Rogers Sugar Inc.

Press release – 1st Quarter 2019 Results

SUGAR VOLUME MORE THAN 14,000 METRIC TONNE HIGHER THAN LAST YEAR

INTEGRATION EFFORTS HELP DELIVER IMPROVED ADJUSTED GROSS MARGIN PERCENTAGE AND ADJUSTED EBITDA FOR MAPLE PRODUCTS

COMPLETION OF MAPLE PRODUCTS CANADIAN FOOTPRINT OPTIMIZATION ANALYSIS SETS TABLE FOR FUTURE GROWTH

Rogers Sugar Inc.'s ("the Company") first quarter results of fiscal 2019 benefitted from increased sugar volume and improved results from the Maple products segment. Highlights of the segmented and consolidated results are as follows:

Segmented and Consolidated results	First Quarter Fiscal 2019			First Quarter Fiscal 2018		
(In thousands of dollars)		**Maple**			Maple	
	Sugar	**Products**	**Total**	Sugar	Products	Total
Revenues	**$ 151,139**	**$ 54,883**	**$ 206,022**	$ 155,764	$ 49,119	$ 204,883
Gross margin	**$ 29,352**	**$ 5,197**	**$ 34,549**	$ 36,027	$ 7,086	$ 43,113
Results from operating activities	**$ 21,090**	**$ 1,892**	**$ 22,982**	$ 28,644	$ 3,041	$ 31,685
Non- GAAP results:						
Total adjustment to the cost of sales (1) (2)	**(122)**	**2,582**	**2,460**	(4,823)	(987)	(5,810)
Adjusted Gross Margin (1)	**$ 29,230**	**$ 7,779**	**$ 37,009**	$ 31,204	$ 6,099	$ 37,303
Adjusted results from operating activities (1)	**$ 20,968**	**$ 4,474**	**$ 25,442**	$ 23,821	$ 2,054	$ 25,875
Adjusted EBITDA (1)	**$ 24,459**	**$ 5,772**	**$ 30,231**	$ 27,076	$ 4,202	$ 31,278

(1) See "Non-GAAP measures" section of the MD&A.

(2) See "Adjusted results" section of the MD&A.

Refer to the MD&A for additional details on the consolidated results of the Company.

With the mark-to-market of all derivative financial instruments and embedded derivatives in non-financial instruments at the end of each reporting period, our accounting income does not represent a complete understanding of factors and trends affecting the business. Consistent with previous reporting, we prepared adjusted gross margin and adjusted earnings results to reflect the performance of the Company during the period without the impact of the mark-to-market of derivative financial instruments and embedded derivatives in non-financial instruments. Earnings before interest and income taxes ("EBIT") included a mark-to-market loss of $2.5 million for the first quarter of fiscal 2019, which was added to calculate the adjusted EBIT and adjusted gross margin results. Adjusted EBITDA represents EBIT, adjusted for the total adjustment to cost of sales for mark-to-market of derivative financial instruments, depreciation and amortization expenses, the Sugar segment acquisition costs and the Maple products segment non-recurring costs. See "Non-GAAP measures" section in the MD&A.

Free cash flow on a rolling twelve month basis was $46.4 million, which represents an increase of $3.0 million versus the comparable period last year. The variation is mainly explained by an increase in adjusted EBIT of $13.3 million, adjusted for depreciation and amortization expenses and lower financing charges paid of $0.6 million. This positive variation was somewhat offset by $4.0 million paid to purchase and cancel common shares, as opposed to $0.1 million received to issue shares in the prior comparative period. Also reducing the positive variance is an increase in interest and income taxes paid of $4.3 million and $1.8 million, respectively, as well as higher pension contributions and capital and intangible assets spending, net of operational excellence capital expenditure of $0.4 million each.

Sugar

During the first quarter, the industrial market segment increased by approximately 5,900 metric tonnes when compared to the same quarter last year as a result of opportunistic sales demand related to competitor's production issues as well as growth from existing accounts.

Volume in the consumer market increased by approximately 1,500 metric tonnes when compared to the same quarter last year, mainly explained by timing in customers' promotional activities.

Liquid volume was approximately 3,800 metric tonnes higher than the first quarter of last year mainly due to the recapture of some business temporarily lost to high fructose corn syrup ("HFCS") as well as additional demand from new and existing customers.

Exports were approximately 3,000 metric tonnes higher than the first quarter of fiscal 2018 due to additional sales to Mexico and U.S. high tier sales.

Adjusted gross margin for the quarter was $29.2 million compared to $31.2 million for the same quarter last year. Fiscal 2018 included a non-cash pension income of $1.5 million recorded as a result of an amendment to the Alberta hourly pension plan and therefore, excluding this non-cash income, adjusted gross margin decreased by approximately $0.5 million. The increase in sales volume was more than offset by the lower #11 raw sugar values when compared to last year, which has a negative impact on Taber's domestic sales gross margin rate. In addition, installation and commissioning issues of an energy saving capital project in Vancouver resulted in incremental operating expenses during the quarter. Adjusted gross margin per metric tonne amounted to $155.16 for the current quarter versus $179.19 for the same period last year, or $170.70 when excluding the non-cash pension plan income of $8.49 per metric tonne. The decrease is due mainly to lower #11 raw sugar values which, as mentioned above, had a negative impact on Taber's domestic sales gross margin. The slightly unfavorable sales mix also had an impact on adjusted gross margin per metric tonne as most of the increase in volume versus last fiscal period was in typically lower margin rate segments such as industrial, liquid and export sales. Finally, higher operating costs in Vancouver also had a negative impact on adjusted gross margin per metric tonne.

Administration and selling expenses were $0.4 million higher than the first quarter of fiscal 2018 due to timing.

Distribution costs for the current quarter were $0.5 million higher than the comparable period last year due to additional freight costs during the quarter as a result of additional sales volume and due to product transfers between locations. Adjusted EBITDA for the first quarter amounted to $24.5 million versus $27.1 million for the comparable period last year, representing a decrease of $2.6 million. The decrease for the quarter is mainly explained by lower adjusted gross margin, as explained above, and higher selling and administrative expenses and distribution costs.

Maple products

Adjusted gross margin for the current quarter was $7.8 million, representing an adjusted gross margin percentage of 14.2% of revenues, compared to $6.1 million or 12.4% of revenues in the comparable quarter last year. However, included in cost of sales for the first quarter of fiscal 2018, was an amount of $0.3 million due to an increase in value of the finished goods inventory at the date of acquisition of Decacer. Without this adjustment, adjusted gross margin for the first quarter of fiscal 2018 would have been $6.4 million or 13.0% of revenues, representing an increase of $1.4 million for the first quarter of fiscal 2019. The improvement versus last year is mostly due to the financial impact of Decacer for the full quarter of the current year, while the increase in adjusted gross margin percentage is mainly due to an increase in net selling price and savings from procurement initiatives.

Administration and selling expenses amounted to $2.4 million for the current quarter versus $3.2 million for the comparable period but the latter includes non-recurring costs of $0.3 million and $0.7 million in consulting fees and other costs incurred as a result of the acquisition of Decacer in the first quarter of fiscal 2018. Excluding these non-recurring costs, administration and selling expenses were higher than last year, mostly due to the impact of Decacer for the full quarter, additional amortization of intangible assets, somewhat offset by savings from operational excellence initiatives.

Distribution expenses were comparable quarter-over-quarter.

Adjusted EBITDA for the first quarter of fiscal 2019 amounted to $5.8 million, an increase of $1.6 million quarter-over-quarter. The increase is mainly explained by the financial impact of Decacer for the full quarter as well as savings attributable to procurement and operational excellence initiatives and an increase in net selling prices.

Outlook

Sugar

Volume is expected to increase by approximately 25,000 metric tonne, mostly explained by an increase in liquid and consumer volume of approximately 15,000 metric tonne and approximately 5,000 metric tonne, respectively. Industrial segment is also expected to increase slightly while the export segment should be comparable to the prior fiscal year. Additional information is provided in the MD&A.

In light of the additional volume, as well as the first quarter result, we expect that distribution costs should be approximately $1.0 million higher than fiscal 2018.

Consistent with previous communications, the Sugar segment's capital expenditures for fiscal 2019 are expected to increase compared to fiscal 2018 as the Company will undertake the capital project in Taber to be fully compliant with air emission standards by fiscal 2020, with spending ranging between $6.5 million and $8.5 million left to be spent on this specific project this year, as approximately $1.5 million was spent in fiscal 2018. The remaining capital spend for the Sugar segment is expected to be similar to fiscal 2018, including a high proportion of return on investment capital expenditures.

Maple products

During the quarter, the Company completed its second phase of the footprint optimization analysis.

The first phase of the project was announced last fiscal year with the relocation from the current leased bottling facility in Granby, Québec, to a new built for purpose state of the art leased property. This move will allow us to better align production flow and install a new high capacity bottling line. The completion of the first phase is expected to occur at the end of fiscal 2019, early fiscal 2020. As a result of this decision, approximately $4.5 million will be spent on return on investment capital expenditures towards new equipment and leasehold improvements this fiscal year.

After a thorough analysis of our Canadian footprint, the Company concluded that plant specialization would be the most efficient approach to reduce costs and respond to industry growth. This analysis determined that the St-Honoré-de-Shenley bottling facility should be re-purposed to focus on the production of industrial products and the reception and storage of maple syrup barrels. The bottling production at this facility is being re-distributed to our Granby or Degelis operations. Granby will focus on plastic bottling production while Degelis will primarily produce glass bottles and cans. The transfer of production is expected to be completed by the end of the second quarter. To support this plan, approximately $1.8 million will be invested in Degelis to increase capacity of its bottling lines, increase automation and enhance site storage and logistics. The Degelis investment provides an attractive return the investment should be completed by the end of March 2019.

Once the optimization project is fully executed, the new manufacturing footprint will double our capacity, lower our costs and improve our overall manufacturing capabilities allowing us to participate fully in the maple syrup market growth. Each of the three Quebec facilities will continue to receive and store maple syrup barrels. No changes are expected in our Vermont facility.

With the optimization project behind us, we continue to expect that the Maple products segment Adjusted EBITDA for fiscal 2019 should be approximately $21.0 million, excluding non-recurring costs of approximately $1.1 million. Non-recurring costs are mostly attributable to lease payments for two locations, moving costs, severance costs and other additional miscellaneous costs. Management remains positive on the future outlook for this segment as the maple syrup market growth remains strong. As such, with a sales team that is now fully organized and a clear operational path forward, we are confident that we are well positioned to capture and participate in the market growth. In addition, operational savings are expected in fiscal 2020 from the move to a new Granby facility as well as the transfer of production from St-Honoré-de-Shenley.

FOR THE BOARD OF DIRECTORS,

Dallas H. Ross, Chairman
Vancouver, British Columbia – January 31, 2019

For further information:
Ms. Manon Lacroix, Vice President Finance, Chief Financial Officer and Secretary
Tel: (514) 940-4350 Fax: (514) 527-1610 - Visit our Website at www.LanticRogers.com

This Management's Discussion and Analysis ("MD&A") of Rogers Sugar Inc.'s ("Rogers", "RSI" or the "Company") dated January 31, 2019 should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the period ended December 29, 2018, as well as the audited consolidated financial statements and MD&A for the year ended September 29, 2018. The quarterly unaudited condensed consolidated interim financial statements and any amounts shown in this MD&A were not reviewed nor audited by our external auditors. This MD&A refers to Rogers, Lantic Inc. ("Lantic") (Rogers and Lantic together referred as the "Sugar segment", L.B. Maple Treat Corporation ("LBMTC"), 9020-2292 Québec Inc. ("Decacer") and Highland Sugarworks Inc. ("Highland") (the latter three companies together referred to as "LBMT" or the "Maple products segment").

Management is responsible for preparing the MD&A. This MD&A has been reviewed and approved by the Audit Committee of Rogers and its Board of Directors.

ADJUSTED RESULTS

In the normal course of business, the Company uses derivative financial instruments consisting of sugar futures, foreign exchange forward contracts, natural gas futures and interest rate swaps. For fiscal 2016 and prior years, all derivative financial instruments were marked-to-market at each reporting date, with the unrealized gains/losses charged to the consolidated statement of earnings. As of October 2, 2016, the Company adopted all the requirements of IFRS 9 (2014) Financial Instruments. As a result, the Company has designated as effective hedging instruments its natural gas futures and its interest rate swap agreements entered into in order to protect itself against natural gas price and interest rate fluctuations as cash flow hedges. Derivative financial instruments pertaining to sugar futures and foreign exchange forward contracts continue to be marked-to-market at each reporting date and are charged to the consolidated statement of earnings. In addition, the derivative financial instruments pertaining to foreign exchange forward contracts on maple syrup sales were marked-to-market as at December 29, 2018 and also charged to the consolidated statement of earnings. The unrealized gains/losses related to natural gas futures and interest rate swaps are accounted for in other comprehensive income. The amount recognized in other comprehensive income is removed and included in net earnings under the same line item in the consolidated statement of earnings and comprehensive income as the hedged item, in the same period that the hedged cash flows affect net earnings, reducing earnings volatility related to the movements of the valuation of these derivatives hedging instruments. The transitional marked-to-market balances outstanding as of October 1, 2016 will be amortized over time based on their settlements until all existing natural gas futures and all existing interest rate swaps agreements have expired.

The Company sells refined sugar to some clients in U.S. dollars. Prior to October 1, 2016, these sales contracts were viewed as having an embedded derivative if the functional currency of the customer was not U.S. dollars, the embedded derivative being the source currency of the transaction. The embedded derivatives were marked-to-market at each reporting date, with the unrealized gains/losses charged to the unaudited condensed consolidated interim statement of earnings with a corresponding offsetting amount charged to the unaudited condensed consolidated statement of financial position. As of October 2, 2016, the U.S. dollars of these sales contract were no longer considered as being an embedded derivative as it was determined that the U.S. dollar is commonly used in Canada. This change in estimate was applied prospectively, as a result, only the embedded derivatives relating to sales contracts outstanding as of October 1, 2016 continued to be marked-to-market every quarter until all the volume on these contracts has been delivered. As at December 29, 2018, there were no embedded derivatives on sales contracts outstanding from the October 1, 2016 balance.

Management believes that the Company's financial results are more meaningful to management, investors, analysts and any other interested parties when financial results are adjusted by the gains/losses from financial derivative instruments and from embedded derivatives. These adjusted financial results provide a more complete understanding of factors and trends affecting our business. This measurement is a non-GAAP measurement. See "Non-GAAP measures" section.

Management uses the non-GAAP adjusted results of the operating company to measure and to evaluate the performance of the business through its adjusted gross margin, adjusted EBIT and adjusted net earnings. In addition, management believes that these measures are important to our investors and parties evaluating our performance and comparing such performance to past results. Management also uses adjusted gross margin, adjusted EBITDA, Maple products segment Adjusted EBITDA, adjusted EBIT and adjusted net earnings when discussing results with the Board of Directors, analysts, investors, banks and other interested parties. See "Non-GAAP measures" section.

The results of operations would therefore need to be adjusted by the following:

Income (loss) (In thousands of dollars)	First Quarter of Fiscal 2019			First Quarter of Fiscal 2018		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	$ **333**	**-**	**333**	$ 1,231	-	1,231
Foreign exchange forward contracts	**(1,419)**	**(2,065)**	**(3,484)**	951	382	1,333
Embedded derivatives	**-**	**-**	**-**	51	-	51
Total mark-to-market adjustment on derivatives	**(1,086)**	**(2,065)**	**(3,151)**	2,233	382	2,615
Cumulative timing differences	**819**	**(517)**	**302**	1,707	605	2,312
Adjustment to cost of sales	**(267)**	**(2,582)**	**(2,849)**	3,940	987	4,927
Amortization of transitional balance to cost of sales for cash flow hedges	**389**	**-**	**389**	883	-	883
Total adjustment to costs of sales [(1)]	$ **122**	**(2,582)**	**(2,460)**	$ 4,823	987	5,810

(1) See "Non-GAAP measures" section.

The fluctuations in mark-to-market adjustment on derivatives are due to the price movements in #11 world raw sugar and foreign exchange market. See "Non-GAAP measures" section.

Cumulative timing differences, as a result of mark-to-market gains or losses, are recognized by the Company only when sugar or maple products are sold to a customer. The gains or losses on sugar and related foreign exchange paper transactions are largely offset by corresponding gains or losses from the physical transactions, namely sale and purchase contracts with customers and suppliers. See "Non-GAAP measures" section.

As previously mentioned, starting on October 2, 2016, natural gas futures were designated as an effective cash flow hedging instrument and as a result, mark-to-market adjustments are now recorded in other comprehensive income. The transitional balances, representing the mark-to-market value recorded as of October 1, 2016, will be subsequently removed from other comprehensive income when the natural gas futures will be liquidated, in other words, when the natural gas is used. As a result, in the first quarter of fiscal 2019, the Company removed a gain of $0.4 million from other comprehensive income and recorded

a gain of the same amount in cost of sales. The transitional balance relating to natural gas futures will be fully depleted in fiscal 2020. See "Non-GAAP measures" section.

The above described adjustments are added or deducted to the mark-to-market results to arrive at the total adjustment to cost of sales. For the first quarter of the current year, the total cost of sales adjustment is a loss of $2.5 million to be added to the unaudited condensed consolidated interim operating results versus a gain of $5.8 million to be deducted to the unaudited condensed consolidated interim results for the comparable quarter last year. See "Non-GAAP measures" section.

SEGMENTED INFORMATION

The Company has two distinct segments, namely, refined sugar and by-products, together referred to as the "Sugar" segment and maple syrup and derived products, together referred to as the "Maple products" segment. The financial results for fiscal 2018 include those of Decacer since its acquisition on November 18, 2017. The following is a table showing the key results by segments:

Segmented results	First Quarter Fiscal 2019			First Quarter Fiscal 2018		
(In thousands of dollars)		**Maple**			Maple	
	Sugar	**Products**	**Total**	Sugar	Products	Total
Revenues	**$ 151,139**	**$ 54,883**	**$ 206,022**	$ 155,764	$ 49,119	$ 204,883
Gross margin	**29,352**	**5,197**	**34,549**	36,027	7,086	43,113
Administration and selling expenses	**5,348**	**2,447**	**7,795**	4,987	3,200	8,187
Distribution costs	**2,914**	**858**	**3,772**	2,396	845	3,241
Results from operating activities	**$ 21,090**	**$ 1,892**	**$ 22,982**	$ 28,644	$ 3,041	$ 31,685
Non- GAAP results:						
Total adjustment to the cost of sales (1) (2)	**(122)**	**2,582**	**2,460**	(4,823)	(987)	(5,810)
Adjusted Gross Margin (1)	**$ 29,230**	**$ 7,779**	**$ 37,009**	$ 31,204	$ 6,099	$ 37,303
Adjusted results from operating activities (1)	**$ 20,968**	**$ 4,474**	**$ 25,442**	$ 23,821	$ 2,054	$ 25,875
Depreciation of property, plant and equipment and amortization of intangible assets	**3,491**	**1,290**	**4,781**	3,220	923	4,143
Sugar Segment Acquisition costs (1)	**-**	**-**	**-**	35	-	35
Maple Segment non-recurring costs (1)	**-**	**8**	**8**	-	1,225	1,225
Adjusted EBITDA (1)	**$ 24,459**	**$ 5,772**	**$ 30,231**	$ 27,076	$ 4,202	$ 31,278

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" section.

Sugar

Revenues

(In thousands of dollars, except volume)	First Quarter	
	2019	2018
Volume (MT)	**188,385**	174,144
Revenues	**$ 151,139**	$ 155,764

The Company's total sugar deliveries increased by approximately 14,200 metric tonnes for the first quarter of the current fiscal year versus the comparable period last year. The decrease in revenues for the first quarter of fiscal 2019 versus fiscal 2018 is mainly explained by a decrease in the weighted average raw sugar values in the current fiscal year, which more than offset the benefits of the increase in sales volume.

During the first quarter, the industrial market segment increased by approximately 5,900 metric tonnes when compared to the same quarter last year as a result of opportunistic sales demand related to competitor's production issues as well as growth from existing accounts.

Volume in the consumer market increased by approximately 1,500 metric tonnes when compared to the same quarter last year, mainly explained by timing in customers' promotional activities.

Liquid volume was approximately 3,800 metric tonnes higher than the first quarter of last year mainly due to the recapture of some business temporarily lost to high fructose corn syrup ("HFCS") as well as additional demand from new and existing customers.

Exports were approximately 3,000 metric tonnes higher than the first quarter of fiscal 2018 due to additional sales to Mexico and U.S. high tier sales.

Gross Margin

Two major factors impact gross margins: the selling margin of the products and operating costs.

(In thousands of dollars, except per metric tonne information)	First Quarter	
	2019	2018
Gross margin	**$ 29,352**	$ 36,027
Total adjustment to the cost of sales (1) (2)	**(122)**	(4,823)
Adjusted gross margin	**$ 29,230**	$ 31,204
Gross margin per metric tonne	**$ 155.81**	$ 206.88
Adjusted gross margin per metric tonne	**$ 155.16**	$ 179.19
Included in Gross margin:		
Depreciation of property, plant and equipment	**$ 3,292**	$ 3,050

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" section.

Gross margin of $29.4 million for the quarter does not reflect the economic margin of the sugar segment, as it includes a gain of $0.1 million for the mark-to-market of derivative financial instruments as explained above. In the first quarter of fiscal 2018, a mark-to-market gain of $4.8 million was recorded resulting in gross margins of $36.0 million.

We will therefore comment on adjusted gross margin results.

Adjusted gross margin for the quarter was $29.2 million compared to $31.2 million for the same quarter last year. Fiscal 2018 included a non-cash pension income of $1.5 million recorded as a result of an amendment to the Alberta hourly pension plan and therefore, excluding this non-cash income, adjusted gross margin decreased by approximately $0.5 million. The increase in sales volume was more than offset by the lower #11 raw sugar values when compared to last year, which has a negative impact on Taber's domestic sales gross margin rate. In addition, installation and commissioning issues of an energy saving capital project in Vancouver resulted in incremental operating expenses during the quarter. Adjusted gross margin per metric tonne amounted to $155.16 for the current quarter versus $179.19 for the same period last year, or $170.70 when excluding the non-cash pension plan income of $8.49 per metric tonne. The decrease is due mainly to lower #11 raw sugar values which, as mentioned above, had a negative impact on Taber's domestic sales gross margin. The slightly unfavorable sales mix also had an impact on adjusted gross margin per metric tonne as most of the increase in volume versus last fiscal period was in typically lower margin rate segments such as industrial, liquid and export sales. Finally, higher operating costs in Vancouver also had a negative impact on adjusted gross margin per metric tonne.

Other expenses

(In thousands of dollars)	First Quarter	
	2019	2018
Administration and selling expenses	**$ 5,348**	$ 4,987
Distribution costs	**$ 2,914**	$ 2,396
Included in Administration and selling expenses:		
Amortization of intangible assets	**$ 199**	$ 170

Administration and selling expenses were $0.4 million higher than the first quarter of fiscal 2018 due to timing.

Distribution costs for the current quarter were $0.5 million higher than the comparable period last year due to additional freight costs during the quarter as a result of additional sales volume and due to product transfers between locations.

Results from operating activities ("EBIT")

(In thousands of dollars)	First Quarter	
	2019	2018
Results from operating activities	**$ 21,090**	$ 28,644
Total adjustment to the cost of sales [(1) (2)]	**(122)**	(4,823)
Adjusted results from operating activities	**$ 20,968**	$ 23,821

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" section.

EBIT is defined as earnings before interest and taxes. The results from operating activities for the current quarter of $21.1 million do not reflect the adjusted results from operating activities of the Company, as they include gains from the mark-to-market of derivative financial instruments, as well as timing differences in the recognition of any gains and losses on the liquidation of derivative instruments. We will therefore comment on adjusted results from operating activities. Adjusted results from operating

activities amounted to $21.0 million, a decrease of $2.9 million when compared to the first quarter of fiscal 2018. The negative variation is due mainly to lower adjusted gross margin, as explained above, and to higher distribution costs and administrative and selling expenses.

In addition, non-cash depreciation and amortization expense also had a negative impact on the results from operating activities. As such Management believes that the Sugar segment's financial results are more meaningful to management, investors, analysts, and any other interested parties when financial results are adjusted for the above mentioned items.

Adjusted EBITDA

The results from operations would therefore need to be adjusted by the following:

(In thousands of dollars)	First Quarter	
	2019	2018
Adjusted results from operating activities	**$ 20,968**	$ 23,821
Non-recurring expenses:		
Acquisition costs incurred	**-**	35
Depreciation of property, plant and equipment and amortization of intangible assets	**3,491**	3,220
Adjusted EBITDA [1]	**$ 24,459**	$ 27,076

(1) See "Non-GAAP measures" section.

Adjusted EBITDA for the first quarter amounted to $24.5 million versus $27.1 million for the comparable period last year, representing a decrease of $2.6 million. The decrease for the quarter is mainly explained by lower adjusted gross margin, as explained above, and higher selling and administrative expenses and distribution costs.

Maple products

Revenues

(In thousands of dollars and volume, in thousands of pounds)	First Quarter	
	2019	2018
Volume (pounds)	**11,857**	11,191
Revenues	**$ 54,883**	$ 49,119

Revenues for the first quarter of fiscal 2018 include Decacer's revenues since its acquisition on November 18, 2017 as compared to a full quarter for the current period, which explain most of the increase quarter-over-quarter.

Gross Margin

Two major factors impact gross margins: the selling margin of the products and operating costs.

(In thousands of dollars, except adjusted gross margin percentage information)		First Quarter		
		2019		2018
Gross margin	**$**	**5,197**	$	7,086
Total adjustment to the cost of sales [1] [2]		**2,582**		(987)
Adjusted gross margin [1]	**$**	**7,779**	**$**	6,099
Gross margin percentage		**9.5%**		14.4%
Adjusted gross margin percentage		**14.2%**		12.4%
Included in Gross margin:				
Depreciation of property, plant and equipment	$	**415**	$	298

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" section.

Gross margin of $5.2 million for the first quarter of fiscal 2019 does not reflect the economic margin of the Maple products segment, as it includes a loss of $2.6 million for the mark-to-market of derivative financial instruments on foreign exchange contracts.

We will therefore comment on adjusted gross margin results.

Adjusted gross margin for the current quarter was $7.8 million, representing an adjusted gross margin percentage of 14.2% of revenues, compared to $6.1 million or 12.4% of revenues in the comparable quarter last year. However, included in cost of sales for the first quarter of fiscal 2018, was an amount of $0.3 million due to an increase in value of the finished goods inventory at the date of acquisition of Decacer. Without this adjustment, adjusted gross margin for the first quarter of fiscal 2018 would have been $6.4 million or 13.0% of revenues, representing an increase of $1.4 million for the first quarter of fiscal 2019. The improvement versus last year is mostly due to the financial impact of Decacer for the full quarter of the current year, while the increase in adjusted gross margin percentage is mainly due to an increase in net selling price and savings from procurement initiatives.

Other expenses

(In thousands of dollars)		First Quarter		
		2019		2018
Administration and selling expenses	**$**	**2,447**	$	3,200
Distribution costs	**$**	**858**	$	845
Included in Administration and selling expenses:				
Amortization of intangibles	**$**	**875**	$	625

Administration and selling expenses amounted to $2.4 million for the current quarter versus $3.2 million for the comparable period but the latter includes non-recurring costs of $0.3 million and $0.7 million in consulting fees and other costs incurred as a result of the acquisition of Decacer in the first quarter of fiscal 2018. Excluding these non-recurring costs, administration and selling expenses were higher than

last year, mostly due to the impact of Decacer for the full quarter, additional amortization of intangible assets, somewhat offset by savings from operational excellence initiatives.

Distribution expenses were comparable quarter-over-quarter.

Results from operating activities ("EBIT")

(In thousands of dollars)		First Quarter		
		2019		2018
Results from operating activities	**$**	**1,892**	$	3,041
Total adjustment to the cost of sales [(1) (2)]		**2,582**		(987)
Adjusted results from operating activities	**$**	**4,474**	$	2,054

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" section.

The above results from operating activities reflect the earnings before interest and taxes of LBMTC for the full periods and Decacer since its acquisition for the first quarter of fiscal 2018. The results from operating activities for the current quarter of $1.9 million do not reflect the adjusted results from operating activities of the Maple products segment, as they include losses from the mark-to-market of derivative financial instruments, as well as timing differences in the recognition of any gains and losses on the liquidation of derivative instruments. We will therefore comment on adjusted results from operating activities. Adjusted EBIT amounted to $4.5 million compared to $2.1 million in fiscal 2018, an increase of $2.4 million, mostly explained by the impact of a full quarter of operations for Decacer, a reduction in non-recurring costs of $1.2 million in fiscal 2019 and an increase in adjusted gross margin, as explained above.

In addition, the acquisition by LBMTC of Decacer has resulted in expenses that do not reflect the economic performance of the operation of LBMTC. Finally, certain non-cash items and non-recurring expenses also had a negative impact on the results from operating activities. As such Management believes that the Maple products segment's financial results are more meaningful to management, investors, analysts, and any other interested parties when financial results are adjusted for the above mentioned items.

Adjusted EBITDA

The results of operations would therefore need to be adjusted by the following:

(In thousands of dollars)		First Quarter		
		2019		2018
Adjusted results from operating activities	**$**	**4,474**	$	2,054
Non-recurring expenses:				
Acquisition costs incurred		**-**		710
Other non-recurring items		**8**		254
Finished goods valued at the estimated selling price less disposal cost as of acquisition date		**-**		261
Depreciation and amortization		**1,290**		923
Maple products segment adjusted EBITDA[(1)]	**$**	**5,772**	$	4,202

(1) See "Non-GAAP measures" section.

Other non-recurring items mainly include severance costs in the first quarter of fiscal 2018.

Adjusted EBITDA for the first quarter of fiscal 2019 amounted to $5.8 million, an increase of $1.6 million quarter-over-quarter. The increase is mainly explained by the financial impact of Decacer for the full quarter as well as savings attributable to procurement and operational excellence initiatives and an increase in net selling prices.

CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION

The following is a summary of selected financial information of Rogers' unaudited condensed consolidated interim results for the first quarters of fiscal 2019 and 2018:

(In thousands of dollars, except volume and per share information)	First Quarter 2019	2018
Sugar (metric tonnes)	**188,385**	174,144
Maple syrup ('000 pounds)	**11,857**	11,191
Total revenues	**$ 206,022**	$ 204,883
Gross margin	**34,549**	43,113
Results from operating activities ("EBIT")	**22,982**	31,685
Net finance costs	**4,642**	4,004
Income tax expense	**4,929**	7,465
Net earnings	**$ 13,411**	$ 20,216
Net earnings per share (basic)	**$ 0.13**	$ 0.19
Net earnings per share (diluted)	**$ 0.12**	$ 0.18
Dividends per share	**$ 0.09**	$ 0.09
Non- GAAP results:		
Total adjustment to the cost of sales [1]	**2,460**	(5,810)
Adjusted Gross Margin [1]	**$ 37,009**	$ 37,303
Adjusted results from operating activities [1]	**$ 25,442**	$ 25,875
Depreciation of property, plant and equipment and amortization of intangible assets	**4,781**	4,143
Sugar Segment Acquisition costs [1]	**-**	35
Maple Segment non-recurring costs [1]	**8**	1,225
Adjusted EBITDA [1]	**$ 30,231**	$ 31,278
Net earnings as per financial statements	**$ 13,411**	$ 20,216
Total adjustment to the cost of sales [1] [2]	**2,460**	(5,810)
Amortization of transitional balance to net finance costs [1] [2]	**(98)**	(135)
Income taxes on above adjustments	**(717)**	1,577
Adjusted net earnings [1]	**$ 15,056**	$ 15,848
Net earnings per share (basic), as per financial statements	**$ 0.13**	$ 0.19
Adjustment for the above	**0.01**	(0.04)
Adjusted net earnings per share (basic) [1]	**$ 0.14**	$ 0.15

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" section.

Total revenues

Revenues for the current quarter amounted to $206.0 million, an increase of $1.1 million versus last year's comparable period. As explained above, the Company benefited from a full quarter of revenues generated by Decacer in fiscal 2019 as opposed to 6 weeks in fiscal 2018. However, this positive variation was reduced by lower revenues in the Sugar segment whereby the increase in volume was more than offset by lower #11 raw sugar values in fiscal 2019 when compared to fiscal 2018.

Gross margin

Gross margin of $34.5 million for the first quarter of the current fiscal year does not reflect the economic margin of the Company, as it includes a loss of $2.5 million for the mark-to-market of derivative financial instruments as explained above (See "Adjusted results" section). In the first quarter of fiscal 2018, a mark-to-market gain of $5.8 million was recorded, resulting in a gross margin of $43.1 million. Excluding the mark-to-market of derivative financial instruments, adjusted gross margin amounted to $37.0 million, compared to $37.3 million last year, a decrease of $0.3 million. The Maple products segment contributed an additional $1.7 million versus last year, mainly due to the impact of Decacer as well as an increase in net selling price and savings from procurement initiatives, as mentioned above. However, this favorable variance was more than offset by a reduction of $2.0 million from the Sugar segment, mainly explained by a lower #11 raw sugar values and incremental operating costs in Vancouver, as mentioned above.

Results from operating activities ("EBIT")

For the first quarter of fiscal 2019, EBIT amounted to $23.0 million compared to $31.7 million last year. As mentioned above, the gross margin comparison does not reflect the economic results from operating activities which were negatively impacted by $8.3 million due to the quarter-over-quarter variation in mark-to-market of derivative financial instruments. Excluding the mark-to-market of derivative financial instruments, EBIT for the current quarter stood at $25.4 million, a decrease of $0.4 million. As mentioned above, Maple products segment contributed positively to the EBIT as a result of a full quarter of operations for Decacer, an increase in adjusted gross margin and a reduction in non-recurring costs of $1.2 million in fiscal 2019. This was offset by a lower contribution from the Sugar segment due mainly to lower adjusted gross margin and to higher distribution costs and administrative and selling expenses. In addition, fiscal 2018 included a non-cash pension income of $1.5 million.

Net finance costs

Net finance costs consisted of interest paid under the revolving credit facility, as well as interest expense on the convertible unsecured subordinated debentures and other interest. It also includes a mark-to-market gain on the interest swap agreements.

The net finance costs breakdown is as follows:

(In thousands of dollars)	First Quarter	
	2019	2018
Interest expense on convertible unsecured subordinated debentures	**$ 2,087**	$ 1,698
Interest on revolving credit facility	**1,230**	1,426
Amortization of deferred financing fees	**294**	249
Other interest expense	**1,129**	766
Net change in fair value of interest rate swap agreements	**(98)**	(135)
Net finance costs	**$ 4,642**	$ 4,004

On March 28, 2018, the Fifth series 5.75% convertible unsecured subordinated debentures ("Fifth series debentures") of $60.0 million was repaid using a portion of the funds raised on the same day from the issuance of the Seventh series 4.75% convertible unsecured subordinated debentures ("Seventh series debentures") of $97.8 million. The increased borrowing level from the Seventh series debentures more than offset the reduction in interest rate, which mainly explains the increase of $0.4 million in interest expense on the convertible unsecured subordinated debentures in the first quarter. In addition, accretion expense on the equity component of the convertible unsecured subordinated debentures also had a negative impact versus last year.

The decrease in interest on the revolving credit facility is due mainly to a decrease in the average drawdown during the current quarter as compared to the same period last year, which was somewhat tempered by an increase in interest rate.

The other interest expense pertains mainly to interest payable to the Federation des Producteurs Acéricoles du Québec ("FPAQ") on syrup purchases, in accordance with the FPAQ payment terms. The increase quarter-over-quarter is due to the level of syrup purchases as well as an increase in interest rate.

Starting on October 2, 2016, interest rate swap agreements were designated as effective cash flow hedging instruments and as a result, mark-to-market adjustments are now recorded in other comprehensive income. The transitional balances, representing the mark-to-market value recorded as of October 1, 2016, will be subsequently removed from other comprehensive income when each of the fixed interest rate tranches will be liquidated, in other words, when the fixed interest rate is paid. As a result, the Company removed a gain of $0.1 million for the current quarter and the comparative period from other comprehensive income and recorded a gain of the same amount in net finance costs. The transitional balance relating to interest rate swap agreements will be fully depleted in fiscal 2020. See "Adjusted results" section.

Taxation

The income tax expense is as follows:

(In thousands of dollars)	First Quarter	
	2019	2018
Current	**$ 6,260**	$ 5,761
Deferred	**(1,331)**	1,704
Income tax expense	**$ 4,929**	$ 7,465

The variation in current and deferred tax expense quarter-over-quarter is consistent with the variation in earnings before income taxes in fiscal 2019.

Deferred income taxes reflect temporary differences, which result primarily from the difference between depreciation claimed for tax purposes and depreciation amounts recognized for financial reporting purposes, employee future benefits and derivative financial instruments. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates anticipated to apply to income in the years in which temporary differences are expected to be realized or reversed. The effect of a change in income tax rates on future income taxes is recognized in income in the period in which the change occurs.

Net earnings

Net earnings for the first quarter were $13.4 million compared to $20.2 million for the first quarter of fiscal 2018. The decrease in net earnings is mostly explained by a loss on the mark-to-market of derivative financial instruments, as well as a negative impact of the after-tax impact of a decrease in EBIT and the additional finance costs, as explained above.

Summary of Quarterly Results

The following is a summary of selected financial information of the unaudited condensed consolidated interim financial statements and non-GAAP measures of the Company for the last eight quarters:

(In thousands of dollars, except for volume and per share information)

	QUARTERS							
	2019	2018				2017		
	First	Fourth	Third	Second	First	Fourth	Third	Second
Sugar volume (MT)	**188,385**	200,147	182,331	163,253	174,144	183,397	173,969	168,723
Maple products volume ('000 pounds)	**11,857**	10,549	10,654	12,725	11,191	5,764	-	-
	$	$	$	$	$	$	$	$
Total revenues	**206,022**	211,807	199,056	189,455	204,883	192,984	166,363	163,566
Gross margin	**34,549**	29,255	31,430	27,055	43,113	22,631	9,886	16,605
EBIT	**22,982**	18,231	19,296	14,888	31,685	10,138	1,513	8,784
Net earnings	**13,411**	9,633	11,294	7,586	20,216	4,014	(448)	4,788
Gross margin rate per MT (1)	**155.81**	108.12	113.04	126.51	206.88	103.82	56.83	98.42
Gross margin percentage (2)	**9.5%**	15.0%	14.3%	12.1%	14.4%	13.5%	-	-
Per share								
Net earnings								
Basic	**0.13**	0.09	0.11	0.07	0.19	0.04	-	0.05
Diluted	**0.12**	0.09	0.10	0.07	0.18	0.04	-	0.05
Non-GAAP Measures								
Adjusted gross margin	**37,009**	32,764	27,687	28,607	37,303	28,034	22,843	23,267
Adjusted EBIT	**25,442**	21,740	15,553	16,440	25,875	15,541	14,470	15,446
Adjusted net earnings	**15,056**	12,122	8,445	8,617	15,848	7,938	9,030	9,628
Adjusted gross margin rate per MT (1)	**155.16**	128.90	113.37	134.66	179.19	134.18	131.31	137.90
Adjusted gross margin percentage (2)	**14.2%**	13.7%	13.9%	12.5%	12.4%	12.8%	-	-
Adjusted net earnings per share								
Basic	**0.14**	0.12	0.08	0.08	0.15	0.08	0.10	0.10
Diluted	**0.13**	0.11	0.08	0.07	0.14	0.08	0.10	0.10

(1) Gross margin rate per MT and adjusted gross margin rate per MT pertains to the Sugar segment only.

(2) Gross margin percentage and adjusted gross margin percentage pertains to the Maple products segment only

Historically the first quarter (October to December) of the fiscal year is the best quarter of the sugar segment for adjusted gross margins and adjusted net earnings due to the favourable sales mix associated with an increased proportion of consumer sales during that period of the year. At the same time, the second quarter (January to March) historically has the lowest volume as well as an unfavourable customer mix, resulting in lower revenues, adjusted gross margins and adjusted net earnings.

Quarterly results reflect the LBMTC acquisition on August 5, 2017 and the acquisition of Decacer on November 18, 2017.

Liquidity

Cash flow generated by Lantic is paid to Rogers by way of dividends and return of capital on the common shares and by the payment of interest on the subordinated notes of Lantic held by Rogers, after taking a reasonable reserve for capital expenditures, debt reimbursement and working capital. The cash received by Rogers is used to pay administrative expenses, interest on the convertible debentures, income taxes and dividends to its shareholders. Lantic had no restrictions on distributions of cash arising from the compliance of financial covenants for the year.

(In thousands of dollars)	**2019**	2018
Net cash flow from (used in) operating activities	**$ 993**	$ (10,762)
Cash flow from financing activities	**7,309**	47,861
Cash flow used in investing activities	**(3,228)**	(45,116)
Effect of changes in exchange rate on cash	**319**	68
Net increase (decrease) in cash	**$ 5,393**	$ (7,949)

Net cash flow from operating activities was positive $1.0 million in the first quarter of fiscal 2019, compared to negative $10.8 million in the comparable quarter of fiscal 2018, resulting in a positive variance of $11.8 million. The positive variance is mainly explained by a positive non-cash working capital variation of $12.1 million, mainly due to the movement in trade and other payables, offset by the movement in trade and other receivables.

Cash flow from financing activities decreased for the current quarter from $47.9 million to $7.3 million, a reduction of $40.6 million. Overall, during the current quarter, total borrowings were $35.5 million less than last year's comparable quarter. Further contributing to the negative variance is a decrease in bank overdraft during the current quarter of $5.2 million.

The cash outflow used in investing activities decreased compared to the first quarter of fiscal 2018 by $41.9 million, mainly explained by the acquisition of Decacer in the first quarter of fiscal 2018 for $42.1 million, somewhat offset by additional property, plant and equipment and intangible assets spending during the current quarter.

In order to provide additional information, the Company believes it is appropriate to measure free cash flow that is generated by the operations of the Company. Free cash flow is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments, amortization of transitional balances, financial instruments non-cash amount, and includes funds received or paid from the issue or purchase of shares, deferred financing charges paid and capital expenditures, net of operational excellence capital expenditures. Free cash flow is a non-GAAP measure.

Free cash flow is as follows:

(In thousands of dollars)		Rolling twelve months		
		2019		2018
Net cash flow from operating activities	**$**	**60,893**	$	60,571
Adjustments:				
Changes in non-cash working capital		**4,613**		(23,901)
Mark-to-market and derivative timing adjustments		**5,997**		22,265
Amortization of transitional balances		**(2,716)**		(3,444)
Financial instruments non-cash amount		**(2,627)**		3,775
Capital and intangible assets expenditures		**(23,828)**		(19,061)
Operational excellence capital expenditures		**8,158**		3,788
(Purchase and cancellation) Issue of common shares		**(3,963)**		93
Deferred financing charges		**(150)**		(751)
Free cash flow [(1)]	**$**	**46,377**	$	43,335
Declared dividends	**$**	**37,902**	$	35,953

(1) See "Non-GAAP measures" section.

Free cash flow on a rolling twelve month basis was $46.4 million, which represents an increase of $3.0 million versus the comparable period last year. The variation is mainly explained by an increase in adjusted EBIT of $13.3 million, adjusted for depreciation and amortization expenses and lower financing charges paid of $0.6 million. This positive variation was somewhat offset by $4.0 million paid to purchase and cancel common shares, as opposed to $0.1 million received to issue shares in the prior comparative period. Also reducing the positive variance is an increase in interest and income taxes paid of $4.3 million and $1.8 million, respectively, as well as higher pension contributions and capital and intangible assets spending, net of operational excellence capital expenditure of $0.4 million each.

Capital and intangible assets expenditures, net of operational excellence expenditures, were comparable to last year's rolling twelve months. Operational excellence capital expenditures were $0.2 million higher when compared to the same period last year. Free cash flow is not reduced by operational excellence capital expenditures, as these projects are not necessary for the operation of the plants, but are undertaken because of the substantial operational savings that are realized once the projects are completed.

Financing charges are paid when a new debt financing is completed and such charges are deferred and amortized over the term of that debt. The cash used in the year to pay for such fees is therefore not available and as a result is deducted from free cash flow.

The Company declared a quarterly dividend of 9.0 cents per common share every quarter, totalling $0.36 cents for both trailing twelve months periods. The increase in 2019 versus the comparable period is due to the issuance of shares in July 2017, which increased the dividend payment starting in the third quarter of fiscal 2017.

Changes in non-cash operating working capital represent year-over-year movements in current assets, such as accounts receivable and inventories, and current liabilities, such as accounts payables.

Movements in these accounts are due mainly to timing in the collection of receivables, receipts of raw sugar and payment of liabilities. Increases or decreases in such accounts are due to timing issues and therefore do not constitute free cash flow. Such increases or decreases are financed from available cash or from the Company's available credit facility of $265.0 million. Increases or decreases in bank indebtedness are also due to timing issues from the above and therefore do not constitute available free cash flow.

The combined impact of the mark-to-market and derivative timing adjustments, amortization of transitional balances and financial instruments non-cash negative amount of $3.2 million for the current rolling twelve months does not represent cash items as these contracts will be settled when the physical transactions occur, which is the reason for the adjustment to free cash flow.

Contractual obligations:

There are no significant changes in the contractual obligations table disclosed in the Management's Discussion and Analysis of the September 29, 2018 Annual Report.

As at December 29, 2018, Lantic had commitments to purchase a total of 1,337,000 metric tonnes of raw sugar, of which 328,000 metric tonnes had been priced for a total dollar commitment of $134.7 million.

Capital resources:

The Company has a total of $265.0 million of available working capital from which it can borrow at prime rate, LIBOR rate or under bankers' acceptances, plus 20 to 250 basis points, based on achieving certain financial ratios. As at December 29, 2018, a total of $393.1 million have been pledged as security for the revolving credit facility, compared to $390.4 million as at December 30, 2017, including trade receivables, inventories and property, plant and equipment.

At December 28, 2018, $194.0 million had been drawn from the working capital facility, $0.2 million was drawn as bank overdraft and $7.5 million in cash was also available.

Cash requirements for working capital and other capital expenditures are expected to be paid from available cash resources and funds generated from operations. Management believes that the unused credit under the revolving facility is adequate to meet any future cash requirements.

OUTSTANDING SECURITIES

A total of 105,008,070 shares were outstanding as at December 28, 2018 and January 31, 2019 (105,743,582 as at December 30, 2017).

On December 3, 2018, 447,175 share options were granted to executives at a price of $5.58 per common share, representing the average market price for the five business days before the granting of options. These share options are exercisable to a maximum of twenty percent per year, starting after the first anniversary date of the granting of the share options and will expire after a term of ten years. Upon termination, resignation, retirement, death or long-term disability, all share options granted under the Share Option Plan not vested are forfeited.

Also on December 3, 2018, 290,448 performance share units ("PSUs") were granted to executives. These PSUs will vest at the end of the 2019-2021 Performance Cycle based on the achievement of total shareholder returns set by the Human Resources and Compensation Committee ("HRCC") and the Board of Directors of the Company. The value to be paid-out to each participant will be equal to the result of: the number of PSUs granted to the participant which have vested, multiplied by the volume weighted average closing price of the Common Shares on the Toronto Stock Exchange (the "TSX") for the five

trading days immediately preceding the day on which the Company shall pay the value to the participant under the PSU Plan.

On May 22, 2018, the Company received approval from the Toronto Stock Exchange to proceed with a normal course issuer bid ("NCIB"). Under the NCIB, the Company may purchase up to 1,500,000 common shares. The NCIB commenced on May 24, 2018 and may continue to May 23, 2019. During fiscal 2018, the Company purchased 736,900 common shares for a total cash consideration of $4.0 million.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

There were no significant changes in the critical estimate and accounting policies disclosed in the Management's Discussion and Analysis of the September 29, 2018 Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as disclosed in the Company's audited annual consolidated financial statements for the year ended September 29, 2018 have been applied consistently in the preparation of these unaudited condensed consolidated interim financial statements except as noted below:

- IFRS 15, *Revenue from Contracts with Customers*:

  On May 28, 2014 the IASB issued IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 will replace IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers*, and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*. The new standard is effective for years beginning on or after January 1, 2018.

  The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

  The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

  The Company adopted IFRS 15 in its consolidated financial statements for the year beginning on September 30, 2018. The adoption of the standard did not have an impact on the consolidated interim financial statements.

- IFRS 2, *Classification and Measurement of Share-based Payment Transactions*:

  On June 20, 2016, the IASB issued amendments to IFRS 2, Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively.

  The amendments provide requirements on the accounting for:

  - The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
  - Share-based payment transactions with a net settlement feature for withholding tax obligations; and

- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The Company adopted the amendments to IFRS 2 in its consolidated financial statements for the annual period beginning on September 30, 2018. The adoption of the standard did not have an impact on the consolidated interim financial statements.

➢ IFRIC 22, *Foreign Currency Transactions and Advance Consideration*:

On December 8, 2016, the IASB issued IFRIC Interpretation 22, Foreign Currency Transactions and Advance Consideration.

The Interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The Interpretation is applicable for annual periods beginning on or after January 1, 2018.

The Company adopted the amendments to IFRIC 22 in its consolidated financial statements for the annual period beginning on September 30, 2018. The adoption of the standard did not have an impact on the consolidated interim financial statements.

➢ Annual Improvements to IFRS Standards (2014-2016) Cycle:

On December 8, 2016 the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. Each of the amendments has its own specific transition requirements and effective date.

Amendments were made to the following standard:

- Removal of out-dated exemptions for first-time adopters under IFRS 1, *First-time Adoption of International Financial Reporting Standards*, effective for annual periods beginning on or after January 1, 2018; and
- Clarification that the election to measure an associate or joint venture at fair value under IAS 28, Investments in Associates and Joint Ventures for investments held directly, or indirectly, through a venture capital or other qualifying entity can be made on an investment-by-investment basis. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2018.

The Company adopted the amendment in its consolidated interim financial statements for the annual period beginning on September 30, 2018. The adoption of the standard did not have an impact on the consolidated interim financial statements.

CHANGES IN ACCOUNTING PRINCIPLES AND PRACTICES NOT YET ADOPTED

A number of new standards, and amendments to standards and interpretations, are not yet effective and have not been applied in preparing these unaudited condensed interim consolidated financial statements. New standards and amendments to standards and interpretations that are currently under review include:

➢ IFRS 16, *Leases*:

On January 13, 2016 the IASB issued IFRS 16 *Leases*. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 *Leases*.

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by the lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided.

The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning on September 29, 2019. The Company has started reviewing the impact of the adoption of IFRS 16 and expects that certain of the existing leases will require to be recognized as assets and liabilities. However, the extent of the impact of adoption of the standard on the consolidated financial statements of the Company has not yet been quantified.

Additional new standards, and amendments to standards and interpretations, include: Annual Improvements to IFRS Standards (2015-2017) Cycle, IFRIC 23 *Uncertainty over Income Tax Treatments* and Amendments to References to the Conceptual Framework in IFRS Standards. The Company intends to adopt these new standards, and amendments to standards and interpretations, in its consolidated financial statements in each of their respective annual period for which they become applicable. The extent of the impact of adoption of these new standards, and amendments to standards and interpretations, has not yet been determined. Refer to note 3 (c) to the unaudited condensed consolidated interim financial statements for more detail.

RISK FACTORS

Risk factors in the Company's business and operations are discussed in the Management's Discussion and Analysis of our Annual Report for the year ended September 29, 2018. This document is available on SEDAR at www.sedar.com or on our website at www.LanticRogers.com.

OUTLOOK

Sugar

In light of the first quarter result, the industrial sugar market segment is now expected to slightly increase when compared to fiscal 2018.

In the first quarter, the Company was able to gain additional business with an existing consumer account and as a result, we anticipate this segment should increase by approximately 5,000 metric tonne over last fiscal year.

The Company also acquired new liquid business during the past quarter as a result of the acquisition of a new account and the conversion of HFCS users to liquid sucrose. This additional volume, combined with the first quarter improvement over last year should result in an increase of approximately 15,000 metric tonne when compared to fiscal 2018.

As for the export segment, the total volume is anticipated to be comparable to last fiscal year as additional sales to Mexico will offset lower than expected high tier duty sales to the U.S.. The Company will continue to aggressively pursue any additional export sales that would be beneficial to the overall results. It is also worth commenting that the Company does not anticipate that the additional Canada specific quota of 9,600 metric tonnes granted under the United States-Mexico-Canada Agreement ("USMCA")

would take effect in fiscal 2019 and therefore, should not have any impact on the overall export volume for this year.

As a result of the increase in volume in most segments, we now expect our overall volume to be approximately 25,000 metric tonne above last fiscal year.

In light of the additional volume, as well as the first quarter result, we expect that distribution costs should be approximately $1.0 million higher than fiscal 2018.

Approximately 65% of fiscal 2019's natural gas requirements have been hedged at average prices comparable to those realized in fiscal 2018. Some futures positions for fiscal 2020 to 2024 have also been taken. Some of these positions are at prices higher than current market value, but are at the same or better levels than those achieved in fiscal 2018.

Consistent with prior communications, the Sugar segment's capital expenditures for fiscal 2019 are expected to increase compared to fiscal 2018 as the Company will undertake the capital project in Taber to be fully compliant with air emission standards by fiscal 2020, with spending ranging between $6.5 million and $8.5 million left to be spent on this specific project this year, as approximately $1.5 million was spent in fiscal 2018. The remaining capital spend for the Sugar segment is expected to be similar to fiscal 2018, including a high proportion of return on investment capital expenditures.

The beet slicing campaign is expected to be completed in late February. If no significant beet storage issues arise, we expect that the current crop should derive approximately 125,000 metric tonnes of refined sugar, which is comparable to fiscal 2018's production volume.

Maple products

During the quarter, the Company completed its second phase of the footprint optimization analysis.

The first phase of the project was announced last fiscal year with the relocation from the current leased bottling facility in Granby, Québec, to a new built for purpose state of the art leased property. This move will allow us to better align production flow and install a new high capacity bottling line. The completion of the first phase is expected to occur at the end of fiscal 2019, early fiscal 2020. As a result of this decision, approximately $4.5 million will be spent on return on investment capital expenditures towards new equipment and leasehold improvements this fiscal year.

After a thorough analysis of our Canadian footprint, the Company concluded that plant specialization would be the most efficient approach to reduce costs and respond to industry growth. This analysis determined that the St-Honoré-de-Shenley bottling facility should be re-purposed to focus on the production of industrial products and the reception and storage of maple syrup barrels. The bottling production at this facility is being re-distributed to our Granby or Degelis operations. Granby will focus on plastic bottling production while Degelis will primarily produce glass bottles and cans. The transfer of production is expected to be completed by the end of the second quarter. To support this plan, approximately $1.8 million will be invested in Degelis to increase capacity of its bottling lines, increase automation and enhance site storage and logistics. The Degelis investment provides an attractive return the investment should be completed by the end of March 2019.

Once the optimization project is fully executed, the new manufacturing footprint will double our capacity, lower our costs and improve our overall manufacturing capabilities allowing us to participate fully in the maple syrup market growth. Each of the three Quebec facilities will continue to receive and store maple syrup barrels. No changes are expected in our Vermont facility.

With the optimization project behind us, we continue to expect that the Maple products segment Adjusted EBITDA for fiscal 2019 should be approximately $21.0 million, excluding non-recurring costs of

approximately $1.1 million. Non-recurring costs are mostly attributable to lease payments for two locations, moving costs, severance costs and other additional miscellaneous costs. Management remains positive on the future outlook for this segment as the maple syrup market growth remains strong. As such, with a sales team that is now fully organized and a clear operational path forward, we are confident that we are well positioned to capture and participate in the market growth. In addition, operational savings are expected in fiscal 2020 from the move to a new Granby facility as well as the transfer of production from St-Honoré-de-Shenley.

NON-GAAP MEASURES

In analyzing results, we supplement the use of financial measures that are calculated and presented in accordance with IFRS with a number of non-GAAP financial measures. A non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that excludes (includes) amounts, or is subject to adjustments that have the effect of excluding (including) amounts, that are included (excluded) in most directly comparable measures calculated and presented in accordance with IFRS. Non-GAAP financial measures are not standardized; therefore, it may not be possible to compare these financial measures with the non-GAAP financial measures of other companies having the same or similar businesses. We strongly encourage investors to review the unaudited consolidated financial statements and publicly filed reports in their entirety, and not to rely on any single financial measure.

We use these non-GAAP financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These non-GAAP financial measures reflect an additional way of viewing aspects of the operations that, when viewed with the IFRS results and the accompanying reconciliations to corresponding IFRS financial measures, may provide a more complete understanding of factors and trends affecting our business.

The following is a description of the non-GAAP measures used by the Company in the MD&A:

- Adjusted gross margin is defined as gross margin adjusted for:
  - "the adjustment to cost of sales", which comprises of the mark-to-market gains or losses on sugar futures, foreign exchange forward contracts and embedded derivatives as shown in the notes to the unaudited condensed consolidated interim financial statements and the cumulative timing differences as a result of mark-to-market gains or losses on sugar futures, foreign exchange forward contracts and embedded derivatives as described below; and
  - "the amortization of transitional balance to cost of sales for cash flow hedges", which is the transitional marked-to-market balance of the natural gas futures outstanding as of October 1, 2016 amortized over time based on their respective settlement date until all existing natural gas futures have expired, as shown in the notes to the unaudited condensed consolidated interim financial statements.
- Adjusted EBIT is defined as EBIT adjusted for the adjustment to cost of sales and the amortization of transitional balances to cost of sales for cash flow hedges.
- Adjusted EBITDA is defined as adjusted EBIT adjusted to add back depreciation and amortization expenses, the Sugar segment acquisition costs and the Maple Segment non-recurring expenses.
- Adjusted net earnings is defined as net earnings adjusted for the adjustment to cost of sales, the amortization of transitional balances to cost of sales for cash flow hedges, the amortization of transitional balance to net finance costs and the income tax impact on these adjustments. Amortization of transitional balance to net finance costs is defined as the transitional marked-to-market balance of the interest rate swaps outstanding as of October 1, 2016, amortized over time based on their respective settlement date until all existing interest rate swaps agreements have

expired, as shown in the notes to the unaudited condensed consolidated interim financial statements.
- Adjusted gross margin rate per metric tonne ("MT") is defined as adjusted gross margin of the Sugar segment divided by the sales volume of the Sugar segment.
- Adjusted gross margin percentage is defined as the adjusted gross margin of the Maple segment divided by the revenues generated by the Maple product segment.
- Adjusted net earnings per share is defined as adjusted net earnings divided by the weighted average number of shares outstanding.
- Maple products segment Adjusted EBITDA is defined as the earnings before interest expenses, taxes and depreciation and amortization expenses of the Maple products segment, adjusted for the total adjustment to cost of sales relating to its segment and non-recurring expenses.
- Free cash flow is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments, amortization of transitional balances, financial instruments non-cash amount, and includes funds received or paid from the issue or purchase of shares, deferred financing charges paid and capital expenditures, net of operational excellence capital expenditures.

In the MD&A, we discuss the non-GAAP financial measures, including the reasons why we believe these measures provide useful information regarding the financial condition, results of operations, cash flows and financial position, as applicable. We also discuss, to the extent material, the additional purposes, if any, for which these measures are used. These non-GAAP measures should not be considered in isolation, or as a substitute for, analysis of the Company's results as reported under GAAP. Reconciliations of non-GAAP financial measures to the most directly comparable IFRS financial measures are also contained in this MD&A.

FORWARD-LOOKING STATEMENTS

This report contains Statements or information that are or may be "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking statements may include, without limitation, statements and information which reflect the current expectations of Rogers, Lantic and LBMT (together all referred to as "the Company") with respect to future events and performance. Wherever used, the words "may," "will," "should," "anticipate," "intend," "assume," "expect," "plan," "believe," "estimate," and similar expressions and the negative of such expressions, identify forward-looking statements. Although this is not an exhaustive list, the Company cautions investors that statements concerning the following subjects are, or are likely to be, forward-looking statements: future prices of raw sugar, natural gas costs, the opening of special refined sugar quotas in the United States ("U.S."), beet production forecasts, growth of the maple syrup industry, anticipated benefit of the LBMTC and Decacer acquisitions (including expected adjusted EBITDA), the status of labour contracts and negotiations, the level of future dividends and the status of government regulations and investigations. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual performance or results could differ materially from those reflected in the forward-looking statements, historical results or current expectations. These risks are referred to in the Company's Annual Information Form in the "Risk Factors" section and include, without limitation: the risks related to the Company's dependence on the operations and assets of Lantic, the risks related to government regulations and foreign trade policies, the risks related to competition faced by Lantic, the

risks related to fluctuations in margins, foreign exchange and raw sugar prices, the risks related to security of raw sugar supply, the risk related to weather conditions affecting sugar beets, the risks relating to fluctuation in energy costs, the risks that LBMTC and Decacer's historical financial information may not be representative of future performance, the risk that following the acquisition of LBMTC on August 5, 2017 and Decacer on November 18, 2017 (the "Acquisitions"), Rogers and Lantic may not be able to successfully integrate LBMTC and Decacer's businesses with their current business and achieve the anticipated benefits of the Acquisitions, the risks of unexpected costs or liabilities related to the Acquisitions, including that the Representation and Warranty Insurance ("RWI") Policy may not be sufficient to cover such costs or liabilities or that the Company may not be able to recover such costs or liabilities from the shareholders of LBMTC and Decacer, the risks related to the regulatory regime governing the purchase and sale of maple syrup in Québec, including the risk that LBMT may not be able to maintain their authorized buyer status with the FPAQ and the risk that it may not be able to purchase maple syrup in sufficient quantities, the risk related to the production of maple syrup being seasonal and subject to climate change, the risk related to customer concentration and LBMT's reliance on private label customers, the risks related to consumer habits and the risk related to LBMT's business growth, substantially relying on exports.

Although the Company believes that the expectations and assumptions on which forward-looking information is based are reasonable under the current circumstances, readers are cautioned not to rely unduly on this forward-looking information as no assurance can be given that it will prove to be correct. Forward-looking information contained herein is made as at the date of this MD&A and the Company does not undertake any obligation to update or revise any forward-looking information, whether as a result of events or circumstances occurring after the date hereof, unless so required by law. As of the date of this MD&A, and as communicated on November 21, 2018, Management's expectations with regards to the Maple products segment Adjusted EBITDA for fiscal 2019 remain unchanged at approximately $21.0 million, excluding non-recurring costs. Refer to the "Outlook" section of this MD&A for further details.

FORWARD-LOOKING INFORMATION IN THIS MD&A

The following table outlines the forward-looking information contained in this MD&A, which the Corporation considers important to better inform readers about its potential financial performance, together with the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

Principal Assumptions	Principal Risks and Uncertainties
Expected adjusted EBITDA for LBMTC	
The expected adjusted EBITDA is the expected earnings before interest expenses, taxes, depreciation and amortization expense for a twelve-month period, adjusted for one-time costs and including the integration gains. The Corporation estimates annual operating earnings by subtracting from the estimated revenues, the estimated annual operating costs, from which it subtracts estimated general and administrative expenses. The integration gains include LBMTC for fiscal 2018 and RSI integration gains for fiscal 2019. LBMT integration gains are estimated gains resulting from the three acquisitions completed by LBMT since February 2, 2016 and which include customer gains, procurement efficiencies, re-alignment of production lines, reduction of maple syrup losses and previous integration of acquired businesses. RSI integration gains are estimated operational gains resulting from the combination of the Corporation and LBMTC which include business efficiencies and customer gains.	• Historical financial information used to estimate amounts may not be representative of future results. • Variability in LBMTC's performance. • Unexpected administration, selling or distribution expenditures. • Uncertainty of successful integration and operational gains. • Other risks relating to the business of LBMTC (refer to the "Risk Factors" section of the MD&A for the year ended September 29, 2018).
Expected Adjusted *pro forma* EBITDA for Decacer	
Decacer's Adjusted *pro forma* EBITDA is the expected earnings before interest expenses, taxes, depreciation and amortization expense for a twelve-month period, adjusted to take into account non-recurring items identified by Decacer's Management, non-recurring items identified by the Company during the course of its due diligence and estimated adjustments required to reflect the going-forward EBITDA run-rate.	• Historical financial information used may not be representative of future results. • Variability in Decacer's performance. • Unexpected administration, selling or distribution expenditures. • Uncertainty of successful integration and operational gains.

INTERNAL DISCLOSURE CONTROLS

In accordance with Regulation 52-109 respecting certification of disclosure in issuers' interim filings, the Chief Executive Officer and Chief Financial Officer have designed or caused it to be designed under their supervision, disclosure controls and procedures ("DC&P").

In addition, the Chief Executive Officer and Chief Financial Officer have designed or caused it to be designed under their supervision internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The Chief Executive Officer and Chief Financial Officer have evaluated whether or not there were any changes to the Company's ICFR during the three month period ended December 29, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. No such changes were identified through their evaluation.