- **ADJUSTED EBITA OF $92.3 MILLION FOR FISCAL 2020 – 5% INCREASE OVER PRIOR YEAR**
- **SUGAR REVENUES HIGHER DUE TO RECORD BREAKING SALES VOLUMES IN THE FOURTH QUARTER ACROSS ALL MARKET SEGMENTS**
- **STRONG SALES VOLUME IN MAPLE DRIVING HIGHER REVENUE FOR THE QUARTER AND THE YEAR**

Rogers Sugar Inc.'s (the "Company" or "Rogers") (TSX: RSI) today reported fourth quarter and year-to-date fiscal 2020 results. The Company recorded adjusted EBITDA (1) of $31.2 million and $92.3 million for fourth quarter and fiscal 2020, respectively, versus $22.2 million and $87.8 million for the comparable periods last year.

"Our strong fiscal 2020 performance is a direct result of the efforts of our agile committed team and our long-term strategic vision to continue to build a resilient, successful company," said John Holliday, President and Chief Executive Officer of Rogers and Lantic Inc. "During the year, we generated higher revenue, improved margins, and increased free cash flow, all while dealing with the impacts of a global pandemic, a severely curtailed beet harvest and rail blockades. During this time, the safety of our people has remained our top priority and by implementing thorough safety practices and protocols, our operations have continued to perform at full capacity. In addition, we successfully restructured our supply chain to ensure our customers' needs were met while also completing our capital improvement projects that will drive long-term efficiency and cost improvements. Looking forward to fiscal 2021, we expect that our strong performance will continue due to the continued firm demand from our customers and to a reduction in operational and distribution costs mostly related to the return of a normal harvest and beet sugar production in Taber."

Update on COVID-19

In December 2019, a novel strain of coronavirus, known as COVID-19 was identified. As of March 20, 2020, COVID-19 had spread to over 100 countries and been declared a pandemic by the World Health Organization. COVID-19 has negatively impacted the global economy, disrupted financial markets and supply chain, significantly restricted business travel and interrupted business activity.

Our business is considered essential services by the government and as such, the Company's plants have continued to operate at usual capacity. The Company has established extensive protection measures and protocols to ensure the health and safety of its employees. COVID-19 could have a material effect on our business as it relates to customer demand, supply and delivery chain, operations, financial market volatility, pension and benefits liabilities and other economic fundamentals.

The effect of COVID-19 on our business may continue for an extended period and the ultimate impact on the Company will depend on future developments that are uncertain and cannot be predicted, including and without limitations, the duration and severity of the pandemic, the duration of the government support measures, 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.

Fourth Quarter Highlights

Highlights of the consolidated results are as follows:

(unaudited) (In thousands of dollars, except volume and per share information)	Fourth Quarter 2020	 2019	Fiscal Year 2020	 2019
Sugar (metric tonnes)	**225,396**	196,903	**761,055**	741,144
Maple syrup ('000 pounds)	**13,181**	10,163	**53,180**	42,377
	$	$	**$**	$
Total revenues	**246,212**	207,572	**860,801**	794,292
Gross margin	**37,890**	29,073	**126,199**	122,575
Results from operating activities	**22,829**	(32,800)	**68,010**	24,147
Net (loss) earnings	**12,952**	(40,021)	**35,419**	(8,167)
Net (loss) earnings per share (basic)	**0.13**	(0.38)	**0.34**	(0.08)
Net (loss) earnings per share (diluted)	**0.12**	(0.38)	**0.34**	(0.08)
Dividends per share	**0.09**	0.09	**0.36**	0.36
Non- IFRS results (1)				
Adjusted Gross Margin (1)	**40,065**	29,026	**126,118**	116,578
Adjusted results from operating activities (1)	**25,004**	17,153	**67,929**	68,150
Adjusted EBITDA (1)	**31,231**	22,215	**92,259**	87,808
Adjusted net earnings (1)	**14,551**	9,910	**35,245**	37,079
Adjusted net earnings per share (basic) (1)	**0.14**	0.09	**0.34**	0.35
Trailing twelve months free cash flow (1)	**40,001**	30,843	**40,001**	30,843

(1) See "Non-GAAP Measures" section of the MD&A for definition and reconciliation to GAAP measures

- Adjusted EBITDA of $92.3 million and free cash flow of $40.0 million were better than 2019 by $4.5 million and $9.2 million respectively;
- Record sales volume for sugar in the fourth quarter of 2020 at 225,396 metric tonnes, representing a normalized increase of 7.3% when considering the extra week of production of the current quarter;
- Lower adjusted EBITDA in Maple despite higher customer demand caused by continuous market competition pressuring margins
- For the year, the Company incurred unforeseen expenses amounting to $3.4 million in relation with COVID-19. These costs were largely due to increased health and safety measures and premium pay for employees;
- During the year, RSI purchase and cancelled 1,377,394 shares for a total cash consideration of $6,5 million
- In fiscal 2020, RSI distributed $0.36 per share to its shareholders for a total amount of $37.4 million; and
- On November 25, 2020, the Board of Directors declared a quarterly dividend of $0.09.

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

Segmented Information

The following is a table showing the key results by segments:

Consolidated results (In thousands of dollars)	Fourth Quarter Fiscal 2020 **Sugar**	**Maple Products**	**Total**	Fourth Quarter Fiscal 2019 Sugar	Maple Products	Total
Revenues	**$ 188,666**	**$ 57,546**	**$ 246,212**	$ 159,432	$ 48,140	$ 207,572
Gross margin	**32,198**	**5,692**	**37,890**	24,643	4,430	29,073
Administration and selling expenses	**7,803**	**2,589**	**10,392**	4,730	2,622	7,352
Distribution costs	**4,197**	**472**	**4,669**	3,465	1,056	4,521
Goodwill impairment	**-**	**-**	**-**	-	50,000	50,000
Results from operating activities (EBIT)	**$ 20,198**	**$ 2,631**	**$ 22,829**	$ 16,448	$ (49,248)	$ (32,800)
Non- GAAP results (1)						
Adjusted Gross Margin (1)	**$ 35,503**	**$ 4,562**	**$ 40,065**	$ 24,358	$ 4,668	$ 29,026
Adjusted results from operating activities (Adjusted EBIT) (1)	**$ 23,503**	**$ 1,501**	**$ 25,004**	$ 16,163	$ 990	$ 17,153
Adjusted EBITDA (1)	**$ 27,982**	**$ 3,249**	**$ 31,231**	$ 19,662	$ 2,553	$ 22,215
Additional information:						
Addition to property, plant and equipment and intangible assets	**8,394**	**578**	**8,972**	7,054	1,081	8,135

Consolidated results (In thousands of dollars)	Fiscal 2020 **Sugar**	**Maple Products**	**Total**	Fiscal 2019 Sugar	Maple Products	Total
Revenues	**$ 631,263**	**$ 229,538**	**$ 860,801**	$ 595,878	$ 198,414	$ 794,292
Gross margin	**105,088**	**21,111**	**126,199**	100,301	22,274	122,575
Administration and selling expenses	**27,959**	**10,981**	**38,940**	21,609	9,962	31,571
Distribution costs	**16,266**	**2,983**	**19,249**	13,153	3,704	16,857
Goodwill impairment	**-**	**-**	**-**	-	50,000	50,000
Results from operating activities (EBIT)	**$ 60,863**	**$ 7,147**	**$ 68,010**	$ 65,539	$ (41,392)	$ 24,147
Non- GAAP results:						
Adjusted Gross Margin (1)	**$ 106,212**	**$ 19,906**	**$ 126,118**	$ 94,032	$ 22,546	$ 116,578
Adjusted results from operating activities (Adjusted EBIT)(1)	**$ 61,987**	**$ 5,942**	**$ 67,929**	$ 59,270	$ 8,880	$ 68,150
Adjusted EBITDA (1)	**$ 78,877**	**$ 13,382**	**$ 92,259**	$ 73,135	$ 14,673	$ 87,808
Additional information:						
Addition to property, plant and equipment and intangible assets	**20,711**	**6,569**	**27,280**	22,645	4,468	27,113

(1) See "Non-GAAP Measures" section of the MD&A for definition and reconciliation to GAAP measures

Sugar

Strong performance in the sugar segment in the fourth quarter and full year fiscal 2020 was driven by increased volumes across almost all segments of the sugar business and improved adjusted gross margin. Approximately 14,000 metric tonnes of the volume increase in the fourth quarter and the current year is attributable to the extra week of fiscal 2020.

(In thousands of dollars, except volume)	Fourth Quarter **2020**	2019	Fiscal Year **2020**	2019
Revenues	**$ 188,666**	$ 159,432	**$ 631,263**	$ 595,878
Volume (MT) as at September 28, 2019	196,903		741,144	
Variation:				
Industrial	10,367		(10,850)	
Consumer	5,818		19,770	
Liquid	5,418		5,642	
Export	6,890		5,349	
Total variation	28,493		19,911	
Volume as at October 3, 2020	**225,396**		**761,055**	

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Revenues increased in the fourth quarter of fiscal 2020 and for the year due to an extra week of operation in fiscal 2020, higher weighted average raw sugar values in Canadian dollars as well as an increase in overall volumes.

Volumes in the industrial market segment increased in the fourth quarter mostly due to the extra week of shipments and the return to normal demand for certain large industrial accounts earlier impacted by the COVID-19 pandemic. For the full year, industrial volumes were lower than last year due to reduced demand in the third quarter driven by the COVID-19 pandemic which resulted in less demand for manufacturing of food products destined for the food service sector. Industrial volumes were also impacted by the non-recurring sales to a competitor that occurred in the first quarter of fiscal year 2019 and by the rail blockades that took place in the second quarter of the current fiscal year, which created difficulties in servicing our Ontario customers.

Consumer volumes increased in the fourth quarter and full year in 2020 due to the extra week of shipments in the current year and continued strong retail demand driven by the increase in home baking associated with the COVID-19 pandemic.

Liquid volumes increased in the current quarter and the current year as a result of the extra week of shipments in 2020 along with additional demand from existing customers.

Finally, export volumes increased in the current quarter and the full year driven by additional U.S. global refined Tariff-Rate Quotas (“TRQ”) in fiscal 2020. In total the Company sold 5,349 metric tonnes more than in the previous year. Most of the extra volume was sold in the fourth quarter of 2020. The export sales for 2020 amounted to approximately 57,000 metric tonnes of which approximately 18,000 metric tonnes were entered against the various US refined TRQs.

	Fourth Quarter		Fiscal Year	
(In thousands of dollars, except per metric tonne information)	**2020**	2019	**2020**	2019
Gross margin	**$ 32,198**	$ 24,643	**$ 105,088**	$ 100,301
Total adjustment to cost of sales (1) (2)	**3,305**	(285)	**1,124**	(6,269)
Adjusted gross margin (1)	**$ 35,503**	$ 24,358	**$ 106,212**	$ 94,032
Gross margin per metric tonne	**$ 142.85**	$ 125.15	**$ 138.08**	$ 135.33
Adjusted gross margin per metric tonne	**$ 157.51**	$ 123.71	**$ 139.56**	$ 126.87
Included in Gross margin:				
Depreciation of property, plant and equipment and right-of-use assets	**$ 3,920**	$ 3,298	**$ 14,918**	$ 13,072

(1) See “Non-GAAP Measures” section of the MD&A for definition and reconciliation to GAAP measures
(2) See “Adjusted results” section of the MD&A

Adjusted gross margin for the current quarter was $11.1 million or 45.8% higher than the last quarter of fiscal 2019. For the fourth quarter of 2020, the adjusted gross margin per metric tonne was $33.80 higher than the prior year. The favourable variance in adjusted gross margin per metric tonne was mainly related to higher sales volume in the grocery and exports segments.

For fiscal 2020, adjusted gross margin increased by $12.2 million or 13%. For fiscal 2020, adjusted gross margin per metric tonne increased by $12.69 compared to fiscal 2019. The favourable variance in adjusted gross margin per metric tonne was again mainly related to higher sales volume in the grocery and export segments and from lower volume originating from our beet sugar plant in Taber.

(In thousands of dollars)	Fourth Quarter				Fiscal Year			
		2020		2019		**2020**		2019
Results from operating activities	**$**	**20,198**	$	16,448	**$**	**60,863**	$	65,539
Total adjustment to cost of sales (1) (2)		**3,305**		(285)		**1,124**		(6,269)
Adjusted results from operating activities (Adjusted EBIT)	**$**	**23,503**	$	16,163	**$**	**61,987**	$	59,270
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets		**4,479**		3,499		**16,890**		13,865
Adjusted EBITDA (1) (2)	**$**	**27,982**	$	19,662	**$**	**78,877**	$	73,135

(1) See "Non-GAAP Measures" section of the MD&A for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section of the MD&A

Adjusted EBITDA for the fourth quarter and the year of 2020 increased by $8.3 million and $5.7 million, respectively compared to last year. The improvement was mainly driven by increased adjusted results from operation, as described above, along with a larger adjustment for the impact of non-cash depreciation and amortization expenses largely caused by the implementation of IFRS 16. The adoption of the new IFRS 16 *Leases* standard resulted in a $0.9 million and $3.0 million increase in adjusted EBITDA for the current quarter and the year, respectively.

Maple products

(In thousands of dollars, except volume)	Fourth Quarter				Fiscal Year			
		2020		2019		**2020**		2019
Volume ('000 pounds)		**13,181**		10,163		**53,180**		42,377
Revenues	**$**	**57,546**	$	48,140	**$**	**229,538**	$	198,414

Revenues increased in the fourth quarter and fiscal 2020 by $9.4 million and $31.1 million compared to the same periods last year mainly due to higher sales volumes from new and existing customers. Volumes in the fourth quarter and full year increased by 29.7% and 25.5%, respectively, in part driven by higher demand associated with the COVID-19 pandemic.

(In thousands of dollars, except adjusted gross margin rate information)	Fourth Quarter				Fiscal Year			
		2020		2019		**2020**		2019
Gross margin	**$**	**5,692**	$	4,430	**$**	**21,111**	$	22,274
Total adjustment to cost of sales (1) (2)		**(1,130)**		238		**(1,205)**		272
Adjusted gross margin (1)	**$**	**4,562**	$	4,668	**$**	**19,906**	$	22,546
Gross margin percentage		**9.9%**		9.2%		**9.2%**		11.2%
Adjusted gross margin percentage (1)		**7.9%**		9.7%		**8.7%**		11.4%
Included in Gross margin:								
Depreciation of property, plant and equipment and right-of-use assets	**$**	**809**	$	557	**$**	**3,083**	$	1,855

(1) See "Non-GAAP Measures" section of the MD&A for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section of the MD&A

Adjusted gross margin for the current quarter and the year amounted to $4.6 million and $19.9 million, respectively. Adjusted gross margin in the fourth quarter and for the year on a percentage basis was lower than prior year due largely to lower average pricing resulting from increased market competition. Adjusted gross margin was also impacted in fiscal 2020 by non-recurring operational costs incurred in connection with the relocation of the Granby production facility.

Administration and selling expenses for the fourth quarter and for the year were $2.6 million and $11.0 million, respectively. Fourth quarter levels were consistent with the same quarter last year and the increase of $1.0 million compared to fiscal 2019 was mainly related to additional costs incurred to support the business, including costs related to the COVID-19 pandemic.

Distribution expenses were $0.6 million and $0.7 million lower in the fourth quarter and for the year when compared to the same periods last year driven largely by changes in the sales product mix.

(In thousands of dollars)	Fourth Quarter				Fiscal Year			
		2020		2019		**2020**		2019
Results from operating activities	**$**	**2,631**	$	(49,248)	**$**	**7,147**	$	(41,392)
Total adjustment to cost of sales (1) (2)		**(1,130)**		238		**(1,205)**		272
Adjusted results from operating activities (Adjusted EBIT)(1)		**1,501**		(49,010)		**5,942**		(41,120)
Non-recurring expenses:								
Other one-time non-recurring items		**63**		131		**852**		437
Depreciation and amortization		**1,685**		1,432		**6,588**		5,356
Goodwill impairment		**-**		50,000		**-**		50,000
Adjusted EBITDA (1)	**$**	**3,249**	$	2,553	**$**	**13,382**	$	14,673

(1) See "Non-GAAP Measures" section of the MD&A for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section of the MD&A

Adjusted EBITDA for the fourth quarter and the year of 2020 increased by $0.7 million and decreased by $1.3 million, respectively compared to last year. For the fourth quarter, the favorable variance was mainly related to lower distribution costs. For the year, the variance was mainly related to unfavourable adjusted gross margin and higher administration and selling expenses, partially offset by lower distribution costs.

At the end of 2019, the Company reviewed the valuation of the Maple cash generating unit and concluded that the carrying value of goodwill exceeded the expected recoverable amount. As a result, the Company recorded a non-cash impairment of $50.0 million to its goodwill balance in the fourth quarter of fiscal 2019.

Outlook

The health and safety of our employees remains our top priority. With respect to COVID-19, the Company is closely following all public health authority recommendations and has put in place enhanced safety protocols. While our plants have continued to operate without any disruption during the COVID-19 pandemic, it remains difficult to estimate or forecast the impact going forward on operations and/or financial results. The Company is closely monitoring the situation and will react quickly to the changing circumstances.

Sugar

The Company expects the sugar segment to continue to perform well in fiscal 2021. A combination of strong underlying demand resulting in increased volumes along with a successful beet harvest are expected to result in improved fiscal 2021 operational and financial performance.

Sales volume and Adjusted EBITDA

Market conditions are expected to remain favourable for the sugar business segment in fiscal 2021, despite the ongoing impact of COIVD-19. The Company expects sales volume and adjusted EBITDA to improve moderately over fiscal 2020. Sales volumes for fiscal 2021 are expected to increase by approximately 5,000 metrics tonnes notwithstanding the extra week of 2020, to reach approximately 766,000 metric tonnes.

Volume for industrial customers

The Company anticipates that volume for the industrial customer group will increase by approximately 4,000 metric tonnes in 2021, representing a return to normal demand levels with minimal impact from the COVID-19 pandemic in 2021.

For the liquid portion of the industrial customer group, the Company expects volume for 2021 to be comparable to 2020.

Volume for retail customers

The retail consumer demand in 2020 was better than expected due to the effects of COVID-19 and additional week of operations. In fiscal 2021, the Company does not expect to experience the same level of COVID-19 related demand and anticipates retail customer volume to decrease by approximately 8,000 metric tonnes or 7.0% as compared to 2020.

Volume related to export sales

The Company anticipates export volumes for 2021 to be approximately 10,000 metric tonnes above 2020 driven by the implementation of new export quotas and the resumption of deferred beet shipments to Mexico. The increase also includes 14,400 metric tonnes for 2021 to be supplied by the Taber factory, under the CUSMA special quotas that took effect on July 1, 2020.

Other considerations

In fiscal 2021, the Company expects Adjusted EBITDA to benefit from the return to normal operating conditions in its Taber beet sugar facility. In the fall of 2019, the beet harvest was suspended early due to the impact of severe adverse weather in Alberta. As a result, the crop derived a much inferior quantity of refined sugar resulting in a shortfall of approximately 62,000 metric tonnes. For the 2020 crop, the Company contracted 30,000 acres for planting in Taber, an increase of 2,000 acres from last year. In addition, Taber started harvesting and slicing earlier than previous years and, under normal growing conditions, the new crop is expected to yield approximately 132,000 metric tonnes of beet sugar.

Maintenance programs for the three operating facilities are expected to follow the trend of previous years. Spending on capital projects is also expected to be similar to recent periods. For fiscal 2021, the Company anticipates spending between $25.0 million and $30.0 million on various capital projects, with approximately a quarter allocated to return on investment projects.

In October 2020, the Company announced a strategic collaboration with DouxMatok, a food-tech company and pioneer in the development of efficient flavor delivery technologies, to deliver a unique sugar reduction solution based on cane sugar, to food companies in North America. Although this is a small portion of the sweetener market, we believe this could provide a competitive offering in this niche market.

Maple products

In fiscal 2021, the Company expects to see continued improvement in sales margins, driven by successful contract negotiations with new and existing customers. In addition, the Company expects to lower its operating costs and improve its gross margin through ongoing optimization at its manufacturing facilities and efficiency improvements provided by the investments made in the past two years in its new Granby facility and existing Dégelis plant. Competitive pressures in the Maple industry have stabilized over the past few quarters; however, the Company remains focused on maintaining its market share and improving its sales margins.

Capital investments are expected to be reduced significantly for the Maple segment considering the expenditures incurred over the last two years to improve and increase 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.

Mark-to-Market Measures

With the mark-to-market of all derivative financial instruments at the end of each reporting period, our accounting income does not represent a complete understanding of factors and trends affecting the business. Consistent with previous reporting, we prepared adjusted gross margin and adjusted earnings results to reflect the performance of the Company during the period without the impact of the mark-to-market of derivative financial instruments. Earnings before interest and income taxes ("EBIT") included a mark-to-market loss of $2.2 million and a gain of $0.1 million for the fourth quarter and year-to-date of fiscal 2020, respectively, which was deducted to calculate the adjusted EBIT and adjusted gross margin results. Adjusted EBITDA represents EBIT, adjusted for the total adjustment to cost of sales for mark-to-market of derivative financial instruments, depreciation and amortization expenses, non-cash goodwill impairment and the Maple products segment non-recurring costs. See "Non-GAAP measures" section in the MD&A.

Access to Quarterly Results Information

Rogers Sugar Inc. (RSI) will be holding a conference call to discuss their 2020 fourth quarter results on Wednesday, November 25th, 2020 at 17:30 (Eastern Time).

The conference call will be chaired by Mr. John Holliday, Chief Executive Officer and Mr. Jean-Sebastien Couillard, Chief Financial Officer.

Conference Call and Webcast Presentation

If you wish to participate, please dial 1-877-223-4471. A recording of the conference call will be accessible shortly after the conference, by dialing 1-800-585-8367, access code 1577637#. This recording will be available until December 2, 2020.

FOR THE BOARD OF DIRECTORS,

M. Dallas H. Ross, Chairman
Vancouver, British Columbia – November 25th, 2020

For further information:
Mr. Jean-Sébastien Couillard, Vice President of Finance, Chief Financial Officer and Corporate Secretary
Tel: (514) 940-4350 - email: jscouillard@lantic.ca or Visit our Website at www.LanticRogers.com

This Management's Discussion and Analysis ("MD&A") of Rogers Sugar Inc.'s ("Rogers" or the "Company") audited consolidated financial statements for the fiscal years ended October 3, 2020 and September 28, 2019 should be read in conjunction with the audited consolidated financial statements and related notes for the years ended October 3, 2020 and September 28, 2019. The Company's 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 3, 2020 consists of 53 weeks and the fiscal years ended September 28, 2019 and September 29, 2018 both consist of 52 weeks. The fourth quarter of fiscal year 2020 consists of 14 weeks and the fourth quarter of fiscal years 2019 and 2018 both consist of 13 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. This MD&A is dated November 25, 2020.

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 segment"), including the annual information form, quarterly and annual reports, management proxy circular 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. It should be noted that 9020-2292 Québec Inc. ("Decacer") was amalgamated with TMTC as of September 29, 2019.

UPDATE ON COVID-19

In December 2019, a novel strain of coronavirus, known as COVID-19 was identified. As of March 20, 2020, COVID-19 had spread to over 100 countries and been declared a pandemic by the World Health Organization. COVID-19 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, the Company's plants have continued to operate at usual capacity. The Company has established extensive protection measures and protocols to ensure the health and safety of its employees. COVID-19 could have a material effect on our business as it relates to customer demand, supply and delivery chain, operations, financial market volatility, pension and benefits liabilities and other economic fundamentals. For the fourth quarter and the year, the Company incurred unforeseen expenses amounting to $3.4 million in relation to COVID-19. These costs were largely due to increased health and safety measures and premium pay for employees.

The effect of COVID-19 on our business may continue for an extended period and the ultimate impact on the Company will depend on future developments that are uncertain and cannot be predicted, including and without limitations, the duration and severity of the pandemic, the duration of the government support measures, 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.

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 the Company with respect to future events and performance. Wherever used, the words "may," "will," "should," "anticipate," "intend," "assume," "expect," "plan," "believe," "estimate," and similar expressions and the negative of such expressions, identify forward-looking statements. Although this is not an exhaustive list, the Company cautions investors that statements concerning the following subjects are, or are likely to be, forward-looking statements: future prices of raw sugar, natural gas costs, the opening of special refined sugar quotas in the United States ("U.S."), beet production forecasts, growth of the maple syrup industry, the status of labour contracts and negotiations, the level of future dividends and the status of government regulations and investigations and the impact of the COVID-19 pandemic on the Corporation and its operations. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, 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" at the end of this MD&A for additional information on risk factors and other events that are not within the Company's control. These risks are also referred to in the Company's Annual Information Form in the "Risk Factors" section.

Although the Company believes that the expectations and assumptions on which forward-looking information is based are reasonable under the current circumstances, readers are cautioned not to rely unduly on this forward-looking information as no assurance can be given that it will prove to be correct. Forward-looking information contained herein is made as at the date of this MD&A and the Company does not undertake any obligation to update or revise any forward-looking information, whether as a result of events or circumstances occurring after the date hereof, unless so required by law.

ABOUT ROGERS SUGAR INC

Rogers is 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 on our three core strategies, namely, operational excellence, market access and acquisition. On August 5 and November 18, 2017, the Company made progress in its third strategy by acquiring TMTC and Decacer. As a result, the Company diversified and solidified its leadership position in this growing natural sweetener market. Rogers encompasses two reportable segments; the Sugar segment and the Maple product segment.

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

Our 800 employees are key to our success and employee safety is continuously at the forefront of our priorities. Each of the Company's 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 segment

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, and raw material source.

Sales are focused in three specific market segments: industrial, consumer, and liquid products. The domestic market represents more than 90% of the Company's total volume.

In fiscal 2020, the domestic refined sugar market continued to show modest growth and increased by approximately 1.5% versus last fiscal year.

The industrial granulated segment is the largest segment accounting for approximately 60% 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 names. This segment has remained fairly stable during the past several years although volume sold within this market in fiscal 2020 by Canadian refiners had an increase of approximately 21% year-over-year due to a non-recurring increase in home cooking attributable to the COVID-19 pandemic.

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 modestly in the current fiscal year. It should be noted that liquid and industrial customer segments have shown volatility more recently due to the varying impact of the COVID-19 pandemic on their operations and overall customer demands.

Lantic's Taber plant is the only beet sugar factory in Canada and is therefore the only producer of Canadian origin sugar. As such, this plant is the sole participant in an annual Canadian-specific quota to the U.S. of 10,300 metric tonnes. As part of the recently concluded Canada-United-States-Mexico Agreement ("CUSMA"), an additional quota of 9,600 metric tonnes of Canadian origin sugar has been awarded to Canada. This agreement was ratified on July 1, 2020 and additional shipments are expected to begin in fiscal 2021.

By-products relating to beet processing and cane refining activities are sold in the form of beet pulp, beet and cane molasses. Taber Beet pulp is sold domestically and to export customers for livestock feed. The production of these products 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 2018, the Company entered into a two-year 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 2019 is the first year of the agreed contract. Contract negotiations with the Growers for crop years beyond 2020 are currently taking place and are expected to conclude prior to the next spring planting season. 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 2020, the price of raw sugar fluctuated between U.S. 9.05 cents per pound and U.S. 15.90 cents per pound and closed at U.S. 13.55 cents per pound at the end of the fiscal year, which was 2.02 cents higher than the closing value at September 28, 2019. Although price variation during the year was more than in fiscal 2019 when raw sugar prices fluctuated between U.S. 10.68 and U.S. 14.24 cents per pound, the average raw sugar price in fiscal 2020 was similar to the 2019 average. However, during fiscal 2020, the COVID-19 pandemic created significant volatility in the raw sugar market price. On April 28th, 2020, the price dropped to U.S. 9,05 cents per pound, the lowest level since June 2008.

The price of refined sugar deliveries from the Montréal and Vancouver raw cane facilities is directly linked to the price of the #11 world raw sugar market traded on the Intercontinental Exchange ("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. Liquid sales to HFCS substitutable customers are normally priced against competing HFCS prices and are historically the lowest margin sales for the Company.

Whereas higher #11 world raw sugar values may have the effect of reducing the competitiveness of the liquid business versus HFCS, the opposite holds true for our beet operation. In Taber, the raw material used to produce sugar is sugar beets, for which a fixed price, plus a scaled incentive linked to higher raw sugar values, is paid by Lantic to the Growers. As a result, Lantic benefits from, or alternatively, absorbs some of the changes associated with fluctuations in world raw sugar prices for all volume sold, excluding non-U.S. export volume.

Maple products segment

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, the Company announced its intention to relocate its Granby operation to a new built for purpose leased facility also located in Granby. The relocation was completed at the beginning of calendar 2020.

Our Products

TMTC's products are comprised of the following: bottled maple syrup, bulk maple syrup, maple sugar and flakes, and ancillary or derived maple products.

Bottled maple syrup is packaged in a variety of formats 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 under a variety of brands, including Uncle Luke's™, L.B. Maple Treat™, Great Northern™, Decacer, Highland Sugarworks™ and Tapp and Spout ™.

Bulk maple syrup is mainly sold in containers of 4L or 17L, barrels and totes to foodservice retailers as well as other wholesalers. Bulk maple syrup is also sold for industrial use for bottling or for use in food production, and privately under the L.B. Maple Treat™ brand.

Maple derived products include maple blended syrup, maple spread, maple cookies, maple taffy and other maple candies, popcorn, teas and coffees. Maple products are mainly sold under the L.B. Maple Treat™ and Highland Sugarworks™ brands.

Our Supply

The biggest concentration of maple trees is located in Québec, New Brunswick, Ontario, Vermont, Maine, New York 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, producing approximately 20% of the global supply. Québec represented 72% of the world's production in 2020.

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 Sales Agency to the authorized buyers, leaving only approximately 10% of the total production being sold directly by the producers to consumers at farmer's market or direct store delivery to local grocery stores. The authorized buyer status is renewed on an annual basis.

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 supply disruption and 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 2020, the PPAQ had over 127 million pounds of bulk maple syrup, including 16 million pounds of processing/industrial grade maple syrup, in its strategic reserve, which represents a little over half 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, the Company follows a rigorous hedging program for all purchases of raw cane sugar and sales of refined sugar.

The #11 world raw sugar 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 the Company's 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, has to be settled in cash the following day (margin call payments/receipts).

For the purchasing of raw sugar, the Company enters 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.

The selling of refined sugar by the Company is also done under the #11 world raw sugar 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.

The Company purchases sugar beets from the Growers under a fixed price formula plus a scale incentive when raw sugar values exceed a certain price level. Except for sales to the U.S., under the export quota, to HFCS-substitutable accounts, and for other export opportunities, all other sales are made using the same formula as cane sugar, following the #11 world raw sugar price.

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.

The Company purchases between 3.0 million gigajoules and 3.5 million gigajoules of natural gas per year for use in its refining operations. To protect against large and unforeseen fluctuations, the Company can hedge forward up to 90% of its estimated usage over the next 12 months and lower percentages of its 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. The 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 itself against the movement of the Canadian dollar versus the U.S. dollar, the Company, on a daily basis, reconciles all of its exposure to the U.S. dollar and will 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, TMTC enters 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 adjusted gross margins and earnings. Foreign exchange gains or losses on any unhedged sales contracts are recorded when realized.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

The following is a summary of selected financial information of Rogers' consolidated results for the 2020, 2019 and 2018 fiscal years. The financial results for fiscal 2018 include those of Decacer since its acquisition on November 18, 2017.

(unaudited) (In thousands of dollars, except volume and per share information)	Fourth Quarter[3] **2020**	2019[5]	Fiscal Year[4] **2020**	2019[3]	2018[3]
Sugar (metric tonnes)	**225,396**	196,903	**761,055**	741,144	719,875
Maple syrup ('000 pounds)	**13,181**	10,163	**53,180**	42,377	45,919
Total revenues	**$ 246,212**	$ 207,572	**$ 860,801**	$ 794,292	$ 805,201
Gross margin	**37,890**	29,073	**126,199**	122,575	130,853
Results from operating activities ("EBIT")	**22,829**	(32,800)	**68,010**	24,147	84,100
Net earnings (loss)	**$ 12,952**	$ (40,021)	**$ 35,419**	$ (8,167)	$ 48,729
Net earnings (loss) per share (basic)	**$ 0.13**	$ (0.38)	**$ 0.34**	$ (0.08)	$ 0.46
Net earnings (loss) per share (diluted)	**$ 0.12**	$ (0.38)	**$ 0.34**	$ (0.08)	$ 0.43
Dividends per share	**$ 0.09**	$ 0.09	**$ 0.36**	$ 0.36	$ 0.36
Non- IFRS results [1]					
Adjusted Gross Margin [1] [2]	**$ 40,065**	$ 29,026	**$ 126,118**	$ 116,578	$ 126,362
Adjusted results from operating activities ("Adjusted EBIT")[1] [2]	**$ 25,004**	$ 17,153	**$ 67,929**	$ 68,150	$ 79,609
Adjusted EBITDA [1] [2]	**$ 31,231**	$ 22,215	**$ 92,259**	$ 87,808	$ 99,942
Adjusted net earnings [1] [2]	**$ 14,551**	$ 9,910	**$ 35,245**	$ 37,079	$ 45,032
Adjusted net earnings per share (basic) [1] [2]	**$ 0.14**	$ 0.09	**$ 0.34**	$ 0.35	$ 0.43
Trailing twelve months free cash flow [2]	**$ 40,002**	$ 30,843	**$ 40,002**	$ 30,843	$ 47,802

[1] See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
[2] See "Adjusted results" section
[3] The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
[4] Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
[5] The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Adjusted results

In the normal course of business, the Company uses derivative financial instruments consisting of sugar futures, foreign exchange forward contracts, natural gas futures and interest rate swaps. The Company has designated as effective cash flow hedging instruments its natural gas futures and its interest rate swap agreements entered into in order to protect itself 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 are accounted for in other comprehensive income. The amount recognized in other comprehensive income is removed and included in Net earnings (loss) 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 (loss), reducing earnings volatility related to the movements of the valuation of these derivatives hedging instruments.

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

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

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

Income (loss) (In thousands of dollars)	Fourth Quarter Fiscal 2020[(1)]			Fourth Quarter Fiscal 2019[(1)]		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	**$ (1,766)**	**$ -**	**$ (1,766)**	$ 1,744	$ -	$ 1,744
Foreign exchange forward contracts	**992**	**1,069**	**2,061**	(250)	(53)	(303)
Total mark-to-market adjustment on derivatives	**(774)**	**1,069**	**295**	1,494	(53)	1,441
Cumulative timing differences	**(2,555)**	**61**	**(2,494)**	(1,551)	(185)	(1,736)
Adjustment to cost of sales	**(3,329)**	**1,130**	**(2,199)**	(57)	(238)	(295)
Amortization of transitional balance to cost of sales and changes in fair value of expired contracts for cash flow hedges	**24**	**-**	**24**	342	-	342
Total adjustment to costs of sales	**$ (3,305)**	**$ 1,130**	**$ (2,175)**	285	$ (238)	$ 47

Income (loss) (In thousands of dollars)	Fiscal 2020[(2)]			Fiscal 2019[(2)]		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	**$ (801)**	**$ -**	**$ (801)**	$ 179	$ -	$ 179
Foreign exchange forward contracts	**1,605**	**1,010**	**2,615**	(220)	(321)	(541)
Total mark-to-market adjustment on derivatives	**804**	**1,010**	**1,814**	(41)	(321)	(362)
Cumulative timing differences	**(2,023)**	**195**	**(1,828)**	4,652	49	4,701
Adjustment to cost of sales	**(1,219)**	**1,205**	**(14)**	4,611	(272)	4,339
Amortization of transitional balance to cost of sales and changes in fair value of expired contracts for cash flow hedges	**95**	**-**	**95**	1,658	-	1,658
Total adjustment to costs of sales	**$ (1,124)**	**$ 1,205**	**$ 81**	$ 6,269	$ (272)	$ 5,997

(1) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(2) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks

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

Cumulative timing differences, as a result of mark-to-market gains or losses, are recognized by the Company only when sugar 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. See "Non-GAAP measures" section.

The above described adjustments are added or deducted to the mark-to-market results to arrive at the total adjustment to cost of sales. For the fourth quarter of the current year, the total cost of sales adjustment is a loss of $2.2 million to be added to the consolidated results versus a nominal gain to be deducted from the consolidated results for the comparable quarter last year. For fiscal 2020, the total cost of sales adjustment is a gain of $0.1 million compared to a gain of $6.0 million to be deducted from the consolidated results for the comparable period last year. See "Non-GAAP measures" section.

SEGMENTED INFORMATION

The following is a table showing the key results by segments:

Consolidated results (In thousands of dollars)	Fourth Quarter Fiscal 2020(3)			Fourth Quarter Fiscal 2019(2) (3)		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Revenues	**$ 188,666**	**$ 57,546**	**$ 246,212**	$ 159,432	$ 48,140	$ 207,572
Gross margin	**32,198**	**5,692**	**37,890**	24,643	4,430	29,073
Administration and selling expenses	**7,803**	**2,589**	**10,392**	4,730	2,622	7,352
Distribution costs	**4,197**	**472**	**4,669**	3,465	1,056	4,521
Goodwill impairment	**-**	**-**	**-**	-	50,000	50,000
Results from operating activities (EBIT)	**$ 20,198**	**$ 2,631**	**$ 22,829**	$ 16,448	$ (49,248)	$ (32,800)
Non- GAAP results (1)						
Adjusted Gross Margin (1)	**$ 35,503**	**$ 4,562**	**$ 40,065**	$ 24,358	$ 4,668	$ 29,026
Adjusted results from operating activities (Adjusted EBIT) (1)	**$ 23,503**	**$ 1,501**	**$ 25,004**	$ 16,163	$ 990	$ 17,153
Adjusted EBITDA (1)	**$ 27,982**	**$ 3,249**	**$ 31,231**	$ 19,662	$ 2,553	$ 22,215
Additional information:						
Addition to property, plant and equipment and intangible assets	**8,394**	**578**	**8,972**	7,054	1,081	8,135

Consolidated results (In thousands of dollars)	Fiscal 2020(4)			Fiscal 2019(2) (4)		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Revenues	**$ 631,263**	**$ 229,538**	**$ 860,801**	$ 595,878	$ 198,414	$ 794,292
Gross margin	**105,088**	**21,111**	**126,199**	100,301	22,274	122,575
Administration and selling expenses	**27,959**	**10,981**	**38,940**	21,609	9,962	31,571
Distribution costs	**16,266**	**2,983**	**19,249**	13,153	3,704	16,857
Goodwill impairment	**-**	**-**	**-**	-	50,000	50,000
Results from operating activities (EBIT)	**$ 60,863**	**$ 7,147**	**$ 68,010**	$ 65,539	$ (41,392)	$ 24,147
Non- GAAP results:						
Adjusted Gross Margin (1)	**$ 106,212**	**$ 19,906**	**$ 126,118**	$ 94,032	$ 22,546	$ 116,578
Adjusted results from operating activities (Adjusted EBIT)(1)	**$ 61,987**	**$ 5,942**	**$ 67,929**	$ 59,270	$ 8,880	$ 68,150
Adjusted EBITDA (1)	**$ 78,877**	**$ 13,382**	**$ 92,259**	$ 73,135	$ 14,673	$ 87,808
Additional information:						
Addition to property, plant and equipment and intangible assets	**20,711**	**6,569**	**27,280**	22,645	4,468	27,113

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable
(3) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(4) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks

Results from operation by segment

Sugar

(In thousands of dollars, except volume)	Fourth Quarter[1] 2020	2019	Fiscal Year[2] 2020	2019
Revenues	**$ 188,666**	$ 159,432	**$ 631,263**	$ 595,878
Volume (MT) as at September 28, 2019	196,903		741,144	
Variation:				
Industrial	10,367		(10,850)	
Consumer	5,818		19,770	
Liquid	5,418		5,642	
Export	6,890		5,349	
Total variation	28,493		19,911	
Volume as at October 3, 2020	**225,396**		**761,055**	

(1) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(2) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks

Strong performance in the sugar segment in the fourth quarter and full year fiscal 2020 was driven by increased volumes across almost all segments of the sugar business and improved adjusted gross margin. Approximately 14,000 metric tonnes of the volume increase in the fourth quarter and the current year is attributable to the extra week of fiscal 2020.

Revenues increased in the fourth quarter of fiscal 2020 and for the year due to an extra week of operation in fiscal 2020, higher weighted average raw sugar values in Canadian dollars as well as an increase in overall volumes.

Volumes in the industrial market segment increased in the fourth quarter mostly due to the extra week of shipments and the return to normal demand for certain large industrial accounts impacted earlier by the COVID-19 pandemic. For the full year, industrial volumes were lower than last year due to reduced demand in the third quarter driven by the COVID-19 pandemic which resulted in less demand for manufacturing of food products destined for the food service sector. Industrial volumes were also impacted by the non-recurring sales to a competitor that occurred in the first quarter of fiscal year 2019 and by the rail blockades that took place in the second quarter of the current fiscal year, which created difficulties in servicing our Ontario customers.

Consumer volumes increased in the fourth quarter and full year in 2020 due to the extra week of shipments in the current year and continued strong retail demand driven by the increase in home baking associated with the COVID-19 pandemic.

Liquid volumes increased in the current quarter and the current year as a result of the extra week of shipments in 2020 along with additional demand from existing customers.

Finally, export volumes increased in the current quarter and the full year driven by additional U.S. global refined Tariff-Rate Quotas ("TRQ") in fiscal 2020. In total the Company sold 5,349 metric tonnes more than in the previous year. Most of the extra volume was sold in the fourth quarter of 2020. The export sales for 2020 amounted to approximately 57,000 metric tonnes of which approximately 18,000 metric tonnes were entered against the various US refined TRQ's.

Gross Margin

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

(In thousands of dollars, except per metric tonne information)	Fourth Quarter[3] 2020	2019[5]	Fiscal Year[4] 2020	2019[5]
Gross margin	**$ 32,198**	$ 24,643	**$ 105,088**	$ 100,301
Total adjustment to cost of sales [1] [2]	**3,305**	(285)	**1,124**	(6,269)
Adjusted gross margin [1]	**$ 35,503**	$ 24,358	**$ 106,212**	$ 94,032
Gross margin per metric tonne	**$ 142.85**	$ 125.15	**$ 138.08**	$ 135.33
Adjusted gross margin per metric tonne	**$ 157.51**	$ 123.71	**$ 139.56**	$ 126.87
Included in Gross margin:				
Depreciation of property, plant and equipment and right-of-use assets	**$ 3,920**	$ 3,298	**$ 14,918**	$ 13,072

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(4) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(5) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Gross margin of $32.2 million for the quarter and $105.1 million for the year does not reflect the economic margin of the sugar segment, as it includes a loss of $3.3 million and of $1.1 million for the fourth quarter and the year respectively, for the mark-to-market of derivative financial instruments as explained above. In fiscal 2019, a mark-to-market gain of $0.3 million and $6.3 million was recorded for the fourth quarter and the year, respectively, resulting in gross margins of $24.6 million and $100.3 million for their respective periods. These mark-to-market gains and losses must be deducted from or added to the gross margin in order to arrive to adjusted gross margin results.

We will therefore comment on adjusted gross margin results.

Adjusted gross margin for the current quarter was $11.1 million or 45.8% higher than the last quarter of fiscal 2019. For the fourth quarter of 2020, the adjusted gross margin per metric tonne was $33.80 higher than the prior year. The favourable variance in adjusted gross margin per metric tonne was mainly related to higher sales volume in the grocery and exports segments.

For fiscal 2020, adjusted gross margin increased by $12.2 million or 13%. For fiscal 2020, adjusted gross margin per metric tonne increased by $12.69 compared to fiscal 2019. The favourable variance in adjusted gross margin per metric tonne was mainly related to higher sales volume in the grocery and exports segments and from lower volume originating from our beet sugar plant in Taber.

Other expenses

(In thousands of dollars)	Fourth Quarter[1] 2020	2019[3]	Fiscal Year[2] 2020	2019[3]
Administration and selling expenses	**$ 7,803**	$ 4,730	**$ 27,959**	$ 21,609
Distribution costs	**$ 4,197**	$ 3,465	**$ 16,266**	$ 13,153
Included in Administration and selling expenses:				
Amortization of intangible assets	**$ 230**	$ 201	**$ 862**	$ 793
Included in Distribution costs:				
Depreciation of right-of-use assets	**$ 329**	$ -	**$ 1,110**	$ -

(1) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(2) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(3) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Administration and selling expenses were $3.1 million and $6.4 million higher than the fourth quarter and for the prior year, respectively. The increase is mainly related to incremental costs associated with the COVID-19 pandemic in the current year. These costs included additional wages, protective personal equipment, sanitary supplies, and other incremental resources allocated to our operations and amounted to $1.0 million for the fourth quarter and $3.1 million for the full year. In addition, administrative and selling expenses in the fourth quarter and full year were impacted by higher compensation costs and related employee benefits.

Distribution costs for the current quarter and for the year amounted to $4.2 million and $16.3 million, respectively. The additional $3.1 million of costs in fiscal 2020 were mainly related to expenses incurred to reconfigure the supply chain as a result of the smaller crop in Taber, along with incremental warehousing costs in the U.S. incurred to take advantage of the Global refined sugar TRQ.

Results from operating activities (EBIT)

(In thousands of dollars)	Fourth Quarter(3) 2020	2019(5)	Fiscal Year(4) 2020	2019(5)
Results from operating activities (EBIT)	**$ 20,198**	$ 16,448	**$ 60,863**	$ 65,539
Adjusted results from operating activities (Adjusted EBIT)(1) (2)	**$ 23,503**	$ 16,163	**$ 61,987**	$ 59,270

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(4) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(5) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

The results from operating activities of $20.2 million and $60.9 million for the fourth quarter and the year, respectively, do not reflect the adjusted results from operating activities of the Sugar segment, as they 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.

Adjusted results from operating activities for the fourth quarter and the year of 2020 were $7.3 million and $2.7 million higher than the comparative period for last year. The fourth quarter result represents a 45.3% improvement from the same quarter last year, driven by higher adjusted gross margin of $11.1 million, partially offset by higher administration and selling expenses of $3.1 million and higher distribution costs of $0.7 million. For the full year, adjusted results from operating activities were 5.0% higher, due to higher adjusted gross margin of $12.2 million, partially offset by higher administration and selling expenses of $6.4 million and higher distribution costs of $3.1 million.

Adjusted EBITDA

(In thousands of dollars)	Fourth Quarter(3) 2020	2019(5)	Fiscal Year(4) 2020	2019(5)
Results from operating activities	**$ 20,198**	$ 16,448	**$ 60,863**	$ 65,539
Total adjustment to cost of sales (1) (2)	**3,305**	(285)	**1,124**	(6,269)
Adjusted results from operating activities (Adjusted EBIT)	**$ 23,503**	$ 16,163	**$ 61,987**	$ 59,270
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	**4,479**	3,499	**16,890**	13,865
Adjusted EBITDA (1) (2)	**$ 27,982**	$ 19,662	**$ 78,877**	$ 73,135

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(4) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(5) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

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

Adjusted EBITDA for the fourth quarter and the year of 2020 increased by $8.3 million and $5.7 million, respectively compared to last year. The improvement was mainly driven by increased adjusted results from operations, as described above, along with a larger adjustment for the impact of non-cash depreciation and amortization expenses largely caused by the implementation of IFRS 16. The adoption of the new IFRS 16 *Leases* standard resulted in a $0.9 million and $3.0 million increase in adjusted EBITDA for the current quarter and the year, respectively.

Maple products

Revenues

(In thousands of dollars, except volume)	Fourth Quarter[1] 2020	Fourth Quarter[1] 2019	Fiscal Year[2] 2020	Fiscal Year[2] 2019
Volume ('000 pounds)	**13,181**	10,163	**53,180**	42,377
Revenues	**$ 57,546**	$ 48,140	**$ 229,538**	$ 198,414

(1) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(2) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks

Revenues increased in the fourth quarter and fiscal 2020 by $9.4 million and $31.1 million compared to the same periods last year mainly due to higher sales volumes from new and existing customers. Volumes in the fourth quarter and full year increased by 29.7% and 25.5%, respectively, in part driven by higher demand associated with the COVID-19 pandemic.

Gross Margin

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

(In thousands of dollars, except adjusted gross margin rate information)	Fourth Quarter[3] 2020	Fourth Quarter[3] 2019[5]	Fiscal Year[4] 2020	Fiscal Year[4] 2019[5]
Gross margin	**$ 5,692**	$ 4,430	**$ 21,111**	$ 22,274
Total adjustment to cost of sales [1] [2]	**(1,130)**	238	**(1,205)**	272
Adjusted gross margin [1]	**$ 4,562**	$ 4,668	**$ 19,906**	$ 22,546
Gross margin percentage	**9.9%**	9.2%	**9.2%**	11.2%
Adjusted gross margin percentage [1]	**7.9%**	9.7%	**8.7%**	11.4%
Included in Gross margin:				
Depreciation of property, plant and equipment and right-of-use assets	**$ 809**	$ 557	**$ 3,083**	$ 1,855

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(4) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(5) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Gross margin of $5.7 million and $21.1 million for the quarter and for the year does not reflect the economic margin of the Maple products segment, as it includes a gain of $1.1 million and of $1.2 million, respectively, for the mark-to-market of derivative financial instruments on foreign exchange contracts.

We will therefore comment on adjusted gross margin results.

Adjusted gross margin for the current quarter and the year amounted to $4.6 million and $19.9 million, respectively. Adjusted gross margin in the fourth quarter and for the year, on a percentage basis, was lower than the prior year due largely to lower average pricing resulting from increased market competition. Adjusted gross margin was also impacted in fiscal 2020 by non-recurring operational costs incurred in connection with the relocation of the Granby production facility.

Other expenses

(In thousands of dollars)	Fourth Quarter[1] 2020	Fourth Quarter[1] 2019	Fiscal Year[2] 2020	Fiscal Year[2] 2019
Administration and selling expenses	**$ 2,589**	$ 2,622	**$ 10,981**	$ 9,962
Distribution costs	**$ 472**	$ 1,056	**$ 2,983**	$ 3,704
Goodwill impairment	**$ -**	$ 50,000	**$ -**	$ 50,000
Included in Administration and selling expenses:				
Amortization of intangible assets	**$ 876**	$ 875	**$ 3,505**	$ 3,501

(1) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(2) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks

Administration and selling expenses for the fourth quarter and for the year were \$2.6 million and \$11.0 million, respectively. Fourth quarter levels were consistent with the same quarter last year and the increase of \$1.0 million compared to fiscal 2019 was mainly related to additional costs incurred to support the business, including costs related to the COVID-19 pandemic.

Distribution expenses were \$0.6 million and \$0.7 million lower in the fourth quarter and for the year when compared to the same periods last year driven largely by changes in the sales product mix.

At the end of 2019, the Company reviewed the valuation of the Maple cash generating unit and concluded that the carrying value of goodwill exceeded the expected recoverable amount. As a result, the Company recorded a non-cash impairment of \$50.0 million to its goodwill balance in the fourth quarter of fiscal 2019.

Results from operating activities (EBIT)

(In thousands of dollars)	Fourth Quarter[3]				Fiscal Year[4]			
		2020		2019[5]		**2020**		2019[5]
Results from operating activities	**$**	**2,631**	$	(49,248)	**$**	**7,147**	$	(41,392)
Adjusted results from operating activities (Adjusted EBIT)[1] [2]	**$**	**1,501**	$	990	**$**	**5,942**	$	8,880

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(4) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(5) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

The results from operating activities for the fourth quarter and for the full year 2020 of \$2.6 million and \$7.1, respectively, do not reflect the adjusted results from operating activities of the Maple products segment, as they 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. We will therefore comment on adjusted results from operating activities.

As explained above, in the fourth quarter of fiscal 2019, a goodwill impairment of \$50.0 million was recorded and negatively impacted Adjusted EBIT. Excluding the goodwill impairment, fourth quarter 2020 Adjusted EBIT of \$1.5 million was \$0.5 million higher than the same quarter last year, mostly due to lower distribution costs, as explained above. For the full year, excluding the goodwill impairment, Adjusted EBIT of \$5.9 million was \$2.9 million lower than fiscal 2019 due to lower adjusted gross margin and higher administration and selling expenses, as mentioned above, partially offset by lower distribution costs.

Adjusted EBITDA

(In thousands of dollars)		Fourth Quarter[3] 2020		2019[5]		Fiscal Year[4] 2020		2019[5]
Results from operating activities	**$**	**2,631**	$	(49,248)	**$**	**7,147**	$	(41,392)
Total adjustment to cost of sales [1] [2]		**(1,130)**		238		**(1,205)**		272
Adjusted results from operating activities (Adjusted EBIT)[1]		**1,501**		(49,010)		**5,942**		(41,120)
Non-recurring expenses:								
Other one-time non-recurring items		**63**		131		**852**		437
Depreciation and amortization		**1,685**		1,432		**6,588**		5,356
Goodwill impairment		**-**		50,000		**-**		50,000
Adjusted EBITDA [1]	**$**	**3,249**	$	2,553	**$**	**13,382**	$	14,673

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) See "Adjusted results" section
(3) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(4) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(5) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Certain non-cash depreciation and amortization expenses had an impact on the results from operating activities. As such Management believes 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.

Adjusted EBITDA for the fourth quarter and the year of 2020 increased by $0.7 million and decreased by $1.3 million, respectively compared to last year. For the fourth quarter, the favorable variance was mainly related to lower distribution costs. For the year, the variance was mainly related to unfavourable adjusted gross margin and higher administration and selling expenses, partially offset by lower distribution costs.

CONSOLIDATED RESULTS OF OPERATION

The following is a summary of selected financial information of Rogers' consolidated results for the 2020, 2019 and 2018 fiscal years. The financial results for fiscal 2018 include those of Decacer since its acquisition on November 18, 2017.

(unaudited)	Fourth Quarter[2]		Fiscal Year[3]		
(In thousands of dollars, except volume and per share information)	**2020**	2019[2]	**2020**	2019[2]	2018[2]
Sugar (metric tonnes)	**225,396**	196,903	**761,055**	741,144	719,875
Maple syrup ('000 pounds)	**13,181**	10,163	**53,180**	42,377	45,119
Total revenues	**$ 246,212**	$ 207,572	**$ 860,801**	$ 794,292	$ 805,201
Gross margin	**37,890**	29,073	**126,199**	122,575	130,853
Results from operating activities (EBTI)	**22,829**	(32,800)	**68,010**	24,147	84,100
Net finance costs	**4,991**	4,843	**18,523**	18,113	17,132
Income tax expense	**4,886**	2,378	**14,068**	14,201	18,239
Net earnings (loss)	**$ 12,952**	$ (40,021)	**$ 35,419**	$ (8,167)	$ 48,729
Net earnings (loss) per share (basic)	**$ 0.13**	$ (0.38)	**$ 0.34**	$ (0.08)	$ 0.46
Net earnings (loss) per share (diluted)	**$ 0.12**	$ (0.38)	**$ 0.34**	$ (0.08)	$ 0.43
Dividends per share	**$ 0.09**	$ 0.09	**$ 0.36**	$ 0.36	$ 0.36
Non- GAAP results [1]:					
Adjusted Gross Margin [1]	**40,065**	29,026	**126,118**	116,578	126,362
Adjusted results from operating activities (Adjusted EBIT) [1]	**$ 25,004**	$ 17,153	**$ 67,929**	$ 68,150	$ 79,609
Adjusted EBITDA [1]	**$ 31,231**	$ 22,215	**$ 92,259**	$ 87,808	$ 99,942
Adjusted net earnings [1]	**$ 14,551**	$ 9,910	**$ 35,245**	$ 37,079	$ 45,032
Adjusted net earnings per share (basic) [1]	**$ 0.14**	$ 0.09	**$ 0.34**	$ 0.35	$ 0.43

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
(3) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(4) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Total revenues

Revenues increased by $38.6 million and $66.5 million for the fourth quarter and the current year in comparison to prior periods. The improvement in revenues is explained by higher revenues in both the Sugar and Maple products segments, as explained above.

Gross margin

Gross margin of $37.9 million for the current quarter and $126.2 million for the current year does not reflect the economic margin of the Company, as it includes a loss of $2.2 million for the fourth quarter of the current year and a gain of $0.1 million for the current year related to the mark-to-market of derivative financial instruments (See "Adjusted results" section). In fiscal 2019, a nominal mark-to-market gain and a mark-to-market gain of $6.0 million was recorded for the fourth quarter and for the year, respectively, resulting in gross margins of $29.1 million and $122.6 million for their respective period.

Excluding the mark-to-market of derivative financial instruments, adjusted gross margin for the last quarter of 2020 increased by $11.0 million, which is mainly explained by an increase in the Sugar segment of as explained above. For the year, the adjusted gross margin was $9.5 million higher for 2020 compared to 2019 due to the increase noted in the Sugar segment of $12.2 million was partially offset by a decrease in the Maple products segment of $2.6 million, as explained above.

Results from operating activities (EBIT)

For the fourth quarter and fiscal 2020, EBIT amounted to $22.8 million and $68.0 million, respectively. For 2019, EBIT for the fourth quarter was showing a negative balance of $32.8 million while the annual EBIT for 2019 was $24.2 million. As discussed previously, the fourth quarter of 2019 includes a non-cash goodwill impairment of $50.0 million relating to the Maple products segment. In addition, as mentioned above, the gross margin comparison does not reflect the economic results from operating activities which were impacted by $2.2 million and $5.9 million for the quarter and the year, respectively, due to the period-over-period variation in mark-to-market of derivative financial instruments adjustments.

Excluding the mark-to-market of derivative financial instruments and excluding the impact of the goodwill impairment in the prior year, adjusted EBIT for the current quarter was $25.0 million as compared to $17.1 million for the comparative period last year. The increase of $7.9 million was largely attributable to the Sugar segment as explained above. For the year, adjusted EBIT was $67.9 million compared to $68.2 million for the prior year.

Net finance costs

The net finance costs breakdown is as follows:

(In thousands of dollars)	Fourth Quarter[1]		Fiscal Year[2]	
	2020	2019	**2020**	2019
Interest expense on convertible unsecured subordinated debentures	**$ 2,161**	$ 2,082	**$ 8,446**	$ 8,339
Interest on revolving credit facility	**1,797**	1,797	**6,723**	7,337
Amortization of deferred financing fees	**297**	296	**1,187**	1,178
Other interest expense	**543**	737	**1,500**	1,637
Interest accretion on discounted lease obligations	**253**	-	**864**	-
Amortization of transition balances and net change in fair value of interest rate swap agreements	**-**	(69)	**(197)**	(378)
Net finance costs	**$ 4,991**	$ 4,843	**$ 18,523**	$ 18,113

[1] The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
[2] Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks

Net finance costs consisted of interest paid under the revolving credit facility, as well as interest expense on the convertible unsecured subordinated debentures and other interest. It also includes a mark-to-market gain or loss on the interest swap agreements. The other interest expense pertains mainly to interest payable to the PPAQ on syrup purchases, in accordance with payment terms.

Net finance costs for the current quarter and for the current year were $0.1 million and $0.4 million higher than the same period last year, respectively, as the benefit from a decrease in interest rate was partially offset by the impact from the adoption of IFRS 16 *Leases*.

Taxation

The income tax expense (recovery) is as follows:

(In thousands of dollars)	Fourth Quarter[1]		Fiscal Year[2]	
	2020	2019	**2020**	2019
Current	**$ 2,445**	$ 4,038	**$ 11,290**	$ 16,084
Deferred	**2,441**	(1,660)	**2,778**	(1,883)
Income tax expense	**$ 4,886**	$ 2,378	**$ 14,068**	$ 14,201

[1] The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks
[2] Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks

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.

The variation in current and deferred tax expense for the quarter and the year in comparison to 2019 is consistent with the variation in earnings before taxes excluding the goodwill impairment expense recorded in 2019.

Net earnings (loss)

Net earnings amounted to $13.0 million for the fourth quarter of 2020 and $35.4 million for the year ended October 3, 2020. The increase of $53.0 million for the fourth quarter and $43.6 million for the year is mostly explained by the Maple products non-cash goodwill impairment recorded in the last quarter of 2019, as well as the variation of the after-tax impact of a reduction in adjusted operational results partially off-set by the gains and losses on the mark-to-market of derivative financial instruments.

Summary of Quarterly Results

The following is a summary of selected financial information of the consolidated financial statements and non-GAAP measures of the Company for each of the quarters of fiscal 2020 and 2019:

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

	QUARTERS[(4)]							
	2020				2019[(5)]			
	First	**Second**	**Third**	**Fourth**	First	Second	Third	Fourth
Sugar Volume (MT)	**188,379**	**175,226**	**172,054**	**225,396**	188,377	175,040	180,824	196,903
Maple products volume ('000 pounds)	**12,792**	**12,893**	**14,313**	**13,181**	11,857	11,033	9,325	10,163
					$	$	$	$
Total revenues	**209,316**	**199,126**	**206,147**	**246,212**	206,022	189,250	191,448	207,572
Gross margin	**39,046**	**19,390**	**29,873**	**37,890**	34,549	28,212	30,741	29,073
EBIT	**26,751**	**6,058**	**12,372**	**22,829**	22,982	15,395	18,570	(32,800)
EBITDA	**32,473**	**11,930**	**18,092**	**28,993**	27,763	20,173	23,301	(27,869)
Net earnings (loss)	**15,964**	**965**	**5,538**	**12,952**	13,411	8,011	10,432	(40,021)
Gross margin rate per MT [(1)]	**176.39**	**95.10**	**133.66**	**142.85**	155.81	124.80	135.28	125.15
Gross margin percentage [(2)]	**10.7%**	**4.9%**	**11.1%**	**9.9%**	9.5%	12.7%	13.9%	9.2%
Per share								
Net earnings (loss)								
Basic	**0.15**	**0.01**	**0.05**	**0.13**	0.13	0.08	0.10	(0.38)
Diluted	**0.14**	**0.01**	**0.05**	**0.12**	0.12	0.08	0.10	(0.38)
Non-GAAP Measures [(3)]								
Adjusted gross margin [(3)]	**23,612**	**23,612**	**25,915**	**40,065**	37,009	24,312	26,231	29,026
Adjusted EBIT [(3)]	**10,280**	**10,280**	**8,414**	**25,004**	25,442	11,495	14,060	17,153
Adjusted EBITDA [(3)]	**30,227**	**16,522**	**14,279**	**31,231**	30,231	16,570	18,792	22,215
Adjusted net earnings [(3)]	**4,036**	**4,036**	**2,560**	**14,551**	15,056	5,077	7,033	9,910
Adjusted gross margin rate per MT [(1) (3)]	**109.63**	**109.63**	**120.45**	**157.51**	155.16	110.22	116.97	123.71
Adjusted gross margin percentage [(2) (3)]	**7.9%**	**7.9%**	**8.4%**	**7.9%**	14.2%	10.0%	11.2%	9.7%
Adjusted net earnings per share [(3)]								
Basic	**0.13**	**0.04**	**0.02**	**0.14**	0.14	0.05	0.07	0.09
Diluted	**0.13**	**0.04**	**0.02**	**0.14**	0.13	0.05	0.07	0.09

(1) Gross margin rate per MT and adjusted gross margin rate per MT pertain to the Sugar segment only
(2) Gross margin percentage and adjusted gross margin percentage pertains to the Maple products segment only
(3) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(4) All quarters are 13 weeks with the exception of the fourth quarter of fiscal 2020 which is 14 weeks
(5) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Historically, the first quarter (October to December) of the fiscal year is the best quarter of the sugar segment for adjusted gross margins and adjusted net earnings due to the favourable sales mix associated with an increased proportion of consumer sales during that period of the year. At the same time, the second quarter (January to March) historically has the lowest volume as well as an unfavourable customer mix, resulting in lower revenues, adjusted gross margins and adjusted net earnings. The historical trend for adjusted gross margin and adjusted net earnings was different for 2020 due to the impact of the smaller beet crop in the first quarter, the volatility in customer demand related to COVID-19 throughout the last three quarters of the year and the extra week recognized in the fourth quarter.

Usually, there is minimal seasonality in the Maple products segment. However, for the last two quarters of 2020, we experienced higher sales volume attributable to increased demand from COVID-19.

Financial condition

(In thousands of dollars)	**2020**	2019[1]	2018[1]
Total assets	**$ 887,144**	$ 835,028	$ 870,209
Total non-current liabilities	**448,128**	404,904	382,136

[1] The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

The increase in total assets in the current fiscal year is due mainly to the impact from the adoption of *IFRS 16* as well as higher property-plant and equipment. The decrease in total assets for fiscal 2019 when compared to 2018 is due mainly to the $50.0 million impairment of goodwill partially offset by higher property-plant and equipment.

Non-current liabilities for fiscal 2020 also increased due mainly to the impact from the adoption of *IFRS 16*, an increase in employee benefits liabilities mostly due to a change in pension actuarial assumptions as at October 3, 2020, as well as an increase in deferred tax liabilities. The increase in non-current liabilities from fiscal 2018 to fiscal 2019 is explained by an increase in employee benefits liabilities mostly due to a change in pension actuarial assumptions as of September 28, 2019.

Liquidity

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

(In thousands of dollars)		**2020**[1]		2019[1] [2]
Cash flow from operating activities	**$**	**64,601**	$	55,868
Cash flow used in financing activities		**(36,786)**		(30,768)
Cash flow used in investing activities		**(26,153)**		(27,009)
Effect of changes in exchange rate on cash		**28**		52
Net increase (decrease) in cash and cash equivalents	**$**	**1,690**	$	(1,817)

[1] Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
[2] The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Cash flow from operating activities increased by $8.7 million, which is explained by lower income taxes paid of $9.9 million, partially offset by higher pension contributions of $1.2 million.

The negative variation in cash flow used in financing activities of $6.0 million is mainly attributable to an increase in repurchase of shares of $5.9 million, the adoption of IFRS 16 *Leases* resulted in an increase of $4.2 million in cash outflow used in financing activities as a result of payments made for lease obligations, a variation in bank overdraft of $8.3 million, partly offset by an increase in revolving credit facility of $12.0 million.

The cash outflow used in investing activities decreased compared to fiscal 2019 by $0.9 million due to lower capital spending.

In order to provide additional information, the Company believes it is appropriate to measure free cash flow that is generated by the operations of the Company. Free cash flow is 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 funds received or paid from the issue or purchase of shares and capital expenditures, excluding operational excellence capital expenditures.

Free cash flow is as follows:

(In thousands of dollars)		Fiscal Year[2]	
	2020	2019[3]	2018[3]
Cash flow from operations	**$ 64,601**	$ 55,868	$ 52,912
Adjustments:			
Changes in non-cash working capital	**(1,098)**	1,996	12,764
Mark-to-market and derivative timing adjustments	**12**	(4,340)	(1,776)
Amortization of transitional balances	**(292)**	(2,037)	(3,247)
Financial instruments non-cash amount	**2,413**	(1,472)	7,645
Capital expenditures and intangible assets	**(26,153)**	(27,009)	(23,655)
Operational excellence capital expenditures	**11,275**	8,617	7,394
Payment of leases obligation	**(4,205)**	-	-
Purchase and cancellation of shares	**(6,536)**	(640)	(3,963)
Deferred financing charges	**(16)**	(140)	(272)
Free cash flow[1]	**40,001**	$ 30,843	$ 47,802
Declared dividends	**$ 37,380**	$ 37,793	$ 37,971

(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures
(2) Fiscal 2020 consists of 53 weeks and fiscal 2019 and 2018 consists of 52 weeks
(3) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

Free cash flow for fiscal 2020 was $9.2 million higher than the previous year mainly explained by an increase in adjusted EBITDA[1] of $4.5 million, a lower capital and intangible spending, net of operational excellence capital of $3.5 million, lower taxes paid of $9.9 million. Somewhat offsetting the positive variance is an increase of $5.9 million in purchase and cancellation of shares, capital lease payments of $4.2 million and higher pension contributions of $1.2 million.

Capital and intangible assets expenditures, net of operational excellence expenditures, decreased by $3.5 million compared to last year due to timing in spending, in part, due to delays associated with the COVID-19 pandemic. Free cash flow is not impacted by operational excellence capital expenditures, as these projects are not necessary for the operation of the plants but are undertaken because of the substantial operational savings that are realized once the projects are completed.

During the year, the Sugar segment invested $14.3 million in "Stay in Business and Safety" capital projects for plant reliability, product security, information systems and environmental requirements. The Maple product segment invested $0.8 million in "Stay in Business and Safety" capital projects.

During the current fiscal year, Rogers purchased and cancelled a total of 1,377,394 common shares under the NCIB for a total cash consideration of $6.5 million, compared to 122,606 common shares acquired last fiscal year, for a total cash consideration of $0.6 million.

Financing charges are paid when a new debt financing is completed and such charges are deferred and amortized over the term of that debt. The cash used in the year to pay for such fees is therefore not available and as a result is deducted from free cash flow. In fiscal 2020, a nominal amount was paid to extend and amend the revolving credit facility as opposed to $0.1 million for fiscal 2019.

The Company declared a quarterly dividend of 9.0 cents per common share, resulting in an amount payable of $37.4 million for the current year versus $37.8 million last year.

Changes in non-cash operating working capital represent year-over-year movements in current assets, such as accounts receivable and inventories, and current liabilities, such as accounts payables. Movements in these accounts are due mainly to timing in the collection of receivables, receipts of raw sugar and payment of liabilities. Increases or decreases in such accounts are due to timing issues and therefore do not constitute free cash flow. Such increases or decreases are financed from available cash or from the Company's available credit facility of $265.0 million. Increases or decreases in bank indebtedness are also due to timing issues from the above and therefore do not constitute available free cash flow.

The combined impact of the mark-to-market, financial instruments non-cash amount and amortization of transitional balances of $2.1 million for the current fiscal year do 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 the Company as at year-end, and the effects such obligations are expected to have on liquidity and cash flow over the next several years:

(In thousands of dollars)	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
Revolving credit facility	$ 194,000	$ 29,000	$ –	$ 165,000	$ –
Interest on convertible debentures	34,218	7,506	15,012	7,506	4,194
Interest based on swap agreement	11,583	2,655	5,549	2,422	957
Lease obligations	26,218	4,405	6,242	3,946	11,625
Purchase obligations	63,294	63,294	–	–	–
	$ 329,313	$ 106,860	$ 26,803	$ 178,874	$ 16,776
Sugar segment purchase obligations (in MT)	1,496,000	544,000	850,000	102,000	–
Maple product segment Purchase obligations ('000 pounds)	4,000	4,000	–	–	–

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 credit agreement of $150.0 million effective June 28, 2013, replacing the $200.0 million credit agreement that expired on the same date. On August 3, 2017, the Company amended its existing revolving credit facility to partially fund the acquisition of TMTC. The available credit was increased by $75.0 million by drawing additional funds under the accordion feature embedded in the revolving credit facility ("Additional Accordion Borrowings"). Then, on December 20, 2017, the Company amended, once again, its existing revolving credit facility thereby increasing its available credit by $40.0 million by drawing additional funds under the accordion feature ("Second Additional Accordion Borrowings") to partially fund the Decacer acquisition.

On July 9, 2019, the Company exercised its option to extend the maturity date of its revolving credit facility to June 28, 2024 and made minor amendments to the amended credit agreement entered into on December 20, 2017, which do not affect its outstanding borrowings nor its financial covenants. As a result of the amended revolving credit facility, the Second Additional Accordion Borrowings and the Additional 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. As at October 3, 2020, a total of $483.7 million have been pledged as security for the revolving credit facility, compared to $422.2 million as at September 28, 2019, including trade receivables, inventories and property, plant and equipment.

At October 3, 2020, the Company was in compliance with all the financial covenants related to its revolving credit facility and a total of $194.0 million had been borrowed under the facility, of which, $29.0 million was presented as current.

In order to fix the interest rate on a substantial portion of the expected drawdown of the revolving credit facility, the Company enters 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 3, 2020 as well as their respective value, interest rate and time period:

Fiscal year contracted	Date	Total value
		$
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	March 6, 2020 to June 28, 2021 – 1.08%	20,000
Total outstanding value as at October 3, 2020		160,000
Forward start interest rate swaps:		
Fiscal 2019	June 29, 2022 to June 28, 2024 – 2.17%	80,000
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

Lease obligations relate mainly to the leasing of various mobile equipment, the premises of the blending operations in Toronto and other various location associated with the Maple products segment operations.

Purchase obligations represent all open purchase orders as at year-end and approximately $22.9 million for sugar beets that will be harvested and processed in fiscal 2020 but exclude any raw sugar priced against futures contracts. The purchase obligation regarding the sugar beets represents Management's best estimate of the amount expected to be payable in fiscal 2021 as of the date of this MD&A.

TMTC has $4.0 million remaining to pay related to an agreement to purchase approximately $12.2 million (4.0 million pounds) of maple syrup from the PPAQ. In order to secure bulk syrup purchases, the Company issued letters of guarantee for a total amount of $14.5 million in favor of the PPAQ. The letters of guarantee expire on February 28, 2021.

A significant portion of the Company's 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, the Company attempts 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.

The Company uses derivative instruments to manage exposures to changes in raw sugar prices, natural gas prices and foreign exchange. The Company's 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, the Company's risk management policy is to manage the forward pricing of purchases of raw sugar in relation to its forward refined sugar sales. The Company attempts to meet this objective by entering into futures contracts to reduce its exposure. Such financial instruments are used to manage the Company's exposure to variability in fair value attributable to the firm commitment purchase price of raw sugar.

The Company has hedged all of its exposure to raw sugar price risk movement through July 2023.

At October 3, 2020, the Company had a net short sugar position of $3.9 million in net contract amounts with a current net contract value of $5.2 million. This short position represents the offset of a smaller volume of sugar priced with customers than purchases priced from suppliers.

The Company uses futures contracts and swaps to help manage its natural gas costs. At October 3, 2020, the Company had $40.5 million in natural gas derivatives, with a current contract value of $38.9 million.

The Company's 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. The Company manages 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 the Company has 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. The Company does not anticipate any material adverse effect on its financial position resulting from its involvement in these types of contracts, nor does it anticipate non-performance by the counterparties.

At October 3, 2020, the Company had a net $160.4 million in foreign currency forward contracts with a current contract value of $157.9 million.

As part of its normal business practice, the Company also enters 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 sugar as traded on the ICE #11 world raw sugar market. At October 3, 2020, the Company had commitments to purchase a total of 1,496,000 metric tonnes of raw sugar, of which approximately 383,574 metric tonnes had been priced, for a total dollar commitment of $150.0 million.

The Company has no other off-balance sheet arrangements.

Capital resources:

As mentioned above, Lantic entered into a five-year credit agreement of $150.0 million effective June 28, 2013, which has been amended in fiscal 2017, 2018 and 2019 to increase its borrowing capacity by requesting the Additional Accordion borrowings and the Second Additional Accordion Borrowings, which brought the total available credit to $265.0 million. In addition, the credit facility was also amended in the current year to extend its maturity to June 28, 2024. At October 3, 2020, $194.0 million had been drawn from the working capital facility, $2.8 million was drawn as bank overdraft and $2.0 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. The Company has sufficient cash and availability under its line of credit to meet such requirements.

Future commitments of approximately $24.6 million have been approved for completing capital expenditures presently in progress.

The Company also has funding obligations related to its employee future benefit plans, which include defined benefit pension plans. As at October 3, 2020, all of the Company's registered defined benefit pension plans were in a deficit position. The Company performed actuarial evaluations for its three remaining pension plans as of December 31, 2016, January 1, 2017 and December 31, 2019.

The Company monitors its pension plan assets closely and follows 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, the Company may be required to make additional cash contributions in the future. In fiscal 2020, cash contributions to defined benefit pension plans increased by approximately $0.4 million to $4.0 million. In total, the Company expects to incur cash contributions of approximately $5.9 million for fiscal 2021 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 its expected cash requirements.

OUTSTANDING SECURITIES

A total of 103,536,923 shares were outstanding as at October 3, 2020 and November 25, 2020, respectively (104,885,464 as at September 28, 2019).

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 year.

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 year, the Company purchased 1,377,394 common shares having a book value of $1.3 million for a total cash consideration of $6.5 million. The excess of the purchase price over the book value of the shares in the amount of $5.2 million was charged to deficit. During fiscal 2019, the Company purchased 122,606 common shares having a book value of $0.1 million for a total cash consideration of $0.6 million. The excess of the purchase price over the book value of the shares in the amount of $0.5 million was charged to deficit. All shares purchased were cancelled.

During fiscal 2020, holders of the Sixth series debentures converted a total of $0.1 million into 9,079 common shares. As a result, the total amount outstanding under the Sixth series debentures is $57,425.

During fiscal 2020, holders of the Seventh series debentures converted a total of $0.2 million into 19,774 common shares. As a result, the total amount outstanding under the Seventh series debentures is $97,575.

The Company currently has a share option plan that was established in 2011 and amended in 2015. Under this plan, the Company has set aside 4,000,000 common shares to be granted to key personnel. As at October 3, 2020, a total of 3,535,997 options had been granted 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 and on December 4, 2017. The following table provides the detail of the grants under the PSU:

Grant date	PSU	Additional PSU	Total PSU	Performance Cycle
December 4, 2017	224,761	44,372	269,133	2018-2020
December 3, 2018	290,448	36,717	327,165	2019-2021
December 2, 2019	324,932	18,734	343,666	2020-2022

The PSUs were granted to executives 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

The Company's 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.

In fiscal year 2020 the Company completed the installation of equipment to upgrade the Taber beet factory to be fully compliant with the new air emissions regulations in preparation for the start of the 2020 beet harvesting season (crop 2019). Air emission testing took place, and the Alberta Environment and Parks issued a compliance certificate.

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 facility has a lengthy history of industrial use, and fill materials have been used on the property in the normal course of business. No assurance can be given that material expenditures will not be required in connection with contamination from such industrial use or fill materials.

Similarly, the Montréal facility has a lengthy history of industrial use. Contamination has been identified on a vacant property acquired in 2001, and the Company has been advised that additional soil and ground water contamination is likely to be present. Given the industrial use of the property, and the fact that the Company does not intend to change the use of that property in the future, the Company does not anticipate any material expenditures being required in the short term to deal with this contamination, unless off-property impacts are discovered. The Company has recorded a provision under asset retirement obligations for this purpose and the provision is expected to be sufficient.

Although the Company is not aware of any specific problems at its Toronto distribution centre, its 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.

RISKS AND UNCERTAINTIES

The Company’s 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 the Company, Lantic or TMTC and their performance and financial position. In December 2019, a novel strain of coronavirus, known as “COVID-19” was identified. As of March 20, 2020, COVID-19 had spread to over 100 countries and been declared a pandemic by the World Health Organization. COVID-19 has resulted in, and renewed outbreaks of COVID-19 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, the Company, 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 the Company, 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 coronavirus, which may include such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel, and other restrictions, and the medical community is seeking to develop vaccines and other treatment options, the efficacy of such measures is uncertain. The Company’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 coronavirus and the actions required to contain this coronavirus or treat its impact, among others.

Dependence Upon Lantic

Rogers 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 will be 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 may restrict 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 Rogers, 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 the Company and TMTC may not be indicative of success in future periods. The future performance of the business after the acquisition may be influenced by economic downturns and other factors beyond the control of the Company. As a result of these factors, the operations and financial performance of the Company, including TMTC, may be negatively affected, which may materially adversely affect the Company's 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 United States, Denmark, Germany, the United Kingdom, the 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 United States, Denmark, Germany, the United Kingdom and the Netherlands as well as the subsidizing 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 October 30, 2015, the CITT concluded its fourth review of the 1995 finding and issued its decision to continue the finding against dumped and subsidized sugar from the U.S. and EU for another five years. New CITT practice is to initiate reviews later than in previous reviews so it is likely that duty protection will remain in place as late as July 2021 and could be further extended for another five years depending on the outcome of the review.

On October 2, 2020, the CITT initiated the sunset review concerning the anti-dumping and countervailing measures on imports of US and EU refined sugar in the Canadian market. As a result of the CITT's decision, the Canada Border Services Agency (CBSA) has initiated its investigation to determine whether the expiry of the measures is likely to result in the resumption of dumping and subsidizing of US and EU imports into Canada. The CBSA is expected to make a determination by March 1, 2021. If this determination is positive, the CITT will initiate its inquiry on March 2, 2021 to determine if the dumping or subsidizing of refined sugar is likely to result in injury to the Canadian sugar industry. The CITT is expected to issue its decision and reasons by August 6, 2021.

The Canadian Sugar Institute (CSI) is seeking continuation of the anti-dumping and countervailing measures, without amendment, for an additional five years beyond October 29, 2020. This position based on the fact that the trade-distorting sugar programs in the US and EU remain in place and the Canadian industry remains vulnerable to injury from unfair competition from dumped and subsidized imports from these sources.

The duties on imports of U.S. 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 U.S. and EU sugar regimes continue to generate surplus refined sugar production and exports that threaten the Canadian sugar market. However, there is no assurance that the CITT determination in the next review will continue the duty protection for a further five years.

Fluctuations in Margins and Foreign Exchange

The Company'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. The Company, through the Canadian-specific quota, normally sells a small portion of its production of refined sugar in the U.S. and to Mexico and also sells beet pulp to export customers in U.S. dollars. The Company'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 Company'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.

Fluctuations in Raw Sugar Prices

Raw sugar prices are not a major determinant of the profitability of the Company's cane sugar operations, as the price at which sugar is both purchased and sold is related to the #11 world raw 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. The #11 world raw sugar price can, however, impact the profitability of the Company's beet operations. Sugar derived from beets is purchased at a fixed price, plus an incentive when sugar prices rise over a certain level, and the selling price of domestic refined sugar rises or falls in relation to the #11 world raw sugar price.

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 177 million metric tonnes of sugar produced worldwide. Of this, more than 60 million metric tonnes of sugar are traded on the world market. The Company, 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 the Company'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, the Company normally enters 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 the Company and the Growers cannot agree on a supply contract, sugar beets might not be available for processing, thus requiring transfer of products from the Company's cane refineries to the Prairie market, normally supplied by Taber. This would increase the Company'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 Company'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, 85% of the total production of maple syrup is sold to the PPAQ or the authorized buyers, leaving only approximately 15% 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, the Corporation or Lantic 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 the Corporation.

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 the Corporation.

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 the Company'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, the Company 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 the operations of the Company.

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 the market and also competes against a multitude of smaller bottlers and distributing companies.

A large majority of TMTC's revenues are made under the private label line. The Corporation anticipates that for a foreseeable future, TMTC's relationship with its top private label customers will continue to be key and will continue to have a material impact on its sales. Although the Corporation 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 the Company'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. The offer of maple products has recently expanded to include, among others, maple butter and maple sugar, flakes and taffy. As a result of evolving customer trends and the development of new maple products continues, TMTC will need to anticipate and meet these trends and 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 the Company. 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 wholesale market for maple syrup is currently estimated at $850 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 the Company'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 the Company'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 the Company'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. The Company 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 the Company.

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

The majority of the Lantic's operations are unionized and agreements are currently in place in each unionized facility. The next collective bargaining agreements to expire will be in fiscal 2021 at the Montreal sugar refinery facility. We expect these agreements will renewed at competitive rates.

The Company 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 the ability of the Company to service its customers in the affected regions, consequently affecting the Company's financial results.

Food Safety and Consumer Health

The Company is 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. The Company actively manages these risks by maintaining strict and rigorous controls and processes in its manufacturing facilities and distribution systems and by maintaining prudent levels of insurance.

The Company's facilities are subject to audit by federal health agencies in Canada and similar institutions outside of Canada. The Company also performs its 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 the Company and each of the aforementioned factors could materially adversely affect the Company's financial results and operations.

Cybersecurity

The Company faces various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to render data or systems unusable, or otherwise affect the Company's ability to operate. The Company'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 the Company in that regard cannot provide absolute security, and the Company'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 the Company's operations. These developments may subject the Company's operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could materially and adversely affect the Company's financial results and operations.

The Company seeks 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 the Company's technological security and information. The

Company relies on third party products and services to assist it in protecting its information technology infrastructure and its proprietary and confidential information. The Company seeks to be proactive in the area of cybersecurity and consequently anticipates that it 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

The operations of the Company 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. Management believes that the Company is in compliance in all material respects with environmental laws and regulations. However, these regulations have become progressively more stringent and the Company anticipates 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 the Company currently or in the past can be imposed by environmental regulators or other third parties. Such liabilities could materially adversely affect the Company's financial results and operations.

Income Tax Matters

The income of the Company 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 of the Company to pay dividends in the future. There can be no assurance that taxation authorities will accept the tax positions adopted by the Company 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 Rogers 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 Rogers 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 the Company.

OUTLOOK

The health and safety of our employees remains our top priority. With respect to COVID-19, the Company is closely following all public health authority recommendations and has put in place enhanced safety protocols. While our plants have continued to operate without any disruption during the COVID-19 pandemic, it remains difficult to estimate or forecast the impact going forward on operations and/or financial results. The Company is closely monitoring the situation and will react quickly to the changing circumstances.

Sugar

The Company expects the sugar segment to continue to perform well in fiscal 2021. A combination of strong underlying demand resulting in increased volumes along with a successful beet harvest are expected to result in improved fiscal 2021 operational and financial performance.

Sales volume and Adjusted EBITDA

Market conditions are expected to remain favourable for the sugar business segment in fiscal 2021, despite
the ongoing impact of COIVD-19. The Company expects sales volume and adjusted EBITDA to improve moderately over fiscal 2020. Sales volumes for fiscal 2021 are expected to increase by approximately 5,000 metrics tonnes notwithstanding the extra week of 2020, to reach approximately 766,000 metric tonnes.

Volume for industrial customers

The Company anticipates that volume for the industrial customer group will increase by approximately 4,000 metric tonnes in 2021, representing a return to normal demand levels with minimal impact from the COVID-19 pandemic in 2021.

For the liquid portion of the industrial customer group, the Company expects volume for 2021 to be comparable to 2020.

Volume for retail customers

The retail consumer demand in 2020 was better than expected due to the effects of COVID-19 and the additional week of operations. In fiscal 2021, the Company does not expect to experience the same level of COVID-19 related demand and anticipates retail customer volume to decrease by approximately 8,000 metric tonnes or 7.0% as compared to 2020.

Volume related to export sales

The Company anticipates export volumes for 2021 to be approximately 10,000 metric tonnes above 2020 driven by the implementation of new export quotas and the resumption of deferred beet shipments to Mexico. The increase also includes 14,400 metric tonnes for 2021 to be supplied by the Taber factory, under the CUSMA special quotas that took effect on July 1, 2020.

Other considerations

In fiscal 2021, the Company expects Adjusted EBITDA to benefit from the return to normal operating conditions in its Taber beet sugar facility. In the fall of 2019, the beet harvest was suspended early due to the impact of severe adverse weather in Alberta. As a result, the crop derived a much inferior quantity of refined sugar resulting in a shortfall of approximately 62,000 metric tonnes. For the 2020 crop, the Company contracted 30,000 acres for planting in Taber, an increase of 2,000 acres from last year. In addition, Taber started harvesting and slicing earlier than previous years and, under normal growing conditions, the new crop is expected to yield approximately 132,000 metric tonnes of beet sugar.

Maintenance programs for the three operating facilities are expected to follow the trend of previous years. Spending on capital projects is also expected to be similar to recent periods. For fiscal 2021, the Company anticipates spending between $25.0 million and $30.0 million on various capital projects, with approximately a quarter allocated to return on investment projects.

In October 2020, the Company announced a strategic collaboration with DouxMatok, a food-tech company and pioneer in the development of efficient flavor delivery technologies, to deliver a unique sugar reduction solution based on cane sugar, to food companies in North America. Although this is a small portion of the sweetener market, we believe this could provide a competitive offering in this niche market.

Maple products

In fiscal 2021, the Company expects to see continued improvement in sales margins, driven by successful contract negotiations with new and existing customers. In addition, the Company expects to lower its operating costs and improve its gross margin through ongoing optimization at its manufacturing facilities and efficiency improvements provided by the investments made in the past two years in its new Granby facility and existing Dégelis plant. Competitive pressures in the Maple industry have stabilized over the past few quarters; however, the Company remains focused on maintaining its market share and improving its sales margins.

Capital investments are expected to be reduced significantly for the Maple segment considering the expenditures incurred over the last two years to improve and increase 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.

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 the Company 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 operating results ("Adjusted EBIT") is defined as EBIT 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 EBIT adjusted to add back depreciation and amortization expenses, goodwill impairment, the Sugar segment acquisition costs and the Maple products segment non-recurring expenses.
- Adjusted net earnings is defined as net (loss) earnings adjusted for the adjustment to cost of sales, the amortization of transitional balances to cost of sales for cash flow hedges, the amortization of transitional balance to net finance costs and the income tax impact on these adjustments. Amortization of transitional balance to net finance costs is defined as the transitional marked-to-market balance of the interest rate swaps outstanding as of October 1, 2016, amortized over time based on their respective settlement date until all existing interest rate swaps agreements have expired, as shown in the notes to the consolidated financial statements.
- 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 products segment divided by the revenues generated by the Maple products 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, funds paid for the purchase and cancellation of shares, capital and intangible assets expenditures, net of operational excellence capital expenditures, and payments of capital leases.
- Pro-forma debt (for the purposes of calculating financial covenant) is defined as the outstanding balance under the revolving credit facility, net of any bank cash balances, and it includes any obligations under IAS 17 *Leases* and it excludes the impact from the adoption of IFRS 16 *Leases* with regards to any new lease obligations as well as all convertible unsecured subordinated debentures.
- Pro-forma Adjusted EBITDA (for the purposes of calculating financial covenant) is defined as Adjusted EBITDA adjusted to exclude the impact from the adoption of IFRS 16 *Leases* on Adjusted EBITDA.

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

Consolidated results (In thousands of dollars)	Fourth Quarter Fiscal 2020[2] Sugar	Maple Products	Total	Fourth Quarter Fiscal 2019[2] [4] Sugar	Maple Products	Total
Gross margin	**$ 32,198**	**$ 5,692**	**$ 37,890**	$ 24,643	$ 4,430	$ 29,073
Total adjustment to the cost of sales [1]	**3,305**	**(1,130)**	**2,175**	(285)	238	(47)
Adjusted Gross Margin	**$ 35,503**	**$ 4,562**	**$ 40,065**	$ 24,358	$ 4,668	$ 29,026
Results from operating activities ("EBIT")	**$ 20,198**	**$ 2,631**	**$ 22,829**	$ 16,448	$ (49,248)	$ (32,800)
Total adjustment to the cost of sales [1]	**3,305**	**(1,130)**	**2,175**	(285)	238	(47)
Goodwill impairment	**-**	**-**	**-**	-	50,000	50,000
Adjusted results from operating activities ("Adjusted EBIT")	**$ 23,503**	**$ 1,501**	**$ 25,004**	$ 16,163	$ 990	$ 17,153
Results from operating activities ("EBIT")	**$ 20,198**	**$ 2,631**	**$ 22,829**	$ 16,448	$ (49,248)	$ (32,800)
Total adjustment to the cost of sales [1]	**3,305**	**(1,130)**	**2,175**	(285)	238	(47)
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	**4,479**	**1,685**	**6,164**	3,499	1,432	4,931
Goodwill impairment	**-**			-	50,000	50,000
Maple Segment non-recurring costs [1]	**-**	**63**	**63**	-	131	131
Adjusted EBITDA [1]	**$ 27,982**	**$ 3,249**	**$ 31,231**	$ 19,662	$ 2,553	$ 22,215
Net earnings (loss)			**$ 12,952**			$ (40,021)
Total adjustment to the cost of sales [1]			**2,175**			(47)
Goodwill impairment			**-**			50,000
Amortization of transitional balance to net finance costs [1]			**-**			(69)
Income taxes on above adjustments			**(576)**			47
Adjusted net earnings			**$ 14,551**			$ 9,910
Net earnings (loss) per share (basic)			**$ 0.13**			$ (0.38)
Adjustment for the above			**0.01**			0.47
Adjusted net earnings per share (basic)			**$ 0.14**			$ 0.09

Consolidated results (In thousands of dollars)	Fiscal 2020[3] Sugar	Maple Products	Total	Fiscal 2019[3] [4] Sugar	Maple Products	Total
Gross margin	**$ 105,088**	**$ 21,111**	**$ 126,199**	$ 100,301	$ 22,274	$ 122,575
Total adjustment to the cost of sales [1]	**1,124**	**(1,205)**	**(81)**	(6,269)	272	(5,997)
Adjusted Gross Margin	**$ 106,212**	**$ 19,906**	**$ 126,118**	$ 94,032	$ 22,546	$ 116,578
Results from operating activities ("EBIT")	**$ 60,863**	**$ 7,147**	**$ 68,010**	$ 65,539	$ (41,392)	$ 24,147
Total adjustment to the cost of sales [1]	**1,124**	**(1,205)**	**(81)**	(6,269)	272	(5,997)
Goodwill impairment	**-**	**-**	**-**	-	50,000	50,000
Adjusted results from operating activities ("Adjusted EBIT") [1]	**$ 61,987**	**$ 5,942**	**$ 67,929**	$ 59,270	$ 8,880	$ 68,150
Results from operating activities ("EBIT")	**$ 60,863**	**$ 7,147**	**$ 68,010**	$ 65,539	$ (41,392)	$ 24,147
Total adjustment to the cost of sales [1]	**1,124**	**(1,205)**	**(81)**	(6,269)	272	(5,997)
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	**16,890**	**6,588**	**23,478**	13,865	5,356	19,221
Goodwill impairment	**-**	**-**	**-**	-	50,000	50,000
Maple Segment non-recurring costs [1]	**-**	**852**	**852**	-	437	437
Adjusted EBITDA [1]	**$ 78,877**	**$ 13,382**	**$ 92,259**	$ 73,135	$ 14,673	$ 87,808
Net earnings (loss)			**$ 35,419**			$ (8,167)
Total adjustment to the cost of sales [1]			**(81)**			(5,997)
Goodwill impairment			**-**			50,000
Amortization of transitional balance to net finance costs [1]			**(197)**			(378)
Income taxes on above adjustments			**104**			1,621
Adjusted net earnings			**$ 35,245**			$ 37,079
Net earnings (loss) per share (basic)			**$ 0.34**			$ (0.08)
Adjustment for the above			**-**			0.43
Adjusted net earnings per share (basic)			**$ 0.34**			$ 0.35

(1) See "Adjusted results" section

(2) The fourth quarter of fiscal 2020 consists of 14 weeks and the fourth quarter of fiscal 2019 consists of 13 weeks

(3) Fiscal 2020 consists of 53 weeks and fiscal 2019 consists of 52 weeks
(4) The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 (h) of the consolidated financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's 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 these audited consolidated financial statements. Management has reviewed such new standards, proposed amendments and does not anticipate that they will have a material impact on the Company's financial statements. Refer to note 3 (r) to the audited consolidated financial statements for more detail.

CONTROLS AND PROCEDURES

In compliance with the provisions of Canadian Securities Administrators' Regulation 52-109, the Corporation has 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 the Company; 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 3, 2020, 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 3, 2020.

INTERNAL CONTROLS 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 3, 2020, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the Company'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 3, 2020.

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 CONTROLS 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.