

Itafos Inc.

---

Fourth Quarter 2025 Update Call

---

Monday, March 23, 4:30 PM ET

---

**CORPORATE PARTICIPANTS**

**David Delaney - CEO**

---

## PRESENTATION

### Operator

Welcome to the Itafos, Inc. Fourth Quarter 2025 Update Call. The commentary in this recorded call is being made available as of Monday, March 23, 2026. This call includes forward-looking statements and non-IFRS financial measures. Please reference Itafos' most recent interim MD&A, financial statements, and annual information form for description of risk factors that could cause actual results to differ materially from any forward-looking statements we make on this call. These materials are available on the Investor Relations section of the company's website. With that, I'd like to turn the call over to Itafos' CEO, David Delaney, for his opening comments.

### David Delaney

Thank you, John, and welcome, everyone, to our quarterly update on the company's results and our outlook for the future. 2025 was a great year for Itafos. We generated revenues of \$558 million and adjusted EBITDA of \$159 million and had highlights in each of our operating segments. At Conda, we set an annual production record on a P2O5 basis. This was, in large part, achieved by our team accomplishing an industry-leading utilization rate essentially at nameplate capacity of the plant. As a result, we generated the highest adjusted EBITDA margin among our publicly traded peers. During the year, we completed mining activities at Rasmussen Valley, getting nearly two full years of additional ore compared to estimates in the original technical report. And we reached mechanical completion of the H1/NDR project and delivered first ore from the new mine to the Conda plant during the fourth quarter. At Arraias, we generated over 13 million in adjusted EBITDA, surpassing the cumulative amount we had recognized between 2022 and 2024 after commencement of the fertilizer restart program when we took the plant out of care and maintenance mode.

During 2025, the team in Brazil was able to proactively take advantage of domestic market conditions to produce and sell 24% more excess sulfuric acid than 2024 and at much higher gross margins, driving the adjusted EBITDA results. After successfully restarting and upgrading the granulation circuit, we had our first sales of granulated rye fertilizer products since 2020. Overall, P2O5 production increased by 170%, and P2O5 sales increased by 115% on a year-on-year basis. Our development segment also achieved excellent results during the year. We closed the Araxa [sp] project sale and received the first cash installment from the buyer, which funded our company's first special dividend that was paid during the second quarter. During the fourth quarter, we monetized the equity we received as part of the consideration for the Araxa sale, taking advantage of the favorable market dynamics of the rare earth sector along with the remaining cash installments, payments from the buyer. The combination of our sale of the equity components and the final cash payments funded a special dividend in Q4. The total return to shareholders of the two special dividends was Canadian \$0.22. Much has changed with the company and the market but recall that our share price was Canadian \$1.38 when the sales transaction was announced in August 2024.

From a corporate perspective, we had no reportable environmental releases and posted a consolidated safety rate of 0.54 versus 0.86 at the end of 2024. Our net leverage ratio decreased to 0.1 on a net debt to trailing 12 months EBITDA basis, and we ended the year with liquidity of over 150 million, representing our cash balance at year end plus availability on a revolving credit line. I am thankful for the work, dedication, and professionalism of all of our employees at Itafos who made these tremendous results possible, and I am especially grateful that our progress is being recognized outside of our organization as well as evidenced by our stock price rising by approximately 65% during 2025. The turnaround that the people in this company have achieved over the past five years has been truly impressive, and I am excited about our long-term prospects

given the solid foundation we have built and the clear opportunities that are out there for us to achieve in the coming years.

As we look ahead to 2026, we have a number of strategic and operational initiatives planned at each of our operating segments. At Conda first and foremost, we will continue to focus on safe operations, best practices, and maintaining our assets. We have guidance for Conda to achieve sales between 335,000 and 355,000 tons on a P2O5 basis consistent with prior years where we produced at or above nameplate capacity. We will progress our magnesium reduction project at the plant that is designed to enable us to maintain operating levels after the full integration of the ore from the H1/NDR mine and allow us to have additional flexibility to produce MAP or SPA. We are targeting integrating the new flotation circuits and machinery upgrades into operations in the second half of 2027. We are progressing reclamation work on the retired Rasmussen Valley mine. This work and the bulk of the associated ARO cash spend will take place over the next 48 months.

We will continue the exploration program on adjacent leases to work on activities and permits that will be necessary to extend our mine life beyond 2027. Specifically, this year, we are planning to drill over 30 reverse circulation and core holes totaling over 13,000 feet, start environmental studies and geological models in support of an updated NI 43101 technical report for the dry ridge extension to be filed in the future, and continue environmental baseline work on Freeman Ridge and Husky 2 with plans to start a new exploration drilling program on these leases in 2027. At Arraias, we will implement the plant upgrades required to restart SSP production as outlined in the updated preliminary economic assessment. The primary project will be to upgrade the beneficiation circuit, which will be the major remaining step required for us to be able to produce SSP at the plant. We are targeting the first production of SSP with sales to the domestic market during 2027. Once fully operational, we expect to be able to produce SSP at an annual run rate of approximately of 170,000 tons, consistent with the conclusions in the PEA. The team in Brazil has done a tremendous job turning around the operations of both the mine and the plant over the past few years, and we are very excited to be in the position to continue to deliver a variety of phosphate fertilizer options to the local farmers who otherwise rely on imported products. Our development program will also be active. We will commence a drilling program and the associated engineering work at our Farim project in Guinea-Bissau to support a low capital phased development option for the project. We have already seen interest from end users for off-take agreements and have explored opportunities for outside investment or financing. As always, we will continue to explore opportunistic ways to create long-term shareholder value, continuing our recent track record.

### **Operator**

Thanks for that overview, David. The company has achieved a lot over the past few years, and it sounds like there are no plans to slow down. With that being said, the phosphate market saw its fair share of volatility last year, and the current conflict in Iran has done nothing but add to that with prices for both phosphate products and raw materials spiking. Can you walk us through what you're seeing in the market and how it may impact the company's results in 2026?

### **David Delaney**

Absolutely. That is the top of everyone's mind. To answer that, I think it's useful to take a step back to last month before the conflict started to remember where we were from a market perspective. On the raw material side, sulfur prices had already spiked to over \$500 per ton on the spot market, and we're trading at levels over 75% of DAP [sp] prices. For comparison's sake, the ratio typically averages around 30%. Demand from other downstream markets, especially nickel smelters in Indonesia driven by higher relative operating margins than traditional fertilizer producers coupled with supply disruptions related to refinery shutdowns and export restrictions in

Russia kept the supply-demand balance very tight in 2025 and to the beginning of 2026. These higher input costs negatively impacted operating margins throughout the fertilizer industry including at Itafos as seen by the fourth quarter '25 prints in the announcements that marginal supply was being idled due to elevated operating cost.

On a fundamental basis, the fertilizer market was tight, creating a higher floor for fertilizer prices. Tariffs during 2025 negatively impacted trade flows into the U.S., leaving inventories at very low levels especially for MAP. China announced more export restrictions for 2026, stating there will be no international phosphate sales until August, implying that its total P<sub>2</sub>O<sub>5</sub> exports will be down again on a year-over-year basis, continuing recent trends. Typical poor weather and ocean conditions shut in export cargoes from Morocco earlier this year, further constraining supply. The outlook for limited availability moved phosphate prices higher after that had come down with removal of the tariffs in the U.S. late last year. MAP prices were back above 670 at the end of February after dropping as low as 615 in December after hitting highs around \$800 last summer. The high fertilizer prices were not met with higher crop prices, making for poor affordability from the farmer's perspective, which has and was expected to continue to result in lower fertilizer demand. The affordability concerns were already expected to outweigh the soil nutrient requirements associated with the exceptionally high planting and yields in the U.S. and Brazil last year. Especially the market was finding equilibrium by demand decreasing to meet the supply limitations.

After that backdrop, the Iran conflict started up, adding to an already volatile market. The facts on the ground are changing seemingly by the minute, but here's what we know and what we've seen and what we think can happen to the main drivers of our operating results. For phosphate, about 25% of global trade originates in Saudi Arabia, Israel, and other Middle Eastern countries that are directly exposed to the conflict. About two-thirds of this travels to international markets through the Strait of Hormuz, which has effectively been shut down with Iran targeting tankers and insurance difficult to come by and extremely expensive for shippers. These conditions add to an already tight market, and prices have moved higher. International DAP and MAP prices have all moved up as buyers look to secure limited supply. MAP prices have surpassed \$800 a ton CFR in Brazil and India. U.S. prices have not responded to the same extent due to the lack of demand driven by farmer affordability concerns. All indications are that supply will remain very tight, which at the very least supports a higher floor for P<sub>2</sub>O<sub>5</sub> prices and mostly likely higher prices while the conflict continues, though perhaps not to the extent we saw following the start of the Russia-Ukraine conflict in 2022.

For sulfur, about 45% of the global trade in sulfur travels through the Strait of Hormuz. Sulfur prices had just started to roll over as demand destruction, especially related to marginal phosphate fertilizer producers in Brazil and China, was bringing the market back into balance. This trend had reversed as a lack of new supply shock is likely to materialize from the Middle East. The most recent published prices show spot prices back to recent highs in Vancouver, which were already above the highs experienced in 2022. From our perspective, the North American market has not seen to be short of supply, but international pricing dynamics are still impacting these tons. Itafos produces about 40% of the sulfuric acid we need to produce MAP and SPA at Conda, using sulfur that we buy from North American suppliers. The vast majority of our remaining sulfuric acid needs are purchased under a long-term contract from Rio Tinto's Kennecott Mine and smelting operations in Utah. We continue to have steady access to these raw materials, but we are exposed to the high sulfur prices, and these have negatively impacted our operating margins both in the fourth quarter '25 and so far this year. In Brazil, we opportunistically purchased sulfur to produce sulfuric acid at Arraias for sale in the domestic market. Last year, we benefited

from relatively low-cost raw material inventory and were able to generate very good operating margins in our sulfuric acid sales.

As we look forward to 2026, we are being nimble in how we operate and looking to optimize our product mix to maximize our results. As we look further ahead to 2027, we expect to consume the sulfuric acid we produce at the plants to make SSP for domestic sales. For ammonia, almost 30% of the global trade in ammonia comes from the Middle East, and again, about two-thirds of that will be constrained by the closing of the Strait of Hormuz. Similar price increases have resulted, which will likely have a negative implication for operating margins for the phosphate industry moving forward. We source all of our ammonia needs at Conda through a long-term contract that is supplied from Canada and indexed off the AECO [sp] natural gas price. As a result, we have seen much less volatility in prices for this key raw material. Overall, we expect the Iran conflict to continue to put pressure on all commodity prices and for the market to experience high volatility. Predicting the future in commodity prices is a dicey proposition in the best of times, which these clearly are not. We see higher prices across the board for our products as well as raw material cost. Over time, we would expect these market dynamics to level off, but the likelihood of that happening in the short run seems remote due to the volatility resulting from geopolitical events.

### **Operator**

That's a very comprehensive rundown. It sounds like the company will have to be nimble as the volatility unfolds. Do you have any final thoughts?

### **David Delaney**

Yeah. Thanks, John. I think the long-term supply and demand fundamentals in the phosphate industry are very bullish for producers like Itafos, and I am confident about where we stand as a company and where we are going in the future. Our operating rates are the best in the industry. We actively invest in and maintain our assets in order to be able to produce at or above nameplate capacity, which gives us a leg up on operating margins as we can fully absorb our fixed operating cost. Our ore quality is as good as any of our competitors in the U.S. market. We have fully moved into our new mine at North Dry Ridge after completing mining operations at the Rasmussen Valley Mine. We have identified reserves through 2037 and are systematically executing exploration and environmental work with the goal of adding additional mine life at adjacent leases. We aim to publish new NI 43101 technical reports for CONDA over the next two to four years to support this outlook. We have a solid long-term offtake and raw material supply agreements at Conda that should further help us maintain high operating rates and margins.

Brazil has been a tremendous success story for us, moving from an asset with an uncertain long-term value to a consistent EBITDA producer with a bright future that can flexibly and opportunistically support local demand for a variety of products in one of the world's most important agricultural markets. We also have a world-class undeveloped phosphate rock mine project in Farim, Guinea-Bissau in West Africa where we are investigating options to bring this resource to the global market that is -- so desperately needs incremental supply. Our balance sheet is rock solid, and our current liquidity cannot only enable us to weather any near-term storms resulting from market factors outside of our control but position us to continue to grow and add long-term value for our shareholders. And most importantly, we have a tremendous team that has demonstrated the ability to work and thrive in all types of markets. Their leadership, ownership, and entrepreneurship have placed us in the position to prosper now and in the future, despite starting from the less than ideal circumstances. I want to thank all of our employees for their hard work, dedication to operating safely and responsibly, and for their commitment to making the company great every day. I can't wait to see what we accomplish next. I appreciate your time and

interest in Itafos. If you have any questions, you can reach us directly through our Investor Relations e-mail address at [investor@itafos.com](mailto:investor@itafos.com) and through our website, and we will be happy to continue the conversation.