Sucro Announces Second Quarter 2024 Results

Delivers continued top line revenue and volume growth, including record results for quarterly refinery volumes and gross margins

CORAL GABLES, Fla. (August 29, 2024) - Sucro Limited (TSXV: SUGR / OTCQB: SUGRF) ("Sucro" or the "Company"), an integrated sugar refiner focused primarily on serving North American sugar markets, today announced financial results for the three and six months ended June 30, 2024. All amounts are in United States dollars ("U.S. $" or "$") unless otherwise noted.

Financial Highlights for the Second Quarter of 2024

- Revenue of $137.7 million on sugar deliveries of 131,086 metric tons, increases over 2023 levels of 16.6% and 13.4%, respectively
- Adjusted gross profit[1] of $14.2 million and adjusted gross profit margin[1] percentage of 10.3%
- EBITDA[1] of $13.7 million and Adjusted EBITDA[1] of $8.3 million
- Adjusted gross profit per metric ton delivered[1,2] of $108.45
- For our refineries, Q2 volumes of 58,613 metric tons, and Adjusted gross profit[1] of $9.3 million, a new quarterly record for both measures
- Completed $31.3 million of debt financings for our new refinery in Hamilton, Ontario.

Q2 2024 Highlights (unaudited)	**Three Months Ended June 30**			**Six Months Ended June 30**		
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**	***Change***	**2024**	**2023**	***Change***
Sugar Deliveries (Metric Tons)	**131,086**	115,606	*13.4%*	**313,951**	258,652	*21.4%*
Revenue	**$137,710**	$118,147	*16.6%*	**$322,035**	$243,233	*32.4%*
Gross profit	**20,281**	33,528	*-39.5%*	**57,388**	58,987	*-2.7%*
Adjusted gross profit[1]	**14,216**	16,104	*-11.7%*	**30,195**	26,548	*13.7%*
Adjusted gross profit margin[1]	**10.3%**	13.6%		**9.4%**	10.9%	
EBITDA[1]	**13,656**	28,511	*-52.1%*	**44,700**	48,267	*-7.4%*
Adjusted EBITDA[1]	**8,287**	11,807	*-29.8%*	**18,757**	16,529	*13.5%*
Adjusted EBITDA Margin[1]	**9.92%**	24.13%		**5.82%**	6.80%	
Net Income (Loss)	**3,959**	16,874	*-76.5%*	**23,698**	28,372	*-16.5%*
Per share (basic)	**0.57**	2.31	*-75.4%*	**3.43**	3.90	*-12.0%*
Per share (diluted)	**0.17**	0.77	*-78.1%*	**1.01**	1.29	*-22.2%*
Adjusted gross profit per metric ton delivered[1,2]	**108.45**	139.30	*-22.1%*	**96.18**	102.64	*-6.3%*
Free cash flow[1]	**2,173**	4,787		**7,177**	3,264	
Refineries Results:						
Refineries Volume (Metric Tons)	**58,613**	48,488	*20.9%*	**105,367**	88,963	*18.4%*
Adjusted gross profit[1]	**$9,320**	$6,736	*38.4%*	**$16,060**	$10,956	*46.6%*
Adjusted gross profit per metric ton delivered[1]	**159.00**	138.91	*14.5%*	**152.42**	123.16	*23.8%*

1. This is not a standardized financial measure under IFRS and may not be comparable to similar financial measures of other issuers. Please refer to "Non-IFRS and Other Financial Measures (Key Performance Indicators)" in Sucro's Q2 2024 MD&A for further details which are incorporated by reference herein and available for viewing and download on SEDAR+ at www.sedarplus.ca.

2. Net of cash settlements.

"The early part of the second quarter was a challenge due to delayed capacity expansion installations in our Lackawanna refinery, which was expected and highlighted last quarter." noted Jonathan Taylor, Founder and Chief Executive Officer of Sucro. "The delay also impacted the early part of the second quarter, although we finished the quarter very strongly, and are well positioned for a strong second half of 2024. Notwithstanding those earlier delays, the second quarter results delivered record refineries volume output of 58,613 metric tons and a record adjusted gross profit of $9.3 million, Our refinery teams have worked diligently on the continued commissioning of our refineries, and we are excited about the second half outlook, and the ongoing production improvements we are achieving"

Taylor further commented "Alongside our efforts to continually improve the output of our Lackawanna and Hamilton facilities, we continue to be focused on executing our refinery expansion projects in both Hamilton and Chicago. The Hamilton refinery construction is on schedule and already visible with much of the refinery building already erected, and most major pieces of refining equipment already delivered to the site."

Results from Operations - Three Months Ended June 30, 2024

Q2 2024 Highlights (unaudited)	**Three Months Ended June 30**	
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**
Sugar Deliveries (Metric Tons)	**131,086**	115,606
Revenue	**$137,710**	$118,147
Gross Profit	**20,281**	33,528
Adjusted gross profit[2]	**14,216**	16,104
Adjusted gross profit margin[2]	**10.3%**	13.6%
Income From Operations	**11,189**	27,089
Income Before Income Taxes	**5,285**	21,779
Net Income	**3,959**	16,874
Net Income per share - basic[1]	**0.57**	2.31
Net Income per share - diluted[1]	**0.17**	0.77
EBITDA[2]	**13,656**	28,511
Adjusted EBITDA[2]	**8,287**	11,807
Adjusted EBITDA Margin[2]	**9.9%**	24.1%
Return on equity (TTM)[2]	**10.8%**	48.5%
Adjusted gross profit per metric ton delivered (net of cash settlements)	**108.45**	139.30
Free cash flow[2]	**2,173**	4,787
Refineries Results		
Refineries Volume (Metric Tons)	**58,613**	48,488
Adjusted Gross Profit[2]	**$9,320**	$6,736
Adjusted Gross Profit per MT[2]	**159.00**	138.91

1. Per share figures for periods prior to Dec. 31, 2023, are adjusted for the Reorganization. Basic calculation counts each PVS as one share.

2. This is not a standardized financial measure under IFRS and may not be comparable to similar financial measures of other issuers. Please refer to "Non-IFRS and Other Financial Measures (Key Performance Indicators")" in Sucro's Q2 2024 MD&A for further details which is incorporated by reference herein and available for viewing and download on SEDAR+ at www.sedarplus.ca.

For the three months ended June 30, 2024, customer deliveries increased by 13.4% compared with the three months ended June 30, 2023, from 115,606 MTs in 2023 to 131,086 MTs in 2024, primarily due to an increase in volumes shipped from our Lackawanna and Hamilton refineries.

Adjusted EBITDA was $8.3 million for the three months ended June 30, 2024, compared with $11.8 million for the corresponding 2023 period, a 29.8% decrease, mainly as a result of lower Adjusted Gross Profit ($14.2 million for the three months ended June 30, 2024, compared with $16.1 million for the corresponding 2023 period) and higher selling, general and administrative expenses, which increased in line with management's expectations to support our growing operations. The decrease in Adjusted Gross Profit was driven by lower margins in our operations in the Caribbean, Mexico and World Market Operations, which were partially offset by increases in volume (a 20.9% increase) and margin ($20.09 per MT increase in Adjusted Gross Profit per MT) in our U.S. and Canada refining operations. As our refining operations grow relative to the size of our overall sales book, we expect margins to continue improving. Likewise, EBITDA was $13.7 million for the three months ended June 30, 2024, compared with $28.5 million for the corresponding 2023 period, a 52.1% decrease driven primarily by lower unrealized mark-to-market gains on physical sugar contracts and, to a lesser extent, by lower Adjusted Gross Profit and higher selling, general and administrative expenses.

Net income for the three months ended June 30, 2024, amounted to $4.0 million, a decrease of $12.9 million when compared to net income of $16.9 million for the three months ended June 30, 2023. This decrease was driven primarily by lower unrealized mark-to-market gains on physical sugar contracts and, to a lesser extent, lower Adjusted Gross Profit, higher selling, general and administrative expenses, and higher interest expense relating primarily to an increased average balance of our revolving working capital credit facility to support our growing operations.

Revenue for the three months ended June 30, 2024, increased by 16.6%, to $137.7 million, from $118.2 million for the three months ended June 30, 2023. This increase was mainly driven by higher refined sugar volumes shipping from our refineries in Hamilton and Lackawanna, as well as higher average sugar prices during the three months ended June 30, 2024, compared with the corresponding period in 2023, due to market conditions.

The composition of the Company's revenue for the three months ended June 30, 2024, and 2023, was as follows:

Q2 2024 Highlights (unaudited)	**Three Months Ended June 30**	
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**
Tolling	$ 116	$ 416
Warehousing	71	292
Commodity	138,304	121,005
Futures and options results	(781)	(3,566)
Total revenue	**$ 137,710**	**$ 118,147**

During the three months ended June 30, 2024, the Company's futures and options losses were $0.8 million, compared with a $3.6 million loss for the corresponding 2023 period. These losses are driven by market conditions and relate to our physical hedging transactions for the Sugar 11 Contract.[1] For the same periods, tolling and warehousing revenues declined by $0.3 million (72.1%) and $0.2 million (75.7%), respectively, as we continue to decrease third party operations at our Chicago facility to focus on internal volumes and operations.

The composition of cost of sales for the Company for the three months ended June 30, 2024, and 2023, was as follows:

[1] Sugar 11 Contract is the world benchmark contract for raw sugar trading.

Q2 2024 Highlights (unaudited)	Three Months Ended June 30	
In 000s of U.S. $ except per share and volume metrics.	2024	2023
Purchases	$ 92,323	$ 74,218
Production and processing	10,113	8,009
Logistics/ freight	12,967	15,585
Labor	2,370	2,125
Overheads	3,225	2,264
Foreign exchange loss	87	632
Depreciation on plant and equipment	909	805
Depreciation on right-of-use plant and equipment	85	76
Mark to market unrealized positions	(4,650)	(19,095)
Total cost of sales	**$ 117,429**	**$ 84,619**

Cost of sales increased by $32.8 million (38.8%) from $84.6 million for the three months ended June 30, 2023, to $117.4 million for the three months ended June 30, 2024. The main drivers for this increase were an $18.1 million, or 24.4%, increase in cost of purchases and a $14.4 million, or 75.6%, decrease in mark-to-market unrealized gains. The increase in cost of purchases was driven by higher average market prices of sugar sold during the period, as well as by higher volume sold.

Q2 2024 Highlights (unaudited)	Three Months Ended June 30	
In 000s of U.S. $ except per share and volume metrics.	2024	2023
Mark-to-market gains (losses) on commodity forward contracts	$ (11,513)	$ 20,122
Mark-to-market gains (losses) on inventory	16,263	(3,315)
Mark-to-market gains (losses) on futures contracts	(495)	2,308
Mark-to-market gains (losses) on foreign currency forwards	395	(20)
Total	**$ 4,650**	**$ 19,095**

Mark-to-market gains on inventory and, to a lesser extent, foreign currency forward contracts, drove the $4.6 million gains on unrealized mark-to-market positions for the three months ended June 30, 2024 (compared with $19.1 million for the same period in 2023). Unrealized mark-to-market (non-cash) losses on forward sugar contracts for the three months ended June 30, 2024, was $11.5 million ($20.1 million gain in 2023). This result was primarily driven by a decrease in booked forward contracts as of June 30, 2024, compared to a year earlier (in particular, for our Caribbean and Mexican wholesale operations). During the three months ended June 30, 2024, the Company had net unrealized mark-to-market gains on inventory of $16.3 million compared with a $3.3 million loss in 2023, a $19.6 million or 590.6% increase driven primarily by an increase in market prices, especially in organic sugar.

During the three months ended June 30, 2024, the Company had unrealized losses of $0.5 million and a gain of $0.4 million on sugar futures contracts and foreign currency forwards, respectively (2023 - $2.3 million gain, and $0.0 million loss, respectively). These losses relate to hedging of Sugar 11 and Sugar 16 Contracts and the gains relate to Mexican Peso positions on our inventory, forward contracts, and accounts receivable.

The composition of selling, general and administrative expenses for the three months ended June 30, 2024, and 2023, was as follows:

Q2 2024 Highlights (unaudited)	**Three Months Ended June 30**	
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**
Administrative expenses	$ 5,994	$ 3,967
Selling and distribution expenses	(62)	608
Other operating expenses	1,855	583
Depreciation	388	331
Depreciation of right-of-use assets	157	134
Equity-based compensation	760	(772)
Equity-based settlement expense	-	1,588
Total Selling, General and Administrative Expenses	**$ 9,092**	**$ 6,439**
Total Selling, General and Administrative Expenses / Revenue	**6.60%**	**5.45%**

The Company's selling, general and administrative expenses amounted to $9.1 million for the three months ended June 30, 2024, an increase of $2.7 million (41.2%) when compared to expenses of $6.4 million for the three months ended June 30, 2023.

Administrative expenses, which include staff payroll, benefits and pension costs, professional fees, insurance, bank service charges and other office expenses were $6.0 million for the three months ended June 30, 2024, an increase of $2.0 million (51.1%) from $4.0 million for the three months ended June 30, 2023. The most significant driver for this increase was professional fees associated with our ongoing reporting, legal and compliance obligations as a public company.

During the three months ended June 30, 2024, the Company saw a decrease in its selling and distribution expenses of $0.7 million, or 110.2%, from $0.6 million incurred during the three months ended June 30, 2023, to $0.0 million in the three months ended June 30, 2024, as a result of period-end adjustments of accrued commissions based on actual contract performance.

During the three months ended June 30, 2024, the Company saw an increase in equity-based compensation expense of $1.5 million, or 198.4%, as it recognized vesting of restricted stock, restricted stock units ("RSUs") and stock options that were not outstanding as of June 30, 2023.

During the three months ended June 30, 2024, other operating expenses, including travel, business taxes and licenses, bad debts, outside labor and IT expenses, amounted to $1.9 million, an increase of $1.2 million (218.2%) when compared to expenses of $0.6 million for the three months ended June 30, 2023. This increase was mainly driven by outside labor related to the facilities required to support our operations.

Results from Operations - Six Months Ended June 30, 2024

Q2 2024 Highlights (unaudited)	**Six Months Ended June 30**	
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**
Sugar Deliveries (Metric Tons)	**313,951**	258,652
Revenue	**$322,035**	$243,233
Gross Profit	**57,388**	58,987
Adjusted gross profit[2]	**30,195**	26,548
Adjusted gross profit margin[2]	**9.4%**	10.9%
Income From Operations	**40,768**	45,229
Income Before Income Taxes	**29,936**	36,497
Net Income	**23,698**	28,372
Net Income per share - basic[1]	**3.43**	3.90
Net Income per share - diluted[1]	**1.01**	1.29
EBITDA[2]	**44,700**	48,267
Adjusted EBITDA[2]	**18,757**	16,529
Adjusted EBITDA Margin[2]	**5.8%**	6.8%
Return on equity (TTM)[2]	**10.8%**	48.5%
Adjusted gross profit per metric ton delivered (net of cash settlements)	**96.18**	102.64
Free cash flow[2]	**7,177**	3,264
Refineries Results		
Refineries Volume (Metric Tons)	**105,367**	88,963
Adjusted Gross Profit[2]	**$16,060**	$10,956
Adjusted Gross Profit per MT[2]	**152.42**	123.16

1. Per share figures for periods prior to Dec. 31, 2023, are adjusted for the Reorganization. Basic calculation counts each PVS as one share.

2. This is not a standardized financial measure under IFRS and may not be comparable to similar financial measures of other issuers. Please refer to "Non-IFRS and Other Financial Measures (Key Performance Indicators")" in Sucro's Q2 2024 MD&A for further details which is incorporated by reference herein and available for viewing and download on SEDAR+ at www.sedarplus.ca.

For the six months ended June 30, 2024, customer deliveries increased by 21.4% compared with the six months ended June 30, 2023, from 258,652 MTs in 2023 to 313,951 MTs in 2024, primarily due to an increase in CIF (cost, insurance, and freight) world market white sugar volumes sold to Latin American destinations and additional volumes shipped from our Lackawanna and Hamilton refineries.

Adjusted EBITDA was $18.8 million for the six months ended June 30, 2024, compared with $16.5 million for the corresponding 2023 period, a 13.5% increase, mainly as a result of higher Adjusted Gross Profit ($30.2 million for the six months ended June 30, 2024, compared with $26.5 million for the corresponding 2023 period). The increase in Adjusted Gross Profit was in turn driven by higher volumes (18.4% increase) and margins ($29.26 per MT increase) in our U.S. and Canada refining operations. As our refining operations in Lackawanna grow relative to the size of our overall sales book, we expect margins to continue improving. Likewise, EBITDA was $44.7 million for the six months ended June 30, 2024, compared with $48.3 million for the corresponding 2023 period, a 7.4% decrease driven mainly by lower unrealized mark-to-market gains on physical sugar contracts.

Net income for the six months ended June 30, 2024, amounted to $23.7 million, a decrease of $4.6 million when compared to net income of $28.4 million for the six months ended June 30, 2023. This decrease was driven primarily by lower unrealized mark-to-market gains on physical sugar contracts and higher interest expense relating primarily to an increased average usage of our revolving working capital credit facility to support our growing operations.

Revenue for the six months ended June 30, 2024, increased by 32.4%, to $322.0 million, from $243.2 million for the six months ended June 30, 2023. This increase was mainly driven by higher sales volume (discussed above) and higher average sugar prices during the six months ended June 30, 2024, compared with the corresponding period in 2023, due to market conditions.

The composition of the Company's revenue for the six months ended June 30, 2024, and 2023, was as follows:

Q2 2024 Highlights (unaudited)	**Six Months Ended June 30**	
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**
Tolling	$ 301	$ 921
Warehousing	153	609
Commodity	322,842	245,208
Futures and options results	(1,261)	(3,505)
Total revenue	**$ 322,035**	**$ 243,233**

During the six months ended June 30, 2024, the Company's futures and options losses were $1.3 million, compared with a $3.5 million loss for the corresponding 2023 period. These losses are driven by market conditions and relate to our physical hedging transactions for the Sugar 11 Contract. For the same periods, tolling and warehousing revenues declined by $0.6 million (67.3%) and $0.4 million (74.9%), respectively, as we continue to decrease third party operations at our Chicago facility to focus on internal volumes and operations.

The composition of cost of sales for the Company for the six months ended June 30, 2024, and 2023, was as follows:

Q2 2024 Highlights (unaudited)	**Six Months Ended June 30**	
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**
Purchases	$ 225,929	$ 153,926
Production and processing	27,068	26,138
Logistics/ freight	24,771	27,486
Labor	4,655	3,472
Overheads	5,414	4,854
Foreign exchange loss	644	757
Depreciation on plant and equipment	1,803	1,550
Depreciation on right-of-use plant and equipment	164	172
Mark to market unrealized positions	(25,801)	(34,109)
Total cost of sales	**$ 264,647**	**$ 184,246**

Cost of sales increased by $80.4 million (43.6%) from $184.2 million for the six months ended June 30, 2023, to $264.6 million for the six months ended June 30, 2024. The main drivers for this increase were a $72.0 million, or 46.8%, increase in cost of purchases and an $8.3 million, or 24.4%, decrease in mark-to-market unrealized gains. The increase in cost of purchases was driven by higher average market prices of sugar sold during the period, as well as by higher volume sold.

Q2 2024 Highlights (unaudited)	**Six Months Ended June 30**	
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**
Mark-to-market gains (losses) on commodity forward contracts	$ 9,417	$ 28,383
Mark-to-market gains (losses) on inventory	11,412	2,064
Mark-to-market gains (losses) on futures contracts	3,595	3,687
Mark-to-market gains (losses) on foreign currency forwards	1,377	(25)
Total	**$ 25,801**	**$ 34,109**

Mark-to-market gains on sugar forward contracts and, to a lesser extent, sugar inventory, drove the $25.8 million gains on unrealized mark-to-market positions for the six months ended June 30, 2024 (compared with $34.1 million for the same period in 2023). Unrealized mark-to-market (non-cash) gains on forward sugar contracts for the six months ended June 30, 2024, was $9.4 million ($28.4 million gain in 2023). This result was primarily driven by decrease in booked forward contracts (in particular Caribbean and Mexican wholesale operations) as of June 30, 2024, compared to a year earlier. During the six months ended June 30, 2024, the Company had net unrealized mark-to-market gains on inventory of $11.4 million, compared with $2.1 million in 2023, a $9.3 million or 452.9% increase driven primarily by an increase in market prices, especially in organic sugar.

During the six months ended June 30, 2024, the Company had unrealized gains of $3.6 million and $1.4 million on sugar futures contracts and foreign currency forwards, respectively (2023 - $3.7 million gain, and $0.0 million loss, respectively). These gains relate to hedging of Sugar 11 and Sugar 16 Contracts and to Mexican Peso positions on our inventory, forward contracts, and accounts receivable.

The composition of selling, general and administrative expenses for the six months ended June 30, 2024, and 2023, was as follows:

Q2 2024 Highlights (unaudited)	**Six Months Ended June 30**	
In 000s of U.S. $ except per share and volume metrics.	**2024**	**2023**
Administrative expenses	$ 11,469	$ 9,121
Selling and distribution expenses	345	1,351
Other operating expenses	2,320	1,380
Depreciation	769	621
Depreciation of right-of-use assets	313	268
Equity-based compensation	1,404	(571)
Equity-based settlement expense	-	1,588
Total Selling, General and Administrative Expenses	**$ 16,620**	**$ 13,758**
Total Selling, General and Administrative Expenses / Revenue	**5.16%**	**5.66%**

The Company's selling, general and administrative expenses amounted to $16.6 million for the six months ended June 30, 2024, an increase of $2.9 million (20.8%) when compared to expenses of $13.8 million for the six months ended June 30, 2023.

Administrative expenses, which include staff payroll, benefits and pension costs, professional fees, insurance, bank service charges and other office expenses were $11.5 million for the six months ended June 30, 2024, an increase of $2.3 million (25.7%) from $9.1 million for the six months ended June 30, 2023. The most significant driver for this increase was professional fees associated with our ongoing reporting, legal and compliance obligations as a public company.

During the six months ended June 30, 2024, the Company saw a decrease in its selling and distribution expenses of $1.0 million, or 74.5%, from $1.4 million incurred during the six months ended June 30, 2023, to $0.3 million in the six months ended June 30, 2024, as a result of period-end adjustments of accrued commissions based on actual contract performance.

During the six months ended June 30, 2024, other operating expenses, including travel, business taxes and licenses, bad debts, outside labor and IT expenses, amounted to $2.3 million, an increase of $0.9 million (68.1%) when compared to expenses of $1.4 million for the six months ended June 30, 2023. This increase was mainly driven by outside labor related to the facilities required to support the operations.

During the six months ended June 30, 2024, the Company saw an increase in equity-based compensation expense of $2.0 million, or 345.9%, as it recognized vesting of restricted stock, RSUs, and stock options were not outstanding as of June 30, 2023.

Q2 2024 Investor Call

The Company will host a conference call on Thursday, August 29, 2024, at 4:00 pm Eastern time during which Jonathan Taylor, Founder and Chief Executive Officer, and Stefano D'Aniello, Chief Financial Officer, will discuss Sucro's financial performance for the second quarter ended June 30, 2024.

Date:	Thursday, August 29, 2024	
Time:	4:00 p.m. ET	
Conference Call:	Toll-Free	(800) 836-8184
	Local (GTA)	(289) 819-1350
	Please dial in at least five minutes before the call begins.	
Replay:	Available through September 12, 2024	
Replay Access:	Toll-Free	(888) 660-6345
	Local (GTA)	(289) 819-1450
	Passcode	86320 #

About Sucro

Sucro is a growth-oriented sugar company that operates throughout the Americas, with a primary focus on serving the North American sugar market. The Company operates a highly integrated and interconnected sugar supply business, utilizing the entire sugar supply chain to service its customers. Sucro's integrated supply chain includes sourcing raw and refined sugar from countries throughout Latin America, and refined sugar from its own refineries, and delivering to customers in North America and the Caribbean. Since its inception in 2014, Sucro has achieved growth by creating value for customers through continuous process innovation and supply chain re-engineering. Sucro has established a broad production, sales, and sourcing network throughout North America with two cane sugar refineries and an additional value-added processing facility. The Company has offices in Miami, Mexico City, Cali, Sao Paulo, and Port of Spain. For more information, visit sucro.us and follow us on LinkedIn.

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Non-IFRS and Other Financial Measures

In this Press Release, reference is made to the following non-IFRS measures: "EBITDA", "EBITDA Margin", "Adjusted EBITDA", "Adjusted EBITDA Margin", "Adjusted Gross Profit", "Adjusted Gross Profit Margin", "Adjusted Gross Profit Per Metric Ton Delivered", "Return on Equity' and "Free Cash Flow". Such non-IFRS financial measures are not standardized financial measures under International Financial Reporting Standards ("IFRS") and might not be comparable to similar financial measures disclosed by other issuers. For details on the composition and a reconciliation between such non-IFRS measures and the most directly comparable financial measure in our financial statements, please refer to the "Non-IFRS and Financial Measures (Key Performance Indicators)" section in our MD&A dated May 30, 2024 and filed on SEDAR+ at www.sedarplus.ca, which is specifically incorporated by reference herein.

Forward-Looking Statements

This Press Release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable Canadian securities laws. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "annualized", "plans", "targets", "expects", "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "pro forma", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

This forward-looking information includes, among other things, statements relating to: our expectation for strong operating results in the second half of 2024 and our expectation for margins to increase as our refining sales increase as a percentage of overall revenue.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions include: revenue; our ability to build our market share; our ability to complete our proposed new refineries on time and on budget and with the anticipated processing capacity; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our expansion plans; our ability to continue investing in infrastructure to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; our ability to respond to any changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management's expectations.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that, while considered to be appropriate and reasonable as of the date of this Press Release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including, but not limited to, our ability to maintain and renew licenses and permits; fluctuations in the price of sugar that we purchase, process and sell; development of new or expansion of our existing refineries may experience cost-overruns and/or delays and actual costs, operational efficiencies, production volumes or economic returns may differ materially from the Company's estimates and variances from expectations; disruptions to our supply chains as a result of outbreaks of illness, geopolitical events or other factors; inflation and rising interest rates; the risk of unhedged trading positions and counterparty defaults; a significant portion of our current credit facility is uncommitted and requests for additional advances may be refused; elimination or significantly reduction of protective duties relating to foreign sugar imports; our limited operating history and our recent growth may not be indicative of our future growth; dependence on management's ability to implement its strategy; risks of early stage companies; competitive risks; our dependence on a small number of key persons; demands of growth on our management and our operational and financial resources; and the other risk factors discussed in greater detail under "Risk Factors" in the Company's annual information form ("AIF") dated April 18, 2024 and filed on SEDAR+ at www.sedarplus.ca, which section of the AIF is specifically incorporated by reference herein.

The above-mentioned factors should not be construed as exhaustive. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information.

Prospective investors should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this Press Release represents our expectations as of the date of this Press Release (or as of the date they are otherwise stated to be made) and is subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws. For additional information, readers should also refer to our AIF and other information filed on www.sedarplus.ca.