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Alto Ingredients, Inc. Acquires CO₂ Processing Plant Adjacent to Columbia Facility, Bolstering Economics and Increasing Asset Valuation

- Secures improved, long-term CO₂ sales contract,
creating immediate bottom-line accretion and future financial upside -

PEKIN, Ill., Jan. 06, 2025 (GLOBE NEWSWIRE) -- Alto Ingredients, Inc. (NASDAQ: ALTO), a leading producer and distributor of specialty alcohols, renewable fuels, and essential ingredients, announced its wholly-owned subsidiary, Alto Carbonic, LLC, has acquired Kodiak Carbonic, LLC, a beverage-grade liquid carbon dioxide (CO₂) processor, for \$7.25 million in cash plus working capital on January 1, 2025. The transaction includes an improved, long-term contract for the sale of beverage-grade CO₂, which will be immediately accretive to the bottom line, has a compelling payback timeline and provides potential expansion opportunities.

Alto Carbonic, co-located in Boardman, OR, utilizes CO₂ gas produced from Alto Ingredients' Columbia plant to produce and sell liquid CO₂ in the Northwestern region of the United States for applications in food and beverage processing, industrial cooling, and other industries. The facility, operational since 2015, has the capacity to process over 200 tons of liquid CO₂ daily.

"In our ongoing pursuit to optimize product value, we identified the beverage-grade liquid CO₂ plant as a significant opportunity and pursued the acquisition to continue to expand our premium ingredients portfolio," said Alto Ingredients' President and CEO Bryon McGregor. "By entering into an improved long-term off-take contract with a leading supplier of gases and related products and services, we further de-risk the future cash flows from this acquisition. Overall, we have augmented our CO₂ operations, positioning the Columbia facility to grow sales, improve distribution efficiency, and expand margins. The transaction boosts our economics and strengthens our asset valuation."

About Alto Ingredients, Inc.

Alto Ingredients, Inc. (ALTO) is a leading producer and distributor of specialty alcohols, renewable fuels and essential ingredients. The company is focused on products for four key markets: Health, Home & Beauty; Food & Beverage; Essential Ingredients; and Renewable Fuels. The company's customers include major food and beverage companies and consumer products companies. For more information, please visit www.altoingredients.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

Statements and information contained in this communication that refer to or include Alto Ingredients' estimated or anticipated future results or other non-historical expressions of fact are forward-looking statements that reflect Alto Ingredients' current perspective of existing trends and information as of the date of the communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "should," "estimate," "expect," "forecast," "outlook," "guidance," "intend," "may," "might," "will," "possible," "potential," "predict," "project," or other similar words, phrases or expressions. Such forward-looking statements include, but are not limited to, statements concerning the benefits and other effects of Alto Ingredients' acquisition of Kodiak Carbonic, LLC and its liquid CO₂ production facility, including margin improvements and other benefits and effects; It is important to note that Alto Ingredients' plans, objectives, expectations and intentions are not predictions of actual performance. Actual results may differ materially from Alto Ingredients' current expectations depending upon a number of factors affecting Alto Ingredients' business and plans. These factors include, among others, Alto Ingredients' ability to profitably and efficiently operate its liquid CO₂ production facility; economic and market conditions, including for liquid CO₂, specialty alcohols, renewable fuels and essential ingredients; export conditions and international demand for Alto Ingredients' products; fluctuations in the price of and demand for oil and gasoline; and raw material costs, including production input costs, such as corn and natural gas. These factors also include, among others, the inherent uncertainty associated with operating large-scale chemical production facilities, and financial and other projections and events, factors and risks previously and from time to time disclosed in Alto Ingredients' filings with the Securities and Exchange Commission including, specifically, those factors set forth in the "Risk Factors" section contained in Alto Ingredients' Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 8, 2024.

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