

CHEMTRADE LOGISTICS INCOME FUND

# 2025 Annual Financial Statements



**CHEMTRADE**

## Where to find it

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING.....	1
INDEPENDENT AUDITOR'S REPORT.....	2
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME.....	8
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION.....	9
CONSOLIDATED STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY.....	10
CONSOLIDATED STATEMENTS OF CASH FLOWS.....	11
Note 1 CORPORATE INFORMATION.....	12
Note 2 BASIS OF PREPARATION.....	12
Note 3 POLYTEC, INC. ACQUISITION.....	18
Note 4 REPORTABLE SEGMENTS.....	21
Note 5 REVENUE.....	24
Note 6 SELLING AND ADMINISTRATIVE EXPENSES.....	24
Note 7 DEPRECIATION AND AMORTIZATION.....	24
Note 8 NET FINANCE COSTS.....	25
Note 9 INCOME TAXES.....	26
Note 10 NET EARNINGS PER UNIT.....	32
Note 11 CASH AND CASH EQUIVALENTS.....	33
Note 12 TRADE AND OTHER RECEIVABLES.....	33
Note 13 INVENTORIES.....	34
Note 14 PREPAID EXPENSES AND OTHER ASSETS.....	34
Note 15 PROPERTY, PLANT AND EQUIPMENT.....	35
Note 16 LEASES.....	37
Note 17 INVESTMENT IN A JOINT VENTURE.....	39
Note 18 OTHER ASSETS.....	39
Note 19 INTANGIBLE ASSETS.....	40
Note 20 TRADE AND OTHER PAYABLES.....	41
Note 21 PROVISIONS.....	41
Note 22 CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES.....	44
Note 23 LONG-TERM DEBT.....	46
Note 24 OTHER LONG-TERM LIABILITIES.....	49
Note 25 EMPLOYEE BENEFITS.....	49
Note 26 UNITS AND OTHER COMPONENTS OF EQUITY.....	53
Note 27 SHARE-BASED PAYMENTS.....	55
Note 28 COMMITMENTS AND CONTINGENCIES.....	57
Note 29 FINANCIAL INSTRUMENTS.....	58
Note 30 CAPITAL MANAGEMENT.....	67
Note 31 RELATED PARTIES.....	68
Note 32 MATERIAL ACCOUNTING POLICIES.....	70
Note 33 SUBSEQUENT EVENT.....	84

## 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.

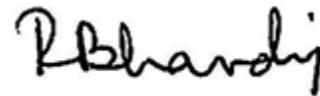
Management has developed and maintains a system of internal control over financial reporting. These controls are designed to provide reasonable assurance that assets are safeguarded, transactions are accurately recorded and financial information is timely and reliable.

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



KPMG LLP  
100 New Park Place, Suite 1400  
Vaughan, ON L4K 0J3  
Tel 905-265 5900  
Fax 905-265 6390

## 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

# CHEMTRADE LOGISTICS INCOME FUND

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			
<b>Items that may subsequently be reclassified to earnings:</b>			
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)
<b>Items that will not be reclassified to earnings:</b>			
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
<b>ASSETS</b>			
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>414,380</b>	<b>334,701</b>
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>2,116,956</b>	<b>1,949,706</b>
<b>Total assets</b>		<b>\$ 2,531,336</b>	<b>\$ 2,284,407</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
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 <sup>(1)</sup>	22	30,960	356,596
<b>Total current liabilities</b>		<b>462,496</b>	<b>798,002</b>
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>1,293,732</b>	<b>668,048</b>
<b>Total liabilities</b>		<b>1,756,228</b>	<b>1,466,050</b>
<b>Unitholders' equity</b>			
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
<b>Total unitholders' equity</b>		<b>775,108</b>	<b>818,357</b>
<b>Total liabilities and unitholders' equity</b>		<b>\$ 2,531,336</b>	<b>\$ 2,284,407</b>

<sup>(1)</sup> 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
<b>Balance at January 1, 2024</b>		\$ 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) <sup>(1)</sup>	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)
<b>Balance at December 31, 2024</b>		\$ 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 <sup>(1)</sup>	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)
<b>Balance at December 31, 2025</b>		\$ 1,549,325	\$ 46,365	\$ (1,033,945)	\$ 222,419	\$ (19,297)	\$ 10,241	\$ 775,108

<sup>(1)</sup> 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

	Notes	Year ended December 31,	
		2025	2024
<b>Cash flows from operating activities:</b>			
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 <sup>(1)</sup>		(51,779)	(31,279)
Interest paid		(54,936)	(48,041)
Interest received		3,780	2,998
Income tax paid		(49,395)	(52,401)
<b>Net cash flows from operating activities</b>		<b>355,074</b>	<b>342,069</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	15	(176,594)	(180,073)
Acquisition of intangible assets	19	(39,141)	—
Business acquisition	3	(212,831)	—
<b>Net cash flows used in investing activities</b>		<b>(428,566)</b>	<b>(180,073)</b>
<b>Cash flows from financing activities:</b>			
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)
<b>Net cash flows from (used in) financing activities</b>		<b>76,013</b>	<b>(159,299)</b>
<b>Increase in cash and cash equivalents</b>		<b>2,521</b>	<b>2,697</b>
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
<b>Cash and cash equivalents, end of the period</b>	<b>11</b>	<b>\$ 27,420</b>	<b>\$ 25,497</b>

<sup>(1)</sup>The comparatives for certain items on the consolidated statements of cash flow have been amended to be consistent with current year presentation.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 1. CORPORATE INFORMATION:

Chemtrade Logistics Income Fund (the "Fund") is a publicly listed Income Trust formed in Ontario, Canada and its units are listed on the Toronto Stock Exchange ("TSX"). The term "Chemtrade" refers to the Fund, its consolidated subsidiaries and equity accounted investments, including joint ventures. Chemtrade commenced operations on July 18, 2001 when it completed an initial public offering. Chemtrade operates a diversified business providing industrial chemicals and services to customers in North America and around the world. Chemtrade is one of North America's largest suppliers of sulphuric acid, spent acid processing services, inorganic coagulants for water treatment, sodium chlorate, sodium nitrite and sodium hydrosulphite. Chemtrade is a leading regional supplier of sulphur, chlor-alkali products and zinc oxide. Additionally, Chemtrade provides 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:

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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,

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

### 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:

		<b>November 21, 2025</b>
Cash	\$	212,831
Less: Net working capital and other adjustment to be settled <sup>(1)</sup>		(9,277)
<b>Total consideration</b>	<b>\$</b>	<b>203,554</b>

<sup>(1)</sup>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:

		<b>As at November 21, 2025</b>
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) <sup>(1)</sup>		5,778
Goodwill (note 19)		55,078
Trade and other payables		(10,840)
Income taxes payable		(5,020)
Deferred tax liabilities		(43,864)
<b>Consideration</b>	<b>\$</b>	<b>203,554</b>

<sup>(1)</sup>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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

### 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

### 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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 <sup>(1)</sup>	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 <sup>(2)</sup>	122,688	46,820	2,223	171,731

<sup>(1)</sup> For additional information, see note 15.

<sup>(2)</sup> Includes amounts accrued at each period end.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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 <sup>(1)</sup>	129,583	54,584	1,636	185,803

<sup>(1)</sup> Includes amounts accrued at each period end.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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.

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

<b>PPE, Right-of-use ("ROU") assets and intangible assets</b>	<b>2025</b>	<b>2024</b>
Canada	\$ 692,610	\$ 751,859
United States	1,247,207	979,101
Brazil	71,486	85,173
	<b>\$2,011,303</b>	<b>\$1,816,133</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
<b>Revenue</b>	<b>\$1,997,776</b>	<b>\$1,787,033</b>

## 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) <sup>(1)</sup>	5,313	—
Depreciation (note 7)	2,458	2,347
<b>Selling and administrative expenses</b>	<b>\$ 156,611</b>	<b>\$ 183,286</b>

<sup>(1)</sup> 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
<b>Cost of sales and services:</b>		
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
<b>Selling and administrative expenses (note 6):</b>		
Depreciation expense on PPE (note 15)	976	956
Depreciation expense on ROU assets (note 16)	1,482	1,391
<b>Total depreciation and amortization expense</b>	<b>\$ 220,086</b>	<b>\$ 188,545</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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)
<b>Net finance costs</b>	<b>\$ 104,509</b>	<b>\$ 72,560</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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 <sup>(1)</sup>
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 <sup>(1)</sup>	(22,416)	7,275
US Base Erosion and Anti - Abuse Tax ("BEAT")	3,106	—
Non-deductible loss related to the repurchase of Convertible Debentures <sup>(2)</sup>	24,695	4,543
Other, including non-taxable and non-deductible items <sup>(3)</sup>	(6,022)	10,013
<b>Total income tax expense</b>	<b>\$ 16,094</b>	<b>\$ 43,922</b>

<sup>(1)</sup> Certain prior year amounts have been regrouped to conform to the current year's presentation.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
	<b>144,717</b>	133,423
Reclassification from deferred tax liabilities	<b>(123,448)</b>	<b>(85,427)</b>
<b>Total deferred tax assets</b>	<b>\$ 21,269</b>	<b>\$ 47,996</b>
Deferred tax liabilities:		
PPE	88,280	75,875
Intangible assets	49,358	19,069
Other liabilities	4,116	6,991
	<b>141,754</b>	101,935
Reclassification to deferred tax assets	<b>(123,448)</b>	<b>(85,427)</b>
<b>Total deferred tax liabilities</b>	<b>\$ 18,306</b>	<b>\$ 16,508</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
	<b>\$ 31,488</b>	<b>\$ 14,892</b>	<b>\$ 682</b>	<b>\$ (235)</b>	<b>\$ (43,864)</b>	<b>\$ 2,963</b>

	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
	<b>\$ 34,482</b>	<b>\$ (1,792)</b>	<b>\$ 41</b>	<b>\$ (1,243)</b>	<b>\$ 31,488</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
<b>Numerator</b>		
Net earnings	\$ 139,390	\$ 126,908
Net interest and fair value adjustment on the Convertible Debentures	—	33,630
<b>Diluted net earnings</b>	<b>\$ 139,390</b>	<b>\$ 160,538</b>

<sup>(1)</sup> 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
<b>Denominator</b>		
Weighted average number of units	114,323,060	118,424,190
Weighted average Convertible Debentures dilutive units	—	35,313,607
<b>Weighted average number of diluted units</b>	<b>114,323,060</b>	<b>153,737,797</b>

<sup>(1)</sup> 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
<b>Total cash and cash equivalents</b>	<b>\$ 27,420</b>	<b>\$ 25,497</b>

## 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)
<b>Trade and other receivables</b>	<b>\$ 199,672</b>	<b>\$ 148,085</b>

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)
<b>Balance at end of year</b>	<b>\$ 855</b>	<b>\$ 819</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
<b>Total inventories</b>	<b>\$ 135,347</b>	<b>\$ 134,932</b>

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	—
<b>Total prepaid expenses and other assets</b>	<b>\$ 32,559</b>	<b>\$ 20,689</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 15. PROPERTY, PLANT AND EQUIPMENT:

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

	Land	Plant and equipment	Facilities and equipment under construction	Total
<b>Cost</b>				
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
<b>Accumulated depreciation</b>				
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)
<b>Net carrying amount</b>				
December 31, 2024	\$ 91,640	\$ 736,585	\$ 259,920	\$ 1,088,145
December 31, 2025	\$ 96,177	\$ 892,206	\$ 112,626	\$ 1,101,009

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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 <sup>(1)</sup>	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 <sup>(2)</sup>	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 <sup>(2)</sup>	(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

<sup>(1)</sup> Other includes leased assets such as heavy-duty forklifts, trucks and storage tanks.

<sup>(2)</sup> 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 <sup>(1)</sup>	(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

<sup>(1)</sup> Includes early terminations, reclassifications and other adjustments.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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
<b>Total undiscounted lease liabilities</b>	<b>\$ 262,903</b>	<b>\$ 218,005</b>

### (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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
	<b>\$ 17,677</b>	<b>\$ 18,870</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 19. INTANGIBLE ASSETS:

Chemtrade's intangible assets and goodwill are as follows:

	Goodwill	Customer Relationships	Other	Total
<b>Cost</b>				
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
<b>Accumulated Amortization</b>				
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)
<b>Net carrying amount</b>				
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).

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
	<b>\$ 345,494</b>	<b>\$ 327,448</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 21. PROVISIONS:

	Environmental and Decommissioning liability	Legal Provision	Total
Balance at January 1, 2024	\$ 142,446	\$ 31,520	\$ 173,966
Adjustments included in PPE <sup>(1)</sup>	(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 <sup>(1)</sup>	(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

<sup>(1)</sup> 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 22. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES:

Changes in convertible unsecured subordinated debentures are as follows:

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

<sup>(1)</sup> 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.

<sup>(2)</sup> 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 23. LONG-TERM DEBT:

Changes in long-term debt are as follows:

Maturity	Revolving credit <sup>(1)(2)</sup>		Non-Convertible Debentures <sup>(3)</sup>	2029 Notes <sup>(4)</sup>	2032 Notes <sup>(4)</sup>	Embedded Derivative Asset <sup>(4)</sup>	Transaction costs <sup>(4)(5)</sup>	Total
	Denomination Currency							
	US\$	Cdn\$						
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 <sup>(4)</sup>	—	—	—	250,000	—	—	—	250,000
Redemption option derivative asset <sup>(4)</sup>	—	—	—	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 <sup>(4)</sup>	—	—	—	—	—	—	(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 <sup>(4)</sup>	—	—	—	125,000	250,000	—	—	375,000
Redemption option derivative asset <sup>(4)</sup>	—	—	—	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 <sup>(4)</sup>	—	—	—	—	—	—	(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 <sup>(5)</sup>	—	—	—	—	—	—	(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

<sup>(1)</sup> 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 23. LONG-TERM DEBT (continued):

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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).

<sup>(5)</sup> 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
	<b>\$ 33,503</b>	<b>\$ 26,316</b>

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
<b>Components of net periodic benefit cost</b>		
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
<b>Net periodic benefit cost allocation</b>		
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
<b>Other comprehensive income</b>		
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)

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 25. EMPLOYEE BENEFITS (continued):

	2025	2024
<b>Key assumptions</b>		
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
<b>Change in accrued benefit obligation</b>		
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
<b>Change in plan assets</b>		
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
<b>Change in asset ceiling</b>		
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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
<b>Balance – December 31</b>	<b>114,179,394</b>	<b>\$ 1,549,325</b>	<b>119,010,732</b>	<b>\$ 1,629,576</b>

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:

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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)
<b>Balance – December 31</b>	<b>2,059,399</b>	<b>2,262,291</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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)
<b>Balance – December 31</b>	<b>3,728,729</b>	<b>4,015,314</b>

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)	—
<b>Balance – December 31</b>	<b>761,215</b>	<b>828,080</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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) <sup>(1)</sup>	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

<sup>(1)</sup> 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	Liability	Notional Amount	Fair Value Asset	Liability
<b>Derivatives designated in a formal hedging relationship</b>						
Cash-settled unit swaps <sup>(1)</sup>	—	\$ 26,127	\$ —	—	\$ 13,550	\$ —
<b>Derivatives not designated in a formal hedging relationship</b>						
Interest rate swaps <sup>(1)</sup>	US\$ 175,000	1,922	—	US\$ 175,000	7,000	—
Foreign exchange contracts <sup>(1)(2)</sup>	—	2,344	—	—	—	9,317
Redemption option derivative asset <sup>(3)</sup>	—	5,948	—	—	2,207	—
Cash-settled unit swaps <sup>(1)</sup>	—	6,229	—	—	3,773	—
<b>Total</b>		<b>\$ 42,570</b>	<b>\$ —</b>		<b>\$ 26,530</b>	<b>\$ 9,317</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> See below for notional amounts.

<sup>(3)</sup> Redemption option derivative asset is disclosed as net of the proceeds of issuance of the Notes (see note 23).

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
<b>Instruments designated as fair value through profit and loss</b>				
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
<b>Instruments carried at amortized cost</b>				
Notes	—	(642,721)	—	(642,721)
Non-Convertible Debentures	(76,571)	—	—	(76,571)
<b>Instruments designated as fair value through other comprehensive income</b>				
Cash-settled unit swaps	—	26,127	—	26,127
<b>Total</b>	<b>\$ (107,531)</b>	<b>\$ (600,151)</b>	<b>\$ —</b>	<b>\$ (707,682)</b>

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 29. FINANCIAL INSTRUMENTS (continued):

2024	Level 1	Level 2	Level 3	Total
<b>Instruments designated as fair value through profit and loss</b>				
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
<b>Instruments carried at amortized cost</b>				
Senior unsecured notes	—	(255,944)	—	(255,944)
<b>Instruments designated as fair value through other comprehensive income</b>				
Cash-settled unit swaps	—	13,550	—	13,550
<b>Total</b>	<b>\$ (356,596)</b>	<b>\$ (238,731)</b>	<b>\$ —</b>	<b>\$ (595,327)</b>

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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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:

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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	—	—
<b>Total</b>	<b>\$ 1,551,082</b>	<b>\$ 1,908,989</b>	<b>\$ 479,021</b>	<b>\$ 329,558</b>	<b>\$ 792,139</b>	<b>\$ 308,271</b>

### (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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

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

<sup>(1)</sup> Principal outstanding amount, see notes 22 and 23.

<sup>(2)</sup> Presented as current liabilities in the Consolidated Statements of Financial Position.

<sup>(3)</sup> LTM Adjusted EBITDA represents the last twelve months Adjusted EBITDA.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

## 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
	<b>\$ 34,330</b>	<b>\$ 27,170</b>

### *Investment in a Joint Venture*

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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.....	70
(b) Segment reporting.....	71
(c) Revenue recognition.....	71
(d) Income tax.....	71
(e) Inventories.....	72
(f) Property, plant and equipment.....	72
(g) Leases.....	73
(h) Intangible assets.....	74
(i) Impairment.....	75
(j) Provisions.....	77
(k) Employee benefits.....	78
(l) Financial Instruments.....	80
(m) Standards and interpretations adopted during the year.....	83
(n) Standards and interpretations not yet adopted.....	83

### (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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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:

<i>Forecast Operating Margins and Maintenance and Other Capital Expenditures</i>	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.
<i>Terminal Growth Rates</i>	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.
<i>Discount rates</i>	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.

---

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 32. MATERIAL ACCOUNTING POLICIES (continued):

The following is a description of various provisions:

<i>Environmental and Decommissioning liabilities</i>	<p>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.</p> <p>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.</p>
<i>Legal provisions</i>	<p>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.</p>

---

### (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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

### (II) 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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).

# CHEMTRADE LOGISTICS INCOME FUND

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

Year ended December 31, 2025 and 2024

---

## 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.