

Unaudited condensed consolidated interim financial statements of

ROGERS SUGAR INC.

Three and nine months ended June 27, 2020 and June 29, 2019

(Unaudited and not reviewed by the Company's external independent auditors)

ROGERS SUGAR INC.

(Unaudited)

Condensed consolidated interim statements of earnings and comprehensive income

(In thousands of dollars except per share amounts)

<i>Condensed consolidated interim statements of earnings</i>	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Revenues (note 17)	\$ 206,147	\$ 191,448	\$ 614,589	\$ 586,720
Cost of sales	176,274	160,707	526,280	493,218
Gross margin	29,873	30,741	88,309	93,502
Administration and selling expenses	11,818	8,153	28,548	24,219
Distribution expenses	5,683	4,018	14,580	12,336
	17,501	12,171	43,128	36,555
Results from operating activities	12,372	18,570	45,181	56,947
Finance income (note 5)	(66)	(117)	(197)	(309)
Finance costs (note 5)	4,213	4,388	13,729	13,579
Net finance costs (note 5)	4,147	4,271	13,532	13,270
Earnings before income taxes	8,225	14,299	31,649	43,677
Income tax expense (recovery):				
Current	541	4,333	8,845	12,046
Deferred	2,146	(466)	337	(223)
	2,687	3,867	9,182	11,823
Net earnings	\$ 5,538	\$ 10,432	\$ 22,467	\$ 31,854
Net earnings per share (note 12)				
Basic	\$ 0.05	\$ 0.10	\$ 0.22	\$ 0.30
Diluted	\$ 0.05	\$ 0.10	\$ 0.22	\$ 0.30

<i>Condensed consolidated interim statements of comprehensive income</i>	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Net earnings	\$ 5,538	\$ 10,432	\$ 22,467	\$ 31,854
Other comprehensive (loss) income				
Items that may or may not be reclassified subsequently to net earnings:				
Cash flow hedges (note 7)	(979)	(2,161)	(7,426)	(4,792)
Income tax on other comprehensive loss (note 7)	260	573	1,928	1,270
Foreign currency translation differences	(489)	(401)	579	190
	(1,208)	(1,989)	(4,919)	(3,332)
Net earnings and comprehensive income for the period	\$ 4,330	\$ 8,443	\$ 17,548	\$ 28,522

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

ROGERS SUGAR INC.

(Unaudited)

Condensed consolidated interim statements of financial position

(In thousands of dollars)

	June 27, 2020	September 28, 2019	June 29, 2019
Assets			
Current assets:			
Cash	\$ 357	\$ 284	\$ 1,270
Trade and other receivables	83,289	85,823	75,050
Inventories (note 6)	195,033	182,359	220,195
Prepaid expenses	10,902	4,162	4,814
Income taxes receivable	-	1,977	1,450
Derivative financial instruments (note 7)	3,373	931	3,064
Total current assets	292,954	275,536	305,843
Non-current assets:			
Property, plant and equipment	225,677	220,408	216,423
Right-of-use assets (note 3)	20,428	-	-
Intangible assets	32,688	35,444	36,178
Other assets	795	928	839
Deferred tax assets	24,059	19,684	14,265
Derivative financial instruments (note 7)	-	21	125
Goodwill	283,007	283,007	333,007
Total non-current assets	586,654	559,492	600,837
Total assets	\$ 879,608	\$ 835,028	\$ 906,680
Liabilities and Shareholder's Equity			
Current liabilities:			
Bank overdraft	\$ 449	\$ 8,325	\$ -
Revolving credit facility (note 8)	25,000	17,000	47,000
Trade and other payables	138,756	117,735	121,608
Provisions	711	878	870
Lease obligations (note 9)	3,222	139	50
Income taxes payable	3,452	-	-
Derivative financial instruments (note 7)	3,161	615	1,839
Total current liabilities	174,751	144,692	171,367
Non-current liabilities:			
Revolving credit facility (note 8)	165,000	160,000	160,000
Employee benefits	53,085	51,810	31,696
Provisions	510	819	1,140
Derivative financial instruments (note 7)	9,712	4,677	3,846
Lease obligations (note 9)	17,003	742	864
Convertible unsecured subordinated debentures (note 10)	145,366	144,230	143,772
Deferred tax liabilities	45,421	42,626	44,037
Total non-current liabilities	436,097	404,904	385,355
Total liabilities	\$ 610,848	\$ 549,596	\$ 556,722
Shareholder's equity:			
Share capital (note 11)	99,452	100,522	100,639
Contributed surplus	300,753	300,626	300,580
Equity portion of convertible unsecured subordinated debentures (note 10)	5,085	5,085	5,085
Deficit	(120,464)	(109,654)	(59,670)
Accumulated other comprehensive (loss) income	(16,066)	(11,147)	3,324
Total shareholder's equity	268,760	285,432	349,958
Total liabilities and shareholder's equity	\$ 879,608	\$ 835,028	\$ 906,680

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

ROGERS SUGAR INC.

(Unaudited)

Condensed consolidated interim statements of changes in shareholders' equity

(In thousands of dollars except number of shares)

	For the nine months ended June 27, 2020								
	Number of shares	Common shares	Contributed surplus	Equity portion of convertible debentures	Accumulated unrealized gain on employee benefit plans	Accumulated cash flow hedge gain (loss)	Accumulated foreign currency translation differences	Deficit	Total
		\$	\$	\$	\$	\$	\$	\$	\$
Balance, September 28, 2019	104,885,464	100,522	300,626	5,085	(8,638)	(3,248)	739	(109,654)	285,432
Net earnings for the period	-	-	-	-	-	-	-	22,467	22,467
Dividends (note 11)	-	-	-	-	-	-	-	(28,061)	(28,061)
Purchase and cancellation of shares (note 11)	(1,377,394)	(1,320)	-	-	-	-	-	(5,216)	(6,536)
Share-based compensation (note 13)	-	-	127	-	-	-	-	-	127
Conversion of convertible debentures into common shares, (notes 10 and 11)	28,853	250	-	-	-	-	-	-	250
Cash flow hedges, net of tax (note 7)	-	-	-	-	-	(5,498)	-	-	(5,498)
Translation of foreign operations	-	-	-	-	-	-	579	-	579
Balance, June 27, 2020	103,536,923	99,452	300,753	5,085	(8,638)	(8,746)	1,318	(120,464)	268,760

	For the nine months ended June 29, 2019								
	Number of shares	Common shares	Contributed surplus	Equity portion of convertible debentures	Accumulated unrealized gain on employee benefit plans	Accumulated cash flow hedge gain (loss)	Accumulated foreign currency translation differences	Deficit	Total
		\$	\$	\$	\$	\$	\$	\$	\$
Balance, September 29, 2018	105,008,070	100,639	300,436	5,085	6,070	272	314	(63,171)	349,645
Net earnings for the period	-	-	-	-	-	-	-	31,854	31,854
Dividends (note 13)	-	-	-	-	-	-	-	(28,353)	(28,353)
Share-based compensation (note 13)	-	-	144	-	-	-	-	-	144
Cash flow hedges, net of tax (note 7)	-	-	-	-	-	(3,522)	-	-	(3,522)
Translation of foreign operations	-	-	-	-	-	-	190	-	190
Balance, June 29, 2019	105,008,070	100,639	300,580	5,085	6,070	(3,250)	504	(59,670)	349,958

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

ROGERS SUGAR INC.

(Unaudited)

Condensed consolidated interim statements of cash flows

(In thousands of dollars)

	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Cash flows from operating activities:				
Net earnings	\$ 5,538	\$ 10,432	\$ 22,467	\$ 31,854
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets (note 4)	4,764	3,788	14,452	11,462
Amortization of intangible assets (note 4)	956	943	2,862	2,828
Changes in fair value of derivative financial instruments included in cost of sales	(4,891)	(3,066)	(2,069)	(471)
Income tax expense	2,687	3,867	9,182	11,823
Pension contributions	(2,695)	(2,439)	(7,154)	(6,640)
Pension expense	3,118	2,306	8,429	6,842
Net finance costs (note 5)	4,147	4,271	13,532	13,270
Share-based compensation – equity settled (note 13)	42	46	127	144
Share-based compensation – cash settled (note 13)	26	(25)	17	85
Gain on disposal of property, plant and equipment	(7)	-	(13)	(16)
Other	-	(1)	-	4
	13,685	20,122	61,832	71,185
Changes in:				
Trade and other receivables	6,559	6,344	2,578	6,721
Inventories	(60,967)	(69,805)	(12,436)	(40,762)
Prepaid expenses	(2,928)	3,437	(6,735)	490
Trade and other payables	69,978	62,435	17,457	8,273
Provisions	(2)	(169)	(576)	(195)
	12,640	2,242	288	(25,473)
Cash flows from operating activities	26,325	22,364	62,120	45,712
Interest paid	(1,349)	(5,833)	(9,601)	(13,831)
Income taxes received (paid)	3,433	(4,601)	(3,401)	(16,662)
Net cash from operating activities	28,409	11,930	49,118	15,219
Cash flows (used in) from financing activities:				
Dividends paid (note 11)	(9,320)	(9,451)	(28,183)	(28,353)
Decrease in bank overdraft	(1,661)	-	(7,876)	(5,469)
(Decrease) increase in revolving credit facility (note 8)	(11,000)	(1,000)	13,000	35,000
Payment of financing fees	-	-	(16)	-
Payment of lease obligations (note 9)	(1,025)	-	(3,088)	-
Purchase and cancellation of shares (note 11)	(80)	-	(6,536)	-
Cash flow (used in) from financing activities	(23,086)	(10,451)	(32,699)	1,178
Cash flows used in investing activities:				
Additions to property, plant and equipment, net of proceeds on disposal	(6,110)	(7,349)	(16,521)	(17,235)
Additions to intangible assets	-	-	-	(2)
Cash flow used in investing activities	(6,110)	(7,349)	(16,521)	(17,237)
Effect of changes in exchange rate on cash	(258)	(161)	175	9
Net (decrease) increase in cash	(1,045)	(6,031)	73	(831)
Cash, beginning of period	1,402	7,301	284	2,101
Cash, end of period	\$ 357	\$ 1,270	\$ 357	\$ 1,270

Supplemental cash flow information (note 14)

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

1. Reporting entity:

Rogers Sugar Inc. (“Rogers” or the “Company”) is a company domiciled in Canada, incorporated under the *Canada Business Corporations Act*. The head office of Rogers is located at 123 Rogers Street, Vancouver, British Columbia, V6B 3V2. The unaudited condensed consolidated interim financial statements of Rogers for the three and nine month periods ended June 27, 2020 and June 29, 2019 comprise Rogers and the directly and indirectly controlled subsidiaries, Lantic Inc. (“Lantic”) and The Maple Treat Corporation (“TMTC”), (together referred to as the “Company”). The principal business activities of the Company are the refining, packaging and marketing of sugar and maple products.

2. Basis of presentation and statement of compliance:

(a) Statement of compliance:

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* on a basis consistent with those accounting policies followed by the Company in the most recent audited consolidated annual financial statements other than the adoption of IFRS 16, IFRIC 23 and Annual Improvements to IFRS Standards (2015-2017) Cycle as described in note 3(b). Certain information, in particular the accompanying notes, normally included in the audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) has been omitted or condensed. Accordingly, these unaudited condensed consolidated interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the year ended September 28, 2019. The quarterly unaudited condensed consolidated interim financial statements were neither reviewed nor audited by our external auditors and were authorized for issue by the Board of Directors on August 5, 2020.

(b) Basis of measurement:

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the unaudited condensed consolidated statements of financial position:

- (i) derivative financial instruments are measured at fair value,
- (ii) equity-settled share-based compensation, cash-settled share appreciation rights and cash-settled performance share units are measured at fair value,
- (iii) the defined benefit liability is recognized as the net total of the present value of the defined benefit obligation less the total of the fair value of the plan assets and the unrecognized past service costs;
- (iv) assets and liabilities acquired in business combinations are measured at fair value at acquisition date, less any subsequent impairment, if applicable; and
- (v) lease liabilities are measured at the present value of future lease payments when the leased asset is available for use by the Company.

2. Basis of presentation and statement of compliance (continued):

(c) Functional and presentation currency:

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars since it is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousands, except as noted and per share amounts.

(d) Use of estimates and judgements:

The preparation of these unaudited condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are as those applied and described in the Company's audited annual consolidated financial statements for the year ended September 28, 2019.

The novel coronavirus disease ("COVID-19") did not have a significant impact on estimates and judgements.

3. Significant accounting policies:

(a) Basis of consolidation:

(i) Subsidiaries:

The consolidated financial statements include the Company and the subsidiary it controls, Lantic Inc. ("Lantic") and its subsidiaries, TMTC and Highland Sugarworks Inc. ("Highland") (the latter two companies together referred to as "TMTC"). Control exists where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases. The accounting policies of subsidiaries are aligned with the policies adopted by the Company.

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

3. Significant accounting policies (continued):

(b) New standards and interpretations adopted:

The significant accounting policies as disclosed in the Company's audited annual consolidated financial statements for the year ended September 28, 2019 have been applied consistently in the preparation of these unaudited condensed consolidated interim financial statements, except as noted below:

(i) IFRS 16, *Leases*:

On January 13, 2016 the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019.

Effective September 29, 2019 (date of initial application), the Company adopted IFRS 16 using the modified retrospective transition approach. Accordingly, comparative figures as at and for the year-ended September 28, 2019 and the three and nine month periods ended June 29, 2019 have not been restated and continue to be reported under IAS 17 and IFRIC 4.

The Company has elected to apply the practical expedient to grandfather the assessment of which transactions are leases on the date of initial application, as previously assessed under IAS 17 and IFRIC 4. The Company applied the definition of a lease under IFRS 16 to contracts entered into or modified on or after September 29, 2019.

At transition, the Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating lease under IAS 17;

- the Company relied on the assessment of the onerous lease provisions under IAS 37, *Provisions, contingent liabilities and contingent assets*, instead of performing an impairment review. The Company adjusted the right-of-use assets at the date of initial application by the amount of any provision for onerous leases recognized in the consolidated balance sheet immediately before the date of initial application;
- the Company accounted for leases for which the lease term ends within twelve months of the date of initial application as short-term leases; and
- the Company used hindsight in determining the lease term at the date of initial application.

The Company applied the modified retrospective transition approach measuring the right-of-use asset ("ROU asset") to be equal to the lease liability with no restatement of the comparative period. As such, as at September 29, 2019, the Company recorded ROU assets of \$11.0 million and lease obligations of \$11.0 million. When measuring the lease liabilities, the Company discounted future lease payments using its incremental borrowing rate as at September 29, 2019 being 4.40%.

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Notes to unaudited condensed consolidated interim financial statements
(In thousands of dollars except as noted and amounts per share)

3. Significant accounting policies (continued):

(b) New standards and interpretations adopted (continued):

(i) IFRS 16, *Leases* (continued):

The following table summarizes the impact of the adoption on certain items on the Company's consolidated balance sheet as at September 29, 2019:

	September 28, 2019	Transition adjustments	September 29, 2019
	\$	\$	\$
Property, plant and equipment	220,408	(1,059)	219,349
Right-of-use assets	-	12,094	12,094
Finance lease obligations - current	139	(139)	-
Lease obligations - current	-	2,596	2,596
Finance lease obligations – non -current	742	(742)	-
Lease obligations – non-current	-	9,320	9,320

The following table reconciles the Company's operating lease obligations as at September 28, 2019 as previously disclosed in the Company's audited annual consolidated financial statements, to the lease obligation recognized on initial application of IFRS 16 as at September 29, 2019:

	\$
Operating lease commitment as at September 28, 2019	20,930
Finance lease liability as at September 28, 2019	881
Lease commitments of leases commencing after the initial application date	(9,349)
Recognition exemption for short-term leases	(263)
Discounted using the incremental borrowing rate as at September 29, 2019	(2,214)
Extension option reasonably certain to be exercised	3,240
Other	(1,309)
Lease obligations as at September 29, 2019	11,916

The following table summarizes the reconciliation of the right-of-use assets from the date of initial application until June 27, 2020:

	\$
Right-of-use assets as at September 28, 2019	-
Reclassification from property, plant and equipment	1,059
Additions as at September 29, 2019 (date of initial application)	11,035
Additions during the period	10,766
Depreciation	(2,457)
Effect of movements in exchange rate	25
Right-of-use assets as at June 27, 2020	20,428

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Notes to unaudited condensed consolidated interim financial statements
(In thousands of dollars except as noted and amounts per share)

3. Significant accounting policies (continued):

(b) New standards and interpretations adopted (continued):

(i) IFRS 16, *Leases* (continued):

The following table summarizes the reconciliation of the lease obligations from the date of initial application until June 27, 2020:

	\$
Lease obligations as at September 28, 2019	-
Reclassification from finance lease obligations	881
Additions as at September 29, 2019 (date of initial application)	11,035
Additions during the period	10,766
Payment of lease obligations	(3,088)
Interest accretion	611
Effect of movements in exchange rate	20
Lease obligations as at June 27, 2020	20,225

As a result of the adoption of IFRS 16, the Company updated its accounting policy for leases as follows:

The Company recognizes a right-of-use asset and a lease liability based on the present value of future lease payments when the leased asset is available for use by the Company. The lease payments include fixed and in-substance fixed payments and variable lease payments that depend on an index or rate, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. Generally, the Company's uses the lessee's incremental borrowing rate for its present value calculations. Lease payments are discounted over the lease term, which includes the fixed term and renewal options that the Company is reasonably certain to exercise. Lease payments are allocated between the lease liability and a finance cost, which is recognized in finance costs over the lease term in the consolidated statement of earnings.

When a contract contains both lease and non-lease components, the Company will allocate the consideration in the contract to each of the components on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. Relative stand-alone prices are determined by maximizing the most observable prices for a similar asset and/or service.

Lease payments for assets that are exempt through the short-term exemption and variable payments not based on an index or rate are recognized in administration and selling expenses or distribution expenses as incurred.

3. Significant accounting policies (continued):

(b) New standards and interpretations adopted (continued):

(i) IFRS 16, *Leases* (continued):

Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. Cost is calculated as the initial measurement of the lease liability plus any initial direct costs and any lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life.

(ii) IFRIC 23, *Uncertainty over Income Tax Treatments*:

On June 7, 2017, the IASB issued IFRIC Interpretation 23, *Uncertainty over Income Tax Treatments*.

The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

The Interpretation requires an entity to:

- Contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- Reflect an uncertainty in the amount of income tax payable (recoverable) if it is probable that it will pay (or recover) an amount for the uncertainty; and
- Measure a tax uncertainty based on the most likely amount or expected value depending on whichever method better predicts the amount payable (recoverable).

The Company adopted the Interpretation in its consolidated interim financial statements for the annual period beginning on September 29, 2019. The adoption of the Interpretation did not have an impact on the consolidated interim financial statements.

3. Significant accounting policies (continued):

(b) New standards and interpretations adopted (continued):

(iii) Annual Improvements to IFRS Standards (2015-2017) Cycle:

On December 12, 2017 the IASB issued narrow-scope amendments to three standards as part of its annual improvements process.

The amendments are effective on or after January 1, 2019, with early application permitted. Each of the amendments has its own specific transition requirements.

Amendments were made to the following standards:

- IFRS 3, *Business Combinations* and IFRS 11, *Joint Arrangements* – to clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business;
- IAS 12, *Income Taxes* – to clarify that all income tax consequences of dividends are recognized consistently with the transactions that generated the distributable profits - in profit or loss, OCI, or equity; and
- IAS 23, *Borrowing Costs* – to clarify that specific borrowings – i.e. funds borrowed specifically to finance the construction of a qualifying asset – should be transferred to the general borrowings pool once the construction of the qualifying asset has been completed.

The Company adopted the amendments in its consolidated interim financial statements for the annual period beginning on September 29, 2019. The adoption of the amendments did not have an impact on the consolidated interim financial statements.

(c) New standards and interpretations not yet adopted:

A number of new standards and amendments to standards and interpretations are not yet effective for the period ended June 27, 2020 and have not been applied in preparing these unaudited condensed consolidated interim financial statements. New standards and amendments to standards and interpretations that are currently under review include:

(i) Amendments to References to the Conceptual Framework in IFRS Standards:

On March 29, 2018 the IASB issued a revised version of its *Conceptual Framework for Financial Reporting* (the Framework), that underpins IFRS Standards. The IASB also issued *Amendments to References to the Conceptual Framework in IFRS Standards* (the Amendments) to update references in IFRS Standards to previous versions of the Conceptual Framework.

Both documents are effective from January 1, 2020 with earlier application permitted.

The Company does not intend to adopt the Amendments in its consolidated financial statements before the annual period beginning on October 4, 2020. The Company does not expect the amendments to have a material impact on the consolidated financial statements.

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Notes to unaudited condensed consolidated interim financial statements
(In thousands of dollars except as noted and amounts per share)

4. Depreciation and amortization expense:

Depreciation and amortization expense were charged to the unaudited condensed consolidated interim statements of earnings as follows:

	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
	\$	\$	\$	\$
Depreciation of property, plant and equipment:				
Cost of sales	3,751	3,659	11,597	11,071
Administration and selling expenses	135	129	398	391
	3,886	3,788	11,995	11,462
Depreciation of right-of-use assets:				
Cost of sales	611	-	1,676	-
Distribution expenses	267	-	781	-
	878	-	2,457	-
Amortization of intangible assets:				
Administration and selling expenses	956	943	2,862	2,828
Total depreciation and amortization expense	5,720	4,731	17,314	14,290

5. Finance income and finance costs:

Recognized in net earnings:

	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
	\$	\$	\$	\$
Net change in fair value of interest rate swap (note 7)	66	117	197	309
Finance income	66	117	197	309
Interest expense on convertible unsecured subordinated debentures, including accretion expense ⁽¹⁾	2,114	2,093	6,285	6,257
Interest on revolving credit facility	1,461	1,894	4,990	5,723
Amortization of deferred financing fees	297	294	890	883
Other interest expense	121	107	953	716
Interest accretion on discounted lease obligations	220	-	611	-
Finance costs	4,213	4,388	13,729	13,579
Net finance costs recognized in net earnings	4,147	4,271	13,532	13,270

(1) Includes accretion expense of \$217 and \$645 for the three and nine months ended June 27, 2020 (June 29, 2019 - \$205 and \$610, respectively)

6. Inventories:

During the three and nine months ended June 27, 2020, inventories recognized as cost of goods sold amounted to \$180.2 million and \$528.5 million respectively (\$165.2 million and \$499.2 million respectively for the three and nine months ended June 29, 2019).

7. Financial instruments:

Disclosures relating to risks exposures, in particular credit risk, liquidity risk, foreign currency risk, interest rate risk and equity risk were provided in the September 28, 2019 annual consolidated financial statements and there have been no significant changes in the Company's risk exposures during the three and nine months ended June 27, 2020.

For its financial assets and liabilities measured at amortized cost as at June 27, 2020, the Company has determined that the carrying value of its short-term financial assets and liabilities approximates their fair value because of the relatively short periods to maturity of these instruments.

Details of recorded gains (losses) for the year, in marking-to-market all derivative financial instruments and embedded derivatives that are outstanding at quarter end, are noted below. For sugar futures contracts (derivative financial instruments), the amounts noted below are netted with the variation margins paid or received to/from brokers at the end of the reporting period. Natural gas forwards and sugar futures have been marked-to-market using published quoted values for these commodities, while foreign exchange forward contracts have been marked-to-market using rates published by the financial institution which is counterparty to these contracts.

The fair value of natural gas contracts, foreign exchange forward contracts and interest rate swap calculations include a credit risk adjustment for the Company's or counterparty's credit, as appropriate.

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7. Financial instruments (continued):

As at June 27, 2020, September 28, 2019 and June 29, 2019, the Company's financial derivatives carrying values were as follows:

	Financial Assets		Financial Liabilities	
	Current	Non-Current	Current	Non-Current
	June 27, 2020		June 27, 2020	
	\$	\$	\$	\$
Derivative financial instruments measured at fair value through profit or loss:				
Sugar futures contracts	-	-	45	218
Foreign exchange forward contracts	3,373	-	-	579
Derivative financial instruments designated as effective cash flow hedging instruments:				
Natural gas futures contracts	-	-	1,590	3,283
Interest rate swap	-	-	1,526	5,632
	3,373	-	3,161	9,712

	Financial Assets		Financial Liabilities		Financial Assets		Financial Liabilities	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
	September 28, 2019				June 29, 2019			
	\$	\$	\$	\$	\$	\$	\$	\$
Derivative financial instruments measured at fair value through profit or loss:								
Sugar futures contracts	27	-	-	59	-	46	195	-
Foreign exchange forward Contracts	673	21	13	328	2,856	79	-	157
Derivative financial instruments designated as effective cash flow hedging instruments:								
Natural gas futures contracts	-	-	602	2,956	-	-	1,644	2,307
Interest rate swap	231	-	-	1,334	208	-	-	1,382
	931	21	615	4,677	3,064	125	1,839	3,846

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7. Financial instruments (continued):

	For the three months ended					
	Charged to cost of sales Unrealized gain / (loss)		Charged to finance income		Other comprehensive gain / (loss)	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
	\$	\$	\$	\$	\$	\$
Derivative financial instruments measured at fair value through profit or loss:						
Sugar futures contracts	1,302	(551)	-	-	-	-
Foreign exchange forward contracts	3,079	2,541	-	-	-	-
Derivative financial instruments designated as effective cash flow hedging instruments:						
Natural gas futures contracts	49	510	-	-	608	(1,051)
Interest rate swap	-	-	66	117	(1,587)	(1,110)
	4,430	2,500	66	117	(979)	(2,161)

	For the nine months ended					
	Charged to cost of sales Unrealized gain / (loss)		Charged to finance income		Other comprehensive gain / (loss)	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
	\$	\$	\$	\$	\$	\$
Derivative financial instruments measured at fair value through profit or loss:						
Sugar futures contracts	965	(1,565)	-	-	-	-
Foreign exchange forward contracts	554	(237)	-	-	-	-
Derivative financial instruments designated as effective cash flow hedging instruments:						
Natural gas futures contracts	71	1,315	-	-	(1,387)	(835)
Interest rate swap	-	-	197	309	(6,039)	(3,957)
	1,590	(487)	197	309	(7,426)	(4,792)

The following table summarizes the Company's hedging components of other comprehensive income ("OCI") as at June 27, 2020 and June 29, 2019:

	June 27, 2020			June 29, 2019		
	Natural gas futures contracts	Interest rate swap	Total	Natural gas futures contracts	Interest rate swap	Total
	\$	\$	\$	\$	\$	\$
Opening OCI	(2,751)	(1,740)	(4,491)	(2,679)	3,049	370
Income taxes	204	1,039	1,243	712	(810)	(98)
Opening OCI – net of income taxes	(2,547)	(701)	(3,248)	(1,967)	2,239	272
Change in fair value of derivatives designated as cash flow hedges	(1,316)	(5,842)	(7,158)	480	(3,648)	(3,168)
Amounts reclassified to net earnings	(71)	(197)	(268)	(1,315)	(309)	(1,624)
Income taxes	360	1,568	1,928	221	1,049	1,270
Ending OCI – net of income taxes	(3,574)	(5,172)	(8,746)	(2,581)	(669)	(3,250)

For the three and nine months ended June 27, 2020, the derivatives designated as cash flow hedges were considered to be fully effective and no ineffectiveness has been recognized in net earnings.

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7. Financial instruments (continued):

Approximately \$2.3 million of net losses presented in accumulated other comprehensive income are expected to be reclassified to net earnings within the next twelve months.

During the first quarter, the Company entered into a five-year interest rate swap agreement with an effective date of October 3, 2019 at a rate of 1.68% for a notional amount of \$20.0 million.

During the second quarter, the Company entered into a five-year interest rate swap agreement with an effective date of February 24, 2020 at a rate of 1.60% for a notional amount of \$20.0 million, a three-year interest rate swap agreement with an effective date of March 6, 2020 at a rate of 1.08% for a notional amount of \$20.0 million, decreasing to \$10.0 million on June 28, 2021 and a one-year interest rate swap agreement with an effective date of June 28, 2024 at a rate of 1.18% for a notional amount of \$80.0 million.

The aggregate notional amount of the all interest rate swap agreements is as follows:

Fiscal year contracted	Date	Total value \$
Fiscal 2015	June 28, 2018 to June 28, 2020 – 1.959%	30,000
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 2019	June 28, 2022 to June 28, 2024 – 2.17%	80,000
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	March 6, 2020 to June 28, 2021 – 1.08%	20,000
Fiscal 2020	June 28, 2021 to June 28, 2023 – 1.08%	10,000
Fiscal 2020	June 28, 2024 to June 28, 2025 – 1.18%	80,000

8. Revolving credit facility:

As a result of the amended revolving credit facility, the Additional Accordion Borrowings and the Additional TMTCC Accordion Borrowings, the Company has a total of \$265.0 million of available working capital from which it can borrow at prime rate, LIBOR rate or under bankers' acceptances, plus 20 to 250 basis points, based on achieving certain financial ratios.

Certain assets of the Company, including trade receivables, inventories and property, plant and equipment, have been pledged as security for the revolving credit facility. As at June 27, 2020, a total of \$481.0 million of assets are pledged as security (September 28, 2019 - \$422.2 million; June 29, 2019 - \$442.0 million).

The maturity date of the amended revolving credit facility is June 28, 2024.

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8. Revolving credit facility (continued):

The following amounts were outstanding as of:

	June 27, 2020	September 28, 2019	June 29, 2019
	\$	\$	\$
Outstanding amount on revolving credit facility:			
Current	25,000	17,000	47,000
Non-current	165,000	160,000	160,000
	190,000	177,000	207,000

The carrying value of the revolving credit facility approximates fair value as the borrowings bear interest at variable rates.

9. Lease obligations:

The Company's leases are primarily for warehouses, operating properties, railcars and production equipment.

The following table presents lease obligations recorded in the consolidated statement of financial position as at June 27, 2020:

	June 27, 2020	September 28, 2019 ⁽¹⁾	June 29, 2019 ⁽¹⁾
	\$	\$	\$
Current	3,222	139	50
Non-current	17,003	742	864
	20,225	881	914

(1) Finance lease obligations assessed under the previous standards. Refer to Note 3 (b).

Certain leases contain extension or termination options exercisable by the Company before the end of the non-cancellable contract period. The Company has applied judgement to determine the lease term for the contracts with renewal and termination options and has included renewal and termination options in the measurement of lease obligations when it is reasonably certain to exercise the options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or a significant change in circumstances which impacts the original assessments made.

Expenses relating to short-term leases, and for leases of low-value assets were not significant for the three and nine months ended June 27, 2020.

The total cash outflow for leases (including interest) for the three and nine months ended June 27, 2020 was \$1.0 million and \$3.1 million respectively, which was included as part of cash outflows from financing activities.

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10. Convertible unsecured subordinated debentures:

The outstanding convertible unsecured subordinated debentures are as follows:

	June 27, 2020	September 28, 2019	June 29, 2019
	\$	\$	\$
Sixth series	57,425	57,500	57,500
Seventh series	97,575	97,750	97,750
Total face value	155,000	155,250	155,250
Less deferred financing fees	(4,759)	(5,500)	(5,747)
Less equity component	(6,930)	(6,930)	(6,930)
Accretion expense on equity component	2,055	1,410	1,199
Total carrying value – non current	145,366	144,230	143,772

The fair value of the Sixth and Seventh series debentures as at June 27, 2020 were approximately \$154.4 million based on market quotes.

11. Share capital and other components of equity:

As of June 27, 2020, a total of 103,536,923 common shares (September 28, 2019 – 104,885,464; June 29, 2019 – 105,008,070) were outstanding.

During the first quarter, a total of \$75 of the sixth series debentures and \$175 of the seventh series debentures was converted by holders of the securities for a total of 9,079 and 19,774 common shares, respectively. These conversions are non-cash transactions and therefore not reflected in the unaudited condensed consolidated interim statement of cash flow.

On June 1, 2020, the Company received approval from the Toronto Stock Exchange to proceed with a Normal Course Issuer Bid (“2020 NCIB”), under which the Company may purchase up to 1,500,000 common shares. In addition, the Company 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 the Company’s 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 may continue to June 2, 2021. No shares were purchased under the 2020 NCIB during the quarter.

On May 22, 2019, the Company received approval from the Toronto Stock Exchange to proceed with a Normal Course Issuer Bid (“2019 NCIB”), under which the Company 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. During the three and nine months ended June 27, 2020, the Company purchased 18,070 and 1,377,394 common shares having a book value of \$17 and \$1,320 for a total cash consideration of \$80 and \$6,536, respectively. The excess of the purchase price over the book value of the shares in the amount of \$63 and \$5,216 was charged to deficit. All shares purchased were cancelled.

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Notes to unaudited condensed consolidated interim financial statements
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11. Share capital and other components of equity (continued):

The Company declared a quarterly dividend of \$0.09 per share amounting to the following for the three and nine month periods ending June 27, 2020 and June 29, 2019:

	June 27, 2020	June 29, 2019
	\$	\$
Dividends	28,061	28,353

12. Earnings per share:

Reconciliation between basic and diluted earnings per share is as follows:

	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Basic earnings per share:				
Net earnings	\$5,538	\$10,432	\$22,467	\$31,854
Weighted average number of shares outstanding	103,537,320	105,008,070	104,131,116	105,008,070
Basic earnings per share	\$0.05	\$0.10	\$0.22	\$0.30
Diluted earnings per share:				
Net earnings	\$5,538	\$10,432	\$22,467	\$31,854
Plus impact of convertible unsecured subordinated debentures and share options	-	1,529	-	4,570
	\$5,538	\$11,961	\$22,467	\$36,424
Weighted average number of shares outstanding:				
Basic weighted average number of shares outstanding	103,537,320	105,008,070	104,131,116	105,008,070
Plus impact of convertible unsecured subordinated debentures and share options	-	18,006,457	-	18,006,457
	103,537,320	123,014,527	104,131,116	123,014,527
Diluted earnings per share	\$0.05	\$0.10	\$0.22	\$0.30

For the three and nine months ended June 27, 2020, the share options and the unsecured subordinated debentures were excluded from the calculation of diluted earnings per share as they were deemed anti-dilutive. For the three and nine months ended June 29, 2019, the share options were excluded from the calculation of diluted earnings per share as they were deemed anti-dilutive.

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13. Share-based compensation:

(a) Equity-Settled Share-Based Compensation:

The Company has reserved and set aside for issuance an aggregate of 4,000,000 common shares (September 28, 2019 – 4,000,000 common shares, June 29, 2019 – 4,000,000 common shares) at a price equal to the average market price of transactions during the last five trading days prior to the grant date. Options are exercisable to a maximum of 20% of the optioned shares per year, starting after the first anniversary date of the granting of the options and will expire after a term of ten years. Upon termination, resignation, retirement, death or long-term disability, all share options granted under the Share Option Plan not vested shall be forfeited.

On March 20, 2020, a total of 250,000 share options were granted at a price of \$4.28 per common share to an executive.

On December 2, 2019, a total of 563,500 share options were granted at a price of \$4.68 per common share to certain executives.

On December 3, 2018, a total of 447,175 share options were granted at a price of \$5.58 per common share to certain executives.

Compensation expense is amortized over the vesting period of the corresponding optioned shares and is expensed in the administration and selling expenses with an offsetting credit to contributed surplus. An expense of \$42 and \$127 was recorded for the three and nine month periods ended June 27, 2020 (an expense of \$46 and 144 for the three and nine month periods ended June 29, 2019).

The following tables summarize information about the Share Option Plan as of June 27, 2020:

Exercise price per option	Outstanding number of options at September 28, 2019	Options granted during the nine month period	Options exercised during the nine month period	Options forfeited during the nine month period	Outstanding number of options at June 27, 2020	Weighted average remaining life	Number of options exercisable
\$4.28	-	250,000	-	-	250,000	9.73	-
\$4.59	830,000	-	-	-	830,000	4.90	660,000
\$4.68	-	563,500	-	-	563,500	9.43	-
\$5.58	447,175	-	-	-	447,175	8.43	89,435
\$5.61	80,000	-	-	-	80,000	1.73	80,000
\$6.23	1,005,322	-	-	-	1,005,322	7.44	402,129
\$6.51	360,000	-	-	-	360,000	6.44	216,000
	2,722,497	813,500	-	-	3,535,997	n/a	1,447,564

Options outstanding held by key management personnel amounted to 2,915,997 options as at June 27, 2020 and 2,102,497 options as at September 28, 2019 (see note 15, Key management personnel).

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13. Share-based compensation (continued):

(a) Equity-Settled Share-Based Compensation (continued):

The measurement date fair values were measured based on the Black-Scholes option pricing model. Expected volatility is estimated by considering historic average share price volatility. The inputs used in the measurement of the fair values of the share-based payment plans granted in the first quarter of fiscal 2020 are the following:

Total fair value of options	\$106
Share price	\$4.81
Exercise price	\$4.68
Expected volatility (weighted average volatility)	15.984% to 16.870%
Option life (expected weighted average life)	4 to 6 years
Expected dividends	7.48%
Weighted average risk-free interest rate (based on government bonds)	1.641% to 1.660%

The inputs used in the measurement of the fair values of the share-based payment plans granted in the second quarter of fiscal 2020 are the following:

Total fair value of options	\$26
Share price	\$4.24
Exercise price	\$4.28
Expected volatility (weighted average volatility)	16.872% to 17.949%
Option life (expected weighted average life)	4 to 6 years
Expected dividends	8.49%
Weighted average risk-free interest rate (based on government bonds)	0.714% to 0.763%

(b) Cash-Settled Share-Based Compensation:

i) Share Appreciation Rights ("SAR"):

Compensation expense is amortized over the vesting period of the corresponding optioned shares and is expensed in the administration and selling expenses with an offsetting credit to liability. An expense of \$1 and a gain of \$6 was recorded for the three and nine months ended June 27, 2020 (a gain of \$8 and an expense of \$2 was recorded for the three and nine months ended June 29, 2019). The liabilities arising from the SARs as at June 27, 2020 were \$2 (September 28, 2019 – \$8; June 29, 2019 – \$12).

The following table summarizes information about the SARs as of June 27, 2020:

Share price per unit	Outstanding number of SARs at September 28, 2019	SARs granted during the nine month period	SARs exercised during the nine month period	SARs forfeited during the nine month period	Outstanding number of SARs at June 27, 2020	Number of SARs exercisable
\$6.51	125,000	-	-	-	125,000	75,000

The measurement date fair values were measured based on the Black-Scholes option pricing model. Expected volatility is estimated by considering historic average share price volatility. The inputs used in the measurement of the fair values of the SARs granted are the following:

13. Share-based compensation (continued):

(b) Cash-Settled Share-Based Compensation (continued):

i) Share Appreciation Rights ("SAR") (continued):

SARs granted December 5, 2016	Grant date	Measurement date as at June 27, 2020
Total fair value of SARs	\$53	\$2
Share price	\$6.63	\$4.72
Exercise price	\$6.51	\$6.51
Expected volatility (weighted average volatility)	16.520% to 18.670%	15.587% to 17.226%
Option life (expected weighted average life)	2 to 6 years	6 to 10 years
Expected dividends	5.43%	7.63%
Weighted average risk-free interest rate (based on government bonds)	0.740% to 1.160%	0.362% to 0.506%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the SARs is indicative of future trends, which may not necessarily be the actual outcome.

ii) Performance Share Units ("PSU"):

Fiscal 2020 grant:

On December 2, 2019, a total of 324,932 PSUs were granted to certain executives. In addition, an aggregate of 12,367 PSUs at a weighted-average share price of \$4.74 were allocated as a result of the dividend paid during the quarters since inception, as the participants also receive dividend equivalents paid in the form of PSUs. As at June 27, 2020, an aggregate of 337,299 PSUs was outstanding. These PSUs will vest at the end of the 2020-2022 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. Following the end of a Performance Cycle, the Board of Directors of the Company will determine, and to the extent only that the Vesting Conditions include financial conditions, concurrently with the release of the Company's financial and/or operational results for the fiscal year ended at the end of the Performance Cycle, whether the Vesting Conditions for the PSUs granted to a participant relating to such Performance Cycle have been achieved. Depending on the achievement of the Vesting Conditions, between 0% and 200% of the PSUs will become vested.

The Board of Directors of the Company has the discretion to determine that all or a portion of the PSUs granted to a participant for which the Vesting Conditions have not been achieved shall vest to such participant.

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, and such date will in no event occur after December 31 of the third calendar year following the calendar year in which the PSUs are granted.

13. Share-based compensation (continued):

(b) Cash-Settled Share-Based Compensation (continued):

ii) Performance Share Units ("PSU") (continued):

Fiscal 2020 grant (continued):

The fair values were established using the Monte Carlo model. The fair value as at grant date was \$64 and \$86 as at June 27, 2020. An expense of \$12 and \$14 was recorded for the three and nine month periods ending June 27, 2020 respectively in administration and selling expenses. The liabilities arising from the PSUs as at June 27, 2020 were \$14.

Fiscal 2019 grant:

On December 3, 2018, an aggregate of 290,448 PSUs was granted by the Company. In addition, an aggregate of 30,769 PSUs at a weighted-average share price of \$5.37 were allocated as a result of the dividend paid during the quarters since inception, as the participants also receive dividend equivalents paid in the form of PSUs. As at June 27, 2020, an aggregate of 321,217 PSUs was outstanding. These PSUs will vest at the end of the 2019-2021 Performance Cycle.

The fair values were established using the Monte Carlo model. The fair value as at grant date was \$308 and \$37 as at June 27, 2020 (September 28, 2019 - \$35, June 29, 2019 - \$459). An expense of \$13 and \$9 was recorded for the three and nine month periods ending June 27, 2020 respectively (June 29, 2019 – a gain of \$17 and an expense of \$83 respectively) in administration and selling expenses. The liabilities arising from the PSUs as at June 27, 2020 were \$16 (September 28, 2019 – 7; June 29, 2019 - \$83).

Fiscal 2018 grant:

On December 4, 2017, an aggregate of 224,761 PSUs was granted by the Company. In addition, an aggregate of 39,478 PSUs at a weighted-average share price of \$5.57 were allocated as a result of the dividend paid during the quarters since inception, as the participants also receive dividend equivalents paid in the form of PSUs. As at June 27, 2020, an aggregate of 264,239 PSUs was outstanding. These PSUs will vest at the end of the 2018-2020 Performance Cycle.

The fair value as at June 27, 2020 was nil (September 28, 2019 – nil, June 29, 2019 - nil). An expense of nil was recorded for the three and nine month periods ending June 27, 2020 (June 29, 2019 – nil) in administration and selling expenses. The liabilities arising from the PSUs as at June 27, 2020 were nil (September 28, 2019 – nil; June 29, 2019 - nil).

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14. Supplementary cash flow information:

	June 27, 2020	June 29, 2019	September 28, 2019	September 29, 2018
Non-cash transactions:	\$	\$	\$	\$
Additions of property, plant and equipment and intangibles included in trade and other payables	1,969	1,967	294	1,041

15. Key management personnel:

The Board of Directors as well as the President and all the Vice-Presidents are deemed to be key management personnel of the Company. The following is the compensation expense for key management personnel:

	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Salaries and short-term benefits	\$ 1,607	\$ 746	\$ 3,144	\$ 2,221
Attendance fees for members of the Board of Directors	242	224	734	638
Post-retirement benefits	46	19	117	92
Share-based compensation	68	21	144	229
	1,963	1,010	4,139	3,180

16. Personnel expenses:

	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Wages, salaries and employee benefits	\$ 25,276	\$ 22,336	\$ 76,024	\$ 67,315
Expenses related to defined benefit plans	1,298	751	4,003	3,023
Expenses related to defined contributions plans	1,820	1,556	4,426	3,820
Share-based compensation	68	21	144	229
	28,462	24,664	84,597	74,387

The personnel expenses were charged and capitalized to the unaudited condensed consolidated interim statements of earnings and statements of financial position, respectively, as follows:

	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Cost of sales	\$ 22,212	\$ 19,647	\$ 68,736	\$ 60,058
Administration and selling expenses	5,727	4,457	14,458	12,860
Distribution expenses	418	426	1,178	1,169
	28,357	24,530	84,372	74,087
Property, plant and equipment	105	134	225	300
	28,462	24,664	84,597	74,387

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17. Segmented information:

The Company has two operating and reportable segments, sugar and maple products. The principal business activity of the sugar segment is the refining, packaging and marketing of sugar products. The Maple products segment processes pure maple syrup and related maple products. The reportable segments are managed independently as they require different technology and capital resources. Performance is measured based on the segments' gross margins and results from operating activities. These measures are included in the internal management reports that are reviewed by the Company's President and CEO, and management believes that such information is the most relevant in the evaluation of the results of the segments.

Transactions between reportable segments are interest receivable (payable), which are eliminated upon consolidation.

	For the three months ended June 27, 2020			
	Sugar	Maple products	Corporate and eliminations	Total
	\$	\$	\$	\$
Revenues	144,173	61,974	-	206,147
Cost of sales	121,176	55,098	-	176,274
Gross margin	22,997	6,876	-	29,873
Depreciation and amortization	4,056	1,664	-	5,720
Results from operating activities	9,533	3,227	(388)	12,372
Additions to property, plant and equipment and intangible assets	5,086	882	-	5,968

	For the nine months ended June 27, 2020			
	Sugar	Maple products	Corporate and eliminations	Total
	\$	\$	\$	\$
Revenues	442,597	171,992	-	614,589
Cost of sales	369,707	156,573	-	526,280
Gross margin	72,890	15,419	-	88,309
Depreciation and amortization	12,411	4,903	-	17,314
Results from operating activities	41,791	4,516	(1,126)	45,181
Additions to property, plant and equipment and intangible assets	12,317	5,991	-	18,308

	As at June 27, 2020			
	Sugar	Maple products	Corporate and eliminations	Total
	\$	\$	\$	\$
Total assets	778,963	266,291	(165,646)	879,608
Total liabilities	(951,535)	(279,675)	620,362	(610,848)

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17. Segmented information (continued):

	For the three months ended June 29, 2019			
	Sugar	Maple products	Corporate and eliminations	Total
	\$	\$	\$	\$
Revenues	146,240	45,208	-	191,448
Cost of sales	121,780	38,927	-	160,707
Gross margin	24,460	6,281	-	30,741
Depreciation and amortization	3,414	1,317	-	4,731
Results from operating activities	15,737	3,156	(323)	18,570
Additions to property, plant and equipment and intangible assets	6,611	348	-	6,959

	For the nine months ended June 29, 2019			
	Sugar	Maple products	Corporate and eliminations	Total
	\$	\$	\$	\$
Revenues	436,446	150,274	-	586,720
Cost of sales	360,789	132,429	-	493,218
Gross margin	75,657	17,845	-	93,502
Depreciation and amortization	10,366	3,924	-	14,290
Results from operating activities	50,078	7,857	(988)	56,947
Additions to property, plant and equipment and intangible assets	15,591	3,387	-	18,978

	As at June 29, 2019			
	Sugar	Maple products	Corporate and eliminations	Total
	\$	\$	\$	\$
Total assets	775,739	296,491	(165,550)	906,680
Total liabilities	(928,959)	(254,958)	627,195	(556,722)

Revenues were derived from customers in the following geographic areas:

	For the three months ended		For the nine months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
	\$	\$	\$	\$
Canada	143,888	149,940	454,495	448,777
United States	39,008	24,762	100,412	81,355
Europe	12,924	8,132	32,245	28,506
Other	10,327	8,614	27,437	28,082
	206,147	191,448	614,589	586,720