $1,000 principal amount of 2026 Convertible Debentures redeemed, representing their par value, plus all accrued and unpaid interest.

During the fourth quarter of 2025, the Fund completed an SIB, pursuant to which Chemtrade acquired all the tendered 2027 Convertible Debentures, for total consideration of $115.7 million, ($85.6 million par value), including all accrued and unpaid interest. Also during the fourth quarter of 2025, the Fund completed the redemption of $4.9 million aggregate principal amount of the 2027 Convertible Debentures which represented all of the 2027 Convertible Debentures which remained outstanding.

During the fourth quarter of 2025, the Fund completed a second SIB for the 2028 Convertible Debentures. Under the offer, $8.5 million aggregate principal amount of 2028 Convertible Debentures was tendered for $1,200 in cash per $1,000 principal amount, plus accrued and unpaid interest, and $73.9 million was tendered for $1,000 principal amount of 7.00% unsecured subordinated debentures due June 30, 2028 of Chemtrade ("Non-Convertible Debentures"), plus $200 in cash and accrued and unpaid interest. The Fund issued $73.9 million aggregate principal amount of Non-Convertible Debentures and paid cash of $27.0 million. As at December 31, 2025, $27.5 million aggregate principal amount of 2028 Convertible Debentures remained outstanding.

There was a net increase in borrowings from our Credit Facilities of $159.1 million and $206.9 million during the three months and year ended December 31, 2025 respectively, compared with a net increase of $35.8 million and a net decrease $161.8 million, respectively, for the same periods of 2024. The increase in borrowings for 2025 was mainly to fund the Polytec acquisition. The decrease in borrowings for 2024 was a result of using proceeds received from the issuance of the 2029 Notes.

Distributions paid to Unitholders, net of distributions reinvested during the three months and year ended December 31, 2025 were $19.7 million and $78.9 million, respectively compared to $20.0 million and $76.6 million for the same periods of 2024. The change in distributions paid for the three months and year ended December 31, 2025 relative to 2024 was due to units purchased as part of the NCIB, partially offset by units issued from conversions of Convertible Debentures and an increase in monthly distributions from $0.0550 per unit to $0.0575 per unit effective with the distribution declared in January 2025.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Cash Equivalents

At December 31, 2025, we had cash and cash equivalents of $27.4 million (December 31, 2024 - $25.5 million) and a Net working capital[1] deficit of $17.2 million (December 31, 2024 - $106.7 million). The Net working capital deficiency is sufficiently 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)		December 31, 2025		December 31, 2024
Long-term debt [1]	$	991,226	$	343,295
Convertible Debentures [1]		25,534		340,000
Total debt [2]	$	1,016,760	$	683,295

[1] Principal outstanding amount

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

At December 31, 2025, we had Credit Facilities of approximately $823.3 million (US$600.0 million). At December 31, 2025, we had drawn $292.3 million on our Credit Facilities. Additionally, we had committed a total of $22.8 million of our Credit Facilities towards standby letters of credit. At December 31, 2025, we had undrawn US$370.3 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. In October 2025, Chemtrade further amended certain terms of its Credit Facilities to extend the maturity of the facility to October 2030. See **Recent Developments** on page 6.

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

During the third quarter of 2024, Chemtrade closed its private offering of $250.0 million of 2029 Notes. The 2029 Notes include early redemption options allowing Chemtrade to redeem the 2029 Notes at a premium, in cash, any time prior to August 27, 2028 and at principal any time after August 28, 2028.

In January 2025, Chemtrade issued an additional $125.0 million aggregate principal amount of 2029 Notes, resulting in an aggregate principal amount of $375.0 million outstanding on the 2029 Notes. Chemtrade incurred transaction costs of $2.3 million. Chemtrade utilized the net proceeds of the issuance to reduce indebtedness under the Credit Facilities.

In October 2025, Chemtrade closed its private offering of $250.0 million aggregate principal amount of 5.750% Notes due October 1, 2032, and incurred transaction costs of $4.6 million. The 2032 Notes include early redemption options allowing Chemtrade to redeem the 2032 Notes at a premium, in cash, any time prior to October 1, 2028 and at principal any time after October 1, 2030.

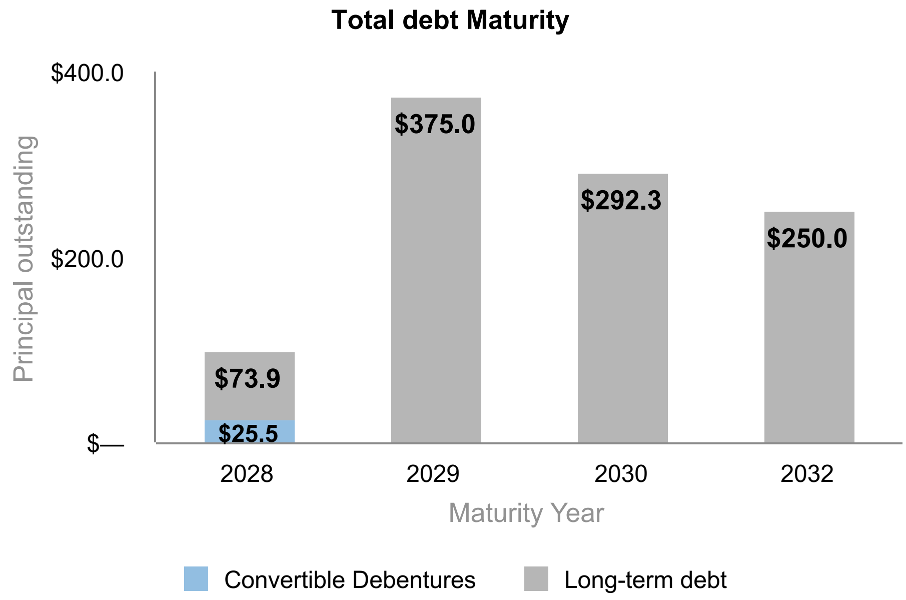
During the third quarter of 2025, Chemtrade redeemed the remaining outstanding 2026 Convertible Debentures for $1,000 of principal amount of Convertible Debentures. $100.0 million aggregate principal amount were redeemed. During the fourth quarter of 2025, Chemtrade retired the outstanding 2027 Convertible Debentures through an SIB to repurchase $85.6 million aggregate principal amount of 2027 Convertible Debentures for total consideration of $115.7 million and a redemption of the remaining outstanding $4.9 million principal amount of 2027 Convertible Debentures. Also during the fourth quarter of 2025, Chemtrade completed an SIB to repurchase $82.5 million aggregate principal amount of 2028 Convertible Debentures. A total of $8.4 million aggregate principal amount of 2028 Convertible Debentures were repurchased for cash and $73.9 million aggregate principal amount of 2028 Convertible Debentures were repurchased in exchange for new 2028 Non-Convertible Debentures of equal value plus a cash premium. Refer to **Recent Developments** on page 6.

Our Convertible Debentures as at December 31, 2025 are described in the table below:

	2028 Convertible Debentures	
Maturity	June 30, 2028	
Interest Rate		7.00 %
Principal outstanding at December 31, 2025	$	25.5
Conversion Price per unit	$	12.85

(1) At December 31, 2025, the market value of the outstanding Convertible Debentures was $31.0 million.

The graph below shows the maturity of our Total debt as at December 31, 2025:



Debt Covenants

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). The Notes are subject to customary terms, conditions and covenants. As at December 31, 2025, Chemtrade was in compliance with these debt covenants.

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 was reclassified to net earnings until October 2024. For the three months and year ended December 31, 2025, we reclassified $nil and $nil, respectively (2024 - $0.9 million and $6.1 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 months and year ended December 31, 2025, we recognized losses of $0.8 million and $5.1 million, respectively (2024 - gain of $2.9 million and a loss of $3.9 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 at the time 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 in the Consolidated Statements of Financial Position.

We partially hedge our investment in foreign operations that use the USD as their functional currency with our designated amount of 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 2024, we rolled over the hedged units maturing on March 31, 2024, into 2025, 2026 and 2027. During the first quarter of 2025, we 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 December 31, 2025, the notional number of units hedged was 2.7 million (December 31, 2024 - 2.5 million) with maturity dates ranging between March 2026 and March 2028. 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 December 31, 2025, the notional number of units not designated as hedges was 0.7 million (December 31, 2024 - 0.7 million) maturing in March 2026.

FINANCIAL CONDITION REVIEW

The Consolidated Statements of Financial Position contain certain categories as set out below. Since December 31, 2024, there have been material variances in these categories, which are explained below.

($'000)	**December 31, 2025**	**December 31, 2024**	**$ Change**	**% Change**
ASSETS				
Trade and other receivables	199,672	148,085	51,587	35
Income taxes receivable	19,382	5,498	13,884	253
Prepaid expenses and other assets	32,559	20,689	11,870	57
Intangible Assets	731,198	541,952	189,246	35
Deferred tax assets	21,269	47,996	(26,727)	(56)
LIABILITIES and UNITHOLDERS' EQUITY				
Provisions	20,820	49,265	(28,445)	(58)
Convertible Debentures	30,960	356,596	(325,636)	(91)
Long-term debt	977,054	336,250	640,804	191
Long-term lease liabilities	132,352	148,268	(15,916)	(11)
Contributed Surplus	46,365	26,384	19,981	76
Accumulated other comprehensive income	213,363	257,714	(44,351)	(17)

Trade and other receivables	Apart from the receivables acquired through Polytec, the increase is primarily due to the timing of collections from customers, lower level of factored receivables as of December 31, 2025 compared with December 31, 2024 and higher revenue during the fourth quarter of 2025 relative to the fourth quarter of 2024.
Income tax receivable	Increase is primarily due to income tax installments in excess of estimated current tax liability, refunds related to taxes paid in relation to the prior year, partially offset by tax payables recorded in relation to the acquisition of Polytec.
Prepaid expenses and other assets	Increase is primarily due to change in fair value in the cash-settled unit swaps, foreign exchange contracts and interest rate swaps.
Deferred tax assets	Decrease is primarily due to an increase in deferred tax liabilities related to property, plant and equipment and intangible assets arising from the acquisition of Polytec.
Intangible Assets	Increase is primarily due to the acquisition of customer relationships and goodwill upon the acquisition of Polytec and the acquisition of customer relationships from Thatcher, partially offset by amortization.
Provisions	The decrease is primarily due to payment of legal provisions related to the Superior lawsuit of $28.1 million.
Convertible unsecured subordinated debentures	The decrease is due to the redemption of the Fund's 2026 Convertible Debentures, the elimination of the 2027 Convertible Debentures through a combination of an SIB, unit conversions followed by redemption, and the completion of an SIB on the 2028 Convertible Debentures.
Long-term debt	Increase is primarily due to the issuance of additional 2029 Notes, the issuance of the 2032 Notes, increased borrowings on our Credit Facilities to fund the Polytec Acquisition and the issuance of the 2028 Non-Convertible Debentures as part of the SIB on the 2023 7.00% Convertible Debentures.
Long-term lease liabilities	Decrease is primarily due to changes in real estate leases, foreign exchange rate changes and lease payments, partially offset by lease liability additions from new leases and renewal of expiring leases.
Contributed Surplus	Increase is due to the difference in the book value of our average unit price compared to the price paid under the NCIB net of unit buy-back tax.
Accumulated other comprehensive income	Decrease is primarily due to the effect of the change in the foreign exchange rates on our foreign operations.

SUMMARY OF QUARTERLY RESULTS

($ millions)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenue	$ 502.0	$ 532.8	$ 496.7	$ 466.3	$ 446.5	$ 474.1	$ 448.1	$ 418.2
Cost of sales and services	(416.1)	(390.9)	(368.5)	(362.2)	(347.9)	(348.9)	(339.5)	(320.2)
Gross profit	85.9	141.9	128.2	104.1	98.6	125.2	108.6	98.0
Selling and administrative expenses:								
Unrealized foreign exchange gain (loss)	4.9	(0.6)	7.6	6.0	(21.4)	1.3	(2.1)	(5.2)
Realized foreign exchange (loss) gain	(1.7)	—	0.4	(4.4)	(5.0)	2.2	(3.5)	(1.4)
LTIP	(9.8)	(11.2)	(5.7)	(2.8)	(4.5)	(9.3)	(6.0)	(3.6)
Other	(36.4)	(34.8)	(36.4)	(31.7)	(34.9)	(29.4)	(32.5)	(28.0)
Total selling and administrative expenses	(43.0)	(46.6)	(34.1)	(32.9)	(65.8)	(35.2)	(44.1)	(38.2)
Impairment of Joint Venture		—	—	—	(3.8)	—	—	—
Impairment of PPE	—	—	(43.5)	—	—	—	—	—
Operating income	42.9	95.2	50.5	71.2	29.0	90.0	64.5	59.8
Net finance costs:								
FV Adjustments	17.1	(37.4)	(18.2)	6.9	2.0	(1.6)	(24.4)	7.8
Accretion Expense	(1.7)	(1.0)	(1.3)	(1.7)	(1.3)	(1.1)	(1.2)	(1.1)
Debt issuance and extinguishment costs	(2.9)	—	—	—	—	(0.9)	—	—
Net Interest Expense	(15.5)	(17.0)	(16.1)	(13.1)	(12.2)	(12.5)	(13.7)	(12.3)
Interest on Superior lawsuit	—	—	—	(2.6)	—	—	—	—
Total net finance (costs) income	(3.0)	(55.4)	(35.6)	(10.5)	(11.5)	(16.1)	(39.3)	(5.6)
Income tax expense	(1.6)	2.5	(5.3)	(11.6)	(7.2)	(13.8)	(10.6)	(12.2)
Net earnings	$ 38.3	$ 42.3	$ 9.5	$ 49.1	$ 10.3	$ 60.1	$ 14.6	$ 42.0
Adjusted EBITDA	$ 98.2	$ 151.2	$ 138.0	$ 120.1	$ 108.6	$ 137.2	$ 115.1	$ 109.9
Net earnings per unit	$ 0.34	$ 0.38	$ 0.09	$ 0.42	$ 0.09	$ 0.51	$ 0.12	$ 0.36
Diluted net earnings per unit	$ 0.18	$ 0.38	$ 0.09	$ 0.30	$ 0.09	$ 0.40	$ 0.12	$ 0.25

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 fourth quarter of 2025 decreased compared to the same period in 2024, primarily driven by lower MECU sales volumes and netbacks in the EC segment, higher costs for sodium nitrite and ultrapure sulphuric acid in the SWC segment, and lower margins for water solutions products in the SWC segment where higher selling prices did not fully offset higher raw material costs. Gross profit for the third quarter of 2025 increased compared to the same period in 2024, primarily driven by higher selling prices and volumes for merchant acid, Regen acid, water solutions products and sulphur products in the SWC segment, higher sales volumes of sodium chlorate in the EC segment, and higher selling prices for caustic soda and sodium chlorate in the EC segment. Gross profit for the third quarter of 2024 was negatively affected by the work stoppage at Canadian railways. Gross profit for the second quarter of 2025 increased compared to the same period in 2024, primarily driven by higher selling prices for caustic soda, HCl, and sodium chlorate within the EC segment, as well as increased chlorine sales volumes. The improvement also reflects the negative impact of the North Vancouver maintenance turnaround in 2024. These gains were partially offset by lower sodium chlorate sales volumes and reduced chlorine selling prices in the EC segment, along with lower margins in the SWC segment, as higher selling prices for Regen acid were more than offset by increased input costs and higher maintenance turnaround expenses. Gross profit for the first quarter of 2025 relative to 2024 was higher primarily due to higher selling prices and volumes of water solutions products, merchant acid and Regen in the SWC segment, higher selling prices for caustic soda, HCl and sodium chlorate in the EC segment, partially offset by lower sales volumes of caustic soda, lower sales volumes and lower selling prices for chlorine, and lower revenue in Brazil 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. In addition, changes in foreign exchange gains and losses are also included in Selling and Administrative Expenses and are subject to changes in foreign exchange rates.

Net Finance Costs

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

OUTSTANDING SECURITIES OF THE FUND

As at March 5, 2026 and December 31, 2025, the following units and securities convertible into our units were issued and outstanding:

		March 5, 2026		December 31, 2025	
	Maturity	Convertible Securities	Units	Convertible Securities	Units
Units outstanding			**112,242,594**		**114,179,394**
Convertible Debentures [1]	**June 30, 2028**	**25,534**	**1,987,082**	**25,534**	**1,987,082**
Units outstanding and issuable upon conversion of Convertible Debentures			**114,229,676**		**116,166,476**
Deferred units plan [2][3]		**$ 11,587**	**766,842**	**$ 11,228**	**761,215**
Units outstanding and issuable upon conversion of Convertible Debentures and Deferred units			**114,996,518**		**116,927,691**

[1] Convertible at $12.85 per unit

[2] Based on $15.11 and $14.75, the closing price of a unit on the TSX on March 5, 2026 and December 31, 2025, respectively

[3] 233,158 and 238,785 deferred units were available for future grants as at March 5, 2026 and December 31, 2025, respectively

CONTRACTUAL OBLIGATIONS

Information concerning contractual obligations at December 31, 2025 is shown below:

Contractual Obligations *($'000)*	**Total**	**Less Than 1 Year**	**2-3 Years**	**4-5 Years**	**After 5 Years**
Long-term debt	$ 991,226	$ —	$ 73,917	$ 667,309	$ 250,000
Convertible Debentures	25,534	—	25,534	—	—
Purchase commitments	44,875	44,875	—	—	—
Interest on Convertible Debentures	4,461	1,787	2,674	—	—
Interest on long-term debt	272,804	55,716	117,254	74,668	25,166
Lease payments	262,903	69,457	110,179	50,162	33,105
Trade and other payables	345,494	345,494	—	—	—
Distributions payable	6,567	6,567	—	—	—
Total contractual obligations	$ 1,953,864	$ 523,896	$ 329,558	$ 792,139	$ 308,271

RELATED PARTIES

Key Management Personnel Compensation

Key management personnel is comprised of our trustees and the senior leadership team. Trustees receive compensation in the form of an annual retainer. In addition to their salaries, we also provide other benefits to the senior leadership team. One such benefit is the contribution to a post-employment defined contribution plan on their behalf. Once the contribution reaches the limit allowed under the Income Tax Act (Canada), additional contributions are made to a non-registered account. We provide a basic contribution of 4% of base salary for plan participants. They can make additional voluntary contributions up to 2% of their base salary, and we match each dollar contributed up to 2% for a total of 6% of base salary. Contributions to the defined contribution plan vest immediately. These plans for the senior leadership team are identical to the plans offered to all employees in the same jurisdiction.

We offer a 401(k) plan to employees in the U.S. including key management personnel. The plan is a qualified retirement 401(k) plan, and is self-directed. Participants choose from a range of investment options offered by The Standard, who administers the plan. The interest and earnings on the investments held in the 401(k) plan account vary, and depend on the terms and of the investments chosen. Employees make voluntary contributions on each pay, and we match employee contributions up to 6% of eligible earnings subject to legislated government maximums. Our contributions to the 401(k) plan vest immediately.

The Annual Incentive Compensation (“Annual IC”) plan entitles the senior leadership team to annual cash awards based on (i) our success in achieving financial objectives (financial achievement is weighted at 65% of the total annual IC award) and (ii) their individual success in accomplishing personal objectives (weighted at 35% of the total annual IC award) as set out in their objectives for the fiscal year.

The LTIP as described in our annual consolidated financial statements is designed to align the interests of the participants with the interests of Unitholders. It is a cash plan where payment is triggered upon the successful achievement of pre-defined performance criteria. Each year the Human Capital and Compensation Committee determines the performance period over which performance will be measured. The annual LTIP awards granted have been based on a three-year performance period and the awards vest at the end of the three-year period. The value of this compensation is re-measured at each reporting period based upon changes in the fair value of the awards.

Certain members of the senior leadership team are subject to a mutual term of notice upon termination of employment without cause; they are entitled to termination benefits of 9 to 18 months' gross salary. In addition they are entitled to either their target annual IC or a value based on the most recently completed financial year.

We have in place a deferred unit compensation plan for our non-management trustees, pursuant to which the trustees can elect to take all or a portion of their compensation in the form of our deferred units, with the remainder as a cash payment. Currently, the trustees must take at least 50% of their compensation in the form of our deferred units. As at December 31, 2025, the market value of these deferred units, which is included in trade and other payables was $11.2 million (2024 - $9.1 million).

The key management personnel compensation expense including retirements costs, which is recorded in comprehensive income, is as follows:

		2025		2024
Short-term compensation	$	10,358	$	9,736
LTIP		23,972		17,434
	$	34,330	$	27,170

FINANCIAL OUTLOOK

Chemtrade expects its 2026 Adjusted EBITDA to range between $485.0 million and $525.0 million. Based on the mid-point of the guidance, including the anticipated spending on Growth capital expenditures and the changes in capital allocation, Chemtrade expects to end 2026 with a Net debt to Adjusted EBITDA ratio of close to 2.5x and an implied Payout ratio of ~45%.

Chemtrade's Adjusted EBITDA for 2025 of $507.4 million was a record year surpassing 2023, when Chemtrade generated Adjusted EBITDA of $502.6 million. The midpoint of 2026 guidance is similar to 2025 Adjusted EBITDA and reinforces the significant step-change in Chemtrade's Adjusted EBITDA and cashflow generation in the last five years.

		Year end Actual	
($ million)	**2026 Guidance**	**December 31, 2025**	**December 31, 2024**
Adjusted EBITDA	$485.0 - $525.0	$507.4	$470.8
Maintenance capital expenditures [(1)]	$120.0 - $150.0	$123.5	$104.5
Growth capital expenditures [(1)]	$35.0 - $55.0	$48.2	$81.3
Lease payments	$70.0 - $80.0	$70.0	$65.4
Cash interest[(1)]	$65.0 - $75.0	$54.9	$45.7
Cash tax [(1)]	$35.0 - $45.0	$31.0	$42.1

[(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 60.

Our guidance is based on numerous assumptions. Certain key assumptions that underpin the guidance are as follows:

- 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).
- The biennial turnaround at the North Vancouver chlor-alkali facility is executed as planned.

Key Assumptions	2026 Assumptions	2025 Actual	2024 Actual
Approximate North American MECU sales volumes	171,000	170,000	172,000
2025 realized MECU netback being lower than 2024 (per MECU)	CAD ($155)	N/A	N/A
Average CMA NE Asia Caustic spot price index per tonne (1)	US$450	US$435	US$385
Approximate North American production volumes of sodium chlorate	254,000	273,000	270,000
USD to CAD average foreign exchange rate	1.375	1.397	1.370
LTIP costs (in millions)	$22.0 - $28.0	$29.4	$23.3

(1) The average CMA NE Asia Caustic spot price for 2026, 2025 and 2024 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.

Update on Organic Growth Projects

We remain focused on our long-term objective of delivering sustained earnings growth and generating value for investors. To achieve this, we have identified various organic growth initiatives. In 2026, we plan to invest between $35.0 million and $55.0 million in Growth capital expenditures, with a focus on water treatment chemicals projects.

Capital Allocation Update

In January 2026 we increased our monthly distribution of 5.75 cents per month to 6.00 cents per month effective with the distribution declared in January 2026. This is the third consecutive year of increased distributions. In January 2024, we raised our distribution by 10% to 5.5 cents per month and in January 2025, we raised our distribution by approximately 5% to 5.75 cents per month. This distribution represents a Payout ratio of ~45% based on the mid-point of our 2026 guidance. The increase in the level of cash distributions is expected to have a minimal impact on our leverage and is not expected to impede our strategic objectives, including executing our growth initiatives and maintaining a healthy balance sheet.

During the first six months of 2025, we purchased approximately 6.1 million units as part of an NCIB which expired in June 2025. During the third quarter of 2025, we implemented another NCIB under which we are authorized to purchase up to 11.2 million of our units over a 12 month period ending August 18, 2026. As of December 31, 2025, we purchased 1.9 million units as part of the new NCIB. In aggregate, we purchased approximately 8.9 million units during the year under the two NCIBs.

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.

RISKS AND UNCERTAINTIES

We operate a diversified business providing industrial chemicals and services to customers in North America and around the world. We are 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. We are a leading regional supplier of sulphur, chlor-alkali products, and zinc oxide. Additionally, Chemtrade provides turnkey water treatment solutions, as well as industrial services such as processing by-products and waste streams. We face various risks associated with our business. These risks include, amongst others, a general reduction in demand for our products, the loss of a portion of our customer base, the interruption of the supply of products or raw materials, price fluctuations in the products sold and/or raw materials purchased, industry capacity, capital project execution, acquisition integration and operational, transportation and product hazard risks associated with the nature of our business. We import key raw materials and products from overseas and as such have additional risks associated with the sourcing activity. We make extensive use of the railway system to transport material within North America. Certain locations are serviced by a sole carrier and thus a disruption in service or changes to the regulatory environment relating to transportation could have a significant negative impact on results. In addition, we sell a significant portion of our major products to large customers. While many of these customers are under contract, there can be no assurance that these contracts will be renewed. As our business is international in nature, we are exposed to foreign exchange risks related to the payment of dividends and other transactions by our foreign subsidiaries. For a more detailed discussion of our risks, please refer to the RISK FACTORS section of the most recently filed AIF.

We manage the risks associated with our customer base and sales prices by seeking to obtain contractual protection to mitigate these risks. We also seek to differentiate our products and services with customers to mitigate price fluctuations and use our scale to obtain beneficial raw material contracts.

Our Board of Trustees annually reviews a framework identifying the principal risks of our business, and ensures the implementation of appropriate systems to manage these risks. The Audit Committee reviews major financial risks, the systems implemented to monitor those risks and the strategies in place to manage those risks. Our Responsible Care Committee reviews major operational risks, the systems implemented to monitor those risks and the strategies in place to manage those risks. The Human Capital and Compensation Committee reviews our executive compensation programs to ensure they do not incentivize excessive risk-taking. The Governance and Nominating Committee oversees the allocation of risk oversight amongst the Board and its committees. In addition, we maintain an extensive insurance program which includes general liability and environmental coverage.

Principal manufacturing facilities

Our EC segment relies on the following key facilities for a significant amount of its production:

- Brandon, Manitoba: for all of our North American sodium chlorate production. Brandon is also our lowest cost source of production
- North Vancouver, British Columbia: for all of our North American chlor-alkali production

- Two plants at one site in Brazil: for all of our sodium chlorate and chlor-alkali production in South America.

The SWC segment's Anacortes, Washington, Beaumont, Texas, Celina, Texas, Cairo, Ohio, East St. Louis, Illinois, Fort McMurray, Alberta, Fort Saskatchewan, Alberta, Richmond, California, Syracuse, New York, Toledo, Ohio and Tulsa, Oklahoma facilities are also principal manufacturing facilities.

Significant unscheduled downtime at any of our principal manufacturing facilities could have a material adverse effect on our business, financial condition, and/or results of operations. Many things can result in unanticipated downtime, including equipment breakdowns, interruptions in the supply of raw materials or energy, power failures, sabotage, natural forces (including seismic activity), impacts of a pandemic or epidemic, or other normal hazards associated with the production of chemicals. We cannot provide any assurance that a significant interruption in the operation of any of our principal manufacturing facilities would be covered by insurance or would not otherwise have a material adverse effect on our business, financial condition, and/or results of operations.

North Vancouver, British Columbia

A portion of the land that the EC segment's North Vancouver, British Columbia facility is situated on is leased from the Vancouver Fraser Port Authority (the "Port"). After June 30, 2030, the lease restricts us from using the leased premises to receive, manufacture, store, and distribute liquid chlorine. On April 10, 2025, Chemtrade entered into a non-binding letter of intent ("LOI") with the Port to extend its land lease until December 31, 2044. The land lease covers a portion of the site and will be on similar terms to the existing lease. including restrictions on the receipt, manufacture, storage and distribution of liquid chlorine commencing July 1, 2030.

The original lease terminates on June 30, 2032. At that time, the Port has the right to exercise an option to purchase the part of the land we own. We have entered into negotiations with the Port regarding the extension of the lease, but not finding a satisfactory outcome could have a material adverse effect on our business, financial condition, and/or results of operations.

The remainder of our North Vancouver, British Columbia facility is situated on land owned by Chemtrade. These lands are subject to the jurisdiction of the District of North Vancouver ("District"). Changes to the facility which are required or desirable for safety, operational or other reasons may require a development variance permit, rezoning, or other authorization or approval by the District. Further to this, as noted above, we have submitted an application for rezoning with the District. If Chemtrade is unable to obtain such authorization(s) or approval(s), including for our rezoning application, it could have a material adverse effect on our business, financial condition, and/or result of our operations.

Market for chlor-alkali

The global market for the EC segment's chlor-alkali products is cyclical, and particularly sensitive to general economic trends, and to trends in the construction, pulp and paper, and oil and gas industries. A disruption or downturn in the general economy or in any of these industries, or additional chlor-alkali production capacity in the market, could have a material adverse effect on our business, financial condition, and/or results of operations. The selling prices of chlor-alkali products have been cyclical, depending on the price for imported caustic soda and the level of activity in the fracking industry. A downturn in chlor-alkali pricing, among other things, could have a material adverse effect on our business, financial condition, and/or results of operations.

Tariffs, trade restrictions and disputes

We depend on the free flow of goods across the Canada-U.S. border and have significant exposure to disruptions in Canadian-U.S. trade relations. Trade restrictions, including tariffs, quotas, embargoes, safeguards, and customs restrictions, could increase the cost or reduce the supply of products available to us and our customers, or could require us to modify our current business practices. In particular, the current government administration in the United States continues to impose tariffs on goods imported into the United States from Canada. Chemtrade exports a number of products from Canada into the United States including chlor-alkali, sulphuric acid and sodium chlorate. Where applicable, we pass any additional costs owing to tariffs on to customers; however, it remains possible we may be unsuccessful in fully recovering such costs. The ongoing tariff scheme continues to have widespread effects across our entire supply chain and could decrease U.S. demand for our products, which could cause us to have to change our business operations and/or strategy. The Canadian government has maintained counter tariffs on goods imported into Canada from the United States as a result of the United States tariffs on Canadian imported goods. There is no assurance that any discussions taking place between the U.S. and Canadian governments, will result in a removal of tariffs. It remains unclear the extent to which additional duties, tariffs, and/or other trade restrictions or other similar measures may be imposed by the United States or other countries, whether and if any changes to the currently announced tariffs will be applied, how long they may be in effect, the extent to which further retaliatory measures will be imposed, and whether other factors will support a pass through of all or a part of the tariffs to the market. It is difficult to predict the general impact of such tariffs across Chemtrade's value chain. The disruptions caused by the threat or imposition of trade restrictions including tariffs (or increases in the rate and/or scope thereof) could have a material adverse effect on our business, financial condition, and/or results of operations.

Raw materials - cost and access

Having an adequate supply of raw materials at reasonable prices and on acceptable terms is critical to our success. In particular:

- our EC segment requires electrical power for our operations. Electricity accounts for between two-thirds and three-quarters of the EC segment's total variable production costs.
- our EC segment requires significant quantities of salt brine for chlor-alkali and sodium chlorate production. Salt accounts for almost a quarter of the EC segment's total variable production costs.
- our SWC segment relies on an alumina source it uses as a raw material for the production of water treatment chemicals and zinc dust supply for the production of SHS
- some of our plants have access to only one rail carrier for the delivery of raw materials
- some of our raw materials are shipped from overseas, including Asian markets

We try to mitigate the effect and unpredictability of the cost of power by locating facilities in regions that have relatively low-cost, regulated, hydroelectric power markets. We are, however, susceptible to changes in power prices in any of the markets we operate in. While this risk is greater in deregulated electricity markets like that in which we purchase electricity in Brazil, there is always a risk of regulatory or governmental changes in jurisdictions that are regulated. Electricity prices are generally influenced by regional or domestic factors.

Many of our key raw materials are supplied externally by third parties with pricing influenced by market conditions.

Chemtrade's procurement team establishes sourcing strategies to address risks and mitigate these market fluctuations, deploys strong supplier relationship management practices and ensures contractual agreements are in place to provide reliability of supply.

Sales price and volumes for sodium chlorate and chlor-alkali

Every $50 change in the price per MT of North American produced sodium chlorate would have an impact on earnings before income taxes of approximately $13.7 million per annum. Every $100 change in the price per MECU of chlor-alkali products produced in North America would have an impact on earnings before income taxes of approximately $17.0 million per annum. These sensitivities to changes in prices are based on approximately 273,000 MT of North American sodium chlorate sales and 170,000 MECU of North American chlor-alkali sales for the year ended December 31, 2025.

A change in sales volumes for North American sodium chlorate of 10,000 MT would have an impact on earnings before income taxes of approximately $5.4 million per annum. A change in sales volumes for North American chlor-alkali products of 5,000 MECU would have an impact on earnings before income taxes of approximately $7.7 million per annum.

Sulphuric Acid Pricing

A change in sulphuric acid pricing, net of freight, of $10 per tonne would have an impact on annual revenues in North America of approximately $9.8 million. In any specific period, the exact impact would depend upon the volumes that is subject to sales contracts where pricing has been fixed for a period of time. The magnitude of realized price changes also depends upon regional market dynamics. It is difficult to reliably estimate the impact of price changes on earnings as this depends upon the volumes subject to risk-sharing supply contracts and changes in sulphur costs for manufactured sulphuric acid. These factors lessen the impact of price changes on earnings relative to revenue.

Below are sensitivities to changes in key raw material and input costs:

Electricity Price

Every four percent change in the price of electricity in North America would have an impact on earnings before income taxes of approximately $3.7 million per annum. This sensitivity to changes in electricity prices is based on North American electricity consumption of approximately 1,869,000 megawatt hours for the year ended

December 31, 2025. A four percent change in the price of electricity in North America is considered reasonable given historical price changes and market expectations for future movement.

Salt Costs

We use salt in the manufacturing of our sodium chlorate and chlor-alkali products. At current operating levels, an increase of $2 per tonne of salt prices in North America would have an impact of approximately $0.9 million per annum on earnings before income taxes.

Sulphur Costs

We use sulphur in the manufacturing of several of our products, including sulphuric acid. At current operating levels, an increase of $10 per tonne would have an impact of approximately $1.3 million per annum on cost of sales and services. It is important to note that a change in the cost of sulphur is likely to lead to a change in the price for sulphuric acid as this is a key input cost in the manufacturing of sulphuric acid. Thus, the net impact on earnings of changes in sulphur costs would depend upon changes in sulphuric acid pricing.

Reliance on specific industries

Current global economic conditions have been characterized by increased volatility and uncertainty, making demand forecasts for our products uncertain. Many of the products we sell significantly depend on the pulp, paper, petroleum refineries, semiconductor, and base metals industries. For example, the EC segment is particularly reliant on the pulp industry, on both a regional and global scale and a decline in the pulp industry would result in decreased demand for sodium chlorate and caustic soda. Further, our ultrapure sulphuric acid, including organic growth projects related to this product, relies on the semiconductor industry. A significant reduction in demand or throughput in any of these industries could have a material adverse effect on our business, financial condition, and/or results of operations.

Cybersecurity and misinformation/disinformation

We rely on management information and computer control systems to run our business and operate our facilities. With our increasing dependence on these systems, the risks associated with cybersecurity also escalate. The advent of Artificial Intelligence ("AI") offers substantial benefits for enhancing our business operations. However, it also introduces new complexities in our cybersecurity defenses, with the integrity of information increasingly under threat as it becomes harder to distinguish between authentic and synthetic content (such as deepfakes). We are actively integrating advanced security measures and governance controls to address these challenges, demonstrating our commitment to both technological advancement and robust cybersecurity. More details about our cybersecurity risk identification and management practices can be found in our most recent management information circular, which is available on our website (www.chemtradelogistics.com) and SEDAR+ (www.sedarplus.com). However, these measures and technologies may not completely prevent security breaches, including ransomware attacks. Business, transportation and supply chain disruptions, plant and utility outages and information technology system interruptions, compromises to our information and control systems, and network disruptions resulting from cyber-attacks could have a material adverse effect on our business, financial condition, results of operations, and/or reputation.

The risk exists of Chemtrade personnel, contractors, agents, customers, regulators, government entities, or any person(s) we interact with acting upon disinformation or misinformation, whether arising from hacking, malice or ignorance on the part of the source of information. Actions or decisions based on misinformation or disinformation could have a material adverse effect on our business, financial condition, results of operations, and/or reputation.

Transportation

We rely heavily on rail and truck transportation to ship raw materials to our manufacturing facilities and to deliver finished products to our customers. This exposes us to a number of risks, including the risk of loss of life or property caused by product release during an accident, higher costs due in part to changes in regulations, and service slowdowns, delay, and/or interruptions that can affect our operations.

Contracts and insurance

We enter into contracts with truck carriers that require appropriate safety standards and levels of insurance. Rail carriers require us to provide additional insurance and accept certain mandated or contractual liabilities. We have insurance in place to cover certain transportation-related risks, like accidental spills or releases during transit. There can be no assurance, however, that the coverage will respond or be adequate to compensate for a catastrophic loss, including exposure to so-called "nuclear jury verdicts" as become increasingly more common in some U.S. jurisdictions. All of which could have a material adverse effect on our business, financial condition, and/or results of operations.

Transportation costs

The cost of rail and truck transportation has been increasing for a number of years for several reasons:

- there has been a shortage of truck drivers across North America for a number of years which is expected to continue or increase
- railroads have either chosen to or have been required to make changes in their operations that have increased their costs, and they have passed these costs through to shippers
- Toxic Inhalation Hazard ("TIH") and Highly Hazardous Materials ("HHM") transportation regulations result in higher costs for Chemtrade, reduced service and potential restrictions. These shipments require special consideration and higher levels of security, which may result in constraints in transportation and higher costs to Chemtrade. Chemtrade’s products that are classified as TIHs are chlorine, and hydrogen sulfide ("H_2S"). We also purchase and are responsible for safe transportation of sulphur dioxide ("SO_2") which is used as a raw material.

- our insurance costs have also increased, both directly and indirectly (i) as railway companies shift liability (including third party liability) to us for shipping TIHs under both tariffs and contracts, and (ii) as truck carriers pass on their own increased insurance costs.

These costs could have a material adverse effect on our business, financial condition, and/or results of operations.

Regulations

There is a continued and increasing regulatory focus on the shipment of hazardous products by rail. A large majority of Chemtrade's products are classified as hazardous products. In conjunction with many shipper organizations, we continue to lobby and educate the Canadian and American governments regarding the criticality of a reliable, efficient, and cost effective transportation network across North America. We cannot predict the additional requirements and costs that may result from increasing regulation. These costs could have a material adverse effect on our business, financial condition, and/or results of operations.

Accessibility of Facilities

To maintain ongoing operations, it is imperative to have free flow of inbound raw material and outbound finished goods at our manufacturing sites. We make extensive use of the railway system to transport our products and raw materials within North America. A majority of our locations are serviced by a single rail carrier, which means a disruption in service could have a significant negative impact on our business, financial condition, and/or results of operations. Inbound raw material to our North Vancouver, British Columbia site arrives by ship. These ships must meet strict draft requirements in order to navigate the Burrard Inlet to reach our site berth. Our Valleyfield, Québec site is located on an island with only one rail and road connection to the facility which, if damaged, would impact access.

Physical risks from extreme weather and climate change

Many of our facilities are in areas that are at risk of extreme weather events, including hurricanes, tornadoes, tropical storms, floods, drought, wildfires, extreme cold, winter storms, or other severe weather conditions or seismic events. Further, the effects of climate change, such as more extreme temperatures, drought, flooding and extreme weather events, pose a risk to the operation of our facilities. There is also a risk that our customers, industrial producers, suppliers, and transportation networks could also be impacted by these factors.

Specifically, several of our facilities and customers are in the Gulf Region of the southern U.S., which is susceptible to hurricanes and other extreme weather events. Our Tulsa, Oklahoma facility is located in a tornado-prone area. Our sites have experienced hurricanes on the east and west coasts of the United States, flooding in British Columbia affecting rail transportation and wild fires affecting our Fort McMurray, Alberta site and more generally, the east and west coasts of Canada and the U.S. We have several facilities on the west coast of North America (two facilities in California and three in British Columbia), which is susceptible to earthquakes. The Richmond, California facility conducts seismic surveys of the entire site every five years.

Investors are increasingly concerned about climate risk and may determine that our business' exposure to climate change is greater than that of other businesses, or that management is not reacting to climate change risks with sufficient timeliness or effectiveness and choose to divest of their Chemtrade holdings.

While we have insurance that covers certain extreme weather events, there can be no assurance that it will compensate for losses related to severe weather conditions or seismic events, including but not limited to the above events. The occurrence of any of these events could have a material adverse effect on our business, financial condition, and/or results of operations.

Execution of growth strategy

Our strategy involves growing our size and scale and expanding our diversity of earnings. To do this, we seek to improve the businesses we own by pursuing organic growth opportunities from: key new products, additional capacity for existing products, and driving increased productivity across the organization. When it makes economic and strategic sense, we also grow by acquiring new businesses.

There are several risks inherent in this growth strategy. There can be no assurance that the organic growth projects we choose to pursue will result in increased earnings, or that we will be successful in realizing the full potential of organic growth opportunities we pursue. The decision to pursue certain projects relies on projected capital expenditures. Actual capital expenditures may be higher than anticipated, projects may be delayed due to lack of or delays in materials, lack of skilled personnel, weather, or other reasons. There is also a risk that the capital could be used ineffectively in the execution of these capital projects. The anticipated market for a growth opportunity may not materialize or competition may be greater than expected. Some of our organic growth projects rely on us or our partners obtaining government funding or some form of subsidy, credit or offset. There can be no assurance that such funding, subsidy, credit or offset will be obtained or continued. The proposed project for our joint venture KPCT Advanced Chemicals LLC ("KPCT") to build an ultrapure sulphuric acid facility in Arizona, which is currently on hold, is an example of an organic growth project subject to such risks. The failure to achieve the anticipated potential of any growth opportunity could have a material adverse effect on our business, financial condition, and/or results of operations.

Similarly, there can be no assurance that we will identify attractive acquisition candidates, that acquisitions will improve earnings to the extent expected, or that we will be successful in integrating an acquired business. There may also be liabilities that are not or cannot be discovered in our due diligence before closing an acquisition. In particular, to the extent that previous owners of businesses failed to comply with or otherwise violated environmental, anti-trust or any other laws, we, as a successor owner, may be financially responsible for these violations. The discovery of any material liabilities or the occurrence of any of the aforementioned concerns related to acquisitions could have a material adverse effect on our business, financial condition, and/or results of operations.

Competition

We operate in competitive markets, and some of our competitors have greater economic resources and are well established as suppliers to the markets we serve. These competitors may be better able to withstand volatility within industries and throughout the economy as a whole while retaining significantly greater operating and financial flexibility.

Reduced demand for products, the stabilization of European energy prices, and increased competition in the North American sodium chlorate market are all factors that could materially impact the financial condition, operations and strategy of our existing sodium chlorate business.

Some of our water treatment products in the SWC segment are sold in regional markets with competitors that may have lower costs, including less of a commitment to environmental, health, safety, security and transportation compliance, and operating excellence. There can be no assurance that competition will not continue or increase, and this may have a material adverse effect on our business, financial condition, and/or results of operations.

Several of our niche water treatment products and services in the SWC segment are sold in select markets. There can be no assurance that these markets will not attract additional competitors that could have greater financial, technological, manufacturing, and/or marketing resources.

Significant customers and shared services

Several facilities are connected to suppliers or customers by pipeline, and some shared services or facilities with an adjacent facility. These include:

SWC segment
- Anacortes, Washington
- Beaumont, Texas
- Fort McMurray, Alberta
- Fort Saskatchewan, Alberta
- Richmond, California

EC segment
- Espirito Santo, Brazil

There can be no assurance that we will maintain our relationship with an adjacent facility or continue to obtain supply from, or serve, a customer or supplier at current levels. In addition, there is no assurance that any new agreement we enter into to supply, purchase, or share services or facilities will have terms as favourable as those contained in current arrangements.

Currently, 15 of our customers represent a significant portion (just under a quarter) of our revenue and operate in industries such as pulp and paper and oil refining. A loss of one or more of these customers could have a material adverse effect on our business, financial condition, and/or results of operations. Many of our customer contracts are multi-year agreements, but there can be no assurance that notice of termination will not be given or that these contracts will be renewed at the end of the term.

Less favourable contract terms and conditions under any customer contract or contract for supply, purchase, or shared services or facilities, could have a material adverse effect on our business, financial condition, and/or results of operations.

Work stoppages

Approximately 31 percent of our workforce is represented by collective agreements with 30 bargaining units/unions, which puts us at risk of work stoppages. In our 24-year history, only one plant has experienced work stoppage consisting of a lockout lasting less than 24 hours and a legal strike lasting five days. We generally have good relations with our employees but there can be no assurance that we will be successful at entering into new collective agreements without work interruptions. Many of our producers, suppliers, service providers, and customers also have employees represented by collective agreements, which could result in work stoppages. A lengthy work interruption could have a material adverse impact on our business, financial condition, and/or results of operations.

Geopolitical risk

Geopolitical tensions continue with the ongoing war in Ukraine, conflict in the Middle East, and increasing U.S.-China tensions, all having significant global effects, including high energy prices and the erosion of business confidence. Since 2022, increased energy prices in Europe are benefiting our EC segment, but this effect may reverse at any time. Sanctions imposed on Russia by Ukraine's allies have also aggravated supply shortages, particularly energy, across the global economy. Other conflicts, such as in the Middle East, Venezuela, Cuba and Africa, could also have negative effects on supply chains and North American prices. Trade tensions between China and the United States remain elevated, as the competition for technology dominance intensifies and both the United States and China seek to lessen economic dependence on each other. Tensions between the U.S. and Europe, Cuba as well as within North America, have created uncertainty and could adversely affect business investment. It is difficult to predict and mitigate the potential economic and financial effects of trade-related events on the Canadian and U.S. economies (see **Tariffs, trade restrictions and disputes**). Starting in 2025, shifting alliances among countries has created uncertainty and the rule of law has been deteriorating. We actively monitor global and North American trends and continually assess our business in the context of these trends.

Any of these concerns could have a material adverse effect on our business, financial condition, and/or results of operations.

General Economic Conditions and Recession

Our business, financial condition and results from operations are affected by the general economic conditions prevailing in Canada, the United States and other jurisdictions in which we conduct business. Support for protectionism and rising anti-global sentiment in the United States and other countries may slow global growth. In recent years, across North America, growth has been slowing due to aggressive monetary tightening, weaker global demand, rising interest rates, supply constraints, labour shortages and high inflation rates. More recently, some of these pressures such as high inflation and interest rates have been abating. However, the recovery faces headwinds generated by, among other issues, ongoing disruptions to global supply chains, the war in Ukraine and conflict in the Middle-East, volatile oil and natural gas prices, price and wage inflation and labour market challenges. Rising geopolitical tensions are expected to contribute to a decline in growth rates in North American economies through the coming year. Refer to the **Tariffs, trade restrictions and disputes** and **Geopolitical Risk** risk factors for further discussion of these risks. Any one or more of these conditions could have a material adverse effect on our business, financial condition, and/or results of operations.

Contracts with producers, customers, and vendors

Our contracts with industrial producers, customers and certain vendors typically have terms of up to seven years. Although some of these contracts are renewable or renew automatically unless notice of termination is given, there can be no assurance that they will be renewed or that notice of termination will not be given. If we cannot renew these contracts or these contracts are terminated, there could be a material adverse effect on our business, financial condition, and/or results of operations. In particular, we have agreed to make capital expenditures in connection with certain contracts. If the producer or customer fails to renew its contract, we may have surplus facilities. If a contract is terminated with certain vendors, including construction service providers, we may be unable or delayed in obtaining the full benefits expected of our announced organic growth projects.

Reliance on significant producers

Our SWC segment depends on significant industrial producers: refineries and chemical companies for spent acid, Vale, Sherritt, and others for sulphuric acid, and refineries for sulphur. We have a long standing relationship and contracts with these key partners.

In addition to the above, certain significant events affecting the operations of our major industrial producers could adversely affect our operations, which would have a material adverse effect on our business, financial condition, and/or results of operations.

Operating and regulatory risks and product hazards

Our revenue depends on the continued operation of our manufacturing facilities, our major producers and suppliers, and our customers.

The operation of manufacturing plants involves many risks, including the failure or substandard performance of equipment, natural disasters, suspension of operations and increased costs or requirements stemming from new government statutes, regulations, guidelines, and policies.

We need environmental and operational registrations, licences, permits, inspections, and other approvals to operate, and to bid on municipal and industrial tenders. Our Fort Saskatchewan, Alberta hydrogen sulphides facility holds a pipeline license which is subject to an appeal of its license approval received and also going through a court process to clarify certain aspects of the Alberta Energy Regulator ("AER") setback requirements. The loss or revocation of a significant permit or licence or the inability to renew it could have a material adverse effect on our business, financial condition, and/or results of operations.

There are also hazards associated with the production, use, handling, processing, storage and transportation of hazardous materials, including in particular chlorine, hydrogen sulphide, liquid SO2, hydrochloric acid, SHS powder, sodium chlorate, hydrofluoric acid, sulphuric acid, caustic soda, oleum, carbon disulphide, and anhydrous ammonia.

These materials can cause fatal personal injury, severe damage to and destruction of property and equipment, and environmental damage.

If there is a successful class action or series of claims related to product liability or exposure from a product release that exceeds our insurance coverage, it could have a material adverse effect on our business, financial condition, and/or results of operations. A successful class action or series of claims related to product liability or exposure from a product could have a material adverse effect on our reputation even in the event such successful class action or series of claims does not exceed our insurance coverage. There can be no assurance that there will not be claims of injury by employees or members of the public due to exposure, or alleged exposure, to these materials from our past, present, or future operations. We, and our producers, suppliers, and customers, are also exposed to present and future claims related to workplace exposure, workers' compensation, and other matters. In addition, some of the products we produce or have produced may have adverse health consequences, or are used in human or animal foods, and may be subject to strict liability regimes. There can be no assurance of the amount or timing of any of these liabilities.

Material operational or regulatory problems, including but not limited to the events listed above, could have a material adverse effect on our business, financial condition, results of operations, and/or reputation.

Uninsured and underinsured losses

The Fund maintains insurance coverage for its potential liabilities and the accidental loss of value of its assets from risks. The trustees review which insurance companies we use, the amount of insurance and terms of coverage, taking into account all relevant factors including the practices of owners of similar assets and operations. We believe we have the insurance amounts and coverage necessary to repair or replace any assets physically damaged or destroyed, including coverage for losses or expenses related to business interruption, and to cover claims for bodily injury or property damage arising out of assets or operations, including from the handling and distribution of hazardous chemicals. Not all risk factors are covered by insurance, however, and no assurance can be given that insurance will be consistently available, will be consistently available on an economically feasible basis, or that the amount of insurance will be sufficient to cover every loss or claim involving our assets or operations. Insufficient insurance coverage for a material loss or claim or an aggregate of losses or claims could have a material adverse effect on our business, financial condition, and/or results of operations.

Environmental laws and regulations

We are subject to many environmental laws and regulations.

We need environmental registrations, licences, permits, inspections, and other approvals to operate. The loss or delay in receiving a significant permit or license could have a material adverse effect on our business, financial condition, and/or results of operations.

Our facilities may be involved in administrative and judicial proceedings and inquiries relating to environmental, health, safety, security and transportation requirements from time to time. Future proceedings or inquiries could have a material adverse effect on our business, financial condition, and/or results of operations.

Changes to existing environmental, health, and safety requirements or the adoption of new environmental, health, and safety requirements, changes to the enforcement of environmental, health, and safety requirements, and the discovery of additional or unknown conditions at facilities owned, operated or used by Chemtrade, to the extent not covered by indemnity, insurance, or a covenant not to sue, could have a material adverse effect on our business, financial condition, and/or results of operations.

In particular, we operate in jurisdictions where legislative initiatives relating to greenhouse gas ("GHG") and other emissions are being considered or adopted. There has been no material effect on any of our facilities to date, and we continue to follow developments closely. Although it is difficult to know what final regulations may be passed in the jurisdictions where our manufacturing facilities are located, we could face increased capital and operating costs to comply with emissions regulations and these costs could be material.

The potential impact of current and proposed environmental laws and regulations is uncertain. We cannot predict the nature of these requirements and the impact on our business, but proposed regulations or failure to comply with current and proposed regulations could have a material adverse impact on our business, financial condition, and/or results of operations by substantially increasing capital expenditures and compliance costs, affecting our ability to meet our financial obligations, including debt payments, and the payment of dividends or distributions. It may also lead to the modification or cancellation of operating licences and permits, penalties, and other corrective actions.

Exchange Rates

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 USD strengthens by one-cent, on an unhedged basis, this would have a positive impact of approximately $3.2 million on our net earnings because of our USD-denominated term debt and vice-versa. See **Foreign Exchange** on page 17 for additional comments on exchange rates related risks. We hedge our investment in foreign operations that use the USD as their functional currency with our USD-denominated bank debt. See **Liquidity and Capital Resources - Financial Instruments** on page 28 for information concerning hedges.

Uncertainty regarding tax treatment

We are 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 us in our 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. We accrue and account for any probable assessments of tax; however, there can be no assurance as to the final resolution of any tax authority positions.

Credit risk

Credit risk arises from the non-performance by counter-parties of their contractual financial obligations. We manage credit risk for trade and other receivables through established credit monitoring activities. We do not have a significant concentration of credit risk with any single counter-party. The primary counter-parties related to the foreign exchange forward contracts and interest rate swaps carry investment grade ratings. We believe our credit risk of counter-party nonperformance continues to be relatively low. We are in regular contact with our customers, suppliers and logistics providers, and to date have not experienced significant counter-party non-performance. However, if a key supplier or customer experiences financial difficulties or fails to comply with their contractual obligations, this could result in a significant financial loss to us. Our maximum exposure to credit risk at the reporting date is the carrying value of our receivables and derivative assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. We manage liquidity risk by maintaining adequate cash and cash equivalent balances, and by appropriately utilizing our lines of credit. We believe that cash flows from operating activities, together with cash on hand, cash from receivables and borrowings available under the revolving credit facility are sufficient to fund our currently anticipated financial obligations, and will remain available in the current environment.

Unit price risk

Unit price risk is the risk that changes in our own unit price affect earnings and cash flows. Earnings and cash flows from operating activities are affected when outstanding cash-settled RSUs and PSUs, issued under our LTIP awards and deferred units under DUP are revalued each period based on our unit price. Net cash flows from operating activities are affected when these cash-settled RSUs and PSUs and deferred units are ultimately settled. We enter into cash-settled unit swap arrangements to fix the unit price on a portion of the RSU and PSU components of our LTIP awards and deferred units to mitigate a portion of the unit price risk.

Interest rate risk

We have a credit facility with long-term debt which bears variable rates of interest. As at December 31, 2025, on an unhedged basis, a change in interest rates of 1% per annum would have an impact of approximately $2.9 million on our net earnings per annum. As at December 31, 2025, we have fixed interest rates on 82% of our senior debt until December 2026 and 0% thereafter until October 2030.

SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated 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 expenses. 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 made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are:

(i) Income taxes - In the normal course of operations, judgment is required in assessing tax interpretations, regulations and legislation and in determining the provision for income taxes, deferred tax assets and liabilities, and the timing of reversals. We make judgments to evaluate whether we can recover a deferred tax asset based on our assessment of many factors, including interpretations of tax laws, expectation about the future taxable profit level, and the timing and reversal of temporary differences. To the extent that a recognition or de-recognition of a deferred tax asset is required, current period earnings or other comprehensive income will be affected.

(ii) Leases - We estimate the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option. We make certain qualitative and quantitative assumptions when deriving the value of the economic incentive.

(iii) Intangible assets - Judgment is applied in determining CGUs for the purpose of impairment testing.

(iv) Provisions - We recognize provisions for the present value of anticipated costs. We apply judgment in determining whether we have a present obligation (legal or constructive) as a result of a past event, whether it is probable ("more likely than not") that an outflow of economic resources would be required to settle the obligation and whether the amount can be estimated reliably.

We are subject to litigation in the normal course of business. We have made judgments as to the likelihood of any claim succeeding in recording provisions.

Key sources of estimation uncertainty

Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are:

(i) Property, plant and equipment - Parts of an item of PPE may have different useful lives. We make significant estimates when determining depreciation rates and asset useful lives, which require taking into account company-specific factors, such as our past experience and expected use, and industry trends, such as technological advancements. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(ii) Leases - ROU assets are measured at the initial amount of the lease liabilities plus any initial direct costs, lease payments made at or before the commencement date net of lease incentives received, and decommissioning costs. We estimate the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, our incremental borrowing rate, to measure the lease liability.

(iii) Intangible assets - When determining the fair value of goodwill and intangible assets as part of a business combination, the valuation involves significant estimation uncertainty. This includes projected revenue growth, forecasted earnings before interest and tax, margins attributable to customer relationships and the discount rates applied to future cash flows.

When determining the value in use of goodwill and intangible assets during impairment testing, we use the following significant estimates: forecast operating margins, maintenance and other capital expenditures, terminal growth rates and discount rates. If actual results differ or a change in expectation arises, an impairment charge may be required.

We make significant estimates when determining the estimated useful lives of intangible assets, which require taking into account company-specific factors, such as our past experience and expected use, and industry trends, such as technological advancements. Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(iv) Provisions - Provisions have been recorded based on the present value of anticipated costs for future decommissioning and environmental liabilities. Decommissioning liabilities include future cost estimates of statutory, contractual, constructive or legal obligations associated with the decommissioning of our plants. Environmental liabilities are recorded based on the current interpretation of environmental laws and regulations when it is probable that a liability has been incurred and the amount of such a liability can be reliably estimated.

Cash outflows associated with these provisions are generally expected to occur at future dates and are long-term in nature. The calculation of these provisions require assumptions such as the discount rate and cost estimates. The provisions recognized are periodically reviewed and updated based on the facts and circumstances available at the time.

Provisions for legal claims are recognized when a past event creates a legal or constructive obligation that can be reasonably estimated and is more likely than not to result in an outflow of economic resources. Significant estimates are involved in estimating the present value of the expenditure expected to settle obligations.

The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic resources. Timing and cost ultimately depends on the due process in respective legal jurisdictions. Provisions recognized by us are periodically reviewed based on facts and circumstances available at the time.

(v) Employee Benefits - Significant estimates are involved in determining defined benefit obligations. The calculation of the liabilities related to pension plans is based upon statistical and actuarial assumptions. Our U.S. pension plans are frozen for future benefit accruals and the pension benefits are not indexed to inflation. These pension plans are comprised primarily of inactive and retired participants and the actuarial estimates of pension benefits are affected by the amount of time retirees are expected to receive their pensions (mortality assumptions) and the interest rate used to discount the expected future benefit payments (discount rate assumption). Certain Canadian pension plans have future benefit accruals and the pension benefits are not indexed to inflation. These pension plans are comprised primarily of active and inactive participants and the actuarial estimates of pension benefits are affected by the amount of time future retirees are expected to receive their pensions (mortality assumptions) and the interest rate used to discount the expected future benefit payments (discount rate assumption). The actuarial estimates of other Canadian pension plans are also based on projections of employees' compensation levels at their expected time of retirement. These retirement benefits are primarily based on final average earnings, subject to certain adjustments, and the pension benefits are partially indexed to inflation.

The actuarial assumptions used might differ materially from actual results due to changes in market and economic conditions, higher or lower employee turnover, longer or shorter life spans of participants, and other changes in the factors being assessed. These differences could impact the assets or liabilities recognized in the consolidated statements of financial position in future periods.

We obtain actuarial valuations for our post employment benefit plans.

(vi) Share-based payments - We make significant estimates to determine the fair value of cash settled share-based payments, LTIP and deferred unit plan. Determining the fair value of the cash settled share-based payments, including performance based options, requires significant estimates related to the estimation of unit price, volatility, and the expected market conditions and future financial performance of the Fund.

(vii) Financial instruments - Fair value estimates related to our derivatives and Convertible Debentures are made at each reporting period based on relevant market information and information about the underlying financial instruments. These estimates require assessment of the credit risk of the parties to the instruments and the instruments' discount rates and volatility of the unit price.

STANDARDS AND INTERPRETATIONS

(a) Standards and interpretations adopted during the period:

We adopted the following accounting amendments that were effective for our annual consolidated financial statements beginning January 1, 2025. Adoption did not have a material impact on our 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:

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, would supersede IAS 1, "Presentation of Financial Statements" and increase the comparability of financial statements by enhancing principles on aggregation and disaggregation (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).

- Annual Improvements to IFRS Accounting Standards - Volume 11, which includes clarifications and amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted.

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 December 31, 2025 through inquiry and review. Our CEO and CFO have concluded that, as at December 31, 2025, 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 December 31, 2025. Based on this evaluation, Management has concluded that as at December 31, 2025, our internal controls over financial reporting were effective. There have been no changes to the design of internal controls over financial reporting that occurred during the year ended December 31, 2025 that have materially affected or are reasonably likely to materially affect the internal controls over financial reporting.

Limitations on scope of design

In our assessment of the scope of the disclosure controls and procedures and internal control over financial reporting, we have excluded the controls, policies and procedures of Polytec, which was acquired on November 21, 2025, the operating results of which are included in the audited consolidated financial statements from the acquisition date. The scope limitation is in accordance with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, which allows an issuer to limit its design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of a company acquired not more than 365 days before the end of the financial period to which the certificate relates.

From November 21, 2025 (the acquisition date) to December 31, 2025, Polytec has contributed revenues of $14.0 million and generated a net earnings of $0.1 million. As at December 31, 2025, the current assets and current liabilities of Polytec represented approximately 7.0% and 3.0% of Chemtrade's consolidated current assets and current liabilities, respectively, while the non-current assets and non-current liabilities of Polytec represented approximately 11.0% and 3.0% of Chemtrade's consolidated non-current assets and non-current liabilities, respectively. The amounts recognized for the assets acquired and liabilities assumed as at the acquisition date are detailed in Note 3 of the audited consolidated financial statements.

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 Uncertainties**, which starts on page 40, 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 2026 Adjusted EBITDA will be in the range of $485.0 million to $525.0 million;
- our expectation that our income distributed to Unitholders will not be subject to SIFT tax;
- 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 2026 of between $485.0 million to $525.0 million,
    - our expectation to end 2026 with the stated Net debt to LTM Adjusted EBITDA ratio and stated implied Payout ratio,
    - the expected stated range of maintenance capital and growth capital expenditures, lease payments, cash interest, and cash tax,
- our intention to invest between $35.0 million and $55.0 million in growth capital expenditures in 2026 with a focus on water chemical treatment chemicals projects;
- the effect on our business, financial condition and/or results of operations of any of the risks set out in the Risks and Uncertainties section;
- the effectiveness of disclosure controls procedures and of their design and implementation; and
- 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 unplanned downtime nor labour disruptions affecting Chemtrade's principal manufacturing facilities,
    - the biannual turnaround at our North Vancouver facility is executed as planned,
    - the stated North American MECU sales volumes and sodium chlorate production volumes,
    - 2026 realized MECU netback being lower than 2025 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 flows from operating activities less lease payments net of sub-lease receipts, maintenance capital expenditures including unpaid amounts 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.

($'000)	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Cash flows from operating activities[(2)]	$ 85,468	$ 83,842	$ 355,074	$ 342,069	$ 401,463
(Less) Add:					
Lease payments net of sub-lease receipts	(17,909)	(17,142)	(70,018)	(65,379)	(58,256)
(Decrease) Increase in working capital[(2)]	(7,124)	(1,285)	51,779	31,279	16
Changes in other items [(1)]	5,551	10,156	14,684	9,627	44,038
Maintenance capital expenditures	(49,336)	(36,055)	(123,538)	(104,474)	(104,249)
Distributable cash after maintenance capital expenditures	**$ 16,650**	**$ 39,516**	**$ 227,981**	**$ 213,122**	**$ 283,012**
Divided by:					
Weighted average number of units outstanding	114,087,626	120,590,348	114,323,060	118,424,190	116,212,199
Distributable cash after maintenance capital expenditures per unit	$ 0.1459	$ 0.3277	$ 1.9942	$ 1.7996	$ 2.4353
Distributions declared per unit	$ 0.1725	$ 0.1650	$ 0.6900	$ 0.6600	$ 0.6000
Payout ratio (%)	118 %	50 %	35 %	37 %	25 %

(1) Changes in other items relate to cash interest and cash taxes.
(2) The comparatives for certain cash flow items have been amended to be consistent with current year presentation.

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		Year ended		
($'000)	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2023
Cash flows from operating activities	$ 85,468	$ 83,842	$ 355,074	$ 342,069	$ 401,463
Net earnings	$ 38,252	$ 10,274	$ 139,390	$ 126,908	$ 249,319
Cash distributions paid during period	$ 19,710	$ 19,973	$ 78,852	$ 76,614	$ 58,031
Excess of cash flows from operating activities over cash distributions paid	$ 65,758	$ 63,869	$ 276,222	$ 265,455	$ 343,432
(Shortfall) Excess of net earnings over cash distributions paid	$ 18,542	$ (9,699)	$ 60,538	$ 50,294	$ 191,288

Total debt

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

Definition: Total debt is calculated as the principal value of long-term debt and the principal value of Convertible 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, Convertible Debentures, lease liabilities, long-term lease liabilities, less cash and cash equivalents.

Definition: Net debt is calculated as the principal of long-term debt, the principal value of Convertible 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)		December 31, 2025		December 31, 2024
Long-term debt [1]	$	991,226	$	343,295
Add (Less):				
Convertible Debentures [1]		25,534		340,000
Long-term lease liabilities		132,352		148,268
Lease liabilities [2]		58,655		58,145
Cash and cash equivalents		(27,420)		(25,497)
Net debt	$	1,180,347	$	864,211

[1] Principal outstanding amount

[2] Presented as current liabilities in the Consolidated Statements of Financial Position

Growth capital expenditures

Most directly comparable IFRS financial measure: Capital expenditures

Definition: Growth capital expenditures are calculated as capital expenditures, adjusted for unpaid 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		Year ended	
($'000)	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Capital expenditures	$ 54,403	$ 44,569	$ 176,594	$ 180,073
Net change in accounts payable and accrued liabilities related to capital expenditures	14,253	16,149	(4,863)	5,730
Capital expenditures, including unpaid capital expenditures	68,656	60,718	171,731	185,803
Maintenance capital expenditures	(49,336)	(36,055)	(123,538)	(104,474)
Non-maintenance capital expenditures	19,320	24,663	48,193	81,329
Growth capital expenditures	$ 19,320	$ 24,663	$ 48,193	$ 81,329

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 Convertible Debentures.

Why we use the measure and why it is useful to investors: Although the Convertible Debentures are presented as current liabilities, management views the Convertible Debentures as non-current liabilities for purposes of managing liquidity and working capital. The Convertible Debenture holders do not have the right to demand their repayment prior to their maturity date, which for all the outstanding series of the Convertible 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)	December 31, 2025	December 31, 2024
Current assets	$ 414,380	$ 334,701
Less: Current liabilities	(462,496)	(798,002)
Working capital deficit	(48,116)	(463,301)
Add: Convertible Debentures	30,960	356,596
Net working capital deficit	$ (17,156)	$ (106,705)

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)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net earnings	$ 38,252	$ 42,373	$ 9,696	$ 49,069	$ 10,274	$ 60,080	$ 14,599	$ 41,955
Add (less):								
Depreciation and amortization	57,797	54,802	54,004	53,483	49,929	45,503	48,223	44,890
Net finance costs	3,002	55,385	35,596	10,526	11,501	16,149	39,268	5,642
Income tax expense (recovery)	1,608	(2,541)	5,353	11,674	7,250	13,809	10,619	12,244
Impairment of PPE	—	—	43,484	—	—	—	—	—
Impairment of joint venture	—	—	—	—	3,834	—	—	—
Change in environmental and decommissioning liability	2,433	(138)	(1,686)	1,303	(1,116)	2,410	(1,494)	(730)
Net (gain) loss on disposal and write-down of PPE	18	768	(827)	(15)	5,488	521	1,782	711
Unrealized foreign exchange (gain) loss	(4,943)	550	(7,639)	(5,983)	21,433	(1,319)	2,115	5,222
Adjusted EBITDA	$ 98,167	$151,199	$137,981	$120,057	$108,593	$137,153	$115,112	$109,934

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, including unpaid amounts.

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, including unpaid amounts.

Cash interest

Represents the interest expense on long-term debt, interest on Convertible 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
BC	British Columbia
Board	Board of Trustees
CAD	Canadian Dollar
Canadian railways	Canadian Pacific Kansas City Ltd and Canadian National Railway
CEO	Chief Executive Officer
CGU	Cash Generating Unit
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
DUP	Deferred Unit Plan
ESG	Environmental, Social and Governance
HCl	Hydrochloric acid
IASB	International Accounting Standards Board
ISDA	International Swap and Derivatives Association
LIBOR	London Interbank Offered Rate
LTIP	Long Term Incentive Plan
LTM	Last Twelve Months
MECU	MECU is a Metric Electrochemical Unit, consisting of 1.0 tonne of chlorine and 1.1 tonnes of caustic soda
MT	Metric Tonne
NCIB	Normal Course Issuer Bid
NE	Northeast
OK	Oklahoma
OH	Ohio
Polytec	Polytec, Inc.
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
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
USD	U.S. Dollar
WA	Washington

Definitions

2029 Notes	The 6.375% senior unsecured notes due on August 28, 2029. At December 31, 2024, we had $250.0 million principal amount of 2029 Notes outstanding. In January 2025, we issued an additional $125.0 million principal amount of 2029 Notes. As of February 24, 2026 we had a total of $375.0 million principal amount of 2029 Notes outstanding.
2032 Notes	The 5.75% senior unsecured notes due on October 1, 2032. As of February 24, 2026, we had a total of $250.0 million principal amount of 2032 Notes outstanding.
Convertible Debentures	We have $25.5 million principal amount of 7.00% of convertible unsecured subordinated debentures outstanding.
Credit Facilities	Revolving credit facilities
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 2023 - 2025, 2024 - 2026 and 2025 - 2027 LTIPs which we operate and pursuant to which we grant cash awards based on certain criteria. 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 2025 - 2027 LTIP payout is payable in the first quarter of 2028. The LTIP awards have a performance based PSU component and a RSU component. The performance based PSU component of 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 and 2025 – 2027 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 the 2023 - 2025 and 2024 - 2026 LTIP awards is also adjusted for achievement of sustainability goals to be achieved by the end of the performance periods. The RSU and PSU components of the LTIP awards are both phantom plans which are 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.
Non Convertible Debentures	The 7.00% Unsecured Subordinated Debentures due on June 30, 2028. As of February 24, 2026, we had a total of $73.9 million principal amount outstanding.
Notes	The 2029 Notes and the 2032 Notes.

OTHER

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

March 6, 2026

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Chemtrade Logistics Income Fund (the “Fund”) and all the information in this annual report are the responsibility of the management of the Fund. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and where appropriate include management’s best estimates and judgments. Management has reviewed the financial information presented throughout this report and has ensured it is consistent with the consolidated financial statements.

Management has developed and maintains a system of internal control over financial reporting. These controls are designed to provide reasonable assurance that assets are safeguarded, transactions are accurately recorded and financial information is timely and reliable.

The Trustees of the Fund are responsible for ensuring that management fulfills its financial reporting responsibilities and are ultimately responsible for reviewing and approving the consolidated financial statements. The Trustees carry out this responsibility principally through the Audit Committee. The Audit Committee is comprised entirely of independent Trustees.

The Audit Committee meets periodically with management and the external auditors to discuss internal controls over financial reporting, policies and procedures, and financial reporting issues. Acting on the recommendation of the Audit Committee, the Trustees approve the consolidated financial statements. KPMG LLP, an independent firm of Chartered Professional Accountants, has been appointed by the Unitholders to express an independent professional opinion on the fairness of the consolidated financial statements. KPMG LLP has full and free access to the Audit Committee.

Scott Rook
President & Chief Executive Officer

Rohit Bhardwaj
Chief Financial Officer

Toronto, Canada
March 6, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Chemtrade Logistics Income Fund

Opinion

We have audited the consolidated financial statements of Chemtrade Logistics Income Fund (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2025 and December 31, 2024
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in unitholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of the acquisition-date fair value of the customer relationships acquired in the Polytec, Inc. business combination

Description of the matter

We draw attention to Notes 2, 3, 19 and 32 to the financial statements. On November 21, 2025, the Entity acquired 100% of Polytec, Inc.'s shares for aggregate consideration of $203,554 thousand. The Entity recognized intangible assets relating to customer relationships, tradename and goodwill of $133,038, $5,778 and $55,078, respectively. In valuing the customer relationships, the multi-period excess earnings method was used. This method calculates the estimated fair value of an intangible asset based on projected future cash flows over the remaining useful life, isolating the cash flows attributable to the customer relationships by forecasting pre-attrition revenue from existing customers and applying an expected attrition rate, earnings before interest, tax, amortization and depreciation ("EBITDA") margin, contributory asset charge, and tax rate before discounting the cash flows to present value using the applicable discount rate. The expected pre-attrition revenue from existing customers, EBITDA margin, and discount rates assumptions involve significant estimation uncertainty.

Why the matter is a key audit matter

We identified the evaluation of the acquisition-date fair value of the customer relationships acquired in the Polytec, Inc. business combination as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the fair value and high degree of estimation uncertainty in determining the expected pre-attrition revenue from existing customers, EBITDA margin, and discount rates assumptions used in the estimate. In addition, significant auditor judgment and specialized skills and knowledge were required to evaluate the Entity's assumptions due to the sensitivity of the fair value of the customer relationships to changes in the assumptions noted above.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We evaluated the Entity's pre-attrition revenue from existing customers and EBITDA margin assumptions by considering historical results of the Entity and Polytec, Inc., economic data, and publicly available market data for comparable entities. We took into account changes in conditions and events affecting the customer relationships to assess the adjustment, or lack of adjustments, made by the Entity to historical results in arriving at the forecasted amounts.

We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the Entity's discount rates by comparing to discount rate ranges that were independently developed using available market and industry data.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report 2025".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report 2025" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Laura Price.
Vaughan, Canada
March 6, 2026

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

	Notes	Year ended December 31, 2025	2024
Revenue	5	**$ 1,997,776**	$ 1,787,033
Cost of sales and services	7, 13	**(1,537,688)**	(1,356,482)
Gross profit		**460,088**	430,551
Selling and administrative expenses	6	**(156,611)**	(183,286)
Impairment of PPE	15	**(43,484)**	—
Impairment of joint venture	17	**—**	(3,834)
Share of loss from joint venture	17	**—**	(41)
Operating income		**259,993**	243,390
Net finance costs	8	**(104,509)**	(72,560)
Income before income tax		**155,484**	170,830
Income tax (expense) recovery	9		
Current		**(30,986)**	(42,130)
Deferred		**14,892**	(1,792)
		(16,094)	(43,922)
Net earnings		**$ 139,390**	$ 126,908
Other comprehensive (loss) income			
Items that may subsequently be reclassified to earnings:			
Net investment hedge of foreign operations, net of tax of $nil (2024 - net of tax $nil)	23,29	**2,762**	(8,632)
Foreign currency translation differences for foreign operations, net of tax of $nil (2024 - $nil)		**(41,445)**	69,417
Effective portion of change in the fair value of cash flow hedges, net of tax of ($535) (2024 - net of tax of ($215))		**1,335**	640
Cash flow hedges reclassified to earnings, net of tax of $nil (2024 - net of tax of $1,542)	8	**—**	(4,597)
Items that will not be reclassified to earnings:			
Defined benefit plan adjustments, net of tax of ($611) (2024 - net of tax of ($1,058))	25	**853**	4,046
Change in fair value of convertible debentures due to own credit risk, net of tax of $911 (2024 - net of tax of ($1,512))	22	**(7,003)**	3,953
Other comprehensive (loss) income		**(43,498)**	$ 64,827
Total comprehensive income		**$ 95,892**	$ 191,735
Net earnings per unit	10		
Basic net earnings per unit		**$ 1.22**	$ 1.07
Diluted net earnings per unit		**$ 1.22**	$ 1.04

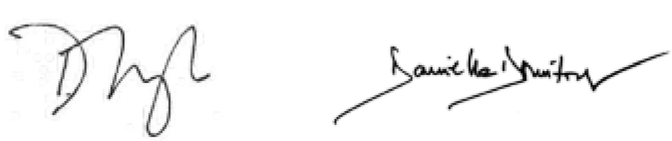
CHEMTRADE LOGISTICS INCOME FUND

Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

	Notes	December 31, 2025	December 31 2024
ASSETS			
Current assets			
Cash and cash equivalents	11	$ 27,420	$ 25,497
Trade and other receivables	12	199,672	148,085
Inventories	13	135,347	134,932
Income taxes receivable		19,382	5,498
Prepaid expenses and other assets	14	32,559	20,689
Total current assets		414,380	334,701
Non-current assets			
Property, plant and equipment	15	1,101,009	1,088,145
Right-of-use assets	16	179,096	186,036
Investment in a joint venture	17	707	707
Income taxes receivable	9	66,000	66,000
Other assets	18	17,677	18,870
Intangible assets	19	731,198	541,952
Deferred tax assets	9	21,269	47,996
Total non-current assets		2,116,956	1,949,706
Total assets		$ 2,531,336	$ 2,284,407
LIABILITIES AND UNITHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	20	$ 345,494	$ 327,448
Distributions payable	26	6,567	6,548
Provisions	21	20,820	49,265
Lease liabilities	16	58,655	58,145
Convertible debentures (1)	22	30,960	356,596
Total current liabilities		462,496	798,002
Non-current liabilities			
Long-term debt	23	977,054	336,250
Other long-term liabilities	24	33,503	26,316
Long-term lease liabilities	16	132,352	148,268
Employee benefits	25	17,914	19,576
Provisions	21	114,603	121,130
Deferred tax liabilities	9	18,306	16,508
Total non-current liabilities		1,293,732	668,048
Total liabilities		1,756,228	1,466,050
Unitholders' equity			
Units	26	1,549,325	1,629,576
Contributed surplus		46,365	26,384
Deficit		(1,033,945)	(1,095,317)
Accumulated other comprehensive income		213,363	257,714
Total unitholders' equity		775,108	818,357
Total liabilities and unitholders' equity		$ 2,531,336	$ 2,284,407

(1) Mature in June 2028.

On behalf of the Board of Trustees



CHEMTRADE LOGISTICS INCOME FUND

Consolidated Statements of Changes in Unitholders' Equity
(In thousands of Canadian dollars)

	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	**22, 26**	51,290	—	—	—	—	—	51,290
Issuance of units under the Distribution Reinvestment Plan ("DRIP")	**26**	1,070	—	—	—	—	—	1,070
Units repurchased under a Normal Course Issuer Bid (NCIB)[(1)]	**26**	(71,195)	16,664					(54,531)
Net earnings		—	—	126,908	—	—	—	126,908
Other comprehensive income (loss)		—	—	4,046	69,417	(12,589)	3,953	64,827
Distributions	**26**	—	—	(78,348)	—	—	—	(78,348)
Balance at December 31, 2024		**$ 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	**22, 26**	41,536	—	—	—	—	—	41,536
Units repurchased under an NCIB[(1)]	**26**	(121,787)	19,981	—	—	—	—	(101,806)
Net earnings		—	—	139,390	—	—	—	139,390
Other comprehensive income (loss)		—	—	853	(41,445)	4,097	(7,003)	(43,498)
Distributions	**26**	—	—	(78,871)	—	—	—	(78,871)
Balance at December 31, 2025		**$ 1,549,325**	**$ 46,365**	**$ (1,033,945)**	**$ 222,419**	**$ (19,297)**	**$ 10,241**	**$ 775,108**

(1) A share buyback tax was substantively enacted in 2024 and the Fund has applied this tax on its contributed surplus for the year ended December 31, 2025 of $909 (2024-$nil).

* Accumulated other comprehensive income.

Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)

	Notes	Year ended December 31, 2025	2024
Cash flows from operating activities:			
Net earnings		**$ 139,390**	$ 126,908
Adjustments for:			
Depreciation and amortization	**7**	**220,086**	188,545
Net (gain) loss on disposal and write-down of property, plant and equipment ("PPE")		**(56)**	8,502
Impairment of PPE	**15**	**43,484**	—
Impairment of joint venture	**17**	**—**	3,834
Change in environmental and decommissioning liability	**21**	**1,912**	(930)
Income tax expense	**9**	**16,094**	43,922
Net finance costs	**8**	**104,509**	72,560
Unrealized foreign exchange loss (gain)	**6**	**(18,015)**	27,451
		507,404	470,792
Increase in working capital[1]		**(51,779)**	(31,279)
Interest paid		**(54,936)**	(48,041)
Interest received		**3,780**	2,998
Income tax paid		**(49,395)**	(52,401)
Net cash flows from operating activities		**355,074**	342,069
Cash flows from investing activities:			
Capital expenditures	**15**	**(176,594)**	(180,073)
Acquisition of intangible assets	**19**	**(39,141)**	—
Business acquisition	**3**	**(212,831)**	—
Net cash flows used in investing activities		**(428,566)**	(180,073)
Cash flows from financing activities:			
Distributions to unitholders, net of distributions reinvested	**26**	**(78,852)**	(76,614)
Repayment of convertible debentures	**22**	**(244,618)**	(42,748)
Repayment of lease liability	**16**	**(70,018)**	(65,379)
Net change in revolving credit facility	**23**	**206,931**	(161,801)
Proceeds from issuance of senior unsecured notes	**23**	**375,000**	250,000
Transaction costs related to the issuance of senior unsecured notes	**23**	**(6,890)**	(6,092)
Transaction costs related to credit facility extension	**23**	**(1,818)**	(1,271)
Debt extinguishment costs	**22**	**(2,875)**	(863)
Repurchase of units under NCIB	**26**	**(100,847)**	(54,531)
Net cash flows from (used in) financing activities		**76,013**	(159,299)
Increase in cash and cash equivalents		**2,521**	2,697
Cash and cash equivalents, beginning of the period		**25,497**	21,524
Effect of exchange rates on cash held in foreign currencies		**(598)**	1,276
Cash and cash equivalents, end of the period	**11**	**$ 27,420**	$ 25,497

[1]The comparatives for certain items on the consolidated statements of cash flow have been amended to be consistent with current year presentation.

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 turnkey water treatment solutions, as well as 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 4.

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 consolidated 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were authorized for issue by the Board of Trustees ("Board") on March 6, 2026.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the consolidated statements of financial position:

2. BASIS OF PREPARATION (continued):

- Derivative financial instruments, convertible unsecured subordinated debentures (the "Convertible 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 consolidated financial statements are presented in thousands of Canadian dollars, except for net earnings per unit information, per metric electrochemical unit ("MECU") information and per tonne information which is presented in Canadian dollars.

(d) Significant judgments and sources of estimation uncertainty

The preparation of the consolidated 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 expenses. 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.

(i) Significant judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

Income taxes (note 9):

In the normal course of operations, judgment is required in assessing tax interpretations, regulations and legislation and in determining the provision for income taxes, deferred tax assets and liabilities, and the timing of reversals. Chemtrade makes judgments to evaluate whether it can recover a deferred tax asset based on its assessment of many factors, including interpretations of tax laws,

2. BASIS OF PREPARATION (continued):

expectation about the future taxable profit probability level, and the timing and reversal of temporary differences. To the extent that a recognition or de-recognition of a deferred tax asset is required, current period earnings or other comprehensive income will be affected.

Leases (note 16):

Chemtrade estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option. Chemtrade makes certain qualitative and quantitative assumptions when deriving the value of the economic incentive.

Intangible assets (note 19):

Judgment is applied in determining cash-generating units (“CGUs”) for the purpose of impairment testing.

Provisions (note 21):

Chemtrade recognizes provisions for the present value of anticipated costs of future decommissioning and environmental liabilities. Chemtrade applies judgment in determining whether it has a present obligation (legal or constructive) as a result of a past event, whether it is probable ("more likely than not") that an outflow of economic resources would be required to settle the obligation and whether the amount can be estimated reliably.

Chemtrade is subject to litigation in the normal course of business. Chemtrade has made judgments as to the likelihood of any claim succeeding in recording provisions.

(ii) Key sources of estimation uncertainty

Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Property, plant and equipment (note 15):

Parts of an item of PPE may have different useful lives. Chemtrade makes significant estimates when determining depreciation rates and asset useful lives, which require taking into account company-specific factors, such as its past experience and expected use, and industry trends, such as technological advancements.

2. BASIS OF PREPARATION (continued):

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Leases (note 16):

Right-of-use ("ROU") assets are measured at the initial amount of the lease liabilities plus any initial direct costs, lease payments made at or before the commencement date net of lease incentives received, and decommissioning costs. Chemtrade estimates the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Chemtrade's incremental borrowing rate, to measure the lease liability.

Intangible assets (note 19):

When determining the value in use of goodwill and intangible assets during impairment testing, Chemtrade uses the following significant estimates: forecast operating margins, maintenance and other capital expenditures, terminal growth rates and discount rates. If actual results differ or a change in expectation arises, an impairment charge may be required.

Chemtrade makes significant estimates when determining the estimated useful lives of intangible assets, which require taking into account company-specific factors, such as its past experience and expected use, and industry trends, such as technological advancements. Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

When estimating the fair value of the customer relationship intangible assets acquired in the Polytec, Inc. acquisition, the expected pre-attrition revenue from existing customers, earnings before interest, tax, depreciation and amortization ("EBITDA") margin, and the discounts rate assumptions involved significant estimation uncertainty.

Provisions (note 21):

Provisions have been recorded based on the present value of anticipated costs for future decommissioning and environmental liabilities. Decommissioning liabilities include future cost estimates of statutory, contractual, constructive or legal obligations associated with the decommissioning of Chemtrade's plants. Environmental liabilities are recorded based on the current interpretation of environmental laws and regulations when it is probable that a liability has been incurred and the amount of such a liability can be reliably estimated.

2. BASIS OF PREPARATION (continued):

Cash outflows associated with these provisions are generally expected to occur at future dates and are long-term in nature. The calculation of these provisions requires assumptions such as the discount rate and cost estimates. The provisions recognized are periodically reviewed and updated based on the facts and circumstances available at the time.

Provisions for legal claims are recognized when a past event creates a legal or constructive obligation that can be reasonably estimated and is more likely than not to result in an outflow of economic resources. Significant estimates are involved in estimating the present value of the expenditure expected to settle obligations.

The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic resources. Timing and cost ultimately depends on the due process in respective legal jurisdictions. Provisions recognized by Chemtrade are periodically reviewed based on facts and circumstances available at the time.

Employee Benefits (note 25):

Significant estimates are involved in determining defined benefit obligations. The calculation of the liabilities related to pension plans is based upon statistical and actuarial assumptions. Our U.S. pension plans are frozen for future benefit accruals and the pension benefits are not indexed to inflation. These pension plans are comprised primarily of inactive and retired participants and the actuarial estimates of pension benefits are affected by the amount of time retirees are expected to receive their pensions (mortality assumptions) and the interest rate used to discount the expected future benefit payments (discount rate assumption). Certain Canadian pension plans have future benefit accruals and the pension benefits are not indexed to inflation. These pension plans are comprised primarily of active and inactive participants and the actuarial estimates of pension benefits are affected by the amount of time future retirees are expected to receive their pensions (mortality assumptions) and the interest rate used to discount the expected future benefit payments (discount rate assumption). The actuarial estimates of other Canadian pension plans are also based on projections of employees' compensation levels at their expected time of retirement. These retirement benefits are primarily based on final average earnings, subject to certain adjustments, and the pension benefits are partially indexed to inflation.

The actuarial assumptions used might differ materially from actual results due to changes in market and economic conditions, higher or lower employee turnover, longer or shorter life spans of participants, and other changes in the factors being assessed. These differences could impact the assets or liabilities recognized in the consolidated statements of financial position in future periods.

2. BASIS OF PREPARATION (continued):

Chemtrade obtains actuarial valuations for its post employment benefit plans.

Share-based payments (note 27):

Chemtrade makes significant estimates to determine the fair value of cash settled share-based payments, Long-Term Incentive Plan ("LTIP") and deferred unit plan (“DUP”). Determining the fair value of the cash settled share-based payments, including performance based options, requires significant estimates related to the estimation of unit price, volatility, expected market conditions and future financial performance of the Fund.

Financial instruments (note 29):

Fair value estimates related to Chemtrade's derivatives and Convertible Debentures are made at each reporting period based on relevant market information and information about the underlying financial instruments. These estimates require assessment of the credit risk of the parties to the instruments and the instruments’ discount rates and volatility of the unit price.

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

3. POLYTEC, INC. ACQUISITION:

On November 21, 2025, Chemtrade completed the acquisition (the "Acquisition") of Polytec, Inc. ("Polytec"), a southeastern United States-based provider of turnkey water treatment solutions. Chemtrade acquired 100% of Polytec’s shares. Chemtrade financed the transaction by drawing on its credit facility. The acquisition broadens Chemtrade's capabilities in water treatment.

The Acquisition was accounted for under the acquisition method of accounting, and the results of operations since the date of acquisition were included in comprehensive income.

The aggregate consideration for this acquisition was as follows:

		November 21, 2025
Cash	$	212,831
Less: Net working capital and other adjustment to be settled[1]		(9,277)
Total consideration	**$**	**203,554**

[1] Included in Trade and other receivables

The fair values allocated to property, plant and equipment, intangible assets, and certain other liabilities are provisional. The final closing statement has not yet been completed and agreed with the seller and, accordingly, the purchase price remains subject to change.

The preliminary purchase price allocation for the Acquisition was as follows:

		As at November 21, 2025
Cash and cash equivalents	$	169
Trade and other receivables		15,870
Inventories		5,381
Prepaid expenses and other assets		345
Property, plant and equipment (note 15)		47,619
Intangible assets related to customer relationships (note 19)		133,038
Intangible assets related to tradename (note 19)[1]		5,778
Goodwill (note 19)		55,078
Trade and other payables		(10,840)
Income taxes payable		(5,020)
Deferred tax liabilities		(43,864)
Consideration	**$**	**203,554**

[1]Included in Other intangible assets

Trade and other receivables represent gross contractual amounts receivable of $15,870 less management's best estimate of allowance for credit losses of $nil.

3. POLYTEC, INC ACQUISITION (continued):

In valuing the intangible assets acquired related to customer relationships, the multi-period excess earnings method was used. This method calculates the estimated fair value of an intangible asset based on projected future cash flows over the remaining useful life, isolating the cash flows attributable to the customer relationships by forecasting pre-attrition revenue from existing customers and applying an expected attrition rate, EBITDA margin, contributory asset charge and tax rate before discounting the cash flows to present value using a discount rate.

The fair values assigned to intangible assets related to the tradename was estimated using a relief-from-royalty method. This approach assumes the notional sale of the rights to the Polytec tradename through a royalty or licensing agreement with arm's length parties. The after-tax stream of royalties avoided by Chemtrade, estimated using forecasted revenues attributable to the tradename and a royalty/license rate, is discounted to present value using a discount rate.

The fair values of property, plant and equipment were determined using valuation techniques appropriate to the nature of the assets. For land and equipment for which observable market transactions were available, the sales comparison approach was applied. This approach estimates fair value by reference to recent sales of comparable assets, using relevant units of comparison and making appropriate adjustments to reflect differences in condition, location and other characteristics. For other items of property, plant and equipment, the cost approach was used, which estimates fair value based on the current replacement cost of the asset, adjusted for physical deterioration and functional and economic obsolescence.

The following valuation items remain provisional as of December 31, 2025 because management is still in the process of:

- Inspecting equipment held on customer sites. Until inspections are completed, management has used the records available from the acquiree to make their best estimate of property, plant and equipment deployed to customer sites.
- Finalizing the forecasted pre-attrition revenue from existing customers through discussions with existing customers and review of contracts. The provisional values reflect management's best estimate of pre-attrition revenue expectations from existing customers based on the records available from the acquiree.
- Finalizing deferred tax liabilities based on the fair value of underlying assets.
- Concluding customary post-closing adjustments associated with the approval of the final closing statement with the seller.

The provisional amounts above may be adjusted as these matters are concluded. Any adjustments to provisional amounts will be recognized as measurement period adjustments in the reporting period in which Chemtrade obtains the information. Measurement period

3. POLYTEC, INC ACQUISITION (continued):

adjustments will affect the amount of goodwill recognized, the carrying amounts of acquired assets and liabilities, amortization and depreciation expense in future periods, and deferred tax balances.

The maximum period for adjusting provisional amounts is 12 months from the acquisition date. Chemtrade expects to finalize these measurements by September 30, 2026.

The goodwill is mainly attributable to the skilled workforce of Polytec and the synergies expected to be achieved from integrating Polytec into Chemtrade's business. None of the goodwill recognized is deductible for tax purposes. The goodwill has not yet been allocated to a cash-generating unit ("CGU") as the purchase price allocation remains provisional.

Directly attributable acquisition related costs were $5,313, which were expensed in 2025. These were included in selling and administrative expenses in comprehensive income. Polytec was a customer of Chemtrade prior to the acquisition and as at the acquisition date there was an amount receivable from Polytec. This balance was effectively settled by the acquisition, with no gain or loss being recognized in comprehensive income because the carrying value of the receivable approximated its fair value.

The amount of revenue and earnings attributable to Polytec since the Acquisition have been included in the consolidated statement of comprehensive income. For the year ended December 31, 2025, revenue had increased by $13,970 and net earnings increased by $127 as a result of the Acquisition. If the acquisition had occurred on January 1, 2025, management estimates that consolidated revenue would have been $2,099,951, and consolidated net earnings for the year would have been $136,661.

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

4. 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 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 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.

Year ended December 31, 2025

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	$1,230,739	$ 767,037	$ —	**$ 1,997,776**
- inter-segment	400	9,907	(10,307)	**—**
Revenue - total	1,231,139	776,944	(10,307)	**1,997,776**
Cost of sales and services	(1,032,309)	(515,686)	10,307	**(1,537,688)**
Gross profit	198,830	261,258	—	**460,088**
Selling and administrative expenses	(33,864)	(13,910)	(108,837)	**(156,611)**
Impairment of PPE	(15,080)	(28,404)	—	**(43,484)**
Operating income (loss)	149,886	218,944	(108,837)	**259,993**
Depreciation and amortization	121,014	99,072	—	**220,086**
Net (gain) loss on disposal and write-down of PPE	(138)	82	—	**(56)**
Change in environmental and decommissioning liability	2,734	(822)	—	**1,912**
Impairment of PPE(1)	15,080	28,404	—	**43,484**
Unrealized foreign exchange gain	—	—	(18,015)	**(18,015)**
Adjusted EBITDA	288,576	345,680	(126,852)	**507,404**
Capital expenditures(2)	122,688	46,820	2,223	**171,731**

(1) For additional information, see note 15.

(2) Includes amounts accrued at each period end.

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

4. REPORTABLE SEGMENTS (continued):

Year ended December 31, 2024

	SWC	EC	Corporate items and eliminations	Total
Revenue - third party	$1,038,163	$ 748,870	$ —	$ 1,787,033
- inter-segment	201	6,632	(6,833)	—
Revenue - total	1,038,364	755,502	(6,833)	1,787,033
Cost of sales and services	(841,617)	(521,698)	6,833	(1,356,482)
Gross profit	196,747	233,804	—	430,551
Selling and administrative expenses	(29,040)	(13,137)	(141,109)	(183,286)
Impairment of joint venture	(3,834)	—	—	(3,834)
Share of loss from joint venture	(41)			(41)
Operating income (loss)	163,832	220,667	(141,109)	243,390
Depreciation and amortization	94,951	93,594	—	188,545
Net loss (gain) loss on disposal and write-down of PPE	8,572	(70)	—	8,502
Change in environmental and decommissioning liability	(819)	(111)	—	(930)
Impairment of joint venture	3,834	—	—	3,834
Unrealized foreign exchange gain	—	—	27,451	27,451
Adjusted EBITDA	270,370	314,080	(113,658)	470,792

Capital expenditures[1]	129,583	54,584	1,636	185,803

[1] Includes amounts accrued at each period end.

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

4. 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

	2025	2024
Canada	$ 636,634	$ 566,347
United States	1,264,671	1,123,089
Brazil	96,471	97,597
	$1,997,776	$1,787,033

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

	2025	2024
Canada	$ 692,610	$ 751,859
United States	1,247,207	979,101
Brazil	71,486	85,173
	$2,011,303	$1,816,133

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

5. REVENUE:

The components of revenue are as follows:

	2025	2024
Sale of products	**$1,741,904**	$1,567,154
Processing services	**255,872**	219,879
Revenue	**$1,997,776**	$1,787,033

6. SELLING AND ADMINISTRATIVE EXPENSES:

The components of selling and administrative expenses are as follows:

	2025	2024
Wages, salaries, benefits and bonuses	**$ 90,379**	$ 82,267
Share-based payments (note 27)	**29,391**	23,323
Other selling and administrative expenses	**39,440**	41,734
Realized foreign exchange loss	**5,701**	7,763
Unrealized foreign exchange (gain) loss	**(18,015)**	27,451
Net reserve (reversal) for legal proceedings	**1,944**	(1,599)
Business acquisition costs (note 3)[1]	**5,313**	—
Depreciation (note 7)	**2,458**	2,347
Selling and administrative expenses	**$ 156,611**	$ 183,286

[1] Comprises professional service costs related to business acquisitions.

7. DEPRECIATION AND AMORTIZATION:

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

	2025	2024
Cost of sales and services:		
Depreciation expense on PPE (note 15)	**$ 131,294**	$ 107,421
Depreciation expense on ROU assets (note 16)	**60,034**	55,764
Amortization expense (note 19)	**26,300**	23,013
Selling and administrative expenses (note 6):		
Depreciation expense on PPE (note 15)	**976**	956
Depreciation expense on ROU assets (note 16)	**1,482**	1,391
Total depreciation and amortization expense	**$ 220,086**	$ 188,545

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

8. NET FINANCE COSTS:

The components of net finance costs are as follows:

	2025	2024
Interest expense on long-term debt	**$ 35,829**	$ 16,003
Debt extinguishment costs (note 22)	**2,875**	863
Interest expense on convertible debentures (note 22)	**18,324**	26,979
Interest expense on Superior lawsuit (note 21)	**2,597**	—
Change in the fair value of embedded derivative asset	**(9)**	—
Change in the fair value of convertible debentures (note 22)	**26,521**	18,582
Interest expense on lease liabilities (note 16)	**10,221**	9,561
Income reclassified from other comprehensive income relating to the fair value of the interest rate swaps (note 29)	**—**	(6,139)
Change in the fair value of interest rate swaps (note 29)	**5,080**	3,885
Accretion of provisions (note 21)	**4,204**	4,356
Accretion on issuance of long-term debt (note 23)	**1,590**	318
Pension net interest cost	**1,057**	1,150
Interest income	**(3,780)**	(2,998)
Net finance costs	**$ 104,509**	$ 72,560

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

9. 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.

(a) Income tax expense

	2025	2024
Taxes recognized in net earnings	**30,986**	42,130
Current tax expense	**30,986**	42,130
Deferred tax expense (recovery):		
Origination and reversal of temporary differences	**7,524**	(5,483)
Changes in recognition of tax losses and deductible temporary differences	**(22,416)**	7,275
Deferred tax expense (recovery)	**(14,892)**	1,792
Total tax expense	**16,094**	43,922

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

9. INCOME TAXES (continued):

(b) Reconciliation of the effective tax rate

The provision for income taxes in comprehensive income represents an effective rate different than the Canadian corporate statutory rate of 25.04% (2024 - 25.30%). The differences are as follows:

	2025	2024[1]
Net income before income tax	**$ 155,484**	$ 170,830
Computed income tax expense at Canadian statutory rate	**38,930**	43,220
Difference resulting from:		
Income of trust taxed directly to unitholders	**(27,637)**	(28,786)
Difference in applicable domestic tax rate	**8,403**	9,851
International income tax differences	**(1,827)**	2,835
Tax adjustments related to prior years	**4,129**	(752)
Impact of tax incentives	**(5,267)**	(4,277)
Changes in recognition of tax losses and deductible temporary differences [1]	**(22,416)**	7,275
US Base Erosion and Anti - Abuse Tax ("BEAT")	**3,106**	—
Non-deductible loss related to the repurchase of Convertible Debentures[2]	**24,695**	4,543
Other, including non-taxable and non-deductible items [3]	**(6,022)**	10,013
Total income tax expense	**$ 16,094**	$ 43,922

[1] Certain prior year amounts have been regrouped to conform to the current year's presentation.

[2] For 2025, this amount included $24,412 tax impact related to the premium paid in connection with the substantial issuer bid to repurchase $85,628 aggregate principal amount of 2027 Convertible Debentures and $82,458 aggregate principal amount of 2028 Convertible Debentures for a total purchase value of $114,741 and $98,949 respectively, which is not deductible for tax purposes.

[3] Primarily related to changes in the recognition of deferred tax assets related to certain carryforward amounts of business interest expense. For 2025, this amount included $5,102 tax impact related to the non-taxable portion of the gain on the change in fair value of the Fund's Convertible Debentures. The remainder of this amount primarily related to the non-deductible acquisition-related transactions costs incurred in the US, as well as various realized and unrealized taxable foreign exchange impacts associated with our Brazilian subsidiary.

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

9. INCOME TAXES (continued):

(c) Recognized deferred tax assets and liabilities

Recognized deferred tax assets and liabilities are attributed to the following:

		2025		2024
Deferred tax assets:				
Other assets	$	**48,227**	$	56,850
Losses available for carryforward		**7,918**		4,849
Long-term debt and deferred interest		**38,905**		22,537
Other long-term liabilities and employee benefits		**49,667**		49,187
		144,717		133,423
Reclassification from deferred tax liabilities		**(123,448)**		(85,427)
Total deferred tax assets	**$**	**21,269**	$	47,996
Deferred tax liabilities:				
PPE		**88,280**		75,875
Intangible assets		**49,358**		19,069
Other liabilities		**4,116**		6,991
		141,754		101,935
Reclassification to deferred tax assets		**(123,448)**		(85,427)
Total deferred tax liabilities	**$**	**18,306**	$	16,508

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

9. INCOME TAXES (continued):

(d) Movements in deferred tax balances

Movements in deferred tax balances during the year are as follows:

	Balance January 1, 2025	Recognized in net earnings	Foreign exchange rate changes	Recognized in other comprehensive income	Acquired from business combinations	Balance December 31, 2025
PPE	$ (75,875)	$ (8,901)	$ 4,026	$ —	$ (7,530)	$ (88,280)
Intangible assets	(19,069)	4,247	1,798	—	(36,334)	(49,358)
Net other assets and liabilities	49,859	(5,090)	(2,107)	1,449	—	44,111
Losses available for carryforward	4,849	3,858	(238)	(551)	—	7,918
Long-term debt and deferred interest	22,537	18,205	(1,837)	—	—	38,905
Other long-term liabilities and employee benefits	49,187	2,573	(960)	(1,133)	—	49,667
	$ 31,488	**$ 14,892**	**$ 682**	**$ (235)**	**$ (43,864)**	**$ 2,963**

	Balance January 1, 2024	Recognized in net earnings	Foreign exchange rate changes	Recognized in other comprehensive income	Balance December 31, 2024
PPE	$ (96,670)	$ 27,031	$ (6,236)	$ —	$ (75,875)
Intangible assets	(8,743)	(10,224)	(102)	—	$ (19,069)
Net other assets and liabilities	45,442	2,844	2,943	(1,370)	$ 49,859
Losses available for carryforward	25,072	(20,285)	214	(152)	$ 4,849
Long-term debt and deferred interest	23,947	(2,962)	1,552	—	$ 22,537
Other long-term liabilities and employee benefits	45,434	1,804	1,670	279	49,187
	$ 34,482	**$ (1,792)**	**$ 41**	**$ (1,243)**	**$ 31,488**

9. INCOME TAXES (continued):

(e) Unrecognized deferred tax assets

For the year ended December 31, 2025, Chemtrade did not recognize $30,110 (2024 - $53,696) of deferred tax assets primarily related to deductible temporary differences on certain carryforward amounts of business interest expense deductions and unused tax losses that are capital in nature. Chemtrade did not recognize the deferred tax assets as management did not believe it is probable that sufficient future taxable profit will be available against which these unused tax losses and deductible temporary differences can be utilized. The unused tax losses can be carried forward indefinitely. The deductible temporary differences do not expire under current applicable tax legislation.

(f) Tax examinations and disputes

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 the taxes owed for 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 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 Consolidated 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.

(g) Pillar Two Top-up Tax - Global Minimum Tax

Chemtrade has key 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 applies to Chemtrade's subsidiary in Brazil effective January 1, 2025. Chemtrade has reviewed the application of the above-mentioned rules and determined that the impact on Chemtrade during 2025 was not material.

9. INCOME TAXES (continued):

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.

(h) US One Big Beautiful Bill Act ("OBBBA")

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 $15,700 during 2025.

(i) US BEAT

Chemtrade's subsidiaries in the US are subject to the US BEAT, which imposes a minimum tax on certain deductible payments made by US entities to related foreign parties. BEAT represents an incremental amount of income tax payable for the period and is recorded as a current tax.

For 2025, Chemtrade has assessed the applicability of BEAT and recorded an estimated liability of $3,106.

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

10. 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:

	Year ended December 31,	
	2025	2024
Numerator		
Net earnings	**$ 139,390**	$ 126,908
Net interest and fair value adjustment on the Convertible Debentures	**—**	33,630
Diluted net earnings	**$ 139,390**	$ 160,538

(1) For the year ended December 31, 2025, the potential conversion of the deferred units and the potential conversion of the Convertible Debentures have not been included as the effect on net earnings per unit would be anti-dilutive. For the year ended December 31, 2024, the potential conversion of the deferred units have not been included as the effect on net earnings per unit would be anti-dilutive.

	Year ended December 31,	
	2025	2024
Denominator		
Weighted average number of units	**114,323,060**	118,424,190
Weighted average Convertible Debentures dilutive units	**—**	35,313,607
Weighted average number of diluted units	**114,323,060**	153,737,797

(1) For the year ended December 31, 2025, the potential conversion of the deferred units and the potential conversion of the Convertible Debentures have not been included as the effect on net earnings per unit would be anti-dilutive. For the year ended December 31, 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)

11. CASH AND CASH EQUIVALENTS:

The components of cash and cash equivalents are as follows:

		2025		2024
Cash	**$**	**20,702**	$	14,876
Certificate of deposits		**6,718**		10,621
Total cash and cash equivalents	**$**	**27,420**	$	25,497

12. TRADE AND OTHER RECEIVABLES:

		2025		2024
Trade and other receivables before expected credit losses	**$**	**200,527**	$	148,904
Less: expected credit losses		**(855)**		(819)
Trade and other receivables	**$**	**199,672**	$	148,085

As disclosed in note 29, Chemtrade is exposed to normal credit and currency risks with respect to its accounts receivable. At December 31, 2025, 97.5% (2024 - 95.7%) of accounts receivable are less than 30 days past due, and less than 1% (2024 - less than 1%) of accounts receivable are greater than 120 days past due that are not provided for.

While Chemtrade evaluates a customer's credit worthiness before credit is extended, provisions for expected credit losses are also maintained. The change in allowance for expected credit losses are as follows:

		2025		2024
Balance at beginning of year	**$**	**819**	$	984
Adjustments made during the year		**36**		(165)
Balance at end of year	**$**	**855**	$	819

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

12. TRADE AND OTHER RECEIVABLES (continued):

Receivables Purchase Facility

Chemtrade has a factoring facility of up to $100,000 (the "A/R Facility") with RBC Bank Canada (previously HSBC Bank Canada). The A/R Facility is an uncommitted receivables purchase facility for the purchase of eligible receivables owed to Chemtrade from trade debtors on an undisclosed basis with no recourse. As at December 31, 2025, trade receivables sold under the A/R Facility were $22,262 (2024 - $27,386).

13. INVENTORIES:

Chemtrade's inventories are as follows:

		2025		2024
Raw materials		44,942	$	45,823
Finished goods		51,789		49,150
Operating supplies		38,616		39,959
Total inventories	**$**	**135,347**	$	134,932

The amount of inventories recognized as an expense in cost of sales and services during the year ended December 31, 2025 was $1,188,962 (2024 - $1,042,048).

14. PREPAID EXPENSES AND OTHER ASSETS:

Chemtrade's prepaid expenses and other assets are as follows:

		2025		2024
Prepaid expenses	**$**	**8,568**	$	8,608
Interest rate swaps (note 29)		**1,922**		—
Cash-settled unit swaps (note 29)		**19,725**		12,081
Foreign exchange contracts (note 29)		**2,344**		—
Total prepaid expenses and other assets	**$**	**32,559**	$	20,689

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

15. PROPERTY, PLANT AND EQUIPMENT:

Chemtrade's property, plant and equipment are as follows:

	Land	Plant and equipment	Facilities and equipment under construction	Total
Cost				
Balance at January 1, 2024	$ 88,814	$ 2,065,120	$ 181,474	$ 2,335,408
Additions	—	—	185,803	185,803
Decommissioning provisions	—	(1,356)	—	(1,356)
Transfers	—	121,650	(121,650)	—
Asset retirements and write-downs	—	(39,137)	—	(39,137)
Foreign exchange rate changes	2,826	106,751	14,293	123,870
Balance at December 31, 2024	$ 91,640	$ 2,253,028	$ 259,920	$ 2,604,588
Additions	—	—	171,731	171,731
Decommissioning provisions	—	(301)	—	(301)
Transfers	4,848	303,532	(309,117)	(737)
Asset retirements and write-downs	—	(64,477)	(576)	(65,053)
Acquisition (note 3)	1,367	46,252	—	47,619
Foreign exchange rate changes	(1,678)	(63,652)	(9,332)	(74,662)
Balance at December 31, 2025	$ 96,177	$ 2,474,382	$ 112,626	$ 2,683,185
Accumulated depreciation				
Balance at January 1, 2024	$ —	$ (1,371,595)	$ —	$ (1,371,595)
Depreciation	—	(108,377)	—	(108,377)
Asset retirements and write-downs	—	32,039	—	32,039
Foreign exchange rate changes	—	(68,948)	—	(68,948)
Depreciation allocated to inventory	—	438	—	438
Balance at December 31, 2024	$ —	$ (1,516,443)	$ —	$ (1,516,443)
Depreciation	—	(132,270)	—	(132,270)
Asset retirements and write-downs	—	64,057	—	64,057
Impairment	—	(41,175)	—	(41,175)
Foreign exchange rate changes	—	43,072	—	43,072
Depreciation allocated to inventory	—	583	—	583
Balance at December 31, 2025	$ —	$ (1,582,176)	$ —	$ (1,582,176)
Net carrying amount				
December 31, 2024	$ 91,640	$ 736,585	$ 259,920	$ 1,088,145
December 31, 2025	$ 96,177	$ 892,206	$ 112,626	**$ 1,101,009**

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

15. PROPERTY, PLANT AND EQUIPMENT (continued):

Reconciliation of property, plant and equipment additions to the consolidated statements of cash flows

The following table reconciles additions of property, plant and equipment per the above table to the purchases of capital expenditures per the consolidated statements of cash flows:

		2025		2024
Additions	**$**	**171,731**	$	185,803
Net change in accounts payable and accrued liabilities related to purchases of property, plant and equipment		**4,863**		(5,730)
Purchase of capital expenditures	**$**	**176,594**	$	180,073

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 costs 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 29 (c), as certain key assumptions are unobservable and have estimation uncertainty. Following the impairment recognized in the Sodium Nitrite CGU, its recoverable amount equalled its carrying amount of $16,956.

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

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

16. LEASES:

(i) ROU assets

Chemtrade leases various assets that include rail cars, private fleet, real estate, vehicles and other heavy-duty machinery and equipment. Chemtrade's ROU assets are presented below:

	Rail cars	Private Fleet	Real Estate	Vehicles	Other[1]	Total
Balance at January 1, 2024	$ 127,454	$ 16,508	$ 18,408	$ 707	$ 1,966	$ 165,043
Depreciation	(45,562)	(4,858)	(3,773)	(734)	(2,228)	(57,155)
Additions	54,262	2,979	8,445	661	1,398	67,745
Early terminations and others [2]	6,003	—	—	(100)	51	5,954
Foreign exchange rate changes	1,838	1,338	1,008	90	175	4,449
Balance at December 31, 2024	143,995	15,967	24,088	624	1,362	186,036
Depreciation	(47,914)	(5,429)	(4,106)	(692)	(3,375)	(61,516)
Additions	50,940	3,410	—	575	3,681	58,606
Early terminations and others [2]	(668)	(89)	(1,081)	(68)	328	(1,578)
Foreign exchange rate changes	(973)	(722)	(555)	(75)	(127)	(2,452)
Balance at December 31, 2025	145,380	13,137	18,346	364	1,869	179,096

[1] Other includes leased assets such as heavy-duty forklifts, trucks and storage tanks.
[2] Includes early terminations, reclassifications and other adjustments.

(ii) Lease liabilities

Chemtrade's lease liabilities are composed of the following:

	2025	2024
Balance at beginning of year	$ 206,413	$ 179,887
Renewals and additions	58,606	67,745
Interest expense	10,221	9,561
Principal and interest repayment	(70,018)	(65,379)
Other disposals [1]	(3,185)	(2,922)
Foreign exchange rate changes	(11,030)	17,521
Total	191,007	206,413
Less: Current portion	58,655	58,145
Balance at end of year	$ 132,352	$ 148,268

[1] Includes early terminations, reclassifications and other adjustments.

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

16. LEASES (continued):

The maturity analysis of Chemtrade's contractual undiscounted lease liabilities is presented below:

	December 31, 2025	December 31, 2024
Less than one year	$ 69,457	$ 66,274
One to five years	160,341	142,085
More than five years	33,105	9,646
Total undiscounted lease liabilities	$ 262,903	$ 218,005

(iii) Amounts recognized in profit or loss

	December 31, 2025	December 31, 2024
Depreciation	$ 61,516	$ 57,155
Interest expense (note 8)	10,221	9,561
Expenses relating to short-term leases	3,036	3,334
Expenses relating to leases of low value assets, excluding short-term leases of low value assets	312	313

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

17. INVESTMENT IN A JOINT VENTURE:

Chemtrade owns a 49% interest in KPCT Holdings LLC (“KPCT Holdings”), a joint venture for the greenfield construction of a high purity sulphuric acid plant in Casa Grande, AZ which has been put on hold. Privately held KPPC Advanced Chemicals Inc. ("KPPC") owns the remaining 51% interest in the joint venture. During the third quarter of 2022, Chemtrade made a capital contribution of $5,931 (US$4,550) towards its interest in KPCT Holdings. Chemtrade’s interest in KPCT Holdings is accounted for using the equity method in the consolidated financial statements. During 2024, due to the uncertainty of the timing of the project due to market and economic conditions, Chemtrade recognized an impairment loss of $3,834 (US$ 2,646) to write down the carrying value of the investment to its recoverable amount. The carrying amount of the investment as of December 31, 2024 was $707 (US$492) which includes Chemtrade's share of loss of $41 (US$29) from the joint venture. The investment as of December 31, 2025, remained at $707 (US$497), which is equal to its recoverable amount.

18. OTHER ASSETS:

Chemtrade's other assets are as follows:

		2025		2024
Interest rate swaps (note 29)	**$**	**—**	$	7,000
Non-cash proceeds from sale of PPE		**2,200**		2,681
Cash-settled unit swaps (note 29)		**12,631**		5,242
Long-term receivables		**2,555**		3,545
Other		**291**		402
	$	**17,677**	$	18,870

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

19. INTANGIBLE ASSETS:

Chemtrade's intangible assets and goodwill are as follows:

		Goodwill		Customer Relationships		Other		Total
Cost								
Balance at January 1, 2024	$	467,954	$	729,836	$	2,783	$	1,200,573
Write off		—		—		(571)		(571)
Foreign exchange rate changes		26,310		21,519		291		48,120
Balance at December 31, 2024	$	494,264	$	751,355	$	2,503	$	1,248,122
Acquisition (note 3)		55,078		133,038		5,778		193,894
Additions		—		41,272		—		41,272
Transfers		—		—		737		737
Foreign exchange rate changes		(16,756)		(16,019)		(294)		(33,069)
Balance at December 31, 2025	$	532,586	$	909,646	$	8,724	$	1,450,956
Accumulated Amortization								
Balance at January 1, 2024	$	—	$	(659,442)	$	(2,516)	$	(661,958)
Write off		—		—		571		571
Amortization		—		(22,926)		(87)		(23,013)
Foreign exchange rate changes		—		(21,505)		(265)		(21,770)
Balance at December 31, 2024	$	—	$	(703,873)	$	(2,297)	$	(706,170)
Amortization		—		(26,034)		(266)		(26,300)
Foreign exchange rate changes		—		12,574		138		12,712
Balance at December 31, 2025	$	—	$	(717,333)	$	(2,425)	$	(719,758)
Net carrying amount								
December 31, 2024	$	494,264	$	47,482	$	206	$	541,952
December 31, 2025	$	532,586	$	192,313	$	6,299	$	731,198

Impairment testing for cash-generating units containing goodwill

Chemtrade performed its annual test for goodwill impairment in the fourth quarter of 2025 and 2024 in accordance with its policy described in note 32. The recoverable amount of all CGUs and CGU groups exceeded their carrying values. The test was performed using a pre-tax discount rate of 10.98% to 12.60% (2024 – 12.3% to 12.8%) and a terminal growth rate of 2.5% (2024 – 2.5%). Assumptions used in the forecast operating margins and maintenance and other expenditures consider financial budgets, past experience, future growth trends such as GDP growth and inflation, associated economic risk assumptions and estimates of achieving key operating initiatives, covering a five year period.

The carrying value of goodwill entirely relates to the SWC segment and is $532,586 (2024 - $494,264).

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

19. INTANGIBLE ASSETS (continued):

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 $41,272 (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. Intangible assets related to customer relationships and contracts acquired were recognized for the full purchase amount, along with associated transaction costs of $109 in the second quarter of 2025. The total cost of the transaction was allocated to each intangible asset acquired based on the relative fair value of each intangible asset. In valuing the intangible assets acquired, the multi-period excess earnings method was used.

Polytec Business Acquisition

On November 21, 2025, Chemtrade completed the acquisition of Polytec. As part of the transaction, Chemtrade recognized intangible assets relating to customer relationships, tradename and goodwill of $133,038, $5,778 and $55,078, respectively. The goodwill acquired has not yet been allocated to a CGU as the purchase price allocation remains provisional. Refer to Note 3 **Polytec Acquisition** for further details.

20. TRADE AND OTHER PAYABLES:

Chemtrade's payables are as follows:

		2025		2024
Trade payables	**$**	**173,144**	$	161,468
Foreign exchange contracts (note 29)		**—**		9,317
Non-trade payables and accrued expenses		**172,350**		156,663
	$	**345,494**	$	327,448

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

21. PROVISIONS:

	Environmental and Decommissioning liability	Legal Provision	Total
Balance at January 1, 2024	$ 142,446	$ 31,520	$ 173,966
Adjustments included in PPE[1]	(1,356)	—	(1,356)
Adjustments included in net earnings	(930)	(2,157)	(3,087)
Additions	—	558	558
Accretion	4,356	—	4,356
Payments	(9,848)	(138)	(9,986)
Foreign exchange rate changes	5,797	147	5,944
	140,465	29,930	170,395
Less: Current portion	19,335	29,930	49,265
Balance at December 31, 2024	$ 121,130	$ —	$ 121,130
Balance at January 1, 2025	140,465	29,930	170,395
Adjustments included in PPE[1]	(301)	—	(301)
Adjustments included in net earnings	1,912	4,404	6,316
Additions	—	137	137
Accretion	4,204	—	4,204
Payments	(10,003)	(32,197)	(42,200)
Foreign exchange rate changes	(3,070)	(58)	(3,128)
	133,207	2,216	135,423
Less: Current portion	18,604	2,216	20,820
Balance at December 31, 2025	$ 114,603	$ —	$ 114,603

[1] Includes adjustments due to change in discount rates in 2025 and 2024.

(a) Environmental and Decommissioning liability

Chemtrade has estimated a provision for its environmental liability in association with its sites. Expenditures are expected to occur on dates ranging from 2026 to 2053. Chemtrade has estimated a decommissioning liability for its plants and has accrued for this obligation. Decommissioning is expected to occur on dates ranging from 2026 to 2050.

(b) Legal provision

Chemtrade has estimated an overall provision for litigation. Provisions are calculated based on a current estimate of the amounts that will be incurred in settling outstanding legal matters.

During 2022, Chemtrade was successful in a lawsuit against Superior Plus Corporation ("Superior") involving the failed attempt by Superior to acquire Canexus Corporation

21. PROVISIONS (continued):

("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 second quarter of 2025. On March 26, 2025, Chemtrade filed for leave to appeal to the Supreme Court of Canada, which was denied on September 18, 2025. As a result of the Supreme Court of Canada’s denial of its leave for appeal, Chemtrade continues to pursue two lawsuits against the law firms that represented Canexus in negotiating the arrangement agreement. The two related lawsuits are in the preliminary stages.

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

22. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES:

Changes in convertible unsecured subordinated debentures are as follows:

	Convertible unsecured subordinated debentures [1]				
	2026 Convertible Debentures	**2025 Convertible Debentures**	**2027 Convertible Debentures**	**2028 Convertible 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 December 31, 2024	100,000	—	130,000	110,000	**340,000**
Principal outstanding at December 31, 2025	—	—	—	25,534	**25,534**
Balance at January 1, 2024	98,250	101,807	130,650	106,810	**437,517**
Repurchase/Redemption	—	(42,748)	—	—	**(42,748)**
Conversion	—	(51,290)	—	—	**(51,290)**
Change in fair value recognized in profit or loss	10,673	(2,989)	3,679	7,219	**18,582**
Change in fair value due to own credit risk [2]	(5,923)	(4,780)	5,681	(443)	**(5,465)**
Balance at January 1, 2025	103,000	—	140,010	113,586	**356,596**
Conversions	(30)	—	(39,498)	(2,008)	**(41,536)**
Repurchase/Redemption	(99,970)	—	(119,616)	(25,032)	**(244,618)**
Issuance of unsecured subordinated debentures	—	—	—	(73,917)	**(73,917)**
Change in fair value recognized in profit or loss	(4,271)	—	17,729	13,063	**26,521**
Change in fair value due to own credit risk [2]	1,271	—	1,375	5,268	**7,914**
Balance at December 31, 2025	—	—	—	30,960	**30,960**

[1] The 2026 Convertible Debentures (which were settled in the third quarter of 2025), the 2027 Convertible Debentures (which were settled in the fourth quarter of 2025), the 2028 Convertible Debentures (which were partially settled in the fourth quarter of 2025) and the 2025 Convertible Debentures (which were settled in the third quarter of 2024) are collectively referred to as the "Convertible Debentures". Chemtrade has designated the Convertible Debentures as financial liabilities at fair value through profit or loss.

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

For the year ended December 31, 2025, interest expense of $18,324, (2024 - $26,979) and extinguishment costs of $2,875, (2024 - $863) relating to the Convertible Debentures were recognized in net finance costs.

While the Convertible Debentures are presented as current liabilities, Convertible Debenture holders do not have the right to demand their repayment prior to their maturity date, which for all the outstanding series of Convertible Debentures is more than one year in the future. However, the Convertible Debenture holders have the right to convert Convertible Debentures into units at predetermined prices; thus, the Convertible 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 2025 Convertible Debentures. During the third quarter of 2024, the SIB expired with a total of $28,288 aggregate principal amount of 2025 Convertible Debentures tendered. Chemtrade paid $42,748 for the 2025 Convertible Debentures through: (i) an SIB to repurchase $28,288 aggregate principal amount of 2025 Convertible Debentures at a purchase price of $1,300 per $1,000 principal amount of 2025 Convertible Debentures for a total purchase value of $36,774

22. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES (continued):

and (ii) a redemption of the outstanding 2025 Convertible Debentures for $1,039 for each $1,000 of principal amount of 2025 Convertible Debentures, for a total redemption value of $5,974. Accrued interest of $800 was settled and Chemtrade incurred transaction costs of $863 in order to execute the SIB.

On September 15, 2025, the Fund redeemed $99,970 aggregate principal amount of 2026 Convertible Debentures. As a result of the redemption, holders of the 2026 Convertible Debentures received approximately $1,024.58 for each $1,000 principal amount of 2026 Convertible Debentures redeemed, representing their par value, plus all accrued and unpaid interest.

On September 22, 2025, the Fund commenced an SIB under which the Fund offered to purchase for cancellation up to all of the issued and outstanding 2027 Convertible Debentures. The purchase price under the SIB was $1,340 in cash per $1,000 principal amount of 2027 Convertible Debentures. Prior to expiry of the SIB, $39,498 aggregate principal amount of 2027 Convertible 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 Convertible Debentures tendered for total consideration of $115,695, including accrued interest of $953. On November 4, 2025, the Fund completed the redemption of $4,874 aggregate principal amount of 2027 Convertible Debentures which remained outstanding.

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 2028 Convertible Debentures. Under the SIB Offer, the Fund offered to purchase, at the election of the holders of 2028 Convertible Debentures, for each $1,000 principal amount of 2028 Convertible Debentures validly tendered and not withdrawn:

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

(b) pursuant to a debenture election ("2028 Debenture Election"): (i) $1,000 principal amount of 7.00% Unsecured Subordinated Debentures due June 30, 2028 of Chemtrade ("Non-Convertible Debentures"), plus (ii) $200 in cash, plus (iii) a cash payment in respect of all accrued and unpaid interest on such 2028 Convertible 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 Convertible Debentures tendered under the 2028 Cash Election and $73,917 aggregate principal amount of 2028 Convertible Debentures tendered under the 2028 Debenture Election. The Fund issued $73,917 aggregate principal amount of new Non-Convertible Debentures and paid cash of $27,041. As at December 31, 2025, $25,534 aggregate principal amount of 2028 Convertible Debentures remain outstanding.

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

23. LONG-TERM DEBT:

Changes in long-term debt are as follows:

	Revolving credit[1][2] Denomination Currency US$	Cdn$	Non-Convertible Debentures [3]	2029 Notes[4]	2032 Notes[4]	Embedded Derivative Asset[4]	Transaction costs[4][5]	Total
Maturity	October 31, 2030	October 31, 2030	June 30, 2028	August 28, 2029	October 1, 2032			
Balance at January 1, 2024	$ 246,147	$ 398	$ —	$ —	$ —	$ —	$ —	**$ 246,545**
Net change	(176,403)	14,602	—	—	—	—	—	**(161,801)**
Proceeds from issuance of senior unsecured notes [4]	—	—	—	250,000	—	—	—	**250,000**
Redemption option derivative asset [4]	—	—	—	2,207	—	(2,207)	—	**—**
Loss on net investment hedge of foreign operations	8,632	—	—	—	—	—	—	**8,632**
Foreign exchange rate changes	(81)	—	—	—	—	—	—	**(81)**
Financing transaction costs on senior unsecured notes [4]	—	—	—	—	—	—	(6,092)	**(6,092)**
Accretion	—	—	—	—	—	—	318	**318**
Financing transaction costs on revolving credit facility	—	—	—	—	—	—	(1,271)	**(1,271)**
Balance at December 31, 2024	$ 78,295	$ 15,000	$ —	$ 252,207	$ —	$ (2,207)	$ (7,045)	**$ 336,250**
Net change	211,931	(5,000)	—	—	—	—	—	**206,931**
Proceeds from issuance of senior unsecured notes [4]	—	—	—	125,000	250,000	—	—	**375,000**
Redemption option derivative asset [4]	—	—	—	1,019	2,713	(3,732)	—	**—**
(Gain) on net investment hedge of foreign operations	(2,762)	—	—	—	—	—	—	**(2,762)**
Foreign exchange rate changes	(5,155)	—	—	—	—	—	—	**(5,155)**
Issuance of unsecured subordinated debentures	—	—	73,917	—	—	—	—	**73,917**
Financing transaction costs on senior unsecured notes [4]	—	—	—	—	—	—	(6,890)	**(6,890)**
Change in fair value of embedded derivative asset	—	—	—	—	—	(9)	—	**(9)**
Accretion	—	—	—	(611)	(115)	—	2,316	**1,590**
Financing transaction costs on revolving credit facility [5]	—	—	—	—	—	—	(1,818)	**(1,818)**
Balance at December 31, 2025	**$ 282,309**	**$ 10,000**	**$ 73,917**	**$ 377,615**	**$ 252,598**	**$ (5,948)**	**$ (13,437)**	**$ 977,054**

[1] At December 31, 2025 and 2024, Chemtrade had committed a total of $22,832 and $19,605, respectively of the revolving credit facilities ("Credit Facilities") towards standby letters of credit.

23. LONG-TERM DEBT (continued):

(2) At December 31, 2025 and 2024, Cdn$ limit of the Credit Facilities was $823,260 (US$600,000) and $863,040 (US$600,000), respectively, and Chemtrade had drawn US$205,750 and Cdn$10,000 and US$54,432 and Cdn$15,000, respectively, on the Credit Facilities.

(3) During the fourth quarter of 2025, Chemtrade issued $73,917 aggregate principal amount of 7.00% Unsecured Subordinated Debentures due June 30, 2028 (the "Non-Convertible Debentures") as part of an SIB. This issuance was completed in exchange for extinguishing a portion of the existing 2028 Convertible Debentures and represented a non-cash financing activity. Refer to Note 22 **Convertible Unsecured Subordinated Debentures** for further details.

(4) During the third quarter of 2024, Chemtrade issued senior unsecured notes, for proceeds of $250,000, net of transaction costs of $6,092. A derivative asset of $2,207 was recognized against the proceeds of issuance. During the first quarter of 2025, Chemtrade issued additional senior unsecured notes, for proceeds of $125,000, net of transaction costs of $2,250. A derivative asset of $1,019 was recognized against the proceeds of issuance. During the fourth quarter of 2025, Chemtrade issued new senior unsecured notes, for proceeds of $250,000, net of transaction costs of $4,640. A derivative asset of $2,713 was recognized against the proceeds of issuance. For the year ended December 31, 2025, Chemtrade has recognized accretion expense of $1,178 (2024 - $nil).

(5) During 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 the Notes. Chemtrade incurred transaction costs of $1,271 to execute the extension. During the fourth quarter of 2025, Chemtrade amended and restated its Credit Facilities by extending the maturity of the facility to October 2030. Chemtrade incurred transaction costs of $1,818 to execute the extension. For the year ended December 31, 2025, Chemtrade has recognized accretion expense of $412 (2024 - $nil).

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. In the fourth quarter of 2025, Chemtrade amended and restated its Credit Facilities by extending the maturity of the facility to October 2030 with no other changes in the terms.

The Credit Facilities are secured by substantially all of Chemtrade's assets. At December 31, 2025, the weighted average effective interest rate of the facilities was 4.2% (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 December 31, 2025 and December 31, 2024, Chemtrade was in compliance with all covenants.

23. 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 2029 Notes. Chemtrade utilized proceeds of the issuance to pay down its Credit Facilities.

During the fourth quarter of 2025, the Fund closed another private offering of $250,000 of aggregate principal amount of 5.750% Senior Unsecured Notes ("2032 Notes") due October 1, 2032. Chemtrade recognized transaction costs of $4,639 related to the issuance against the proceeds of the offering. The 2032 Notes include early redemption options allowing Chemtrade to redeem the Notes at a premium, in cash, any time prior to October 1, 2028 and at principal any time after October 1, 2028. Chemtrade recognized a derivative asset of $2,713 to reflect the redemption features of the 2032 Notes. Chemtrade utilized proceeds of the issuance to pay down its Credit Facilities.

The 2029 Notes and the 2032 Notes are subject to customary terms, conditions and covenants. Chemtrade is in compliance with these as at December 31, 2025 and December 31, 2024.

Unsecured subordinated non-convertible debentures

During the fourth quarter of 2025, Chemtrade issued $73,917 aggregate principal amount of 2028 Non-Convertible Debentures as part of an SIB. This issuance was completed in exchange for extinguishing a portion of the existing 2028 Convertible Debentures. Except for the removal of the conversion option, the key terms are the same as the extinguished debt.

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

24. OTHER LONG-TERM LIABILITIES:

Chemtrade's other long-term liabilities are as follows:

	2025	2024
Long-term portion of LTIP liability (note 27)	$ 29,283	$ 20,938
Other	4,220	5,378
	$ 33,503	$ 26,316

25. EMPLOYEE BENEFITS:

Chemtrade provides certain health care and pension benefits for certain employees upon retirement.

Generally, under the pension plans, Chemtrade provides retirement benefits based on an employee's years of service and average annual earnings over a period of time prior to retirement. Chemtrade is responsible for meeting its statutory obligations for funding of the pension plans.

All eligible Canadian employees participate in a defined contribution pension ("DC") plan. The DC plan is self-directed. Participants choose from a range of investment options offered by the plan administrator. Chemtrade provides a basic contribution of 4% of base salary for participants. Participants can make additional voluntary contributions up to 2% of their base salary, and Chemtrade matches each dollar contributed up to 2% for a total of 6% of base salary. Chemtrade's contributions to the DC plan vest immediately. The employer-related expense under this plan in 2025 was $3,707 (2024 - $3,424).

Chemtrade also provides other employee future benefits, including health and dental care benefits and life insurance, for retired employees.

Short-term employee benefits for current employees, such as salaries, paid absences, bonuses and other benefits, are accounted for on an accrual basis over the period in which the employees provide the related services. In 2025, $215,962 (2024 - $203,425) of short-term employee benefits were recognized in cost of sales and services, and $90,379 (2024 - $82,267) were recognized in selling and administrative expenses.

Chemtrade expects $6,191 in contributions to be paid to its defined benefit plans in 2026.

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

25. EMPLOYEE BENEFITS (continued):

	2025	2024
Present value of unfunded obligations	**$ 6,547**	$ 6,568
Present value of funded obligations	**249,795**	259,349
Total present value of obligations	**256,342**	265,917
Fair value of plan assets	**(239,921)**	(248,864)
Recognized liability for defined benefit obligations prior to asset ceiling	**16,421**	17,053
Effect of asset ceiling	**1,493**	2,523
Recognized liability for defined benefit obligations	**$ 17,914**	$ 19,576

	2025	2024
Components of net periodic benefit cost		
Current service cost	**$ 1,052**	$ 1,449
Net interest cost	**1,057**	1,150
Administration costs	**1,768**	1,900
Net periodic benefit cost recognized	**$ 3,877**	$ 4,499

	2025	2024
Net periodic benefit cost allocation		
Cost of sales and services	**$ 977**	$ 1,411
Selling and administrative expenses	**1,843**	1,938
Net finance costs	**1,057**	1,150
Net periodic benefit cost recognized	**$ 3,877**	$ 4,499

	2025	2024
Other comprehensive income		
Return on plan assets, excluding interest income	**$ (3,773)**	$ (150)
Actuarial loss (gain)	**3,456**	(6,248)
Effect of asset ceiling	**(1,147)**	1,294
Gain recognized in OCI during the year	**$ (1,464)**	$ (5,104)

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

25. EMPLOYEE BENEFITS (continued):

	2025	2024
Key assumptions		
Discount rate	**4.60% - 5.00%**	4.60% - 5.00%
Inflation rate	**0.00% - 2.00%**	0.00% - 2.00%
Mortality	**CPM (Private) Generational using Scale MI-17 (Canada) Pri-2012 Mortality Table projected generationally from 2012 with Scale MP2021 (U.S.)**	CPM (Private) Generational using Scale MI-17 (Canada) Pri-2012 Mortality Table projected generationally from 2012 with Scale MP2021 (U.S.)

	2025	2024
Change in accrued benefit obligation		
Accrued benefit obligation at beginning of year	**$ 265,917**	$ 267,966
Current service cost	**1,052**	1,449
Interest cost	**12,588**	12,596
Employee contributions	**178**	203
Benefits paid	**(20,378)**	(20,807)
Plan settlements	**—**	(909)
Foreign exchange rate changes	**(6,471)**	11,667
Actuarial (gain) loss from changes in demographic assumptions	**1,252**	(201)
Actuarial (gain) loss from changes in financial assumptions	**1,129**	(6,874)
Actuarial loss from experience adjustments	**1,075**	827
Accrued benefit obligation at end of year	**$ 256,342**	$ 265,917

	2025	2024
Change in plan assets		
Plan assets at beginning of year	**$ 248,864**	$ 248,649
Administration fee	**(1,768)**	(1,900)
Interest income	**11,648**	11,501
Employer contributions	**3,411**	1,608
Employee contributions	**178**	203
Benefits paid	**(20,378)**	(20,807)
Foreign exchange rate changes	**(5,807)**	10,369
Plan settlements	**—**	(909)
Return on plan assets, excluding interest income	**3,773**	150
Plan assets at end of year	**$ 239,921**	$ 248,864

	2025	2024
Change in asset ceiling		
Asset ceiling at beginning of year	**$ 2,523**	$ 1,174
Change in asset ceiling	**(1,147)**	1,294
Interest on asset ceiling	**117**	55
Asset ceiling at end of year	**$ 1,493**	$ 2,523

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

25. EMPLOYEE BENEFITS (continued):

The asset mix in the plan is approximately 70.1% bonds (2024 - 71.1%), approximately 21.4% equity securities (2024 - 21.1%) and approximately 8.5% other investments (2024 - 7.8%).

Assumed discount rates, inflation rates and mortality rates have an effect on the amounts recognized on the consolidated statement of financial position. Holding other assumptions constant, changes in key assumptions that are reasonably possible would have affected the defined benefit obligation by the amounts shown below:

	Defined benefit obligation	
	Increase	**Decrease**
Discount rate (1% movement)	**$ (17,702)**	**$ 20,558**
Inflation rate (1% movement)	**$ 5,628**	**$ (1,736)**
Mortality rate (10% movement)	**$ (6,072)**	**$ 6,643**

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

26. 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	(8,939,300)	(121,787)	(5,134,000)	(71,195)
Conversion of unsecured subordinated convertible debentures (note 22)	4,107,962	41,536	6,978,225	51,290
Issuance of units under the DRIP	—	—	118,203	1,070
Balance – December 31	**114,179,394**	**$ 1,549,325**	119,010,732	$ 1,629,576

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. In connection with the NCIB, Chemtrade entered into an automatic share purchase plan ("ASPP") with its designated broker for the purpose of allowing the Fund to purchase its units under the NCIB during self-imposed trading blackout periods. Under the ASPP, the broker is authorized to purchase units during blackout periods, without consultation with Chemtrade, on predefined terms, including unit price, time period and subject to other limitations imposed in advance by Chemtrade and subject to the rules and policies of the TSX and applicable securities laws, such as daily purchase restrictions.

During the year ended December 31, 2025, the Fund purchased 8,939,300 units (2024 - 5,134,000 units) as part of both NCIBs and recorded a reduction in the book value of units of $121,787 (2024 - $71,195). The difference between the book value and purchase cost of $20,890 (2024 - $16,664) less estimated unit buy-back tax of $909 (2024 - $nil) was recognized in contributed surplus. Chemtrade did not recognize a liability under the ASPP at December 31, 2025, as the latest blackout period did not start until after December 31, 2025.

(b) Contributed surplus:

Chemtrade's contributed surplus relates to the purchase of units under a normal course issuer bid.

(c) Accumulated other comprehensive income ("AOCI"):

AOCI is comprised of the following separate components of equity:

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

Cumulative translation account

The cumulative translation account comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Unrealized gains/losses on cash flow and net investment hedges

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. The reserve also comprises the cumulative foreign currency differences arising on the translation of Chemtrade's U.S. dollar-denominated long-term debt, which is designated as the hedge of the net investment in foreign operations that use the U.S. dollar.

Change in fair value of convertible debentures due to own credit risk

The Convertible Debentures are recognized initially at fair value. Subsequent to initial recognition, the Convertible Debentures are measured at fair value at each period end date with the changes recorded in comprehensive income. Any changes in the fair value due to Chemtrade's own credit risk are presented in other comprehensive income rather than net earnings.

(d) 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. 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. Effective with the distributions declared in January 2026 and paid in February 2026, Chemtrade increased the monthly distributions from $0.0575 per unit to $0.06 per unit.

Distributions paid for the year ended December 31, 2025 were $78,852 (2024 - $77,684) or $0.6875 per unit (2024 - $0.6550 per unit). Of the distributions paid for the year ended December 31, 2025 $78,852 (2024 - $76,614) were in cash and $nil (2024 - $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 year ended December 31, 2025 were $78,871 (2024 - $78,348) or $0.6900 per unit (2024 - $0.6600 per unit).

As at December 31, 2025, Chemtrade had distributions payable of $6,567 (December 31, 2024 - $6,548) which were paid on January 30, 2026. On January 21, 2026, Chemtrade declared a cash distribution of $0.06 per unit for the month of January 2026 payable on February 27, 2026 to Unitholders of record at the close of business on January 30, 2026.

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

27. 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 sustainability 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 December 31, 2025, a liability of $60,185 (December 31, 2024 - $48,476) has been recorded for LTIP awards, of which $30,902 (December 31, 2024 - $27,538) is included in trade and other payables and $29,283 (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 year ended December 31, 2025, Chemtrade recorded an expense of $29,391 (2024 - $23,323) 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	119,000	161,063
Forfeitures	(64,908)	(59,958)
Settlements	(836,878)	(767,487)
Balance – December 31	**2,059,399**	**2,262,291**

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

27. 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	708,430	463,487
– distribution equivalents	203,305	333,044
Forfeitures	(84,157)	(5,820)
Settlements	(1,703,173)	(3,984)
Balance – December 31	**3,728,729**	**4,015,314**

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 December 31, 2025, 761,215 deferred units at a value of $11,228 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	84,762	100,502
– distribution equivalents	47,527	50,176
Settlements	(199,154)	—
Balance – December 31	761,215	828,080

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

27. 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:

	December 31, 2025	December 31, 2024
Chemtrade units:		
Average base price	**$9.47**	**$8.32**
Period-end unit price	**$14.72**	**$10.94**
Average expected volatility	**24.95%**	**27.30%**
Average risk free interest rate	**2.50%**	**2.96%**
Average expected remaining term	**1.50 years**	**1.50 years**

28. COMMITMENTS AND CONTINGENCIES:

(a) Purchase commitments

Chemtrade has contractual commitments for the purchase of electricity in Brazil, of which approximately 90 to 100 percent of the cost is passed onto one major customer, and minimum purchase commitments under certain multi-year salt supply contracts. Chemtrade's outstanding purchase commitments as at December 31, 2025 were $44,875 for 2026.

(b) Decommissioning and Environmental costs

Chemtrade's operations are subject to numerous laws, regulations and guidelines relating to air emissions, water discharges, solid and hazardous wastes, transportation and handling of hazardous substances and employee health and safety in Canada, the United States, Brazil and other countries in which Chemtrade operates.

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

29. FINANCIAL INSTRUMENTS:

(a) Categories of financial assets and liabilities

The carrying values of Chemtrade's financial instruments are as follows:

	IFRS 9 Classification	2025	2024
Cash-settled unit swaps (notes 14, 18)	Fair value - hedging instrument	**$ 26,127**	$ 13,550
Cash-settled unit swaps (notes 14, 18)	Fair value through profit and loss	**6,229**	3,773
Interest rate swap asset (notes 14, 18)	Fair value through profit and loss	**1,922**	7,000
Foreign exchange contracts (liability) asset (notes 14, 20)	Fair value through profit and loss	**2,344**	(9,317)
Convertible unsecured subordinated debentures (note 22) [1]	Fair value through profit and loss	**30,960**	356,596
Redemption option derivative asset (note 23)	Fair value through profit and loss	**5,948**	2,207
Trade and other receivables (note 12)	Amortized cost	**199,672**	148,085
Trade and other payables (note 20)	Amortized cost	**345,494**	318,131
Distributions payable (note 26)	Amortized cost	**6,567**	6,548
Long-term debt (note 23)	Amortized cost	**977,054**	336,250

[1] Any changes in the fair value due to Chemtrade's own credit risk are presented in other comprehensive income rather than net earnings.

(b) Derivatives and hedging:

	December 31, 2025			December 31, 2024		
	Notional Amount	Fair Value Asset	Fair Value Liability	Notional Amount	Fair Value Asset	Fair Value Liability
Derivatives designated in a formal hedging relationship						
Cash-settled unit swaps [1]	**—**	**$ 26,127**	**$ —**	—	$ 13,550	$ —
Derivatives not designated in a formal hedging relationship						
Interest rate swaps [1]	**US$ 175,000**	**1,922**	**—**	US$ 175,000	7,000	—
Foreign exchange contracts [1][2]	**—**	**2,344**	**—**	—	—	9,317
Redemption option derivative asset [3]	**—**	**5,948**	**—**	—	2,207	—
Cash-settled unit swaps [1]	**—**	**6,229**	**—**	—	3,773	—
Total		**$ 42,570**	**$ —**		$ 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 Consolidated Statements of Financial Position as of December 31, 2025 and December 31, 2024.
[2] See below for notional amounts.
[3] Redemption option derivative asset is disclosed as net of the proceeds of issuance of the Notes (see note 23).

29. 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. Subsequent to the designation, 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 was reclassified to net earnings until October 2024. For the year ended December 31, 2025, Chemtrade reclassified $nil, (2024 - $6,139) relating to the changes in fair value of the effective portion of the swaps from other comprehensive income to net earnings, as a result of the de-designation. 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 year ended December 31, 2025, Chemtrade recognized a loss of $5,080, (2024 - a loss of $3,885) relating to the changes in the fair value of the de-designated swaps, in net earnings.

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 at the time and the aggregate amount of the swap was reduced to US$175,000.

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 year ended December 31, 2025, a foreign exchange gain of $2,762 (2024 - loss of $8,632) 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 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.

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

29. FINANCIAL INSTRUMENTS (continued):

As at December 31, 2025, the notional number of units hedged was 2,727,626 (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 RSUs and PSUs 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 December 31, 2025, the notional number of units not hedged was 661,951 (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 December 31, 2025 include future contracts to sell the following amounts for periods through to January 2027:

Amount	Maturity	Exchange rate
US$40,978	Q1 2026	$1.38
US$34,077	Q2 2026	$1.38
US$22,177	Q3 2026	$1.38
US$17,177	Q4 2026	$1.38
US$3,000	Q1 2027	$1.39

The redemption option derivative asset (see note 23) associated with the Notes is an embedded derivative separately recognized to reflect the redemption features of the Notes.

(c) 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 2029 Notes is $388,298 (2024 - $255,944) and the fair value of the 2032 Notes is $254,423, which is higher than the carrying amount as the fixed interest rate is higher than the market interest rate for similarly rated notes as at December 31, 2025. The fairvalue of the Non-Convertible Debentures is $76,571, which exceeds the carrying amount, reflecting a trading closing price above the principal amount as at December 31, 2025.

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

29. FINANCIAL INSTRUMENTS (continued):

For fair value estimates relating to the Convertible Debentures, the Non-Convertible 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 following is a summary of the fair value hierarchy levels of Chemtrade's financial instruments:

2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Instruments designated as fair value through profit and loss				
Interest rate swaps	$ —	$ 1,922	$ —	$ 1,922
Foreign exchange contracts	—	2,344	—	2,344
Cash-settled unit swaps	—	6,229	—	6,229
Convertible Debentures	(30,960)	—	—	(30,960)
Redemption option derivative asset	—	5,948	—	5,948
Instruments carried at amortized cost				
Notes	—	(642,721)	—	(642,721)
Non-Convertible Debentures	(76,571)	—	—	(76,571)
Instruments designated as fair value through other comprehensive income				
Cash-settled unit swaps	—	26,127	—	26,127
Total	**$ (107,531)**	**$ (600,151)**	**$ —**	**$ (707,682)**

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

29. FINANCIAL INSTRUMENTS (continued):

2024	Level 1	Level 2	Level 3	Total
Instruments designated as fair value through profit and loss				
Interest rate swaps	$ —	$ 7,000	$ —	$ 7,000
Foreign exchange contracts	—	(9,317)	—	(9,317)
Cash-settled unit swaps	—	3,773	—	3,773
Convertible Debentures	(356,596)	—	—	(356,596)
Redemption option derivative asset	—	2,207	—	2,207
Instruments carried at amortized cost				
Senior unsecured notes	—	(255,944)	—	(255,944)
Instruments designated as fair value through other comprehensive income				
Cash-settled unit swaps	—	13,550	—	13,550
Total	**$ (356,596)**	**$ (238,731)**	**$ —**	**$ (595,327)**

The Convertible 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 Convertible 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 Consolidated 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

29. FINANCIAL INSTRUMENTS (continued):

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.

(d) Risks associated with financial instruments

(i) Credit risk

Credit risk arises from the non-performance by counter-parties of their contractual financial obligations. Chemtrade manages credit risk for trade and other receivables through established credit monitoring activities. Chemtrade does not have a significant concentration of credit risk with any single counter-party. The primary counter-parties related to the foreign exchange forward contracts and interest rate swaps carry investment grade ratings. Chemtrade believes its credit risk of counterparty non-performance continues to be relatively low. Chemtrade is in regular contact with its customers, suppliers and logistics providers, and to date has not experienced significant counter-party non-performance. However, if a key supplier or customer experiences financial difficulties or fails to comply with their contractual obligations, this could result in a significant financial loss to Chemtrade. Chemtrade's maximum exposure to credit risk at the reporting date is the carrying value of its receivables and derivative assets.

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Chemtrade manages liquidity risk by maintaining adequate cash and cash equivalent balances, and by appropriately utilizing its lines of credit. Chemtrade believes that cash flows from operating activities, together with cash on hand, cash from receivables and borrowings available under the revolving credit facility are sufficient to fund its currently anticipated financial obligations, and will remain available in the current environment.

The undiscounted cash flow requirements for financial liabilities as at December 31, 2025 are as follows:

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

29. FINANCIAL INSTRUMENTS (continued):

	Carrying Value	Total	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years
Trade and other payables (note 20)	$ 345,494	$ 345,494	$ 345,494	$ —	$ —	$ —
Distributions payable (note 26)	6,567	6,567	6,567	—	—	—
Lease liabilities (note 16)	191,007	262,903	69,457	110,179	50,162	33,105
Long-term debt (note 23)	977,054	991,226	—	73,917	667,309	250,000
Interest on long-term debt	—	272,804	55,716	117,254	74,668	25,166
Convertible Debentures (note 22)	30,960	25,534	—	25,534	—	—
Interest on Convertible Debentures	—	4,461	1,787	2,674	—	—
Total	**$ 1,551,082**	**$ 1,908,989**	**$ 479,021**	**$ 329,558**	**$ 792,139**	**$ 308,271**

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk (unit and other). Chemtrade's market risks are as follows:

(a) Currency risk

Chemtrade is exposed to fluctuations in the exchange rate of the U.S. dollar relative to the Canadian dollar as a portion of Chemtrade's earnings are in U.S. dollars, with earnings positively affected when the U.S. dollar strengthens relative to the Canadian dollar. At December 31, 2025, on an unhedged basis, Chemtrade estimates that a one-cent change in the exchange rate would have an impact on the translation of net earnings of approximately $3,200 per annum. At December 31, 2025, on an unhedged basis, a one-cent change in the exchange rate would also have an impact of approximately $370 on Chemtrade's net earnings because of the translation of its U.S. dollar-denominated long-term debt. Chemtrade cannot predict changes in currency exchange rates, the impact of exchange rate changes on Chemtrade's operating results, nor the degree to which Chemtrade will be able to manage the impact of currency exchange rate changes. Such changes could have an impact on Chemtrade's business, results of operations and financial condition.

(b) Interest rate risk

Chemtrade has a credit facility with long-term debt which bears variable rates of interest. As at December 31, 2025, on an unhedged basis, a change in interest rates of 1% per annum would have an impact of approximately $2,900 on Chemtrade's net earnings per annum. As at December 31, 2025, Chemtrade had fixed interest rates

29. FINANCIAL INSTRUMENTS (continued):

on 82% of its Credit Facilities until December 2026 through interest rate swaps and 0% thereafter until October 2030.

(c) Unit price risk

Unit price risk is the risk that changes in Chemtrade's own unit price affect earnings and cash flows. Earnings and cash flows from operating activities are affected when outstanding cash-settled RSUs and PSUs, issued under Chemtrade's LTIP awards and deferred units under DUP are revalued each period based on Chemtrade's unit price. Net cash flows from operating activities are affected when these cash-settled RSUs, PSUs and DUP units are ultimately settled. Chemtrade enters into cash-settled unit swap arrangements to fix the unit price on a portion of the RSU and PSU components of its LTIP awards and deferred units under DUP to mitigate a portion of the unit price risk.

(d) Other price risks

Product Price and Sales Volume Risk -

Every $50 change in the price per metric tonne ("MT") of North American produced sodium chlorate would have an impact on earnings of approximately $13,650 per annum. Every $100 change in the price per MECU of chlor-alkali products produced in North America would have an impact on earnings of approximately $17,000 per annum. These sensitivities to changes in prices are based on approximately 273,000 MT of North American sodium chlorate sales and 170,000 MECU of North American chlor-alkali sales for the year ended December 31, 2025, respectively.

A change in sales volumes for North American sodium chlorate of 10,000 MT would have an impact on earnings of approximately $5,400 per annum. A change in sales volumes for North American chlor-alkali products of 5,000 MECU would have an impact on earnings of approximately $7,700 per annum.

Electricity Price Risk -

Every four percent change in the price of electricity in North America would have an impact on earnings of approximately $3,650 per annum. This sensitivity to changes in electricity prices is based on North American electricity consumption of approximately 1,869,000 megawatt hours for the year ended December 31, 2025. A four percent change in the price of electricity in North America is considered reasonable given historical price changes and market expectations for future movement.

29. FINANCIAL INSTRUMENTS (continued):

Sulphuric acid pricing -

At December 31, 2025, a change in sulphuric acid pricing, net of freight, of $10 per tonne, would have an impact on annual revenues in North America of approximately $9,750. In any specific period, the exact impact would depend upon the volume that is subject to sales contracts where pricing has been fixed for a period of time. The magnitude of realized price changes also depends upon regional market dynamics. It is difficult to reliably estimate the impact of price changes on earnings as this depends upon the volume subject to risk-sharing supply contracts and changes in sulphur costs for manufactured sulphuric acid. These factors lessen the impact of price changes on earnings relative to revenue.

Salt costs -

Chemtrade uses salt in the manufacturing of its sodium chlorate and chlor-alkali products. At current operating levels, an increase of $2 per tonne of salt prices in North America would have an impact of approximately $900 per annum on earnings.

Sulphur costs -

Chemtrade uses sulphur in the manufacturing of several of its products, including sulphuric acid. At operating levels as at December 31, 2025, an increase of $10 per tonne would have an impact of approximately $1,300 per annum on cost of sales and services. It is important to note that a change in the cost of sulphur is likely to lead to a change in the price for sulphuric acid as this is a key input cost in the manufacturing of sulphuric acid. Thus, the net impact on earnings of changes in sulphur costs would depend upon changes in sulphuric acid pricing.

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

30. CAPITAL MANAGEMENT:

Chemtrade's objective when managing its capital is to safeguard Chemtrade's assets and its ability to continue as a going concern, to meet external capital requirements related to its credit facilities, and to maximize the growth of its business and the returns to its Unitholders. Chemtrade's capital structure is comprised of units, Convertible Debentures and long-term debt. The long-term debt consists of Credit Facilities, Non-Convertible Debentures and the Notes. The Credit Facilities do not require payment until October 2030 and the Notes do not require payment until August 2029 and October 2032. The Convertible Debentures mature in June 2028. Chemtrade intends to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, Chemtrade may purchase units for cancellation, issue new units, raise debt (secured, unsecured, convertible and/or other types of available debt instruments) or refinance existing debt with different characteristics.

Chemtrade utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by the Board. Budgets are updated if there are significant changes in fundamental underlying assumptions during a period.

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, Convertible 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.

	2025	2024
Long-term debt [1]	$ 991,226	$ 343,295
Add (Less):		
Convertible Debentures [1]	25,534	340,000
Long-term lease liabilities	132,352	148,268
Lease liabilities [2]	58,655	58,145
Cash and cash equivalents	(27,420)	(25,497)
Net debt	1,180,347	864,211
LTM Adjusted EBITDA (note 4) [3]	$ 507,404	$ 470,792
Net debt to LTM Adjusted EBITDA (note 4)	2.33	1.84

(1) Principal outstanding amount, see notes 22 and 23.
(2) Presented as current liabilities in the Consolidated Statements of Financial Position.
(3) LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA.

30. CAPITAL MANAGEMENT (continued):

Chemtrade is subject to certain covenants on its credit facilities, which include Net Debt to EBITDA ratios and an Interest Coverage ratio (as all terms are defined in the credit agreement). Chemtrade monitors these ratios and reports them to its lenders on a quarterly basis. As at December 31, 2025 and December 31, 2024, Chemtrade was in compliance with the above covenants.

There were no changes in Chemtrade's approach to managing capital during the year ended December 31, 2025.

31. RELATED PARTIES:

Key management personnel compensation

Key management personnel is comprised of trustees and the senior leadership team of Chemtrade. Trustees receive compensation in the form of an annual retainer. In addition to their salaries, Chemtrade also provides other benefits to the senior leadership team. One such benefit is the contribution to a post-employment DC plan on their behalf. Once the contribution reaches the limit allowed under the Income Tax Act (Canada), additional contributions are made to a non-registered account. Chemtrade provides a basic contribution of 4% of base salary for plan participants. They can make additional voluntary contributions up to 2% of their base salary, and Chemtrade matches each dollar contributed up to 2% for a total of 6% of base salary. Contributions to the DC plan vest immediately. These plans for the senior leadership team are identical to the plans offered to all employees in the same jurisdiction.

Chemtrade offers a 401(k) plan to employees in the U.S. including key management personnel. The plan is a qualified retirement 401(k) plan, and is self-directed. Participants choose from a range of investment options offered by The Standard, who administers the plan. The interest and earnings on the investments held in the 401(k) plan account vary, and depend on the terms and performance of the investments chosen. Employees make voluntary contributions on each pay, and Chemtrade matches employee contributions up to 6% of eligible earnings subject to legislated government maximums. Chemtrade’s contributions to the 401(k) plan vest immediately.

The Annual Incentive Compensation (“Annual IC”) plan entitles the senior leadership team to annual cash awards based on (i) Chemtrade's success in achieving financial objectives (financial achievement is weighted at 65% of the total annual IC award); and (ii) their individual success in accomplishing personal objectives (weighted at 35% of the total annual IC award) as set out in their objectives for the fiscal year.

The LTIP, as described in note 27, is designed to align the interests of the participants with the interests of Unitholders. It is a cash plan where payment is triggered upon the successful

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

31. RELATED PARTIES (continued):

achievement of pre-defined performance criteria. Each year the Human Capital and Compensation Committee of the Board determines the performance period over which performance will be measured. The annual LTIP awards granted have been based on a three-year performance period and the awards vest at the end of the three-year period. The value of this compensation is re-measured at each reporting period based upon changes in the fair value of the awards.

Certain members of the senior leadership team are subject to a mutual term of notice upon termination of employment without cause; they are entitled to termination benefits of 12 to 18 months gross salary. In addition they are entitled to either their target annual IC or a value based on the most recently completed financial year.

Chemtrade has in place a deferred unit compensation plan for its non-management trustees, pursuant to which the trustees 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. Currently, the trustees are required to take 50% of their compensation in the form of deferred units of Chemtrade.

As at December 31, 2025, the market value of these deferred units, which is included in trade and other payables was $11,228 (2024 - $9,059).

The key management personnel compensation expense including retirements costs, which is recorded in comprehensive income, is as follows:

	2025	2024
Short-term compensation	**$ 10,358**	$ 9,736
LTIP	**23,972**	17,434
	$ 34,330	$ 27,170

Investment in a Joint Venture

Transactions related to the investment in a joint venture are in note 17.

32. MATERIAL ACCOUNTING POLICIES:

The accounting policies set out below have been applied consistently by Chemtrade's entities to all periods presented in these consolidated financial statements.

Set out below is an index of the material accounting policies, the details of which are available on the pages that follow:

(a) Basis of consolidation

The consolidated financial statements include the financial statements of Chemtrade, its controlled subsidiaries and equity accounted investments, including joint ventures. Control is achieved when Chemtrade has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(i) Business Combinations:

Chemtrade accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to Chemtrade. In determining whether a particular set of activities and assets is a business, Chemtrade assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Chemtrade has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships.

32. MATERIAL ACCOUNTING POLICIES (continued):

(b) Segment reporting

A reportable segment is a component of Chemtrade that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Chemtrade's other components. All operating segments' operating results are reviewed regularly by Chemtrade's CODM to make decisions about resources to be allocated to each segment and assess its performance, and for which discrete financial information is available.

(c) Revenue recognition

(i) Sale of products:

Revenue from the sale of products in the course of ordinary activities is measured and recorded at the most likely amount of consideration expected to be received, net of returns, trade discounts and volume rebates. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

Revenue from the sale of products are recognized when control is passed to the customer according to the terms of the contract, which could be upon shipment of goods or when the product reaches the customer site. In certain cases, customers will pick up the products at Chemtrade's plants and Chemtrade will recognize revenues when the product is picked up.

For products sold to pipeline customers, revenue is recognized when the product crosses the property line through the pipeline. This is the point where the product is considered delivered and control of the product transfers to the customer.

(ii) Processing services:

Chemtrade provides processing services to customers that are continuous and ongoing in nature. Generally, processing services are provided for a specified period of time and are not based on volumes or the completion of specific milestones. Therefore, revenue for processing services are recorded over time.

(d) Income tax

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in earnings except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

32. MATERIAL ACCOUNTING POLICIES (continued):

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(e) Inventories

Finished goods inventory is valued at the lower of average cost and net realizable value. Average cost includes all costs of purchase, costs of conversion and other costs incurred to bring inventories to their present location and condition. Costs of conversion include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads is based on normal production capacity. Raw material inventory and operating supplies are recorded at the lower of cost determined on a first-in, first-out basis, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Property, plant and equipment

(i) Recognition and measurement:

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses.

Parts of an item of PPE having different useful lives, are accounted for as separate items (major components) of PPE.

(ii) Depreciation:

Depreciation is recognized in comprehensive income on a straight-line basis over the estimated useful life of each part of an item of PPE, since this most closely reflects the expected pattern of consumption of the future economic resources embodied in the asset. Land is not depreciated.

32. MATERIAL ACCOUNTING POLICIES (continued):

The estimated useful lives for the current and comparative periods of plant and equipment are as follows:

- Building 5 - 40 years
- Equipment 5 - 40 years
- Furniture and other 3 - 10 years

Facilities and equipment under construction do not begin to be depreciated until substantially complete and ready for productive use. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(g) Leases

Chemtrade leases various assets that include rail cars, private fleet, real estate, vehicles and other heavy-duty machinery and equipment to conduct its daily operations. Chemtrade assesses whether a contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At inception or on reassessment of a contract that contains a lease component in which Chemtrade is a lessee, Chemtrade allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for certain leases where it is a lessee, Chemtrade has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Chemtrade recognizes ROU assets and lease liabilities for most leases. Chemtrade applies recognition exemptions for short-term leases (i.e. leases with terms less than 12 months or entered into on a month-to-month basis) and leases that are considered to be low-dollar value leases. Short-term and low-dollar value leases are directly recorded in profit or loss.

Chemtrade recognizes an ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost. Subsequent to initial recognition, the ROU asset is measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. In comparison, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Chemtrade's incremental borrowing rate is used. Generally, Chemtrade uses its incremental borrowing rate as the discount rate. It is

32. MATERIAL ACCOUNTING POLICIES (continued):

remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Chemtrade depreciates the ROU asset on a straight-line basis over the lease term, unless Chemtrade expects to obtain ownership of the leased asset at the end of the lease.

If Chemtrade expects to obtain ownership of the leased asset at the end of the lease, Chemtrade depreciates the ROU asset over the underlying asset's estimated useful life.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition.

If multiple assets are acquired in a single transaction, and are not part of a business combination, which requires, at a minimum, an input, substantive process and an ability to produce outputs, the transaction is accounted for as an asset acquisition at cost, and no goodwill is recognized. Acquisition-related costs incurred are included in the purchase price. The total purchase price is allocated to the acquired assets based on the relative fair value of the acquired assets.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

(i) Goodwill:

Goodwill arising on the acquisition of business is allocated as of the date of the business combination to Chemtrade's CGUs and CGU groups that are expected to benefit from the synergies of the business combination.

32. MATERIAL ACCOUNTING POLICIES (continued):

(ii) Amortization of intangibles:

Amortization of intangible assets, excluding goodwill, is calculated over the estimated useful life upon recognition of the asset. Amortization is recognized in comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic resources embodied in the assets. The estimated useful lives for the current and comparative period are as follows:

- Customer relationships 10 - 16 years
- Other 5 - 10 years

(i) Impairment

(i) Trade and other receivables:

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in comprehensive income when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that Chemtrade will not be able to collect all of the amounts due under the original payment terms of the invoice. This analysis is performed using a forward-looking "expected credit loss" model under IFRS 9. The carrying amount of the receivable is reduced through use of an allowance account for expected credit losses. Impaired debts are written off against the allowance account when they are assessed as uncollectible. Any subsequent reversal of an impairment loss is recognized in comprehensive income.

(ii) Goodwill:

Chemtrade performs a goodwill impairment test on an annual basis or more frequently when events or changes in circumstances indicate that the carrying amount of a CGU or CGU group likely exceeds its recoverable amount.

Goodwill is not amortized, however Chemtrade performs its annual test for goodwill impairment in the fourth quarter of each fiscal year.

Valuation techniques

The recoverable amount of an asset CGU, or CGU group is based on the higher of its value in use and its fair value less costs of disposal. The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources. An impairment loss is recognized immediately in comprehensive income if the recoverable amount of the CGU

32. MATERIAL ACCOUNTING POLICIES (continued):

or CGU group is estimated to be less than its carrying amount. Any impairment loss on goodwill that is recognized cannot be reversed.

Value in use approach

The value in use approach is predicated upon the value of the future cash flows that a business will generate in future periods. The discounted cash flow method is used which involves projecting cash flows and converting them into a present value equivalent through discounting. The discounting process uses a rate of return that is commensurate with the risks associated with the business or asset and the time value of money. This approach requires assumptions about forecast operating margins, maintenance and other capital expenditures, terminal growth rates and discount rates.

The following is a description of significant assumptions in obtaining the value in use:

Forecast Operating Margins and Maintenance and Other Capital Expenditures	Chemtrade forecasts operating margins and maintenance and other capital expenditures based on financial budgets, past experience, future growth trends such as gross domestic product ("GDP") growth and inflation, associated economic risk assumptions and estimates of achieving key operating initiatives, covering a five year period.
Terminal Growth Rates	Subsequent to the five year forecast period, Chemtrade applies a terminal growth rate. The terminal growth rate is based on estimated long-term GDP growth and inflation in the markets in which Chemtrade operates.
Discount rates	Chemtrade assumes a pre-tax discount rate in order to calculate the present value of its projected cash flows. The discount rate represents a weighted average cost of capital (“WACC”). The WACC is an estimate of the overall required rate of return on an investment for both debt and equity owners and serves as the basis for developing an appropriate discount rate.

32. MATERIAL ACCOUNTING POLICIES (continued):

Fair value less costs to sell approach

Fair value less costs to sell is the amount obtainable from the sale of a CGU or CGU group in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The estimated market price is based on a multiplier based on earnings before interest, taxes, depreciation and amortization and market capitalization.

(iii) Other non-financial assets carried at amortized cost:

If there is objective evidence that an impairment loss on a non-financial asset carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and its recoverable amount. The carrying amount of the non-financial asset is then reduced by the amount of the impairment and the loss is recognized in comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the non-financial asset does not exceed the amortized cost had the impairment not been recognized.

(j) Provisions

A provision is recognized if, as a result of a past event, Chemtrade has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation.

32. MATERIAL ACCOUNTING POLICIES (continued):

The following is a description of various provisions:

Environmental and Decommissioning liabilities	A provision for environmental liabilities is recorded based on current interpretation of environmental laws and regulations when it is probable that a liability has been incurred and the amount of such a liability can be reliably estimated. Chemtrade recognizes provisions for statutory, contractual, constructive or legal obligations associated with decommissioning of Chemtrade's plants. The fair value of estimated decommissioning liabilities is recognized when identified and a reasonable estimate of fair value can be made. A decommissioning asset equal to the estimated fair value of the decommissioning liability is capitalized as part of the cost of the related long-lived asset. The decommissioning asset is depreciated over the asset's estimated useful life and included in cost of sales and services. Increases in the decommissioning liabilities resulting from the passage of time are recorded as accretion of the decommissioning liabilities.
Legal provisions	Provisions for legal claims are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

(k) Employee benefits

(i) Defined contribution plans:

The DC plan is a post-employment benefit plan under which Chemtrade pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to DC plans are recognized as an employee benefit expense in comprehensive income in the periods during which services are rendered by employees.

32. MATERIAL ACCOUNTING POLICIES (continued):

(ii) Defined benefit plans:

A defined benefit pension plan is a post-employment benefit plan other than a DC plan. Chemtrade's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is then discounted to determine its present value and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on high quality bonds that have maturity dates approximating the terms of Chemtrade's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

Chemtrade deducts the fair values of plan assets from the defined benefit plan obligations to arrive at the net defined benefit plan obligations (assets). For plans that result in a net defined benefit asset, the recognized asset is limited to the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan (“asset ceiling”). If it is anticipated that Chemtrade will not be able to recover the value of the net defined asset, after considering minimum funding requirements for future service, it reduces the net defined benefit asset to the amount of the asset ceiling. When the payment in the future of minimum funding requirements related to the past service would result in a net defined surplus or an increase in a surplus, the minimum funding requirements are recognized as a liability to the extent that the surplus would not be fully available as a refund or a reduction in future contributions.

Chemtrade recognizes all actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) arising from defined benefit plans immediately in other comprehensive income, and reports them in deficit. Depending on the plan, expenses such as plan amendments, current service costs and administration costs are recorded in either cost of sales or selling and administrative expenses within comprehensive income. The interest costs are recorded in net finance costs within comprehensive income.

32. MATERIAL ACCOUNTING POLICIES (continued):

(i) Share-based compensation:

Chemtrade operates an LTIP which grants cash awards based on certain criteria. These awards are accounted for as liabilities with the value of these liabilities being re-measured at each reporting period, based upon changes in the fair value of the awards. Any gains or losses on re-measurement are recorded in selling and administrative expenses.

(l) Financial instruments

(i) Non-derivative financial assets:

Recognition and initial measurement

Chemtrade's non-derivative financial assets are comprised of trade and other receivables and cash and cash equivalents. Chemtrade initially recognizes financial assets measured at amortized cost at fair value on the date that they are originated. All other financial assets (including assets measured at fair value through profit or loss) are recognized at fair value on the trade date at which Chemtrade becomes a party to the contractual provisions of the instrument.

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial assets are measured at amortized cost using the effective interest method, less any net impairment for estimated expected credit losses.

Chemtrade de-recognizes the trade receivables sold under its receivables purchase facility when all the risks and rewards of ownership of the receivable are transferred substantially. The balances presented within trade and other receivables in the consolidated statements of financial position exclude the receivables transferred.

Classification and subsequent measurement

Chemtrade de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire. Financial assets and liabilities are offset and the net amount presented in the consolidated statements of financial position when Chemtrade has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

32. MATERIAL ACCOUNTING POLICIES (continued):

(ii) Non-derivative financial liabilities:

Recognition and initial measurement

Chemtrade's non-derivative financial liabilities include trade and other payables, distributions payable, long-term debt and convertible unsecured subordinated debentures. Chemtrade initially recognizes long-term debt at fair value on the date that they are originated.

The convertible unsecured subordinated debentures are recognized initially at fair value. Transaction costs related to the convertible unsecured subordinated debentures are expensed as incurred.

Subsequent measurement

Chemtrade de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the consolidated statements of financial position when Chemtrade has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The convertible unsecured subordinated debentures are measured at fair value at each period end date with the changes recorded in comprehensive income. Any changes in the fair value due to Chemtrade's own credit risk are presented in other comprehensive income rather than net earnings.

(iii) Units:

The Fund units meet the definition of a financial liability under IFRS as the redemption feature of the Fund units creates an unavoidable contractual obligation to pay cash. The Fund units are considered to be "puttable instruments" because of the redemption feature. IFRS provides a very limited exemption to allow puttable instruments to be presented as equity provided certain criteria are met.

The Fund classifies units as equity because they meet all of the puttable instrument exemption criteria.

Chemtrade recognizes the liabilities for unpaid cash distributions, distributions opted to be reinvested and bonuses thereon at the time such distributions are declared. Liabilities for distributions opted to be reinvested and bonuses thereon are de-recognized when such units are issued to the participants.

32. MATERIAL ACCOUNTING POLICIES (continued):

(iv) Derivative financial instruments:

Chemtrade holds derivative financial instruments to mitigate its foreign currency, unit price and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

Derivatives are recognized initially at fair value with attributable transaction costs recognized in comprehensive income as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized immediately in comprehensive income, except for derivatives designated as cash flow hedges as noted below.

(v) Hedging:

On initial designation of the hedge, Chemtrade formally documents the relationship between the hedging instruments and hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. Chemtrade makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a forecast transaction to be considered a cash flow hedge, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported earnings.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect earnings, the effective portion of changes in the fair value of the derivative that is designated and qualify as cash flow hedge is recognized in accumulated other comprehensive income. The amount recognized in other comprehensive income is removed and included in earnings in the same period as the hedged cash flows affect earnings under the same line item in the consolidated statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in earnings.

32. MATERIAL ACCOUNTING POLICIES (continued):

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income and presented in unrealized gains/losses on cash flow hedges in equity remains there until the forecast transaction affects earnings.

IFRS 9 accounting policy choice for hedge accounting

IFRS 9 includes an accounting policy choice between deferring the adoption of the new hedge accounting standards under IFRS 9 and continuing with the IAS 39 hedge accounting standards. Chemtrade has decided to continue to apply IAS 39 hedge accounting standards.

(m) Standards and interpretations adopted during the year

Chemtrade adopted the following accounting amendments that were effective for its annual consolidated financial statements beginning January 1, 2025. The adoption of the amendments have not had 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).

(n) 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 the Financial Statements,* specifying the requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements, would supersede IAS 1, "Presentation of Financial Statements" and increase the comparability of financial statements by enhancing principles on aggregation and disaggregation (effective for annual periods beginning on or after January 1, 2027).

32. MATERIAL ACCOUNTING POLICIES (continued):

- 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).

- Annual Improvements to IFRS Accounting Standards - Volume 11, which includes clarifications and amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted.

Chemtrade is assessing the impacts, the amendments will have on its consolidated financial statements.

33. SUBSEQUENT EVENT:

Normal Course Issuer Bid

For the period from January 1, 2026 to March 5, 2026, 1,936,800 units were purchased by the Fund under the automatic share purchase plan.

INFORMATION FOR UNITHOLDERS

SENIOR LEADERSHIP TEAM

Scott Rook
President & Chief Executive Officer

Rohit Bhardwaj
Chief Financial Officer

Tim Montgomery
Group Vice-President,
Manufacturing and Engineering

Alan Robinson
Group Vice-President, Commercial

Bramora Rebello
Senior Vice-President,
Human Resources

Benjamin Burford
Corporate Secretary
Associate General Counsel

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SECURITY INFORMATION

Toronto Stock Exchange
Stock symbol: CHE.UN

OTCQX® Best Market
Stock Symbol: CGIFF

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INVESTOR INFORMATION

Unitholders or other interested parties seeking financial information about the Fund are invited to contact:

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Chief Financial Officer

Endri Leno
Vice-President, Investor Relations

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Phone: 416-496-5856
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ANNUAL MEETING

The annual meeting of unitholders will be held on May 12, 2026 at 10 a.m (Toronto time)
TMX Market Centre
120 Adelaide Street West,
Toronto, Ontario (Pearce Bunting Room)

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