



Unaudited Condensed Consolidated Interim Financial Statements
For the three and six months ended June 30, 2026 and 2025
August 5, 2026

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CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
AS OF JUNE 30, 2026 AND DECEMBER 31, 2025

		June 30, 2026	December 31, 2025
<i>(unaudited in thousands of US Dollars)</i>			
Assets			
Cash and cash equivalents	\$	53,287	\$ 70,489
Accounts receivable		22,070	45,831
Inventories, net		194,218	195,206
Other current assets		11,217	9,585
Total current assets	\$	280,792	\$ 321,111
Long-term inventories, net		1,330	1,198
Property, plant and equipment, net		322,203	295,639
Mineral properties, net		205,497	205,573
Deferred tax assets, net (Note 12)		15,342	12,416
Other long-term assets		1,792	2,101
Total non-current assets	\$	546,164	\$ 516,927
Total assets	\$	826,956	\$ 838,038
Liabilities			
Accounts payable and accrued liabilities	\$	80,750	\$ 77,292
Provisions		32,302	28,740
Current debt (Note 5)		10,952	11,033
Contract liabilities		3,392	645
Other current liabilities		5,229	7,169
Total current liabilities	\$	132,625	\$ 124,879
Long-term debt (Note 5)		73,056	77,428
Long-term provisions		162,780	174,055
Other long-term liabilities		23,654	26,641
Total long-term liabilities	\$	259,490	\$ 278,124
Total liabilities	\$	392,115	\$ 403,003
Equity			
Share capital (Note 6)		545,674	541,975
Contributed surplus		246,626	246,626
Cumulative translation adjustment reserve		3,797	3,797
Deficit		(361,256)	(357,363)
Shareholders' equity (Note 6)	\$	434,841	\$ 435,035
Non-controlling interest		—	—
Total equity	\$	434,841	\$ 435,035
Total liabilities and equity	\$	826,956	\$ 838,038

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Approved by the Company's Board of Directors.

Signed "Tony Cina"
TONY CINA
Chairman

Signed "G. David Delaney"
G. DAVID DELANEY
Director

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025**

<i>(in thousands of US Dollars except as otherwise noted)</i>	<i>For the three months ended June 30,</i>		<i>For the six months ended June 30,</i>	
	2026	2025	2026	2025
Revenues (Note 7)	\$ 144,006	\$ 126,795	\$ 286,226	\$ 262,535
Cost of goods sold	140,943	94,265	269,498	195,965
Gross margin	\$ 3,063	\$ 32,530	\$ 16,728	\$ 66,570
Selling, general and administrative expenses (Note 8)	6,430	7,723	16,939	15,978
Operating income (loss)	\$ (3,367)	\$ 24,807	\$ (211)	\$ 50,592
Foreign exchange gain (loss)	(353)	(481)	650	(294)
Other income (expense) (Note 9)	(483)	3,836	(881)	1,105
Gain on disposal of subsidiary (Note 10)	—	—	—	27,921
Finance expense, net (Note 11)	(3,646)	(2,417)	(6,072)	(4,665)
Income (loss) before income taxes	\$ (7,849)	\$ 25,745	\$ (6,514)	\$ 74,659
Current and deferred income tax expense (recovery) (Note 12)	(2,228)	926	(2,621)	13,969
Net income (loss)	\$ (5,621)	\$ 24,819	\$ (3,893)	\$ 60,690
Net income attributable to non-controlling interest	—	—	—	—
Net income (loss) attributable to shareholders of the Company	\$ (5,621)	\$ 24,819	\$ (3,893)	\$ 60,690
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss:				
Cumulative translation adjustment (Note 10)	—	—	—	(863)
Total comprehensive income (loss)	\$ (5,621)	\$ 24,819	\$ (3,893)	\$ 59,827
Basic earnings (loss) (\$/share) (Note 6)	\$ (0.03)	\$ 0.13	\$ (0.02)	\$ 0.31
Diluted earnings (loss) (\$/share) (Note 6)	\$ (0.03)	\$ 0.13	\$ (0.02)	\$ 0.31

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025**

<i>(in thousands of US Dollars except as otherwise noted)</i>	Number of shares	Amount	Contributed surplus	Cumulative translation adjustment reserve	Deficit	Shareholders' equity	Non-controlling interest	Total equity
Balance as of December 31, 2025	193,234,714	\$ 541,975	\$ 246,626	\$ 3,797	\$ (357,363)	\$ 435,035	\$ —	\$ 435,035
Net loss	—	—	—	—	(3,893)	(3,893)	—	(3,893)
Issuance of shares under RSU Plan (Note 6)	1,545,567	3,699	—	—	—	3,699	—	3,699
Balance as of June 30, 2026	194,780,281	545,674	246,626	3,797	(361,256)	434,841	—	434,841
Balance as of December 31, 2024	192,014,784	\$ 540,031	\$ 246,626	\$ 4,660	\$ (443,488)	\$ 347,829	\$ —	347,829
Net income	—	—	—	—	60,690	60,690	—	60,690
Cumulative translation adjustment (Note 10)	—	—	—	(863)	—	(863)	—	(863)
Issuance of shares under RSU Plan (Note 6)	1,219,930	1,944	—	—	—	1,944	—	1,944
Dividends (Note 6)	—	—	—	—	(6,890)	(6,890)	—	(6,890)
Balance as of June 30, 2025	193,234,714	541,975	246,626	3,797	(389,688)	402,710	—	402,710

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025**

<i>(unaudited in thousands of US Dollars)</i>	<i>For the six months ended June 30,</i>	
	2026	2025
Operating activities		
Net income (loss)	\$ (3,893)	\$ 60,690
Adjustments for the following items:		
Depreciation and depletion	33,244	16,821
Share-based payment expense <i>(Note 8)</i>	2,244	3,877
Current and deferred income tax expense (recovery) <i>(Note 12)</i>	(2,621)	13,969
Gain on disposal of subsidiary <i>(Note 10)</i>	—	(27,921)
Unrealized foreign exchange (gain) loss	(661)	6
Fair value loss on investments	—	(1,813)
Finance expense, net <i>(Note 11)</i>	6,072	4,665
Cash settlement of share-based payments	(708)	(255)
Income tax payments	(600)	(9,661)
Environmental and asset retirement obligations payments	(12,163)	(695)
Net change in non-cash working capital <i>(Note 15)</i>	11,717	6,449
Cash flows from operating activities	\$ 32,631	\$ 66,132
Investing activities		
Addition of property, plant and equipment and mineral properties	\$ (39,618)	\$ (32,817)
Proceeds from disposal of subsidiary, net <i>(Note 10)</i>	—	6,973
Interest received	936	1,821
Cash flows used by investing activities	\$ (38,682)	\$ (24,023)
Financing activities		
Repayment of debt	(5,400)	(5,483)
Dividends paid to shareholders	—	(6,987)
Repayment of lease liabilities	(2,642)	(2,429)
Interest paid	(3,925)	(4,361)
Cash flows used by financing activities	\$ (11,967)	\$ (19,260)
Effect of foreign exchange of non-US Dollar denominated cash	\$ 816	\$ 834
Increase (decrease) in cash	(17,202)	23,683
Beginning cash	70,489	74,372
Ending cash	\$ 53,287	\$ 98,055

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

The amounts contained herein are in thousands of US Dollars (“\$”) except for the number of shares, per share amounts, number of restricted share units (“RSUs”), number of deferred share units (“DSUs”) and as otherwise noted.

1. GENERAL COMPANY INFORMATION

Itafos Inc. (the “Company”) is a phosphate and specialty fertilizer company. The Company’s businesses and projects are:

- Conda – a vertically integrated phosphate fertilizer business located in Idaho, US;
- Arraias – a vertically integrated phosphate fertilizer business located in Tocantins, Brazil;
- Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau; and
- Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil.

The Company is a Delaware corporation with operations in the United States, Brazil and Guinea-Bissau. The Company’s shares trade on the Canadian TSX Venture Exchange under the ticker symbol “IFOS”. The Company’s shares also trade in the US on the OTCQX® Best Market (“OTCQX”) under the ticker symbol “ITFS”. The Company’s principal shareholder is CL Fertilizers Holding LLC (“CLF”). CLF is an affiliate of Castllake, L.P., a global private investment firm. CLF is a related party (see Note 6).

2. BASIS OF PREPARATION AND PRESENTATION

STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements (the “Interim Financial Statements”) are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements. The Interim Financial Statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2025 (the “2025 Consolidated Financial Statements”).

The Interim Financial Statements were authorized for issuance by the Company’s Board of Directors on August 5, 2026.

GOING CONCERN BASIS

The Interim Financial Statements have been prepared and presented under the historical cost convention and on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Statements remain materially consistent with those adopted in the preparation of the 2025 Consolidated Financial Statements.

NEW ACCOUNTING STANDARDS EFFECTIVE IN 2026

On May 30, 2024, the International Accounting Standards Board (“IASB”) issued amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7) that are mandatory for accounting periods beginning on or after January 1, 2026. These amendments clarify the date of recognition and derecognition of financial assets and liabilities to address diversity in practice by making the requirements more understandable and consistently applied. These amendments apply for reporting periods beginning on or after January 1, 2026, and do not apply to comparative information. The Company concluded that the amendments to IFRS 9 and IFRS 7 did not have a material impact on the amounts recognized in prior periods or to the Interim Financial Statements.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The IASB issued certain new accounting standards or amendments that are not yet effective as follows:

- IFRS 18, Presentation and Disclosure in Financial Statements, which was issued on April 9, 2024, will impact the presentation and disclosure of items in the financial statements, including the requirement to disclose management-defined performance measures (“MPMs”) in the financial statements. IFRS 18 will replace IAS 1. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information.

The Company is evaluating the potential effect of IFRS 18 on its consolidated financial statements in future periods.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The critical accounting estimates and judgments considered in the preparation of the Interim Financial Statements remain consistent with those considered in the preparation of the 2025 Consolidated Financial Statements.

5. DEBT

As of June 30, 2026 and December 31, 2025, the Company had debt as follows:

<i>(unaudited in thousands of US Dollars)</i>	June 30, 2026	December 31, 2025
Amended Term Loan	\$ 82,500	\$ 87,500
Deferred financing costs related to the Amended Credit Facilities	(505)	(1,533)
Conda equipment financings	1,930	2,416
Brazilian debentures	83	78
Debt	\$ 84,008	\$ 88,461
Less: current portion	(10,952)	(11,033)
Long-term debt	\$ 73,056	\$ 77,428

For the three and six months ended June 30, 2026, the Company repaid \$2,500 and \$5,000 of principal under the Amended Term Loan Agreement.

As of June 30, 2026, the Company was in compliance with all financial covenants related to the Amended Term Loan Agreement. As of June 30, 2026, the springing financial covenants related to the Amended ABL Facility were not applicable. The Company's financial covenants are described in greater detail in the 2025 Consolidated Financial Statements.

6. SHARE CAPITAL

AUTHORIZED CAPITAL

As of June 30, 2026, the Company was authorized to issue up to 5,000,000,000 shares, consisting of 4,000,000,000 shares of common stock and 1,000,000,000 shares of preferred stock, each with a par value of 0.00001 US Dollars per share.

COMMON SHARES ISSUED AND OUTSTANDING

As of June 30, 2026 and December 31, 2025, the Company had 194,780,281 and 193,234,714 shares issued and outstanding, respectively. As of June 30, 2026 and December 31, 2025, CLF beneficially owned and controlled 124,961,722 shares of the Company, representing approximately 64.2% and 64.7% of the issued and outstanding shares on an undiluted basis, respectively (see Note 1).

For the six months ended June 30, 2026, the Company issued 1,545,567 shares (net of 577,032 shares withheld to pay applicable taxes) due to vesting under its RSU Plan.

For the three months ended June 30, 2025, the Company issued 48,855 shares (net of 38,856 shares withheld to pay applicable taxes) due to vesting under its RSU Plan. For the six months ended June 30, 2025, the Company issued 1,219,930 shares (net of 490,595 shares withheld to pay applicable taxes) due to vesting under its RSU Plan.

WEIGHTED-AVERAGE NUMBER OF SHARES

For the three and six months ended June 30, 2026 and 2025, the Company had weighted-average number of shares and potentially dilutive RSUs as follows:

<i>(in number of shares)</i>	<i>For the three months ended June 30,</i>		<i>For the six months ended June 30,</i>	
	2026	2025	2026	2025
Weighted-average number of shares	194,780,281	193,212,166	194,228,300	192,734,065
Weighted-average number of potentially dilutive RSUs	1,437,473	1,919,619	1,236,287	1,919,619
Diluted weighted-average number of shares	196,217,754	195,131,785	195,464,587	194,653,684

For the three and six months ended June 30, 2026, the Company had net losses. Accordingly, all potentially dilutive RSUs were excluded from diluted weighted average number of shares as these instruments were anti-dilutive.

SPECIAL DIVIDEND

On March 19, 2025, the Board of Directors approved a Canadian Dollar C\$0.05 per share special dividend to shareholders of record as of the close of business on April 9, 2025, which was paid on April 25, 2025.

7. REVENUES

For the three and six months ended June 30, 2026 and 2025, the Company had revenues as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended June 30,</i>		<i>For the six months ended June 30,</i>	
	2026	2025	2026	2025
MAP	\$ 78,852	\$ 66,363	\$ 164,606	\$ 136,338
MAP+	2,345	4,568	6,870	8,370
SPA	45,197	43,800	84,360	96,754
MGA	24	873	180	1,152
APP	—	—	—	28
HFSA	611	1,044	1,398	2,298
DAPR	1,137	546	1,305	734
PAPR	2,694	1,847	2,929	2,169
G-PAPR	2,112	335	2,516	335
Excess sulfuric acid	11,034	7,419	22,062	14,357
Revenues	\$ 144,006	\$ 126,795	\$ 286,226	\$ 262,535

For the three months ended June 30, 2026 and 2025, the Company had one customer that individually accounted for more than 10% of the Company's total revenues. For the three months ended June 30, 2026, this customer represented approximately 62% of the Company's total revenues. For the three months ended June 30, 2025, this customer represented approximately 57% of the Company's total revenues.

For the six months ended June 30, 2026 and 2025, the Company had one customer, respectively, that individually accounted for more than 10% of the Company's total revenues. For the six months ended June 30, 2026, this customer represented approximately 64% of the Company's total revenues. For the six months ended June 30, 2025, this customer represented approximately 56% of the Company's total revenues.

8. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

For the three and six months ended June 30, 2026 and 2025, the Company had selling, general and administrative expenses as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended June 30,</i>		<i>For the six months ended June 30,</i>	
	2026	2025	2026	2025
Payroll expenses	\$ 3,806	\$ 3,441	\$ 7,864	\$ 6,277
Professional fees	1,322	1,059	3,121	2,379
Share-based payments expense (recovery)	(475)	1,380	2,244	3,877
Insurance expenses	152	159	302	323
Office, travel and general administrative expense	1,401	1,507	3,004	2,775
Directors fees	224	177	404	347
Selling, general and administrative expenses	\$ 6,430	\$ 7,723	\$ 16,939	\$ 15,978

9. OTHER INCOME (EXPENSE)

For the three months ended June 30, 2026 and 2025, the Company recognized other income (expense) of \$(483) and \$3,836, respectively. For the six months ended June 30, 2026 and 2025, the Company recognized other income (expense) of \$(881) and \$1,105, respectively.

For the three months ended June 30, 2026 and 2025, the Company recorded a fair value gain on investments of nil and \$4,283, respectively. For the six months ended June 30, 2026 and 2025, the Company recorded a fair value gain on investments of nil and \$1,813, respectively.

10. SALE OF SUBSIDIARY

Sale of the Araxá Project

On February 26, 2025, the Company completed the sale of its 100% interest in its Araxá project to a wholly-owned subsidiary of St George, which now owns all of the outstanding securities of Itafos Araxá Mineração e Fertilizantes S.A ("Itafos Araxá"). Pursuant to the sale agreement with St George (the "Sale Agreement"), the Company received from St George the first installment cash payment of \$10,000 (less withholding tax payable) and (a) 266,782,003 ordinary shares of St George ("SGQ Shares") representing 10% of St George's outstanding share capital, (b) 86,111,025 options to acquire SGQ Shares at an exercise price of AUD\$0.04, expiring two years from the date of issue; and (c) 11,111,100 performance rights, convertible into SGQ Shares for no additional consideration upon St George reporting an Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) compliant inferred resource of no less than 25Mt @ 3.5% total rare earth oxide ("TREO") at a cut-off of 2% TREO within five years from the date of issue. Pursuant to the Sale Agreement, St George was required to make two additional cash installment payments to the Company as follows: (a) \$6,000 nine months after completion of the transaction which occurred on February 26, 2025 ("Completion"); and (b) \$5,000 18 months after Completion (collectively, the "Deferred Payments").

On April 3, 2025, the Company received a vesting notice from St George related to the 11,111,100 performance rights received from St George as part of the sale of the Araxá project. On August 1, 2025, the Company converted 11,111,100 performance rights received from St George into ordinary shares of SGQ Shares.

On November 5, 2025, St George made payment of the deferred cash consideration totaling \$11,000 (less withholding tax payable) due to the Company under the second and third installments of the Sale Agreement. As a result of the payment, the Araxa project sale transaction was completed.

For the six months ended June 30, 2025, the Company had a realized gain on disposal of subsidiary as follows:

<i>(unaudited in thousands of US Dollars)</i>		<i>For the six months ended June 30,</i>
		2025
Consideration received or receivable:		
Cash	\$	10,000
Receivable from St George of Deferred Payments ¹		11,000
Fair value of SGQ Shares on award		5,459
Fair value of SGQ Options on award		523
Fair value of SGQ Performance Rights on award		191
Total disposal consideration	\$	27,173
Carrying amount of net assets sold		(115)
Reclassification of cumulative translation adjustment reserve		863
Gain on sale before income tax	\$	27,921

- i. On November 5, 2025, St George made payment of the deferred cash consideration totaling \$11,000 (less withholding tax payable) due to the Company under the second and third installments of the Sale Agreement.

11. FINANCE EXPENSE (INCOME)

For the three and six months ended June 30, 2026 and 2025, the Company had finance expense, net as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended June 30,</i>		<i>For the six months ended June 30,</i>	
	2026	2025	2026	2025
Interest expense	\$ 2,004	\$ 2,378	\$ 4,192	\$ 4,793
Interest capitalized in property, plant, and equipment and mineral properties	(834)	(1,418)	(3,045)	(2,839)
Amortization of financing costs related to the Amended Credit Facilities	510	406	1,028	807
Environmental and asset retirement obligation accretion expense	1,925	1,609	3,947	3,144
Interest on lease liabilities	439	387	886	581
Interest income	(398)	(945)	(936)	(1,821)
Finance expense, net	\$ 3,646	\$ 2,417	\$ 6,072	\$ 4,665

For the three months ended June 30, 2026, the Company capitalized interest in property, plant and equipment of \$834 at an average capitalization rate of 8.0%. For the three months ended June 30, 2025, the Company capitalized interest in property, plant and equipment and mineral properties of \$1,418 at an average capitalization rate of 8.5%.

For the six months ended June 30, 2026, the Company capitalized interest in property, plant and equipment and mineral properties of \$3,045 at an average capitalization rate of 8.0%. For the six months ended June 30, 2025, the Company capitalized interest in property, plant and equipment and mineral properties of \$2,839 at an average capitalization rate of 8.6%.

12. INCOME TAXES

For the three and six months ended June 30, 2026 and 2025, the Company had current and deferred income tax expense as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended June 30,</i>		<i>For the six months ended June 30,</i>	
	2026	2025	2026	2025
Current income tax expense (recovery)	\$ 244	\$ (81)	\$ 244	\$ 11,593
Deferred income tax expense (recovery)	(2,472)	1,007	(2,865)	2,376
Total current and deferred income tax expense (recovery)	\$ (2,228)	\$ 926	\$ (2,621)	\$ 13,969
Actual effective tax rate (%)	28.4	3.6	40.2	18.7

For the six months ended June 30, 2025, current income tax expense includes withholding tax expenses in Brazil of \$5,181 in connection with the sale of the Araxá Project (see Note 10).

13. COMMITMENTS AND CONTINGENT LIABILITIES

CONTRACTUAL OBLIGATIONS

As of June 30, 2026, the Company's contractual obligations were as follows:

<i>(unaudited in thousands of US Dollars)</i>	Within 1 year	Years 2 and 3	Years 4 and 5	After 5 years	Total
Debt	\$ 10,952	\$ 73,197	\$ 364	—	\$ 84,513
Interest payments	8,169	1,553	6	—	9,728
Accounts payable and accrued liabilities	80,750	—	—	—	80,750
Provisions	32,302	62,825	17,556	82,399	195,082
Leases	3,353	10,564	5,672	11,866	31,455
Contractual obligations	\$ 135,526	\$ 148,139	\$ 23,598	\$ 94,265	\$ 401,528

CONTINGENT LIABILITIES

As of June 30, 2026 and December 31, 2025, the Company has accrued provisions of \$162 and \$282, respectively, where the outcome of matters is uncertain. The Company does not believe that the outcome of any of the matters, individually or in the aggregate, that are not recorded in the Interim Financial Statements would have a material adverse effect. The ultimate amount of any liability for such matters, including interest and penalties, is uncertain and the Company is defending its position in each case.

During 2025, the Company received assessments from the Dutch tax authorities in the aggregate amount of Euro 2,557 (approximately \$2,917) in respect of 2020, 2021, 2022 and 2023 income taxes related to its Dutch holding structure for the Company's Brazilian subsidiaries. During 2022 and 2023, the Company received assessments in respect of 2016, 2017, 2018 and 2019 income taxes in the aggregate amount of Euro 7,244 (approximately \$8,263). The Company filed an appeal against these tax assessments, which is currently under review by the Dutch tax authorities. The Company and its legal advisors consider it more likely than not that the resolution of these assessments will be favorable to the Company. On that basis, the Company has not recognized a provision for these assessments. In the event of an unfavorable resolution, the Company estimates a potential assessment in the aggregate amount of Euro 9,801 (approximately \$11,180).

CONDA GUARANTEES

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As of June 30, 2026 and December 31, 2025, Conda's guarantee requirements were \$135,624 and \$120,304, respectively. As of June 30, 2026 and December 31, 2025, Conda had surety bonds in place for the full amount of these guarantee requirements.

As of June 30, 2026, the Company had posted letters of credit in the aggregate amount of \$12,539 under the \$30,000 letter of credit facility ("the Amended LC Facility") as collateral for Conda's surety bonds.

US ENVIRONMENTAL PROTECTION AGENCY ("EPA") MATTERS

In 2003, the EPA, began investigating the phosphate fertilizer industry as part of its National Enforcement Initiative regarding the mineral processing industry. The purpose of the National Enforcement Initiative is to ensure that waste resulting from mineral processing is managed in accordance with regulations under the US Resource Conservation and Recovery Act.

In 2018, the Company acquired Conda from subsidiaries of Agrium, Inc., a wholly-owned subsidiary of Nutrien, by way of an asset purchase agreement. Prior to the Company's acquisition of Conda, Nutrien subsidiaries received notices of violations ("NOVs") as a result of the National Enforcement Initiative related to several of its phosphate fertilizer operations, including Conda. Nutrien has been negotiating with the EPA and the Idaho Department of Environmental Quality ("IDEQ") to resolve the NOVs. As current owner of Conda, the Company has also been involved in such negotiations since acquiring Conda in 2018 and will be a party to the settlement agreements with the EPA and the IDEQ that are contemplated to resolve these NOVs.

During Q1 2026, Itafos Conda LLC, a subsidiary of the Company, entered into a consent order (the "Consent Order") with the IDEQ in connection with the efforts to resolve the NOVs with the EPA in respect of the Conda phosphate operations facility. The Consent Order addresses historical findings of groundwater impacts at the facility, including exceedances of applicable groundwater quality standards identified through prior regulatory investigations and monitoring programs. Pursuant to the Consent Order, among other things, the Company and Nutrien are required to implement and maintain certain monitoring, reporting and best management practices, and, if necessary, implement in the future remedial actions to address groundwater contamination that may migrate off-site as directed by IDEQ. The Company has been undertaking, and will continue to undertake, improvement and mitigation measures at the facility consistent with these requirements. The Company believes that the obligations under the Consent Order will not have a material adverse effect on the Company's business, financial condition or results of operations.

14. SEGMENT REPORTING

For the three months ended June 30, 2026, the Company had net income (loss) by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda	Arraias	Development and exploration	Corporate	Total
Revenues	\$ 127,029	\$ 16,977	\$ —	\$ —	\$ 144,006
Cost of goods sold	128,923	12,020	—	—	140,943
Gross Margin	\$ (1,894)	\$ 4,957	\$ —	\$ —	\$ 3,063
Selling, general and administrative expenses	1,078	946	394	4,012	6,430
Operating income (loss)	\$ (2,972)	\$ 4,011	\$ (394)	\$ (4,012)	\$ (3,367)
Foreign exchange gain (loss)	1	(320)	(35)	1	(353)
Other expense	(455)	(6)	(22)	—	(483)
Finance (expense) income	(2,226)	226	—	(1,646)	(3,646)
Income (loss) before income taxes	\$ (5,652)	\$ 3,911	\$ (451)	\$ (5,657)	\$ (7,849)
Current and deferred income tax expense (recovery)	(1,169)	244	—	(1,303)	(2,228)
Net income (loss)	\$ (4,483)	\$ 3,667	\$ (451)	\$ (4,354)	\$ (5,621)

For the three months ended June 30, 2025, the Company had net income (loss) by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>			Development and exploration		Corporate	Total
	Conda	Arraias				
Revenues	\$ 116,648	\$ 10,147	\$ —	\$ —	\$ —	\$ 126,795
Cost of goods sold	87,748	6,517	—	—	—	94,265
Gross margin	\$ 28,900	\$ 3,630	\$ —	\$ —	\$ —	\$ 32,530
Selling, general and administrative expenses	1,154	871	314	5,384	—	7,723
Operating income (loss)	\$ 27,746	\$ 2,759	\$ (314)	\$ (5,384)	\$ —	\$ 24,807
Foreign exchange gain (loss)	—	(113)	(104)	(264)	—	(481)
Other income (expense)	(278)	(170)	—	4,284	—	3,836
Finance (expense) income	(1,393)	138	—	(1,162)	—	(2,417)
Income (loss) before income taxes	\$ 26,075	\$ 2,614	\$ (418)	\$ (2,526)	\$ —	\$ 25,745
Current and deferred income tax expense (recovery)	5,377	—	—	(4,451)	—	926
Net income (loss)	\$ 20,698	\$ 2,614	\$ (418)	\$ 1,925	\$ —	\$ 24,819

For the six months ended June 30, 2026, the Company had net income (loss) by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>			Development and exploration		Corporate	Total
	Conda	Arraias				
Revenues	\$ 257,414	\$ 28,812	\$ —	\$ —	\$ —	\$ 286,226
Cost of goods sold	247,161	22,337	—	—	—	269,498
Gross margin	\$ 10,253	\$ 6,475	\$ —	\$ —	\$ —	\$ 16,728
Selling, general and administrative expenses	2,223	2,081	758	11,877	—	16,939
Operating income (loss)	\$ 8,030	\$ 4,394	\$ (758)	\$ (11,877)	\$ —	\$ (211)
Foreign exchange gain (loss)	(1)	829	(168)	(10)	—	650
Other income (expense)	(876)	17	(22)	—	—	(881)
Finance (expense) income	(4,286)	212	—	(1,998)	—	(6,072)
Income (loss) before income taxes	\$ 2,867	\$ 5,452	\$ (948)	\$ (13,885)	\$ —	\$ (6,514)
Current and deferred income tax expense (recovery)	(1,803)	244	—	(1,062)	—	(2,621)
Net income (loss)	\$ 4,670	\$ 5,208	\$ (948)	\$ (12,823)	\$ —	\$ (3,893)

For the six months ended June 30, 2025, the Company had net income (loss) by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>			Development and exploration		Corporate	Total
	Conda	Arraias				
Revenues	\$ 244,940	\$ 17,595	\$ —	\$ —	\$ —	\$ 262,535
Cost of goods sold	184,212	11,753	—	—	—	195,965
Gross margin	\$ 60,728	\$ 5,842	\$ —	\$ —	\$ —	\$ 66,570
Selling, general and administrative expenses	2,311	1,713	598	11,356	—	15,978
Operating income (loss)	\$ 58,417	\$ 4,129	\$ (598)	\$ (11,356)	\$ —	\$ 50,592
Foreign exchange gain (loss)	(4)	258	(264)	(284)	—	(294)
Other income (expense)	(511)	(212)	—	1,828	—	1,105
Gain on disposal of subsidiary	—	—	—	27,921	—	27,921
Finance (expense) income	(2,470)	305	—	(2,500)	—	(4,665)
Income (loss) before income taxes	\$ 55,432	\$ 4,480	\$ (862)	\$ 15,609	\$ —	\$ 74,659
Current and deferred income tax expense (recovery)	12,016	—	—	1,953	—	13,969
Net income (loss)	\$ 43,416	\$ 4,480	\$ (862)	\$ 13,656	\$ —	\$ 60,690

As of June 30, 2026, the Company had total assets and total liabilities by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Total assets	\$	645,493	\$	96,815	\$	79,471	\$	5,177	\$ 826,956
Total liabilities	\$	286,933	\$	13,585	\$	3,083	\$	88,514	\$ 392,115

As of December 31, 2025, the Company had total assets and total liabilities by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Total assets	\$	670,701	\$	85,790	\$	78,158	\$	3,389	\$ 838,038
Total liabilities	\$	293,415	\$	7,900	\$	2,915	\$	98,773	\$ 403,003

As of June 30, 2026 and December 31, 2025, the Company had property, plant and equipment and mineral properties by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Balance as of June 30, 2026	\$	389,807	\$	58,797	\$	78,965	\$	131	\$ 527,700
Balance as of December 31, 2025	\$	368,541	\$	54,608	\$	77,802	\$	261	\$ 501,212

As of June 30, 2026 and December 31, 2025, the Company had property, plant and equipment and mineral properties by region as follows:

<i>(unaudited in thousands of US Dollars)</i>	June 30, 2026		December 31, 2025	
US (North America)	\$	389,918	\$	368,782
Brazil (South America)		67,653		63,465
Guinea-Bissau (Africa)		70,129		68,965
Property, plant and equipment, and mineral properties, net	\$	527,700	\$	501,212

For the three and six months ended June 30, 2026 and 2025, the Company had revenues by region as follows:

<i>(unaudited in thousands of US Dollars)</i>	For the three months ended June 30, 2026		For the three months ended June 30, 2025		For the six months ended June 30, 2026		For the six months ended June 30, 2025	
US (North America)	\$	127,029	\$	116,648	\$	257,414	\$	244,940
Brazil (South America)		16,977		10,147		28,812		17,595
Guinea-Bissau (Africa)		—		—		—		—
Revenues	\$	144,006	\$	126,795	\$	286,226	\$	262,535

15. NET CHANGE IN NON-CASH WORKING CAPITAL

For the six months ended June 30, 2026 and 2025, the Company had net change in non-cash working capital as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the six months ended June 30,</i>	
	2026	2025
Accounts receivable	\$ 23,761	\$ 10,498
Inventories, net	(12,015)	(12,459)
Other assets and prepaids	(1,323)	(5,137)
Accounts payable and accrued liabilities	463	9,298
Other liabilities and provisions	831	4,249
Net change in non-cash working capital	\$ 11,717	\$ 6,449

16. FAIR VALUE MEASUREMENT AND RISK FACTORS

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs are quoted prices in active markets for similar assets or liabilities; and
- Level 3: inputs are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company recognizes transfers between the levels of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. For the six months ended June 30, 2026 and 2025, there were no such transfers.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying values in the consolidated balance sheets given the interest receivable and or payable is either close to current market rates or the instruments are short-term in nature.

Debt is recorded on the consolidated balance sheets at amortized cost. The fair value of debt approximates its carrying value because interest payments on the debt are based on a variable rate and there has not been a significant change in the Company's credit spread since inception of the Amended Term Loan.

RISK FACTORS

The risk factors considered in the Interim Financial Statements remain consistent with those considered in the 2025 Consolidated Financial Statements.
