



News Release

TSX-V: IFOS

ITAFOS REPORTS STRONG OPERATIONAL AND FINANCIAL Q1 2024 RESULTS

HOUSTON, TX – May 8, 2024 – Itafos Inc. (TSX-V: IFOS) (the “Company”) reported today its Q1 2024 financial and operational highlights. The Company’s financial statements and management’s discussion and analysis for the quarter ended March 31, 2024 are available under the Company’s profile at www.sedarplus.ca and on the Company’s website at www.itafos.com. All figures are in thousands of US Dollars except as otherwise noted.

CEO Commentary

“We are pleased to report another quarter of strong operational and financial performance. For the three months ended March 31, 2024, we reported revenues of \$128.0 million, 7% higher than Q1 2023 driven by increased sales volumes, and adjusted EBITDA of \$43.2 million.

During Q1 2024, we have continued to make progress on a number of key initiatives related to the company’s asset portfolio. On April 29, 2024 we released our updated NI 43-101 Technical Report for Conda, confirming our 2037 mine life for the Husky 1 / North Dry Ridge (“H1/NDR) mine. We also acquired the Dry Ridge lease that is adjacent to Husky 1 and continued work on the build-out of infrastructure associated with the H1/NDR project which remains on schedule and on budget.

In Brazil, we continue to make progress on our Fertilizer Restart Program and commissioning has commenced associated with our Partially Acidulated Phosphate Rock (“PAPR”) product. Additionally, we successfully negotiated a 25-year extension to the mining contract and mining lease associated with the Farim asset, which is now valid until 2048.

Finally, the process to explore and evaluate various strategic alternatives to enhance value for all Itafos shareholders has concluded without an announced transaction. The Board of Directors and the management team have and will continue to operate the business with the objective of creating shareholder value and will review strategic opportunities as they arise.” said G. David Delaney, CEO of Itafos.

Q1 2024 Key Highlights

- revenues of \$128.0 million
- Adjusted EBITDA of \$43.2 million¹
- net income of \$23.7 million
- basic earnings of C\$ 0.17/share
- free cash flow of \$17.7 million¹

March 31, 2024 Key Highlights

- trailing 12 months Adjusted EBITDA of \$132.0 million¹
- net debt of \$47.1 million¹
- net leverage ratio of 0.4x¹

Maintained FY 2024 Guidance

- sales volumes guidance of 320-340 thousands of tonnes P₂O₅²
- corporate selling, general and administrative expenses guidance of \$17-20 million¹
- maintenance capex guidance of \$25-35 million¹
- growth capex guidance of \$35-46 million¹

¹Adjusted EBITDA, trailing 12 months Adjusted EBITDA, maintenance capex, growth capex, net debt, net leverage ratio, free cash flow and corporate selling, general and administrative expenses are each a non-IFRS financial measure. For additional information on non-IFRS financial measures, see “Non-IFRS financial measures” below.

²Sales volumes reflect quantity in P₂O₅ of Conda sales projections.

Q1 2024 Market Highlights

Monoammonium phosphate (“MAP”) New Orleans (“NOLA”) prices averaged \$624/st in Q1 2024 compared to \$580/st in Q1 2023, up 8% year-over-year. Specific factors driving the year-over-year increase in MAP NOLA were as follows:

- the tightening of MAP supply into the North American market; and
- minor increase in on farm MAP application in the spring of 2024.

Q1 2024 Financial Highlights

For Q1 2024, the Company’s financial highlights were as follows:

- revenues of \$128.0 million in Q1 2024 compared to \$119.6 million in Q1 2023;
- Adjusted EBITDA of \$43.2 million in Q1 2024 compared to \$43.0 million in Q1 2023;
- net income of \$23.7 million in Q1 2024 compared to \$28.2 million in Q1 2023;
- basic earnings of C\$0.17/share in Q1 2024 compared to C\$0.20/share in Q1 2023; and
- free cash flow of \$17.7 million in Q1 2024 compared to \$18.8 million in Q1 2023.

The company’s Adjusted EBITDA performance was flat compared to the corresponding period in the prior year. The reduction in the Company’s Q1 2024 net income compared to Q1 2023 was primarily due to higher income taxes, partially offset by lower selling, general, and administrative expenses and finance expenses.

The Company’s total capex³ spend in Q1 2024 was \$6.4 million compared to \$2.8 million in Q1 2023 with the increase primarily due to development activities at H1/NDR at Conda and activities related to the Fertilizer Restart Program at Arraias.

March 31, 2024 Highlights

As at March 31, 2024, the Company had trailing 12 months Adjusted EBITDA of \$132.0 million compared to \$131.8 million at the end of 2023.

As at March 31, 2024, the Company had net debt of \$47.1 million compared to \$61.3 million at the end of 2023, with the reduction due to the repayment of principal debt outstanding from free cash flows generated and higher cash and cash equivalents. The Company’s net debt as at March 31, 2024 was comprised of \$37.7 million in cash and \$84.8 million in debt (gross of deferred financing costs). As at March 31, 2024 and December 31, 2023, the Company’s net leverage ratio was 0.4x and 0.5x, respectively.

As at March 31, 2024, the Company had liquidity⁴ of \$74.2 million comprised of \$37.7 million in cash and \$36.5 million in undrawn borrowing capacity under its \$80 million asset-based revolving credit facility (the “ABL Facility”).

Q1 2024 Operational Highlights

Environmental, Health, and Safety (“EHS”)

- Sustained EHS performance, including no reportable environmental releases and three recordable incidents, which resulted in a consolidated TRIFR of 0.88.

Conda

- Produced 90,246 tonnes P₂O₅ at Conda in Q1 2024 compared to 82,145 tonnes P₂O₅ in Q1 2023 with the increase primarily due to higher throughput in 2024;
- Generated revenues of \$122.8 million at Conda in Q1 2024 compared to \$116.0 million in Q1 2023 with the increase primarily due to higher sales volumes, partially offset by lower realized prices; and
- Generated Adjusted EBITDA at Conda of \$46.6 million in Q1 2024 compared to \$47.5 million in Q1 2023 with the decrease primarily due to lower realized prices, which were partially offset by higher sales volumes.

Q1 2024 Other Highlights

- Produced 33,216 tonnes of sulfuric acid at Arraias in Q1 2024 compared to 20,614 tonnes in Q1 2023 with the increase due to higher customer demand; and
- Generated Adjusted EBITDA at Arraias of \$0.4 million in Q1 2024 compared to \$0.2 million in Q1 2023 with the increase due to higher sulfuric acid and DAPR sales volumes.

³Total capex is a non-IFRS financial measure. For additional information on non-IFRS and other financial measures, see “Non-IFRS financial measures” below.

⁴Liquidity is a non-IFRS financial measure. For additional information on non-IFRS and other financial measures, see “Non-IFRS financial measures” below.

Market Outlook

Prices in Q1 2024 were comparable to prices in 2023. Phosphate application through the fall of 2023 and now into the spring of 2024 has remained strong, supporting higher prices despite softer crop prices. Moving forward, the Company expects a softening in Q2 in pricing due to seasonal factors including a summer reset and lower crop prices. Expectations of supply adjustments in the overall phosphate import market into North America continue to create some uncertainty in the market going forward.

Specific factors the Company expects to support pricing in the global phosphate fertilizer markets through the end of 2024 are as follows:

- low inventory levels in the North American market and continued strength in global demand;
- ongoing export restrictions from China; partially offset by
- constructive crop prices that have softened from historical highs.

Financial Outlook

The Company maintained its guidance for 2024 as follows:

<i>(in millions of US Dollars except as otherwise noted)</i>	<i>Projected FY 2024</i>
Sales Volumes (thousands of tonnes P ₂ O ₅)	320-340
Corporate selling, general and administrative expenses	\$17-20
Maintenance capex	\$25-35
Growth capex	\$35-46

Business Outlook

The Company continues to focus on the following key objectives to drive long-term value and shareholder returns:

- improving financial and operational performance; and
- executing on the infrastructure and civil works required for the mine development for H1/NDR.

About Itafos

The Company is a phosphate and specialty fertilizer company. The Company's businesses and projects are:

- Conda – a vertically integrated phosphate fertilizer business located in Idaho, US with production capacity as follows:
 - approximately 550kt per year of monoammonium phosphate (“MAP”), MAP with micronutrients (“MAP+”), superphosphoric acid (“SPA”), merchant grade phosphoric acid (“MGA”) and ammonium polyphosphate (“APP”); and
 - approximately 27kt per year of hydrofluorosilicic acid (“HFSA”);
- Arraias – a vertically integrated phosphate fertilizer business located in Tocantins, Brazil with production capacity as follows:
 - approximately 500kt per year of single superphosphate (“SSP”) and SSP with micronutrients (“SSP+”); and
 - approximately 40kt per year of excess sulfuric acid (220kt per year gross sulfuric acid production capacity);
- Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil; and
- Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil.

The Company is a Delaware corporation that is headquartered in Houston, TX. The Company's shares trade on the TSX Venture Exchange (“TSX-V”) under the ticker symbol “IFOS”. The Company's principal shareholder is CL Fertilizers Holding LLC (“CLF”). CLF is an affiliate of Castllake, L.P., a global private investment firm.

For more information, or to join the Company's mailing list to receive notification of future news releases, please visit the Company's website at www.itafos.com.

Forward-Looking Information

Certain information contained in this news release constitutes forward-looking information, including statements with respect to: the Company's planned operations and strategies; the timing for the commencement of operations, infrastructure and civil works at H1 / NDR; the expected resource life of H1 / NDR; the Fertilizer Restart Program at Arraias; and economic and market trends with respect to the global agriculture and phosphate fertilizer markets. All information other than information of historical fact is forward-looking information. Statements that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future include, but are not limited to, statements regarding estimates and/or assumptions in respect of the Company's financial and business outlook are forward-looking information. The use of any of the words "intend", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "would", "believe", "predict" and "potential" and similar expressions are intended to identify forward-looking information.

The forward-looking information contained in this news release is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Those opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These include the Company's expectations and assumptions with respect to the following: commodity prices; operating results; safety risks; changes to the Company's mineral reserves and resources; risk that timing of expected permitting will not be met; changes to mine development and completion; foreign operations risks; changes to regulation; environmental risks; the impact of weather and climate change; risks related to asset retirement obligations, general economic changes, including inflation and foreign exchange rates; the actions of the Company's competitors and counterparties; financing, liquidity, credit and capital risks; the loss of key personnel; impairment risks; cybersecurity risks; risks relating to transportation and infrastructure; changes to equipment and suppliers; concentration risks, adverse litigation; changes to permitting and licensing; geo-political risks; loss of land title and access rights; changes to insurance and uninsured risks; the potential for malicious acts; market and stock price volatility; changes to technology, innovation or artificial intelligence; changes to tax laws; the risk of operating in foreign jurisdictions; the risks posed by a controlling shareholder and other conflicts of interest; risks related to reputational damage, the risk associated with epidemics, pandemics and public health; the risks associated with environmental justice; and any risks related to internal controls over financial reporting risks. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions is not exhaustive.

Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Additional risks and uncertainties affecting the forward-looking information contained in this news release are described in greater detail in the Company's Annual Information Form and current Management's Discussion and Analysis available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.itafos.com. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable securities law. The forward-looking information included in this news release is expressly qualified by this cautionary statement and is made as of the date of this news release.

This news release contains future-oriented financial information and financial outlook information (together, "FOFI") about the Company's prospective results of operations, including statements regarding expected adjusted EBITDA, net income, basic earnings per share, maintenance capex, growth capex and free cash flow. FOFI is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The Company has included the FOFI to provide an outlook of management's expectations regarding anticipated activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's reasonable estimates and judgements; however, actual results of operations and the resulting financial results may vary from the amounts set forth herein. Any financial outlook information speaks only as of the date on which it is made and the Company undertakes no obligation to publicly update or revise any financial outlook information except as required by applicable securities laws.

NEITHER THE TSX-V NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX-V) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

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Scientific and Technical Information

The scientific and technical information contained in this news release related to Mineral Resources for Conda and Farim has been reviewed and approved by Jerry DeWolfe, Professional Geologist (P.Geo.) with the Association of Professional Engineers and Geoscientists of Alberta. Mr. DeWolfe is a full-time employee of WSP Canada Inc. and is independent of the Company. The scientific and technical information contained in this news release related to Mineral Reserves for Conda and Farim has been reviewed and approved by Terry Kremmel, Professional Engineer (P.E.) licensed by the States of Missouri and North Carolina. Mr. Kremmel is a full-time employee of WSP USA, Inc. and is independent of the Company. The Company's latest technical report in respect of Conda is entitled, "NI 43-101 Technical Report Itafos Conda Project, Idaho, USA," with an effective date of July 1, 2023 (the "Conda Technical Report") and is available under the Company's website at www.itafos.com and under the Company's profile on SEDAR+ at www.sedarplus.ca

Non-IFRS Financial Measures

This press release contains both International Financial Reporting Standards ("IFRS") and certain non-IFRS measures that management considers to evaluate the Company's operational and financial performance. Non-IFRS measures are a numerical measure of a company's performance, that either include or exclude amounts that are not normally included or excluded from the most directly comparable IFRS measures. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. In evaluating non-IFRS measures, investors, analysts, lenders and others should consider that non-IFRS measures do not have any standardized meaning under IFRS and that the methodology applied by the Company in calculating such non-IFRS measures may differ among companies and analysts. Non-IFRS measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included below.

DEFINITIONS

The Company defines its non-IFRS measures as follows:

Non-IFRS measure	Definition	Most directly comparable IFRS measure	Why the Company uses the measure
EBITDA	Earnings before interest, taxes, depreciation, depletion and amortization	Net income (loss) and operating income (loss)	EBITDA is a valuable indicator of the Company's ability to generate operating income
Adjusted EBITDA	EBITDA adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities	Net income (loss) and operating income (loss)	Adjusted EBITDA is a valuable indicator of the Company's ability to generate operating income from its core operating activities normalized to remove the impact of non-cash, extraordinary and non-recurring items. The Company provides guidance on Adjusted EBITDA as useful supplemental information to investors, analysts, lenders, and others
Trailing 12 months Adjusted EBITDA	Adjusted EBITDA for the current and preceding three quarters	Net income (loss) and operating income (loss) for the current and preceding three quarters	The Company uses the trailing 12 months Adjusted EBITDA in the calculation of the net leverage ratio (non-IFRS measure)
Total capex	Additions to property, plant, and equipment and mineral properties adjusted for additions to asset retirement obligations, additions to right-of-use assets and capitalized interest	Additions to property, plant and equipment and mineral properties	The Company uses total capex in the calculation of total cash capex (non-IFRS measure)
Maintenance capex	Portion of total capex relating to the maintenance of ongoing operations	Additions to property, plant and equipment and mineral properties	Maintenance capex is a valuable indicator of the Company's required capital expenditures to sustain operations at existing levels
Growth capex	Portion of total capex relating to the development of growth opportunities	Additions to property, plant and equipment and mineral properties	Growth capex is a valuable indicator of the Company's capital expenditures related to growth opportunities.
Net debt	Debt less cash and cash equivalents plus deferred financing costs (does not consider lease liabilities)	Current debt, long-term debt and cash and cash equivalents	Net debt is a valuable indicator of the Company's net debt position as it removes the impact of deferring financing costs.
Net leverage ratio	Net debt divided by trailing 12 months Adjusted EBITDA	Current debt, long-term debt and cash and cash equivalents; net income (loss) and operating income (loss) for the current and preceding three quarters	The Company's net leverage ratio is a valuable indicator of its ability to service its debt from its core operating activities.
Liquidity	Cash and cash equivalents plus undrawn committed borrowing capacity	Cash and cash equivalents	Liquidity is a valuable indicator of the Company's liquidity
Free cash flow	Cash flows from operating activities, which excludes payment of interest expense, plus cash flows from investing activities	Cash flows from operating activities and cash flows from investing activities	Free cash flow is a valuable indicator of the Company's ability to generate cash flows from operations after giving effect to required capital expenditures to sustain operations at existing levels. Free cash flow is a valuable indicator of the Company's cash flow available for debt service or to fund growth opportunities. The Company provides guidance on free cash flow as useful supplemental information to investors, analysts, lenders, and others.
Corporate selling, general and administrative expenses	Corporate selling, general and administrative less share-based payment expense.	Selling, general and administrative expenses	The Company uses corporate selling, general and administrative expenses to assess corporate performance.

EBITDA, ADJUSTED EBITDA AND TRAILING 12 MONTHS ADJUSTED EBITDA

For the three months ended March 31, 2024 and 2023

For the three months ended March 31, 2024, the Company had EBITDA and Adjusted EBITDA by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Net income (loss)	\$	29,512	\$	277	\$	(193)	\$	(5,879)	\$ 23,717
Finance (income) expense, net		1,433		(252)		1		2,387	3,569
Current and deferred income tax expense (recovery)		6,484		—		—		(2,330)	4,154
Depreciation and depletion		8,926		701		5		85	9,717
EBITDA	\$	46,355	\$	726	\$	(187)	\$	(5,737)	\$ 41,157
Unrealized foreign exchange (gain) loss		—		611		(67)		—	544
Share-based payment expense		—		—		—		422	422
Transaction costs		—		—		—		227	227
Non-recurring compensation expenses		—		—		—		1,560	1,560
Other (income) expense, net		211		(955)		1		—	(743)
Adjusted EBITDA	\$	46,566	\$	382	\$	(253)	\$	(3,528)	\$ 43,167

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Operating income (loss)	\$	37,637	\$	(319)	\$	(258)	\$	(5,822)	\$ 31,238
Depreciation and depletion		8,926		701		5		85	9,717
Realized foreign exchange loss		3		—		—		—	3
Share-based payment expense		—		—		—		422	422
Transaction costs		—		—		—		227	227
Non-recurring compensation expenses		—		—		—		1,560	1,560
Adjusted EBITDA	\$	46,566	\$	382	\$	(253)	\$	(3,528)	\$ 43,167

For the three months ended March 31, 2023, the Company had EBITDA and Adjusted EBITDA by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Net income (loss)	\$	27,985	\$	(248)	\$	70	\$	400	\$ 28,207
Finance (income) expense, net		1,702		(136)		84		3,836	5,486
Current and deferred income tax expense (recovery)		8,416		—		—		(12,598)	(4,182)
Depreciation and depletion		9,384		681		3		47	10,115
EBITDA	\$	47,487	\$	297	\$	157	\$	(8,315)	\$ 39,626
Unrealized foreign exchange (gain) loss		—		(76)		(401)		488	11
Share-based payment expense		—		—		—		2,700	2,700
Transaction costs		—		—		—		711	711
Other income		(17)		(32)		(38)		—	(87)
Adjusted EBITDA	\$	47,470	\$	189	\$	(282)	\$	(4,416)	\$ 42,961

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Operating income (loss)	\$	38,088	\$	(492)	\$	(285)	\$	(7,875)	\$ 29,436
Depreciation and depletion		9,384		681		3		47	10,115
Realized foreign exchange gain		(2)		—		—		1	(1)
Share-based payment expense		—		—		—		2,700	2,700
Transaction costs		—		—		—		711	711
Adjusted EBITDA	\$	47,470	\$	189	\$	(282)	\$	(4,416)	\$ 42,961

As at March 31, 2024 and 2022

As at March 31, 2024 and December 31, 2023 the Company had trailing 12 months Adjusted EBITDA as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2024	December 31, 2023
For the three months ended March 31, 2024	\$ 43,167	\$ —
For the three months ended December 31, 2023	29,509	29,509
For the three months ended September 30, 2023	19,655	19,655
For the three months ended June 30, 2023	39,677	39,677
For the three months ended March 31, 2023	—	42,961
Trailing 12 months Adjusted EBITDA	\$ 132,008	\$ 131,802

TOTAL CAPEX

For the three months ended March 31, 2024 and 2023

For the three months ended March 31, 2024, the Company had capex by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Additions to property, plant and equipment	\$	(1,443)	\$	1,109	\$	(1)	\$	—	\$ (335)
Additions to mineral properties		3,762		—		—		—	3,762
Additions to asset retirement obligations		2,987		177		—		—	3,164
Additions to right-of-use assets		—		(162)		1		—	(161)
Total capex	\$	5,306	\$	1,124	\$	—	\$	—	\$ 6,430
Accrued capex		(2,054)		—		—		—	(2,054)
Total cash capex	\$	3,252	\$	1,124	\$	—	\$	—	\$ 4,376
Maintenance capex	\$	419	\$	408	\$	—	\$	—	\$ 827
Accrued maintenance capex		(179)		—		—		—	(179)
Cash maintenance capex	\$	240	\$	408	\$	—	\$	—	\$ 648
Growth capex	\$	4,887	\$	716	\$	—	\$	—	\$ 5,603
Accrued growth capex		(1,875)		—		—		—	(1,875)
Cash growth capex	\$	3,012	\$	716	\$	—	\$	—	\$ 3,728

For the three months ended March 31, 2023, the Company had capex by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Additions to property, plant and equipment	\$	8,251	\$	(799)	\$	—	\$	9	\$ 7,461
Additions to mineral properties		694		881		72		—	1,647
Additions to asset retirement obligations		(6,181)		(56)		—		—	(6,237)
Additions to right-of-use assets		—		(22)		—		—	(22)
Total capex	\$	2,764	\$	4	\$	72	\$	9	\$ 2,849
Accrued capex		(611)		—		—		—	(611)
Total cash capex	\$	2,153	\$	4	\$	72	\$	9	\$ 2,238
Maintenance capex	\$	1,450	\$	—	\$	—	\$	9	\$ 1,459
Accrued maintenance capex		(273)		—		—		—	(273)
Cash maintenance capex	\$	1,177	\$	—	\$	—	\$	9	\$ 1,186
Growth capex	\$	1,314	\$	4	\$	72	\$	—	\$ 1,390
Accrued growth capex		(338)		—		—		—	(338)
Cash growth capex	\$	976	\$	4	\$	72	\$	—	\$ 1,052

NET DEBT AND NET LEVERAGE RATIO

As at March 31, 2024 and December 31, 2023 the Company had net debt and net leverage ratio as follows:

<i>(unaudited in thousands of US Dollars except as otherwise noted)</i>	March 31, 2024	December 31, 2023
Current debt	\$ 29,133	\$ 29,127
Long-term debt	54,345	61,441
Cash and cash equivalents	(37,704)	(30,753)
Deferred financing costs related to the Credit Facilities	1,353	1,489
Net debt	\$ 47,127	\$ 61,304
Trailing 12 months Adjusted EBITDA	\$ 132,008	\$ 131,802
Net leverage ratio	0.4x	0.5x

LIQUIDITY

As at March 31, 2024 and 2023 the Company had liquidity as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 37,704	\$ 30,753
ABL Facility undrawn borrowing capacity	36,542	40,000
Liquidity	\$ 74,246	\$ 70,753

FREE CASH FLOW

For the three months ended March 31, 2024 and 2023, the Company had free cash flow as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2024	2023
Cash flows from operating activities	\$ 21,555	\$ 21,072
Cash flows used by investing activities	(3,868)	(2,238)
Free cash flow	\$ 17,687	\$ 18,834

CORPORATE SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

For the three months ended March 31, 2024 and 2023, the Company had corporate selling, general and administrative expenses as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2024	2023
Selling, general and administrative expenses	\$ 5,822	\$ 7,875
Share-based payment expense	(422)	(2,700)
Corporate selling, general and administrative expenses	\$ 5,400	\$ 5,175