

---

---

**Unaudited Condensed Interim Consolidated Financial Statements**

**Sucro Limited**

**For the six months ended June 30, 2025, and 2024**

**(Expressed in Thousands of U.S. Dollars)**

**INDEX**

<b>Condensed Interim Consolidated Statements of Financial Position</b>	<b>2-3</b>
<b>Condensed Interim Consolidated Statements of Income and Comprehensive Income</b>	<b>4-5</b>
<b>Condensed Interim Consolidated Statements of Changes in Shareholders' Equity</b>	<b>6</b>
<b>Condensed Interim Consolidated Statements of Cash Flows</b>	<b>7</b>
<b>Notes to the Condensed Interim Consolidated Financial Statements</b>	<b>8-35</b>

# Sucro Limited

## Condensed Interim Consolidated Statements of Financial Position

As of

(Expressed in Thousands of U.S. Dollars)

	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 6,341	\$ 2,919
Restricted cash (note 8)	320	500
Trading and derivative assets (note 5)	1,243	1,029
Accounts and other receivable	89,740	95,111
Inventory (note 6)	159,652	208,350
Due from related parties (note 11)	4,972	4,230
Unrealized gains on forward commitments (note 16)	157,053	139,713
Taxes receivable	1,435	-
Prepaid expenses	5,028	5,624
Sales taxes recoverable	817	2,753
<b>Total Current Assets</b>	<b>426,601</b>	<b>460,229</b>
<b>Non-Current Assets</b>		
Property, plant and equipment (note 7)	176,694	146,160
Right-of-use assets	17,600	19,429
Sales taxes recoverable	2,279	2,606
Equity investment	1,143	992
Other non-current assets	72	72
Goodwill	961	961
<b>Total Non-Current Assets</b>	<b>198,749</b>	<b>170,220</b>
<b>Total Assets</b>	<b>\$ 625,350</b>	<b>\$ 630,449</b>

# Sucro Limited

Condensed Interim Consolidated Statements of Financial Position

As of

(Expressed in Thousands of U.S. Dollars)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 81,305	\$ 74,237
Unrealized losses on forward commitments (note 16)	12,533	13,896
Loans and borrowings, current portion (note 8)	205,317	249,207
Taxes payable	1,354	308
Lease liabilities, current portion	2,009	1,826
Sales taxes payable	198	803
Total Current Liabilities	302,716	340,277
<b>Non-Current Liabilities</b>		
Loans and borrowings, net of current portion (note 8)	95,323	79,034
Deferred tax liability	26,114	24,943
Lease liabilities	17,408	16,830
Total Liabilities	441,561	461,084
<b>Shareholders' Equity</b>		
Share capital (note 9)	58,115	57,573
Retained earnings	123,792	110,021
Equity-based compensation reserve (note 17)	470	191
Cash flow hedging reserve (note 4)	(493)	(49)
Equity Attributable to Shareholders of the Company	181,884	167,736
Non-controlling interest	1,905	1,629
Total Shareholders' Equity	183,789	169,365
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 625,350</b>	<b>\$ 630,449</b>

**Nature of Operations** (note 1)

**Commitments and Contingencies** (note 18)

**Subsequent Events** (note 25)

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 U.S. Dollars)

	Three months ended 2025 (Unaudited)	Three months ended 2024 (Unaudited)	Six months ended 2025 (Unaudited)	Six months ended 2024 (Unaudited)
<b>Revenue</b> (notes 13 and 19)	\$ 231,408	\$ 138,014	\$ 386,655	\$ 322,785
<b>Cost of sales</b> (note 14)	216,800	117,394	344,977	264,862
<b>Gross Profit</b>	14,608	20,620	41,678	57,923
<b>Selling, General and Administrative Expenses</b>				
Administrative expenses (note 11)	5,286	5,994	9,394	11,469
Selling and distribution expenses	30	(62)	345	345
Other operating expenses	278	1,855	1,018	2,320
Depreciation (note 7)	422	388	810	769
Depreciation of right-of-use assets	377	157	738	313
Equity-based compensation (note 17)	439	760	821	1,404
<b>Total Selling, General and Administrative Expenses</b>	6,832	9,092	13,126	16,620
<b>Income From Operations</b>	7,776	11,528	28,552	41,303
<b>Other Income (Expenses)</b>				
Interest expense	(5,287)	(7,452)	(12,305)	(13,072)
Interest income	148	315	270	607
Earnings from equity investment	90	40	152	131
Unrealized foreign exchange gain (loss) on leases and loans	(1,576)	(35)	(1,637)	215
Unrealized gain on foreign currency forwards	674	-	674	-
Other income (expense)	650	889	842	752
<b>Total Other Income (Expenses)</b>	(5,301)	(6,243)	(12,004)	(11,367)
<b>Income Before Income Taxes</b>	2,475	5,285	16,548	29,936
<b>Income Tax Expense</b>				
Current income tax expense	(6)	(298)	(1,330)	(408)
Deferred income tax expense	(429)	(1,028)	(1,171)	(5,830)
<b>Total Tax Expense</b>	(435)	(1,326)	(2,501)	(6,238)
<b>Net Income</b>	2,040	3,959	14,047	23,698
<b>Other Comprehensive Income</b>				
Items that may be reclassified to profit or loss				
Gain (loss) on interest rate swap	(64)	210	(491)	1,159
Gain on energy rate swap	13	79	47	37
<b>Comprehensive Income</b>	\$ 1,989	\$ 4,248	\$ 13,603	\$ 24,894
<b>Net Income per Share - basic</b>	\$ 0.19	\$ 0.57	\$ 1.28	\$ 3.43
<b>Net Income per Share - diluted</b>	\$ 0.08	\$ 0.17	\$ 0.59	\$ 1.01
<b>Weighted Average Number of Shares Outstanding - basic</b>	10,984,791	6,949,554	10,954,358	6,900,025
<b>Weighted Average Number of Shares Outstanding - diluted</b>	24,012,736	23,622,970	23,976,562	23,573,441

# Sucro Limited

Condensed Interim Consolidated Statements of Income and Comprehensive Income

For the three and six months ended June 30,

(Expressed in Thousands of U.S. Dollars)

	<b>Three months ended 2025</b>	Three months ended 2024	<b>Six months ended 2025</b>	Six months ended 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Net Income Attributable to:</b>				
<b>Non-controlling interest</b>	\$ 226	\$ 114	\$ 276	\$ 382
<b>Shareholders of the Company</b>	<b>1,814</b>	3,845	<b>13,771</b>	23,316
	<b>\$ 2,040</b>	<b>\$ 3,959</b>	<b>\$ 14,047</b>	<b>\$ 23,698</b>
<b>Comprehensive Income Attributable to:</b>				
<b>Non-controlling interest</b>	\$ 226	\$ 114	\$ 276	\$ 382
<b>Shareholders of the Company</b>	<b>1,763</b>	4,134	<b>13,327</b>	24,512
	<b>\$ 1,989</b>	<b>\$ 4,248</b>	<b>\$ 13,603</b>	<b>\$ 24,894</b>

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 U.S. Dollars)

		Share Capital	Retained Earnings	Equity-based Compensation Reserve	Cash Flow Hedging Reserve	Non- controlling Interest	Total Shareholders' Equity
<b>Balance, January 1, 2024</b>	\$	<b>55,549</b>	\$ <b>86,667</b>	\$ <b>(865)</b>	\$ <b>(759)</b>	\$ <b>1,233</b>	\$ <b>141,825</b>
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 issues 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		56,024	109,983	539	437	1,233	168,216
Net income attributable to non-controlling interests		-	-	-	-	382	382
<b>Balance, June 30, 2024</b> (Unaudited)	\$	<b>56,024</b>	\$ <b>109,983</b>	\$ <b>539</b>	\$ <b>437</b>	\$ <b>1,615</b>	\$ <b>168,598</b>
<b>Balance, January 1, 2025</b>	\$	<b>57,573</b>	\$ <b>110,021</b>	\$ <b>191</b>	\$ <b>(49)</b>	\$ <b>1,629</b>	\$ <b>169,365</b>
Unrealized loss on interest rate swaps		-	-	-	(491)	-	(491)
Unrealized gain on energy rate swaps		-	-	-	47	-	47
Equity-based compensation		542	-	279	-	-	821
Net income attributable to share holders of the Company		-	13,771	-	-	-	13,771
Total equity attributable to share holders of the Company		58,115	123,792	470	(493)	1,629	183,513
Net income attributable to non-controlling interests		-	-	-	-	276	276
<b>Balance, June 30, 2025</b> (Unaudited)	\$	<b>58,115</b>	\$ <b>123,792</b>	\$ <b>470</b>	\$ <b>(493)</b>	\$ <b>1,905</b>	\$ <b>183,789</b>

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 U.S. Dollars)

	2025 (Unaudited)	2024 (Unaudited)
<b>Cash provided by (used in)</b>		
<b>Cash Flows From Operating Activities</b>		
Net income for the period	\$ 14,047	\$ 23,698
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>		
Earnings from equity investment	(152)	(131)
Lease interest expense	394	468
Amortization of debt issuance cost	776	814
Net change in unrealised (gain) loss on forward commitments (note 4)	(14,070)	(25,801)
Depreciation expense (note 7)	3,043	2,572
Unrealised foreign exchange (gain) loss on leases and loans	1,637	(215)
Depreciation of right-of-use assets	1,176	477
Accrued interest on lease liability	389	-
Equity-based compensation	821	1,404
Deferred tax expense	1,171	5,830
Accrued interest on related party receivable	(38)	(108)
<b>Operating cash flows before changes in non-cash working capital</b>	<b>9,194</b>	<b>9,008</b>
<b>Changes in non-cash operating assets and liabilities (note 20)</b>	<b>45,263</b>	<b>22,577</b>
<b>Net cash provided by operating activities</b>	<b>54,457</b>	<b>31,585</b>
<b>Net cash (used in) investing activities (note 21)</b>	<b>(20,492)</b>	<b>(16,103)</b>
<b>Net cash (used in) financing activities (note 22)</b>	<b>(30,723)</b>	<b>(16,207)</b>
<b>Net increase (decrease) in cash and restricted cash</b>	<b>3,242</b>	<b>(725)</b>
<b>Cash and restricted cash, beginning of period</b>	<b>3,419</b>	<b>5,919</b>
<b>Cash and restricted cash, end of period</b>	<b>\$ 6,661</b>	<b>\$ 5,194</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ 10,775	\$ 11,539
Cash received for interest	233	453

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, 2025, and 2024

(Expressed in Thousands of U.S. 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 June 30, 2025 and 2024 was:

Name of the Corporation	Jurisdiction of Incorporation	Principal Activity	Percentage of Ownership	
			June 30, 2025	June 30, 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 June 30, 2025, SC Americas Corp (the "Ultimate Parent") owned 51.02% (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 and six months ended June 30, 2025, and 2024

(Expressed in Thousands of U.S. 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 have not been reviewed by the Company's external auditors. These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on August 20, 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 and six months ended June 30, 2025, and 2024

(Expressed in Thousands of U.S. 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). The standard also requires 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 and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. 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 June 30, 2025, the total notional amount of the Company's receive-variable/pay-fixed interest rate swaps was \$119,000 (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 and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 4. Trading, Derivative and Hedging Activities (continued)

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

	<b>June 30, 2025</b>	December 31, 2024
	(Unaudited)	(Audited)
Forward commitments	\$ <b>156,482</b>	\$ 139,328
Futures contracts (note 5)	<b>1,736</b>	1,078
Interest rate swaps (note 5)	<b>115</b>	297
Foreign currency forwards	<b>571</b>	385
<b>Total derivative assets</b>	<b>\$ 158,904</b>	<b>\$ 141,088</b>

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

	<b>June 30, 2025</b>	December 31, 2024
	(Unaudited)	(Audited)
Forward commitments (note 5)	\$ <b>12,518</b>	\$ 13,762
Interest rate swaps (note 5)	<b>579</b>	271
Foreign currency forwards	<b>15</b>	134
Energy swap (note 5)	<b>28</b>	75
<b>Total derivative liabilities</b>	<b>\$ 13,140</b>	<b>\$ 14,242</b>

During the periods ended June 30, 2025 and June 30, 2024, net unrealized gains (losses) on derivative transactions recognized in cost of sales and other income are as follows:

	<b>June 30, 2025</b>	June 30, 2024
	(Unaudited)	(Unaudited)
Mark-to-market gains on commodity forward commitments	\$ <b>17,763</b>	\$ 9,417
Mark-to-market gains (losses) on inventory	<b>(2,723)</b>	11,412
Mark-to-market gains (losses) on futures contracts	<b>(1,274)</b>	3,595
Mark-to-market gains on foreign currency forwards	<b>304</b>	1,377
<b>Total gains</b>	<b>\$ 14,070</b>	<b>\$ 25,801</b>

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. 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	
	2025	2024		2025	2024		2025	2024
Interest rate swap	\$ (491)	\$ 949	Interest income (expense)	\$ 160	\$ 482	Other income (expense)	\$ -	\$ -
Energy rate swap	\$ 47	\$ (42)	Cost of sales	\$ (56)	\$ (205)	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, 2025 and December 31, 2024, trading account assets and liabilities consist of the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash position	\$ 5,899	\$ 3,968
Net unrealized losses on open futures contracts	(4,163)	(2,890)
<b>Net Future Contracts</b>	<b>1,736</b>	<b>1,078</b>
Interest rate swaps	(465)	26
Energy swaps	(28)	(75)
<b>Net trading and derivative assets</b>	<b>\$ 1,243</b>	<b>\$ 1,029</b>

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. 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:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Sugar commodities	\$ 158,430	\$ 207,554
Processing additives	1,222	796
<b>Total</b>	<b>\$ 159,652</b>	<b>\$ 208,350</b>

The cost of inventories included as an expense through cost of sales for the period ended June 30, 2025 was \$336,939 (June 30, 2024 - \$286,476). As of June 30, 2025, inventory of \$158,430 (December 31, 2024 - \$207,554) was pledged as security against the Company's borrowing base revolving line of credit facilities.

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. 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
<b>Cost</b>								
<b>Balance - December 31, 2024</b> (Audited)	\$ 930	\$ 62,233	\$ 26,834	\$ 556	\$ 254	\$ 2,323	\$ 72,855	\$ 165,985
Additions	22	18,343	1,549	29	10	-	30,943	50,896
Reclassification from Construction in progress	-	-	-	-	-	-	(17,319)	(17,319)
<b>Balance - June 30, 2025</b> (Unaudited)	\$ 952	\$ 80,576	\$ 28,383	\$ 585	\$ 264	\$ 2,323	\$ 86,479	\$ 199,562
<b>Accumulated Depreciation</b>								
<b>Balance - December 31, 2024</b> (Audited)	\$ 498	\$ 17,069	\$ 1,955	\$ 193	\$ 110	\$ -	\$ -	\$ 19,825
Depreciation	104	2,415	460	44	20	-	-	3,043
<b>Balance - June 30, 2025</b> (Unaudited)	\$ 602	\$ 19,484	\$ 2,415	\$ 237	\$ 130	\$ -	\$ -	\$ 22,868
<b>Carrying Amount</b>								
<b>As of December 31, 2024</b> (Audited)	\$ 432	\$ 45,164	\$ 24,879	\$ 363	\$ 144	\$ 2,323	\$ 72,855	\$ 146,160
<b>As of June 30, 2025</b> (Unaudited)	\$ 350	\$ 61,092	\$ 25,968	\$ 348	\$ 134	\$ 2,323	\$ 86,479	\$ 176,694

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 8. Loans and Borrowings

Changes to the Company's loans and borrowings for the period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

	<b>June 30, 2025</b> (Unaudited)	December 31, 2024 (Audited)
<b>Opening balance</b>	<b>\$ 328,241</b>	<b>\$ 266,756</b>
Lines of Credit (a)	<b>97,400</b>	210,275
Senior Secured Equipment Loan (b)	<b>7,632</b>	26,638
Real Estate Term Loan (b)	<b>10,029</b>	19,377
Repurchase obligations (c)	<b>1,050</b>	39,510
Repayments	<b>(144,489)</b>	(232,854)
Debt issuance cost paid during the period	<b>-</b>	(2,799)
Amortization of debt issuance costs	<b>776</b>	1,338
<b>Ending balance</b>	<b>\$ 300,639</b>	<b>\$ 328,241</b>
Current portion	<b>\$ 205,317</b>	\$ 249,207
Long term portion	<b>\$ 95,323</b>	\$ 79,034

### (a) Lines of Credit

Type	Effective rate	Maturity	<b>June 30, 2025</b> (Unaudited)	December 31, 2024 (Audited)
Line of credit (i)	Wall Street Journal + 0.75% or never less than 4% (At June 30, 2025 -8.25% (December 31, 2024- 8.25%))	April 2026	<b>\$ 400</b>	\$ 400
Line of credit (ii)	Secured overnight financing rate plus 3.15% (At June 30, 2025- 7.13% (December 31, 2024 - 7.25%))	August 2026	<b>178,115</b>	214,015
Line of credit (iii)	Secured overnight financing rate plus 2.75% (for U.S. Dollar loans) and Interbank Equilibrium Interest Rate (TIIE) plus 2.50% (for Mexican Peso loans) (At June 30, 2025 - 7.20% (December 31, 2024 - 7.08%) for U.S. Dollar loans and N/A for Mexican peso loans (December 31, 2024 -N/A))	September 2026	<b>13,500</b>	15,500
			<b>\$ 192,015</b>	\$ 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.



# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. 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 \$8,236 of interest expense on the above credit facilities for the period ended June 30, 2025 (June 30, 2024 - \$8,205). As of June 30, 2025, the Company was in compliance with its covenants.

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

Type of loan	Effective rate	Maturity	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Equipment (i)	7.75%	April 2029	\$ 11,613	\$ 12,421
Equipment (ii)	6.85%	November 2030	1,838	1,970
Equipment (iii)	Variable	on demand	604	604
Equipment (iv)	7.69%	December 2028	446	579
Real Estate (v)	3.84%	December 2026	5,135	5,245
Equipment (vi)	five year treasury rate plus 2.3%	November 2027	149	178
Equipment (vii)	five year treasury rate plus 2.3%	October 2027	299	358
Equipment (viii)	6.65%	March 2027	213	270
Equipment (ix)	7.36%	December 2028	2,507	2,816
Equipment (x)	4.6%	March 2027	256	326
Real Estate (xi)	WSJ +1.25%	April 2027	13,212	13,347
Real Estate (xii)	6.04%	May 2030	678	688
Equipment (xiii)	6.38%	January 2031	266	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*	22,071	14,107
Equipment (xvi)	SOFR plus 2.35%	10 years from Closing date*	23,635	19,241
Equipment (xvii)	SOFR plus 2.35%	10 years from Closing date*	9,471	6,387
Equipment (xviii)	6.60%	March 2025	182	-
Real Estate (xix)	6.849%	April 2030	831	-
			<b>\$ 99,906</b>	<b>\$ 84,093</b>

\* 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.

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

---

## 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), (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 (v) (xi) and (xix) 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 June 30, 2025, the Company had an open purchase agreement for 14,788 MT (December 31, 2024 - 23,038 MT) of raw sugar for which it has recognized a liability of \$10,292 (December 31, 2024 - \$16,499) and accrued interest of \$25 (December 31, 2024 - \$41). The purchase agreement has a maturity date of less than six months and carries an average interest rate of 6.45% (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 six months ended June 30, 2025, the Company incurred interest expense of \$412 (June 30, 2024 - \$1,335) related to these agreements.

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

---

## 9. Share Capital

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, 2025, were as follows:

	SVS	PVS
<b>Balance, December 31, 2024</b>	10,749,081	129,689
Equity-based compensation	85,315	-
<b>Balance, June 30, 2025</b>	10,834,396	129,689

As of June 30, 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 period ended June 30, 2025, a total of 101,545 Restricted Stock Units (RSUs) vested. Of these, 85,315 RSUs were converted into SVS and issued, while 16,230 RSUs were withheld to cover applicable taxes and subsequently cancelled.

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 10. Warrants

The changes in warrants for the period ended June 30, 2025, were as follows:

	Number of Warrants	Amount
<b>Balance, December 31, 2024</b>	39,785	\$ 79
Exercised	-	-
<b>Balance, June 30, 2025</b>	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 June 30, 2025 is \$1,010 (December 31, 2024 - \$939). The Company recorded interest income of \$38 during the period ended June 30, 2025 (June 30, 2024- \$78).

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 June 30, 2025 was \$1,720 (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 receivable from the company as of June 30, 2025 - \$2,178 (December 31, 2024 - \$2,178).

A family member of the CEO of the Company earned \$32 in salaries & bonuses during the period ended June 30, 2025 (June 30, 2024 - \$216).

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, 2025 and June 30, 2024 is as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Salaries and other cash compensation	\$ 1,437	\$ 2,447
Short-term employment benefits	44	72
Equity-based compensation	702	1,210
<b>Total</b>	<b>\$ 2,183</b>	<b>\$ 3,729</b>

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. 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 June 30, 2025:

June 30, 2025 (Unaudited)				
	Volumes/ Notional Amounts (Net)	Effective Dates	Expiration Dates	Fair Value
Sugar commodities	(777) MT	July 2025 - November 2026	July 2025 - November 2026	\$ 157,197
<b>Total fair market value</b>				<b>\$ 157,197</b>

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 MT	January 2025 - November 2026	January 2025 - November 2026	\$ 142,698
<b>Total fair market value</b>				<b>\$ 142,698</b>

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 13. Revenue

	Three months ended 2025 (Unaudited)	Three months ended 2024 (Unaudited)	Six months ended 2025 (Unaudited)	Six months ended 2024 (Unaudited)
Tolling	4	116	\$ 35	\$ 301
Warehousing	6	71	24	153
Commodity and other contracts	233,024	138,608	388,248	323,592
F&O Trading	(1,626)	(781)	(1,652)	(1,261)
<b>Gross Revenue</b>	<b>231,408</b>	<b>138,014</b>	<b>\$ 386,655</b>	<b>\$ 322,785</b>

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 and six months ended June 30, 2024, the Company reclassified \$446 and \$750 respectively, from gross revenue to interest expense.

## 14. Cost of Sales

	Three months ended 2025 (Unaudited)	Three months ended 2024 (Unaudited)	Six months ended 2025 (Unaudited)	Six months ended 2024 (Unaudited)
Cost of sales on realized positions	\$ 215,306	\$ 121,050	\$ 355,703	\$ 288,696
Net unrealized mark-to-market-gains	(32)	(4,650)	(13,396)	(25,801)
Depreciation on property, plant and equipment	1,327	909	2,232	1,803
Depreciation on right-of-use plant and equipment	199	85	438	164
<b>Total Cost of Sales</b>	<b>\$ 216,800</b>	<b>\$ 117,394</b>	<b>\$ 344,977</b>	<b>\$ 264,862</b>

The Company had a gross profit on its realized positions of \$28,282 for the six months ended June 30, 2025 (June 30, 2024 - \$32,122).

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

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 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, 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	\$ 6,138	\$ 106,177	\$ 44,167	\$ 156,482
Mark-to-market gains on inventory	978	3,100	22,708	26,786
Interest rate swaps	115	-	-	115
Foreign currency forwards	571	-	-	571
<b>Total</b>	<b>\$ 7,802</b>	<b>\$ 109,277</b>	<b>\$ 66,875</b>	<b>\$ 183,954</b>

As of June 30, 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	\$ (2,574)	\$ (6,171)	\$ (3,773)	\$ (12,518)
Mark-to-market losses on inventory	(378)	(8,990)	(22)	(9,390)
Mark-to-market losses on futures	(4,163)	-	-	(4,163)
Interest rate swaps	(579)	-	-	(579)
Energy swaps	-	(28)	-	(28)
Foreign currency forwards	(15)	-	-	(15)
<b>Total</b>	<b>\$ (7,709)</b>	<b>\$ (15,189)</b>	<b>\$ (3,795)</b>	<b>\$ (26,693)</b>

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 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
<b>Total</b>	<b>\$ 4,995</b>	<b>\$ 124,615</b>	<b>\$ 41,326</b>	<b>\$ 170,936</b>

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)
<b>Total</b>	<b>\$ (5,047)</b>	<b>\$ (17,576)</b>	<b>\$ (5,414)</b>	<b>\$ (28,037)</b>

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



# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 16. Fair Value Measurements (continued)

Changes in Level 3 instruments for the period ended June 30, 2025 and December 31, 2024 are as follows:

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Financial assets</b>			
Balance - beginning of period	\$	41,326	\$ 39,850
Acquisitions		42,253	21,247
Disposals and settlements		(53,600)	(39,526)
Mark-to-market amount recognized in cost of sales		36,896	19,755
Balance - end of period	\$	66,875	\$ 41,326

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Financial liabilities</b>			
Balance - beginning of period	\$	5,414	\$ 2,605
Acquisitions		3,946	3,013
Disposals and settlements		(14,489)	(10,046)
Mark-to-market amount recognized in cost of sales		8,924	9,842
Balance - end of period	\$	3,795	\$ 5,414

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

---

## 17. Share-based payment arrangements

### *Equity Incentive Plan (equity-settled)*

As of June 30, 2025, an aggregate of 181,756 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 April 09, 2026.

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 six months ended June 30, 2025 was C\$12.00 (June 30, 2024 - C\$8.18).

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

	<b>Outstanding</b>
<b>Balance as of December 31, 2023</b> (Audited)	<b>177,973</b>
Granted	126,174
Withheld for tax obligation	(32,118)
Exercised	(40,447)
<b>Balance as of December 31, 2024</b> (Audited)	<b>231,582</b>
Granted	51,719
Withheld for tax obligation	(16,230)
Exercised	(85,315)
<b>Balance as of June 30, 2025</b> (Unaudited)	<b>181,756</b>

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

---

## 17. Share-based payment arrangements (continued)

### Equity Incentive Plan (equity-settled) (continued)

As of June 30, 2025, 661,893 (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	3.91% - 4.62%
Expected life of share options	3.73 - 4.7 years
Share price on the date of grant	7.00 CAD - 12.00 CAD

For the period ended June 30, 2025, the Company has recognised \$148 of share-based payment expense in the statement of profit or loss (June 30, 2024 - \$66).

### 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.

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 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, 2025 (Unaudited)	June 30, 2024 (Unaudited)
RSUs	\$ 175	\$ 886
Restricted stock awards	498	453
Stock options vesting	148	66
<b>Total</b>	<b>\$ 821</b>	<b>\$ 1,405</b>

### Equity-based compensation Reserve

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Opening Balance</b>	<b>\$ 191</b>	<b>\$ (865)</b>
RSUs issued (vested) under the plan	288	1,852
RSUs exercised	(542)	(320)
Restricted shares awarded	-	(1,123)
Restricted shares vested	498	935
RSUs cancelled	(113)	(254)
Stock options vesting	148	72
Warrants exercised	-	(106)
<b>Closing Balance</b>	<b>\$ 470</b>	<b>\$ 191</b>

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

---

## 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, 2025, fixed price sales and purchase commitments on physical contracts for the Company were approximately \$93,500 and \$45,500, 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.

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

---

## 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.

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 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 <sup>(1)</sup>	Holdings Company
Sucro Holdings, LLC	Corporate <sup>(1)</sup>	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 and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 19. Segment Reporting (continued)

The income and expenses of the Company's segments for the six months ended June 30, 2025, are as follows:

	Six months ended June 30, 2025 (Unaudited)				
	Services	Trading	Corporate	Eliminations	Consolidated
<b>Revenue</b>					
External customers	\$ 59	\$ 386,596	\$ -	\$ -	\$ 386,655
Inter-segment	29,305	15,344	-	(44,649)	-
	29,364	401,940	-	(44,649)	386,655
<b>Cost of sales</b>	22,502	380,440	(653)	(43,916)	358,373
<b>Gross Profit on Realized Positions</b>	6,862	21,500	653	(733)	28,282
Net unrealized mark-to-market gains (note 4)	-	13,396	-	-	13,396
<b>Gross Profit on Realized and Unrealized Positions</b>	6,862	34,896	653	(733)	41,678
<b>Selling, General and Administrative Expenses</b>	5,677	7,592	1,529	(1,672)	13,126
<b>Income (Loss) From Operations</b>	1,185	27,304	(876)	939	28,552
<b>Other Income (Expenses)</b>	(1,619)	(9,806)	360	(939)	(12,004)
<b>Income (Loss) Before Income Taxes</b>	(434)	17,498	(516)	-	16,548
Income tax expense	-	(15)	(2,486)	-	(2,501)
<b>Net Income (Loss)</b>	\$ (434)	\$ 17,483	\$ (3,002)	\$ -	\$ 14,047



# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 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)				
	Services	Trading	Corporate	Eliminations	Consolidated
<b>Revenue</b>					
External customers	\$ 454	\$ 322,331	\$ -	\$ -	\$ 322,785
Inter-segment	25,202	19,902	-	(45,104)	-
	25,656	342,233	-	(45,104)	322,785
<b>Cost of sales</b>	17,729	317,465	-	(44,531)	290,663
<b>Gross Profit on Realized Positions</b>	7,927	24,768	-	(573)	32,122
Net unrealized mark-to-market gains (note 4)		25,794		7	25,801
<b>Gross Profit on Realized and Unrealized Positions</b>	7,927	50,562		(566)	57,923
<b>Selling, General and Administrative Expenses</b>	6,167	8,868	3,056	(1,471)	16,620
<b>Income (Loss) From Operations</b>	1,760	41,694	(3,056)	905	41,303
<b>Other Income (Expenses)</b>	(660)	(9,889)	87	(905)	(11,367)
<b>Income (Loss) Before Income Taxes</b>	1,100	31,805	(2,969)	-	29,936
Income tax expense	-	-	(6,238)	-	(6,238)
<b>Net Income (Loss)</b>	\$ 1,100	\$ 31,805	\$ (9,207)	\$ -	\$ 23,698

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

## 20. Cash Flows from Operating Activities

<b>Changes in non-cash operating assets and liabilities</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
(Increase) decrease in operating assets:		
Net trading and derivative account assets (note 5)	\$ (2,568)	\$ 5,611
Accounts and other receivables	5,371	(17,566)
Due from related parties	(704)	-
Sales taxes receivable	2,263	(298)
Inventory (note 6)	45,975	66,473
Taxes receivable	(1,435)	-
Prepaid expenses	596	(6,546)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(4,676)	(16,310)
Due to related parties	-	(3,942)
Sales tax payable	(605)	(4,634)
Taxes payable	1,046	(211)
<b>Changes in non-cash operating assets and liabilities</b>	<b>\$ 45,263</b>	<b>\$ 22,577</b>

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

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Purchase of property plant and equipment (note 7)	\$ (20,492)	\$ (16,103)
<b>Net cash (used in) investing activities</b>	<b>(20,492)</b>	<b>(16,103)</b>

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

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Financial liabilities, advances	116,111	163,337
Financial liabilities, repayments	(145,516)	(179,542)
Proceeds from issuance of common shares	-	475
Lease payments	(1,318)	(477)
<b>Net cash (used in) financing activities</b>	<b>\$ (30,723)</b>	<b>\$ (16,207)</b>

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

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Accrued interest on Borrowings	405	149
Property and equipment financed with long-term debt	17,661	12,050
Initial recognition or modification of lease liabilities and right-of-use assets:		
Right of Use Assets	688	416
Lease Liabilities	(688)	(416)
Accounts payable for Property, Plant and Equipment	11,745	6,507

# Sucro Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of U.S. Dollars)

---

## 24. Supplier Finance Arrangements

During the three months ended June 30, 2025, the Company entered into a supplier finance arrangement with a third-party financial institution, under which the finance provider offers early payment to selected suppliers on invoices confirmed by the Company. The Company settles the related obligations directly with the finance provider on extended payment terms. This arrangement is designed to optimize working capital while providing suppliers the option of early payment. It is not secured by Company assets, and the Company does not provide guarantees under the program.

As of June 30, 2025, the carrying amount of liabilities included in the arrangement was \$13,611, presented within accounts payable and accrued liabilities in the condensed interim consolidated statement of financial position. Of this amount, suppliers had received early payment from the finance provider on \$13,611 of invoices. The range of payment due dates for invoices under the arrangement was 90 days, compared with 0-180 credit days for other trade payables not subject to the arrangement. There were no non-cash changes in the carrying amount of the liabilities included in the program during the reporting period. The arrangement did not affect the classification of cash flows, and payments made under the program continue to be presented as operating cash flows in the statement of cash flows.

## 25. Subsequent Events

Subsequent to the end of the quarter, the Company and certain subsidiaries in the Sucro group of companies entered into an a share exchange agreement with Amerikoa Holding, LLC and MB Central-Bond LLC, companies controlled by Matthew Dyer, the group's Vice President of U.S. Sales. Pursuant to the agreement, the Sucro group would acquire the 49% interest in Sweet Life Services, LLC not already owned in consideration for the transfer of an 19% ownership interest in Amerikoa Ingredients, LLC and the issuance of 155,550 SVS at a deemed price of C\$13.35 per share. In addition, a promissory note in the amount of \$142 and accrued interest thereon held by MB Central-Bond LLC would be settled and cancelled in consideration for the issuance of additional SVS at the same deemed price of C\$13.35 per share. The transaction is subject to all required regulatory approval, including the approval of the TSX Venture Exchange.

Subsequent to the end of the quarter, 8,860 SVS were issued upon the exercise of broker warrants issued in connection with the Company's initial public offering in October 2023. The exercise price was C\$11.00 per share and the Company received proceeds of C\$97 from the exercise.