Unaudited Condensed Interim Consolidated Financial Statements

Sucro Limited

For the six months ended June 30, 2026, and 2025

(Expressed in Thousands of U.S. Dollars)

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Sucro Limited (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

Sucro Limited

Condensed Interim Consolidated Statements of Financial Position
As of
(Expressed in Thousands of U.S. Dollars)

		June 30, 2026 (Unaudited)		December 31, 2025 (Audited)
Assets				
Current Assets				
Cash	**$**	**2,459**	$	8,953
Restricted cash		**-**		320
Trading and derivative assets (note 5)		**1,528**		682
Accounts receivable		**62,449**		55,246
Inventory (note 6)		**202,910**		184,976
Due from related parties (note 14)		**740**		6,844
Unrealized gains on forward commitments (note 20)		**150,543**		149,136
Prepaid expenses		**23,286**		19,954
Other receivables (note 9)		**19,886**		11,889
Total Current Assets		**463,801**		438,000
Non-Current Assets				
Property, plant and equipment (note 7)		**215,249**		203,482
Right-of-use assets		**16,311**		17,240
Unrealized gains on forward commitments		**14,642**		12,497
Sales taxes recoverable		**3,446**		3,098
Goodwill and other intangible assets (note 11)		**4,322**		987
Total Non-Current Assets		**253,970**		237,304
Total Assets	**$**	**717,771**	$	675,304

Sucro Limited

Condensed Interim Consolidated Statements of Financial Position
As of
(Expressed in Thousands of U.S. Dollars)

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 78,551**	$ 84,408
Unrealized losses on forward commitments (note 20)	**9,545**	7,863
Loans and borrowings, current portion (note 12)	**281,714**	246,706
Due to related parties (note 14)	**478**	166
Taxes payable (note 15)	**-**	140
Lease liabilities, current portion	**2,547**	2,354
Sales taxes payable	**20**	105
Earnout payable (note 11)	**318**	-
Total Current Liabilities	**373,173**	341,742
Non-Current Liabilities		
Loans and borrowings, net of current portion (note 12)	**78,495**	90,098
Deferred tax liability (note 15)	**22,807**	15,344
Lease liabilities	**15,771**	17,118
Earnout payable (note 11)	**1,883**	-
Total Non-Current Liabilities	**118,956**	122,560
Total Liabilities	**492,129**	464,302
Shareholders' Equity		
Share capital (note 13)	**60,601**	60,128
Retained earnings	**163,615**	150,116
Equity-based compensation reserve (note 21)	**1,549**	1,312
Cash flow hedging reserve (note 4)	**(123)**	(554)
Total Shareholders' Equity	**225,642**	211,002
Total Liabilities and Shareholders' Equity	**$ 717,771**	$ 675,304

Nature of Operations (note 1)
Commitments and Contingencies (note 22)
Subsequent Events (note 29)

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 2026 (Unaudited)	Three months ended 2025 (Unaudited)	**Six months ended 2026** (Unaudited)	Six months ended 2025 (Unaudited)
Revenue (notes 17 and 23)	**$ 130,609**	$ 231,854	**$ 279,806**	$ 387,595
Cost of sales (note 18)	**108,641**	217,068	**237,116**	345,604
Gross Profit	**21,968**	14,786	**42,690**	41,991
Selling, General and Administrative Expenses				
Administrative expenses (note 14)	**4,866**	5,184	**10,600**	9,292
Selling and distribution expenses	**87**	30	**334**	345
Other operating expenses	**1,655**	278	**2,326**	1,018
Depreciation (note 7)	**463**	422	**897**	810
Depreciation of right-of-use assets	**484**	377	**997**	738
Equity-based compensation (note 21)	**332**	439	**681**	821
Total Selling, General and Administrative Expenses	**7,887**	6,730	**15,835**	13,024
Income From Operations	**14,081**	8,056	**26,855**	28,967
Other Income (Expenses)				
Interest expense	**(6,641)**	(5,287)	**(12,284)**	(12,305)
Interest income	**165**	148	**192**	270
Earnings from equity investment	**-**	90	**-**	152
Unrealized foreign exchange gain (loss) on leases and loans	**627**	(1,576)	**1,548**	(1,637)
Unrealized gain (loss) on foreign currency forwards	**-**	674	**-**	674
Other income (expense)	**116**	370	**213**	427
Total Other Income (Expenses)	**(5,733)**	(5,581)	**(10,331)**	(12,419)
Income Before Income Taxes	**8,348**	2,475	**16,524**	16,548
Income Tax Expense				
Current income tax (expense) recovery (note 15)	**6,752**	(6)	**4,451**	(1,330)
Deferred income tax expense	**(6,963)**	(429)	**(7,476)**	(1,171)
Total Tax Expense	**(211)**	(435)	**(3,025)**	(2,501)
Net Income	**8,137**	2,040	**13,499**	14,047
Other Comprehensive Income				
Items that may be reclassified to profit or loss				
Gain (loss) on interest rate swap	**114**	(64)	**487**	(491)
Gain (loss) on energy rate swap	**(57)**	13	**(56)**	47
Comprehensive Income	**$ 8,194**	$ 1,989	**$ 13,930**	$ 13,603
Net income per Share - basic	**$ 0.72**	$ 0.19	**$ 1.21**	$ 1.28
Net income per Share - diluted	**$ 0.34**	$ 0.08	**$ 0.56**	$ 0.59
Weighted Average Number of Shares Outstanding - basic	**11,225,274**	10,984,791	**11,202,283**	10,954,358
Weighted Average Number of Shares Outstanding - diluted	**24,225,884**	24,012,736	**24,209,041**	23,976,562

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 2026 (Unaudited)	Three months ended 2025 (Unaudited)	**Six months ended 2026** (Unaudited)	Six months ended 2025 (Unaudited)
Net Income Attributable to:				
Non-controlling interest	**$ -**	$ 226	**$ -**	$ 276
Shareholders of the Company	**8,137**	1,814	**13,499**	13,771
	$ 8,137	$ 2,040	**$ 13,499**	$ 14,047
Comprehensive Income Attributable to:				
Non-controlling interest	**$ -**	$ 226	**$ -**	$ 276
Shareholders of the Company	**8,194**	1,763	**13,930**	13,327
	$ 8,194	$ 1,989	**$ 13,930**	$ 13,603

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
Balance, January 1, 2025	**$ 55,806**	**$ 110,021**	**$ 1,958**	**$ (49)**	**$ 1,629**	**$ 169,365**
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	56,348	123,792	2,237	(493)	1,629	183,513
Net income attributable to non-controlling interests	-	-	-	-	50	50
Balance, June 30, 2025 (Unaudited)	**$ 56,348**	**$ 123,792**	**$ 2,237**	**$ (493)**	**$ 1,679**	**$ 183,563**
Balance, January 1, 2026	**$ 60,128**	**$ 150,116**	**$ 1,312**	**$ (554)**	**$ -**	**$ 211,002**
Unrealized gain on interest rate swaps	-	-	-	487	-	487
Unrealized loss on energy rate swaps	-	-	-	(56)	-	(56)
Equity-based compensation	429	-	252	-	-	681
Shares issued on exercise of ESPP	44	-	(6)	-	-	38
Shares withheld for taxes on settlement of RSUs	-	-	(9)	-	-	(9)
Net income attributable to share holders of the Company	-	13,499	-	-	-	13,499
Total equity attributable to share holders of the Company	60,601	163,615	1,549	(123)	-	225,642
Balance, June 30, 2026 (Unaudited)	**$ 60,601**	**$ 163,615**	**$ 1,549**	**$ (123)**	**$ -**	**$ 225,642**

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)

		2026 (Unaudited)		2025 (Unaudited)
Cash provided by (used in)				
Cash Flows From Operating Activities				
Net income for the period	**$**	**13,499**	$	14,047
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Earnings from equity investment		**-**		(152)
Lease interest expense		**665**		394
Amortization of debt issuance cost		**886**		776
Net change in unrealised (gain) loss on forward commitments (note 4)		**(19,650)**		(14,070)
Depreciation expense (note 7)		**4,281**		3,043
Unrealised foreign exchange (gain) loss on leases and loans		**(1,548)**		1,637
Depreciation of right-of-use assets		**1,490**		1,176
Accrued interest on lease liability		**107**		389
Equity-based compensation		**681**		821
Deferred tax expense(note 15)		**7,463**		1,171
Accrued interest on related party receivable		**(4)**		(38)
Operating cash flows before changes in non-cash working capital		**7,870**		9,194
Changes in non-cash working capital (note 24)		**(11,714)**		45,263
Net cash provided by (used in) operating activities		**(3,844)**		54,457
Net cash used in investing activities (note 25)		**(24,419)**		(20,492)
Net cash provided by (used in) financing activities (note 26)		**21,449**		(30,723)
Net increase (decrease) in cash		**(6,814)**		3,242
Cash and restricted cash, beginning of period		**9,273**		3,419
Cash and restricted cash, end of period	**$**	**2,459**	$	6,661
Supplemental Disclosure of Cash Flow Information				
Cash paid for interest	**$**	**10,605**	$	10,775
Cash received for interest		**192**		233
Income taxes paid		**387**		-

Supplemental Disclosure of Non-Cash Investing and Financing Activities (note 27).

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

(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 33134. 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 under the ticker symbol "SUGRF" on the OTCQB Venture Market (“OTCQB”).

The Company's operations are classified into two reportable business segments: Trade and Services (see note 23). 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, 2026 and 2025 was:

Name of the Corporation	Jurisdiction of Incorporation	Principal Activity	Percentage of Ownership June 30, 2026	Percentage of Ownership June 30, 2025
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	0%	100%
Sucro Chicago, LLC	Delaware	Real Estate	100%	100%
Sweet Life Services, LLC	Delaware	Sugar Processor, storage and broker	100%	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%
Caribbean Sugar Refiners LLC	Delaware	Sugar Processor	50%	0%
Sucro Engineering	Delaware	Engineering Services	100%	0%
Sucro Retail LLC	Delaware	Retail	100%	0%
Tile World Corporation	Florida	Retail	100%	0%
SC Farms LLC	Delaware	Real Estate	100%	0%

As of June 30, 2026, SC Americas Corp (the "Ultimate Parent") owned 50.45% (December 31, 2025 - 51.20%) of the Company. In addition to the companies listed above, the Company also has a 100% interest in SC Mexico Holdings LLC, Tenedora SC LLC, Distribuidora de Azucares de Mexico S. de RL de CV and Sugar Latam del Ecuador S.A. Each of these entities are inactive subsidiaries.

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, 2025, 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, 2025 except as noted below. These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on August 12, 2026.

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.

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”).

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.

3. Material Accounting Policy Information (continued)

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

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.

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, 2026, the total notional amount of the Company’s receive-variable/pay-fixed interest rate swaps was $74,000 (December 31, 2025- $119,000).

(Expressed in Thousands of U.S. Dollars)

4. Trading, Derivative and Hedging Activities (continued)

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 through December 2026 as well as basis swap agreements, extending through March 2030, that manage the price differential between the applicable benchmark index and the index or delivery location applicable to the Company's physical energy purchases, thus reducing the impact of price changes on future energy payments. The agreements are settled on a net cash basis without an exchange of the underlying notional quantities of energy. The Company designated this energy swap as a cash flow hedge.

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

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

		June 30, 2026 (Unaudited)		December 31, 2025 (Audited)
Commodity forward commitments	**$**	**165,002**	$	161,633
Futures and option contracts (note 5)		**1,651**		1,236
Interest rate swaps (note 5)		**96**		58
Foreign currency forwards		**183**		-
Total derivatives	**$**	**166,932**	$	162,927

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

		June 30, 2026 (Unaudited)		December 31, 2025 (Audited)
Commodity forward commitments	**$**	**9,506**	$	7,863
Interest rate swaps (note 5)		**122**		571
Foreign currency forwards		**39**		-
Energy swap (note 5)		**97**		41
Total derivatives	**$**	**9,764**	$	8,475

During the periods ended June 30, 2026 and June 30, 2025, net unrealized gains (losses) on derivative transactions recognized in cost of sales are as follows:

		June 30, 2026 (Unaudited)		June 30, 2025 (Unaudited)
Mark-to-market gains (losses) on commodity forward commitments	**$**	**(6)**	$	17,763
Mark-to-market gains (losses) on inventory		**18,932**		(2,723)
Mark-to-market gains (losses) on futures and option contracts		**580**		(1,274)
Mark-to-market gains on foreign currency forwards		**144**		304
Total gains	**$**	**19,650**	$	14,070

(Expressed in Thousands of U.S. Dollars)

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, 2026 and December 31, 2025, trading account assets and liabilities consist of the following:

		June 30, 2026 (Unaudited)		December 31, 2025 (Audited)
Cash position	**$**	**1,714**	$	1,839
Net unrealized losses on open futures and options contracts		**(63)**		(603)
Net future and option contracts		**1,651**		1,236
Interest rate swaps		**(26)**		(513)
Energy swaps		**(97)**		(41)
Net trading and derivative assets	**$**	**1,528**	$	682

6. Inventory

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

The Company's inventories consist of the following:

		June 30, 2026 (Unaudited)		December 31, 2025 (Audited)
Sugar commodities	**$**	**200,666**	$	183,853
Processing additives		**2,244**		1,123
Total	**$**	**202,910**	$	184,976

The cost of inventories included as an expense through cost of sales for the period ended June 30, 2026 was $236,387 (June 30, 2025 - $336,939). As of June 30, 2026, inventory of $200,666 (December 31, 2025 - $183,853) was pledged as security against the Company's borrowing base revolving line of credit facilities.

(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
Cost								
Balance - December 31, 2025 (Audited)	**$ 969**	**$ 85,055**	**$ 28,658**	**$ 730**	**$ 281**	**$ 2,381**	**$ 112,665**	**$ 230,739**
Additions	13	3,463	1,494	36	-	247	10,841	16,094
Disposals	-	-	(134)	-	-	-	-	(134)
Reclassification from Construction in progress	23	31,358	23,068	23	-	-	(54,472)	-
Balance - June 30, 2026 (Unaudited)	**$ 1,005**	**$ 119,876**	**$ 53,086**	**$ 789**	**$ 281**	**$ 2,628**	**$ 69,034**	**$ 246,699**
Accumulated Depreciation								
Balance - December 31, 2025 (Audited)	**$ 709**	**$ 23,200**	**$ 2,914**	**$ 285**	**$ 149**	**$ -**	**$ -**	**$ 27,257**
Depreciation	98	3,489	629	46	19	-	-	4,281
Disposals	-	(88)	-	-	-	-	-	(88)
Balance - June 30, 2026 (Unaudited)	**$ 807**	**$ 26,601**	**$ 3,543**	**$ 331**	**$ 168**	**$ -**	**$ -**	**$ 31,450**
Carrying Amount								
As of December 31, 2025 (Audited)	**$ 260**	**$ 61,855**	**$ 25,744**	**$ 445**	**$ 132**	**$ 2,381**	**$ 112,665**	**$ 203,482**
As of June 30, 2026 (Unaudited)	**$ 198**	**$ 93,275**	**$ 49,543**	**$ 458**	**$ 113**	**$ 2,628**	**$ 69,034**	**$ 215,249**

(Expressed in Thousands of U.S. Dollars)

8. Joint Operation

On September 5, 2025, the Company entered into an agreement with Santander Sugar Ltd. to form Caribbean Sugar Refiners LLC ("CSR"), a Delaware-based entity established to develop and operate a sugar refinery located adjacent to Santander's existing mill in Belize. Each party holds a 50% interest in the arrangement. Although CSR is structured as a separate legal entity, the contractual terms provide both parties with joint control over key decisions and direct rights to the assets and obligations for the liabilities of the refinery operations. Accordingly, the arrangement has been classified as a joint operation. The Company recognizes in its condensed interim consolidated financial statements its proportionate share (50%) relating to CSR:

Summarized financial information of CSR as of June 30, 2026 is as follows:

		June 30, 2026		December 31, 2025
Current assets	$	**2,890**	$	**1,407**
Non-current assets		**3,318**		**1,234**
Current liabilities		**(1,089)**		**(894)**

9. Other receivables

Other receivables represent amounts due to the Company that are not trade receivables from the sale of goods and services. The balances are measured at amortized cost less expected credit losses and are classified as current unless collection is expected beyond 12 months.

		June 30, 2026		December 31, 2025
Disputed customer balances	$	**6,564**	$	6,552
Taxes / credits receivable		**13,248**		5,267
Other		**74**		70
Total	**$**	**19,886**	**$**	**11,889**

Disputed customer balances are assessed individually for recoverability and expected credit losses. Taxes and credits receivable consist of sales tax receivable, income tax receivable, tariffs receivable and brownfield tax credits.

10. Dissolution of subsidiary

During the period, the Company completed the voluntary dissolution of Sucro Atlanta LLC, a wholly owned subsidiary incorporated in Delaware. The dissolution became effective on June 23, 2026. Sucro Atlanta LLC, had previously ceased operations and did not conduct any significant business activities during the period. Prior to the dissolution, its remaining assets and liabilities were transferred to and assumed by the Company. As the transfer occurred within the Company, the related assets and liabilities continued to be accounted for within the Company, and the related intercompany balances were eliminated on consolidation. Accordingly, no gain or loss was recognized in the condensed interim consolidated financial statements as a result of the dissolution.

(Expressed in Thousands of U.S. Dollars)

11. Business Combination

On June 2, 2026, Sucro Retail, LLC, ("Buyer") acquired 100% of the issued and outstanding shares of Tile World Corporation ("TWC") (the "Company"). The Company is engaged in the packaging, importing, marketing and selling of sugar to the retail market. The acquisition has been accounted for as a business combination using the acquisition method under IFRS 3, Business Combinations. The acquisition was completed to expand Buyer's operations in the sugar retail market and obtain control of the Company's operations, customer relationships / customer contracts and brand name.

The following table summarizes the preliminary fair value of consideration transferred and identifiable net assets and intangible assets recognized at the acquisition date:

		Amount
Fixed consideration transferred	$	**2,451**
Fair value of earnout liability on acquisition date		**2,201**
Total consideration paid		**4,652**
Less: Fair value of identifiable net assets acquired		**(1,364)**
Identifiable Intangible assets	$	**3,288**

The preliminary residual amount has been allocated to identifiable intangible assets consisting of customer relationships / customer contracts and brand name, rather than goodwill. The customer relationships / customer contracts and brand name are identifiable assets recognized separately from goodwill at acquisition-date fair value. Based on the preliminary allocation, goodwill is expected to be nil.

The initial accounting for the business combination is preliminary. The provisional amounts recognized remain subject to completion of the valuation of the identifiable assets acquired and liabilities assumed, including the acquired customer relationships, customer contracts and brand name, as well as the related useful lives, amortization methods and deferred tax impacts. The working capital true-up and assumptions used in valuing the earnout consideration also remain under review. In accordance with IFRS 3.45, these provisional amounts may be retrospectively adjusted during the measurement period to reflect new information about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

The acquisition agreement includes an earnout arrangement capped at $3,500. The earnout is based on 50% of positive net income over eight six-month measurement periods, subject to the detailed terms of the agreement, including clawback mechanics for certain Net Losses. Management has classified the earnout as contingent consideration because the arrangement is payable to seller as additional purchase price and management has not identified any provision requiring automatic forfeiture upon termination of employment or otherwise making payment dependent on post-combination services. The earnout is expected to be settled in cash and has therefore been recognized as a financial liability measured at fair value. The acquisition-date fair value of the earnout liability was estimated to be $2,201.

(Expressed in Thousands of U.S. Dollars)

11. Business Combination (continued)

Subsequent changes in the fair value of the earnout liability will be recognized in profit or loss unless they qualify as measurement-period adjustments related to facts and circumstances that existed at the acquisition date. Because the earnout valuation uses significant unobservable inputs, management expects the liability to be classified as a Level 3 fair value measurement under IFRS 13.

Acquisition-related costs incurred by Buyer have been expensed as incurred. The agreement provides that Buyer Closing Costs of $95 are borne by Seller through a reduction to the purchase price. Management has accounted for this as a Seller-funded recovery / reimbursement of Buyer acquisition-related costs and has presented the related expense and recovery in profit or loss in accordance with group accounting policy.

From the acquisition date to June 30, 2026, TWC contributed revenue of $232 and loss of $13 to the consolidated results.

12. Loans and Borrowings

Changes to the Company's loans and borrowings for the period ended June 30, 2026 and the year ended December 31, 2025 are as follows:

		June 30, 2026 (Unaudited)		December 31, 2025 (Audited)
Opening balance	**$**	**336,804**	$	328,241
Lines of Credit, net (a)		**21,661**		(28,200)
Senior Secured Equipment Loan (b)		**-**		10,168
Real Estate Term Loan (b)		**27,481**		14,838
Repurchase obligations (c)		**13,361**		28,050
Unsecured real estate loan (d)		**2,815**		-
Secured Term Loan (e)		**1,000**		-
Other Promissory Note		**142**		142
Repayments		**(43,173)**		(17,539)
Debt issuance cost paid during the period		**(767)**		(199)
Amortization of debt issuance costs		**886**		1,303
Ending balance	**$**	**360,210**	$	336,804
Current portion	**$**	**281,714**	$	246,706
Long term portion	**$**	**78,495**	$	90,098

(Expressed in Thousands of U.S. Dollars)

12. Loans and Borrowings (continued)

(a) Lines of Credit

Type	Effective rate	Maturity		June 30, 2026 (Unaudited)		December 31, 2025 (Audited)
Line of credit (i)	Wall Street Journal + 0.75% or never less than 4% (At June 30, 2026 - 7.50% (December 31, 2025- 7.75%))	April 2027	**$**	**450**	$	450
Line of credit (ii)	Secured overnight financing rate plus 3.15% (At June 30, 2026 - 6.63% (December 31, 2025 - 6.62%))	December 2027		**206,315**		191,415
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, 2026 - 6.39% (December 31, 2025 - 6.51%) for U.S. Dollar loans and N/A for Mexican peso loans (December 31, 2025 -N/A))	September 2026		**13,700**		9,500
Line of credit (iv)	Secured overnight financing rate plus 2.2% plus 0.1% fee per month (At June 30, 2026 - 5.83% (December 31, 2025 -Nil))	May 2027		**2,560**		-
			$	**223,025**	$	201,365

i) The line of credit is guaranteed by Sucro Chicago LLC.

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 2026 and matures in December 2027.

(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.

12. Loans and Borrowings (continued)

(a) Lines of Credit (continued)

(iv) In May 2026, the Company's subsidiary, Sucro Trading SRL, entered into a uncommitted bilateral trade finance facility with a financial institution for the financing of sugar purchases, inventories, shipments, receivables and related hedging margin requirements. The facility comprises various transactional sub-facilities with individual limits ranging from $4,000 to $15,000, however, the sub-limits are not cumulative and total drawings across all sub-facilities may not exceed the maximum aggregate facility amount of $30,000 at any time. The sub-facilities have financing tenors ranging from 30 to 270 days and generally provide financing of up to 90% of the relevant purchase cost or sales value, whichever is lower, except for initial and variation margin financing, which may be financed up to 100%. Interest is charged at SOFR plus a margin ranging from 1.8% to 2.2% per annum, together with a monthly commission of 0.1%. The facility is secured, as applicable, by pledges over financed inventories and related receivables, warehouse receipts and shipping documents held to the order of the bank and assignments of insurance proceeds. This facility is guaranteed by Sucro Holdings, LLC and Sucro Limited.

(v) On June 12, 2026, the Company's subsidiaries, Sucro Retail, LLC and Tile World Corporation (collectively, the "Borrowers"), entered into a secured revolving line of credit facility agreement with a financial institution for working capital purposes, with a maximum commitment of $5,000. Borrowings under the facility are limited to the lesser of $5,000 and a borrowing base calculated as 75% of eligible accounts receivable and 50% of eligible inventory. Availability under the facility is subject to compliance with the borrowing-base requirements and the other terms and conditions of the agreement. Amounts drawn under the facility bear interest at SOFR plus 2.50%, payable monthly and the facility matures on June 12, 2027. The facility is secured by a first-priority security interest over substantially all personal property and fixtures of the Borrowers, including accounts receivable, inventory, equipment, deposit accounts and other assets, and is guaranteed by the Company. As of June 30, 2026, no amounts had been drawn under the facility and, accordingly, no related borrowing was recognized in the consolidated statement of financial position.

The Company incurred $6,945 of interest expense on the above credit facilities for the period ended June 30, 2026 (June 30, 2025 - $8,236). As of June 30, 2026, the Company was in compliance with its covenants.

(Expressed in Thousands of U.S. Dollars)

12. Loans and Borrowings (continued)

(b) Senior Secured Equipment and Real Estate Loans

Type of loan	Effective rate	Maturity	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Equipment (i)	7.75%	April 2029	**$ 9,901**	$ 10,776
Equipment (ii)	6.85%	November 2030	**1,561**	1,702
Equipment (iii)	Variable	on demand	**604**	604
Equipment (iv)	7.69%	December 2028	**173**	311
Real Estate (v)	3.84%	December 2026	**4,910**	5,024
Equipment (vi)	five year treasury rate plus 2.3%	November 2027	**90**	120
Equipment (vii)	6.26%	October 2027	**176**	239
Equipment (viii)	6.65%	March 2027	**95**	155
Equipment (ix)	7.36%	December 2028	**1,856**	2,188
Equipment (x)	4.6%	March 2027	**114**	185
Real Estate (xi)	WSJ +1.25%	April 2027	**12,916**	13,082
Real Estate (xii)	6.04%	May 2030	**666**	673
Equipment (xiii)	6.38%	January 2031	**225**	246
Real Estate (xiv)	6.94%	December 2030	**10,377**	10,476
Real Estate (xv)	BOC prime rate plus 1.5%	February 2026	**-**	22,180
Equipment (xvi)	SOFR plus 2.35%	May 2034	**23,484**	24,752
Equipment (xvii)	SOFR plus 2.35%	January 2036	**10,290**	10,738
Equipment (xviii)	6.60%	March 2030	**146**	163
Real Estate (xix)	6.85%	April 2030	**811**	822
Real Estate (xx)	6.33%	February 2046	**25,699**	-
			$ 104,094	$ 104,436

All of the term loans described are secured by the real property or equipment, as the case may be, acquired or refinanced by the relevant loan.

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 (xiv) is guaranteed by Sucro Holdings, LLC. The senior secured equipment loan (xvii) is guaranteed by Sucro Can International LLC. The senior secured real estate loan (xx) is guaranteed by the Company.

(c) Repurchase Obligations

As of June 30, 2026, the Company had an open purchase agreement for 36,656 MT (December 31, 2025 - 42,786 MT) of raw sugar for which it has recognized a liability of $29,550 (December 31, 2025 - $32,017) and accrued interest of $294 (December 31, 2025 - $139). The purchase agreement has a maturity date of less than six months and carries an average interest rate of 5.47% (December 31, 2025 - 5.86%). 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, 2026, the Company incurred interest expense of $983 (June 30, 2025 - $412) related to these agreements.

(Expressed in Thousands of U.S. Dollars)

12. Loans and Borrowings (continued)

(d) Unsecured real estate loan

As at June 30, 2026, the Company had an unsecured real estate loan with an outstanding principal balance of $2,815 (December 31, 2025 – $Nil). The loan bears interest at 9% per annum and matures on April 1, 2027. The loan requires interest-only payments until maturity, at which time the outstanding principal balance is payable in full. The loan is not secured by any mortgage, lien or other charge over the Company's assets.

(e) Secured Term Loan

On June 12, 2026, the Company's subsidiaries, Sucro Retail, LLC and Tile World Corporation (collectively, the "Borrowers"), entered into a term loan agreement for an original principal amount of $1,000, bearing interest at 6.66% and requiring monthly principal and interest payments through June 12, 2031. The loan is secured by substantially all of the borrower's assets, guaranteed by the Company, and cross-defaulted and cross-collateralized with the borrower's $5,000 revolving line of credit.

13. Share Capital

The Company is authorized to issue 490,000,000 Subordinated Voting Shares ("SVS") with a par value of $0.0001 per SVS and 1,000,000 Proportionate Voting Shares ("PVS") with a par value of $0.001 per PVS.

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. Each PVS is convertible, at the option of the holder and subject to certain limitations on conversion prior to January 1, 2027, into 100 SVS. 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 period ended June 30, 2026, were as follows:

	SVS	**PVS**
Balance, December 31, 2025	11,045,027	129,689
Equity-based compensation	50,601	-
Issued under ESPP	4,961	-
Balance, June 30, 2026	**11,100,589**	**129,689**

(Expressed in Thousands of U.S. Dollars)

14. Related Party Transactions

In August 2023, the Company's controlling shareholder entered into a subordinated unsecured note payable to the Company for $1,903, bearing interest at 8% per annum and maturing in August 2024. The note was amended in December 2023 to restate the principal to $2,214 (including accrued interest) with no change to the interest rate and maturity date. In December 2024, the maturity date was subsequently extended to December 2025 and most recently to December 2026 with the interest rate remaining unchanged. As at June 30, 2026, the outstanding balance was $92 (December 31, 2025 - $88). Interest income recognized for the period ended ended June 30, 2026 was $4 (June 30, 2025 - $38).

The Company purchases or obtains services from and sells to entities that are related to the Company through common key management personnel. The amount receivable from the company as of June 30, 2026 is $548 (December 31, 2025 - $6,123). These balances are unsecured, non-interest bearing, and receivable under normal commercial terms. During the six months ended June 30, 2026, the Company recorded purchases of $8,512 (June 30, 2025 - $2,251) and sales of $2,569 (June 30, 2025 - $3,589) with this related party.

The Company purchases and sells to an entity that has a significant influence over but does not control the Company. The amount payable to the Company as of June 30, 2026 is $478 (December 31, 2025 - $571 receivable) and is payable and receivable under normal commercial terms. These balances are unsecured, non-interest bearing, and payable under normal commercial terms. During the six months ended June 30, 2026, the Company recorded purchases of $20,474 (June 30, 2025 - $52,306) and sales of $Nil (June 30, 2025 - $Nil) with this related party.

As at June 30, 2026, the Company recorded a related party capital contribution receivable from the Joint operation of $39 (December 31, 2025 - $166 payable), representing the unfunded portion of the Company's equity contribution required to maintain the agreed 50/50 ownership. The Company expects to settle the balance through future equity contributions to, or distributions from, the joint operation, as applicable. The capital contribution receivable or payable is non-interest bearing, unsecured and expected to be settled within 12 months.

A family member of the CEO of the Company earned $100 recorded under administrative expenses during the period ended June 30, 2026 (June 30, 2025 - $32).

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, 2026 and June 30, 2025 is as follows:

		June 30, 2026 (Unaudited)		June 30, 2025 (Unaudited)
Salaries and other cash compensation	**$**	**1,754**	$	1,437
Short-term employment benefits		**46**		44
Equity-based compensation		**449**		702
Total	**$**	**2,249**	$	2,183

(Expressed in Thousands of U.S. Dollars)

15. Uncertain tax positions

The Company has received an administrative assessment from a foreign tax authority concerning the deductibility of certain costs in prior fiscal periods. No amount has been recognized as at June 30, 2026 (December 31, 2025 - $Nil) because in the Company's judgment, it is less than probable there will be cash outflow. The Company is currently unable to measure the contingent liability with sufficient reliability to disclose the information otherwise contemplated by IAS 37 *Provision, Contingent Liabilities and Contingent Assets* regarding the potential financial effect, and possible timing of any cash outflow.

16. 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, 2026:

June 30, 2026 (Unaudited)

	Volumes/ Notional Amounts (Net)	Effective Dates	Expiration Dates	Fair Value
Sugar commodities	6,204 MT	July 2026 - July 2028	July 2026 - July 2028	$ 198,169
Total fair market value				**$ 198,169**

The table below summarizes the commodity derivative instrument positions for sugar as of December 31, 2025:

December 31, 2025 (Audited)

	Volumes/ Notional Amounts (Net)	Effective Dates	Expiration Dates	Fair Value
Sugar commodities	(4,382) MT	January 2026 - July 2028	January 2026 - July 2028	$ 178,329
Total fair market value				$ 178,329

(Expressed in Thousands of U.S. Dollars)

17. Revenue

	Three months ended 2026 (Unaudited)	Three months ended 2025 (Unaudited)		**Six months ended 2026** (Unaudited)		Six months ended 2025 (Unaudited)
Tolling	**235**	450	**$**	**410**	$	975
Warehousing	**1**	6		**1**		24
Commodity and other contracts	**130,815**	233,024		**279,869**		388,248
F&O Trading	**(442)**	(1,626)		**(474)**		(1,652)
Gross Revenue	**130,609**	231,854	**$**	**279,806**	$	387,595

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

Comparative amounts have been reclassified such that $940 has been reclassified from Other income to Revenue. This reclassification resulted in a change in gross profit, but did not change net income for the three and six months ended June 30, 2025.

18. Cost of Sales

		Three months ended 2026 (Unaudited)		Three months ended 2025 (Unaudited)		**Six months ended 2026** (Unaudited)		Six months ended 2025 (Unaudited)
Cost of sales on realized positions	**$**	**116,027**	$	215,574	**$**	**252,889**	$	356,330
Net unrealized mark-to-market-gains		**(9,351)**		(32)		**(19,650)**		(13,396)
Depreciation on property, plant and equipment		**1,771**		1,327		**3,385**		2,232
Depreciation on right-of-use plant and equipment		**194**		199		**492**		438
Total Cost of Sales	**$**	**108,641**	$	217,068	**$**	**237,116**	$	345,604

The Company had a gross profit on its realized positions of $23,040 for the six months ended June 30, 2026 (June 30, 2025 - $28,595).

Comparative amounts have been reclassified such that $525 has been reclassified from Other income to Cost of sales and $102 has been reclassified from Administrative expenses to Cost of sales. This reclassification resulted in a change in gross profit, but did not change net income for the three and six months ended June 30, 2025.

19. 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, 2026 did not change materially from the year ended December 31, 2025.

(Expressed in Thousands of U.S. Dollars)

20. Fair Value Measurements

As of June 30, 2026, assets measured at fair value on a recurring basis are as follows:

(Unaudited)	Level 1	Level 2	Level 3	Total
Unrealized gains on commodity forward commitments	$ 203	$ 65,396	$ 99,403	$ 165,002
Mark-to-market gains on inventory	269	7,728	46,345	54,342
Mark-to-market gains on Futures and option	561	-	-	561
Interest rate swaps	96	-	-	96
Foreign currency forwards	183	-	-	183
Total	$ 1,312	$ 73,124	$ 145,748	$ 220,184

As of June 30, 2026, liabilities measured at fair value on a recurring basis are as follows:

(Unaudited)	Level 1	Level 2	Level 3	Total
Unrealized losses on commodity forward commitments	$ -	$ (7,052)	$ (2,454)	$ (9,506)
Mark-to-market losses on inventory	(4)	(11,452)	(180)	(11,636)
Mark-to-market losses on futures and options	(624)	-	-	(624)
Interest rate swaps	(122)	-	-	(122)
Energy swaps	-	(97)	-	(97)
Foreign currency forwards	(39)	-	-	(39)
Total	$ (789)	$ (18,601)	$ (2,634)	$ (22,024)

As of December 31, 2025, assets measured at fair value on a recurring basis are as follows:

(Audited)	Level 1	Level 2	Level 3	Total
Unrealized gains on commodity forward commitments	$ 23,658	$ 57,135	$ 80,840	$ 161,633
Mark-to-market gains on inventory	219	6,670	37,900	44,789
Mark-to-market gains on futures and options	15	-	-	15
Interest rate swaps	58	-	-	58
Total	$ 23,950	$ 63,805	$ 118,740	$ 206,495

As of December 31, 2025, liabilities measured at fair value on a recurring basis are as follows:

(Audited)	Level 1	Level 2	Level 3	Total
Unrealized losses on commodity forward commitments	$ (146)	$ (3,546)	$ (4,171)	(7,863)
Mark-to-market losses on inventory	(108)	(19,513)	(8)	(19,629)
Mark-to-market losses on futures and options	(617)	-	-	(617)
Interest rate swaps	(571)	-	-	(571)
Energy swap	-	(41)	-	(41)
Total	$ (1,442)	$ (23,100)	$ (4,179)	$ (28,721)

(Expressed in Thousands of U.S. Dollars)

20. Fair Value Measurements (continued)

There were no transfers between the three levels of the fair value hierarchy during the period ended June 30, 2026.

Changes in Level 3 instruments for the period ended June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Financial assets		
Balance - beginning of period	**$ 118,740**	$ 41,326
Acquisitions	**40,581**	74,055
Disposals and settlements	**(56,994)**	(74,940)
Mark-to-market amount recognized in cost of sales	**43,421**	78,299
Balance - end of period	**$ 145,748**	$ 118,740

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Financial liabilities		
Balance - beginning of period	**$ 4,179**	$ 5,414
Acquisitions	**932**	160
Disposals and settlements	**(4,730)**	(6,173)
Mark-to-market amount recognized in cost of sales	**2,253**	4,778
Balance - end of period	**$ 2,634**	$ 4,179

(Expressed in Thousands of U.S. Dollars)

21. Share-based payment arrangements

Equity Incentive Plan (equity-settled)

As of June 30, 2026, an aggregate of 144,669 RSUs (convertible to SVS) are outstanding under the Plan (December 31, 2025 - 162,657), 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 15, 2027.

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, 2026 was C$12.50 (June 30, 2025 - C$12.00).

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

	Outstanding
Balance as of December 31, 2024 (Audited)	**231,582**
Granted	63,584
Withheld for tax obligation	(19,229)
Exercised	(113,280)
Balance as of December 31, 2025 (Audited)	**162,657**
Granted	33,731
Withheld for tax obligation	(1,118)
Exercised	(50,601)
Balance as of June 30, 2026 (Unaudited)	**144,669**

As of June 30, 2026, 660,617 (December 31, 2025 - 661,893) stock options were granted and outstanding under the Plan. The options expire on December 31, 2028, have a strike price range between CAD $11.00-13.33, 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. During the period months ended June 30, 2026, 1,276 (June 30, 2025 - Nil) stock options were forfeited.

For the period ended June 30, 2026, the Company has recognised $284 of equity-based compensation expense in the profit or loss (June 30, 2025 - $148).

21. Share-based payment arrangements (continued)

Restricted Stock Awards (equity-settled)

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. For the period ended June 30, 2026, $152 (June 30, 2025 - $331) was recognized as equity-based compensation expense in the profit or loss.

Employee share purchase plan

The Company maintains an Employee Share Purchase Plan ("ESPP") under which eligible employees may purchase subordinate voting shares of the Company through payroll deductions at a 15% discount to the market price at the end of each six-month offering period. Participation in the ESPP is voluntary, and employees may contribute up to 15% of their compensation each period, subject to other limits. Shares may be purchased twice a year, at the end of June and December.

For the period ended June 30, 2026, $7 (June 30, 2025 – $Nil) was recognized as equity-based compensation expense related to the ESPP in the profit or loss.

The fair value of shares issued under the ESPP during the six months ended was estimated at CAD 10.42 per share (June 30, 2025 – CAD $Nil per share), calculated as the 15% employee purchase discount on the volume-weighted average price (VWAP) of the Company's subordinate voting shares over the five trading days preceding the end of the purchase period.

There were no modifications or cancellations to the plan during the interim period.

(Expressed in Thousands of U.S. Dollars)

21. Share-based payment arrangements (continued)

Share-based compensation expense

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

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
RSUs issued (vested) under the plan	$ 238	$ 175
Employee share purchase plan	7	-
Restricted shares	152	498
Stock options vested	284	148
Total	**$ 681**	$ 821

Equity-based compensation Reserve

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Opening Balance	**$ 1,312**	$ 1,958
Restricted shares vested	152	908
RSUs issued (vested) under the plan	238	457
RSUs exercised	(438)	(728)
Vesting of restricted units	-	(1,771)
Warrants expired unexercised	-	(61)
Warrants exercised	-	(18)
Stock options vested	284	522
ESPP contributions	7	11
ESPP converted to SVS	(44)	(4)
ESPP deductions made but not converted to shares	38	38
Closing Balance	**$ 1,549**	$ 1,312

22. Commitments and Contingencies

(c) 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, 2026, fixed price sales and purchase commitments on physical contracts for the Company were approximately $28,000 and $122,000, respectively. As of December 31, 2025, fixed price sales and purchase commitments on physical contracts for the Company were approximately $59,000 and $91,000, respectively.

As of June 30, 2026, the Company had outstanding letters of credit of $2,200 issued in the ordinary course of business to support its purchase commitments. No amounts had been drawn under the letters of credit as of June 30, 2026.

(d) 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.

23. 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. The Company’s Executive Management Team is the chief operating decision maker (“CODM”). The CODM 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.

23. 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 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
Caribbean Sugar Refiners LLC	Services	Sugar Processor
Sucro Engineering LLC	Services	Engineering Services
Sucro Retail LLC	Trading	Retail
Tile World Corporation	Trading	Retail
SC Farms LLC	Services	Real Estate

(1) Sucro Limited and Sucro Holdings, LLC do not have business operations of their own that are measured and reviewed by the Company's CODM, 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.

(Expressed in Thousands of U.S. Dollars)

23. Segment Reporting (continued)

The income and expenses of the Company's segments for the six months ended June 30, 2026, are as follows:

	Six months ended June 30, 2026 (Unaudited)				
	Services	**Trading**	**Corporate**	**Eliminations**	**Consolidated**
Revenue					
External customers	$ 1,611	$ 278,195	$ -	$ -	$ 279,806
Inter-segment	35,679	20,000	-	(55,679)	-
	37,290	298,195	-	(55,679)	279,806
Cost of sales	30,594	282,334	(64)	(56,098)	256,766
Gross Profit on Realized Positions	6,696	15,861	64	419	23,040
Net unrealized mark-to-market gains (note 4)	4	19,650	-	(4)	19,650
Gross Profit on Realized and Unrealized Positions	6,700	35,511	64	415	42,690
Selling, General and Administrative Expenses	6,067	8,735	1,570	(537)	15,835
Income (Loss) From Operations	633	26,776	(1,506)	952	26,855
Other Income (Expenses)	(548)	(8,835)	4	(952)	(10,331)
Income (Loss) Before Income Taxes	85	17,941	(1,502)	-	16,524
Income tax expense	-	(28)	(2,997)	-	(3,025)
Net Income (Loss)	$ 85	$ 17,913	$ (4,499)	$ -	$ 13,499

(Expressed in Thousands of U.S. Dollars)

23. 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
Revenue					
External customers	$ 999	$ 386,596	$ -	$ -	$ 387,595
Inter-segment	29,305	15,344	-	(44,649)	-
	30,304	401,940	-	(44,649)	387,595
Cost of sales	23,129	380,440	(653)	(43,916)	359,000
Gross Profit on Realized Positions	7,175	21,500	653	(733)	28,595
Net unrealized mark-to-market gains (note 4)		13,396			13,396
Gross Profit on Realized and Unrealized Positions	7,175	34,896	653	(733)	41,991
Selling, General and Administrative Expenses	5,575	7,592	1,529	(1,672)	13,024
Income (Loss) From Operations	1,600	27,304	(876)	939	28,967
Other Income (Expenses)	(2,034)	(9,806)	360	(939)	(12,419)
Income (Loss) Before Income Taxes	(434)	17,498	(516)	-	16,548
Income tax expense	-	(15)	(2,486)	-	(2,501)
Net Income (Loss)	$ (434)	$ 17,483	$ (3,002)	$ -	$ 14,047

(Expressed in Thousands of U.S. Dollars)

24. Cash Flows from Operating Activities

Changes in non-cash operating assets and liabilities		**June 30, 2026**		June 30, 2025
(Increase) decrease in operating assets:				
Net trading and derivative account assets (note 5)	**$**	**(1,566)**	$	(2,568)
Accounts receivables		**(7,057)**		5,371
Due from related parties		**6,211**		(704)
Sales taxes receivable		**(348)**		2,263
Inventory (note 6)		**2,006**		45,975
Taxes receivable		**-**		(1,435)
Prepaid expenses		**(3,332)**		596
Other receivables		**(7,997)**		-
Increase (decrease) in operating liabilities:				
Accounts payable and accrued liabilities		**594**		(4,676)
Sales tax payable		**(85)**		(605)
Taxes payable (note 15)		**(140)**		1,046
Changes in non-cash working capital	**$**	**(11,714)**	$	45,263

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

		June 30, 2026		June 30, 2025
Purchase of property plant and equipment (note 7)	**$**	**(22,654)**	$	(20,492)
Purchase of intangible assets		**(24)**		-
Acquistion of TWC, net of cash acquired		**(1,741)**		-
Net cash used in investing activities		**(24,419)**		(20,492)

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

		June 30, 2026		June 30, 2025
Due (from) to related parties	**$**	**209**	$	-
Financial liabilities, advances		**66,459**		116,111
Financial liabilities, repayments		**(42,817)**		(145,516)
Proceeds from ESPP vested but not converted to shares		**38**		-
Lease payments		**(2,440)**		(1,318)
Net cash provided by (used in) financing activities	**$**	**21,449**	$	(30,723)

(Expressed in Thousands of U.S. Dollars)

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

	June 30, 2026	June 30, 2025
Accrued interest on Borrowings	**$ 999**	$ 405
Property and equipment financed with long-term debt	**30,437**	17,661
Initial recognition or modification of:		
Right of Use Assets	**939**	688
Lease Liabilities	**(939)**	(688)
Accounts payable for Property, Plant and Equipment	**9,193**	11,745
Identifiable Intangible assets acquired through business combination	**3,288**	-
Earnout liability recognized as contingent consideration	**2,201**	-

28. Supplier Finance Arrangements

As of June 30, 2025, the carrying amount of liabilities included in the arrangement was $4,348 (December 31, 2025 - $24,961), 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 $4,348 of invoices (June 30, 2025 - $13,611). 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.

The movement in liabilities subject to the supplier finance arrangement during the year was as follows:

	June 30, 2026	**December 31, 2025**
Opening balance	**$ 24,961**	$ -
Additions	**24,463**	66,048
Cash payments	**(45,076)**	(41,087)
Ending balance	**$ 4,348**	$ 24,961

29. Subsequent Events

On July 2, 2026, the Company issued 7,410 subordinate voting shares at a price of C$7.28 per share under the Company’s employee share ownership plan. The shares are issued at a 15% discount to the prevailing market price.

29. Subsequent Events (continued)

In August 2026, the Company renewed its syndicated borrowing base credit facility described in "Credit Facilities and Debt Management Strategy". As amended, maximum borrowings under the facility, subject to borrowing base limitations per the credit agreement, will be up to $285,000, of which $23,800 are on a committed basis, with the remainder being uncommitted. For this renewal, the Company decided to reduce the committed tranche (from $50,000), as it has no practical difference in its day-to-day operations and carries a higher cost. Management will evaluate future increases or the elimination of this tranche. Loans under this facility, as amended, bear interest at SOFR, plus 250 basis points (from 265 basis points as of June 30, 2026), plus a liquidity premium currently set at 0.25%. This facility, as amended, is scheduled to mature in December 2027. As amended, this facility is secured by substantially all the working capital assets of the Company, except for certain Mexican and Caribbean assets. In addition, this facility is guaranteed by Sucro Holdings, LLC and Sucro Limited.