
Unaudited Condensed Interim Consolidated Financial Statements

Sucro Limited

For the three months ended March 31, 2025, and 2024

(Expressed in Thousands of US Dollars)

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Sucro Limited

Condensed Interim Consolidated Statements of Financial Position

As of

(Expressed in Thousands of US Dollars)

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|----------------------------------|-----------------------------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 8,576 | \$ 2,919 |
| Restricted cash (note 8) | 320 | 500 |
| Trading and derivative assets (note 5) | 1,259 | 1,029 |
| Accounts and other receivable | 96,067 | 95,111 |
| Inventory (note 6) | 192,313 | 208,350 |
| Due from related parties (note 11) | 2,078 | 4,230 |
| Unrealized gains on forward commitments (note 16) | 150,361 | 139,713 |
| Prepaid expenses | 7,195 | 5,624 |
| Sales taxes recoverable | 2,121 | 2,753 |
| Total Current Assets | 460,290 | 460,229 |
| Non-Current Assets | | |
| Property, plant and equipment (note 7) | 161,011 | 146,160 |
| Right-of-use assets | 19,007 | 19,429 |
| Sales taxes recoverable | 2,274 | 2,606 |
| Equity investment | 1,053 | 992 |
| Other non-current assets | 72 | 72 |
| Goodwill | 961 | 961 |
| Total Non-Current Assets | 184,378 | 170,220 |
| Total Assets | \$ 644,668 | \$ 630,449 |

Sucro Limited

Condensed Interim Consolidated Statements of Financial Position

As of

(Expressed in Thousands of US Dollars)

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|----------------------------------|-----------------------------------|
| Liabilities | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 57,691 | \$ 74,237 |
| Unrealized losses on forward commitments (note 16) | 8,512 | 13,896 |
| Loans and borrowings, current portion (note 8) | 243,842 | 249,207 |
| Due to related parties (note 11) | 20,978 | - |
| Taxes payable | 1,615 | 308 |
| Lease liabilities, current portion | 1,870 | 1,826 |
| Sales taxes payable | 519 | 803 |
| Total Current Liabilities | 335,027 | 340,277 |
| Non-Current Liabilities | | |
| Loans and borrowings, net of current portion (note 8) | 85,923 | 79,034 |
| Deferred tax liability | 25,684 | 24,943 |
| Lease liabilities | 16,673 | 16,830 |
| Total Liabilities | 463,307 | 461,084 |
| Shareholders' Equity | | |
| Share capital (note 9) | 56,179 | 55,806 |
| Retained earnings | 121,978 | 110,021 |
| Equity-based compensation reserve (note 17) | 1,967 | 1,958 |
| Cash flow hedging reserve (note 4) | (442) | (49) |
| Equity Attributable to Shareholders of the Company | 179,682 | 167,736 |
| Non-controlling interest | 1,679 | 1,629 |
| Total Shareholders' Equity | 181,361 | 169,365 |
| Total Liabilities and Shareholders' Equity | \$ 644,668 | \$ 630,449 |

Nature of Operations (note 1)

Commitments and Contingencies (note 18)

Subsequent Events (note 24)

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 months ended March 31,

(Expressed in Thousands of US Dollars)

| | 2025 (Unaudited) | 2024 (Unaudited) |
|--|---------------------|---------------------|
| Revenue (notes 13 and 19) | \$ 155,247 | \$ 184,771 |
| Cost of sales (note 14) | 128,177 | 147,468 |
| Gross Profit | 27,070 | 37,303 |
| Selling, General and Administrative Expenses | | |
| Administrative expenses (note 11) | 4,108 | 5,475 |
| Selling and distribution expenses | 315 | 407 |
| Other operating expenses | 740 | 465 |
| Depreciation (note 7) | 388 | 381 |
| Depreciation of right-of-use assets | 361 | 156 |
| Equity-based compensation (note 17) | 382 | 644 |
| Total Selling, General and Administrative Expenses | 6,294 | 7,528 |
| Income From Operations | 20,776 | 29,775 |
| Other Income (Expenses) | | |
| Interest expense | (7,018) | (5,620) |
| Interest income | 122 | 292 |
| Earnings from equity investment | 62 | 91 |
| Unrealized foreign exchange gain (loss) on leases and loans | (61) | 250 |
| Other income (expense) | 192 | (137) |
| Total Other Income (Expenses) | (6,703) | (5,124) |
| Income Before Income Taxes | 14,073 | 24,651 |
| Income Tax Expense | | |
| Current income tax expense | (1,324) | (110) |
| Deferred income tax expense | (742) | (4,802) |
| Total Tax Expense | (2,066) | (4,912) |
| Net Income | 12,007 | 19,739 |
| Other Comprehensive Income | | |
| Items that may be reclassified to profit or loss | | |
| Gain (loss) on interest rate swap | (427) | 949 |
| Gain (loss) on energy rate swap | 34 | (42) |
| Comprehensive Income | \$ 11,614 | \$ 20,646 |
| Net Income per Share - basic | \$ 1.10 | \$ 2.88 |
| Net Income per Share - diluted | \$ 0.50 | \$ 0.83 |
| Weighted Average Number of Shares Outstanding - basic | 10,923,586 | 6,850,495 |
| Weighted Average Number of Shares Outstanding - diluted | 23,933,416 | 23,839,838 |
| Net Income Attributable to: | | |
| Non-controlling interest | \$ 50 | \$ 268 |
| Shareholders of the Company | 11,957 | 19,471 |
| | \$ 12,007 | \$ 19,739 |
| Comprehensive Income Attributable to: | | |
| Non-controlling interest | \$ 50 | \$ 268 |
| Shareholders of the Company | 11,564 | 20,378 |
| | \$ 11,614 | \$ 20,646 |

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 | Cash Flow Hedging Reserve | Non- controlling Interest | Total Shareholders' Equity |
|--|----|------------------|----------------------|---|---------------------------------|---------------------------------|----------------------------------|
| Balance, January 1, 2024 | \$ | 53,782 | \$ 86,667 | \$ 902 | \$ (759) | \$ 1,233 | \$ 141,825 |
| Unrealized gain on interest rate swaps | | - | - | - | 949 | - | 949 |
| Unrealized loss on energy rate swaps | | - | - | - | (42) | - | (42) |
| Equity based compensation | | - | - | 644 | - | - | 644 |
| Net income attributable to share holders of the Company | | - | 19,471 | - | - | - | 19,471 |
| Total equity attributable to share holders of the Company | | 53,782 | 106,138 | 1,546 | 148 | 1,233 | 162,847 |
| Net income attributable to non-controlling interests | | - | - | - | - | 268 | 268 |
| Balance, March 31, 2024 (Unaudited) | \$ | 53,782 | \$ 106,138 | \$ 1,546 | \$ 148 | \$ 1,501 | \$ 163,115 |
| Balance, January 1, 2025 | \$ | 55,806 | \$ 110,021 | \$ 1,958 | \$ (49) | \$ 1,629 | \$ 169,365 |
| Unrealized loss on interest rate swaps | | - | - | - | (427) | - | (427) |
| Unrealized gain on energy rate swaps | | - | - | - | 34 | - | 34 |
| Equity-based compensation | | 373 | - | 9 | - | - | 382 |
| Net income attributable to share holders of the Company | | - | 11,957 | - | - | - | 11,957 |
| Total equity attributable to share holders of the Company | | 56,179 | 121,978 | 1,967 | (442) | 1,629 | 181,311 |
| Net income attributable to non-controlling interests | | - | - | - | - | 50 | 50 |
| Balance, March 31, 2025 (Unaudited) | \$ | 56,179 | \$ 121,978 | \$ 1,967 | \$ (442) | \$ 1,679 | \$ 181,361 |

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 three months ended March 31,

(Expressed in Thousands of US Dollars)

| | 2025 (Unaudited) | 2024 (Unaudited) |
|--|---------------------|---------------------|
| Cash provided by (used in) | | |
| Cash Flows From Operating Activities | | |
| Net income for the period | \$ 12,007 | \$ 19,739 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Earnings from equity investment | (62) | (91) |
| Lease interest expense | 215 | 262 |
| Amortization of debt issuance cost | 389 | 357 |
| Net change in unrealised (gain) loss on forward commitments (note 4) | (13,364) | (21,151) |
| Depreciation expense (note 7) | 1,293 | 1,275 |
| Unrealised foreign exchange (gain) loss on leases and loans | 61 | (250) |
| Depreciation of right-of-use assets | 600 | 236 |
| Accrued interest on lease liability | 156 | - |
| Equity-based compensation | 382 | 644 |
| Deferred tax expense | 741 | 4,802 |
| Accrued interest on related party receivable | (19) | - |
| Operating cash flows before changes in non-cash working capital | 2,399 | 5,823 |
| Changes in non-cash operating assets and liabilities (note 20) | 8,299 | 10,910 |
| Net cash provided by operating activities | 10,698 | 16,733 |
| Net cash (used in) investing activities (note 21) | (6,719) | (4,799) |
| Net cash provided by (used in) financing activities (note 22) | 1,498 | (14,779) |
| Net increase (decrease) in cash and restricted cash | 5,477 | (2,845) |
| Cash and restricted cash, beginning of period | 3,419 | 5,919 |
| Cash and restricted cash, end of period | \$ 8,896 | \$ 3,074 |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash paid for interest | \$ 6,669 | \$ 4,924 |
| Cash received for interest | 122 | 128 |

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 months ended March 31, 2025, and 2024

(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” on the TSX Venture Exchange in Canada and OTCQB Venture Market (“OTCQB”) in the United States under the ticker symbol “SUGRF”.

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 condensed interim consolidated financial statements. The Company's percentage of ownership as of March 31, 2025 and 2024 was:

| Name of the Corporation | Jurisdiction of Incorporation | Principal Activity | Percentage of Ownership | |
|---------------------------|-------------------------------|-------------------------------------|-------------------------|----------------|
| | | | March 31, 2025 | March 31, 2024 |
| 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% | 100% |
| Sucro Processing LLC | Delaware | Sugar Processor | 100% | 100% |
| SCM Sugar Servicios S.A. | Mexico | Administrative | 100% | 100% |

As of March 31, 2025, SC Americas Corp (the "Ultimate Parent") owned 51.10% (December 31, 2024 - 51.20%) of the Company. In addition to the companies listed above, the Company also has a 100% interest in Sweet Life Transportation LLC, 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 months ended March 31, 2025, and 2024

(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 condensed interim 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, 2024, 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, 2024 except as noted below. These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on May 22, 2025.

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

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025, and 2024

(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) Standards, amendments and interpretations issued but not yet adopted

(i) IFRS 18 Presentation and disclosure in financial statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements to improve the reporting of financial performance and give investors a better basis for analyzing and comparing companies.

Specifically, it introduces:

- three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit;
- enhanced transparency of management-defined performance measures requiring companies to disclose explanations of those company-specific measures related to the statement of earnings; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statements or is included in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the potential impact of this new standard.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

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.

As of March 31, 2025, the total notional amount of the Company's receive-variable/pay-fixed interest rate swaps was \$99,000 (December 31, 2024- \$99,000).

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 November 2024 through December 2026, thus reducing the impact of price changes on future energy payments. This agreement involves the receipt of variable rate on the 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.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

4. Trading, Derivative and Hedging Activities (continued)

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

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|--------------------------------|-------------------------------|--------------------------------|
| Forward commitments | \$ 150,076 | \$ 139,328 |
| Futures contracts (note 5) | 1,701 | 1,078 |
| Interest rate swaps (note 5) | 182 | 297 |
| Foreign currency forwards | 285 | 385 |
| Total derivative assets | \$ 152,244 | \$ 141,088 |

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

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|-------------------------------------|-------------------------------|--------------------------------|
| Forward commitments (note 5) | \$ 8,404 | \$ 13,762 |
| Interest rate swaps (note 5) | 583 | 271 |
| Foreign currency forwards | 108 | 134 |
| Energy swap (note 5) | 41 | 75 |
| Total derivative liabilities | \$ 9,136 | \$ 14,242 |

During the periods ended March 31, 2025 and March 31, 2024, net unrealized gains (losses) on derivative transactions recognized in cost of sales are as follows:

| | March 31, 2025 (Unaudited) | March 31, 2024 (Unaudited) |
|--|-------------------------------|-------------------------------|
| Mark-to-market gains on commodity forward commitments | \$ 16,057 | \$ 20,930 |
| Mark-to-market losses on inventory | (3,322) | (4,851) |
| Mark-to-market gains on futures contracts | 704 | 4,090 |
| Mark-to-market gains (losses) on foreign currency forwards | (75) | 982 |
| Total gains | \$ 13,364 | \$ 21,151 |

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(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 three months ended March 31 | | Location of gain (loss) reclassified from OCI into income (effective portion) | Amount of gain (loss) reclassified from OCI into income (effective portion) for the three months ended March 31 | | Location of gain (loss) reclassified in income on derivative (ineffective portion) | Amount of gain (loss) recognized in income on derivative (ineffective portions) for the three months ended March 31 | |
|--|---|---------|---|---|----------|--|---|------|
| | 2025 | 2024 | | 2025 | 2024 | | 2025 | 2024 |
| Interest rate swap | \$ (427) | \$ 949 | Interest income (expense) | \$ 75 | \$ 232 | Other income (expense) | \$ - | \$ - |
| Energy rate swap | \$ 34 | \$ (42) | Cost of sales | \$ (21) | \$ (137) | 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 March 31, 2025 and December 31, 2024, trading account assets and liabilities consist of the following:

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|-------------------------------|--------------------------------|
| Cash position | \$ 3,886 | \$ 3,968 |
| Net unrealized losses on open futures contracts | (2,185) | (2,890) |
| Interest rate swaps | (401) | 26 |
| Energy swap | (41) | (75) |
| Net trading and derivative assets | \$ 1,259 | \$ 1,029 |

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(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:

| | March 31, 2025 | December 31, 2024 |
|----------------------|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| Sugar commodities | \$ 191,551 | \$ 207,554 |
| Processing additives | 762 | 796 |
| Total | \$ 192,313 | \$ 208,350 |

The cost of inventories included as an expense through cost of sales for the period ended March 31, 2025 was \$139,219 (March 31, 2024 - \$109,779). As of March 31, 2025, inventory of \$191,551 (December 31, 2024 - \$207,554) was pledged as security against the Company's borrowing base revolving line of credit facility.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(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, 2024 (Audited) | \$ 930 | \$ 62,233 | \$ 26,834 | \$ 556 | \$ 254 | \$ 2,323 | \$ 72,855 | \$ 165,985 |
| Additions | 2 | 387 | 9 | 23 | 10 | - | 15,713 | 16,144 |
| Balance - March 31, 2025 (Unaudited) | \$ 932 | \$ 62,620 | \$ 26,843 | \$ 579 | \$ 264 | \$ 2,323 | \$ 88,568 | \$ 182,129 |
| Accumulated Depreciation | | | | | | | | |
| Balance - December 31, 2024 (Audited) | \$ 498 | \$ 17,069 | \$ 1,955 | \$ 193 | \$ 110 | \$ - | \$ - | \$ 19,825 |
| Depreciation | 45 | 998 | 217 | 22 | 11 | - | - | 1,293 |
| Balance - March 31, 2025 (Unaudited) | \$ 543 | \$ 18,067 | \$ 2,172 | \$ 215 | \$ 121 | \$ - | \$ - | \$ 21,118 |
| Carrying Amount | | | | | | | | |
| As of December 31, 2024 (Audited) | \$ 432 | \$ 45,164 | \$ 24,879 | \$ 363 | \$ 144 | \$ 2,323 | \$ 72,855 | \$ 146,160 |
| As of March 31, 2025 (Unaudited) | \$ 389 | \$ 44,553 | \$ 24,671 | \$ 364 | \$ 143 | \$ 2,323 | \$ 88,568 | \$ 161,011 |

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

8. Loans and Borrowings

Changes to the Company's loans and borrowings for the period ended March 31, 2025 and the year ended December 31, 2024 are as follows:

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|-------------------------------|--------------------------------|
| Opening balance | \$ 328,241 | \$ 266,756 |
| Lines of Credit (a) | 24,800 | 210,275 |
| Senior Secured Equipment Loan (b) | 2,262 | 26,638 |
| Real Estate Term Loan (b) | 5,629 | 19,377 |
| Repurchase obligations (c) | 820 | 39,510 |
| Repayments | (32,376) | (232,854) |
| Debt issuance cost paid during the period | - | (2,799) |
| Amortization of debt issuance costs | 389 | 1,338 |
| Ending balance | \$ 329,765 | \$ 328,241 |
| Current portion | \$ 243,842 | \$ 249,207 |
| Long term portion | \$ 85,923 | \$ 79,034 |

(a) Lines of Credit

| Type | Effective rate | Maturity | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|----------------------|--|----------------|-------------------------------|--------------------------------|
| Line of credit (i) | Wall Street Journal + 0.75% or never less than 4% (At March 31, 2025 -8.25% (December 31, 2024- 8.25%)) | April 2026 | \$ 400 | \$ 400 |
| Line of credit (ii) | Secured overnight financing rate plus 3.15% (At March 31, 2025- 7.15% (December 31, 2024 - 7.25%)) | August 2026 | 205,915 | 214,015 |
| Line of credit (iii) | Secured overnight financing rate plus 2.75% (for US Dollar loans) and Interbank Equilibrium Interest Rate (TIIE) plus 2.50% (for Mexican Peso loans) (At March 31, 2025 - 7.16% (December 31, 2024 - 7.08%) for US Dollar loans and N/A for Mexican peso loans (December 31, 2024 -N/A)) | September 2026 | 20,000 | 15,500 |
| | | | \$ 226,315 | \$ 229,915 |

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

ii) As security, 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. This facility was renewed in August 2024 and matures in August 2026.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

8. Loans and Borrowings (continued)

(a) Lines of Credit (continued)

(iii) In September 2024, the Company entered into a bilateral uncommitted revolving credit facility with a financial institution with maximum borrowings, subject to borrowing base limitations per the credit agreement, of up to \$25,000. U.S. Dollar borrowings bear interest at SOFR plus 2.75%. Mexican Peso borrowings bear interest at the Interbank Equilibrium Interest Rate (TIIE, for its initials in Spanish) plus 2.50%. Interest accrues and is payable monthly. This facility matures in September 2026 and is due on demand. As security for the facility, Sucro Can Sourcing, LLC has pledged all accounts receivable from sales to customers domiciled in Mexico, cash in bank accounts located in Mexico, and inventory located in Mexico (other than inventory to be exported outside of Mexico that is evidenced by a bill of lading). This facility is guaranteed by Sucro Holdings, LLC.

The Company incurred \$4,505 of interest expense on the above credit facilities for the period ended March 31, 2025 (March 31, 2024 - \$3,970). As of March 31, 2025, the Company was in compliance with its covenants.

(b) Senior Secured Equipment and Real Estate Loans

| Type of loan | Effective rate | Maturity | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|-------------------|-----------------------------------|-----------------------------|-------------------------------|--------------------------------|
| Equipment (i) | 7.75% | April 2029 | \$ 12,019 | \$ 12,421 |
| Equipment (ii) | 6.85% | November 2030 | 1,904 | 1,970 |
| Equipment (iii) | Variable | on demand | 604 | 604 |
| Equipment (iv) | 7.69% | December 2028 | 513 | 579 |
| Equipment (v) | 3.84% | December 2026 | 5,190 | 5,245 |
| Equipment (vi) | five year treasury rate plus 2.3% | November 2027 | 164 | 178 |
| Equipment (vii) | five year treasury rate plus 2.3% | October 2027 | 329 | 358 |
| Equipment (viii) | 6.65% | March 2027 | 242 | 270 |
| Equipment (ix) | 7.36% | December 2028 | 2,663 | 2,816 |
| Equipment (x) | 4.6% | March 2027 | 291 | 326 |
| Real Estate (xi) | WSJ +1.25% | April 2027 | 13,283 | 13,347 |
| Real Estate (xii) | 6.04% | May 2030 | 678 | 688 |
| Equipment (xiii) | 6.38% | January 2031 | 276 | 286 |
| Real Estate (xiv) | 8.50% | November 2025 | 6,500 | 5,270 |
| Real Estate (xv) | BOC prime rate plus 1.5% | 15 years from Closing date* | 18,506 | 14,107 |
| Equipment (xvi) | SOFR plus 2.35% | 10 years from Closing date* | 19,935 | 19,241 |
| Equipment (xvii) | SOFR plus 2.35% | 10 years from Closing date* | 7,784 | 6,387 |
| Equipment (xviii) | 6.60% | March 2025 | 188 | - |
| | | | \$ 91,069 | \$ 84,093 |

* Closing date is the date when the loan transaction is officially finalized which means the loan agreement is fully executed, funds are disbursed to the borrower, and the repayment begins according to the schedule outlined in the loan agreement.

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8. Loans and Borrowings (continued)

(b) Senior Secured Equipment and Real Estate Loans (continued)

The senior secured equipment loans (i), (ii), (iii) (xiii) and (xviii) 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 Company is also required to hold a value of \$320 in the chequing account as a collateral to this loan. The senior secured real estate loan (xv) is secured by the real property acquired.

The senior secured equipment loan (xvii) is guaranteed by Sucro Can International LLC and Amerikoa Holdings LLC. This loan is secured by the equipment acquired.

(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 March 31, 2025, the Company had an open purchase agreement for 18,988 MT (December 31, 2024 - 23,038 MT) of raw sugar for which it has recognized a liability of \$14,300 (December 31, 2024 - \$16,499) and accrued interest of \$35 (December 31, 2024 - \$41). The purchase agreement has a maturity date of less than six months and carries an average interest rate of 6.44% (December 31, 2024 - 8%). The Company's repurchase obligation is secured by the underlying inventory sold pursuant to the sale agreement as legal title of the inventory passes to the financial institution upon delivery of the inventory. During the three months ended March 31, 2025, the Company incurred interest expense of \$227 (March 31, 2024 - \$565) related to these agreements.

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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 March 31, 2025, were as follows:

| | SVS | PVS |
|-----------------------------------|------------|---------|
| Balance, December 31, 2024 | 10,749,081 | 129,689 |
| Equity-based compensation | 45,625 | - |
| Balance, March 31, 2025 | 10,794,706 | 129,689 |

As of March 31, 2025, 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.

During the three months ended March 31, 2025, a total of 59,073 Restricted Stock Units (RSUs) vested. Of these, 45,625 RSUs were converted into SVS and issued, while 13,448 RSUs were withheld to cover applicable taxes and subsequently cancelled.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

10. Warrants

The changes in warrants for the period ended March 31, 2025, were as follows:

| | Number of Warrants | Amount |
|-----------------------------------|-----------------------|--------|
| Balance, December 31, 2024 | 39,785 | \$ 79 |
| Exercised | - | - |
| Balance, March 31, 2025 | 39,785 | \$ 79 |

11. Related Party Transactions

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 and maturity date were not amended. In December, 2024 this note was further amended to change the maturity date to December 31, 2025. The balance of this loan as of March 31, 2025 is \$958 (December 31, 2024 - \$939). The Company recorded interest income of \$19 during the period ended March 31, 2025 (March 31, 2024- \$38).

The Company purchases or obtains services from and sells to entities in which it has significant influence but does not control. The amount receivable from those companies as of March 31, 2025 was \$1,061 (December 31, 2024- \$1,081).

The Company purchases and sells to an entity which has a significant influence over the Company but does not control the Company. The amount payable from the company as of March 31, 2025 is \$20,978. The amount receivable from the company as of December 31, 2024 - \$2,178.

A family member of the CEO of the Company earned \$32 in salaries & bonuses during the period ended March 31, 2025 (March 31, 2024 - \$128).

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 March 31, 2025 and March 31, 2024 is as follows:

| | March 31, 2025 (Unaudited) | March 31, 2024 (Unaudited) |
|--------------------------------------|-------------------------------|-------------------------------|
| Salaries and other cash compensation | \$ 462 | \$ 825 |
| Short-term employment benefits | 22 | 30 |
| Equity-based compensation | 316 | 644 |
| Total | \$ 800 | \$ 1,499 |

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

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 March 31, 2025:

| March 31, 2025 (Unaudited) | | | | |
|--------------------------------|------------------------------------|-------------------------------|-------------------------------|-------------------|
| | Volumes/ Notional Amounts (Net) | Effective Dates | Expiration Dates | Fair Value |
| Sugar commodities | (27,555) MTS | April 2025 - November 2026 | April 2025 - November 2026 | \$ 156,187 |
| Total fair market value | | | | \$ 156,187 |

The table below summarizes the commodity derivative instrument positions for sugar as of December 31, 2024:

| December 31, 2024 (Audited) | | | | |
|--------------------------------|------------------------------------|---------------------------------|---------------------------------|-------------------|
| | Volumes/ Notional Amounts (Net) | Effective Dates | Expiration Dates | Fair Value |
| Sugar commodities | 8,343 MTS | January 2025 - November 2026 | January 2025 - November 2026 | \$ 142,698 |
| Total fair market value | | | | \$ 142,698 |

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For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

13. Revenue

| | March 31, 2025 (Unaudited) | March 31, 2024 (Unaudited) |
|-------------------------------|-------------------------------|-------------------------------|
| Tolling | \$ 31 | \$ 185 |
| Warehousing | 18 | 82 |
| Commodity and other contracts | 155,224 | 184,984 |
| F&O Trading | (26) | (480) |
| Gross Revenue | \$ 155,247 | \$ 184,771 |

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

During the three months ended March 31, 2024, the Company reclassified \$446 to interest expense that had been incorrectly recorded as early payment discounts under gross revenue.

14. Cost of Sales

| | March 31, 2025 (Unaudited) | March 31, 2024 (Unaudited) |
|--|-------------------------------|-------------------------------|
| Cost of sales on realized positions | \$ 140,397 | \$ 167,646 |
| Net unrealized mark-to-market-gains | (13,364) | (21,151) |
| Depreciation on property, plant and equipment | 905 | 894 |
| Depreciation on right-of-use plant and equipment | 239 | 79 |
| Total Cost of Sales | \$ 128,177 | \$ 147,468 |

The Company had a gross profit on its realized positions of \$13,706 for the three months ended March 31, 2025 (March 31, 2024 - \$16,152).

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 March 31, 2025 did not change materially from the year ended December 31, 2024.

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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 March 31, 2025, 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 | \$ 1,914 | \$ 94,746 | \$ 53,416 | \$ 150,076 |
| Mark-to-market gains on inventory | 2,019 | 4,841 | 20,067 | 26,927 |
| Interest rate swaps | 182 | - | - | 182 |
| Foreign currency forwards | 285 | - | - | 285 |
| Total | \$ 4,400 | \$ 99,587 | \$ 73,483 | \$ 177,470 |

As of March 31, 2025, 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 | \$ (2,141) | \$ (1,815) | \$ (4,448) | \$ (8,404) |
| Mark-to-market losses on inventory | (916) | (9,300) | (11) | (10,227) |
| Mark-to-market losses on futures | (2,185) | - | - | (2,185) |
| Energy swap | - | (41) | - | (41) |
| Foreign currency forwards | (108) | - | - | (108) |
| Total | \$ (5,350) | \$ (11,156) | \$ (4,459) | \$ (20,965) |

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16. Fair Value Measurements (continued)

As of December 31, 2024, 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 \$ | 2,292 \$ | 117,378 \$ | 19,658 \$ | 139,328 |
| Mark-to-market gains on inventory | 2,021 | 7,237 | 21,668 | 30,926 |
| Interest rate swaps | 297 | - | - | 297 |
| Foreign currency forwards | 385 | - | - | 385 |
| Total | \$ 4,995 | \$ 124,615 | \$ 41,326 | \$ 170,936 |

As of December 31, 2024, 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 \$ | (1,679) \$ | (6,694) \$ | (5,389) | (13,762) |
| Mark-to-market losses on inventory | (72) | (10,807) | (25) | (10,904) |
| Mark-to-market losses on futures | (2,890) | - | - | (2,890) |
| Interest rate swaps | (272) | - | - | (272) |
| Energy swap | - | (75) | - | (75) |
| Foreign currency forwards | (134) | - | - | (134) |
| Total | \$ (5,047) | \$ (17,576) | \$ (5,414) | \$ (28,037) |

There were no transfers between the three levels of the fair value hierarchy during the period ended March 31, 2025.

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 and inventory recorded on the condensed interim 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 and inventory.

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 March 31, 2025 and December 31, 2024 are as follows:

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|-------------------------------|--------------------------------|
| Financial assets | | |
| Balance - beginning of period | \$ 41,326 | \$ 39,850 |
| Acquisitions | 52,085 | 21,247 |
| Disposals and settlements | (61,914) | (39,526) |
| Mark-to-market amount recognized in cost of sales | 41,986 | 19,755 |
| Balance - end of period | \$ 73,483 | \$ 41,326 |

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|-------------------------------|--------------------------------|
| Financial liabilities | | |
| Balance - beginning of period | \$ 5,414 | \$ 2,605 |
| Acquisitions | 4,448 | 3,013 |
| Disposals and settlements | (17,607) | (10,046) |
| Mark-to-market amount recognized in cost of sales | 12,204 | 9,842 |
| Balance - end of period | \$ 4,459 | \$ 5,414 |

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17. Share-based payment arrangements

Equity participation units (cash-settled)

As of March 31, 2025, there were 10,000 EARs outstanding, all of which have vested. 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.

Equity Incentive Plan (equity-settled)

As of March 31, 2025, an aggregate of 172,509 RSUs (convertible to SVS) are outstanding under the Plan (December 31, 2024 - 231,582), 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 continues through December 31, 2025.

The fair value of the RSUs issued was determined to be the stock price of the Company at the time of grant. The weighted-average grant date fair value of RSUs issued in the three months ended March 31, 2025 was C\$Nil because no RSUs were granted (March 31, 2024 - C\$9.35).

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

| | Outstanding |
|--|--------------------|
| Balance as of December 31, 2023 | 177,973 |
| Granted | 126,174 |
| Withheld for tax obligation | (32,118) |
| Exercised | (40,447) |
| Balance as of December 31, 2024 | 231,582 |
| Withheld for tax obligation | (13,448) |
| Exercised | (45,625) |
| Balance as of March 31, 2025 | 172,509 |

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17. Share-based payment arrangements (continued)

Equity Incentive Plan (equity-settled) (continued)

As of March 31, 2025, 361,893 (December 31, 2024 - 361,893) stock options were granted and outstanding under the Plan. The options expire on December 31, 2028, have a strike price range between CAD \$11.00-12.00, 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.

The fair value of options granted was estimated on the date of grant using the following assumptions:

| | |
|----------------------------------|----------------------|
| Dividend yield | 0% |
| Expected volatility | 31% - 53% |
| Risk-free interest rate | 4.10% - 4.62% |
| Expected life of share options | 4 - 4.7 years |
| Share price on the date of grant | 7.00 CAD - 11.99 CAD |

For the period ended March 31, 2025, the Company has recognised \$52 of share-based payment expense in the statement of profit or loss (March 31, 2024, - \$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 of the 154,885 SVS 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 each Restriction Period.

On December 19, 2024, the Company entered into an EAR cancellation agreement with an employee such that existing EAR's totaling 65,894 were cancelled in exchange for the issuance of 134,478 restricted SVSs. The SVS's issued may not be sold, assigned, or pledged until December 31, 2025 as to one-half of the shares, until December 31, 2026 as to one-quarter of the shares, and until December 31, 2027 as to the final one-quarter of the shares.

The fair value of the 134,478 member units was calculated to be \$1,123 (CAD\$12.00 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 each 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:

| | March 31, 2025 | March 31, 2024 |
|-------------------------|----------------|----------------|
| RSUs | \$ 82 | \$ 418 |
| Restricted stock awards | 248 | 226 |
| Stock options vesting | 52 | - |
| Total | \$ 382 | \$ 644 |

Equity-based compensation Reserve

| | March 31, 2025 | December 31, 2024 |
|-------------------------------------|-----------------|-------------------|
| Opening Balance | \$ 1,958 | \$ 902 |
| RSUs issued (vested) under the plan | 477 | 1,852 |
| RSUs exercised | (373) | (320) |
| Restricted shares awarded | - | (1,123) |
| Restricted shares vested | - | 935 |
| RSUs cancelled | (95) | (254) |
| Stock options vesting | - | 72 |
| Warrants exercised | - | (106) |
| Closing Balance | \$ 1,967 | \$ 1,958 |

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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 March 31, 2025, fixed price sales and purchase commitments on physical contracts for the Company were approximately \$78,000 and \$58,000, respectively. As of December 31, 2024, fixed price sales and purchase commitments on physical contracts for the Company were approximately \$84,000 and \$40,000, 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 |
| 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.

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

19. Segment Reporting (continued)

The income and expenses of the Company's segments for the three months ended March 31, 2025, are as follows:

| | Three months ended March 31, 2025 (Unaudited) | | | | |
|--|---|------------|------------|--------------|--------------|
| | Services | Trading | Corporate | Eliminations | Consolidated |
| Revenue | | | | | |
| External customers | \$ 49 | \$ 155,198 | \$ - | \$ - | \$ 155,247 |
| Inter-segment | 14,536 | 12,158 | - | (26,694) | - |
| | 14,585 | 167,356 | - | (26,694) | 155,247 |
| Cost of sales | 10,577 | 157,228 | (11) | (26,253) | 141,541 |
| Gross Profit on Realized Positions | 4,008 | 10,128 | 11 | (441) | 13,706 |
| Net unrealized mark-to-market gains (note 4) | - | 13,364 | - | - | 13,364 |
| Gross Profit on Realized and Unrealized Positions | 4,008 | 23,492 | 11 | (441) | 27,070 |
| Selling, General and Administrative Expenses | 2,421 | 3,986 | 797 | (910) | 6,294 |
| Income (Loss) From Operations | 1,587 | 19,506 | (786) | 469 | 20,776 |
| Other Income (Expenses) | (471) | (5,844) | 81 | (469) | (6,703) |
| Income (Loss) Before Income Taxes | 1,116 | 13,662 | (705) | - | 14,073 |
| Income tax expense | - | - | (2,066) | - | (2,066) |
| Net Income (Loss) | \$ 1,116 | \$ 13,662 | \$ (2,771) | \$ - | \$ 12,007 |

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

19. Segment Reporting (continued)

The income and expenses of the Company's segments for the three months ended March 31, 2024, are as follows:

| | Three months ended March 31, 2024 (Unaudited) | | | | |
|--|---|------------|------------|--------------|--------------|
| | Services | Trading | Corporate | Eliminations | Consolidated |
| Revenue | | | | | |
| External customers | \$ 270 | \$ 184,501 | \$ - | \$ - | \$ 184,771 |
| Inter-segment | 11,891 | 9,556 | - | (21,447) | - |
| | 12,161 | 194,057 | - | (21,447) | 184,771 |
| Cost of sales | 7,566 | 182,173 | - | (21,120) | 168,619 |
| Gross Profit on Realized Positions | 4,595 | 11,884 | - | (327) | 16,152 |
| Net unrealized mark-to-market gains (note 4) | | 21,144 | | 7 | 21,151 |
| Gross Profit on Realized and Unrealized Positions | 4,595 | 33,028 | | (320) | 37,303 |
| Selling, General and Administrative Expenses | 2,064 | 4,881 | 1,348 | (765) | 7,528 |
| Income (Loss) From Operations | 2,531 | 28,147 | (1,348) | 445 | 29,775 |
| Other Income (Expenses) | (236) | (4,431) | (12) | (445) | (5,124) |
| Income (Loss) Before Income Taxes | 2,295 | 23,716 | (1,360) | - | 24,651 |
| Income tax expense | - | - | (4,912) | - | (4,912) |
| Net Income (Loss) | \$ 2,295 | \$ 23,716 | \$ (6,272) | \$ - | \$ 19,739 |

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

20. Cash Flows from Operating Activities

| Changes in non-cash operating assets and liabilities | March 31, 2025 | March 31, 2024 |
|---|-----------------------|-----------------------|
| (Increase) decrease in operating assets: | | |
| Net trading and derivative account assets (note 5) | \$ 29 | \$ (5,296) |
| Accounts and other receivables | (956) | (32,251) |
| Sales taxes receivable | 964 | (200) |
| Inventory (note 6) | 12,716 | 58,712 |
| Prepaid expenses | (1,571) | (509) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable and accrued liabilities | (25,945) | (2,264) |
| Due to related parties | 22,039 | (4,720) |
| Sales tax payable | (284) | (2,669) |
| Taxes payable | 1,307 | 107 |
| Changes in non-cash operating assets and liabilities | \$ 8,299 | \$ 10,910 |

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

| | March 31, 2025 | March 31, 2024 |
|---|-----------------------|-----------------------|
| Purchase of property plant and equipment (note 7) | \$ (6,719) | \$ (4,799) |
| Net cash (used in) investing activities | (6,719) | (4,799) |

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

| | March 31, 2025 | March 31, 2024 |
|--|-----------------------|-----------------------|
| Due (from) to related parties | \$ 1,110 | \$ (188) |
| Financial liabilities, advances | 33,511 | 66,231 |
| Financial liabilities, repayments | (32,376) | (80,554) |
| Lease payments | (747) | (268) |
| Net cash provided by (used in) financing activities | \$ 1,498 | \$ (14,779) |

23. Supplemental Disclosure of Non-cash Investing and Financing Activities

| | March 31, 2025 | March 31, 2024 |
|---|-----------------------|-----------------------|
| Accrued interest on Borrowings | 447 | 561 |
| Property and equipment financed with long-term debt | 7,892 | 319 |
| Initial recognition or modification of lease liabilities and right-of-use assets: | 178 | 416 |
| Right of Use Assets | (178) | (416) |
| Lease Liabilities | | |
| Accounts payable for Property, Plant and Equipment | 9,399 | 4,545 |

Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of US Dollars)

24. Subsequent Events

On April 9, 2025, the Board of Directors of the Company approved an award under the Omnibus Plan of 13,986 restricted share units (RSUs) to directors as part of their annual retainer. These RSUs awards occur semi-annually in April and November of each year. The RSUs awarded will vest one year from the date of the award.

On April 9, 2025, the Board of Directors of the Company approved an award under the Omnibus Plan of 17,326 RSUs to employees of Company subsidiaries as part of their annual incentive compensation. The RSUs awarded will vest one year from the date of the award.

On April 9, 2025, the Board of Directors of the Company approved an award under the Omnibus Plan of 300,000 stock options to employees and consultants of Company subsidiaries. The options mature on December 31, 2028, have a strike price of CAD \$11.47, and vest over a period of 2.7 years from the date of the award, with no vesting to occur prior to the first anniversary of the award.

On April 9, 2025, the Board of Directors of the Company approved the award under the Omnibus Plan of 20,407 RSUs to a senior officer of the Company who agreed to the cancellation of an aggregate of 10,000 EARs previously awarded under the EAR Plan of Sucro Holdings. The purpose of this RSU awards is to transition equity-based compensation away from the former privately held Sucro Holdings to the new Omnibus Plan of Sucro Limited. The RSUs awarded will vest one year from the date of the award. Following the cancellation of these EARs, no EARs remain outstanding.

On April 15, 2025, the Company took advantage of a short-term drop in natural gas prices associated with “Liberation Day” to fix 30,000 dekatherms per month for its Lackawanna, NY, refinery, for the months of May and June 2025 at \$3.38 per dekatherm, plus the delivery basis.

On April 22, 2025, 29,198 SVS were issued upon the settlement of restricted share units previously awarded to directors and consultants of the Company and its subsidiaries under the Omnibus Plan.

On April 30, 2025, the Company entered into a receive-variable/pay-fixed interest rate swap with a two year term on a total notional amount of \$20,000 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 3.40%.

In April 2025, a subsidiary of the Company completed the previously announced purchase of the commercial property adjoining Sucro’s cane sugar refinery development site in University Park, Illinois. The seller of the property was MB Central-Bond LLC, a company in which Matthew Dyer, Sucro’s Vice President of U.S. Sales, is the controlling shareholder. The property was acquired for a purchase price of \$1,043 satisfied by a \$142 unsecured promissory note and the balance in cash.