Roger Sugar Reports Fourth Quarter 2021 Results, Solid Performance from the Maple and Sugar Segments, Driven by Steady Demand from Customers

Rogers Sugar Inc.'s ("RSI", "our," "we", "us" or "Rogers") (TSX: RSI) today reported fourth quarter fiscal 2021 results with consolidated adjusted EBITDA of $24.8 million and $91.0 million for the current quarter and the year, respectively.

"We are pleased with the results achieved in the fourth quarter in both of our business segments, as we met our volume targets with improved overall sales margins, said Mike Walton, President and Chief Executive Officer of Rogers and Lantic Inc. "In 2021, our team delivered strong financial results as we successfully navigated through unfavorable crop conditions in Alberta and the continued impacts of a global pandemic on customer demand and supply chain. This performance is a testament to the collaboration and dedication of our employees and of our operational flexibility to ensure customer needs were met."

"Over the next year, we anticipate improved financial performance for both of our business segments, supported by normal operating conditions in Alberta and a return to a more traditional and profitable sales mix. This will allow us to continue to create value for our shareholders."

Fourth Quarter 2021 Consolidated Highlights (unaudited)	**Q4 2021**(2)	Q4 2020(2)	**FY 2021**(3)	FY 2020(3)
Financials ($000s)				
Revenues	**243,231**	246,212	**893,931**	860,801
Adjusted gross margin(1)	**31,020**	40,065	**120,811**	126,118
Adjusted EBITDA(1)	**24,786**	31,231	**91,022**	92,259
Net earnings	**16,140**	12,952	**47,527**	35,419
per share (basic)	**0.16**	0.13	**0.46**	0.34
per share (diluted)	**0.15**	0.12	**0.44**	0.34
Adjusted net earnings(1)	**9,620**	14,551	**33,866**	35,245
Adjusted net earnings per share (basic)(1)	**0.09**	0.14	**0.33**	0.34
Trailing twelve months free cash flow(1)	**45,505**	46,537	**45,505**	46,537
Dividends per share	**0.09**	0.09	**0.36**	0.36
Volumes				
Sugar (metric tonnes)	**214,753**	225,396	**779,505**	761,055
Maple Syrup (thousand pounds)	**11,678**	13,181	**52,255**	53,180

(1) See "Cautionary statement on Non-GAAP Measures" section of this press release for definition and reconciliation to GAAP measures.

(2) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks

(3) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

- The fourth quarter and the 2021 fiscal year consist of 13 weeks and 52 weeks respectively, while the comparative periods for last fiscal year consisted of 14 weeks and 53 weeks respectively. The impact of the additional week of fiscal 2020 on volume for the Sugar segment and the Maple Segment is approximately 15,000 metric tonnes of sugar and 1 million lbs of maple syrup;
- Consolidated adjusted EBITDA for the fourth quarter of 2021 was $24.8 million, down $6.4 million from the same quarter last year, driven by lower adjusted EBITDA in the Sugar segment including approximately $6.0 million of non-recurring variances, partially offset by higher adjusted EBITDA in the Maple segment;
- Adjusted EBITDA for the 2021 fiscal year was $91.0 million, down 1.3% from the same period in 2020, largely as a result of lower adjusted EBITDA in the Sugar segment, partially offset by higher adjusted EBITDA in the Maple segment;
- Sales volume in the Sugar segment decreased by 4.7% to 214,753 metric tonnes in the fourth quarter of 2021, including the 2020 extra week impact of approximately 15,000 metric tonnes making volume higher than the same quarter last year. For the whole 2021 fiscal year, volume was 779,505, an increase of 2.4% compared to 2020, despite one less week in 2021;

- Adjusted EBITDA in the Maple segment was $4.2 million in the fourth quarter, an increase of $0.9 million or 27.8% from the same quarter last year as a result of lower operating costs, lower administration and selling expenses as well as lower distribution costs;
- Free cash flow for the trailing 12 months ended October 2, 2021 was $45.5 million, slightly lower than the prior year balance of $46.5 million;
- In the fourth quarter of 2021, we distributed $0.09 per share to our shareholders for a total amount of $9.3 million;
- On August 6, 2021, the Canadian International Trade Tribunal issued a decision to pursue its order against dumped and subsidized sugar from the United States, European Union, and the United Kingdom. Anti-dumping and countervailing duties will continue to be applied on imported sugar from these regions. The applicable future tariff for anti-dumping and countervailing duties is currently under review by the Canadian Boarder Service Agency. A decision is expected later in 2022;
- On August 23, 2021, we announced that John Holliday, President and CEO of RSI and Lantic, would retire. Mike Walton, previously Chief Operating Officer of Lantic and President of TMTC, has been appointed President and CEO of RSI and Lantic effective October 4, 2021, with John Holliday staying with the organization in an advisory role for the next few months;
- On October 27, 2021, after several months of negotiations, we reached an agreement for the renewal of the collective labour agreement with the main union at our Montreal facility for a period of five years;
- On November 23, 2021, we extended the maturity of our revolving credit facility to November 23, 2026 and we amended the revolving credit facility by reducing the available credit by $65 million, from a total of $265 million to $200 million; and
- On November 24, 2021, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before February 1, 2022.

Sugar

Fourth Quarter 2021 Sugar Highlights (unaudited)	**Q4 2021[(2)]**	Q4 2020[(2)]	**FY 2021[(3)]**	FY 2020[(3)]
Financials ($000s)				
Revenues	**191,462**	188,666	**668,118**	631,263
Adjusted gross margin[(1)]	**26,020**	35,503	**100,223**	106,212
Per metric tonne ($/ mt)[(1)]	**121.16**	157.51	**128.57**	139.56
Administration and selling expenses	**6,591**	7,803	**27,793**	27,959
Distribution costs	**3,531**	4,197	**15,970**	16,266
Adjusted EBITDA[(1)]	**20,634**	27,982	**74,640**	78,877
Volumes (metric tonnes)				
Total volumes	**214,753**	225,396	**779,505**	761,055

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In the fourth quarter, revenue increased by 1.5% compared to the same period last year driven by increased pricing, despite having one less week of operation.

Sugar volume decreased by 4.7% or 10,643 metric tonnes in the fourth quarter compared to the same quarter last year mainly due to one less week of operation in the current quarter; the extra week represents approximately 15,000 metric tonnes. Sales demand in the industrial and consumer channels were lower than last year’s fourth quarter, which was partly offset by an increase in the liquid and export volumes during the same period.

- The reduction in industrial volume is mainly due to last year’s additional week of operation as we continue to see firm industrial demand. The decrease in consumer volume is also attributable in part to the additional week of operation in fiscal 2020 and timing variances of purchases from retailers who had higher inventory of packed sugar in 2021. These reductions in volumes were partly offset by an increase in liquid volume.
- During the current quarter, export volume increased by 1,459 metric tonnes, compared to the fourth quarter 2020 despite having one less week of operation. The increase in export volume was largely due to favourable market dynamics within the United States.

Adjusted gross margin decreased by $9.5 million in the current quarter compared to the same quarter last year. The unfavourable variance was mainly due to a $3.1 million, one-time gain recorded in the fourth quarter of 2020 related to prior period settlement of carbon credit claims, a $2.9 million non-recurring expenditure associated with future pension liabilities included in the Montreal recently negotiated collective agreement, a $2.7 million reduction in sugar sales margin attributable to lower volume and unfavourable sales mix, specifically related to the absence of US refined tariff-rate quota ("TRQ") in 2020, and higher production costs of $0.8 million mainly related to our operations in Taber.

On a per unit basis, adjusted gross margin for the fourth quarter was $121.16 per metric tonne, lower than the same quarter last year by $36.35 per metric tonne. The decrease was due mainly to non-recurring items explained above. Excluding the impact of such items the variance in adjusted gross margin on a per unit basis would have been unfavourable by $9.10 per metric tonne mainly due to lower sugar sales margin and higher production costs.

Adjusted EBITDA for the fourth quarter decreased by $7.3 million compared to the same period last year, largely as a result of lower adjusted gross margin, offset by lower administration and selling expenses as well as lower distribution costs. During the quarter, administration and selling expenses were lower by $1.2 million compared to the same quarter last year due mainly to a decrease in COVID-19 related health and safety costs and lower compensation cost and related employee benefits. Distribution costs decreased by $0.7 million as costs associated with reconfiguring our supply chain to serve our customers were lower compared to the same quarter last year due mainly to improved production volume from our Taber facility.

Maple

Fourth Quarter 2021 Maple Highlights (unaudited)	**Q4 2021**(2)	Q4 2020(2)	**FY 2021**(3)	FY 2020(3)
Financials ($000s)				
Revenues	**51,769**	57,546	**225,813**	229,538
Adjusted gross margin(1)	**5,000**	4,562	**20,588**	19,906
As a percentage of revenues (%) (1)	**9.7%**	7.9%	**9.1%**	8.7%
Administration and selling expenses	**2,084**	2,589	**9,162**	10,981
Distribution costs	**458**	472	**2,322**	2,983
Adjusted EBITDA(1)	**4,152**	3,249	**16,382**	13,382
Volumes (thousand pounds)				
Total volumes	**11,678**	13,181	**52,255**	53,180

(1) See "Cautionary statement on Non-GAAP Measures" section of this press release for definition and reconciliation to GAAP measures.
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Revenues for the current quarter were $5.8 million lower than the prior comparable period due to a reduction in sales volume. The reduction was mainly attributable to higher volume in the prior comparable period related to increased demand associated with the COVID-19 pandemic.

Adjusted gross margin for the current quarter was $0.4 million higher than the comparable period last year, driven by a combination of higher sales margin from increased pricing and lower costs from improved operational efficiency. Improved profitability was also reflected in our adjusted gross margin percentage, increasing by 180 basis points to 9.7% in the current quarter, up from 7.9% in the same quarter last year.

Adjusted EBITDA for the current quarter was $0.9 million compared to the same period last year, mainly driven by higher adjusted gross margin and lower administration and selling expenses. During the quarter, administration and selling expenses were lower by $0.5 million compared to the same quarter last year due mainly to lower sales and marketing expenses and lower employee compensation and benefits costs.

OUTLOOK

The health and safety of our employees remains our top priority. We are closely following all COVID-19 public health authority recommendations and have enhanced safety protocols in place. Since the beginning of the COVID-19 pandemic, our plants have operated without significant disruption. The uncertainty and increased demand volatility continue to make it difficult to estimate the impact on future sale volumes, operations, and financial results. We are closely monitoring the situation and will continue to adapt quickly to the changing circumstances.

In fiscal 2021, our financial results for our Sugar Segment were negatively impacted by issues, we anticipate will not occur in 2022. Overall, we believe our adjusted EBITDA of 2021 was negatively impacted by over $10.0 million in relation with such issues. This includes weather-related unfavourable impacts with our sugar beets in Alberta, the costs associated with the recognition of prior period past service charge related to the new Montreal refinery collective bargaining agreement, and the lingering effects of COVID-19 related expenditures for preventive measures and logistics.

Recognizing these unusual conditions in fiscal 2021, we expect, for 2022, improved financial performance across both of our business segments, supported by strong demand for sugar and maple syrup and improved margins in both sectors.

Sugar

We expect the sugar segment to perform well in fiscal 2022. The underlying demand remains strong across all our customer segments in our domestic market while we are anticipating a reduction in the export market. We also anticipate a return to normal for our beet sugar operations in Taber for 2022. Thus far, the 2021 harvest season has delivered the expected volume of sugar beets. The processing of the sugar beets is currently going according to schedule and is expected to be completed by the end of February.

We expect sales volume for 2022 to reach approximately 770,000 metric tonnes, representing a reduction of 9,500 metric tonnes compared to 2021. While we anticipate the domestic volume to grow steadily at 2%, exports opportunities will not be as high as in 2021, resulting in a reduction in volume. Overall, we see the following volumes variances for our customer segments:

- Industrial, which is our largest segment, is expected to grow at a modest 1% as demand for sugar containing products remains steady both in Canada and the US.
- Liquid volume is expected to deliver growth of approximately 2% to 3% driven by continued demand from existing customers as well as new customer acquisitions.
- We also expect our consumer business to be up 2% to 3%, which is more in line with normalized growth that we experienced pre-covid.
- We anticipate to sell less into export markets in 2022 since we do not foresee the US issuing a TRQ and the market dynamics for high-tier sales are not as favourable.

Despite the reduction of total volume, favourable price mix will contribute to improved profitability as compared to 2021.

Maintenance programs for the Montreal and Vancouver operating facilities are expected to follow the trend of previous years and should provide for marginal increase in operating costs. For the Taber facility, a return to normal and an improvement in the quality of the sugar beet over 2021 is expected to yield improvement in operating costs.

Spending on capital projects is also expected to be similar to recent periods. For fiscal 2022, we anticipate spending approximately $25.0 million on various capital projects, with approximately a quarter allocated to return-on-investment projects.

Maple

For fiscal 2022, we expect the Maple business segment to outperform the 2021 results. Our outlook is mainly based on expected improvement to sales margins, a trend established in 2021 and driven by successful contract negotiations with new and existing customers.

Competitive pressures in the Maple industry, along with market volatility from the COVID-19 pandemic has impacted the pace of margin improvement in 2021. For 2022, we anticipate an increase in margin from new agreements negotiated with new and existing customers and volume to remain stable at approximately 52 million lbs.

In addition, we expect to continue to drive lower operating costs through ongoing optimization at our manufacturing facilities and efficiency improvements provided by the investments made in our facilities at Granby and Degelis.

Capital investments have been reduced significantly for the Maple segment since 2021, considering the expenditures incurred over the past few years improved and increased the production capacity. We continue to expect steady growth in demand for Maple-related products although we expect a tempering from the increase seen during the period of COVID-19.

See Cautionary statement on forward-looking information and NON-GAAP measure sections.

A full copy of Rogers fourth quarter 2021, including management's discussion and analysis and audited consolidated financial statements, can be found at www.LanticRogers.com.

Conference Call and Webcast

Rogers will host a conference call to discuss its fourth quarter fiscal 2021 results on November 25, 2021 starting at 8:00a.m. ET. To participate, please dial 1-888-400-2425. A recording of the conference call will be accessible shortly after the conference, by dialing 1-800-770-2030, access code 9031006#. This recording will be available until December 5, 2021. A live audio webcast of the conference call will also be available via www.LanticRogers.com.

About Rogers Sugar

Rogers is a corporation established under the laws of Canada. The Corporation holds all of the common shares of Lantic and its administrative office is in Montréal, Québec. Lantic operates cane sugar refineries in Montreal, Québec and Vancouver, British Columbia, as well as the only Canadian sugar beet processing facility in Taber, Alberta. Lantic also operate a custom blending and packaging operation and distribution center in Toronto, Ontario. Lantic's sugar products are marketed under the "Lantic" trademark in Eastern Canada, and the "Rogers" trademark in Western Canada and include granulated, icing, cube, yellow and brown sugars, liquid sugars and specialty syrups. Lantic owns all of the common shares of TMTC and its head office is headquartered in Montréal, Québec. TMTC operates bottling plants in Granby, Dégelis and in St-Honore-de-Shenley, Québec and in Websterville, Vermont. TMTC's products include maple syrup and derived maple syrup products supplied under retail private label brands in over fifty countries and also sold under various brand names, such as TMTC, Uncle Luke's, Great Northern, Decacer and Highland Sugarworks.

For more information about Rogers please visit our website at www.LanticRogers.com.

Cautionary Statement Regarding forward-looking information

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 RSI 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, RSI 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 and the refined sugar industry
- the status of labour contracts and negotiations
- the level of future dividends
- the status of government regulations and investigations
- the impact of the COVID-19 pandemic on RSI and its operations.

Forward-looking statements are based on estimates and assumptions made by Rogers in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, including with respect to the continuity of its operations despite the COVID-19 pandemic, 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. Readers should also refer to the section "Risks and Uncertainties" of the current quarter MD&A for additional information on risk factors and other events that are not within our control. These risks are also referred to in Rogers Annual Information Form in the "Risk Factors" section.

Although we believe 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 press release and Rogers 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.

Cautionary Statement Regarding 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 audited 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. See "Non-GAAP measures" section at the end of the MD&A for the current quarter for additional information.

For further information

Mr. Jean-Sébastien Couillard
Vice President of Finance, Chief Financial Officer and Corporate Secretary
Phone: (514) 940-4350
Email: jscouillard@lantic.ca

ROGERS SUGAR INC.

Financial Report Q4 2021

This Management's Discussion and Analysis ("MD&A") of Rogers Sugar Inc.'s ("Rogers", "RSI" or "our," "we", "us") dated November 24, 2021, should be read in conjunction with the audited consolidated financial statements and related notes for the years ended October 2, 2021 and October 3, 2020. Our MD&A and consolidated financial statements are prepared using a fiscal year which typically consists of 52 weeks, however, every five years, a fiscal year consists of 53 weeks. The fiscal years ended October 2, 2021 and September 28, 2019 consist of 52 weeks and the fiscal year ended October 3, 2020 consists of 53 weeks.

All financial information contained in this MD&A and audited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are in Canadian dollars unless otherwise noted, and the term "dollar", as well as the symbol "$", designate Canadian dollars unless otherwise indicated.

Management is responsible for preparing the MD&A. Rogers's audited consolidated financial statements and MD&A have been approved by its Board of Directors upon the recommendation of its Audit Committee prior to release.

Additional information relating to Rogers, Lantic Inc. ("Lantic") (Rogers and Lantic together referred as the "Sugar segment"), The Maple Treat Corporation ("TMTC") and Highland Sugarworks Inc. ("Highland") (the latter two companies together referred to as "TMTC" or the "Maple products segment"), including the annual information form, quarterly and annual reports, management proxy circular, short form prospectus and various press releases is available on Rogers's website at www.LanticRogers.com or on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com. Information contained in or otherwise accessible through our website does not form part of this MD&A and is not incorporated into the MD&A by reference.

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OUR BUSINESS

Rogers has a long history of providing high quality sugar products to the Canadian market and has been operating since 1888. We are the largest refined sugar producer in Canada and the largest maple syrup bottler in the world. Our aspiration is to become a leading North American natural sweetener supplier by executing our strategies through operational excellence and market access. On August 5 and November 18, 2017, we made progress in our third strategy by acquiring TMTC and Decacer. As a result, we diversified and solidified our leadership position in this growing natural sweetener market. Our Business has two distinct segments - Sugar – which includes refined sugar and by-products and Maple – which includes maple syrup and maple derived products.

Rogers' head office is in Vancouver, British Columbia and its administrative office is located in Montréal, Québec.

Our 900 employees are key to our success and employee safety is continuously at the forefront of our priorities. Each of our manufacturing operations incorporates occupational health and safety components in its annual planning which are reviewed weekly by senior management and quarterly by the Board of Directors.

Sugar

Facilities

Lantic is the only sugar producer with operating facilities across Canada with cane refineries in Montréal and Vancouver and a sugar beet factory in Taber, Alberta. Lantic also operates a custom blending and packaging operation and a distribution center in Toronto, Ontario. The strategic location of these facilities confers operating flexibility and the ability to service all customers across the country efficiently and on a timely basis.

Our Products

All Lantic operations supply high quality white sugar as well as a broad portfolio of specialty products which are differentiated by colour, granulation, packaging format and raw material source.

Sales are focused in four specific market segments: industrial, consumer, liquid and export products. The domestic market represents more than 90% of our company's total volume.

In fiscal 2021, the domestic refined sugar market has continued to show modest growth consistent with the recent history.

The industrial granulated segment is the largest segment accounting for approximately 55% of all shipments. The industrial segment is comprised of a broad range of food processing companies that serve both the Canadian and American markets.

In the consumer market segment, a wide variety of products are offered under the Lantic and Rogers brand name. This segment has remained stable during the past several years except during the current pandemic. In fiscal 2020, demand in this segment increased mainly due to the pantry-loading experienced in the early stage of the COVID-19 pandemic. In fiscal 2021, this segment returned to its pre pandemic levels.

The liquid market segment is comprised of core users whose process or products require liquid sucrose and another customer group that can substitute liquid sucrose with high fructose corn syrup (“HFCS”). The purchasing patterns of substitutable users are largely influenced by the absolute price spread between HFCS and liquid sugar. Increasingly, other considerations, such as ingredient labeling could also bear some influence on the purchasing decision. The liquid segment grew by approximately 9.8% during the current fiscal year as a result of an increase in overall demand and the continuous conversion from HFCS to sucrose that was beneficial for the Canadian refiners.

Lantic’s Taber plant is the only beet sugar factory in Canada and is therefore the only producer of Canadian origin sugar. From this facility, we service a mix of customers across Western Canada. We also sell into other North American markets through various trade deals. As such, this plant is the sole participant in an annual Canadian-specific quota to the U.S. of 19,900 metric tonnes of Canadian origin sugar under the Canada-United-States-Mexico Agreement (“CUSMA”).

By-products relating to beet processing and cane refining activities are sold in the form of beet pulp, beet pellets and cane molasses. Beet pellets are sold domestically and to export customers for livestock feed. The production of beet molasses and cane molasses is dependent on the volume of sugar processed through the Taber, Montréal and Vancouver plants.

Our Supply

The global supply of raw cane sugar is ample. Over the last several years, Lantic has purchased most of its raw cane sugar from Central and South America for its Montréal and Vancouver cane refineries.

In fiscal 2021, we have concluded a two-year extension to the existing agreement with the Alberta Sugar Beet Growers (the “Growers”) for the supply of sugar beets to the Taber beet plant, for which the crop harvested in the Fall of 2021 is the first year of the agreed contract. Any potential shortfall in beet sugar production related to crop issues is mostly replaced by refined cane sugar from the Vancouver refinery, which acts as a swing capacity refinery and from the Montréal refinery if required.

Pricing

In fiscal 2021, the price of raw sugar number 11 (Raw #11), traded on the Intercontinental Exchange (“ICE”), fluctuated between U.S. 13.55 cents per pound and U.S. 20.37 cents per pound and closed at U.S. 19.69 cents per pound at the end of the fiscal year, which was U.S. 6.14 cents higher than the closing value at October 3, 2020. Although price variation during the year was similar than in fiscal 2020 when Raw #11prices fluctuated between U.S. 9.05 and U.S. 15.90 cents per pound, the average Raw #11 price in fiscal 2021 was higher than fiscal 2020 average. The higher average price of Raw #11 was mainly due to several factors including the increase in oil price, and the La Nina weather patterns that continues to disrupt crops in South America.

The price of refined sugar deliveries from the Montréal and Vancouver raw cane facilities is directly linked to the price of the Raw #11 market traded on the ICE. All sugar transactions are economically hedged, thus eliminating the impact of volatility in world raw sugar prices. This applies to all refined sugar sales made by these plants.

Maple

Facilities

TMTC operates three plants in Québec, namely, in Granby, Dégelis and in St-Honoré-de-Shenley, and one in Websterville, Vermont. On August 1, 2018, we announced our intention to relocate our Granby operation to a new built for purpose leased facility also located in Granby. The relocation was completed at the beginning of 2020. To support our producer direct procurement strategy, TMTC also uses a storage facility in Dégelis and in St-Robert-Bellarmin, Québec. Finished products are largely shipped directly from our manufacturing sites.

Our Products

TMTC’s products are mainly comprised of the following: bottled maple syrup, bulk maple syrup and maple sugar and flakes.

Bottled maple syrup is packaged in a variety of ways and sizes, including bottles, plastic jugs and the traditional cans. Bottled maple syrup is available in all commercial grades and in organic and non-organic varieties. TMTC’s bottled maple syrup is sold mainly under retail private label brands and also under a variety house brands, including TMTC, Uncle Luke's™, Great Northern™, Decacer and Highland Sugarworks™.

Bulk maple syrup is mainly sold in containers of 4L or 17L, barrels and totes to foodservice retailers, food processors as well as other wholesalers.

Our Supply

The biggest concentration of maple trees is located in Québec, New Brunswick, Ontario, Vermont, Maine and New Hampshire. The production of maple syrup takes place over a period of 6 to 8 weeks during the months of March and April of each year.

Canada remains the largest producer of maple syrup, with over 80% of the world's production. The U.S. is the only other major producing country in the world, representing approximately 20% of the global supply. Québec represented 70% of the world's production.

The maple syrup producers in Québec are represented by the Producteurs et Productrices Acéricoles du Québec ("PPAQ"). The PPAQ generally regulates the buying and selling of bulk maple syrup. The PPAQ represents approximately 11,300 producers and 7,400 individual businesses.

In Québec, nearly 90% of the total production of maple syrup is sold through the PPAQ to the authorized buyers, leaving only approximately 10% of the total production being sold directly by the producers to consumers or grocery stores.

In 2002, the PPAQ set up a strategic maple syrup reserve in order to mitigate production fluctuations imputable to weather conditions and prevent such fluctuations from causing maple syrup prices to spike or drop significantly. The reserve was initially established to set aside a production quantity equivalent to half of the then annual demand. Each year, the PPAQ may organize a sale of a portion of its accumulated reserve. This allows bottlers to respond to supply shortages in the event of a poor harvest or unplanned growth and demand. As of October 2021, the PPAQ had over 46 million pounds of bulk maple syrup, including 9 million pounds of processing/industrial grade maple syrup, in its strategic reserve, which represents about 25% of the annual global retail consumption.

In 2004, the PPAQ adopted a policy with respect to production and marketing quotas which resulted in an annual production volume allocated to each maple syrup business. The main objective of the policy is to adjust the supply of maple syrup in response to consumer demand, and more specifically, to stabilize selling prices for producers and, ultimately, the buying price for consumers, foster investments in the maple industry and maintain a steady number of maple producing businesses in operation, regardless of their size.

Outside of Québec, the maple syrup industry is generally organized through producer-based organizations or associations, which promote maple syrup in general and its industry and serve as the official voice for maple syrup producers with the public.

TMTC has relationships with more than 1,400 maple syrup producers, mainly in Québec and Vermont. Most of these producers sell 100% of their production to TMTC. Through its strong relationship with such producers, TMTC was able to develop a leading position in certified organic maple syrup.

Pricing

Pursuant to a Marketing Agreement entered into annually between the PPAQ and the Conseil de l'industrie de l'érable (the Maple Industry Council ("MIC")), authorized buyers must pay a minimum price to the PPAQ for any maple syrup purchased from the producers. The price is fixed on an annual basis and depends on the grade of the maple syrup. In addition, a premium is added to the minimum price for any organic maple syrup. Pursuant to the Marketing Agreement, authorized buyers must buy maple syrup from the PPAQ.

USE OF FINANCIAL DERIVATIVES FOR HEDGING

Sugar

In order to protect itself against fluctuations in the world raw sugar market, we follow a rigorous hedging program for all purchases of raw cane sugar and sales of refined sugar.

The Raw #11 market is only traded on the ICE, which trades in U.S. dollars. One can trade sugar futures forward for a period of three years against four specific terminals per year (March, May, July and October). The terminal values are used to determine the price settlement upon the receipt of a raw sugar vessel or the delivery of sugar to our customers. The ICE rules are strict and are governed by the New York Board of Trade. Any amount owed, due to the movement of the commodity being traded, must be settled in cash the following day (margin call payments/receipts).

For the purchasing of raw sugar, we enter into long-term supply contracts with reputable raw sugar suppliers (the “Seller”). These long-term agreements will, amongst other things, specify the yearly volume (in metric tonnes) to be purchased, the delivery period of each vessel, the terminal against which the sugar will be priced, and the freight rate to be charged for each delivery. The price of raw sugar will be determined later by the Seller, based upon the delivery period. The delivery period will correspond to the terminal against which the sugar will be priced.

Our process of selling refined sugar is also done under the Raw #11 market. When a sales contract is negotiated with a customer, the sales contract will determine the period of the contract, the expected delivery period against specific terminals and the refining margin and freight rate to be charged over and above the value of the sugar. The price of the sugar is not yet determined but needs to be fixed by the customer prior to delivery. The customer will make the decision to fix the price of the sugar when he feels the sugar market is favourable against the sugar terminal, as per the anticipated delivery period.

We purchase sugar beets from the Growers under a fixed price formula. The new extension agreement with the Growers no longer includes a scale incentive when raw sugar values exceed a certain price level.

Natural Gas

The Board of Directors of Lantic approved an energy hedging policy to mitigate the overall price risks in the purchase of natural gas.

We purchase between 3.0 million gigajoules and 3.5 million gigajoules of natural gas per year for use in our refining operations. To protect against large and unforeseen fluctuations, we can hedge forward up to 90% of our estimated usage over the next 12 months and lower percentages of our estimated usage on a longer-term basis.

These gas hedges are unwound in the months that the commodity is used in the operations, at which time any gains or losses incurred are then recognized for the determination of gross margins and earnings.

Foreign Exchange

Raw sugar costs for all sales contracts are based on the U.S. dollar. Our company also buys natural gas in U.S. dollars. In addition, sugar export sales and some Canadian sugar sales are denominated in U.S. dollars.

In order to protect ourselves against the movement of the Canadian dollar versus the U.S. dollar, we, on a daily basis, reconcile all of our exposure to the U.S. dollar and we hedge the net position against various forward months, estimated from the date of the various transactions.

Certain export sales of maple syrup are denominated in U.S. dollars, in Euro or in Australian dollars. In order to mitigate against the movement of the Canadian dollar versus the U.S. dollars, Euro or Australian dollars, we enter into foreign exchange hedging contracts with certain customers. These foreign exchange hedging contracts are unwound when the money is received from the customer, at which time any gains or losses incurred are then recognized for the determination of gross margins and earnings. Foreign exchange gains or losses on any unhedged sales contracts are recorded when realized.

UPDATE ON COVID-19

The ongoing COVID-19 pandemic has negatively impacted the global economy, disrupted financial markets and supply chain, significantly restricted business travel and interrupted business activity.

Our business is considered an essential service by the government and as such, our plants have operated without significant disruption. We have established extensive protection measures and protocols to ensure the health and safety of our employees. COVID-19 could have a material effect on our business as it relates to customer demand, supply chain, operations, financial market volatility, pension and benefits liabilities and other economic fundamentals. For the fourth quarter and the year 2021, we incurred direct costs amounting to $0.5 million and $3.0 million respectively in relation to COVID-19. These costs were largely due to increased health and safety measures implemented across all production facilities.

The effect of COVID-19 on our business may continue for an extended period and the ultimate impact will depend on future developments that are uncertain and cannot be predicted, including and without limitations, the duration and severity of the pandemic, the effectiveness of the actions taken to contain and treat the disease and the length of time it takes for normal economic and operating conditions to resume.

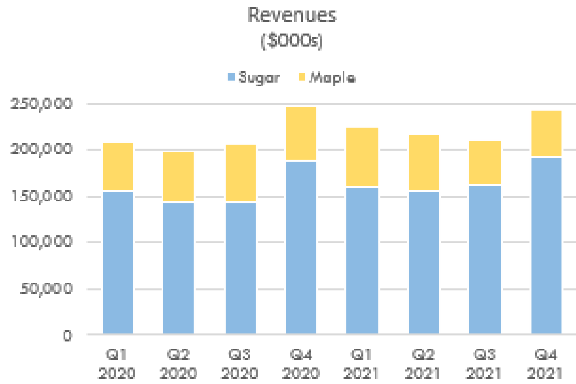
BUSINESS HIGHLIGHTS

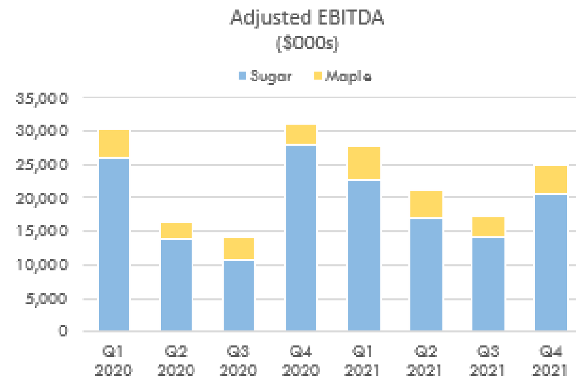
- The fourth quarter and the 2021 fiscal year consist of 13 weeks and 52 weeks respectively, while the comparative periods for last fiscal year consisted of 14 weeks and 53 weeks respectively. The impact of the additional week of fiscal 2020 on volume for the Sugar segment and the Maple Segment is approximately 15,000 metric tonnes of sugar and 1 million lbs of maple syrup;
- Consolidated adjusted EBITDA for the fourth quarter of 2021 was $24.8 million, down $6.4 million from the same quarter last year, driven by lower adjusted EBITDA in the Sugar segment including approximately $6.0 million of non-recurring variances, partially offset by higher adjusted EBITDA in the Maple segment;
- Adjusted EBITDA for the 2021 fiscal year was $91.0 million, down 1.3% from the same period in 2020, largely as a result of lower adjusted EBITDA in the Sugar segment, partially offset by higher adjusted EBITDA in the Maple segment;
- Sales volume in the Sugar segment decreased by 4.7% to 214,753 metric tonnes in the fourth quarter of 2021, including the 2020 extra week impact of approximately 15,000 metric tonnes making volume higher than the same quarter last year. For the whole 2021 fiscal year, volume was 779,505, an increase of 2.4% compared to 2020, despite one less week in 2021;
- Adjusted EBITDA in the Maple segment was $4.2 million in the fourth quarter, an increase of $0.9 million or 27.8% from the same quarter last year as a result of lower operating costs, lower administration and selling expenses as well as lower distribution costs;
- Free cash flow for the trailing 12 months ended October 2, 2021 was $45.5 million, slightly lower than the prior year balance of $46.5 million;
- In the fourth quarter of 2021, we distributed $0.09 per share to our shareholders for a total amount of $9.3 million;
- On August 6, 2021, the Canadian International Trade Tribunal issued a decision to pursue its order against dumped and subsidized sugar from the United States, European Union, and the United Kingdom. Anti-dumping and countervailing duties will continue to be applied on imported sugar from these regions. The applicable future tariff for anti-dumping and countervailing duties is currently under review by the Canadian Boarder Service Agency. A decision is expected later in 2022;
- On August 23, 2021, we announced that John Holliday, President and CEO of RSI and Lantic, would retire. Mike Walton, previously Chief Operating Officer of Lantic and President of TMTC, has been appointed President and CEO of RSI and Lantic effective October 4, 2021, with John Holliday staying with the organization in an advisory role for the next few months;
- On October 27, 2021, after several months of negotiations, we reached an agreement for the renewal of the collective labour agreement with the main union at our Montreal facility for a period of five years;
- On November 23, 2021, we extended the maturity of our revolving credit facility to November 23, 2026 and we amended the revolving credit facility by reducing the available credit by $65 million, from a total of $265 million to $200 million; and
- On November 24, 2021, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before February 1, 2022.

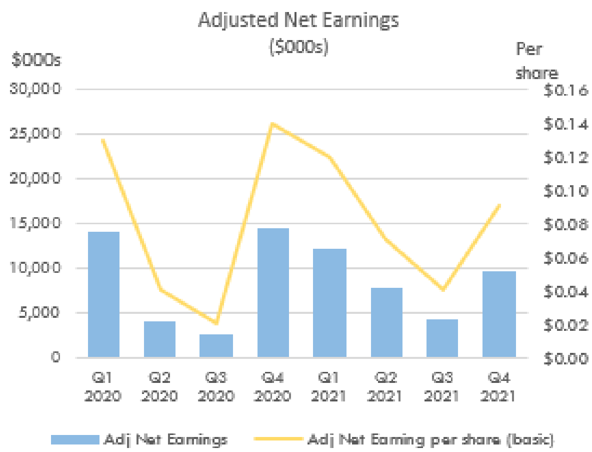
SELECTED FINANCIAL DATA AND HIGHLIGHTS

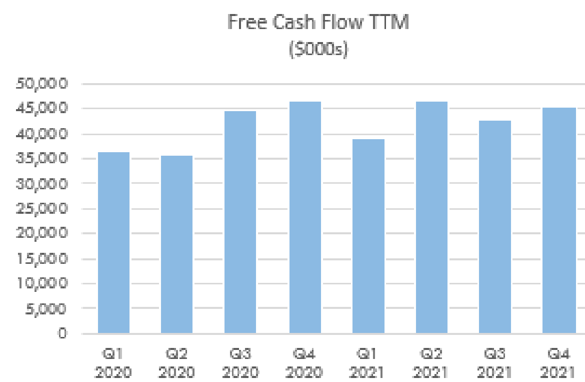
(unaudited) (In thousands of dollars, except volumes and per share information)	**Q4 2021(2)**	Q4 2020(2)	**FY 2021(3)**	FY 2020(3)
Sugar (metric tonnes)	**214,753**	225,396	**779,505**	761,055
Maple syrup (‘000 pounds)	**11,678**	13,181	**52,255**	53,180
Total revenues	**243,231**	246,212	**893,931**	860,801
Gross Margin	**39,616**	37,890	**139,744**	126,199
Adjusted gross margin(1)	**31,020**	40,065	**120,811**	126,118
Results from operating activities	**26,952**	22,829	**84,497**	68,010
Adjusted results from operating activities(1)	**18,356**	25,004	**65,564**	67,929
Adjusted EBITDA(1)	**24,786**	31,231	**91,022**	92,259
Net earnings	**16,140**	12,952	**47,527**	35,419
per share (basic)	**0.16**	0.13	**0.46**	0.34
per share (diluted)	**0.15**	0.12	**0.44**	0.34
Adjusted net earnings(1)	**9,620**	14,551	**33,866**	35,245
Adjusted net earnings per share (basic)(1)	**0.09**	0.14	**0.33**	0.34
Trailing twelve months free cash flow(1)	**45,505**	46,537	**45,505**	46,537
Dividends per share	**0.09**	0.09	**0.36**	0.36

(1) See “Non-GAAP Measures” section for definition and reconciliation to GAAP measures
(2) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(3) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks









Adjusted results

In the normal course of business, we use derivative financial instruments consisting of sugar futures, foreign exchange forward contracts, natural gas futures and interest rate swaps. We have designated our natural gas futures and our interest rate swap agreements entered into in order to protect us against natural gas prices and interest rate fluctuations as cash flow hedges. Derivative financial instruments pertaining to sugar futures and foreign exchange forward contracts are marked-to-market at each reporting date and are charged to the consolidated statement of earnings. The unrealized gains/losses related to natural gas futures and interest rate swaps qualified under hedged accounting 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 derivative hedging instruments.

We believe that our financial results are more meaningful to management, investors, analysts, and any other interested parties when financial results are adjusted by the gains and losses from financial derivative instruments. 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.

We use the non-GAAP adjusted results of the operating company to measure and to evaluate the performance of the business through our adjusted gross margin, adjusted results from operating activities, adjusted EBITDA, adjusted net earnings, adjusted net earnings per share and trailing twelve months free cash flow. In addition, we believe that these measures are important to our investors and parties evaluating our performance and comparing such performance to past results. We also use adjusted gross margin, adjusted EBITDA, adjusted results from operating activities and adjusted net earnings when discussing results with the Board of Directors, analysts, investors, banks and other interested parties. See “Non-GAAP measures” section.

OUR RESULTS ARE ADJUSTED AS FOLLOWS:

Income (loss) (In thousands of dollars)	**Q4 2021[(1)]**			Q4 2020[(1)]		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	**2,879**	**-**	**2,879**	(1,766)	-	(1,766)
Foreign exchange forward contracts	**(503)**	**(500)**	**(1,003)**	992	1,069	2,061
Total mark-to-market adjustment on derivatives	**2,376**	**(500)**	**1,876**	(774)	1,069	295
Cumulative timing differences	**7,275**	**(555)**	**6,720**	(2,555)	61	(2,494)
Adjustment to cost of sales	**9,651**	**(1,055)**	**8,596**	(3,329)	1,130	(2,199)
Amortization of transitional balance to cost of sales and changes in fair value of expired contracts for cash flow hedges	**-**	**-**	**-**	24	-	24
Total adjustment to costs of sales	**9,651**	**(1,055)**	**8,596**	(3,305)	1,130	(2,175)

(1) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks

Income (loss) (In thousands of dollars)	**FY 2021[(1)]**			FY 2020[(1)]		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	**3,431**	**-**	**3,431**	(801)	-	(801)
Foreign exchange forward contracts	**2,904**	**1,733**	**4,637**	1,605	1,010	2,615
Total mark-to-market adjustment on derivatives	**6,335**	**1,733**	**8,068**	804	1,010	1,814
Cumulative timing differences	**14,471**	**(3,606)**	**10,865**	(2,023)	195	(1,828)
Adjustment to cost of sales	**20,806**	**(1,873)**	**18,933**	(1,219)	1,205	(14)
Amortization of transitional balance to cost of sales and changes in fair value of expired contracts for cash flow hedges		**-**	**-**	95	-	95
Total adjustment to costs of sales	**20,806**	**(1,873)**	**18,933**	(1,124)	1,205	81

(1) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

Fluctuations in the mark-to-market adjustment on derivatives are due to the price movements in Raw #11 price and foreign exchange variations.

We recognize cumulative timing differences, as a result of mark-to-market gains or losses, only when sugar is 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.

The above described adjustments are added to or deducted from the mark-to-market results to arrive at the total adjustment to cost of sales. For the three and twelve months periods ended on October 2, 2021, the total cost of sales adjustment is a gain of $8.6 million and $18.9 million, respectively, to be deducted from the consolidated results. For the fourth quarter 2020, the total cost of sales adjustments is a loss of $2.2 million to be added to the consolidated results and for the year 2020, the total cost of sales adjustment is a gain $0.1 million to be deducted from the consolidated results.

See the “Non-GAAP measures” section for more information on these adjustments.

SEGMENTED INFORMATION

Segmented Results (In thousands of dollars)	**Q4 2021[3]**			Q4 2020[3]		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Revenues	**191,462**	**51,769**	**243,231**	188,666	57,546	246,212
Gross margin	**35,671**	**3,945**	**39,616**	32,198	5,692	37,890
Administration and selling expenses	**6,591**	**2,084**	**8,675**	7,803	2,589	10,392
Distribution costs	**3,531**	**458**	**3,989**	4,197	472	4,669
Results from operating activities	**25,549**	**1,403**	**26,952**	20,198	2,631	22,829
Adjustment to cost of sales[2]	**(9,651)**	**1,055**	**(8,596)**	3,305	(1,130)	2,175
Adjusted Gross margin[1]	**26,020**	**5,000**	**31,020**	35,503	4,562	40,065
Adjusted results from operating activities[1]	**15,898**	**2,458**	**18,356**	23,503	1,501	25,004
Adjusted EBITDA[1]	**20,634**	**4,152**	**24,786**	27,982	3,249	31,231
Additional information:						
Additions to property, plant and equipment and intangible assets, net of disposals	**5,394**	**497**	**5,891**	8,394	578	8,972
Increase in asset retirement obligation provision included in property, plant and equipment	**100**	**-**	**100**	-	-	-
Additions to right-of-use assets	**5**	**38**	**43**	11,597	490	12,087

(1) See “Non-GAAP Measures” section for definition and reconciliation to GAAP measures
(2) See “Adjusted results” section
(3) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks

Segmented Results (In thousands of dollars)	**FY 2021[3]**			FY 2020[3]		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Revenues	**668,118**	**225,813**	**893,931**	631,263	229,538	860,801
Gross margin	**121,029**	**18,715**	**139,744**	105,088	21,111	126,199
Administration and selling expenses	**27,793**	**9,162**	**36,955**	27,959	10,981	38,940
Distribution costs	**15,970**	**2,322**	**18,292**	16,266	2,983	19,249
Results from operating activities	**77,266**	**7,231**	**84,497**	60,863	7,147	68,010
Adjustment to cost of sales[2]	**(20,806)**	**1,873**	**(18,933)**	1,124	(1,205)	(81)
Adjusted Gross margin[1]	**100,223**	**20,588**	**120,811**	106,212	19,906	126,118
Adjusted results from operating activities[1]	**56,460**	**9,104**	**65,564**	61,987	5,942	67,929
Adjusted EBITDA[1]	**74,640**	**16,382**	**91,022**	78,877	13,382	92,259
Additional information:						
Additions to property, plant and equipment and intangible assets, net of disposals	**23,574**	**1,222**	**24,796**	20,611	6,569	27,180
Increase in asset retirement obligation provision included in property, plant and equipment	**3,231**		**3,231**	100		100
Additions to right-of-use assets	**1,863**	**861**	**2,724**	14,550	8,303	22,853

(1) See “Non-GAAP Measures” section for definition and reconciliation to GAAP measures
(2) See “Adjusted results” section
(3) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

SUGAR

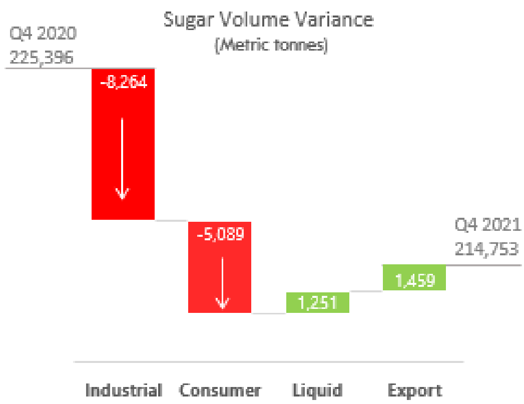
REVENUES

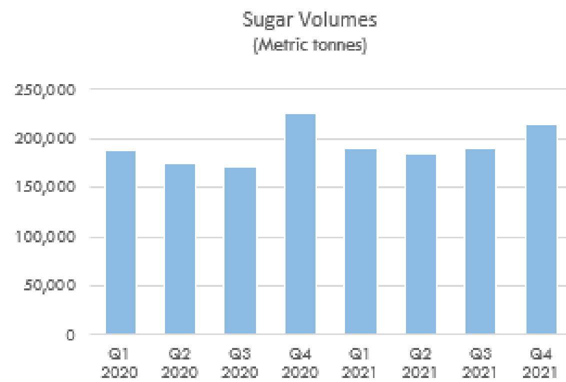
	Q4 2021[(1)]	Q4 2020[(1)]	Δ	FY 2021[(2)]	FY 2020[(2)]	Δ
(In thousands of dollars)	**191,462**	188,666	2,796	**668,118**	631,263	36,855

(1) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks

(2) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

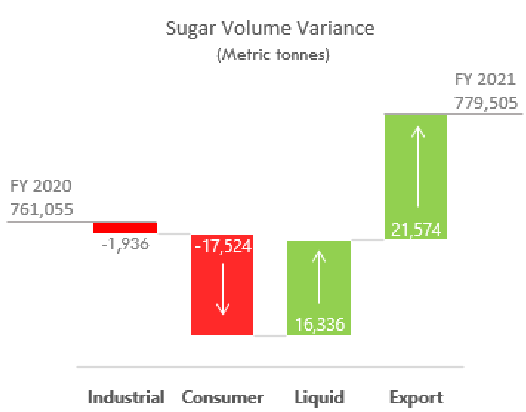
In the fourth quarter and the 2021 fiscal year, revenues increased by 1.5% and 5.8% respectively compared to the same periods last year, despite having one less week of operation, driven by increased pricing and higher overall volume for the year.

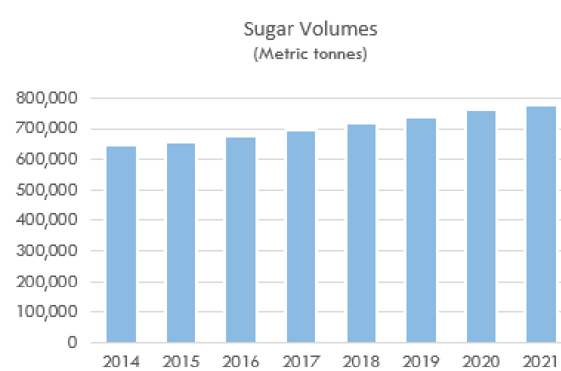




Sugar volume decreased by 4.7% or 10,643 metric tonnes in the fourth quarter compared to the same quarter last year mainly due to one less week of operation in the current quarter; the extra week represents approximately 15,000 metric tonnes. Sales demand in the industrial and consumer channels were lower than last year's fourth quarter, which was partly offset by an increase in the liquid and export volumes during the same period.

- The reduction in industrial volume is mainly due to last year's additional week of operation as we continue to see firm industrial demand. The decrease in consumer volume is also attributable in part to the additional week of operation in fiscal 2020 and timing variances of purchases from retailers who had higher inventory of packed sugar in 2021. These reductions in volumes were partly offset by an increase in liquid volume.
- During the current quarter, export volume increased by 1,459 metric tonnes, compared to the fourth quarter 2020 despite having one less week of operation. The increase in export volume was largely due to favourable market dynamics within the United States.





During fiscal 2021, sugar volume totaled 779,505 metric tonnes, an increase of 2.4% or 18,450 metric tonnes compared to the same period last year, despite one less week of operation.

- The overall increase was driven by strong demand for liquid and export volumes, partly offset by a reduction in consumer volume of 15% or 17,524 metric tonnes. Consumer volume was lowered compared to the same period last year when consumer demand surged as a result of pantry-loading during the early stage of the pandemic in 2020.
- Export volume increased in fiscal 2021 due to higher beet sugar sales to the United States and Mexico throughout the period. The increase was largely due to favourable market dynamics, combined with improved availability of sugar from our Taber facility to fill those orders.

GROSS MARGIN

	Q4 2021(3)	Q4 2020(3)	Δ	**FY 2021**(4)	FY 2020(4)	Δ
(In thousands of dollars, except per metric tonne information)						
Gross margin	**35,671**	32,198	3,473	**121,029**	105,088	15,941
Total adjustment to cost of sales(2)	**(9,651)**	3,305	(12,956)	**(20,806)**	1,124	(21,930)
Adjusted gross margin(1)	**26,020**	35,503	(9,483)	**100,223**	106,212	(5,989)
Adjusted gross margin per metric tonne(1)	**121.16**	157.51	(36.35)	**128.57**	139.56	(10.99)
Included in Gross margin:						
Depreciation of property, plant and equipment and right-of-use assets	**4,118**	3,920	198	**15,450**	14,918	532

(1) See “Non-GAAP Measures” section for definition and reconciliation to GAAP measures
(2) See “Adjusted results” section
(3) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(4) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

Gross margins were $35.7 million and $121.0 million for the current quarter and the 2021 fiscal year, and include a gain of $9.7 and $20.8 million, respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margins were $32.2 million and $105.1 million, respectively, with a mark-to-market loss of $3.3 million and $1.1 million.

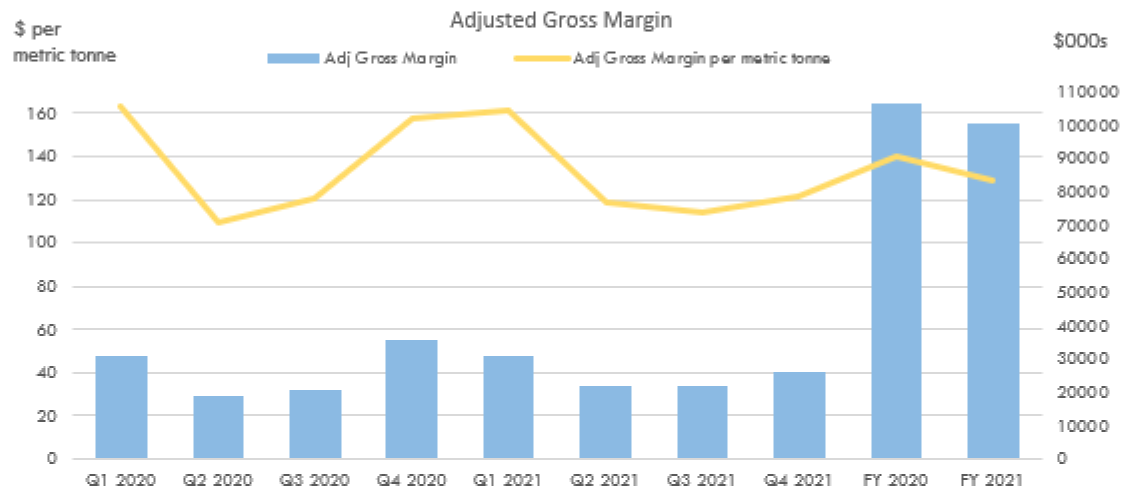
Adjusted gross margin were $26.0 million and $100.2 million for the fourth quarter and for the 2021 fiscal year, respectively, as compared to $35.5 million and $106.2 million in the same periods of 2020.

Adjusted gross margin decreased by $9.5 million in the current quarter compared to the same quarter last year. The unfavourable variance was mainly due to a $3.1 million one-time gain recorded in the fourth quarter of 2020 related to prior period settlement of carbon credit claims, a $2.9 million non-recurring expenditure associated with future pension liabilities included in the Montreal recently negotiated collective agreement, a $2.7 million reduction in sugar sales margin attributable to lower volume and unfavourable sales mix, specifically related to the absence of a US refined tariff-rate quota (“TRQ”) in 2020, and higher production costs of $0.8 million mainly related to our operations in Taber.

On a per unit basis, adjusted gross margin for the fourth quarter was $121.16 per metric tonne, lower than the same quarter last year by $36.35 per metric tonne. The decrease was due mainly to non-recurring items explained above. Excluding the impact of such items the variance in adjusted gross margin on a per unit basis would have been unfavourable by $9.10 per metric tonne mainly due to lower sugar sales margin and higher production costs.

Adjusted gross margin for the 2021 fiscal year was $6.0 million lower than the comparable period last year. The unfavourable variance was mainly due to higher production costs of $9.8 million, mainly attributable to unfavourable weather-related conditions encountered in the second quarter in Taber, impacting sugar beet storage and causing severe sugar beet deterioration resulting in higher processing costs and unplanned discard expenditures, a $3.1 million one-time gain recorded in the fourth quarter of 2020 related to prior period settlement of carbon credit claims and a $2.9 million non-recurring expenditure associated with future pension liabilities included in the Montreal collective agreement. These unfavourable variances were partially offset by higher sugar sales margin of $10.5 million, from higher volume and higher average sales price.

On a per unit basis, adjusted gross margin for the 2021 fiscal year was $128.57 per metric tonne, compared to $139.56 per metric tonne in the 2020 fiscal year, an unfavourable variance of $10.99 per metric tonne. Excluding the impact of the carbon credit for prior periods and the impact of the Montreal collective agreement, the variance in adjusted gross margin on a per unit basis would have been unfavourable by $3.20 per metric tonne.



OTHER EXPENSES

(In thousands of dollars)	**Q4 2021**(1)	Q4 2020(1)	Δ	**FY 2021**(2)	FY 2020(2)	Δ
Administration and selling expenses	**6,591**	7,803	(1,212)	**27,793**	27,959	(164)
Distribution costs	**3,531**	4,197	(666)	**15,970**	16,266	(295)
Included in Administration and selling expenses:						
Depreciation of property, plant and equipment and right-of-use assets	**221**	230	(9)	**897**	862	35
Included in Distribution costs:						
Depreciation of right-of-use assets	**398**	329	69	**1,833**	1,110	723

(1) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(2) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

In the fourth quarter, administration and selling expenses were lower by $1.2 million compared to the same quarter last year due mainly to a decrease in COVID-19 related health and safety costs and lower compensation cost and related employee benefits. Distribution costs decreased by $0.7 million as costs associated with reconfiguring our supply chain to serve our customers were lower compared to the same quarter last year due to improved production volume from our Taber facility.

For the 2021 fiscal year, administration and selling expenses were $0.2 million lower than the comparable period last year, due mainly to a slight decline in COVID-19 related costs incurred during the year. Distribution cost decreased by $0.3 million compared to the 2020 fiscal year, largely driven by lower distribution costs in the last three quarters of the year as the costs to reconfigure our supply chain to compensate for the crop shortfall during these quarters were lower compared to the same quarters last year.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

(In thousands of dollars)	**Q4 2021**(3)	Q4 2020(3)	Δ	**FY 2021**(4)	FY 2020(4)	Δ
Results from operating activities	**25,549**	20,198	5,351	**77,266**	60,863	16,403
Total adjustment to cost of sales (2)	**(9,651)**	3,305	(12,956)	**(20,806)**	1,124	(21,930)
Adjusted results from operating activities (1)	**15,898**	23,503	(7,605)	**56,460**	61,987	(5,527)
Depreciation of property, plant and equipment, right-of-use assets, and amortization of intangible assets	**4,737**	4,479	258	**18,180**	16,890	1,290
Adjusted EBITDA(1)	**20,634**	27,982	(7,348)	**74,640**	78,877	(4,237)

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(4) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

Results from operating activities for the fourth quarter and the 2021 fiscal year were $25.5 million and $77.3 million respectively, an increase from $20.2 million and $60.9 million compared to the same periods last year. These results include gains and losses from the mark-to-market valuation of derivative financial instruments, as well as timing differences in the recognition of any gains and losses on the liquidation of derivative instruments. In addition, higher non-cash depreciation and amortization expense from new in-service assets had a negative impact on the results from operating activities.

Adjusted results from operating activities in the fourth quarter of 2021 were $7.6 million lower than the same period last year, mainly due to lower adjusted gross margin, partially offset by lower administration and selling expenses as well as lower distribution costs as explained above. Adjusted results from operating activities for the 2021 fiscal year were $5.5 million lower than the same period last year, as lower adjusted gross margin was offset by lower administration and selling expenses and lower distribution costs.

Adjusted EBITDA for the fourth quarter decreased by $7.3 million compared to the same period last year, largely as a result of lower adjusted gross margin, offset by lower administration and selling expenses as well as lower distribution costs. Adjusted EBITDA for the 2021 fiscal year decreased by $4.2 million largely due to lower adjusted gross margin offset by lower administration and distribution costs, as mentioned above.

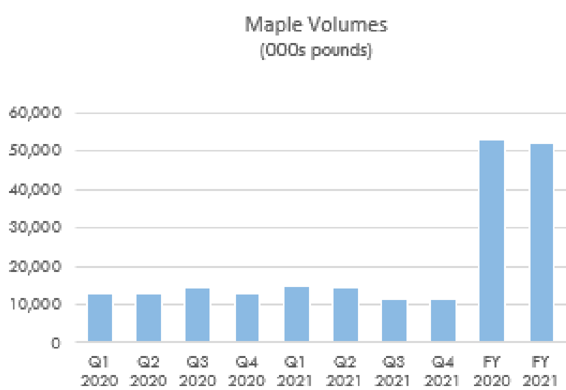
Maple

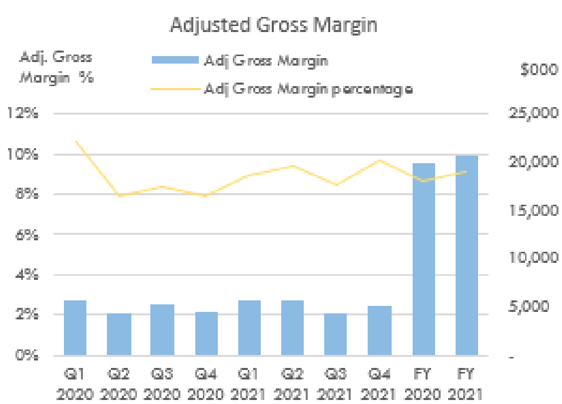
REVENUES

	Q4 2021(1)	Q4 2020(1)	Δ	**FY 2021**(2)	FY 2020(2)	Δ
(In thousands of dollars, except volumes)						
Volumes ('000 pounds)	**11,678**	13,181	(1,503)	**52,255**	53,180	(925)
Revenues	**51,769**	57,546	(5,777)	**225,813**	229,538	(3,725)

(1) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks

(2) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks





Revenues for the current quarter were $5.8 million lower than the prior comparable period due to a reduction in sales volume. The reduction was mainly attributable to higher volume purchased in the prior comparable period related to increased demand associated with the COVID-19 pandemic. For the 2021 fiscal year, revenues were $3.7 million lower than last fiscal year, as the unfavourable variance of the second half of 2021 related to the tempering of the COVID-19 demand, was offset partially by the strong demand of the first half of the year.

GROSS MARGIN

	Q4 2021(3)	Q4 2020(3)	Δ	**FY 2021**(4)	FY 2020(4)	Δ
(In thousands of dollars, except adjusted gross margin rate information)						
Gross margin	**3,945**	5,692	(1,747)	**18,715**	21,111	(2,396)
Total adjustment to cost of sales(2)	**1,055**	(1,130)	2,185	**1,873**	(1,205)	3,078
Adjusted gross margin(1)	**5,000**	4,562	438	**20,588**	19,906	682
Adjusted gross margin percentage(1)	**9.7%**	7.9%	1.8%	**9.1%**	8.7%	0.4%
Included in Gross margin:						
Depreciation of property, plant and equipment and right-of-use assets	**821**	809	12	**3,543**	3,083	460

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(4) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

Gross margin was $3.9 million and $18.7 million for the three and twelve months ended in the current fiscal year and included a loss of $1.1 million and $1.9 million, respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was $5.7 million and $21.1 million, respectively, with a mark-to-market gain of $1.1 million and $1.2 million.

Adjusted gross margin for the current quarter was $0.4 million higher than the comparable period last year, driven by a combination of higher sales margin from increased pricing and lower costs from improved operational efficiency. Improved profitability was also reflected in our adjusted gross margin percentage, increasing by 180 basis points to 9.7% in the current quarter, up from 7.9% in the same quarter last year.

Adjusted gross margin for fiscal 2021 was $0.7 million higher than the prior fiscal year, mainly driven by higher sales margin from increased pricing and improved operational efficiency which is reflected in improved adjusted gross margin percentage of 9.1% compared to 8.7% in fiscal 2020.

OTHER EXPENSES

	Q4 2021(1)	Q4 2020(1)	Δ	**FY 2021**(2)	FY 2020(2)	Δ
(In thousands of dollars)						
Administration and selling expenses	**2,084**	2,589	(505)	**9,162**	10,981	(1,819)
Distribution costs	**458**	472	(14)	**2,322**	2,983	(661)
Included in Administration and selling expenses:						
Amortization of intangible assets	**873**	876	(3)	**3,488**	3,505	(17)

(1) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(2) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

Administration and selling expenses for the fourth quarter and for the 2021 fiscal year were $0.5 million and $1.8 million lower than the comparable periods last year. These favourable variances were mainly due to lower sales and marketing expenses and lower employee compensation and benefits costs.

Distribution costs were stable in the current quarter and decreased by $0.7 million for the 2021 fiscal year when compared to the same periods last year. The reduction for fiscal 2021 was largely driven by a reduction in warehousing costs.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q4 2021(3)	Q4 2020(3)	Δ	**FY 2021**(4)	FY 2020(4)	Δ
(In thousands of dollars)						
Results from operating activities	**1,403**	2,631	(1,228)	**7,231**	7,147	84
Total adjustment to cost of sales(2)	**1,055**	(1,130)	2,185	**1,873**	(1,205)	3,078
Adjusted results from operating activities(1)	**2,458**	1,501	957	**9,104**	5,942	3,162
Non-recurring expenses:						
Other one-time non-recurring items	**-**	63	(63)	**247**	852	(605)
Depreciation and amortization	**1,694**	1,685	9	**7,031**	6,588	443
Adjusted EBITDA(1)	**4,152**	3,249	903	**16,382**	13,382	3,000

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(4) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

Results from operating activities for the fourth quarter and the 2021 fiscal year were $1.4 million and $7.2 million respectively, compared to $2.6 million and $7.1 million in the same periods last year. These results include gains and 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.

Certain non-cash items and non-recurring expenses had an impact on the results from operating activities. As such, we believe that the Maple 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. Other non recurrent items in the fourth quarter and the 2020 fiscal year were mainly costs associated with having two locations in Granby.

Adjusted results from operating activities for the current quarter and the 2021 fiscal year were $1.0 million and $3.2 million higher respectively compared to the same periods last year, mainly due to higher adjusted gross margin and lower administration and selling expenses as well as lower distribution costs as explained above.

Adjusted EBITDA for the current quarter and the 2021 fiscal year were $0.9 million and $3.0 million higher respectively compared to the same periods last year, mainly driven by higher adjusted results from operating activities, as mentioned above.

OUTLOOK

The health and safety of our employees remains our top priority. We are closely following all COVID-19 public health authority recommendations and have enhanced safety protocols in place. Since the beginning of the COVID-19 pandemic, our plants have operated without significant disruption. The uncertainty and increased demand volatility continue to make it difficult to estimate the impact on future sale volumes, operations, and financial results. We are closely monitoring the situation and will continue to adapt quickly to the changing circumstances.

In fiscal 2021, our financial results for our Sugar Segment were negatively impacted by issues, we anticipate will not occur in 2022. Overall, we believe our adjusted EBITDA of 2021 was negatively impacted by over $10.0 million in relation with such issues. This includes weather-related unfavourable impacts with our sugar beets in Alberta, the costs associated with the recognition of prior period past service charge related to the new Montreal refinery collective bargaining agreement, and the lingering effects of COVID-19 related expenditures for preventive measures and logistics.

Recognizing these unusual conditions in fiscal 2021, we expect, for 2022, improved financial performance across both of our business segments, supported by strong demand for sugar and maple syrup and improved margins in both sectors.

Sugar

We expect the sugar segment to perform well in fiscal 2022. The underlying demand remains strong across all our customer segments in our domestic market while we are anticipating a reduction in the export market. We also anticipate a return to normal for our beet sugar operations in Taber for 2022. Thus far, the 2021 harvest season has delivered the expected volume of sugar beets. The processing of the sugar beets is currently going according to schedule and is expected to be completed by the end of February.

We expect sales volume for 2022 to reach approximately 770,000 metric tonnes, representing a reduction of 9,500 metric tonnes compared to 2021. While we anticipate the domestic volume to grow steadily at 2%, exports opportunities will not be as high as in 2021, resulting in a reduction in volume. Overall, we see the following volumes variances for our customer segments:

- Industrial, which is our largest segment, is expected to grow at a modest 1% as demand for sugar containing products remains steady both in Canada and the US.
- Liquid volume is expected to deliver growth of approximately 2% to 3% driven by continued demand from existing customers as well as new customer acquisitions.
- We also expect our consumer business to be up 2% to 3%, which is more in line with normalized growth that we experienced pre-covid.
- We anticipate to sell less into export markets in 2022 since we do not foresee the US issuing a TRQ and the market dynamics for high-tier sales are not as favourable.

Despite the reduction of total volume, favourable price mix will contribute to improved profitability as compared to 2021.

Maintenance programs for the Montreal and Vancouver operating facilities are expected to follow the trend of previous years and should provide for marginal increase in operating costs. For the Taber facility, a return to normal and an improvement in the quality of the sugar beet over 2021 is expected to yield improvement in operating costs.

Spending on capital projects is also expected to be similar to recent periods. For fiscal 2022, we anticipate spending approximately $25.0 million on various capital projects, with approximately a quarter allocated to return-on-investment projects.

Maple products

For fiscal 2022, we expect the Maple business segment to outperform the 2021 results. Our outlook is mainly based on expected improvement to sales margins, a trend established in 2021 and driven by successful contract negotiations with new and existing customers.

Competitive pressures in the Maple industry, along with market volatility from the COVID-19 pandemic has impacted the pace of margin improvement in 2021. For 2022, we anticipate an increase in margin from new agreements negotiated with new and existing customers and volume to remain stable at approximately 52 million lbs.

In addition, we expect to continue to drive lower operating costs through ongoing optimization at our manufacturing facilities and efficiency improvements provided by the investments made in our facilities at Granby and Degelis.

Capital investments have been reduced significantly for the Maple segment since 2021, considering the expenditures incurred over the past few years improved and increased the production capacity. We continue to expect steady growth in demand for Maple-related products although we expect a tempering from the increase seen during the period of COVID-19.

See “Forward Looking Statements” section and “Risks and Uncertainties” section.

CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION

(unaudited) (In thousands of dollars, except volumes and per share information)	**Q4 2021(2)**	Q4 2020(2)	**FY 2021(3)**	FY 2020(3)
Sugar (metric tonnes)	**214,753**	225,396	**779,505**	761,055
Maple syrup (000 pounds)	**11,678**	13,181	**52,255**	53,180
Total revenues	**243,231**	246,212	**893,931**	860,801
Gross margin	**39,616**	37,890	**139,744**	126,199
Adjusted Gross Margin(1)	**31,020**	40,065	**120,811**	126,118
Results from operating activities	**26,952**	22,829	**84,497**	68,010
Adjusted results from operating activities(1)	**18,356**	25,004	**65,564**	67,929
Adjusted EBITDA(1)	**24,786**	31,231	**91,022**	92,259
Net finance costs	**5,015**	4,991	**19,439**	18,523
Income tax expense	**5,796**	4,886	**17,531**	14,068
Net earnings	**16,140**	12,952	**47,527**	35,419
per share (basic)	**0.16**	0.13	**0.46**	0.34
per share (diluted)	**0.15**	0.12	**0.44**	0.34
Adjusted net earnings(1)	**9,620**	14,551	**33,866**	35,245
per share (basic)(1)	**0.09**	0.14	**0.33**	0.34
Dividends per share	**0.09**	0.09	**0.36**	0.36

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(3) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

Total revenues

Revenues decreased by $3.0 million for the fourth quarter and increased by $33.1 million for the 2021 fiscal year versus comparable periods last year. The decreased in revenue for the quarter was mainly attributable to the decreased of sales volume in the Maple segment, partially offset by higher pricing in Sugar segment. For the 2021 fiscal year, revenue increased due mainly to increased sales volume and higher prices from the Sugar segment, partially offset by lower volume in Maple segment.

Gross margin

Excluding the mark-to-market of derivative financial instruments, adjusted gross margin for the fourth quarter of the current year decreased by $9.0 million and $5.3 million respectively, mainly as a result of lower adjusted gross margin from the Sugar segment offset by higher adjusted gross margin by the Maple segment. For the Sugar segment, the adjusted gross margin per metric tonne for the current quarter and the 2021 fiscal year was lower by $36,35 per metric tonne and $10.99 per metric tonne respectively. For the Maple segment, the adjusted gross margin percentage improved by 180 basis points for the quarter and 40 basis points for the year when compared to the same periods last year.

Results from operating activities

Excluding the mark-to-market of derivative financial instruments, adjusted results from operating activities for the current quarter amounted to $18.4 million compared to $25.0 million in the same quarter last year, a decrease of $6.6 million. For fiscal 2021, adjusted results from operating activities were $65.6 million compared to $67.9 million, representing a decrease of $2.3 million. The reduction in the current quarter and the year was mainly driven by lower contribution from the Sugar segment offset by the higher results from the Maple segment.

Net finance costs

	Q4 2021(1)	Q4 2020(1)	Δ	FY 2021(2)	FY 2020(2)	Δ
(In thousands of dollars)						
Interest expense on convertible unsecured subordinated debentures	**2,182**	2,161	21	**8,423**	8,446	(23)
Interest on revolving credit facility	**1,173**	1,797	(624)	**5,843**	6,723	(880)
Interest on senior guaranteed note	**915**		915	**1,527**		1,527
Amortization of deferred financing fees	**278**	297	(19)	**1,187**	1,187	(0)
Other interest expense	**627**	736	(109)	**2,008**	2,167	(159)
Net change in fair value in interest rate swaps	**(160)**	-	(160)	**451**	-	451
Net finance costs	**5,015**	4,991	24	**19,439**	18,523	916

(1) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(2) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

For the fourth quarter of 2021, net finance costs were aligned with the same period last year. The balance of $5.0 million reflects the impact of lower balance and lower average interest cost on the revolving credit facility and additional interest cost on the newly issued senior guaranteed note. For the current year, net finance costs were $0.9 million higher than last year, due mainly to interest cost on the newly issued senior guaranteed note and the impact of changes in fair value related to derecognized contracts pertaining to interest rate swaps that no longer meet the criteria for hedge accounting. This unfavourable variance was offset by lower average interest cost on the revolving credit facility from lower balance and lower average interest rate.

Other interest expense pertained mainly to interest payable to the Producteurs et Productrices Acericoles du Quebec (“PPAQ”) on syrup purchases, in accordance with the PPAQ payment terms and interest accretion on lease obligations.

Taxation

	Q4 2021(1)	Q4 2020(1)	Δ	FY 2021(2)	FY 2020(2)	Δ
(In thousands of dollars)						
Current	**6,619**	2,445	4,174	**17,333**	11,290	6,043
Deferred	**(823)**	2,441	(3,264)	**198**	2,778	(2,580)
Income tax expense	**5,796**	4,886	910	**17,531**	14,068	3,463

(1) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks
(2) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

The variation in current and deferred tax expense period-over-period is consistent with the variation in earnings before income taxes in fiscal 2021.

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 in the fourth quarter and for the 2021 fiscal year were $3.2 million and $12.1 million higher than the comparative periods for 2020, respectively. These increases were mainly attributable to higher results from operating activities offset by higher income tax expenses. For the year, this variance was also offset by higher finance costs.

Adjusted net earnings in the fourth quarter and for the 2021 fiscal year were $4.9 million and $1.4 million lower than the comparative periods for 2020, respectively. These decreases were mainly attributable to lower adjusted results from operating activities combined with higher income tax expenses. For the year, this variance was also explained by higher finance costs.

Summary of Quarterly Results

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

(In thousands of dollars, except for volumes and per share information)	QUARTERS[(2)]							
	2021				2020			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Sugar volumes (MT)	**214,753**	**190,563**	**183,749**	**190,440**	225,396	172,054	175,226	188,379
Maple products volumes (‘000 pounds)	**11,678**	**11,471**	**14,214**	**14,892**	13,181	14,313	12,893	12,792
Total revenues	**243,231**	**210,931**	**215,929**	**223,840**	246,212	206,147	199,126	209,316
Gross margin	**39,616**	**30,064**	**31,451**	**38,613**	37,890	29,873	19,390	39,046
Adjusted gross margin[(1)]	**31,020**	**25,932**	**27,407**	**36,452**	40,065	25,915	23,612	36,526
Results from operations	**26,952**	**15,062**	**19,151**	**23,332**	22,829	12,372	6,058	26,751
Adjusted results from operations[(1)]	**18,356**	**10,930**	**15,107**	**21,171**	25,004	8,414	10,280	24,231
Adjusted EBITDA[(1)]	**24,786**	**17,214**	**21,375**	**27,647**	31,231	14,279	16,522	30,227
Net earnings (loss)	**16,140**	**6,836**	**10,778**	**13,773**	12,952	5,538	965	15,964
Per share - basic	**0.16**	**0.07**	**0.10**	**0.13**	0.13	0.05	0.01	0.15
Per share - diluted	**0.15**	**0.07**	**0.10**	**0.13**	0.12	0.05	0.01	0.14
Adjusted net earnings[(1)]	**9,620**	**4,247**	**7,751**	**12,248**	14,551	2,560	4,036	14,098
Per share - basic	**0.09**	**0.04**	**0.07**	**0.12**	0.14	0.02	0.04	0.13
Per share - diluted	**0.09**	**0.04**	**0.07**	**0.11**	0.14	0.02	0.04	0.13
Sugar - Adjusted gross margin rate per MT[(1)]	**121.16**	**113.95**	**118,60**	**161.18**	157.51	120.45	109.63	163.37
Maple - Adjusted gross margin percentage[(1)]	**9.7%**	**9.4%**	**8.9%**	**7.9%**	8.4%	7.9%	10.6%	9.7%

(1) See “Non-GAAP Measures” section for definition and reconciliation to GAAP measures
(2) All quarters are 13 weeks with the exception of the fourth quarter of 2020 which is 14 weeks

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 volumes as well as an unfavourable customer mix, resulting in lower revenues, adjusted gross margins and adjusted net earnings.

Usually, there is minimal seasonality in the Maple products segment. However, for the last two quarters of 2020 and the year 2021, we experienced volatility in sales volume partially attributable to COVID-19.

Financial condition

(In thousands of dollars)	**October 2, 2021**	October 3, 2020[(1)]	September 28, 2019[(1)]
Total assets	**$ 879,930**	$ 856,059	$ 815,344
Total non-current liabilities	**431,046**	417,043	385,220

(1) We have offset the comparative period’s deferred tax asset against deferred tax liability as we have the legal right to settle the current tax amount on a net basis and the amounts are levied by the same taxing authorities on the same entity

The increase in total assets in the current year compared to the prior year is mainly due to higher cash of $13.7 million and higher property, plant and equipment of $11.3 million.

Non-current liabilities for the current year increased compared to the 2020 fiscal year due mainly to an increase in deferred tax liabilities of $13.6 million and the newly issued senior guaranteed notes of $98.8 million, partly offset by a reduction of the non-current revolving credit facility of $65.0 million and the reduction of employee benefits liabilities of $29.9 million.

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.

	FY 2021[(1)]	FY 2020[(1)]
(In thousands of dollars)		
Net cash flow from operating activities	**78,577**	64,601
Cash flow used in financing activities	**(40,158)**	(36,786)
Cash flow used in investing activities	**(24,678)**	(26,153)
Effect of changes in exchange rate on cash	**(72)**	28
Net increase (decrease) in cash	**13,669**	1,690

(1) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

Cash flow from operating activities for the current year increased by $14.0 million compared to last year, which was due mainly to an increase in net earnings adjusted for non-cash items of $26.1 million and a decrease in interest paid of $1.3 million, partially offset by a negative non-cash working capital variation of $12.6 million.

Cash flow used in financing activities was higher by $3.4 million for the current year compared to last year due mainly to a decrease of $108.3 million in borrowings from the revolving credit facility and the bank overdraft, partially offset by the proceed received from the issuance of the private placement note of $98.7 million.

The cash outflow used in investing activities decreased by $ 1.5 million in the current year compared to last year due mainly to the timing of capital expenditures.

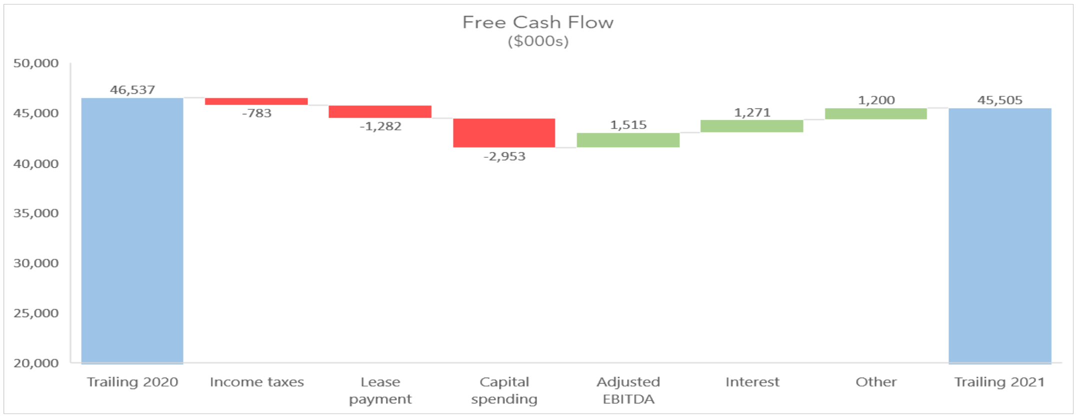
In order to provide additional information, we believe it is appropriate to measure free cash flow that is generated by our operations. Free cash flow is a non-GAAP measure and is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments and financial instruments' non-cash amounts, and including capital expenditures, net of value added capital expenditures, and the payment of lease obligation.

Free cash flow

	Trailing twelve months	
(In thousands of dollars)	**2021**[(2)]	2020[(2)]
Cash flow from operations	**78,577**	64,601
Adjustments:	**-**	
Changes in non-cash working capital	**11,480**	(1,098)
Mark-to-market and derivative timing adjustments	**(18,482)**	12
Amortization of transitional balances	**-**	(292)
Financial instruments non-cash amount	**(2,752)**	2,397
Capital expenditures and intangible assets	**(24,678)**	(26,153)
Value added capital expenditures	**6,847**	11,275
Payment of lease obligation	**(5,487)**	(4,205)
Free cash flow[(1)]	**45,505**	46,537
Declared dividends	**37,300**	37,380
Shares repurchased	**-**	(6,536)

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures.

(2) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks



Free cash flow for the trailing twelve months ending on October 2, 2021, amounted to $45.5 million compared to $46,5 million for the same period last year, representing a decrease of $1.0 million mainly attributable to higher lease payments and net capital expenditures of $4.2 million and higher income taxes paid of $0.8 million, partially offset by higher EBITDA, excluding non cash item related to future pension liabilities included in the Montreal collective agreement, of $1.5 million and lower interest paid of $1.3 million.

Capital and intangible assets expenditures, net of value added capital expenditures, increased by $3.0 million compared to last year's rolling twelve months due mainly to the impact of the value added expenditures related to the Maple new Granby facility in 2020. Free cash flow is not reduced by value added capital expenditures, as these projects are not necessary for the operation of the plants but are undertaken because of the operational savings that are realized once the projects are completed. Payments made for leases are deducted from free cash flow as such cash flow is no longer reflected as a reduction in cash flow from operation and is therefore not available.

The Board of Directors declared a quarterly dividend of 9.0 cents per common share every quarter, totalling 36.0 cents for both trailing twelve months periods.

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 payable. 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 our available credit facility. 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 positive amount of $21.2 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

The following table identifies the outstanding contractual obligations of our company as at year-end, and the effects such obligations are expected to have on liquidity and cash flow over the next several years:

	Total	Under 1 year	1 to 3 years	4 to 5 years	After 5 years
(In thousands of dollars)					
Revolving credit facility	**100,000**	-	100,000	-	-
Senior Guaranteed Notes	**100,000**	-	-	-	100,000
Interest on convertible debentures	**26,712**	7,506	15,012	4,194	
Interest based on swaps	**8,928**	2,660	5,311	957	-
Interest on Senior Guaranteed Notes	**33,445**	3,490	6,980	3,490	19,485
Lease obligations	**23,546**	3,810	5,341	1,963	12,432
Purchase obligations	**99,538**	99,538	-	-	-
	392,169	117,004	132,644	10,604	131,917
Sugar purchase obligations ('000 MT)	**1,082**	537	545	-	-
Maple purchase obligations ('000 pounds)	**10,700**	10,700	-	-	-

The Sixth and Seventh series debentures, which mature in December 2024 and June 2025, respectively, have been excluded from the above table due to the holders' conversion option and the company's option to satisfy the obligations at redemption or maturity in shares. Interest has been included in the above table to the date of maturity.

In fiscal 2013, Lantic entered into a five-year agreement for the establishment of a revolving credit facility to support its financial and operational needs. The revolving credit facility is syndicated with four Canadian chartered banks and includes an accordion feature allowing for the borrowing of up to $400 million. This agreement has been amended and extended from time to time. The revolving credit facility is subject to covenants and is secured by the assets of Lantic and TMTC. As of October 2, 2021, the approved amount available for borrowing was $265 million, of which $100 million was drawn.

On November 23, 2021, we exercised our option to extend the maturity date of our revolving credit facility to November 23, 2026 and amended our existing revolving credit facility thereby reducing its approved credit by $65.0 million, from a total of $265 million to $200 million. No other amendment was made to the credit agreement.

On April 30, 2021, Lantic issued a private placement of $100 million in the form of senior guaranteed Notes under a note purchase agreement entered into with certain institutional investors. The Notes are guaranteed and rank pari pasu with our existing revolving credit facility. The Notes are due on April 30, 2031. The interest of the Notes was set at 3.49% and the interest is payable semi-annually in arrears in equal installments on April 30th and October 30th of each year, commencing on October 30, 2021. The proceeds received from the private placement on April 30th were used to repay existing credit facility indebtedness.

As at October 2, 2021, Lantic was in compliance with all the covenants under its revolving credit facility and its private placement and a total of $498.5 million have been pledged as security, compared to $482.9 million as at October 3, 2020 including trade receivables, inventories and property, plant and equipment.

In order to fix the interest rate on a substantial portion of the expected drawdown of the revolving credit facility, we enter into interest rate swap agreements. Since June 28, 2013, a number of interest rate swap agreements were put in place. The following table provides the outstanding swap agreements as at October 2, 2021 as well as their respective value, interest rate and time period:

Fiscal year contracted	**Date**	**Total Value**
		(In thousands of dollars)
Fiscal 2017	May 29, 2017 to June 28, 2022 – 1.454%	**20,000**
Fiscal 2017	September 1, 2017 to June 28, 2022 – 1.946%	**30,000**
Fiscal 2017	June 29, 2020 to June 29, 2022 – 1.733%	**30,000**
Fiscal 2019	March 12, 2019 to June 28, 2024 – 2.08%	**20,000**
Fiscal 2020	October 3, 2019 to June 28, 2024 – 1.68%	**20,000**
Fiscal 2020	February 24, 2020 to June 28, 2025 – 1.60%	**20,000**
Fiscal 2020	June 28, 2021 to June 28, 2023 – 1.08%	**10,000**
Total outstanding value as at October 2, 2021		**150,000**
Forward start interest rate swaps:		
Fiscal 2019	June 29, 2022 to June 28, 2024 – 2.17%	**80,000**
Fiscal 2020	June 28, 2024 to June 28, 2025 – 1.18%	**80,000**

Lease obligations relate mainly to the leasing of facilities and various mobile equipment for the Sugar and Maple products segment operations.

Purchase obligations represent all open purchase orders as at year-end and approximately $42.7 million for sugar beets that will be harvested and processed in fiscal 2022 but exclude any raw sugar priced against futures contracts. The purchase obligation regarding the sugar beets represents our best estimate of the amount expected to be payable in fiscal 2022 as of the date of this MD&A.

TMTC has $23.1 million remaining to pay related to an agreement to purchase approximately $32.7 million (10.7 million pounds) of maple syrup from the PPAQ. In order to secure bulk syrup purchases, the company issued an insurance bond for an amount of $16.9 million in favor of the PPAQ. The insurance bond expires on March 1, 2022.

A significant portion of our sales are made under fixed-price, forward-sales contracts, which extend up to three years. The company also contracts to purchase raw cane sugar substantially in advance of the time it delivers the refined sugar produced from the purchase. To mitigate its exposure to future price changes, we attempt to manage the volume of refined sugar sales contracted for future delivery in relation to the volume of raw cane sugar contracted for future delivery, when feasible.

We use derivative instruments to manage exposures to changes in raw sugar prices, natural gas prices and foreign exchange. Our objective for holding derivatives is to minimize risk using the most efficient methods to eliminate or reduce the impacts of these exposures.

To reduce price risk, our risk management policy is to manage the forward pricing of purchases of raw sugar in relation to its forward refined sugar sales. We attempt to meet this objective by entering into futures contracts to reduce our exposure. Such financial instruments are used to manage our exposure to variability in fair value attributable to the firm commitment purchase price of raw sugar.

We have hedged the majority of our exposure to raw sugar price risk movement through September 2023.

At October 2, 2021, we had a net long sugar position of $12.9 million in net contract amounts with a current net contract value of $16.2 million. This long position represents the offset of a larger volume of sugar priced with customers than purchases priced from suppliers. This position also includes the pre-hegde program in Taber, using sugar futures contracts, of some of the beet sugar sales that will occur in the future, provided there is a contract in place with the Alberta Sugar Beet Growers to grow sugar beets.

We use futures contracts and swaps to help manage our natural gas costs. At October 2, 2021, we had $28.1 million in natural gas derivatives, with a current contract value of $39.6 million.

Our activities, which result in exposure to fluctuations in foreign exchange rates, consist of the purchasing of raw sugar, the selling of refined sugar and Maple products and the purchasing of natural gas. We manage this exposure by creating offsetting positions through the use of financial instruments. These instruments include forward contracts, which are commitments to buy or sell at a future date and may be settled in cash.

The credit risk associated with foreign exchange contracts arises from the possibility that counterparties to a foreign exchange contract in which we have an unrealized gain, fail to perform according to the terms of the contract. The credit risk is much less than the notional principal amount, being limited at any time to the change in foreign exchange rates attributable to the principal amount.

Forward foreign exchange contracts have maturities of less than three years and relate mostly to the U.S. currency, and to a much smaller extent, the Euro and Australian currency. The counterparties to these contracts are major Canadian financial institutions. We do not anticipate any material adverse effect on our financial position resulting from our involvement in these types of contracts, nor do we anticipate non-performance by the counterparties.

At October 2, 2021, we had a net $88.6 million in foreign currency forward contracts with a current contract value of $88.6 million.

As part of our normal business practice, we also enter into multi-year supply agreements with raw sugar processors for raw cane sugar. Contract terms will state the quantity and estimated delivery schedule of raw sugar. The price is determined at specified periods of time before such raw sugar is delivered based upon the value of Raw #11 as traded on the ICE world raw sugar market. At October 2, 2021, we had commitments to purchase a total of 1,082,000 metric tonnes of raw sugar, of which approximately 261,309 metric tonnes had been priced, for a total dollar commitment of $144.3 million.

We have no other off-balance sheet arrangements.

Capital resources

As at October 2, 2021, Lantic had a total of $265.0 million of available working capital from its revolving credit facility, reduced to $200.0 million as at November 23, 2021 as explained above, 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 October 2, 2021, a total of $498.5 million of assets have been pledged as security for the revolving credit facility, compared to $482.9 million as at October 2, 2020; including trade receivables, inventories and property, plant and equipment.

As at October 2, 2021, $100.0 million had been drawn from the working capital facility and $15.6 million in cash was also available.

The Taber beet operation requires seasonal working capital in the first half of the fiscal year, when inventory levels are high and a substantial portion of the payments due to the Growers is made. TMTC also has seasonal working capital requirements. Although the syrup inventory is received during the third quarter of the fiscal year, its payment terms with the PPAQ requires cash payment in the first half of the fiscal year. We have sufficient cash and availability under our line of credit to meet such requirements.

Future commitments of approximately $17.2 million have been approved for completing capital expenditures presently in progress.

We also have funding obligations related to our employee future benefit plans, which include defined benefit pension plans. As at October 2, 2021, all of the company's registered defined benefit pension plans were in a deficit position. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2019, and the next required valuation will be as of December 31, 2022. We monitor our pension plan assets closely and follow strict guidelines to ensure that pension fund investment portfolios are diversified in line with industry best practices. Nonetheless, pension fund assets are not immune to market fluctuations and, as a result, we may be required to make additional cash contributions in the future. In fiscal 2021, cash contributions to defined benefit pension plans increased by approximately $0.3 million to $4.3 million. In total, we expect to incur cash contributions of approximately $4.2 million for fiscal 2022 relating to employee defined benefit pension plans. For more information regarding the Company's employee benefits, please refer to Note 20 of the audited consolidated financial statements.

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 our expected cash requirements.

OUTSTANDING SECURITIES

A total of 103,686,923 shares were outstanding as at October 2, 2021 and November 24, 2021 respectively (103,536,923 as at October 2, 2020).

On June 1, 2020, Rogers received approval from the Toronto Stock Exchange to proceed with a Normal Course Issuer Bid ("2020 NCIB"), under which it may purchase up to 1,500,000 common shares. In addition, Rogers entered into an automatic share purchase agreement with Scotia Capital Inc. in connection with the 2020 NCIB. Under the agreement, Scotia may acquire, at its discretion, common shares on Rogers' behalf during certain "black-out" periods, subject to certain parameters as to price and number of shares. The 2020 NCIB commenced on June 3, 2020 and terminated on June 2, 2021. No shares have been purchased under the 2020 NCIB.

On May 22, 2019, Rogers received approval from the Toronto Stock Exchange to proceed with a Normal Course Issuer Bid ("2019 NCIB"), under which it may purchase up to 1,500,000 common shares. The 2019 NCIB commenced on May 24, 2019 and terminated on March 30, 2020, whereby all common shares had been purchased. Under the 2019 NCIB, Rogers purchased 1,500,000 common shares having a book value of $1.4 million for a total cash consideration of $7.1 million. All shares purchased were cancelled.

During fiscal 2021, the total amount outstanding under the Sixth and Seventh series debentures was $57.4 million and $97.6 million respectively. No conversion has been done during the 2021 fiscal year compared to the previous fiscal year, where holders of the Sixth series debentures converted a total of $0.1 million into 9,079 common shares and holders of the Seventh series debentures converted a total of $0.2 million into 19,774 common shares.

We currently have a share option plan that was established in 2011 and amended in 2021. Under this plan, we have set aside 6,000,000 common shares to be granted to key personnel. As at October 2, 2021, a total of 3,535,997 options had been granted, of which 3,085,997 were outstanding, at exercise prices ranging between $4.28 per share and $6.51 per share. These share options are exercisable to a maximum of twenty percent per year, starting after the first anniversary date of the granting of the options and will expire after a term of ten years.

In fiscal 2018, a Performance Share Unit plan ("PSU") was created. The following table provides the detail of the grants under the PSU:

Grant Date	PSU	Additional PSU	Total PSU	Performance Cycle
December 3, 2018	290,448	58,553	349,001	2019-2021
December 2, 2019	324,932	41,581	366,513	2020-2022
December 7, 2020	491,412	23,810	515,222	2021-2023

The PSUs were granted to executives and other key management employees and will vest at the end of the 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. If the level of achievement of total shareholder returns is within the specified range, 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. If the level of achievement of total shareholder returns is below the minimum threshold, the PSU will be forfeited without any payments made.

ENVIRONMENT

Our policy is to meet all applicable government requirements with respect to environmental matters. Management believes that the company is in compliance in all material respects with environmental laws and regulations and maintains an open dialogue with regulators and the Government with respect to awareness and adoption of new standards.

During our third quarter of fiscal 2021, we published our first Environment, Social and Governance report which highlights our sustainability efforts in such areas as energy use, air emissions and water usage. The report can be accessed on SEDAR or on our website at www.Lanticrogers.com.

With respect to potential environmental remediation of our properties, which could occur in the event of a building demolition or a sale, it is worth noting that the Vancouver and Montreal facilities have a lengthy history of industrial use, and fill materials have been used on the properties in the normal course of business. We have recorded provisions under asset retirement obligations for known and quantifiable potential remediation activities in connection with these properties. No assurance can be given that material expenditures will not be required in excess of the current asset retirement obligation provisions in connection with contamination from such industrial use or fill materials.

Although we are not aware of any specific problems at our Toronto distribution centre, our Taber plant and any of the TMTC properties, no assurance can be given that expenditures will not be required to deal with known or unknown contamination at the property or other facilities or offices currently or formerly owned, used or controlled by Lantic.

RISK AND UNCERTAINTIES

Rogers' business and operations are substantially affected by many factors, including prevailing margins on refined sugar and its ability to market sugar and maple products competitively, sourcing of raw material supplies, weather conditions, operating costs and government programs and regulations.

Disease and Epidemics, including COVID-19

The impact of disease and epidemics may have a negative impact on RSI, Lantic or TMTC and their performance and financial position. The ongoing COVID-19 pandemic or new epidemics could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, RSI, Lantic or TMTC's operations could be negatively affected if personnel are affected by or quarantined as the result of, or in order to avoid, exposure to a contagious illness. Lantic and TMTC have been designated as "essential businesses" at this time, with minimal disruptions to operations, as described above.

A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit losses on customer sales or credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the business of RSI, Lantic or TMTC. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. While governmental agencies and private sector participants will seek to mitigate the adverse effects of this pandemic, which may include such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel, and other restrictions, the efficacy of such measures is uncertain. RSI's, Lantic's and TMTC's operations and business results could be materially adversely affected. The extent to which COVID-19 (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the pandemic and the actions required to contain it or treat its impact, among others.

Dependence Upon Lantic

RSI is entirely dependent upon the operations and assets of Lantic through its ownership of securities of this company. Accordingly, interest payments to debenture holders and dividends to shareholders are dependent upon the ability of Lantic and/or TMTC to pay its interest obligations under the subordinated notes and to declare and pay dividends on or return capital in respect of the common shares. The terms of Lantic's bank and other indebtedness restricts its ability to pay dividends and make other distributions on its shares or make payments of principal or interest on subordinated debt, including debt which may be held, directly or indirectly, by RSI, in certain circumstances. In addition, Lantic may defer payment of interest on the subordinated notes at any given time for a period of up to 18 months.

No Assurance of Future Performance

Historic and current performance of the business of RSI, Lantic and TMTC may not be indicative of success in future periods. The future performance of the business may be influenced by economic downturns and other factors beyond the control of RSI, Lantic and TMTC. As a result of these factors, the operations and financial performance of Lantic and TMTC may be negatively affected, which may materially adversely affect our financial results.

Government Regulations and Foreign Trade Policies with regards to Sugar

In July 1995, Revenue Canada made a preliminary determination, followed by a final determination in October 1995, that there was dumping of refined sugar from the US, Denmark, Germany, the United Kingdom (“UK”), Netherlands and the Republic of Korea into Canada, and that subsidized refined sugar was being imported into Canada from the European Union (“EU”). The Canadian International Trade Tribunal (“CITT”) conducted an inquiry and, on November 6, 1995, ruled that the dumping of refined sugar from the US, Denmark, Germany, the UK, and Netherlands, as well as the subsidizing of refined sugar from the EU, was threatening material injury to the Canadian sugar industry. The ruling resulted in the imposition of protective duties on these unfairly traded imports.

Under Canadian laws, these duties must be reviewed every five years. On August 6, 2021, the CITT concluded its fifth review of the 1995 findings and issued its decision to continue the duties for another five-year period against (i) dumped sugar from the US, Denmark, Germany, Netherlands, and the UK, and (ii) subsidized sugar from the EU. The Canadian Sugar Institute (“CSI”) and its members, including Lantic, participated fully in the review and submitted detailed evidence and witness testimony to the CITT. The CITT agreed that imports of dumped and subsidized sugar would likely cause material injury to the Canadian industry if the duty protection was removed.

On October 6, 2021, the Canada Border Services Agency (“CBSA”) initiated a re-investigation to update the levels of the anti-dumping and countervailing duty protection. The last re-investigation was concluded in September 2014. The CSI and its members are participating fully in the re-investigation. The updated levels of protection will be announced and enter into force at the conclusion of the re-investigation, currently expected on March 4, 2022. There is no assurance that the duty protection will remain at current levels.

The duties on imports of US and EU refined sugar are important to Lantic and to the Canadian refined sugar industry in general because they protect the market from the adverse effect of unfairly traded imports from these sources. The government support and trade distorting attributes of the US and EU sugar regimes continue to generate surplus refined sugar production and exports that threaten the Canadian sugar market. If the duties were to be eliminated or significantly reduced in the future, there could be material financial impact to Lantic and other members of the Canadian refined sugar industry.

Fluctuations in Margins and Foreign Exchange

Lantic’s profitability is principally affected by its margins on domestic refined sugar sales. In turn, this price is affected by a variety of market factors such as competition, government regulations and foreign trade policies. Lantic, through the Canadian-specific quota, normally sells a small portion of its production of refined sugar per year in the U.S. and to Mexico and also sells beet pulp to export customers in U.S. dollars. Lantic’s Taber sugar sales in Canada are priced against the #11 world raw sugar market, which trades in U.S. dollars, while the sugar derived from the sugar beets is paid for in Canadian dollars to the Growers. Fluctuations in the value of the Canadian dollar will impact the profitability of these sales. Except for these sales, which currently can only be supplied by the Lantic’s Taber beet plant, and sales to the U.S. under other announced specific quotas, most sales are in Canada and have little exposure to foreign exchange movements.

Fluctuation in the value of the Canadian dollar also impact the profitability of TMTC, as certain export sales of maple syrup are denominated in U.S. dollars, in Euro or in Australian dollars. Fluctuations in the value of the Canadian dollar will impact the profitability of these sales. In order to mitigate against the movement of the Canadian dollar versus the U.S. dollars, Euro or Australian dollars, we enter into foreign exchange hedging contracts with certain customers.

There can be no assurance that Lantic and TMTC will be able to continue to mitigate efficiently their exposure to foreign exchange risk in the future.

Fluctuations in Raw Sugar Prices

Raw sugar prices are not a major determinant of the profitability of Lantic’s cane sugar operations, as the price at which sugar is both purchased and sold is related to the Raw #11 world sugar price and all transactions are hedged.

In a market where world raw sugar is tight due to lower production, significant premiums may be charged on nearby deliveries which would have a negative impact on the adjusted gross margins of the cane operations.

A relatively high world raw sugar price and/or low price of corn will also reduce the competitive position of liquid sugar in Canada as compared to HFCS which could result in the loss of HFCS substitutable business for Lantic.

Security of Raw Sugar Supply

There are over 174 million metric tonnes of sugar produced worldwide. Of this, more than 52 million metric tonnes of sugar are traded on the world market. Lantic, through its cane refining plants, buys approximately 0.7 million metric tonnes of raw sugar per year. Even though worldwide raw sugar supply is much larger than Lantic's yearly requirements, concentration of supply in certain countries like Brazil, combined with an increase in cane refining operations in certain countries, may create tightness in raw sugar availability at certain times of the year. To prevent any raw sugar supply shortage, Lantic normally enters into long-term supply contracts with reputable suppliers. For raw sugar supply not under contract, significant premiums may be paid on the purchase of raw sugar on a nearby basis, which may negatively impact adjusted gross margins.

The availability of sugar beets to be processed in Taber, Alberta is dependent on a supply contract with the Growers, and on the Growers planting the necessary acreage every year. In the event that sufficient acreage is not planted in a certain year, or that Lantic and the Growers cannot agree on a supply contract, sugar beets might not be available for processing, thus requiring transfer of products from Lantic's cane refineries to the Prairie market, normally supplied by Taber. This would increase Lantic's distribution costs and may have an impact on the adjusted gross margin rate per metric tonne sold.

Weather and Other Factors Related to Production

Sugar beets, as is the case with most other crops, are affected by weather conditions during the growing season. Additionally, weather conditions during the harvesting and processing season could affect the Lantic's total beet supply and sugar extraction from beets stored for processing. A significant reduction in the quantity or quality of sugar beets harvested due to adverse weather conditions, disease or other factors could result in decreased production, with negative financial consequences to Lantic.

Regulatory Regime Governing the Purchase and Sale of Maple Syrup in Québec

Producers of maple syrup in Québec are required to operate within the framework provided for by the Marketing Act. Pursuant to the Marketing Act, producers, including producers of maple syrup, can take collective and organized control over the production and marketing of their products (i.e. a joint plan). Moreover, the Marketing Act empowers the marketing board responsible for administering a joint plan, that is the PPAQ in the case of maple syrup, with the functions and role otherwise granted to the Régie des marchés agricoles et alimentaires du Québec, the governing body created by the Government of Québec to regulate, among other things, the agricultural and food markets in Québec. As part of its regulating and organizing functions, the PPAQ may establish arrangements to maintain fair prices for all producers and may manage production surpluses and their storage to stabilize the pricing of maple syrup.

Pursuant to the Sales Agency Regulation, the PPAQ is responsible for the marketing of bulk maple syrup in Québec. Therefore, any container that contains 5L or more of maple syrup must be marketed through the PPAQ as the exclusive selling agent for the producers. Bulk maple syrup may be sold to the PPAQ or to "authorized buyers" accredited by the PPAQ. In Québec, nearly 90% of the total production of maple syrup is sold to the PPAQ or the authorized buyers, leaving only approximately 10% of the total production being sold directly by the producers to consumers or grocery stores. TMTC is an authorized buyer with the PPAQ. The authorized buyer status is renewed on an annual basis. There is no certainty that TMTC will be able to maintain its status as an authorized buyer with the PPAQ. Failure by TMTC to remain an authorized buyer with the PPAQ will likely affect the capacity to fully supply the resale of maple syrup or Maple products and therefore the financial results of RSI.

The PPAQ, in its capacity as bargaining and sales agent for the producers of maple syrup in Québec as well as the body empowered to regulate and organize the production and marketing of maple syrup, and the bulk buyers of maple syrup, represented by the MIC entered into the Marketing Agreement, which is expected to be renewed on an annual basis. Pursuant to the Marketing Agreement, authorized buyers must pay a minimum price to the PPAQ for any maple syrup purchased from the producers. As a result, TMTC's ability to negotiate the purchase price of maple syrup is limited. Moreover, the minimum purchase price that is applicable to the authorized buyers with the PPAQ also restricts TMTC's ability to adjust its resale pricing to take into account market fluctuations due to supply and demand. TMTC's incapacity to adjust its resale prices upward to take into account any increase in consumer demand may affect the financial outlook of RSI.

Pursuant to the Marketing Agreement, authorized buyers must buy Maple products from the PPAQ in barrels corresponding to the "anticipated volume". The anticipated volume must be realistic and in line with volumes purchased in previous years. The refusal from the PPAQ to accept the anticipated volume set forth by TMTC or the failure by TMTC to properly estimate the anticipated volume for a given year may affect the ability for TMTC to increase its reselling capacity and could materially adversely affect RSI's financial results and operations.

Production of Maple Syrup Being Seasonal and Subject to Climate Change

The production of maple syrup takes place over a period of 6 to 8 weeks during the months of March and April of each year. Maple syrup production is intimately tied to the weather as sap only flows when temperatures rise above freezing level during the day and drop below it during the night, such temperature difference creating enough pressure to push sap out of the maple tree. Given the sensitivity of temperature in the process of harvesting maple sap, climate change and global warming may have a material impact on such process as the maple syrup production season may become shorter. Reducing the production season for maple syrup may also have an impact on the level of production.

In 2002, the PPAQ set up a strategic maple syrup reserve in order to mitigate production fluctuations imputable to weather conditions and prevent such fluctuations from causing maple syrup prices to spike or drop significantly. The reserve was initially established to set aside a production quantity equivalent to half of the then annual demand. Each year, the PPAQ may organize a sale of a portion of its accumulated reserve. There can be no assurance that TMTC will have access to some of such reserve to offset decreases in production due to weather conditions or that such reserve will be sufficient to cover a gap in the production in any given year. Any decrease in production or incapacity to purchase additional reserves from the PPAQ may affect TMTC's supply of its sales of maple syrup and other Maple products and, ultimately, its financial results.

Competition

For the Sugar segment, Lantic faces domestic competition from Redpath Sugar Ltd. and smaller regional operators and/distributors of both foreign and domestic refined sugar. Differences in proximity to various geographic areas within Canada and elsewhere result in differences in freight and shipping costs, which in turn affect pricing and competitiveness in general.

In addition to sugar, the overall sweetener market also includes corn-based sweeteners, such as HFCS, an alternative liquid sweetener, which can be substituted for liquid sugar in soft drinks and certain other applications; and non-nutritive, high intensity sweeteners such as aspartame, sucralose and stevia. Differences in functional properties and prices have tended to define the use of these various sweeteners. For example, HFCS is limited to certain applications where a liquid sweetener can be used. Non-nutritive sweeteners are not interchangeable in all applications. The substitution of other sweeteners for sugar has occurred in certain products, such as soft drinks. We are not able to predict the availability, development or potential use of these sweeteners and their possible impact on Lantic's operations.

For the Maple products segment, TMTC is among the largest branded and private label maple syrup bottling and distributing companies in the world. TMTC has three major competitors in Canada and also competes against a multitude of US bottlers and distributing companies.

A large majority of TMTC's revenues are made under the private label line. TMTC anticipates that for a foreseeable future, its relationship with its top private label customers will continue to be key and will continue to have a material impact on its sales. Although TMTC considers that the relationship with its top private label customers is excellent, the loss of, or a decrease in the amount of business from, such customers, or any default in payment on their part could significantly reduce TMTC's sales and harm RSI's operating and financial results.

Consumer Habits may Change

The maple products market, both national and international, has experienced some important changes over the last few years as maple products are becoming better known and consumer preferences and consumption patterns have shifted to more natural products. Maple syrup has typically been used, principally in North America, as a natural alternative to traditional sweeteners and has been served on morning meals, such as pancakes, waffles and other breakfast bakeries for decades. As a result of evolving customer trends, TMTC will need to anticipate developments in a competitive environment on a timely basis. The failure of TMTC to anticipate, identify and react to shifting consumer and retail customer trends and preferences through successful innovation and enhanced production capability could adversely result in reduced demand for its products, which could in turn affect the financial performance of RSI. There is also no guarantee that the current favourable market trends will continue in the future.

Growth of TMTC's Business Relying Substantially on Exports

The size of the global market for maple syrup is currently estimated at $733 million, the United States being by far the world's largest importer, followed by Japan and Germany. Despite the increase of sales of maple products that the Canadian market has experienced in recent years, the potential for growth of this industry largely relies on the international market. Moreover, over the last few years, New York, Vermont and Maine have increased their production of maple syrup and have now become competitors of Québec, which however remains the largest producer and exporter of maple syrup in the world. While TMTC continues to develop its selling efforts outside of Canada, including through forming new partnerships in countries where the maple syrup market is undeveloped, it will likely face high competition from other bottlers and distributers, including from other Canadian and U.S. companies, for its share of the international market. Such growing competition and the incapacity for TMTC to further develop its selling efforts outside of Canada could adversely affect RSI's capacity to grow TMTC's business and its future results. Furthermore, an incapacity to attract increased attention on maple products or a sudden lack of interest for such products from customers outside of North America may affect RSI's future results.

Operating Costs

Natural gas represents an important cost in our refining operations. Our Taber beet factory includes primary agricultural processing and refining. As a result, Taber uses more energy in its operations than the cane facilities in Vancouver and Montréal, principally as a result of the need to heat the cossettes (sliced sugar beets) to evaporate water from juices containing sugar, and to dry wet beet pulp. Changes in the costs and sources of energy may affect the financial results of Lantic's operations. In addition, all natural gas purchased is priced in U.S. dollars. Therefore, fluctuations in the Canadian/U.S. dollar exchange rate will also impact the cost of energy. Lantic hedges a portion of its natural gas price exposure through the use of natural gas contracts to lessen the impact of fluctuations in the price of natural gas. Provincial application of some form of carbon tax has been increasingly important across Canada and for some provinces with a carbon tax, rates have been increasing, which could increase the overall energy costs for Lantic.

Foreign Trade Policies with regards to Maple products

TMTC's international operations are also subject to inherent risks, including change in the free flow of food products between countries, fluctuations in currency values, discriminatory fiscal policies, unexpected changes in local regulations and laws and the uncertainty of enforcement of remedies in foreign jurisdictions. In addition, foreign jurisdictions, including the United States, TMTC's current and expected largest market, could impose tariffs, quotas, trade barriers and other similar restrictions on TMTC's international sales and subsidize competing agricultural products.

All of these risks could result in increased costs or decreased revenues, either of which could materially adversely affect TMTC's financial condition and results of operations.

Employee Relations and Labour Force

The majority of Lantic's operations are unionized and agreements are currently in place in each unionized facility. During fiscal 2021, Lantic renegotiated the collective agreement with the union at its Montreal facility. The agreement was renewed in November 2021 at competitive rates for a period of five years.

Lantic has contingency plans in place to mitigate the potential impact of labour disruptions at its facilities. However, such potential disruptions in future years could restrict Lantic's ability to service its customers in the affected regions, consequently affecting RSI's financial results.

Additionally, Lantic's and TMTC's future performance and development depend to a significant extent on the abilities, experience and efforts of its management team and employees. The loss of key employees could adversely impact Lantic and TMTC.

Food Safety and Consumer Health

Lantic and TMTC are subject to risks that affect the food industry in general, including risks posed by accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. Lantic and TMTC actively manage these risks by maintaining strict and rigorous controls and processes in its manufacturing facilities and distribution systems and by maintaining prudent levels of insurance.

Our facilities are subject to audit by federal health agencies in Canada and similar institutions outside of Canada. We also perform our own audits designed to ensure compliance with its internal standards, which are generally at, or higher than, regulatory agency standards in order to mitigate the risks related to food safety.

Consumers, public health officials and government officials are increasingly concerned about the public health consequences of obesity, particularly among young people. In addition, some researchers, health advocates and dietary guidelines are suggesting that consumption of sugar, in various forms, is a primary cause of increased obesity rates and are encouraging consumers to reduce their consumption of sugar. Increasing public concern about obesity and other health conditions; possible new or increased taxes on products containing sugar, such as sugar-sweetened beverages by government entities to reduce consumption or to raise revenue; shift in consumer preferences from sugar to other types of sweeteners; additional governmental regulations concerning the marketing, labeling, packaging or sale of products and negative publicity may reduce demand for the products of Lantic and TMTC and each of the aforementioned factors could materially adversely affect RSI's financial results and operations.

Cybersecurity

RSI faces various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to render data or systems unusable, or otherwise affect RSI's ability to operate. Lantic's and TMTC's operations require it to use and store personally identifiable and other sensitive information of its employees, notably. The collection and use of personally identifiable information are governed by Canadian federal and provincial laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. The security measures put in place by RSI in that regard cannot provide absolute security, and RSI's information technology infrastructure may be vulnerable to cyberattacks, including without limitation, malicious software, attempts to gain unauthorized access to data hereinabove mentioned, and other electronic security breaches that could lead to disruptions in critical systems, corruptions of data and unauthorized release of confidential or otherwise protected information. The occurrence of one of these events could cause a substantial decrease in revenues, increased costs to respond or other financial loss, damage to reputation, increased regulation or litigation or inaccurate information reported by Lantic's and TMTC's operations. These developments may subject Lantic's and TMTC.'s operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could materially and adversely affect RSI's financial results and operations.

We seek to manage cybersecurity risk by continuing to invest in appropriate information technology systems, infrastructure and security, including disaster plans, reviewing its existing technologies, processes and practices on a regular basis and ensuring employees understand and are aware of their role in protecting the integrity of our technological security and information. We rely on third party products and services to assist us in protecting our information technology infrastructure and our proprietary and confidential information. We seek to be proactive in the area of cybersecurity and consequently anticipate that we will continue to incur expenses in relation to, and dedicate personnel and other resources to, cybersecurity, as new and increasingly complex threats and risks are identified and responded to.

Environmental Matters

Lantic's and TMTC's operations are subject to environmental regulations imposed by federal, provincial and municipal governments in Canada, including those relating to the treatment and disposal of wastewater and cooling water, air emissions, contamination and spills of substances. We believe we are in compliance in all material respects with environmental laws and regulations. However, these regulations have become progressively more stringent and we anticipate this trend will continue, potentially resulting in the incurrence of material costs to achieve and maintain compliance.

Violation of these regulations can result in fines or other penalties, which in certain circumstances can include clean-up costs. As well, liability to characterize and clean up or otherwise deal with contamination on or from properties owned, used or controlled by Lantic and or TMTC currently or in the past can be imposed by environmental regulators or other third parties. Such liabilities could materially adversely affect RSI's financial results and operations.

Income Tax Matters

The income of RSI, Lantic and TMTC must be computed and is taxed in accordance with Canadian tax laws, all of which may be changed in a manner that could adversely affect the ability to pay dividends in the future. There can be no assurance that taxation authorities will accept the tax positions adopted including the determination of the amounts of federal and provincial income which could materially adversely affect dividends.

The current corporate structure involves a significant amount of inter-company or similar debt, generating substantial interest expense, which reduces earnings and therefore income tax payable at Lantic and TMTC's level. There can be no assurance that taxation authorities will not seek to challenge the amount of interest expense deducted. If such a challenge were to succeed against Lantic, it could materially adversely affect the amount of cash transferred to RSI for dividend payment. Management believes that the interest expense inherent in the structure is supportable and reasonable considering the terms of the debt owed by Lantic to RSI and TMTC to Lantic.

Management and Operation of Lantic

The Board of Directors of Lantic is currently controlled by Lantic Capital, an affiliate of Belkorp Industries. As a result, holders of shares have limited say in matters affecting the operations of Lantic; if such holders are in disagreement with the decisions of the Board of Directors of Lantic, they have limited recourse. The control exercised by Lantic Capital over the Board of Directors of Lantic may make it more difficult for others to attempt to gain control of or influence the activities of Lantic and RSI.

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 audited 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 RSI in the MD&A:

- Adjusted gross margin is defined as gross margin adjusted for:
  - "the adjustment to cost of sales", which comprises the mark-to-market gains or losses on sugar futures, foreign exchange forward contracts and embedded derivatives as shown in the notes to the consolidated 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 consolidated financial statements.
- Adjusted results from operating activities is defined as results from operating activities adjusted for the adjustment to cost of sales, the amortization of transitional balances to cost of sales for cash flow hedges.
- Adjusted EBITDA is defined as adjusted results from operating activities adjusted to add back depreciation and amortization expenses 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, the derecognition of contracts from hedge accounting and changes in fair value of derecognized contracts 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 consolidated financial statements. Derecognition of contracts from hedge accounting and changes in fair value of derecognized contracts is defined as the impact of changes in fair value of interest rate swaps that no longer meet the criteria for hedged accounting.
- Adjusted gross margin rate per 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 segment.
- Adjusted net earnings per share is defined as adjusted net earnings divided by the weighted average number of shares outstanding.
- 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 deferred financing charges, funds received from stock options exercised, capital and intangible assets expenditures, net of value added capital expenditures, and payments of capital leases.

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 RSI's results as reported under GAAP. Reconciliations of non-GAAP financial measures to the most directly comparable IFRS financial measures are as follows:

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

	Q4 2021[(2)]			Q4 2020[(2)]		
Consolidated results (In thousands of dollars)	**Sugar**	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**35,671**	**3,945**	**39,616**	32,198	5,692	37,890
Total adjustment to the cost of sales[(1)]	**(9,651)**	**1,055**	**(8,596)**	3,305	(1,130)	2,175
Adjusted Gross Margin	**26,020**	**5,000**	**31,020**	35,503	4,562	40,065
Results from operating activities	**25,549**	**1,403**	**26,952**	20,198	2,631	22,829
Total adjustment to the cost of sales[(1)]	**(9,651)**	**1,055**	**(8,596)**	3,305	(1,130)	2,175
Adjusted results from operating activities	**15,898**	**2,458**	**18,356**	23,503	1,501	25,004
Results from operating activities	**25,549**	**1,403**	**26,952**	20,198	2,631	22,829
Total adjustment to the cost of sales[(1)]	**(9,651)**	**1,055**	**(8,596)**	3,305	(1,130)	2,175
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**4,737**	**1,694**	**6,430**	4,479	1,685	6,164
Maple Segment non-recurring costs	**-**	**-**	**-**	-	63	63
Adjusted EBITDA	**20,634**	**4,152**	**24,786**	27,982	3,249	31,231
Net earnings			**16,140**			12,952
Total adjustment to the cost of sales[(1)]			**(8,596)**			2,175
Amortization of transitional balance to net finance costs[(1)]			**-**			-
Net change in fair value in interest rate swaps [(1)]			**(162)**			-
Income taxes on above adjustments			**2,238**			(576)
Adjusted net earnings			**9,620**			14,551
Net earnings per share (basic)			**0.16**			0.13
Adjustment for the above			**(0.07)**			0.01
Adjusted net earnings per share (basic)			**0.09**			0.14

(1) See “Adjusted results” section

(2) The fourth quarter of fiscal 2021 consists of 13 weeks and the fourth quarter of 2020 consists of 14 weeks

	FY 2021[(2)]			FY 2020[(2)]		
Consolidated results (In thousands of dollars)	**Sugar**	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**121,029**	**18,715**	**139,744**	105,088	21,111	126,199
Total adjustment to the cost of sales[(1)]	**(20,806)**	**1,873**	**(18,933)**	1,124	(1,205)	(81)
Adjusted Gross Margin	**100,223**	**20,588**	**120,811**	106,212	19,906	126,118
Results from operating activities	**77,266**	**7,231**	**84,497**	60,863	7,147	68,010
Total adjustment to the cost of sales[(1)]	**(20,806)**	**1,873**	**(18,933)**	1,124	(1,205)	(81)
Adjusted results from operating activities	**56,460**	**9,104**	**65,564**	61,987	5,942	67,929
Results from operating activities	**77,266**	**7,231**	**84,497**	60,863	7,147	68,010
Total adjustment to the cost of sales[(1)]	**(20,806)**	**1,873**	**(18,933)**	1,124	(1,205)	(81)
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**18,180**	**7,031**	**25,211**	16,890	6,588	23,478
Maple Segment non-recurring costs	**-**	**247**	**247**	-	852	852
Adjusted EBITDA	**74,640**	**16,382**	**91,022**	78,877	13,382	92,259
Net earnings			**47,527**			35,419
Total adjustment to the cost of sales[(1)]			**(18,933)**			(81)
Amortization of transitional balance to net finance costs[(1)]						(197)
Net change in fair value in interest rate swaps [(1)]			**451**			
Income taxes on above adjustments			**4,821**			104
Adjusted net earnings			**33,866**			35,245
Net earnings per share (basic)			**0.46**			0.34
Adjustment for the above			**(0.13)**			-
Adjusted net earnings per share (basic)			**0.33**			0.34

(1) See “Adjusted results” section

(2) Fiscal 2021 consists of 52 weeks and fiscal 2020 consists of 53 weeks

CRITICAL ACCOUNTING ESTIMATES

The preparation of our audited consolidated financial statements in conformity with IFRS requires us to make estimates and judgements that affect the reported amounts of assets and liabilities, net revenue and expenses, and the related disclosures. Such estimates include the valuation of goodwill, intangible assets, identified assets and liabilities acquired in business combinations, other long-lived assets, income taxes, the provision for asbestos removal and pension obligations. These estimates and assumptions are based on management's best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience, knowledge of economics and market factors, and various other assumptions that management believe to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions are recognized in the period in which the estimates are revised. Refer to note 2 (d) to the audited consolidated financial statements for more detail.

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 our audited consolidated financial statements for 2021. Management has reviewed such new standards, proposed amendments, and does not anticipate that they will have a material impact on Rogers' financial statements. Refer to note 3 (b) of the unaudited condensed interim financial statements and to note 3 (r) of the 2021 audited consolidated financial statements for details.

CONTROLS AND PROCEDURES

In compliance with the provisions of Canadian Securities Administrators' Regulation 52-109, we have filed certificates signed by the President and Chief Executive Officer ("CEO") and by the Vice-President Finance and Chief Financial Officer ("CFO"), in that, among other things, report on:

- their responsibility for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for RSI; and
- the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

The CEO and the CFO, have designed the disclosure controls and procedures ("DC&P"), or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the company is made known to the CEO and CFO by others, particularly during the period in which the interim and annual filings are being prepared; and
- information required to be disclosed by the company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

As at October 2, 2021, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the company's DC&P. Based on this evaluation, the CEO and the CFO concluded that the company's DC&P were appropriately designed and were operating effectively as at October 2, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The CEO and CFO have also designed internal controls over financial reporting ("ICFR"), or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS using the framework established in "Internal Control – Integrated Framework (COSO 2013 Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)". As at October 2, 2021, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of RSI's ICFR. Based on that evaluation, they have concluded that the design and operation of the company's internal controls over financial reporting were effective as at October 2, 2021.

In designing and evaluating such controls, it should be recognized that, due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is obliged to use judgement in evaluating controls and procedures.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the company's internal controls over financial reporting during the year that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

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 RSI 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, RSI 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 and the refined sugar industry
- the status of labour contracts and negotiations
- the level of future dividends
- the status of government regulations and investigations
- the impact of the COVID-19 pandemic on RSI and its operations.

Forward-looking statements are based on estimates and assumptions made by RSI in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, including with respect to the continuity of its operations despite the COVID-19 pandemic, 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. Readers should also refer to the section "Risks and Uncertainties" in this MD&A for additional information on risk factors and other events that are not within our control. These risks are also referred to in Rogers' Annual Information Form in the "Risk Factors" section.

Although we believe 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 RSI 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.