

## **ROHIT BHARDWAJ, CHIEF FINANCIAL OFFICER**

Hello and thank you for listening to Chemtrade Logistics Income Fund's prepared remarks for the first quarter of 2026. Additionally, on May 12, 2026, we will hold a live question-and-answer call, which will be available via webcast and accessible on our investor relations website. We appreciate your continued interest and participation.

Please note that this earnings update has an accompanying slide deck, which you may reference during our prepared remarks and Q&A. This slide deck is available on our website, [chemtradelogistics.com](http://chemtradelogistics.com)

The update will include a recap of our first quarter 2026 financial results, segment performance, capital allocation and financial position, as well as the outlook for the balance of the year. Following my remarks, Scott will provide additional commentary on the outlook for our operating segments, key products, and growth initiatives.

Before we begin, I would like to remind listeners of forward-looking statements, which are based on current expectations and are subject to a number of risks and uncertainties. Actual results may differ materially from those expressed or implied by our comments. Additional information identifying these risks, uncertainties, and assumptions can be found in our disclosure documents filed on SEDAR+. We will also refer to Adjusted EBITDA throughout this call, which we will simply call EBITDA in our prepared remarks.

Looking at our overall results.

The first quarter of 2026 saw positive contributions from the acquisition of Polytec alongside merchant acid, Regen acid, and sulphur products. However, lower year-over-year prices and volumes of chlor-alkali products and sodium chlorate, as well as higher input costs in water products, more than offset the EBITDA gains. Additionally, the strengthening of the Canadian dollar relative to the U.S. dollar, negatively affected revenue and EBITDA by approximately \$18 and \$6 million, respectively.

First quarter revenue increased by 8% while EBITDA was lower by 6% primarily due to lower prices and volumes for products in the EC segment. Adjusting for foreign exchange, revenue increased by 12% and EBITDA was similar to last year.

Distributable Cash after Maintenance Capex of \$0.36 per unit was approximately 18 cents lower year-over-year reflecting the change in EBITDA and higher maintenance capex, partially offset by the lower number of units. The distribution payout ratio of 38% for the last twelve months highlights the sustainability of Chemtrade's distributions and the flexibility of our capital allocation options.

Turning now to our segments' performance. I will begin with ASP, the Acid & Sulphur Products segment.

ASP was a key contributor to our first quarter performance with revenue and EBITDA increasing by 22% and 16% after excluding the impact of foreign exchange.

Revenues were driven by higher selling prices for merchant acid and sulphur products, and higher prices and volumes for Regen acid. Increases in the sulphur index were the main contributor to the higher selling prices, which more than offset the higher sulphur input costs.

While sulphur prices remain elevated relative to historical averages, we have successfully managed these increases through a combination of pass-through actions and operational discipline.

Turning to WS, our Water Solutions segment, which also delivered positive results despite higher input costs in a seasonally low quarter.

To help with the modelling of this new segment, note that demand for water products is seasonal. The third quarter traditionally has the seasonally highest demand, followed by the more balanced second quarter. The first and fourth quarters are seasonally low ones. The two middle quarters account for approximately 55% of the annual demand.

Excluding foreign exchange, WS Revenue and EBITDA increased by 33% and 18%, respectively largely due to the acquisition of Polytec. Higher selling prices for other products were able to offset higher input costs that were primarily related to the cost of sulphur.

As a reminder, we renew WS contracts on an ongoing basis, which provides opportunities to recoup higher input costs particularly as sulphur prices have continued to remain elevated.

WS is a central pillar of our long-term growth strategy, supported by strong secular demand drivers and attractive returns on capital.

Turning to the Electrochemicals segment, where results were below those achieved in the first quarter of the prior year. This was mainly due to lower prices and netbacks for chlor-alkali products as the relevant Northeast Asia Caustic Index declined approximately 14% year-over-year. Lower volumes across EC and slightly lower sodium chlorate prices also contributed to the results. As a reminder, prices for chlor-alkali products declined during 2025. Thus, the first half of 2026 has difficult comparables.

On a MECU basis, netbacks decreased by approximately \$290 with approximately 70% of the decline tied to hydrochloric acid and chlorine.

Excluding foreign exchange, EC Revenue was 10% lower while EBITDA 14% lower compared to the first quarter of 2025.

Scott will discuss the outlook for key products in more detail but it is worth noting that, generally, a higher price energy environment is positive for EC products. Lastly, our North

Vancouver chlor-alkali facility successfully completed its biennial turnaround during the second quarter.

Corporate costs in the first quarter were slightly lower year-over-year at \$26 million versus \$28 million in Q1 2025. The year-over-year decrease is primarily due to lower realized FX losses partially offset by higher long-term incentive compensation.

From a capital allocation perspective, we continue to execute a disciplined and balanced approach of distributions, unit buybacks, and growth investments.

During the first quarter, Chemtrade generated \$40 million of distributable cash, comfortably covering the monthly distribution and providing cash to support the ongoing and balanced return of capital to unitholders. We were active on our NCIB acquiring approximately 2.3 million units through March and approximately 2.6 million units on a year-to-date basis.

Our balance sheet remains robust, with leverage of 2.5x and liquidity of over \$415 million at the end of the quarter, available to fund high-return organic growth opportunities. We also remain receptive to attractive opportunities to further optimize our capital structure and fixed-rate debt.

Looking ahead to the balance of 2026.

Due to geopolitical events and the high-price energy environment, prices for several key products that Chemtrade manufactures or uses as key inputs have seen both price increases and volatility in the last several weeks.

While this volatility makes forecasting results for the remainder of 2026 challenging, Chemtrade is maintaining its 2026 Adjusted EBITDA guidance unchanged and reiterates a range of \$485.0 to \$525.0 million. Achieving the midpoint of this range would represent a near record level of EBITDA for Chemtrade.

With that, I will now turn it over to Scott to provide an update on operational performance, outlook for key products, and strategic initiatives.

**SCOTT ROOK, PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Thank you, Rohit.

As the first quarter results demonstrate, our performance continues to reflect the strength of our diversified portfolio and the disciplined execution of our strategy. Over the past several years, we have made significant progress strengthening operations, improving reliability, and enhancing our ability to consistently generate strong cash flow.

These achievements have also built a solid foundation for Chemtrade to continue executing towards its goal of achieving mid-cycle EBITDA of \$550 million to \$600 million by 2030 through 5%-10% average annual growth in EBITDA and Distributable Cash. Importantly, our focus is not only on growth, but on improving the quality, durability, and resilience of our earnings over time.

As Chemtrade continues to deliver towards Vision 2030, we will provide an updated outlook once we have more clarity on the North American trade negotiations and the long-term directionality of key products following current geopolitical events.

I would also like to recognize our employees across Canada, the United States, and Brazil whose dedication and focus enable the execution of our strategic vision.

Looking more closely at our segments, we expect ASP to remain overall highly cash generative despite significant price increases for sulphur, a key raw material.

Demand for regen acid continues to be supported by steady refinery activity, and our merchant acid business benefits from contractual structures that help mitigate volatility of input costs. Our disciplined operational and commercial approach provides earnings stability and growth.

Also, note that 2026 is expected to be maintenance heavy for acid assets particularly in the second half.

In Ultrapure Acid, we continue to make progress and are well on-track to achieve our commercial targets. I will provide more colour in our growth outlook.

Within Water Solutions, we continue to see momentum and view this segment as a key driver of future growth. Demand remains robust across both municipal and industrial markets, reflecting the essential nature of water treatment and tightening regulatory regulations.

In addition, our expanding portfolio of specialty products and services is allowing us to strategically move further up the value chain enabling a stronger competitive position over time.

However, raw material costs, particularly due to higher sulphur prices, have impacted margins during the seasonally low first quarter. As sulphur prices have risen further in the

second quarter and remain elevated, their impact is expected to continue into the second quarter. However, we renew our contracts on a rolling basis and expect to capture these high input costs over the next 4-6 quarters.

Recent acquisitions are performing well: Thatcher Group volumes are now incorporated into our network, and the Polytec integration is progressing smoothly and in line with expectations. We are also seeing incremental benefits including stronger customer relationships and cross-selling opportunities.

There are multiple opportunities to grow the Water Solutions platform through both ongoing organic growth investments and targeted acquisitions in coming years.

In the Electrochemicals segment, market conditions were initially mixed but became more supportive towards the end of the first quarter due to the high-price energy environment.

While prices for caustic soda have been volatile into the second quarter, they have on average remained above early 2026 levels. Due to this volatility, our updated caustic soda pricing assumption for the remainder of 2026 reflects an index level of roughly US\$415 per tonne, which is approximately US\$20 per tonne lower compared to last year. However, industry forecasts on caustic soda contract pricing in Taiwan point to significant improvements in late 2026 and proceeding into 2029 providing a positive long-term view.

Turning to our other chlor-alkali products. Demand for merchant chlorine has increased ahead of seasonally higher demand with prices stable to moderating.

Hydrochloric acid is seeing stronger demand and tighter supply from geopolitical events while the Canadian oil & gas outlook remains steady to positive on expectations of new pipelines and Asian demand. Additionally, due to elevated sulphur prices, industry expectations point to potentially higher demand for hydrochloric acid that can be used as a substitute for sulphuric acid in mining and steelmaking industries.

We now expect slightly higher volumes for sodium chlorate primarily due to higher demand from our customers. Although demand is tied to pulp and paper industry volumes and curtailments, our low-cost production footprint enables a supportive outlook particularly in the current high-price energy environment.

Turning now to our North Vancouver facility where the biennial turnaround was successfully completed during the second quarter. As previously disclosed, we experienced a setback with the rezoning application that would have enabled safety upgrades and continued liquid chlorine production beyond 2030. Subsequent to this decision, the District of North Vancouver announced that the Mayor would bring forward a notice of reconsideration for Chemtrade's rezoning application. If the reconsideration is adopted, there could be a new public hearing. Chemtrade would aim to address certain Council concerns while securing continued liquid chlorine production.

We remain laser focused and continue to engage with multiple stakeholders and partners on the best path to secure continued liquid chlorine operations and uninterrupted municipal water safety in Western Canada.

Organic growth remains an important pillar of our strategy and we continued to invest during the first quarter with approximately \$6 million versus a plan for \$35-\$55 million for 2026.

As discussed in prior updates, our 2026 organic growth investments will be primarily directed towards strategic projects in Water Solutions and are well-aligned with its secular demand growth.

Specifically, we're expanding capacity for a number of products as we continue to see strong demand in both municipal and industrial markets. While many of these projects are modest in scale individually, they collectively represent meaningful earnings potential.

A notable example is our new specialty chemical line in Augusta, Georgia, where permitting, construction, and commissioning has wrapped up and we have begun manufacturing a novel line of products to better service the needs of our customers. We expect these products to contribute to incremental growth in coming quarters.

In Ultrapure Acid, as discussed, the bulk of investments in both Cairo, OH and Tulsa, OK is now complete. We continue to make commercial progress with two of the four largest semiconductor manufacturers and are in the process of product qualification with two others. Commercial ramp-up is expected throughout the remainder of this year.

In addition to organic growth, we remain active in evaluating strategic acquisitions opportunities that add to our existing capabilities or enhance our market position. Although 2026 priorities are focused on organic initiatives and the integration of acquisitions, our pipeline of inorganic opportunities continues to be on water-focused acquisitions that offer strong strategic fit, clear synergies, and attractive returns.

As a reminder, all of the products that Chemtrade exports to the U.S. from Canada are CUSMA compliant and, to-date, we have not seen material direct impact from incremental tariffs.

We continue to monitor these developments closely and will reassess in the event of material changes. We are optimistic that we will be able to work with our customers and suppliers to manage additional costs, if necessary. Additionally, we highlight the significant cost advantage of our export products.

In conclusion, Chemtrade is on a solid footing and has multiple growth opportunities, enabled by a diversified and solid cash flow base. We are actively addressing the chlor-alkali plant rezoning to ensure uninterrupted production of products that are crucial to the water safety of millions of Canadians.

**Chemtrade Logistics Income Fund (TSX: CHE.UN; OTCQX: CGIFF)**

**Q1 2026 Prepared Remarks**

**May 11, 2026**

Our focus remains on operational execution, disciplined capital allocation, growth, and returning capital to our unitholders through distributions and unit buybacks.

Thank you all for your continued support and interest in Chemtrade.