



## Sucro Announces Third Quarter 2024 Results

*3<sup>rd</sup> quarter volume growth of 54% in refining operations*

CORAL GABLES, Fla. (November 22, 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 nine months ended September 30, 2024. All amounts are in United States dollars ("U.S. \$" or "\$") unless otherwise noted.

### Financial Highlights for the Third Quarter of 2024

- Revenue of \$171.9 million on sugar deliveries of 181,023 metric tons, increases over Q3 2023 levels of 23.7% and 48.1%, respectively
- Adjusted gross profit<sup>1</sup> of \$14.0 million and adjusted gross profit margin<sup>1</sup> percentage of 8.1%
- EBITDA<sup>1</sup> of \$15.5 million, a 36.6% year-over-year increase and Adjusted EBITDA<sup>1</sup> of \$8.3 million
- Adjusted gross profit per metric ton delivered<sup>1,2</sup> of \$89.23
- For our refineries, Q3 volumes of 57,093 metric tons, reflecting a 54% year-over-year increase

#### Q3 2024 Highlights (unaudited)

*In 000s of U.S. \$ except per share and volume metrics.*

	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2024	2023	2024	2023
Sugar Deliveries (Metric Tons)	181,023	122,243	494,974	380,895
Revenue	\$171,932	\$139,041	\$493,967	\$382,274
Gross Profit	21,967	16,148	79,355	75,135
Adjusted gross profit <sup>2</sup>	13,971	13,103	44,166	39,651
Adjusted gross profit margin <sup>2</sup>	8.1%	9.4%	8.9%	10.4%
Income From Operations	14,691	9,625	55,459	54,854
Income Before Income Taxes	8,226	4,237	38,162	40,734
Net Income	7,438	1,983	31,136	30,355
Net Income per share - basic <sup>1</sup>	1.06	0.27	4.49	4.17
Net Income per share - diluted <sup>1</sup>	0.31	0.09	1.32	1.38
EBITDA <sup>2</sup>	15,455	11,316	60,155	59,583
Adjusted EBITDA <sup>2</sup>	8,315	8,227	27,096	24,755
Adjusted EBITDA Margin <sup>2</sup>	9.0%	8.1%	5.5%	6.5%
Return on equity (TTM) <sup>2</sup>	14.6%	42.2%	14.6%	42.2%
Adjusted gross profit per metric ton delivered (net of cash settlements)	77.18	107.19	89.23	104.10
Free cash flow <sup>2</sup>	1,348	3,491	8,525	6,755
<b>Refineries Results</b>				
Refineries Volume (Metric Tons)	57,093	37,074	162,460	126,037
Adjusted Gross Profit <sup>2</sup>	\$7,917	\$5,804	\$23,978	\$16,760
Adjusted Gross Profit per MT <sup>2</sup>	138.68	156.54	147.59	132.98

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 Q3 2024 MD&A for further details which is incorporated by reference herein and available for viewing and download on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

"Our strong Q3 results are a testament to the success of our refining strategy and the resilience of our integrated supply chain," said Jonathan Taylor, Founder and Chief Executive Officer of Sucro. "Increased refining volumes at our Hamilton and Lackawanna refineries have driven significant revenue growth and operational efficiencies. These achievements underscore our ability to scale production and meet rising customer demand while maintaining profitability."

Taylor added, "As we continue executing on our capacity expansion projects, including our upcoming Hamilton and University Park refineries, we are well-positioned to deliver on our long-term growth plans."

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 has made significant progress and we believe we are well positioned to begin refinery operations on or ahead of schedule. We will provide a further detailed update alongside our year-end results for 2024.

### Results from Operations - Three Months Ended September 30, 2024

Q3 2024 Highlights (unaudited)	Three Months Ended Sep 30	
	2024	2023
<i>In 000s of U.S. \$ except per share and volume metrics.</i>		
Sugar Deliveries (Metric Tons)	181,023	122,243
Revenue	\$171,932	\$139,041
Gross Profit	21,967	16,148
Adjusted gross profit <sup>2</sup>	13,971	13,103
Adjusted gross profit margin <sup>2</sup>	8.1%	9.4%
Income From Operations	14,691	9,625
Income Before Income Taxes	8,226	4,237
Net Income	7,438	1,983
Net Income per share - basic <sup>1</sup>	1.06	0.27
Net Income per share - diluted <sup>1</sup>	0.31	0.09
EBITDA <sup>2</sup>	15,455	11,316
Adjusted EBITDA <sup>2</sup>	8,315	8,227
Adjusted EBITDA Margin <sup>2</sup>	9.0%	8.1%
Return on equity (TTM) <sup>2</sup>	14.6%	42.2%
Adjusted gross profit per metric ton delivered (net of cash settlements)	77.18	107.19
Free cash flow <sup>2</sup>	1,348	3,491
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For the three months ended September 30, 2024, customer deliveries increased by 48% compared with the three months ended September 30, 2023, from 122,243 MTs in 2023 to 181,023 MTs in 2024, primarily due to an increase in our wholesale distribution volumes, but also from the 54% volume increase shipped from our Lackawanna and Hamilton refineries.

Adjusted EBITDA was \$8.3 million for the three months ended September 30, 2024, which was essentially flat compared with \$8.2 million for the corresponding 2023 period, a 1.2% increase. The Adjusted Gross Profit was \$14.0 million, a 6.6% increase from the corresponding 2023 period, driven by a combination of significantly higher wholesale distribution volumes, with particular reference to Mexico and world market shipments) and lower adjusted gross profit margins from the refinery volumes. EBITDA was \$15.5 million for the three months ended September 30, 2024, compared with \$11.3 million for the corresponding 2023 period, a 36.6% increase driven primarily by higher volumes and higher unrealized mark-to-market gains on physical sugar contracts and inventory.

Net income for the three months ended September 30, 2024, amounted to \$7.4 million, an increase of \$5.4 million compared to net income of \$2.0 million for the three months ended September 30, 2023. This increase was driven primarily by higher unrealized mark-to-market gains on physical sugar contracts.

Revenue for the three months ended September 30, 2024, increased by 23.7%, to \$171.9 million, from \$139.0 million for the three months ended September 30, 2023. This increase was mainly driven by a combination of higher wholesale distribution volumes, particularly from Mexico and world sugar sales, higher average sugar prices during the quarter, and higher refined sugar volumes shipped from our refineries in Hamilton and Lackawanna.

### Results from Operations - Nine Months Ended September 30, 2024

#### Q3 2024 Highlights (unaudited)

*In 000s of U.S. \$ except per share and volume metrics.*

	Nine Months Ended Sep 30	
	2024	2023
Sugar Deliveries (Metric Tons)	494,974	380,895
Revenue	\$493,967	\$382,274
Gross Profit	79,355	75,135
Adjusted gross profit <sup>2</sup>	44,166	39,651
Adjusted gross profit margin <sup>2</sup>	8.9%	10.4%
Income From Operations	55,459	54,854
Income Before Income Taxes	38,162	40,734
Net Income	31,136	30,355
Net Income per share - basic <sup>1</sup>	4.49	4.17
Net Income per share - diluted <sup>1</sup>	1.32	1.38
EBITDA <sup>2</sup>	60,155	59,583
Adjusted EBITDA <sup>2</sup>	27,096	24,755
Adjusted EBITDA Margin <sup>2</sup>	5.5%	6.5%
Return on equity (TTM) <sup>2</sup>	14.6%	42.2%
Adjusted gross profit per metric ton delivered (net of cash settlements)	89.23	104.10
Free cash flow <sup>2</sup>	8,525	6,755
<b>Refineries Results</b>		
Refineries Volume (Metric Tons)	162,460	126,037
Adjusted Gross Profit <sup>2</sup>	\$23,978	\$16,760
Adjusted Gross Profit per MT <sup>2</sup>	147.59	132.98

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 Q3 2024 MD&A for further details which is incorporated by reference herein and available for viewing and download on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

For the nine months ended September 30, 2024, customer deliveries increased by 30.0% compared with the nine months ended September 30, 2023, from 380,895 MTs in 2023 to 494,974 MTs in 2024, primarily due to an increase in CIF (cost, insurance, and freight) world market raw sugar volumes sold to Latin American destinations and additional volumes shipped from our Lackawanna and Hamilton refineries.

Adjusted EBITDA was \$27.1 million for the nine months ended September 30, 2024, compared with \$24.8 million for the corresponding 2023 period, a 9.5% increase, mainly because of higher Adjusted Gross Profit (\$44.2 million for the nine months ended September 30, 2024, compared with \$39.7 million for the corresponding 2023 period). The increase in Adjusted Gross Profit was in turn driven by higher volumes (30.0% increase). Likewise, EBITDA was \$60.2 million for the nine months ended September 30, 2024, compared with \$59.6 million for the corresponding 2023 period, a 1.0% increase where higher Adjusted Gross Profit was offset by lower unrealized mark-to-market gains.

Net income for the nine months ended September 30, 2024, amounted to \$31.1 million, an increase of \$0.8 million when compared to net income of \$30.4 million for the nine months ended September 30, 2023. This increase was driven primarily by higher Adjusted Gross Profit, which was offset by higher interest expense relating primarily to increased average usage of our revolving working capital credit facility to support our growing operations.

Revenue for the nine months ended September 30, 2024, increased by 29.22%, to \$494.0 million, from \$382.3 million for the nine months ended September 30, 2023. This increase was mainly driven by higher sales volume.

## **Outlook**

The Company's final prospectus dated October 19, 2023, contained a 2024 full-year Adjusted EBITDA estimate of between \$49.0 million and \$51.0 million. Management is revising its 2024 full-year Adjusted EBITDA estimate to a range of between \$38.0 and \$40.0 million. This is as a result of lower refining volumes at our facilities and higher selling, general, and administrative expenses relating to payroll expenses related to the increase in our administrative headcount to support our growth in size and operation, as well as professional fees associated with our ongoing public company reporting obligations and in pursuing the strategic transaction with Beta San Miguel, S.A. de C.V. announced on November 5, 2024. The final 2024 full-year EBITDA estimate of between \$73.0 million and \$81.0 million is not being revised at this time.

## **Award of Restricted Share Units**

The Board of Directors of the Company has awarded 17,835 restricted share units ("RSUs") to directors as part of their annual retainer under the Company's Omnibus Equity Incentive Plan. These RSU awards occur semi-annually in April and November of each year. The RSUs awarded will vest no earlier than one year from the date of the award.

## **Q3 2024 Investor Call**

The Company will host a conference call on Friday, November 22, 2024, at 12:00 noon 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 third quarter ended September 30, 2024.

Date:	Friday, November 22, 2024
Time:	12:00 noon. 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 December 6, 2024
Replay Access:	Toll-Free (888) 660-6345
	Local (GTA) (289) 819-1450
	Passcode 85338 #

## **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, and two sugar cane refineries under development in Hamilton, Ontario and University Park, Illinois (a suburb of Chicago). The Company has offices in Miami, Mexico City, Cali, Sao Paulo, and Port of Spain. For more information, visit [sucro.us](http://sucro.us) and follow us on [LinkedIn](https://www.linkedin.com/company/sucro).

**For further information:**

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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 November 21, 2024 and filed on SEDAR+ at [www.sedarplus.ca](http://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 expectations for the commencement of operations at our new Hamilton refinery currently under development and execution of our long-term growth plans.

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](http://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](http://www.sedarplus.ca).

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