

ITAFOS REPORTS RECORD Q3 2021 RESULTS, RAISING FULL-YEAR 2021 GUIDANCE

Q3 2021 Key Highlights

- revenues of \$103.0 million
- adjusted EBITDA of \$41.2 million
- net income of \$15.7 million
- free cash flow of \$2.3 million

9M 2021 Key Highlights

- revenues of \$296.5 million
- adjusted EBITDA of \$95.5 million
- net income of \$27.2 million
- free cash flow of \$42.4 million

Revised FY 2021 Guidance

- increased adjusted EBITDA guidance to \$120-130 million
- increased maintenance capex guidance to \$23-26 million
- tightened growth capex guidance to \$13-15 million
- increased free cash flow guidance to \$60-70 million

CEO Commentary

“We delivered record operational and financial performance during Q3 2021, resulting in a year-to-date 2021 adjusted EBITDA at Conda of \$107.7 million and \$95.5 million on a consolidated basis,” said G. David Delaney, CEO of Itafos.

“We are raising our full-year guidance for 2021 to reflect the continued strength of the business and strong fundamentals in the agriculture and phosphate fertilizer markets. The positive market fundamental trends are expected to continue into 2022. In raising our full-year guidance for 2021 we have taken into account the expected negative impacts of the previously announced disruption in sulfuric acid supply to Conda from its primary supplier, which we expect to be resolved during Q4 2021.”

HOUSTON, TX – November 11, 2021 – Itafos Inc. (TSX-V: IFOS) (the “Company”) reported today its Q3 and year-to-date (9M) 2021 financial and operational highlights. The Company’s financial statements and management’s discussion and analysis for the three and nine months ended September 30, 2021 are available under the Company’s profile at www.sedar.com and on the Company’s website at www.itafos.com. All figures are unaudited in thousands of US Dollars except as otherwise noted.

Q3 and 9M Market Highlights

DAP NOLA prices averaged \$624/st in Q3 2021 compared to \$335/st in Q3 2020, up 86% year-over-year driven by strong agriculture and phosphate fertilizer market supply and demand dynamics. Similarly, DAP NOLA prices averaged \$568/st in 9M 2021 compared to \$292/st in 9M 2020, up 94% year-over-year. Specific factors driving the year-over-year improvements in DAP NOLA were as follows:

- no significant phosphate fertilizer supply capacity additions, which resulted in continued drawdown of global phosphate fertilizer inventory levels;
- strong phosphate fertilizer demand underpinned by global coarse grains and oilseeds at multi-year low stocks-to-use ratios and the highest prices in nearly a decade, supporting demand and fertilizer relative affordability; and
- CVD orders confirmed by the US ITC on phosphate fertilizer imports to the US from Morocco and Russia.

Q3 2021 Financial Highlights

The Company's revenues, adjusted EBITDA, net income and free cash flow were all up in Q3 2021 compared to Q3 2020 as follows:

- revenues of \$103.0 million in Q3 2021 compared to \$47.6 million in Q3 2020;
- adjusted EBITDA of \$41.2 million in Q3 2021 compared to \$(0.3) million in Q3 2020;
- net income of \$15.7 million in Q3 2021 compared to \$(13.8) million in Q3 2020; and
- free cash flow of \$2.3 million in Q3 2021 compared to \$(8.3) million in Q3 2020.

The Company's total capex spend in Q3 2021 was \$7.5 million compared to \$4.9 million in Q3 2020 with the increase reflecting activities relate to the initiative to produce and sell HFSA at Conda.

9M 2021 Financial Highlights

The Company's revenues, adjusted EBITDA, net income and free cash flow were all up in 9M 2021 compared to 9M 2020 as follows:

- revenues of \$296.5 million in 9M 2021 compared to \$185.1 million in 9M 2020;
- adjusted EBITDA of \$95.5 million in 9M 2021 compared to \$10.2 million in 9M 2020;
- net income of \$27.2 million in 9M 2021 compared to \$(52.9) million in 9M 2020; and
- free cash flow of \$42.4 million in 9M 2021 compared to \$(15.7) million in 9M 2020.

The Company's total capex spend in 9M 2021 was \$28.5 million compared to \$11.2 million in 9M 2020 with the increase reflecting the completion of a full scope plant turnaround at Conda during June 2021 and activities related to the initiative to produce and sell HFSA at Conda.

September 30, 2021 Net Debt and Liquidity Highlights

As at September 30, 2021, the Company had net debt of \$236.5 million compared to \$233.9 million at the end of 2020 with the increase primarily a result of closing the Term Loan, in-kind interest related to the Promissory Note and higher deferred financing costs related to the Term Loan, which were largely offset by higher cash. The Company's net debt as at September 30, 2021 was comprised of \$24.1 million in cash and \$260.6 million in debt.

As at September 30, 2021, the Company had liquidity of \$29.6 million comprised of \$24.1 million in cash and \$5.4 million in Conda ABL undrawn borrowing capacity.

Debt Refinancing

On August 25, 2021, the Company announced that closed a three-year \$205 million secured term loan (the "Term Loan"). The proceeds of the Term Loan were used to repay the Company's existing secured term credit facility (the "Credit Facility") and to pay related transaction costs and fees. In connection with the closing of the Term Loan, the Company also completed an amendment to its existing secured working capital facility at Conda (the "Conda ABL") to increase the commitment amount from \$20 million to \$40 million and extend the term, among other modifications as detailed below. Also in connection with the closing of the Term Loan, the Company completed an amendment to its existing unsecured and subordinated promissory note (the "Promissory Note") to cancel the remaining availability and extend the term, among other modifications.

Q3 2021 Operational Highlights

EHS

- continued corporate-wide risk mitigation measures to address potential impacts to employees, contractors and operations as a result of the COVID-19 pandemic resulting in no material impact on operations; and
- sustained EHS excellence, including no reportable environmental releases and one recordable incident, which resulted in a consolidated TRIFR of 0.84.

Conda

- announced a disruption in sulfuric acid supply from its primary supplier and advanced efforts to mitigate potential adverse effects of the disruption, including procuring additional sulfuric acid volumes from third part producers;
- produced 146,267 tonnes in Q3 2021 compared to 97,547 tonnes in Q3 2020 with the increase primarily due to a disruption in sulfuric acid supply from its primary supplier in 2020;
- generated revenues of \$103,005 in Q3 2021 compared to \$47,588 in Q3 2020 with the increase primarily due to higher realized prices and sales volumes;
- generated adjusted EBITDA at Conda of \$45,864 in Q3 2021 compared to \$4,259 in Q3 2020 with the increase primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs;
- recorded net income (loss) at Conda of \$28,746 in Q3 2021 compared to \$(1,757) in Q3 2020 with the increase primarily due to the same factors that resulted in higher adjusted EBITDA and lower depreciation and depletion, which were partially offset by higher finance and income tax expenses;
- placed incremental surety bonds of \$45,323 to guarantee Conda's obligations under its existing operating and environmental permits;
- posted incremental letters of credit of \$16,619 under the Conda ABL as collateral for surety bonds that guarantee Conda's obligations under its existing operating and environmental permits;
- advanced activities related to the extension of Conda's mine life through permitting and development of H1/NDR, including progression of the NEPA EIS preparation and public engagement process;
- advanced activities related to the optimization of Conda's EBITDA generation, including:
 - continued ramp up of MAP+ production and sales volumes, including achievement of record quarterly MAP+ production volumes during Q3 2021;
 - advanced initiative to produce and sell HFSA, including completion of detailed engineering and design, advancement of procurement and implementation and execution of a long-term offtake agreement; and
- advanced MgO reduction initiative to enhance SPA production and sales volumes, including advancement of test work.

9M 2021 Operational Highlights

EHS

- continued corporate-wide risk mitigation measures to address potential impacts to employees, contractors and operations as a result of the COVID-19 pandemic resulting in no material impact on operations; and
- sustained EHS excellence, including no reportable environmental releases and two recordable incidents, which resulted in a consolidated TRIFR of 0.84.

Conda

- completed a full scope plant turnaround at Conda during June 2021, including certain activities that had been deferred following the Company's decision to conduct a reduced scope plant turnaround in 2020 as part of Company's COVID-19 risk mitigation measures;
- announced a disruption in sulfuric acid supply from its primary supplier and advanced efforts to mitigate potential adverse effects of the disruption, including procuring additional sulfuric acid volumes from other third party producers;
- produced 398,975 tonnes at Conda in 9M 2021 compared to 370,834 tonnes in 9M 2020 with the increase primarily due to a disruption in sulfuric acid supply from its primary supplier in 2020, which was partially offset by the completion of a full scope plant turnaround at Conda during June 2021 compared to a reduced scope plant turnaround in 2020;
- generated revenues of \$296,463 at Conda in 9M 2021 compared to \$180,469 in 9M 2020 with the increase primarily due to higher realized prices and sales volumes;
- generated adjusted EBITDA at Conda of \$107,733 in 9M 2021 compared to \$27,013 in 9M 2020 with the increase primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs;
- recorded net income at Conda of \$67,880 in 9M 2021 compared to \$2,627 in 9M 2020 with the increase primarily

due to the same factors that resulted in higher adjusted EBITDA and lower depreciation and depletion, which were partially offset by higher finance and income tax expenses;

- placed incremental surety bonds of \$45,323 to guarantee Conda's obligations under its existing operating and environmental permits;
- amended the Conda ABL to increase the commitment amount from \$20,000 to \$40,000 and extend term;
- posted incremental letters of credit of \$16,619 under the Conda ABL as collateral for surety bonds that guarantee Conda's obligations under its existing operating and environmental permits;
- advanced activities related to the extension of Conda's mine life through permitting and development of H1/NDR, including progression of the NEPA EIS preparation and public engagement process;
- advanced activities related to the optimization of Conda's EBITDA generation, including:
 - continued ramp up of MAP+ production and sales volumes, including achievement of record quarterly MAP+ production volumes during Q3 2021;
 - advanced initiative to produce and sell HFSA, including completion of detailed engineering and design, advancement of procurement and implementation and execution of a long-term offtake agreement; and
 - advanced MgO reduction initiative to enhance SPA production and sales volumes, including advancement of test work.

Q3 and 9M 2021 Other Highlights

Also during Q3 and 9M 2021, the Company:

- completed a redomiciliation from the Cayman Islands to the US;
- maintained the idling of Arraias following best practices; and
- maintained Farim at construction-ready state.

Subsequent Events

Subsequent to September 30, 2021, the Company:

- announced its decision to restart the sulfuric acid plant at Arraias;
- announced a significant milestone on Conda's mine life extension with the publication of the Draft EIS for H1/NDR; and
- realized a reduction in Conda's guarantee requirements from \$85,080 to \$77,739 as part of standard regulatory reviews by the respective governmental agencies.

Market Outlook

The Company expects the current global agriculture and phosphate fertilizer fundamentals to remain strong for the remainder of 2021 and throughout 2022. Accordingly, the Company expects continued strength in pricing and volume fundamentals in the phosphate fertilizer markets.

Specific factors the Company expects to influence the continued strength in the phosphate fertilizer markets are as follows:

- no significant phosphate fertilizer supply capacity additions in 2021 or 2022 due to voluntary postponement of project schedules in recent years and delays related to the COVID-19 pandemic, which is expected to result in continued drawdown of global phosphate fertilizer inventory levels;
- continued strong phosphate fertilizer demand underpinned by global coarse grains and oilseeds reaching multi-year low stocks-to-use ratios and the highest prices in nearly a decade, the effects of which are expected to continue beyond the current growing season; and
- China's decision to halt phosphate fertilizer exports through at least June 2022.

The Company expects sulfur prices to remain at high levels as supply remains tight due to solid demand from phosphates and metals consumers. The Company expects ammonia prices to also remain at high levels as higher natural gas prices have led to production shutdowns and increased production costs.

Financial Guidance

The Company has revised its guidance for FY 2021 as follows:

<i>(in millions of US Dollars)</i>	<i>Actual</i> 9M 2021	<i>Projected</i> Q4 2021	<i>Projected</i> FY 2021
Adjusted EBITDA	\$ 95	\$ 25-35	\$ 120-130
Maintenance capex	20	3-6	23-26
Growth capex	8	5-7	13-15
Free cash flow	42	18-28	60-70

The Company's revised guidance for FY 2021 is explained as follows:

- increased adjusted EBITDA guidance to \$120-130 million (previously \$110-120 million) to reflect the Company's view of expected higher Q4 2021 prices at Conda, including the current DAP NOLA prices (100% of Conda's MAP is sold under a long-term offtake agreement with pricing indexed to DAP NOLA on an average three-month trailing basis) and higher prices for SPA, which are expected to be partially offset by a disruption in sulfuric acid supply to Conda from its primary supplier;
- increased maintained maintenance capex guidance to \$23-26 million (previously \$22-25 million) to include the capex requirements associated with the restart of the sulfuric acid plant at Arraias;
- tightened growth capex guidance to \$13-15 million (previously \$12-15 million); and
- increased free cash flow guidance to \$60-70 million (previously \$55-65 million) to reflect the increase in adjusted EBITDA guidance.

Business Outlook

The Company continues to execute on its strategy, which is focused on the following:

- extending Conda's current mine life through permitting and development of H1/NDR;
- optimizing Conda's EBITDA generation;
- restarting the sulfuric acid plant at Arraias (remainder of infrastructure to remain idled) while evaluating strategic alternatives;
- maintaining Farim at construction-ready state while evaluating strategic alternatives;
- maintaining the integrity of the concessions of Santana and Araxá while evaluating strategic alternatives;
- advancing the wind down of Paris Hills and Mantaro;
- deleveraging the balance sheet with cash flows generated from the business; and
- continuing cost savings and corporate streamlining initiatives.

About Itafos

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

- Conda – a vertically integrated phosphate fertilizer business with production capacity of approximately 550kt per year of monoammonium phosphate ("MAP"), MAP with micronutrients ("MAP+"), superphosphoric acid ("SPA"), merchant grade phosphoric acid ("MGA") and ammonium polyphosphate ("APP") located in Idaho, US;
- Arraias – a vertically integrated phosphate fertilizer business with production capacity of approximately 500kt per year of single superphosphate ("SSP"), SSP with micronutrients ("SSP+") and approximately 40kt per year of excess sulfuric acid (220kt per year gross sulfuric acid production capacity) located in Tocantins, Brazil;
- 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;
- Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil;
- Paris Hills – a phosphate mine project located in Idaho, US (wind down in process); and
- Mantaro – a phosphate mine project located in Junin, Peru (wind down in process).

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.

Non-IFRS Financial Measures

The Company considers both IFRS and certain non-IFRS measures to assess 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. 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. The Company believes the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others in order to evaluate the Company's operational and financial performance. These non-IFRS financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS.

Non-IFRS measures included in this news release are defined as follows:

- "EBITDA" as earnings before interest, taxes, depreciation, depletion and amortization;
- "Adjusted EBITDA" as EBITDA adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities;
- "Total capex" as additions to property, plant, and equipment and mineral properties adjusted for additions to asset retirement obligations, additions to right of use assets, capitalized interest and technical studies;
- "Maintenance capex" as portion of total capex relating to the maintenance of ongoing operations;
- "Growth capex" as portion of total capex relating to development of growth opportunities;
- "Cash growth capex" as growth capex less accrued growth capex;
- "Free cash flow" as cash flows from operating activities, which excludes payment of interest expense, plus cash flows from investing activities less cash growth capex;
- "Net debt" as debt less cash and cash equivalents plus deferred financing costs; and
- "Liquidity" as cash and cash equivalents plus undrawn committed borrowing capacity.

Reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in the Company's management's discussion and analysis available under the Company's profile at www.sedar.com and on the Company's website at www.itafos.com.

Other Defined Terms

Other defined terms included in this news release are as follows:

- Coronavirus disease 2019 ("COVID-19");
- Countervailing duty ("CVD");
- Diammonium phosphate ("DAP") New Orleans ("NOLA"); and
- Environmental, Health and Safety ("EHS")
- Environmental Impact Statement ("EIS");
- Husky 1/North Dry Ridge ("H1/NDR");
- Hydrofluorosilicic acid ("HFSA");
- International Trade Commission ("ITC");
- Magnesium oxide ("MgO");
- National Environmental Policy Act ("NEPA");
- Total recordable incident frequency rate ("TRIFR").

Forward-Looking Information

Certain information contained in this news release constitutes forward-looking information. 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. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that this information will prove to be correct and such forward-looking information included in this news release should not be unduly relied upon.

Forward-looking information is subject to a number of risks and other factors that could cause actual results and events to vary materially from that anticipated by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to, the duration and spread of the COVID-19 pandemic and its severity; uncertainties of estimates of capital and operating costs and production estimates; the ability of the Company to meet its financial obligations and minimum commitments, fund capital expenditures and comply with covenants contained in the agreements that govern indebtedness; fluctuations in foreign exchange or interest rates and stock market volatility; the continued supply of sulfuric acid to Conda from its primary supplier and those risk factors set out in management's discussion and analysis and other disclosure documents available under the Company's profile at www.sedar.com and on the Company's website at www.itafos.com. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. 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. The Company undertakes no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

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, 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.

For further information, please contact:

Itafos Investor Relations
investor@itafos.com
www.itafos.com