
Unaudited Condensed Interim Consolidated Financial Statements

Sucro Limited

For the six months ended June 30, 2024, and 2023

(Expressed in Thousands of US Dollars)

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Sucro Limited

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Assets		
Current Assets		
Cash	\$ 5,194	\$ 5,919
Trading and derivative assets (note 5)	2,774	2,179
Accounts and other receivable	87,431	69,865
Inventory (note 6)	160,790	215,851
Due from related parties (note 11)	3,131	3,023
Unrealized gains on forward commitments (note 16)	133,625	140,544
Prepaid expenses	13,106	6,560
Total Current Assets	406,051	443,941
Non-Current Assets		
Property, plant and equipment (note 7)	102,960	82,922
Right-of-use assets	13,117	13,178
Sales taxes recoverable	2,312	2,014
Equity investment	972	841
Other non-current assets	72	72
Goodwill	961	961
Total Non-Current Assets	120,394	99,988
Total Assets	\$ 526,445	\$ 543,929

Sucro Limited

Condensed Interim Consolidated Statements of Financial Position

As of

(Expressed in Thousands of US Dollars)

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 50,229	\$ 60,032
Unrealized losses on forward commitments (note 16)	17,728	34,025
Loans and borrowings, current portion (note 8)	204,290	229,052
Due to related parties (note 11)	1,112	5,054
Taxes payable	118	329
Lease liabilities, current portion	754	686
Sales taxes payable	711	5,345
Total Current Liabilities	274,942	334,523
Non-Current Liabilities		
Loans and borrowings, net of current portion (note 8)	47,075	37,704
Deferred tax liability	23,898	18,068
Lease liabilities	11,932	11,809
Total Liabilities	357,847	402,104
Shareholders' Equity		
Share capital (note 9)	54,257	53,782
Retained earnings	109,983	86,667
Equity-based compensation reserve (note 17)	2,306	902
Cash flow hedging reserve (note 4)	437	(759)
Equity Attributable to Shareholders of the Company	166,983	140,592
Non-controlling interest	1,615	1,233
Total Shareholders' Equity	168,598	141,825
Total Liabilities and Shareholders' Equity	\$ 526,445	\$ 543,929

Nature of Operations (note 1)

Commitments and Contingencies (note 18)

Subsequent Events (note 23)

Approved on behalf of the Board of Directors.

Signed " Don Hill " Director

Signed " William Billings " Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Sucro Limited

Condensed Interim Consolidated Statements of Income and Comprehensive Income
For the three and six months ended June 30,
(Expressed in Thousands of US Dollars)

	Three months ended 2024 (Unaudited)	Three months ended 2023 (Unaudited)	Six months ended 2024 (Unaudited)	Six months ended 2023 (Unaudited)
Revenue (notes 13 and 19)	\$ 137,710	\$ 118,147	\$ 322,035	\$ 243,233
Cost of sales (note 14)	117,429	84,619	264,647	184,246
Gross Profit	20,281	33,528	57,388	58,987
Selling, General and Administrative Expenses				
Administrative expenses (note 11)	5,994	3,967	11,469	9,121
Selling and distribution expenses	(62)	608	345	1,351
Other operating expenses	1,855	583	2,320	1,380
Depreciation (note 7)	388	331	769	621
Depreciation of right-of-use assets	157	134	313	268
Equity-based compensation (note 17)	760	(772)	1,404	(571)
Equity-based settlement expense	-	1,588	-	1,588
Total Selling, General and Administrative Expenses	9,092	6,439	16,620	13,758
Income From Operations	11,189	27,089	40,768	45,229
Other Income (Expenses)				
Interest expense	(7,148)	(5,491)	(12,322)	(9,358)
Interest income	315	105	607	199
Earnings from equity investment	40	95	131	316
Other income (expense)	889	(19)	752	111
Total Other Income (Expenses)	(5,904)	(5,310)	(10,832)	(8,732)
Income Before Income Taxes	5,285	21,779	29,936	36,497
Income Tax Recovery (Expense)				
Current income tax recovery (expense)	(298)	2,667	(408)	1,104
Deferred income tax recovery (expense)	(1,028)	(7,572)	(5,830)	(9,229)
Total Tax Expense	(1,326)	(4,905)	(6,238)	(8,125)
Net Income	3,959	16,874	23,698	28,372
Other Comprehensive Income				
Items that may be reclassified to profit or loss				
Gain on interest rate swap	210	301	1,159	176
Gain (loss) on energy rate swap	79	(30)	37	(125)
Comprehensive Income	\$ 4,248	\$ 17,145	\$ 24,894	\$ 28,423
Net Income per Share - basic	\$ 0.57	\$ 2.31	\$ 3.43	\$ 3.90
Net Income per Share - diluted	\$ 0.17	\$ 0.77	\$ 1.01	\$ 1.29
Weighted Average Number of Shares Outstanding - basic	6,949,554	7,290,324	6,900,025	7,269,920
Weighted Average Number of Shares Outstanding - diluted	23,622,970	22,011,822	23,573,441	21,950,610

Sucro Limited

Condensed Interim Consolidated Statements of Income and Comprehensive Income

For the three and six months ended June 30,

(Expressed in Thousands of US Dollars)

	Three months ended 2024	Three months ended 2023	Six months ended 2024	Six months ended 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Income Attributable to:				
Non-controlling interest	\$ 114	\$ 255	\$ 382	\$ 2,546
Shareholders of the Company	3,845	16,619	23,316	25,826
	\$ 3,959	\$ 16,874	\$ 23,698	\$ 28,372
Comprehensive Income Attributable to:				
Non-controlling interest	\$ 114	\$ 255	\$ 382	\$ 2,546
Shareholders of the Company	4,134	16,890	24,512	25,877
	\$ 4,248	\$ 17,145	\$ 24,894	\$ 28,423

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Sucro Limited

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Thousands of US Dollars)

	Share Capital	Retained Earnings	Equity-based Compensation Reserve	Put Option Reserve	Cash Flow Hedging Reserve	Non- controlling Interest	Total Shareholders' Equity
Balance, January 1, 2023	\$ 43,715	\$ 71,624	\$ 2,444	\$ (7,058)	\$ 347	\$ (1,945)	\$ 109,127
Unrealized gain on interest rate swaps	-	-	-	-	176	-	176
Unrealized loss on energy rate swaps	-	-	-	-	(125)	-	(125)
Equity based compensation	-	-	(571)	-	-	-	(571)
Put option reserve	-	-	-	(1,785)	-	-	(1,785)
Net income attributable to share holders of the Company	-	25,826	-	-	-	-	25,826
Total equity attributable to share holders of the Company	43,715	97,450	1,873	(8,843)	398	(1,945)	132,648
Net income attributable to non-controlling interests	-	-	-	-	-	2,546	2,546
Balance, June 30, 2023 (Unaudited)	\$ 43,715	\$ 97,450	\$ 1,873	\$ (8,843)	\$ 398	\$ 601	\$ 135,194
Balance, January 1, 2024	\$ 53,782	\$ 86,667	\$ 902	\$ -	\$ (759)	\$ 1,233	\$ 141,825
Unrealized gain on interest rate swaps	-	-	-	-	1,159	-	1,159
Unrealized gain on energy rate swaps	-	-	-	-	37	-	37
Equity-based compensation	-	-	1,404	-	-	-	1,404
Shares issued on exercise of warrants	475	-	-	-	-	-	475
Net income attributable to share holders of the Company	-	23,316	-	-	-	-	23,316
Total equity attributable to share holders of the Company	54,257	109,983	2,306	-	437	1,233	168,216
Net income attributable to non-controlling interests	-	-	-	-	-	382	382
Balance, June 30, 2024 (Unaudited)	\$ 54,257	\$ 109,983	\$ 2,306	\$ -	\$ 437	\$ 1,615	\$ 168,598

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Sucro Limited

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended June 30,

(Expressed in Thousands of US Dollars)

	2024 (Unaudited)	2023 (Unaudited)
Cash provided by (used in)		
Cash Flows From Operating Activities		
Net income for the period	\$ 23,698	\$ 28,372
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Earnings from equity investment	(131)	(316)
Lease interest expense	468	202
Gain on lease modification	-	(87)
Net change in mark to market on forward contracts (note 4)	(25,801)	(34,109)
Depreciation expense (note 7)	2,572	2,172
Unrealised foreign exchange gain on lease liability	(215)	-
Depreciation of right-of-use assets	477	441
Accrued Interest	(108)	-
Equity-based compensation	1,404	(571)
Deferred tax expense	5,830	9,229
Equity-based settlement	-	1,588
Operating cash flows before changes in non-cash working capital	8,194	6,921
Changes in non-cash operating assets and liabilities (note 20)	29,084	(73,890)
Net cash provided by (used in) operating activities	37,278	(66,969)
Net cash used in investing activities (note 21)	\$ (22,610)	\$ (6,179)
Net cash provided by (used in) financing activities (note 22)	(15,393)	68,033
Net decrease in cash	(725)	(5,115)
Cash, beginning of period	5,919	6,997
Cash, end of period	\$ 5,194	\$ 1,882
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 11,539	\$ 7,506

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024, and 2023

(Expressed in Thousands of US Dollars)

1. Nature of Operations

Sucro Limited (the “Company”) was incorporated as an exempt company under the Companies Act (2023 Revision) (Cayman Islands) on July 31, 2023. The Company is incorporated and domiciled in the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands and the principal place of business is 2020 Ponce De Leon, Suite 1204, Coral Gables, Miami, Florida 33145. The Company is a vertically integrated wholesale sugar merchant, operating primarily in North America. The Company's business consists primarily of purchasing raw, refined, and specialty sugars from mills in net-exporting countries and supplying raw, refined, specialty and liquid sugars to wholesalers and food and beverage manufacturers in net-importing countries. The Company's shares trade under the ticker symbol “SUGR.V” on the TSX Venture Exchange in Canada.

The Company's operations are classified into two reportable business segments: Trade and Services (see note 19). Each of these segments is organized based upon the nature of products and services offered and aligns with the management structure. The Trade segment is a business focusing on capturing profits through sourcing, merchandising, and managing logistics of sugar. The Company's asset-based Services segment provides tolling (refining, processing, handling, packaging, and quality assurance), storage, and other services primarily to the Trade segment.

The following companies have been consolidated within the Company's consolidated financial statements. The Company's percentage of ownership as of June 30, 2024 and 2023 was:

Name of the Corporation	Jurisdiction of Incorporation	Principal Activity	Percentage of Ownership	
			June 30, 2024	June 30, 2023
Sucro Holdings, LLC	Florida	Administrative	100%	100%
Sucro Can Sourcing, LLC	Florida	Wholesale Sugar Merchant	100%	100%
Sucro Can International	Delaware	Sugar Processor	100%	100%
Sucro Trading SRL	Panama	Wholesale Sugar Merchant	100%	100%
Sucro Can Canada Inc.	Ontario, Canada	Sugar Processor	100%	100%
Sweet Life, LLC	Delaware	Sugar Processor	100%	100%
Sucro Atlanta, LLC	Delaware	Equipment	100%	100%
Sucro Chicago, LLC	Delaware	Real Estate	100%	100%
Sweet Life Services, LLC	Delaware	Sugar Processor, storage and broker	51%	51%
Sucro 2020, LLC	Florida	Real Estate	100%	100%
Sucro Real Estate NY, LLC	New York	Real Estate	100%	100%
WS Services, LLC	Delaware	Sugar storage	100%	50%
Sucro Processing LLC	Delaware	Sugar Processor	100%	100%
Sweet Life Transportation LLC	Delaware	Inactive	100%	100%
SCM Sugar Servicios S.A.	Mexico	Administrative	100%	N.A.

As of June 30, 2024, SC Americas Corp (the "Ultimate Parent") owned 67.51% (December 31, 2023 - 67.92%) of the Company. In addition to the companies listed above, the Company also has a 100% interest in Sucro Brazil LTDA and Sugar Latam del Ecuador S.A. Each of these entities are inactive subsidiaries.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024, and 2023

(Expressed in Thousands of US Dollars)

1. Nature of Operations (continued)

Reorganization

On October 2, 2023, the Company, Sucro Holdings, LLC ("Sucro Holdings") and the existing members of Sucro Holdings entered into a Share Exchange Agreement pursuant to which the members of Sucro Holdings contributed all of the units of Sucro Holdings, LLC into the Company in exchange for 167,189.29 Proportionate Voting Shares ("PVS") and 5,164,421 Subordinated Voting Shares ("SVS") of the Company (the "Reorganization"). Each unit of Sucro Holdings was exchanged for 3 SVS or 0.03 PVS, as applicable. The result of the Reorganization was to establish the Company as the holding company of Sucro Holdings and its subsidiaries, domiciled in the Cayman Islands.

In connection with the Reorganization, the one SVS that was issued and outstanding for organizational purposes for a subscription price of \$1 was repurchased by the Company for cancellation.

The Reorganization was treated by the Company as a reverse acquisition. For accounting purposes, Sucro Holdings is considered to have acquired the Company as the accounting acquiree. Accordingly, the consolidated financial statements of the Company are presented as a continuation of the financial statements of Sucro Holdings.

Initial Public Offering

On October 20, 2023, the Company filed a final prospectus in all provinces of Canada other than Quebec for the distribution of 1,364,000 SVS in an initial public offering from treasury at a price of CAD\$11.00 per share for gross proceeds of CAD\$15,004,000 (the "Offering"). On October 30, 2023, the Company completed its initial public offering.

2. Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS Accounting Standards and related Interpretations which are issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) (collectively IFRSs). These condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2023 except as noted below. These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on August 28, 2024.

The condensed interim consolidated financial statements are presented in United States Dollars ("U.S. Dollars") and all values are rounded to the nearest (\$000), unless otherwise noted.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024, and 2023

(Expressed in Thousands of US Dollars)

2. Basis of Preparation (continued)

The functional currency of the Company and each of its subsidiaries is the currency of the primary economic environment in which it operates. The Canadian Dollar (“CAD”) is the functional currency of the parent Company and Mexican Pesos (“MEX”) is the functional currency of one of its subsidiaries, while the U.S. Dollar is the functional currency of all other consolidated subsidiaries. The condensed interim consolidated financial statements are presented in U.S. Dollars (“the presentation currency”) because that is the functional currency of a majority of the Company’s operations.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- i. Financial Instruments- fair value through profit or loss
- ii. Financial Instruments- fair value through other comprehensive income
- iii. Inventory - fair value less costs to sell

3. Material Accounting Policy Information

(a) Recent accounting pronouncements

The following amended accounting standards issued by the IASB have an effective date on or after January 1, 2024 and were adopted effective January 1, 2024.

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The Company has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1, as issued in 2020 and 2022, which are applied for annual reporting periods beginning on or after January 1, 2024. These amendments clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities subject to covenants within 12 months after the reporting date. Application of these amendments did not have a material impact on the Company’s condensed interim consolidated financial statements.

4. Trading, Derivative and Hedging Activities

The Company engages in wholesale sugar-based financial transactions (Trading Activities). Trading Activities involve the purchase and sale of sugar products under forward contracts at fixed and variable prices and the trading of sugar contracts which include exchange traded futures.

The Company marks to market all open trading contracts from both forward physical and financial trading activities. The fair values of open trading contracts are based on regulated exchange prices, industry pricing publications, internal pricing models and broker or dealer quotes. The Company has not designated any of its Trading Activities as hedging activities.

The Company entered into interest rate swap agreements to manage interest rate risk exposure associated with the Company's floating-rate borrowings and designates them as cash flow hedges.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Thousands of US Dollars)

4. Trading, Derivative and Hedging Activities (continued)

As of June 30, 2024, the total notional amount of the Company's receive-variable/pay-fixed interest rate swaps was \$79,000 (December 31, 2023- \$64,000).

The Company has also entered into energy swap agreements to manage price risk exposure associated with the Company's consumption of energy in its processing and refining facilities. An energy swap agreement utilized by the Company effectively modifies the Company's exposure to price risk by converting the Company's variable rate to a fixed-rate basis from April 2023 through March 2025, thus reducing the impact of price changes on future energy payments. This agreement involves the receipt of variable rate on the first 51,600 MMBTU per month in exchange for fixed rate energy payments over the life of the agreement without an exchange of the underlying notional units. The Company designated this energy swap as a cash flow hedge.

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivative instruments are commodity price risk, foreign currency exchange rate risk, and interest rate risk.

The following table provides a summary of the Company's derivative assets:

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Forward commitments	\$ 133,270	\$ 140,495
Futures contracts (note 5)	2,337	2,938
Interest rate swaps (note 5)	637	281
Foreign currency forwards	355	49
Total derivatives	\$ 136,599	\$ 143,763

The following table provides a summary of the Company's derivative liabilities:

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Forward commitments (note 5)	\$ 17,676	\$ 32,902
Interest rate swaps (note 5)	-	803
Foreign currency forwards	52	1,123
Energy swap (note 5)	200	237
Total derivatives	\$ 17,928	\$ 35,065

During the period ended June 30, 2024 and June 30, 2023, net unrealized gains (losses) on derivative transactions recognized in cost of sales are as follows:

	June 30, 2024	June 30, 2023
	(Unaudited)	(Unaudited)
Mark-to-market gains on commodity forward commitments	\$ 9,417	\$ 28,383
Mark-to-market gains on inventory	11,412	2,064
Mark-to-market gains on futures contracts	3,595	3,687
Mark-to-market gains (losses) on foreign currency forwards	1,377	(25)
Total gains	\$ 25,801	\$ 34,109

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2024 and 2023
(Expressed in Thousands of US Dollars)

4. Trading, Derivative and Hedging Activities (continued)

The following table shows the Company's gains and losses from derivatives designated as hedging relationships for the periods indicated:

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in OCI on Derivative (effective portion) for the six months ended June 30		Location of gain (loss) reclassified from OCI into income (effective portion)	Amount of gain (loss) reclassified from OCI into income (effective portion) for the six months ended June 30		Location of gain (loss) reclassified in income on derivative (ineffective portion)	Amount of gain (loss) recognized in income on derivative (ineffective portions) for the six months ended June 30	
	2024	2023		2024	2023		2024	2023
Interest rate swap	\$ 1,159	\$ 176	Interest income (expense)	\$ 482	\$ 48	Other income (expense)	\$ -	\$ -
Energy rate swap	\$ 37	\$ (125)	Cost of sales	\$ (205)	\$ (25)	Other income (expense)	\$ -	\$ -

5. Trading and Derivative Assets and Liabilities

The Company maintains an account with a broker to facilitate financial derivative transactions. Based on the value of the positions in this account and the associated margin requirements, the Company may be required to deposit cash into the brokerage account. The Company offsets fair value amounts for cash collateral against fair value amounts recognized for derivative instruments executed with the same counterparty.

As of June 30, 2024 and December 31, 2023, trading account assets and liabilities consist of the following:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash position	\$ 6,892	\$ 11,089
Net unrealized losses on open futures contracts	(4,555)	(8,151)
Interest rate swaps	637	(522)
Energy swap	(200)	(237)
Net trading and derivative assets	\$ 2,774	\$ 2,179

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Thousands of US Dollars)

6. Inventory

Inventory consists of varying types and grades of sugar and sugar products and is held at the various storage, processing, and off-site plants the Company utilizes. The Company values its sugar at fair value less cost to sell and its processing additives at net realizable value.

The Company's inventories consist of the following:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Sugar commodities	\$ 160,019	\$ 215,441
Processing additives	771	410
Total	\$ 160,790	\$ 215,851

The cost of inventories included as an expense through cost of sales for the period ended June 30, 2024 was \$286,476 (June 30, 2023 - \$118,160). As of June 30, 2024, inventory of \$160,019 (December 31, 2023 - \$215,441) was pledged as security against the Company's borrowing base revolving line of credit facility.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Thousands of US Dollars)

7. Property, Plant and Equipment

	Office and computer equipment	Machinery and plant equipment	Buildings and leasehold improvements	Furniture and fixtures	Vehicles	Land	Construction in progress	Total
Cost								
Balance - December 31, 2023 (Audited)	\$ 843	\$ 59,062	\$ 26,257	\$ 547	\$ 247	\$ 1,813	\$ 8,735	\$ 97,504
Additions	51	55	593	9	-	-	22,206	22,914
Disposals	-	(190)	(114)	-	-	-	-	(304)
Reclassification from Construction in progress	-	1,196	-	-	-	-	(1,196)	-
Balance - June 30, 2024 (Unaudited)	\$ 894	\$ 60,123	\$ 26,736	\$ 556	\$ 247	\$ 1,813	\$ 29,745	\$ 120,114
Accumulated Depreciation								
Balance - December 31, 2023 (Audited)	\$ 324	\$ 13,012	\$ 1,074	\$ 104	\$ 68	\$ -	\$ -	\$ 14,582
Depreciation	84	1,985	438	44	21	-	-	2,572
Balance - June 30, 2024 (Unaudited)	\$ 408	\$ 14,997	\$ 1,512	\$ 148	\$ 89	\$ -	\$ -	\$ 17,154
Carrying Amount								
As of December 31, 2023 (Audited)	\$ 519	\$ 46,050	\$ 25,183	\$ 443	\$ 179	\$ 1,813	\$ 8,735	\$ 82,922
As of June 30, 2024 (Unaudited)	\$ 486	\$ 45,126	\$ 25,224	\$ 408	\$ 158	\$ 1,813	\$ 29,745	\$ 102,960

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Thousands of US Dollars)

8. Loans and Borrowings

Changes to the Company's loans and borrowings for the period ended June 30, 2024 and the year ended December 31, 2023 are as follows:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Opening balance	\$ 266,756	\$ 194,840
Lines of Credit (a)	90,475	116,077
Senior Secured Equipment Loan (b)	8,375	7,457
Real Estate Term Loan (b)	3,676	-
Repurchase obligations (c)	60,810	19,103
Vehicle Loan	-	112
Other Promissory Note	-	200
Repayments	(177,913)	(70,554)
Debt issuance costs	(814)	(1,391)
Reclassified from (to) liabilities held for sale	-	912
Ending balance	\$ 251,365	\$ 266,756
Current portion	\$ 204,290	\$ 229,052
Long term portion	\$ 47,075	\$ 37,704

(a) Lines of Credit

Type	Effective rate	Maturity	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Line of credit (i)	Wall Street Journal + 0.75% or never less than 4% (At June 30, 2024 -9.25% (December 31, 2023- 9.25%))	April, 2025	\$ 400	\$ 200
Line of credit (ii)	Secured overnight financing rate plus 3.5% (At June 30, 2024- 8.53% (December 31, 2023 -8.59%))	August, 2024	194,315	189,777
			\$ 194,715	\$ 189,977

i) The line of credit is guaranteed by Sucro Holdings for a maximum amount of \$255.

ii) As security for the facility, Sucro Can Sourcing, LLC and Sucro Trading SRL have pledged all assets, including all inventory, equipment and existing and future contracts for the purchase and sale of sugar products along with any receivables arising from the performance of those contracts. In addition, this facility is guaranteed by Sucro Holdings, LLC and Sucro Limited on a stand-alone basis.

The Company incurred \$8,205 of interest expense on the above credit facilities for the period ended June 30, 2024 (2023 - \$5,742). As of June 30, 2024, the Company was in compliance with its covenants.

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2024 and 2023
(Expressed in Thousands of US Dollars)

8. Loans and Borrowings (continued)

(b) Senior Secured Equipment and Real Estate Loans

Type of loan	Effective rate	Maturity	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Equipment (i)	7.75%	April, 2029	\$ 13,195	\$ 13,938
Equipment (ii)	6.85%	November, 2030	1,455	1,544
Equipment (iii)	Variable	on demand	604	604
Equipment (iv)	4.0120	December, 2028	709	836
Equipment (v)	3.84%	December, 2026	5,351	5,456
Equipment (vi)	five year treasury rate plus 2.3%	November, 2027	205	232
Equipment (vii)	five year treasury rate plus 2.3%	October, 2027	415	470
Equipment (viii)	6.65%	March, 2027	334	386
Equipment (ix)	7.36%	December, 2028	3,162	3,400
Equipment (x)	4.6%	March 2027	394	460
Real Estate (xi)	WSJ +1.25%	April, 2027	13,473	13,596
Real Estate (xii)	3.582%	February, 2025	748	806
Equipment (xiii)	6.38%	January, 2031	304	-
Real Estate (xiv)	8.50%	November, 2025	1,192	-
Real Estate (xv)	BOC prime rate plus 1.5%	April, 2039	2,484	-
Equipment (xvi)	SOFR plus 2.35%	May, 2034	7,955	-
			\$ 51,980	\$ 41,728

The senior secured equipment loans (i), (ii), (iii) and (xiii) are guaranteed by Sucro Holdings, LLC and Sucro Can International. These loans are secured by the equipment acquired.

The senior secured equipment loans (iv), (v), (vi), (vii), (viii) and (x) are guaranteed by Sucro Holdings, LLC on a stand-alone basis. These loans are secured by the equipment acquired.

The senior secured equipment loan (ix) is guaranteed by Sucro Can Canada Inc. This loan is secured by the equipment acquired.

The senior secured equipment loan (xvi) is guaranteed by Sucro Can International LLC. This loan is secured by the equipment acquired.

The senior secured real estate loan (xi) is guaranteed by the controlling member of the Company and Sucro Holdings, LLC on a stand-alone basis. The senior secured real estate loan (xii) is secured by the real property acquired.

The senior secured real estate loan (xiv) is guaranteed by Sucro Holdings, LLC and Sucro Can International. The senior secured real estate loan (xiv) is secured by the real property acquired.

The senior secured real estate loan (xv) is secured by the real property acquired.

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8. Loans and Borrowings (continued)

(c) Repurchase Obligations

The Company periodically enters into sale agreements with a related repurchase agreement whereby the Company receives cash from a financial institution in exchange for the sale of inventory, which the Company agrees to repurchase from the financial institution at a fixed rate at a future date. These sale transactions are recorded as financial liabilities. As of June 30, 2024, the Company had open purchase agreements for 6,310 MT (December 31, 2023 - 53,320 MT) of raw sugar for which it has recognized liabilities of \$4,708 (December 31, 2023 - \$35,551) and accrued interest of \$14 (December 31, 2023 - \$961). The purchase agreements all have maturity dates of less than six months and carry an average interest rate of 10.31% (December 31, 2023 - 9.59%). The Company's repurchase obligations are secured by the underlying inventory of \$5,685 sold pursuant to the sale agreement as legal title of the inventory passes to the financial institution upon delivery of the inventory. During the six months ended June 30, 2024, the Company incurred interest expense of \$1,335 (June 30, 2023 - \$1,229) related to these agreements.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

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9. Share Capital

On October 2, 2023, a reorganization of the Company was completed pursuant to which the members of Sucro Holdings contributed all of the units of Sucro Holdings into the Company in exchange for shares of the Company. Each unit of Sucro Holdings was exchanged for 3 SVS or 0.03 PVS, as applicable. The result of the Reorganization was to establish the Company as the top holding company in the Sucro group of companies domiciled in the Cayman Islands. In connection with the Reorganization, the original one (1) SVS issued for organizational purposes was repurchased by the Company for cancellation.

Holders of the SVS are entitled to one vote (1) per share and holders of PVS are entitled to one hundred (100) votes per share as shareholders of the Company. Holders of the SVS and PVS are entitled to receive dividends if, as and when declared by the Board and to receive pro rata the remaining property and assets of the Company upon its dissolution or winding-up in the same proportions as their voting rights.

The changes in share capital for the Company for the period ended June 30, 2024, were as follows:

	Member Units	SVS	PVS
Balance, December 31, 2023	-	6,683,306	167,189
Issued upon exercise of warrants	-	140,850	-
Balance, June 30, 2024	-	6,824,156	167,189

On December 28, 2023, the Company entered into an EAR cancellation agreement with an employee such that the existing EARs totaling 75,894 were cancelled in exchange for the issuance of 154,885 restricted SVSs. The SVSs issued may not be sold, assigned, or pledged until December 31, 2024, as to one-half of the shares, until June 30, 2025, as to one-quarter of the shares, and until December 31, 2025, as to the final one-quarter of the shares.

During the three months period ended June 30, 2024, the Company issued 140,850 subordinate voting shares pursuant to the exercise of outstanding broker warrants issued in April 2022 in connection with the private placement of member units of Sucro Holdings. The consideration received for these shares was CAD \$651. As of June 30, 2024, the Company has 39,785 outstanding broker warrants, each entitling the holder to acquire one subordinate voting share at an exercise price of CAD \$11.00 until October 30, 2025.

10. Warrants

The changes in warrants for the period ended June 30, 2024, were as follows:

	Number of Warrants	Amount
Balance, December 31, 2023	167,831	\$ 185
Exercised	(128,046)	\$ (106)
Balance, June 30, 2024	39,785	\$ 79

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2024 and 2023
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11. Related Party Transactions

In August 2022, the Company's controlling shareholder entered into a subordinated unsecured note payable to the Company for \$1,679. This note bears interest at a rate of 8% per annum and matures in August 2024. The balance of this loan as of June 30, 2024 is \$783 (December 31, 2023- \$755). The Company recorded interest income of \$28 during the period ended June 30, 2024 (June 30, 2023- \$28).

In August 2023, the Company's controlling shareholder entered into a subordinated unsecured note payable to the Company for \$1,903. This note bears interest at a rate of 8% per annum and originally was to mature in August 2024. In December, 2023 the original note was amended where the principal amount was restated to \$2,214 which also includes the unpaid accrued interest on the original note. The maturity date was revised from August 2024 to December 2024. The interest rate was not amended. The balance of this loan as of June 30, 2024 is \$2,292 (December 31, 2023- \$2,214). The Company recorded interest income of \$78 during the period ended June 30, 2024 (June 30, 2023- \$Nil).

The Company purchases or obtains services from and sells to entities in which it has significant influence but does not control. The amount payable to those companies as of June 30, 2024 was \$1,112 (December 31, 2023- \$5,054).

A family member of the CEO of the Company earned \$216 in salaries & bonuses during the period ended June 30, 2024 (June 30, 2023- \$81).

The Company defines Key Management Personnel as its CEO, CFO, Vice-Presidents and members of the Company's Board of Directors. Consideration paid to Key Management Personnel during the period ended June 30, 2024 and June 30, 2023 is as follows:

	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Salaries and other cash compensation	\$ 2,447	\$ 1,292
Short-term employment benefits	72	46
Equity-based compensation	1,210	(571)
Total	\$ 3,729	\$ 767

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

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12. Commodity Risk Management

The Company uses derivative instruments to manage its exposure to fluctuating prices of certain commodities. The Company manages open positions, which limit its exposure to market risk and requires routine reporting to management of potential financial exposure.

Other than the interest and energy rate swaps discussed previously, the Company has elected not to designate the derivative instruments as hedges for accounting purposes. As a result, gains and losses representing changes in these derivative instruments' fair values are recognized in profit or loss.

The table below summarizes the commodity derivative instrument positions for sugar as of June 30, 2024:

June 30, 2024 (Unaudited)				
	Volumes/ Notional Amounts (Net)	Effective Dates	Expiration Dates	Fair Value
Sugar commodities	4,931 MTS	July 2024 - October 2026	July 2024 - October 2026	\$ 140,324
Total fair market value				\$ 140,324

The table below summarizes the commodity derivative instrument positions for sugar as of December 31, 2023:

December 31, 2023 (Audited)				
	Volumes/ Notional Amounts (Net)	Effective Dates	Expiration Dates	Fair Value
Sugar commodities	28,757 MTS	Jan 2024 - Nov 2025	Jan 2024 - Nov 2025	\$ 116,438
Total fair market value				\$ 116,438

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13. Revenue

Six months ended	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Tolling	301	921
Warehousing	153	609
Commodity contracts	322,842	245,208
F&O Trading	(1,261)	(3,505)
Gross Revenue	322,035	243,233

All of the Company's revenue except warehousing is recognized at a single point in time. Warehousing revenue is recognized over time.

14. Cost of Sales

	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Cost of sales on realized positions	\$ 288,481	\$ 216,633
Net unrealized mark-to-market-gains	(25,801)	(34,109)
Depreciation on property, plant and equipment	1,803	1,550
Depreciation on right-of-use plant and equipment	164	172
Total Cost of Sales	\$ 264,647	\$ 184,246

The Company had a gross profit on its realized positions of \$31,587 for the six months ended June 30, 2024 (June 30, 2023 - \$24,878).

15. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and market risk. Market risk is comprised of interest rate, foreign currency and other price risk. The Company regularly evaluates and manages the risks assumed with its financial instruments.

Management of risks during the period ended June 30, 2024 did not change materially from the year ended December 31, 2023.

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16. Fair Value Measurements

The Company measures and reports certain assets and liabilities at fair value and within a hierarchy disclosure framework that prioritizes and ranks the level of observable inputs used in measuring fair value. Inputs based on market data from independent sources are considered observable inputs and inputs generated from internal assumptions based upon the best information available when external market data is limited or unavailable are considered unobservable inputs. The fair value hierarchy prioritizes fair value measurements into three levels based on the nature of the inputs. Quoted prices in active markets for identical assets or liabilities have the highest priority (Level 1), followed by observable inputs from other than quoted prices, including prices for similar but not identical assets or liabilities (Level 2), and unobservable inputs, including the reporting entity's estimates of the assumptions that market participants would use, having the least priority (Level 3). At each statement of financial position date, the Company performs an analysis of all instruments subject to fair value measurements.

Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company primarily applies the market approach for recurring fair value measurements and utilizes the best available information. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

As of June 30, 2024, assets measured at fair value on a recurring basis are as follows:

(Unaudited)	Level 1	Level 2	Level 3	Total
Unrealized gains on forward commitments	\$ 684	\$ 92,469	\$ 40,117	\$ 133,270
Mark-to-market gains (losses) on inventory	8,322	3,892	21,970	34,184
Futures contracts	263	-	-	263
Interest rate swaps	637	-	-	637
Foreign currency forwards	-	-	355	355
Total	\$ 9,906	\$ 96,361	\$ 62,442	\$ 168,709

As of June 30, 2024, liabilities measured at fair value on a recurring basis are as follows:

(Unaudited)	Level 1	Level 2	Level 3	Total
Unrealized losses on forward commitments	\$ (1,044)	\$ (13,205)	\$ (3,427)	\$ (17,676)
Mark-to-market gains (losses) on inventory	(984)	(3,821)	(96)	(4,901)
Futures contracts	(4,818)	-	-	(4,818)
Energy swap	-	(200)	-	(200)
Foreign currency forwards	-	-	(52)	(52)
Total	\$ (6,846)	\$ (17,226)	\$ (3,575)	\$ (27,647)

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16. Fair Value Measurements (continued)

As of December 31, 2023, assets measured at fair value on a recurring basis are as follows:

(Audited)	Level 1	Level 2	Level 3	Total
Unrealized gains on forward commitments	\$ 5,855	\$ 106,772	\$ 27,869	\$ 140,496
Mark-to-market gains (losses) on inventory	705	13,061	11,932	25,698
Interest rate swaps	281	-	-	281
Foreign currency forwards	-	-	49	49
Total	\$ 6,841	\$ 119,833	\$ 39,850	\$ 166,524

As of December 31, 2023, liabilities measured at fair value on a recurring basis are as follows:

(Audited)	Level 1	Level 2	Level 3	Total
Unrealized losses on forward commitments	\$ (5,539)	\$ (26,962)	\$ (401)	(32,902)
Mark-to-market gains (losses) on inventory	(55)	(5,371)	(1,081)	(6,507)
Futures contracts	(8,150)	-	-	(8,150)
Interest rate swaps	(803)	-	-	(803)
Energy swap	(237)	-	-	(237)
Foreign currency forwards	-	-	(1,123)	(1,123)
Total	\$ (14,784)	\$ (32,333)	\$ (2,605)	(49,722)

There were no transfers of financial instruments between the three levels of the fair value hierarchy during the period ended June 30, 2024.

Futures contracts are generally based on exchange prices and unadjusted quoted prices in active markets and are classified within Level 1. Fair values for forward commitments are valued at the prevailing futures rate of the underlying commodity on the reporting date plus management inputs that are determined by a wide variety of factors, including the transportation costs incurred to transport the asset to its most advantageous market and the liquidity of markets in varying locations. Forward commitments and inventory fair values that are derived from observable inputs and adjusted by management inputs are classified as Level 2. Forward commitments that are derived primarily from management inputs due to lack of an observable market price are classified as Level 3.

Where the fair values of financial instruments recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including the comparable market approach, based on historical transacted prices and estimates. When using these models, a degree of judgment is required in establishing fair values (Level 3). The judgments include considerations of model inputs regarding comparability, forward prices and volatility that are not supported by observable market data. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

When the prices of sugar change compared to the forward or futures prices, the difference is recorded in operating results. As a result, earnings are subject to volatility, even when the underlying expected profit margin over the duration of the contracts is unchanged. The volatility can be significant from period to period.

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16. Fair Value Measurements (continued)

Changes in Level 3 instruments for the period ended June 30, 2024 and December 31, 2023 are as follows:

		June 30, 2024	December 31, 2023
		(Unaudited)	(Audited)
Financial assets			
Balance - beginning of period	\$	39,850	\$ 29,606
Acquisitions		33,773	19,260
Disposals and settlements		(40,633)	(32,649)
Mark-to-market amount recognized in cost of sales		29,452	23,633
Balance - end of period	\$	62,442	\$ 39,850

		June 30, 2024	December 31, 2023
		(Unaudited)	(Audited)
Financial liabilities			
Balance - beginning of period	\$	2,605	\$ 819
Acquisitions		2,417	386
Disposals and settlements		(24,322)	(4,298)
Mark-to-market amount recognized in cost of sales		22,875	5,698
Balance - end of period	\$	3,575	\$ 2,605

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17. Share-based payment arrangements

Equity participation units (cash-settled)

As of June 30, 2024, there were 75,895 EARs outstanding (December 31, 2023 -118,692), out of which 53,395 EARs (December 31, 2023 - 81,192) had vested. The remaining EARs have monthly vesting schedules through March 2025. Acceleration of vesting and treatment of the awards upon a participant's termination of service with the Company varies on an award-by-award basis.

No further awards of EARs will be made under the EAR Plan. During the year ended December 31, 2023, an aggregate of 145,579 EARs previously awarded under the EAR plan were cancelled in connection with forfeitures and the Company's transition to the newly established Omnibus Equity Incentive Plan described below.

Equity Incentive Plan (equity-settled)

During the period ended June 30, 2024, an aggregate of 108,339 RSUs (convertible to SVS) were granted under the Plan (June 30, 2023 - Nil), including RSUs issued to officers of the Company who agreed to the cancellation of EARs previously awarded under the EAR Plan. The RSUs awarded vest over a period of a minimum of one year and a maximum of two years and will be settled in shares only. The vesting dates ranges from October 30, 2023, to December 31, 2025.

The weighted-average grant date fair value of RSUs issued in the six months ended June 30, 2024 was C\$8.18 (June 30, 2023- N/A).

The following table shows the RSUs granted and outstanding at the beginning and end of the reporting period:

	Outstanding
Balance as of December 31, 2022	-
Granted	177,973
Balance as of December 31, 2023	177,973
Granted	108,339
Balance as of June 30, 2024	286,312

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17. Share-based payment arrangements (continued)

Equity Incentive Plan (equity-settled) (continued)

During the period ended June 30, 2024, 342,846 (June 30, 2023- Nil) stock options were granted under the Plan. The options mature on December 31, 2028, have a strike price of CAD \$11.00, and vest over a period of 2.5 years from the date of the award, with no vesting to occur prior to the first anniversary of the award. As of June 30, 2024, 38,094 stock options had been forfeited and 304,752 remain outstanding.

The fair value of options granted during the six months ended June 30, 2024 was estimated on the date of grant using the following assumptions:

Dividend yield	0%
Expected volatility	31%
Risk-free interest rate	4.62%
Expected life of share options	4.7 years
Share price on the date of grant	7.00 CAD

For the period ended June 30, 2024, the Company has recognised \$66 of share-based payment expense in the statement of profit or loss (June 30, 2023, - \$Nil).

Restricted Stock Awards (equity-settled)

On December 28, 2023, the Company entered into an EAR cancellation agreement with an employee such that existing EARs totaling 75,894 were cancelled in exchange for the issuance of 154,885 restricted SVSs. The SVSs issued may not be sold, assigned, or pledged until December 31, 2024, as to one-half of the shares, until June 30, 2025, as to one-quarter of the shares, and until December 31, 2025, as to the final one-quarter of the shares (each a “Restriction Period”).

The fair value was calculated to be \$1,161 (CAD\$9.90 per share), which was the closing price of the SVS on the TSX Venture Exchange on the day prior to issuance. The Company will recognize the related expense over the Restriction Period.

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17. Share-based payment arrangements (continued)

Share-based compensation expense

Total compensation expense arising from share-based payment transactions recognized during the period were as follows:

	June 30, 2024	June 30, 2023
RSUs	\$ 886	\$ -
Restricted units	-	(571)
Restricted shares vesting	453	-
Stock options vesting	66	-
Total	\$ 1,405	\$ (571)

Equity-based compensation Reserve

	June 30, 2024	December 31, 2023
Opening Balance	\$ 902	\$ 2,444
Warrants issued	-	80
Restricted units issued	-	210
RSUs	886	100
Restricted units forfeited	-	(781)
Restricted shares vesting	453	(1,151)
Stock options vesting	66	-
Closing Balance	\$ 2,307	\$ 902

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18. Commitments and Contingencies

(a) Future Commitments

The Company records purchases and sales when goods are delivered and control passes to the Company or customer. As a result, the Company's financial results are affected significantly by the price of the commodities bought and sold through the normal course of business. Historically, the markets for certain types of commodities have been volatile and are expected to be volatile in the future. Losses and liabilities arising from changes in prices and other adverse conditions that can affect the commodity trading industry could have materially adverse effects on financial condition and operations of the Company upon execution of fixed price commitments on physical contracts. As of June 30, 2024, fixed price sales and purchase commitments on physical contracts for the Company were approximately \$92,000 and \$30,000, respectively. As of December 31, 2023, fixed price sales and purchase commitments on physical contracts for the Company were approximately \$17,000 and \$21,000, respectively.

(b) Contingencies

The Company is involved in lawsuits or other claims from time to time arising from normal business activities. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Management has reviewed the possibility of litigation with legal counsel and believes that, as of the date the condensed interim consolidated financial statements were approved, there is no material pending litigation or threat of such action.

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19. Segment Reporting

The Company's operations are classified into two reportable business segments: Trade and Services. Each of these segments is organized based upon the nature of products and services offered and aligns with the management structure. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the condensed interim consolidated financial statements. The Company's financing and income taxes are managed on a Company basis and are not allocated to operating segments. Inter-segment revenues are eliminated on consolidation.

Trade

The Trade segment is a business focusing on capturing profits through sourcing, merchandising, and managing logistics of sugar. Income from the Trade segment is earned on sugar bought and sold, where a margin is made by capturing a price differential in time, geographical location, or quality of the sugar bought and sold. Fixed price purchase and sale commitments, as well as sugar held in inventory, expose the Company to risks related to adverse changes in market prices. Sugar prices are typically comprised of two components, futures prices on regulated commodity exchanges and local basis adjustments. The Company manages the futures price risk by entering into exchange-traded futures contracts with regulated commodity exchanges or by entering into an offsetting fixed price contract with a counterparty. Regulated commodity exchanges maintain futures markets for the sugar merchandised by the Company.

Services

The Company's asset-based services business provides tolling (refining, processing, handling, packaging, and quality assurance), storage, and other services primarily to the Trade segment. This allows the Company to capture margins on its sugar forward contracts and inventory positions by capturing time, geographic location, and quality pricing differentials.

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19. Segment Reporting (continued)

The Company has assigned the accounts of the Company and its subsidiaries to the following segments:

Name of the Corporation	Segment	Principal Activity
Sucro Limited	Corporate ⁽¹⁾	Holdings Company
Sucro Holdings, LLC	Corporate ⁽¹⁾	Administrative
Sucro Can Sourcing, LLC	Trading	Wholesale Sugar Merchant
Sucro Can International	Services	Sugar Processor
Sucro Trading SRL	Trading	Wholesale Sugar Merchant
Sucro Can Canada Inc.	Services	Sugar Processor
Sweet Life, LLC	Services	Sugar Processor
Sucro Atlanta, LLC	Services	Equipment
Sucro Chicago, LLC	Services	Real Estate
Sweet Life Services, LLC	Services	Sugar Processor, storage and broker
Sucro 2020, LLC	Services	Real Estate
Sucro Real Estate NY, LLC	Services	Real Estate
Sucro Processing, LLC	Services	Equipment
Sweet Life Transportation Limited	Services	Equipment
WS Services, LLC	Services	Sugar storage
SCM Sugar Servicios S.A.	Trading	Administrative

(1) Sucro Limited and Sucro Holdings, LLC do not have business operations of their own that are measured and reviewed by the Company's management, and results are not included in either of the Company's reportable segments. However, for purposes of reconciling the Company's segments a third segment has been added to the following tables.

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19. Segment Reporting (continued)

The income and expenses of the Company's segments for the six months ended June 30, 2024, are as follows:

	Six months ended June 30, 2024 (Unaudited)				Consolidated
	Services	Trading	Corporate	Eliminations	
Revenue					
External customers	\$ 454	\$ 321,581	\$ -	\$ -	\$ 322,035
Inter-segment	25,202	19,902	-	(45,104)	-
	<u>25,656</u>	<u>341,483</u>	<u>-</u>	<u>(45,104)</u>	<u>322,035</u>
Cost of sales	17,514	317,465	-	(44,531)	290,448
Net (gains) losses on future contracts	-	-	-	-	-
Gross Profit on Realized Positions	8,142	24,018	-	(573)	31,587
Net unrealized mark-to-market gains (note 4)	-	25,794	-	7	25,801
Gross Profit on Realized and Unrealized Positions	<u>8,142</u>	<u>49,812</u>		<u>(566)</u>	<u>57,388</u>
Selling, General and Administrative Expenses	6,167	8,868	3,056	(1,471)	16,620
Income (Loss) From Operations	<u>1,975</u>	<u>40,944</u>	<u>(3,056)</u>	<u>905</u>	<u>40,768</u>
Other Income (Expenses)	<u>(875)</u>	<u>(9,139)</u>	<u>87</u>	<u>(905)</u>	<u>(10,832)</u>
Income (Loss) Before Income Taxes	1,100	31,805	(2,969)	-	29,936
Income tax expense	-	-	(6,238)	-	(6,238)
Net Income (Loss)	<u>\$ 1,100</u>	<u>\$ 31,805</u>	<u>\$ (9,207)</u>	<u>\$ -</u>	<u>\$ 23,698</u>

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19. Segment Reporting (continued)

The income and expenses of the Company's segments for the six months ended June 30, 2023, are as follows:

	Six months ended June 30, 2023 (Unaudited)				
	Services	Trading	Corporate	Eliminations	Consolidated
Revenue					
External customers	\$ 1,797	\$ 241,436	\$ -	\$ -	\$ 243,233
Inter-segment	19,345	41,504	-	(60,849)	-
	21,142	282,940	-	(60,849)	243,233
Cost of sales	15,766	264,085	-	(61,496)	218,355
Gross Profit on Realized Positions	5,376	18,855	-	647	24,878
Net unrealized mark-to-market gains (note 4)		34,109			34,109
Gross Profit on Realized and Unrealized Positions	5,376	52,964		647	58,987
Selling, General and Administrative Expenses	4,241	8,270	2,091	(844)	13,758
Income From Operations	1,135	44,694	(2,091)	1,491	45,229
Other Income (Expenses)	(303)	(7,362)	152	(1,219)	(8,732)
Income (Loss) Before Income Taxes	832	37,332	(1,939)	272	36,497
Income tax expense	-	-	-	-	(8,125)
Net Income (Loss)	\$ 832	\$ 37,332	\$ (1,939)	\$ 272	\$ 28,372

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Thousands of US Dollars)

20. Cash Flows provided by (used in) Operating Activities

Changes in operating assets and liabilities	June 30, 2024	June 30, 2023
(Increase) decrease in operating assets:		
Net trading and derivative account assets (note 5)	\$ 5,611	\$ 4,484
Accounts and other receivables	(17,566)	(5,207)
Due from related parties	-	(176)
Due to related parties	(3,942)	-
Sales taxes receivable	(298)	(4,424)
Inventory (note 6)	66,473	(82,645)
Taxes receivable	-	(1,548)
Prepaid expenses	(6,546)	(669)
Other non-current assets	-	174
Increase (decrease) in operating liabilities:		
Accounts payable	(9,803)	15,601
Sales tax payable	(4,634)	580
Taxes payable	(211)	(60)
Changes in operating assets and liabilities	\$ 29,084	\$ (73,890)

21. Cash Flows provided by (used in) Investing Activities

	June 30, 2024	June 30, 2023
Purchase of property plant and equipment (note 7)	\$ (22,610)	\$ (7,293)
Sale of assets held for sale	-	1,104
Cash surrender value of life insurance	-	10
Net cash used in investing activities	\$ (22,610)	\$ (6,179)

22. Cash Flows provided by (used in) Financing Activities

	June 30, 2024	June 30, 2023
Due to related parties	\$ -	\$ 546
Financial liabilities, advances	163,337	96,952
Financial liabilities, repayments	(178,728)	(27,471)
Proceeds from issuance of common shares	475	-
Lease payments	(477)	(1,504)
Liabilities held for sale	-	(490)
Net cash used in financing activities	\$ (15,393)	\$ 68,033

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Thousands of US Dollars)

23. Subsequent Events

On July 11, 2024, the Company entered into a Master Credit Agreement with a financial institution for the financing of equipment and related soft costs for the new refinery in Chicago, IL. The agreement provides for loans in the aggregate amount of up to \$75,000 and a term of 11.5 years. Loans will be funded during an initial 18-month interest-only disbursement period, during which time outstanding amounts will bear interest at Daily Simple SOFR plus 2.35%. At the end of the disbursement period, loans will amortize over 10 years at either a fixed or floating rate, as selected by the Company. This loan is secured by the equipment being financed with the loan proceeds and guaranteed by Sucro Can International, LLC.

On July 17, 2024, the Company entered into a receive-variable/pay-fixed interest rate swap with a three year term on a total notional amount of \$10,000 to hedge its exposure to short term fluctuations in interest rates with respect to current financial liabilities. The fixed secured overnight financing rate for this swap is 4.052%.

On August 02, 2024, the Company entered into a receive-variable/pay-fixed interest rate swap with a two year term on a total notional amount of \$5,000 to hedge its exposure to short term fluctuations in interest rates with respect to current financial liabilities. The fixed secured overnight financing rate for this swap is 3.806%.

In August 2024, the Company renewed its syndicated borrowing base credit facility. As amended, maximum borrowings under the facility, subject to borrowing base limitations per the credit agreement, will be up to \$300,000, of which \$50,000 are on a committed basis, with the remainder being uncommitted. Loans under this facility, as amended, bear interest at the secured overnight financing rate ("SOFR"), plus 315 basis points (from 350 basis points as of June 30, 2024). This facility, as amended, is scheduled to mature in August 2026. As amended, this facility is secured by all assets of Sucro Can Sourcing, LLC and Sucro Trading SRL, including all inventory, equipment and existing and future contracts for the purchase and sale of sugar products, along with any accounts receivable arising from the performance of those contracts, but excluding any accounts receivable from sales to customers domiciled in Mexico, cash in bank accounts located in Mexico, or inventory located in Mexico (other than inventory to be exported outside of Mexico that is evidenced by a bill of lading). In addition, this facility is guaranteed by Sucro Holdings, LLC and Sucro Limited.

In August 2024, the Company entered into an amendment to the Financing Agreement with its landlord at the Hamilton, ON, site for the new refinery being built. The amendment increases the loan amount from CAD \$14,000 to CAD \$15,400 and allows the Company to use the incremental loan amount to construct a raw sugar warehouse, silo foundation, and silo structure at the site. Other terms relating to this facility remain unchanged.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Thousands of US Dollars)

24. Subsequent Events (continued)

In August 2024, the Company entered into a Bridge Financing Agreement with its landlord at the Hamilton, Ontario, site for the new refinery being built. The agreement provides for loans in the aggregate amount of up to CAD \$5,000 for the purpose of making leasehold improvements to the site, particularly the construction of a raw sugar storage warehouse. Loans will be funded in minimum amounts of CAD \$1,000 during the initial 18-month disbursement period, during which time outstanding amounts will bear interest at the Canada Prime Rate, plus 1.5%. At the end of the disbursement period, loans will amortize over 18 months at a fixed based on a 15-year amortization schedule. The Company may prepay this loan at any time during the initial 18-month disbursement period, without penalty. Prepayments during the amortization period are subject to early payment and administrative fees. This loan is secured by the leasehold improvements being financed with the loan proceeds (the raw sugar storage warehouse).

On August 21, 2024, the Company entered into a receive-variable/pay-fixed interest rate swap with a two year term on a total notional amount of \$5,000 to hedge its exposure to short term fluctuations in interest rates with respect to current financial liabilities. The fixed secured overnight financing rate for this swap is 3.795%.