



***Sucro***

## **Managing the Tariff Risk**



**TSXV: SUGR | OTCQB: SUGRF**

Don Hill, Chairman – Sucro Limited

March 12, 2025

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### Market and Industry Data

Market and industry data presented throughout this Presentation was obtained from third-party sources, industry reports and publications, and other publicly available information. We believe that the market and economic data presented throughout this Presentation is accurate, but there can be no assurance as to the accuracy or completeness thereof. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

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All references in this Presentation to dollars, \$ or “US\$” are to United States dollars and all references to “C\$” are to Canadian dollars. Certain totals, subtotals and percentages may not reconcile due to rounding.

# WHAT IS THE LATEST TARIFF NEWS?

## THE GLOBE AND MAIL

“Trump partly waives 25% tariffs on Canada, Mexico until April 2”

“U.S. President Donald Trump granted Canada and Mexico a partial reprieve from punishing 25-per-cent tariffs until April 2, the latest shift in a *constantly changing trade policy that has left Canadian businesses, Ottawa and the provinces unsure of what comes next.*”

“Mr. Trump signed an executive order on Thursday temporarily removing tariffs that he imposed only two days earlier. *The order applies to goods from Canada that are compliant with the United States–Mexico–Canada Agreement (USMCA).* This covers a significant portion of Canadian exports to the U.S.”

“But the coverage is far from universal, meaning *many Canadian goods will still be subject to the 25-per-cent tariff*”



## WHAT IS MEANT BY “USMCA-COMPLIANT”?

"USMCA-compliant" refers to goods, services, or operations that meet the requirements set forth under the United States-Mexico-Canada Agreement (USMCA), which replaced NAFTA in 2020. Compliance with USMCA is critical for **qualifying for preferential tariff treatment (typically duty-free access) when goods move between the U.S., Mexico, and Canada.**

This typically includes:

A specified percentage of the product's content must originate from one or more USMCA countries (regional value content or RVC).

A required tariff classification change (Tariff Shift Rule) — i.e., a significant transformation of the goods (e.g., **change in HTS code**).

Chapter code and specific HTS codes may be found at <https://hts.usitc.gov>

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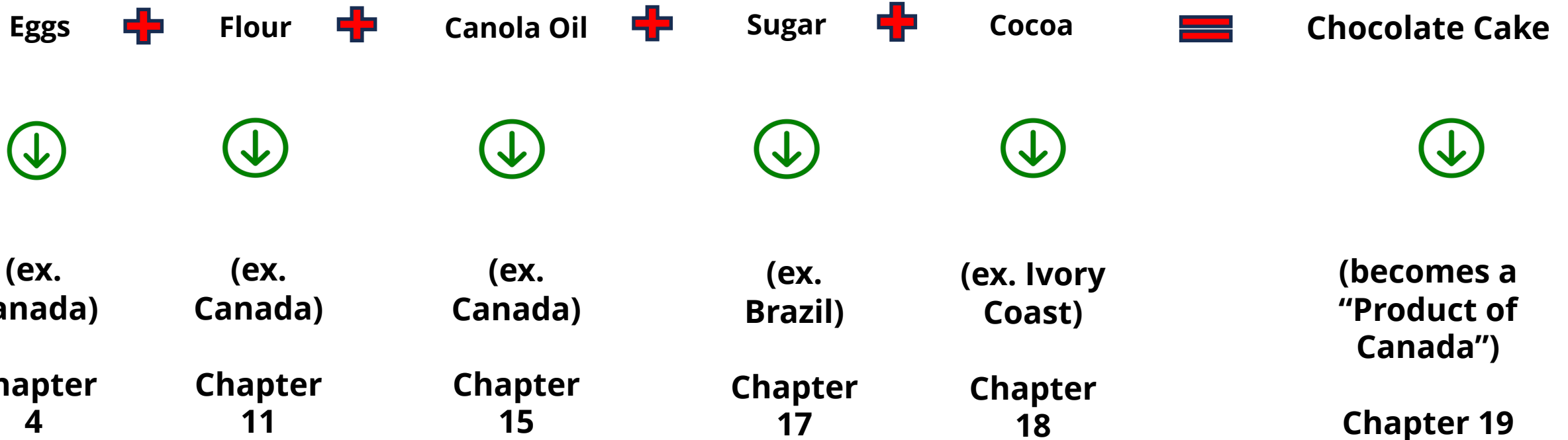


## Tariff Shift (Chapter Change) Under the Harmonized Tariff Schedule (HTS)

- ✓ **USMCA allows a product to qualify for tariff-free treatment if it undergoes a sufficient transformation** that results in a change from one tariff classification (chapter) to another.
- ✓ Since most **SCPs are finished goods**, they often undergo a tariff shift during the manufacturing process.
- ✓ If the product changes chapters (e.g., from raw sugar in Chapter 17 to a cake or confectionery product in Chapter 19), it may satisfy the tariff shift rule.
- ✓ Due to rules of origin and lack of material transformation, raw sugar, refined sugar, and molasses are all included in chapter 17 (*no change in chapter code*)
  - Raw sugar imported from Brazil, results in both refined sugar and molasses with Brazil as its country or origin for export purposes to the US

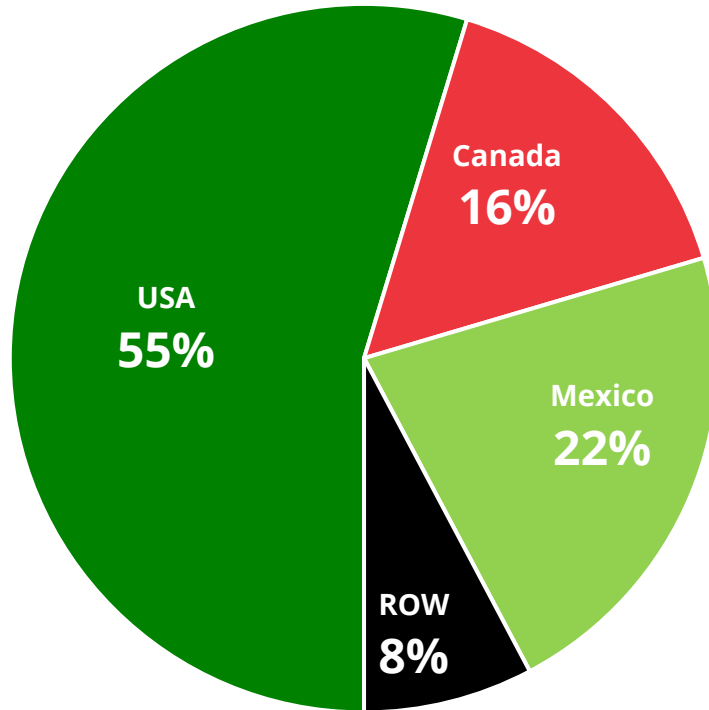
# THE INVESTOR'S GUIDE TO MAKING A "TARIFF CAKE"

**Sucro**



Virtually all food products made from *scratch* using ingredients like sugar, go through "material transformation" and change chapter codes

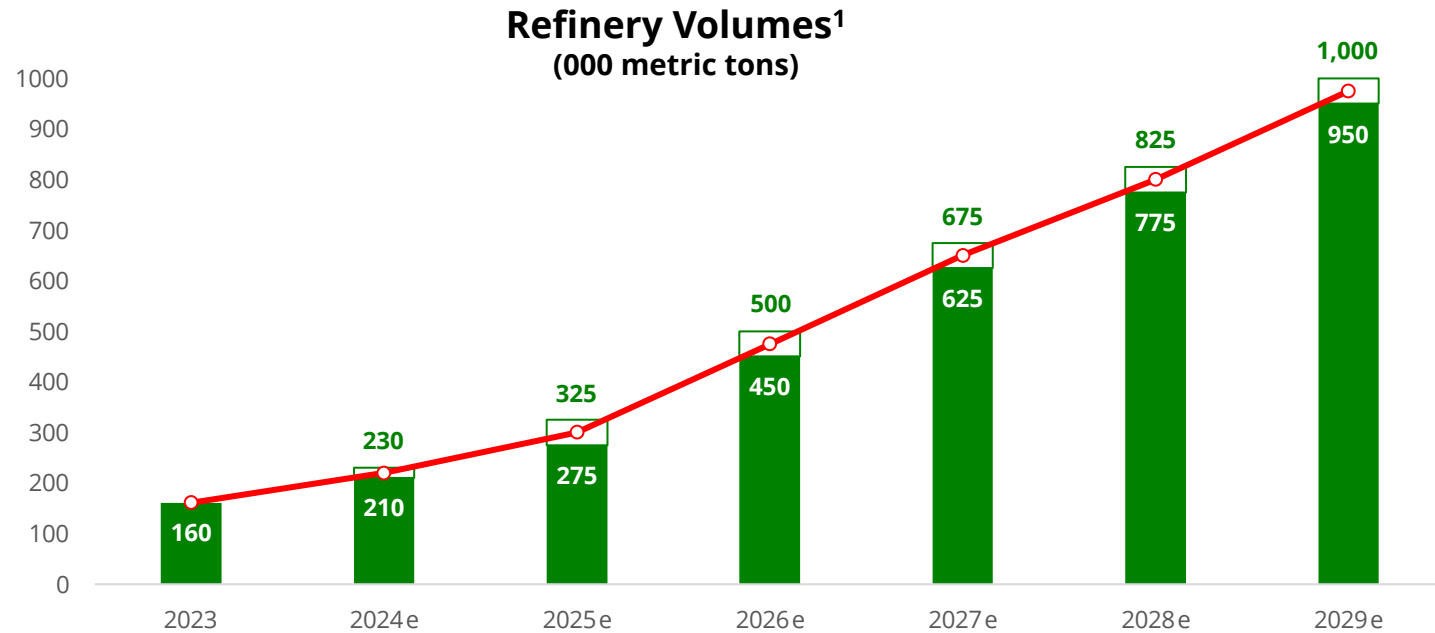
# SUCRO'S DIVERSIFIED SUPPLY FOR GLOBAL CUSTOMERS



Recognized global brands including  
**10 of the  
15 largest**  
and most recognizable sugar-using  
food and beverage companies  
in North America

**Virtually no refined sugar sold by Sucro in the United States is produced in Canada**

# ASPIRATIONAL FUTURE VOLUME GROWTH



**SUCRO'S GOAL:**  
**~1 million MT**  
of refining volume  
by 2029



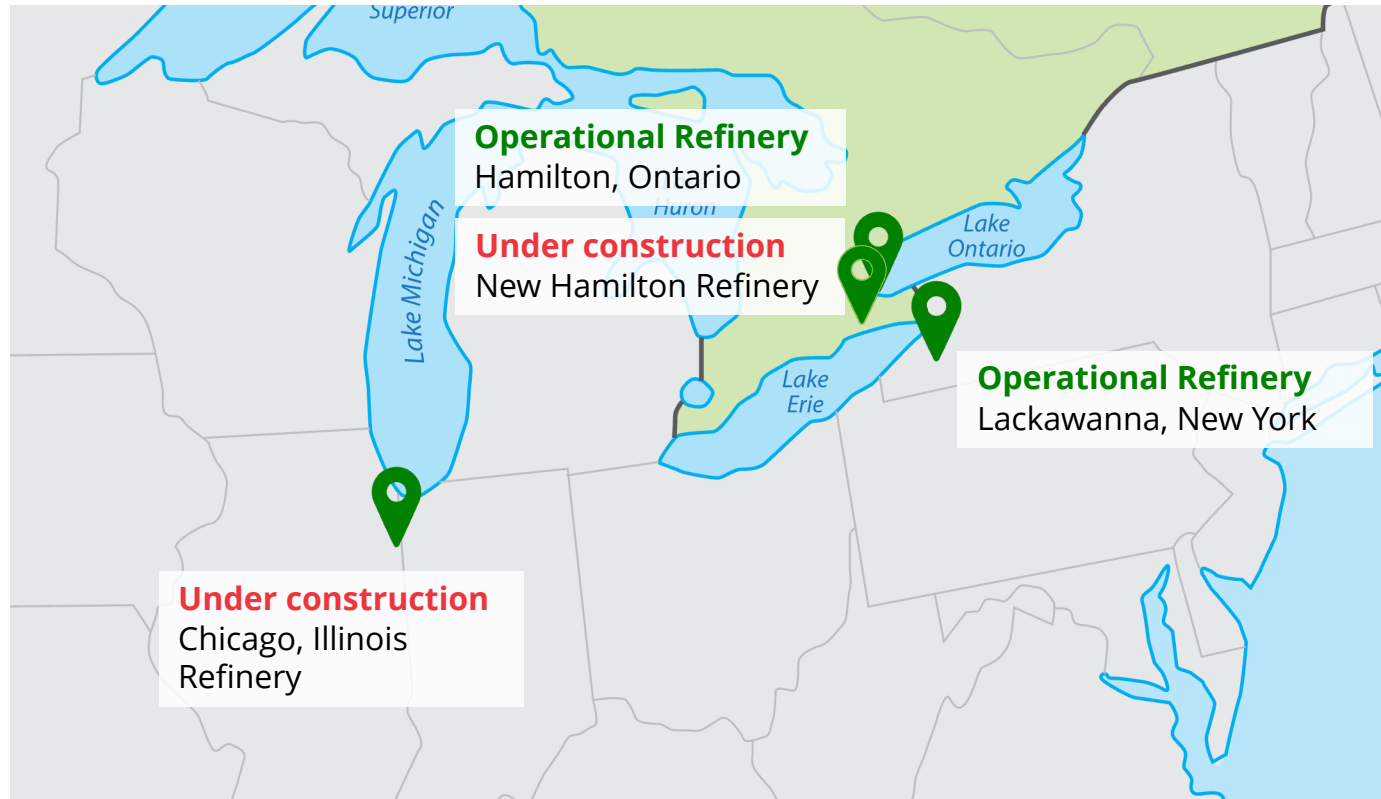
**Meet growing market demand in Canada and/or United States, utilizing increased refining capacity in BOTH countries.**

1. Refinery volumes for 2024 are based on aggregate production guidance provided in Sucro's Q3 2024 disclosures. Volume ranges for 2025 - 2029 are provided in Sucro's April 19 press release announcing Q4 and full year 2023 earnings disclosures. White bars represent the estimated ranges of the anticipated volumes.



# CURRENT AND FUTURE REFINERIES – BOTH SIDES OF BORDER

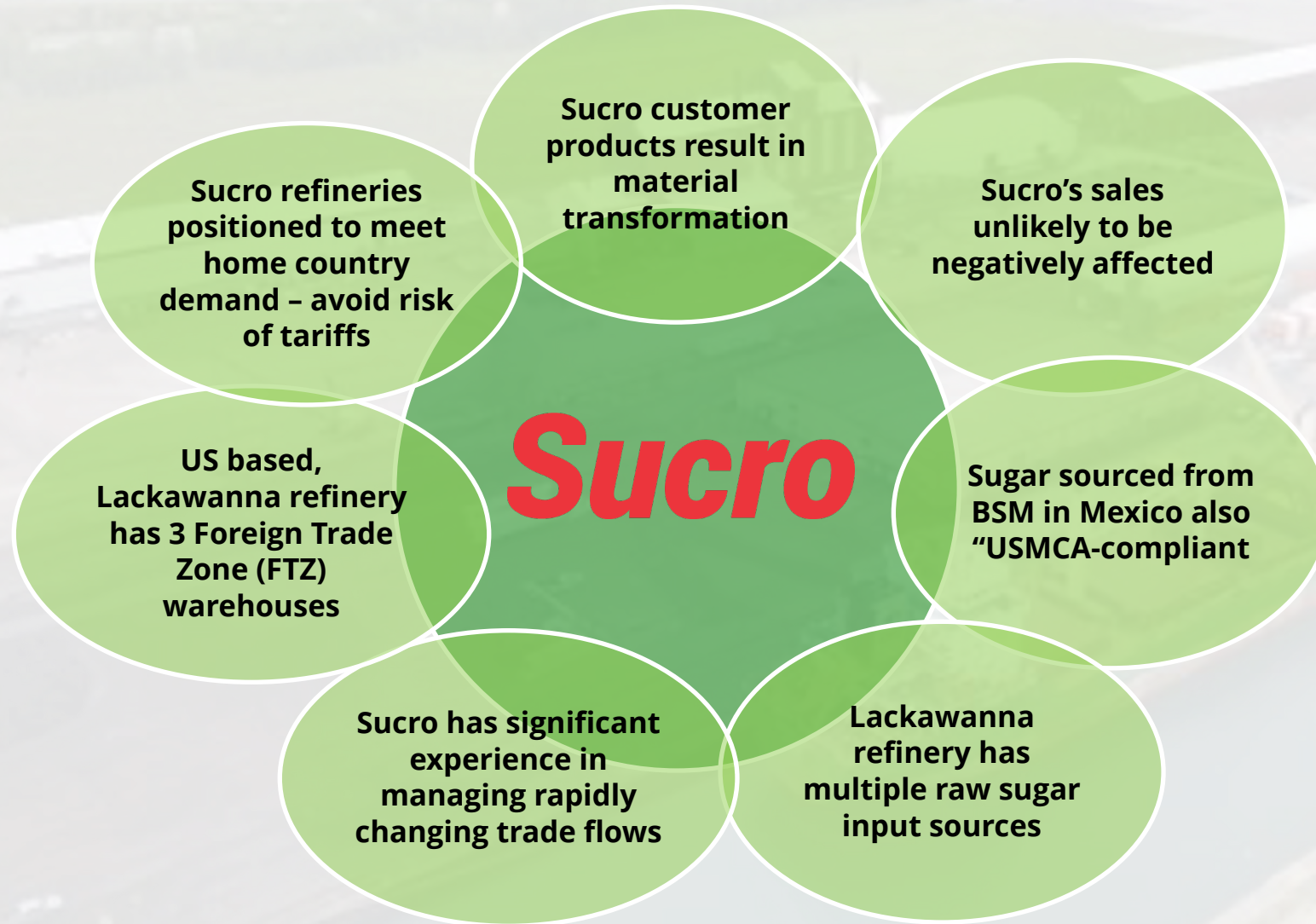
## Refinery Locations



**Virtually 100% of refined sugar from Hamilton refinery remains in Canada...US refined sugar sourced from Lackawanna, or imported from outside North America**

- Sucro's current refinery expansion strategy well timed for current tariff threats
- Two active refineries in both Canada and United States
- Plus new refineries in both countries
- Growing refining network provides added capacity and flexibility
- Lackawanna refinery complex includes 3 FTZ warehouses, providing added import flexibility

# SUCRO ADVANTAGES IN DEALING WITH TARIFF THREATS



# 3 CONCURRENT EXPANSION PROJECTS TO SERVE THE NORTH AMERICAN MARKET



## UNDER EXPANSION

*(following construction)*

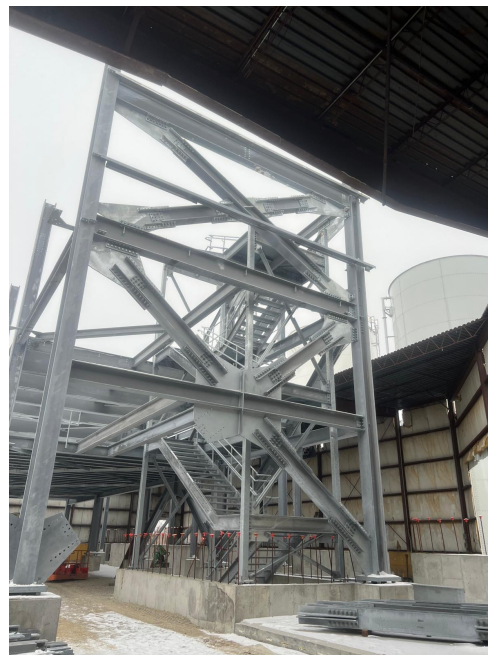


### Lackawanna, New York

*Granular refinery*

**Projected Expansion: up to 250K MT**

**Projected Cost: US\$72 M**



### New Hamilton refinery

*Granular refinery - Q4 2025*

**Projected long term Expansion: up to 1M MT**

**Budgeted Cost: Phase I - US\$50.0 M**

## UNDER CONSTRUCTION

### New Chicago area refinery

*Granular refinery - 2026*

**Projected Expansion: up to 250K MT**

**Budgeted Cost: Phase 1 - US\$20 M**



**“Our team is finding new ways to capture value throughout the full sugar supply chain, with an emphasis on investment in cost-efficient refineries that address the evolving needs of our customers.”**

*Jonathan Taylor, Sucro’s Founder and CEO*





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