



Rogers Sugar reports higher Adjusted EBITDA supported by the strong performance of its Sugar Business Segment and announces its intention to expand the refining capacity of its Montreal plant and its related eastern distribution network.

Rogers Sugar Inc.'s ("our," "we", "us" or "Rogers") (TSX: RSI) today reported third quarter fiscal 2022 results with consolidated adjusted EBITDA of \$23.1 million and \$73.2 million for the current quarter and the first nine months of the year, respectively.

We are announcing today our intention to proceed with an expansion of our Montreal refining capacity along with an increase of our Toronto distribution centre logistic and rail infrastructures. The project would increase the eastern refined sugar supply by up to 100,000 metric tonnes annually at a current estimated construction cost of approximately \$160 million. We are working with different stakeholders including customers, suppliers, financial institutions, rail providers and government authorities to finalize our plan. We are expecting to deliver this additional capacity to the market within the next two years. We intend to provide regular updates on the project in the coming months.

"The demand for Canadian refined sugar remained very strong in the third quarter of 2022, and we anticipate this situation to continue for the foreseeable future as market dynamics remain favourable," said Mike Walton, President, and Chief Executive Officer of Rogers and Lantic Inc. "We expect the strong market conditions of our Sugar segment will more than offset the challenges we are experiencing in our Maple segment from current inflationary pressures; providing for improved overall financial results in 2022 as compared to 2021." "We are also very excited about our expansion project aimed at supporting the growth of the Canadian food manufacturing industry with quality refined sugar."

Third Quarter 2022 Consolidated Highlights (unaudited)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Financials (\$000s)				
Revenues	254,632	210,931	738,728	650,700
Adjusted gross margin ⁽¹⁾	32,654	25,932	104,341	89,792
Adjusted EBITDA ⁽¹⁾	23,108	17,214	73,187	66,237
Net earnings	3,138	6,836	28,934	31,387
per share (basic)	0.03	0.07	0.28	0.30
per share (diluted)	0.03	0.07	0.28	0.29
Adjusted net earnings ⁽¹⁾	8,419	4,247	28,498	24,246
Adjusted net earnings per share (basic) ⁽¹⁾	0.08	0.04	0.27	0.23
Trailing twelve months free cash flow ⁽¹⁾	49,480	42,084	49,480	42,084
Dividends per share	0.09	0.09	0.27	0.27
Volumes				
Sugar (metric tonnes)	203,315	190,563	579,928	564,752
Maple Syrup (thousand pounds)	12,027	11,471	37,225	40,578

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

- Consolidated adjusted EBITDA for the third quarter and the first nine months of fiscal 2022 was \$23.1 million and \$73.2 million respectively, an increase of \$5.9 million and \$7.0 million from the same periods last year, largely driven by higher adjusted EBITDA in the Sugar segment;
- Adjusted EBITDA in the Sugar segment was \$20.0 million in the third quarter, an increase of \$5.7 million from the same quarter last year, driven by higher volume, improved average pricing and higher production at our Taber sugar beet facility; partly offset by increased distribution costs and administrations and selling expenses;
- Sales volume in the Sugar segment increased by 6.7% to 203,315 metric tonnes in the third quarter of the current fiscal year, as sales volume increased in all segments compared to the same period last year;
- Adjusted gross margin in the Sugar segment improved by \$24.73 per metric tonne in the third quarter of fiscal 2022 compared to the same quarter last year due to higher selling margin and a stronger contribution from our Taber sugar beet facility;
- Adjusted EBITDA in the Maple segment was \$3.1 million in the third quarter, an increase of \$0.2 million from the same quarter last year largely as a result of higher sales volume and improved average pricing, partially offset by higher operating costs driven by increased costs for packaging, freight and energy, as well as higher compensation and employee benefits;



- Free cash flow for the trailing 12 months ended July 2, 2022 was \$49.5 million, an increase of \$7.4 million from the same period last year;
- In the third quarter of fiscal 2022, we distributed \$0.09 per share to our shareholders for a total amount of \$9.4 million;
- On August 9, 2022, we signed a multi-year supply partnership agreement with Raízen, the largest individual raw sugar exporter on the international market based in Brazil, to source certified non genetically modified organism ("non-GMO") raw sugar for our eastern Canada operations. This new supply agreement will allow our Montreal facility to provide non-GMO refined sugar to our valued customers; and
- On August 10, 2022, the Board of Directors declared a quarterly dividend of \$0.09 per share, payable on or before October 12, 2022.

Sugar

Third Quarter 2022 Sugar Highlights (unaudited)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Financials (\$'000s)				
Revenues	200,276	161,237	572,058	476,656
Adjusted gross margin ⁽¹⁾	28,195	21,714	90,844	74,204
Per metric tonne (\$/ mt) ⁽¹⁾	138.68	113.95	156.65	131.39
Administration and selling expenses	8,067	8,163	26,594	21,202
Distribution costs	5,053	3,747	14,724	12,439
Adjusted EBITDA ⁽¹⁾	19,979	14,265	63,960	54,007
Volumes (metric tonnes)				
Total volume	203,315	190,563	579,928	564,752

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

In the third quarter of fiscal 2022, revenue increased by \$39.0 million compared to the same period last year, driven mainly by higher sales volume, higher prices for #11 world raw sugar, improved average pricing and higher by-product sales revenue. The average price for #11 world raw sugar increased by US 2.3 cent per pound to US 19.2 cent per pound during the current quarter when compared to the same quarter last year.

Sugar volume increased by 12,752 metric tonnes in the third quarter of fiscal 2022 compared to the same quarter last year, due mainly to stronger industrial and liquid volumes.

- Industrial volume contributed the largest increase in the quarter, due mainly to higher demand from existing customers producing sugar containing products for consumption in North America.
- Liquid volume during the current quarter also increased due to higher demand from existing customers.

Adjusted gross margin increased by \$6.5 million in the current quarter compared to the same quarter last year mainly as a result of higher sugar sales margin of \$12.2 million from higher sales volume, improved average pricing and increased by-product net contribution of \$0.5 million. The favourable variance was partially offset by higher production costs mainly driven by increased volume and higher energy and labour costs. On a per unit basis, adjusted gross margin for the third quarter was at \$138.68 per metric tonne, higher than last year by \$24.73 per metric tonne. The favourable variance was mainly due to the increase in overall margin from higher volume, improved selling prices, and higher production of beet sugar out of our Taber facility, as compared to last year. In 2021, our Taber facility produced less sugar as the quality of the beets was negatively impacted by unfavourable storage conditions.

Adjusted EBITDA for the third quarter of fiscal 2022 increased by \$5.7 million compared to the same quarter last year, largely as a result of higher adjusted gross margin, as mentioned above, partially offset by higher distribution costs largely driven by higher freight costs and additional logistical costs incurred to support the strong demand in eastern Canada.



Maple

Third Quarter 2022 Maple Highlights (unaudited)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Financials (\$'000s)				
Revenues	54,356	49,694	166,670	174,044
Adjusted gross margin ⁽¹⁾	4,459	4,218	13,497	15,588
As a percentage of revenues (%) ⁽¹⁾	8.2%	8.5%	8.1%	9.0%
Administration and selling expenses	2,560	2,563	7,639	7,078
Distribution costs	447	529	1,718	1,864
Adjusted EBITDA ⁽¹⁾	3,129	2,949	9,227	12,230
Volumes (thousand pounds)				
Total volume	12,027	11,471	37,225	40,578

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

Revenues for the third quarter of the current fiscal year were \$4.7 million higher than the same period last year at \$54.4 million, mainly due to higher volume and higher sales price.

Adjusted gross margin for the current quarter of fiscal 2022 was higher by \$0.2 million due to higher volume and higher sales price, partially offset by higher operating costs. Operating costs increased largely as a result of higher packaging, freight and energy costs as well as increased compensation cost and employee benefits incurred to attract and retain employees in our production facilities.

Adjusted gross margin percentage for the current quarter decreased by 30 basis point compared to the same period last year, mainly attributable to market-based production cost increases discussed above and the timing of passing these increases through to our customers.

Adjusted EBITDA for the third quarter of fiscal 2022 increased by \$0.2 million, due to higher adjusted gross margin as explained above.

OUTLOOK

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

As a result of the strong demand and improved margins, we are experiencing in our Sugar segment, we continue to expect improved financial performance in 2022 as compared to 2021. The strength in our Sugar segment is expected to offset higher costs from inflationary pressures and lower demand in the Maple segment.

Sugar

We continue to expect the sugar segment to perform well in fiscal 2022. Underlying domestic demand remains strong across all customer segments supported by favourable market dynamics.

In Taber, the sugar beet processing campaign was completed and delivered the expected volume of sugar. Overall, 121,000 metric tonnes of sugar are expected from our Taber facility in the current fiscal year, an increase of 6,000 metric tonnes from last year.

Due to the strong market conditions in our Sugar segment, we are increasing our sales volume forecast for 2022 by 10,000 metric tonnes to 785,000 metric tonnes. We expect domestic volumes to grow by 2.5% from 2021, while our export volumes are expected to be lower as a result of reduced CUSMA quota opportunities in the current year. Overall, 2022 volumes are expected to be approximately 5,000 metric tonnes higher than 2021, with volumes expected to change as follows in 2022:

- Industrial, our largest segment, is expected to grow at 3% as demand for sugar-containing products remains steady both in Canada and the US.
- Liquid volume is expected to deliver growth of 3% driven by continued demand from existing customers.
- Consumer volume is expected to decrease by 2.5%, as volumes return to normalized pre-COVID levels.
- We anticipate selling less in the export markets in 2022, due to reduced CUSMA opportunities.



The combination of higher volume and favourable price adjustments are expected to improve profitability as compared to 2021.

Maintenance programs for the Montreal and Vancouver operating facilities are expected to follow the trend of previous years and are expected to result in a market-based increase in operating costs. For the Taber facility, a return to normal crop volume and an improvement in the quality of the sugar beets over 2021 is expected to yield an improvement in operating costs.

Distribution costs are expected to increase overall by 30% from 2021, reflecting additional transfers of volume from the west to the east to meet customer demand and higher market prices for warehousing, rail and ground transportation.

Administration and selling expenses are expected to increase by 25% due to a non-cash increase in share-based compensation expense driven by the increase in share price noted in recent quarters, partially offset by lower COVID-19 related expenditures.

Spending on capital projects is also expected to be lower for fiscal 2022, due to timing and supply chain challenges. We anticipate spending approximately \$20.0 million on various capital projects.

We have been able to mitigate the potential unfavourable impact on our business of the recent increases in interest rates and energy costs through our multi-years hedging strategy. We do not anticipate these increases to have a material impact on our financial results in the near future, as we expect our hedging strategy will continue to mitigate such risks.

Maple

The Maple segment financial results were lower than anticipated for the first nine months of 2022, due mainly to lower volume and unexpected inflationary pressure on costs for packaging material, freight, and labour; along with global shipping challenges related to the availability of carriers. We expect these financial and operating pressures to continue for the remainder of 2022. At the end of the second quarter, we began implementing an updated pricing strategy with our customers, aimed at recouping these incremental costs going forward. The expected improvement in pricing to customers to recover these unanticipated cost increases is not occurring as fast as initially anticipated. This is due to the current market conditions and the competitiveness of the Maple Syrup market, which has been impacted by a strong crop in 2022.

A full copy of Rogers third quarter 2022, including management's discussion and analysis and unaudited condensed consolidated interim financial statements, can be found at www.LanticRogers.com.

Conference Call and Webcast

We will host a conference call to discuss our third quarter of fiscal 2022 results on August 11, 2022 starting at 8:00a.m. ET. To participate, please dial 1-888-400-2425. A recording of the conference call will be accessible shortly after the conference, by dialing 1-800-770- 2030, access code 9031006#. This recording will be available until August 25, 2022. A live audio webcast of the conference call will also be available via www.LanticRogers.com.

About Rogers Sugar

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

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



Cautionary Statement Regarding forward-looking information

This report contains statements or information that are or may be “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian Securities laws. Forward-looking statements may include, without limitation, statements and information which reflect our current expectations 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, we caution investors that statements concerning the following subjects are, or are likely to be, forward-looking statements:

- our intention to increase sugar refining capacity and the related eastern Canada distribution network
- the impact of the COVID-19 pandemic on our operations
- future prices of raw sugar
- expected inflationary pressures on costs
- natural gas costs
- beet production forecasts
- growth of the maple syrup industry and the refined sugar industry
- the status of labour contracts and negotiations
- the level of future dividends
- the status of government regulations and investigations

Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, including with respect to our ability to finance and complete the expansion project of our Montreal plant and eastern distribution network, the continuity of our operations despite the COVID-19 pandemic, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual performance or results could differ materially from those reflected in the forward-looking statements, historical results or current expectations. Readers should also refer to the section “Risks and Uncertainties” in our current quarter MD&A for additional information on risk factors and other events that are not within our control. These risks are also referred to in our Annual Information Form in the “Risk Factors” section.

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

Cautionary Statement Regarding non-GAAP measures

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

We use these non-GAAP financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These non-GAAP financial measures reflect an additional way of viewing aspects of the operations that, when viewed with the IFRS results and the accompanying reconciliations to corresponding IFRS financial measures, may provide a more complete understanding of factors and trends affecting our business. See “Non-GAAP measures” section at the end of the MD&A for the current quarter for additional information.

For further information

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ROGERS SUGAR INC.

Financial Report Q3 2022



This Management’s Discussion and Analysis (“MD&A”) of Rogers Sugar Inc.’s (“Rogers”, “RSI” or “our,” “we”, “us”) dated August 10, 2022 should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three- and nine-month periods ended July 2, 2022, as well as the audited consolidated financial statements and MD&A for the year ended October 2, 2021. The quarterly unaudited condensed consolidated interim financial statements and any amounts shown in this MD&A were not reviewed nor audited by our external independent auditors. This MD&A refers to Rogers, Lantic Inc. (“Lantic”) (Rogers and Lantic together referred as the “Sugar segment”), The Maple Treat Corporation (“Maple Treat”) and Highland Sugarworks Inc. (“Highland”) (the latter two companies together referred to as “TMTc” or the “Maple segment”).

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

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OUR BUSINESS

Rogers has a long history of providing high quality sugar products to the Canadian market and has been operating since 1888.

Lantic, Rogers wholly owned subsidiary, operates cane sugar refineries in Montreal, Québec and Vancouver, British Columbia, as well as the only Canadian sugar beet processing facility in Taber, Alberta. Lantic's sugar products are marketed under the "Lantic" trademark in Eastern Canada, and the "Rogers" trademark in Western Canada and include granulated, icing, cube, yellow and brown sugars, liquid sugars and specialty syrups. We also operate a custom blending and packaging operation and distribution center in Toronto, Ontario.

Maple Treat operates bottling plants in Granby, Dégelis and St-Honoré-de-Shenley, Québec and in Websterville, Vermont. Maple Treat's products include maple syrup and derived maple syrup products supplied under retail private label brands in over fifty countries and are sold under various brand names, such as TMTC, Uncle Luke's, Great Northern, Decacer and Highland Sugarworks.

Our business has two distinct segments - Sugar – which includes refined sugar and by-products and Maple – which includes maple syrup and maple derived products.

UPDATE ON COVID-19

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

Our business is considered an essential service by the government and as such, our plants have continued to operate at usual capacity. We have established extensive protection measures and protocols to ensure the health and safety of our employees. COVID-19 could have a material effect on our business as it relates to customer demand, supply and delivery logistics, operations, financial market volatility, pension and benefits liabilities and other economic fundamentals. For the third quarter and the first nine months of fiscal 2022, we incurred direct costs amounting to \$0.2 million and \$1.0 million respectively in relation to COVID-19. These costs were largely due to health and safety measures implemented across all production facilities.

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

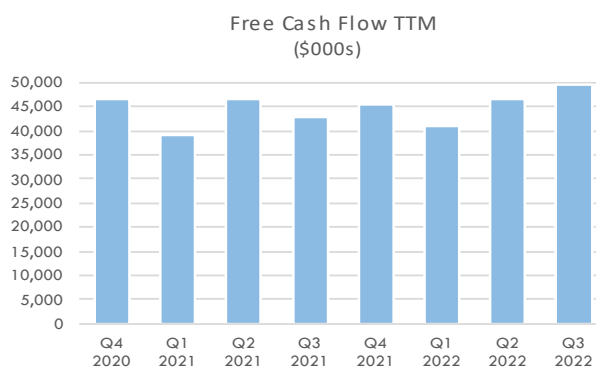
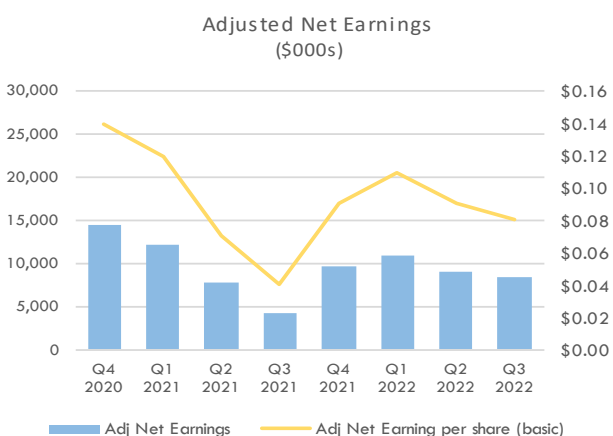
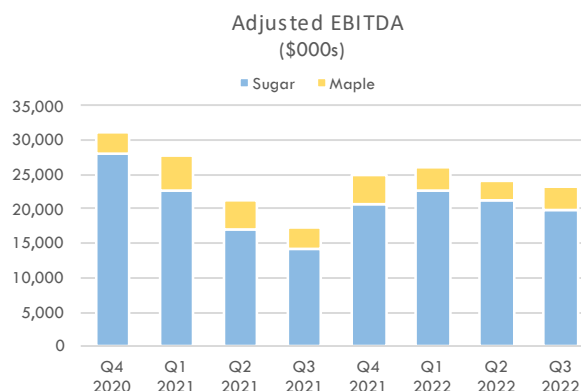
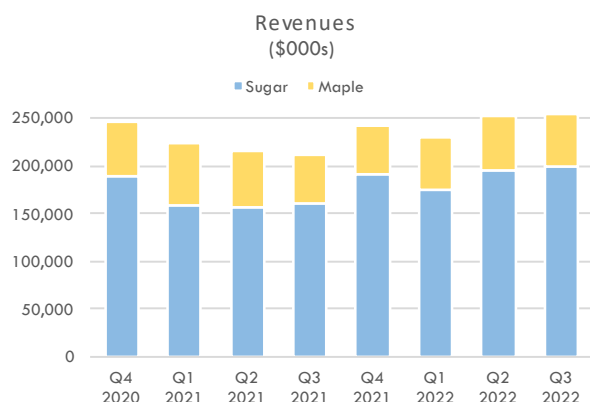
BUSINESS HIGHLIGHTS

- Consolidated adjusted EBITDA for the third quarter and the first nine months of fiscal 2022 was \$23.1 million and \$73.2 million respectively, an increase of \$5.9 million and \$7.0 million from the same periods last year, largely driven by higher adjusted EBITDA in the Sugar segment;
- Adjusted EBITDA in the Sugar segment was \$20.0 million in the third quarter, an increase of \$5.7 million from the same quarter last year, driven by higher volume, improved average pricing and higher production at our Taber sugar beet facility; partly offset by increased distribution costs and administrations and selling expenses;
- Sales volume in the Sugar segment increased by 6.7% to 203,315 metric tonnes in the third quarter of the current fiscal year, as sales volume increased in all segments compared to the same period last year;
- Adjusted gross margin in the Sugar segment improved by \$24.73 per metric tonne in the third quarter of fiscal 2022 compared to the same quarter last year due to higher selling margin and a stronger contribution from our Taber sugar beet facility;
- Adjusted EBITDA in the Maple segment was \$3.1 million in the third quarter, an increase of \$0.2 million from the same quarter last year largely as a result of higher sales volume and improved average pricing, partially offset by higher operating costs driven by increased costs for packaging, freight and energy, as well as higher compensation and employee benefits;
- Free cash flow for the trailing 12 months ended July 2, 2022 was \$49.5 million, an increase of \$7.4 million from the same period last year;
- In the third quarter of fiscal 2022, we distributed \$0.09 per share to our shareholders for a total amount of \$9.4 million; and
- On August 9, 2022, we signed a multi-year supply partnership agreement with Raízen, the largest individual raw sugar exporter on the international market based in Brazil, to source certified non genetically modified organism ("non-GMO") raw sugar for our Eastern Canada operations. This new supply agreement will allow our Montreal facility to provide non-GMO refined sugar to our valued customers;
- On August 10, 2022, the Board of Directors declared a quarterly dividend of \$0.09 per share, payable on or before October 12, 2022; and
- On August 10, 2022, we announced our intention to proceed with an expansion of our Montreal refining capacity along with an increase of our Toronto distribution centre logistic and rail infrastructures. The project would increase the eastern refined sugar supply by up to 100,000 metric tonnes annually at a current estimated construction cost of approximately \$160 million.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) (In thousands of dollars, except volume and per share information)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Sugar (metric tonnes)	203,315	190,563	579,928	564,752
Maple syrup (000 pounds)	12,027	11,471	37,225	40,578
Total revenues	254,632	210,931	738,728	650,700
Gross margin	24,948	30,064	102,333	100,128
Adjusted gross margin ⁽¹⁾	32,654	25,932	104,341	89,792
Results from operating activities	8,822	15,062	51,658	57,545
Adjusted results from operating activities ⁽¹⁾	16,528	10,930	53,666	47,209
Adjusted EBITDA ⁽¹⁾	23,108	17,214	73,187	66,237
Net earnings	3,138	6,836	28,934	31,387
per share (basic)	0.03	0.07	0.28	0.30
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Adjusted net earnings per share (basic) ⁽¹⁾	0.08	0.04	0.27	0.23
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Dividends per share	0.09	0.09	0.27	0.27

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Adjusted results

In the normal course of business, we use derivative financial instruments consisting of sugar futures, foreign exchange forward contracts, natural gas futures and interest rate swaps. We have designated our natural gas futures and our interest rate swap agreements entered into in order to protect us against natural gas prices and interest rate fluctuations as cash flow hedges. Derivative financial instruments pertaining to sugar futures and foreign exchange forward contracts are marked-to-market at each reporting date and are charged to the consolidated statement of earnings. The unrealized gains/losses related to natural gas futures and interest rate swaps qualified under hedged accounting are accounted for in other comprehensive income. The amount recognized in other comprehensive income is removed and included in net earnings under the same line item in the consolidated statement of earnings and comprehensive income as the hedged item, in the same period that the hedged cash flows affect net earnings, reducing earnings volatility related to the movements of the valuation of these derivatives hedging instruments.

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

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

OUR RESULTS ARE ADJUSTED AS FOLLOWS:

Income (loss) (In thousands of dollars)	Q3 2022			Q3 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	(795)	-	(795)	(489)	-	(489)
Foreign exchange forward contracts	205	(494)	(289)	(416)	341	(75)
Total mark-to-market adjustment on derivatives	(590)	(494)	(1,084)	(905)	341	(564)
Cumulative timing differences	(6,327)	(295)	(6,622)	5,785	(1,089)	4,696
Total adjustment to costs of sales	(6,917)	(789)	(7,706)	4,880	(748)	4,132

Income (loss) (In thousands of dollars)	YTD 2022			YTD 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	1,515	-	1,515	552	-	552
Foreign exchange forward contracts	281	(90)	191	3,406	2,233	5,639
Total mark-to-market adjustment on derivatives	1,796	(90)	1,706	3,958	2,233	6,191
Cumulative timing differences	(3,526)	(188)	(3,714)	7,196	(3,051)	4,145
Total adjustment to costs of sales	(1,730)	(278)	(2,008)	11,154	(818)	10,336

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

We recognize cumulative timing differences, as a result of mark-to-market gains or losses, only when sugar is sold to a customer. The gains or losses on sugar and related foreign exchange paper transactions are largely offset by corresponding gains or losses from the physical transactions, namely sale and purchase contracts with customers and suppliers.

The above described adjustments are added to or deducted from the mark-to-market results to arrive at the total adjustment to cost of sales. For the third quarter of the current fiscal year, the total cost of sales adjustment is a loss of \$7.7 million to be added to the consolidated results versus a gain of \$4.1 million to be deducted from the consolidated results for the comparable period last year. For the first nine months of fiscal 2022, the total cost of sales adjustment is a loss of \$2.0 million to be added to the consolidated results compared to a gain of \$10.3 million to be deducted from the consolidated results for the same period last year.

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

SEGMENTED INFORMATION

Segmented Results (In thousands of dollars)	Q3 2022			Q3 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Revenues	200,276	54,356	254,632	161,237	49,694	210,931
Gross margin	21,278	3,670	24,948	26,594	3,470	30,064
Administration and selling expenses	8,067	2,560	10,627	8,163	2,563	10,726
Distribution costs	5,052	447	5,499	3,747	529	4,276
Results from operating activities	8,159	663	8,822	14,684	378	15,062
Adjustment to cost of sales ⁽²⁾	6,917	789	7,706	(4,880)	748	(4,132)
Adjusted Gross margin ⁽¹⁾	28,195	4,459	32,654	21,714	4,218	25,932
Adjusted results from operating activities ⁽¹⁾	15,076	1,452	16,528	9,804	1,126	10,930
Adjusted EBITDA ⁽¹⁾	19,979	3,129	23,108	14,265	2,949	17,214
<i>Additional information:</i>						-
Additions to property, plant and equipment and intangible assets, net of disposals	4,089	63	4,152	5,215	247	5,462
Increase in asset retirement obligation provision included in property, plant and equipment	-	-	-	3,131	-	3,131
Additions to right-of-use assets	691	-	691	1,475	823	2,298

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

(2) See "Adjusted results" section

Segmented Results (In thousands of dollars)	YTD 2022			YTD 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Revenues	572,058	166,670	738,728	476,656	174,044	650,700
Gross margin	89,114	13,219	102,333	85,358	14,770	100,128
Administration and selling expenses	26,594	7,639	34,233	21,202	7,078	28,280
Distribution costs	14,724	1,718	16,442	12,439	1,864	14,303
Results from operating activities	47,796	3,862	51,658	51,717	5,828	57,545
Adjustment to cost of sales ⁽²⁾	1,730	278	2,008	(11,154)	818	(10,336)
Adjusted Gross margin ⁽¹⁾	90,844	13,497	104,341	74,204	15,588	89,792
Adjusted results from operating activities ⁽¹⁾	49,526	4,140	53,666	40,563	6,646	47,209
Adjusted EBITDA ⁽¹⁾	63,960	9,227	73,187	54,007	12,230	66,237
<i>Additional information:</i>						
Additions to property, plant and equipment and intangible assets, net of disposals	11,182	418	11,600	18,180	725	18,905
Increase in asset retirement obligation provision included in property, plant and equipment	-	-	-	3,131	-	3,131
Additions to right-of-use assets	8,729	-	8,729	1,858	823	2,681

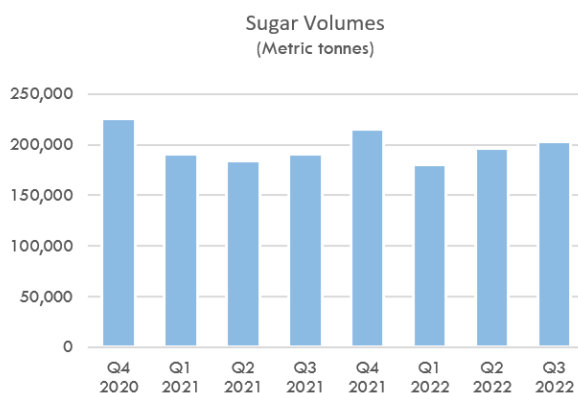
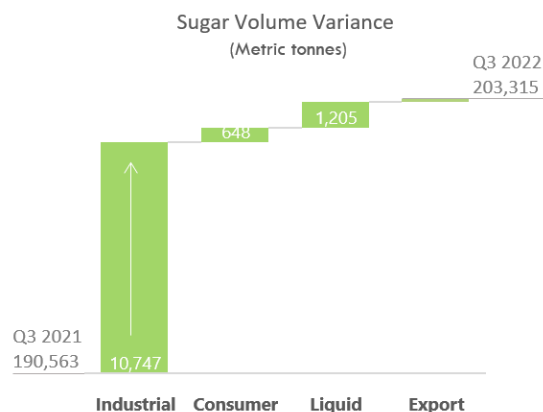
(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures

(2) See "Adjusted results" section

Sugar

REVENUES

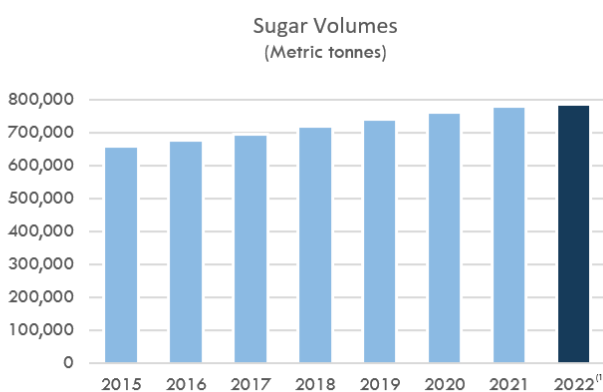
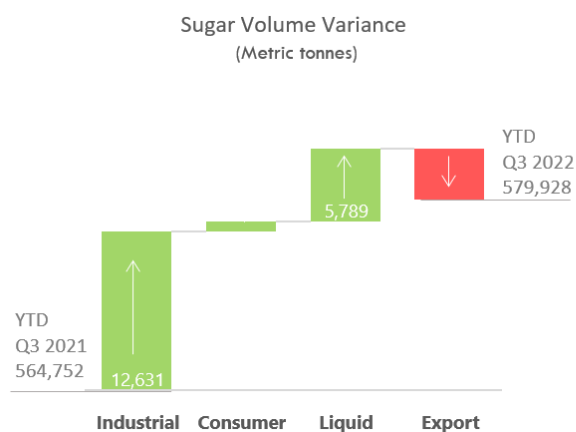
	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)	200,276	161,237	39,039	572,058	476,656	95,402



In the third quarter and first nine months of fiscal 2022, revenue increased by \$39.0 million and \$95.4 million respectively, compared to the same periods last year, driven mainly by higher sales volume, higher prices for #11 world raw sugar, improved average pricing and higher by-product sales revenue. The average prices for #11 world raw sugar increased by US 2.3 cent per pound to US 19.2 cent per pound during the current quarter and by US 3.2 cent per pound to US 19.1 cent per pound for the first nine months of the current fiscal year, when compared to the same periods last year.

Sugar volume increased by 12,752 metric tonnes in the third quarter of fiscal 2022 compared to the same quarter last year, due mainly to stronger industrial and liquid volumes.

- Industrial volume contributed the largest increase in the quarter, due mainly to higher demand from existing customers producing sugar containing products for consumption in North America.
- Liquid volume during the current quarter also increased due to higher demand from existing customers.



⁽¹⁾ See Outlook section for more details

In the first nine months of fiscal 2022, sugar volume totaled 579,928 metric tonnes, an increase of 2.7% compared to the same period last year, as stronger industrial, consumer and liquid volumes were largely offset by an expected reduction in export volume.

- Industrial volume increased by 12,631 metric tonnes compared to the same period last year due mainly to higher demand from existing customers in the second and third quarter of 2022.
- Liquid volume increased by 5,789 metric tonnes during the first nine months of the current fiscal year due to higher demand from existing customers.

- Consumer volume remained largely unchanged as delayed orders in the first quarter of the year were recovered in the following two quarters, bringing retail consumer volume to pre-covid growth levels.
- Export volume decreased during the first nine months of the current fiscal year when compared to the same period last year, as we prioritized Canadian domestic opportunities, consistent with our business strategy. Furthermore, 2021 export volume included a one-time opportunistic quota under the ratified Canadian United States Mexico Agreement (“CUSMA”).

GROSS MARGIN

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except per metric tonne information)						
Gross margin	21,278	26,594	(5,316)	89,114	85,358	3,756
Total adjustment to cost of sales ⁽²⁾	6,917	(4,880)	11,797	1,730	(11,154)	12,884
Adjusted gross margin ⁽¹⁾	28,195	21,714	6,481	90,844	74,204	16,640
Adjusted gross margin per metric tonne ⁽¹⁾	138.68	113.95	24.73	156.65	131.39	25.25
Included in gross margin:						
Depreciation of property, plant and equipment and right-of-use assets	4,262	3,757	505	12,535	11,332	1,203

(1) See “Non-GAAP Measures” section for definition and reconciliation to GAAP measures

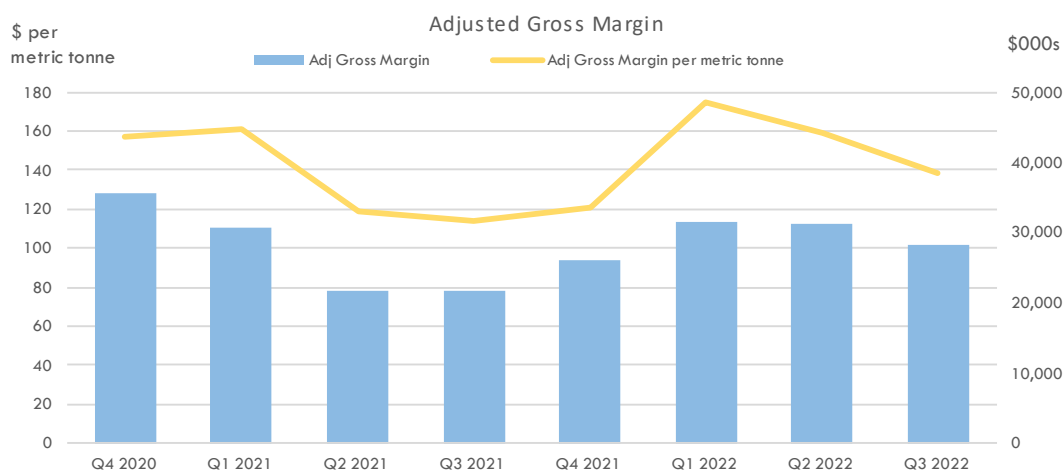
(2) See “Adjusted results” section

Gross margin was \$21.3 million and \$89.1 million for the current quarter and the first nine months of fiscal 2022 and included a loss of \$6.9 million and \$1.7 million, respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was \$26.6 million and \$85.4 million, respectively, with a mark-to-market gain of \$4.9 million and \$11.2 million respectively.

Adjusted gross margin was \$28.2 million and \$90.8 million for the third quarter and for the first nine months of fiscal 2022, respectively, as compared to \$21.7 million and \$74.2 million in the same periods of 2021.

Adjusted gross margin increased by \$6.5 million in the current quarter compared to the same quarter last year mainly as a result of higher sugar sales margin of \$12.2 million from higher sales volume, improved average pricing and increased by-product net contribution of \$0.5 million. The favourable variance was partially offset by higher production costs mainly driven by increased volume and higher energy and labour costs. On a per unit basis, adjusted gross margin for the third quarter was at \$138.68 per metric tonne, higher than last year by \$24.73 per metric tonne. The favourable variance was mainly due to the increase in overall margin from higher volume, improved selling prices, and higher production of beet sugar out of our Taber facility, as compared to last year. In 2021, our Taber facility produced less sugar as the quality of the beets was negatively impacted by unfavourable storage conditions.

Adjusted gross margin for the first nine months of fiscal 2022 was \$16.6 million higher than the comparable period last year, mainly due to higher adjusted gross margin in the second and third quarter of fiscal 2022. On a per unit basis, for the first nine months of fiscal 2022, adjusted gross margin amounted to \$156.65 per metric tonne compared to \$131.39 per metric tonne for the same period last year. The favourable variance of \$25.25 per metric tonne was mainly due to higher volume sold to customers, improved average pricing, and higher production of beet sugar out of our Taber facility.



OTHER EXPENSES

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except per metric tonne information)						
Administration and selling expenses	8,067	8,163	(96)	26,595	21,202	5,393
Distribution costs	5,053	3,747	1,306	14,724	12,439	2,285
<i>Included in Administration and selling expenses:</i>						
Depreciation of property, plant and equipment and right-of-use assets	220	49	171	644	676	(32)
<i>Included in Distribution costs:</i>						
Depreciation of right-of-use assets	420	654	(234)	1,255	1,435	(180)

In the third quarter of fiscal 2022, administration and selling expenses remained largely unchanged compared to the same quarter last year. This includes a reduction in COVID-19 related costs of \$0.6 million, offset by an increase in share-based compensation expense driven by an increase in share price. Distribution costs increased by \$1.3 million compared to the same quarter last year largely driven by higher freight costs and additional logistical costs incurred to support the strong demand in eastern Canada.

For the first nine months of fiscal 2022, administration and selling expenses were \$5.4 million higher than the comparable period last year, mainly due to higher share-based compensation expense driven by an increase in share price in recent quarters, partially offset by lower COVID-19 related costs. Distribution costs increased by \$2.3 million compared to the first nine months of last year, largely driven by higher freight costs and additional logistical costs incurred to support the strong demand in Eastern Canada, as mentioned above.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Results from operating activities	8,159	14,684	(6,525)	47,796	51,717	(3,921)
Total adjustment to cost of sales ⁽²⁾	6,917	(4,880)	11,797	1,730	(11,154)	12,884
Adjusted results from operating activities ⁽¹⁾	15,076	9,804	5,272	49,526	40,563	8,963
Depreciation of property, plant and equipment, right-of-use assets, and amortization of intangible assets	4,903	4,461	442	14,434	13,444	990
Adjusted EBITDA ⁽¹⁾	19,979	14,265	5,714	63,960	54,007	9,953

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

(2) See "Adjusted results" section

Results from operating activities for the third quarter and the first nine months of fiscal 2022 were \$8.2 million and \$47.8 million, respectively, as compared to \$14.7 million and \$51.7 million in the same periods last year. These results include gains and losses from the mark-to-market of derivative financial instruments, as well as timing differences in the recognition of any gains and losses on the liquidation of derivative instruments. In addition, higher non-cash depreciation and amortization expense mainly from increased asset retirement obligations had a negative impact on the results from operating activities.

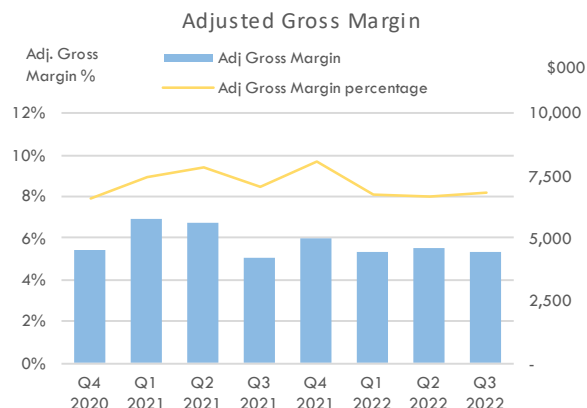
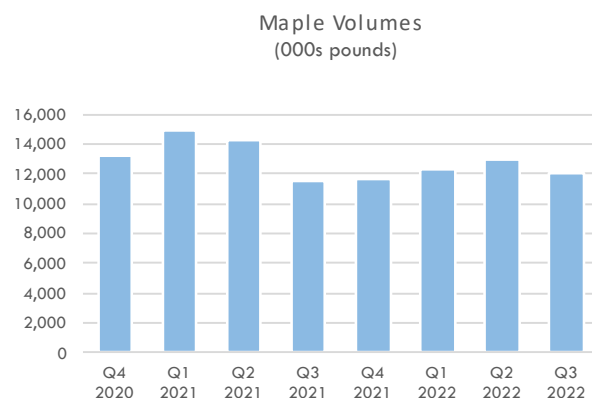
Adjusted results from operating activities for the third quarter of fiscal 2022 were \$5.3 million higher than the same period last year, mainly due to higher adjusted gross margin, partially offset by higher distribution costs. Adjusted results from operating activities for the first nine months of fiscal 2022 were \$9.0 million higher than the same period last year as higher adjusted gross margin was partially offset by higher distribution costs and administration and selling expenses.

Adjusted EBITDA for the third quarter and the first nine months of fiscal 2022 increased by \$5.7 million and \$ 10.0 million, respectively, compared to the same periods last year, largely as a result of higher adjusted results from operating activities in the second and third quarters.

Maple

REVENUES

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except volume)						
Volume (000 pounds)	12,027	11,471	555	37,225	40,578	(3,353)
Revenues	54,356	49,694	4,662	166,670	174,044	(7,374)



Revenues for the third quarter of the current fiscal year were \$4.7 million higher than the same period last year at \$54.4 million, mainly due to higher volume and higher sales price.

Revenues for the first nine months of 2022 were \$7.4 million lower than the same period last year at \$166.7 million. The unfavourable variance was mainly due to lower volume related to lower demand, partially offset by higher sales price.

GROSS MARGIN

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except adjusted gross margin rate information)						
Gross margin	3,670	3,470	200	13,219	14,770	(1,551)
Total adjustment to cost of sales ^{(1) (2)}	789	748	41	278	818	(540)
Adjusted gross margin ⁽¹⁾	4,459	4,218	241	13,497	15,588	(2,091)
Adjusted gross margin percentage ⁽¹⁾	8.2%	8.5%	(0.3%)	8.1%	9.0%	(0.9%)
Included in Gross margin:						
Depreciation of property, plant and equipment and right-of-use assets	805	954	(149)	2,471	2,722	(251)

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

(2) See "Adjusted results" section

Gross margin was \$3.7 million and \$3.5 million for the three and nine months ended in the current fiscal year and include a loss of \$0.8 and \$0.3 million respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was \$3.5 million and \$14.8 million, respectively, with a mark-to-market loss of \$0.7 million and \$0.8 million.

Adjusted gross margin for the current quarter of fiscal 2022 was higher by \$0.2 million due to higher volume and higher sales price, partially offset by higher operating costs. Operating costs increased largely as a result of higher packaging, freight and energy costs as well as increased compensation cost and employee benefits incurred to attract and retain employees in our production facilities.

Adjusted gross margin for the first nine months of 2022 was lower by \$2.1 million as compared to 2022, due to lower volume and higher operating costs, largely driven by higher packaging, freight and energy costs as well as increased compensation cost and employee benefits incurred to attract and retain employees in our production facilities.

Adjusted gross margin was negatively impacted by a delay between operating cost increases and the associated expected selling price increases. Pricing increases were delayed largely as a result of the competitive nature of the maple syrup market, combined with a larger than anticipated crop for 2022 and the timing of pricing negotiations on large contracts.

Interim Report for the Third Quarter 2022 Results

Adjusted gross margin percentage for the current quarter and the first nine months of fiscal 2022 decreased by 30 basis point and 90 basis points respectively, compared to the same periods last year. These variances were mainly attributable to market-based production cost increases discussed above and the timing of passing these increases through to our customers.

OTHER EXPENSES

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Administration and selling expenses	2,560	2,563	(3)	7,639	7,078	561
Distribution costs	447	529	(82)	1,718	1,864	(146)
<i>Included in Administration and selling expenses:</i>						
Amortization of intangible assets	873	869	4	2,616	2,615	1

Administration and selling expenses for the current quarter remained unchanged and for the first nine months increased by \$0.6 million compared to the same periods last year. The increase in the first nine months of 2022 was due mainly to higher compensation and employees benefits as well as higher recruitment expenses.

Distribution costs for the third quarter and the first nine months of fiscal 2022 were lower by \$0.1 million and \$0.1 million respectively compared to the same period last year.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Results from operating activities	663	378	285	3,862	5,828	(1,966)
Total adjustment to cost of sales ⁽¹⁾	789	748	41	278	818	(540)
Adjusted results from operating activities ⁽¹⁾	1,452	1,126	326	4,140	6,646	(2,506)
Non-recurring expenses:						
Other one-time non-recurring items	-	-	-	-	247	(247)
Depreciation and amortization	1,677	1,823	(146)	5,087	5,337	(250)
Adjusted EBITDA ⁽¹⁾	3,129	2,949	180	9,227	12,230	(3,003)

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

(2) See "Adjusted results" section

Results from operating activities for the third quarter and the first nine months of fiscal 2022 were \$0.7 million and \$3.9 million respectively, compared to \$0.4 million and \$5.8 million in the same periods last year. These results include gains and losses from the mark-to-market of derivative financial instruments, as well as timing differences in the recognition of any gains and losses on the liquidation of derivative instruments.

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

Adjusted results from operating activities for the current quarter was \$0.3 million higher than the comparable period last year, due mainly to higher adjusted gross margin. Adjusted results from operating activities for the first nine months of fiscal 2022 was \$2.5 million lower than the comparable period last year, due mainly to lower adjusted gross margin and higher administration and selling expenses, as explained above.

Adjusted EBITDA for the third quarter of fiscal 2022 increased by \$0.2 million, due to higher adjusted gross margin as explained above. Adjusted EBITDA for the first nine months of fiscal 2022 decreased by \$3.0 million, respectively, compared to the same periods last year, largely driven by lower adjusted gross margins and higher administration and selling expenses, as explained above.

OUTLOOK

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

As a result of the strong demand and improved margins, we are experiencing in our Sugar segment, we continue to expect improved financial performance in 2022 as compared to 2021. The strength in our Sugar segment is expected to offset higher costs from inflationary pressures and lower demand in the Maple segment.

Sugar

We continue to expect the sugar segment to perform well in fiscal 2022. Underlying domestic demand remains strong across all customer segments supported by favourable market dynamics.

In Taber, the sugar beet processing campaign was completed and delivered the expected volume of sugar. Overall, 121,000 metric tonnes of sugar are expected from our Taber facility in the current fiscal year, an increase of 6,000 metric tonnes from last year.

Due to the strong market conditions in our Sugar segment, we are increasing our sales volume forecast for 2022 by 10,000 metric tonnes to 785,000 metric tonnes. We expect domestic volumes to grow by 2.5% from 2021, while our export volumes are expected to be lower as a result of reduced CUSMA quota opportunities in the current year. Overall, 2022 volumes are expected to be approximately 5,000 metric tonnes higher than 2021, with volumes expected to change as follows in 2022:

- Industrial, our largest segment, is expected to grow at 3% as demand for sugar-containing products remains steady both in Canada and the US.
- Liquid volume is expected to deliver growth of 3% driven by continued demand from existing customers.
- Consumer volume is expected to decrease by 2.5%, as volumes return to normalized pre-COVID levels.
- We anticipate selling less in the export markets in 2022, due to reduced CUSMA opportunities.

The combination of higher volume and favourable price adjustments are expected to improve profitability as compared to 2021.

Maintenance programs for the Montreal and Vancouver operating facilities are expected to follow the trend of previous years and are expected to result in a market-based increase in operating costs. For the Taber facility, a return to normal crop volume and an improvement in the quality of the sugar beets over 2021 is expected to yield an improvement in operating costs.

Distribution costs are expected to increase overall by 30% from 2021, reflecting additional transfers of volume from the west to the east to meet customer demand and higher market prices for warehousing, rail and ground transportation.

Administration and selling expenses are expected to increase by 25% due to a non-cash increase in share-based compensation expense driven by the increase in share price noted in recent quarters, partially offset by lower COVID-19 related expenditures.

Spending on capital projects is also expected to be lower for fiscal 2022, due to timing and supply chain challenges. We anticipate spending approximately \$20.0 million on various capital projects.

We have been able to mitigate the potential unfavourable impact on our business of the recent increases in interest rates and energy costs through our multi-years hedging strategy. We do not anticipate these increases to have a material impact on our financial results in the near future, as we expect our hedging strategy will continue to mitigate such risks.

Maple

The Maple segment financial results were lower than anticipated for the first nine months of 2022, due mainly to lower volume and unexpected inflationary pressure on costs for packaging material, freight, and labour; along with global shipping challenges related to the availability of carriers. We expect these financial and operating pressures to continue for the remainder of 2022. At the end of the second quarter, we began implementing an updated pricing strategy with our customers, aimed at recouping these incremental costs going forward. The expected improvement in pricing to customers to recover these unanticipated cost increases is not occurring as fast as initially anticipated. This is due to the current market conditions and the competitiveness of the Maple Syrup market, which has been impacted by a strong crop in 2022.

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

CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
(unaudited)				
(In thousands of dollars, except volume and per share information)				
Sugar (metric tonnes)	203,315	190,563	579,928	564,752
Maple syrup (000 pounds)	12,027	11,471	37,225	40,578
Total revenues	254,632	210,931	738,728	650,700
Gross margin	24,948	30,064	102,333	100,128
Adjusted gross margin ⁽¹⁾	32,654	25,932	104,341	89,792
Results from operating activities	8,822	15,062	51,658	57,545
Adjusted results from operating activities ⁽¹⁾	16,528	10,930	53,666	47,209
Adjusted EBITDA ⁽¹⁾	23,108	17,214	73,187	66,237
Net finance costs	4,385	5,345	12,509	14,424
Income tax expense	1,299	2,881	10,215	11,734
Net earnings	3,138	6,836	28,934	31,387
per share (basic)	0.03	0.07	0.28	0.30
per share (diluted)	0.03	0.07	0.28	0.29
Adjusted net earnings ⁽¹⁾	8,419	4,247	28,498	24,246
per share (basic) ⁽¹⁾	0.08	0.04	0.27	0.23
Dividends per share	0.09	0.09	0.27	0.27

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

Total revenues

Revenues increased by \$43.7 million and \$88.0 million for the third quarter and for the first nine months of fiscal 2022 respectively versus comparable periods last year. The increase in revenue was mainly attributable to higher average pricing and sales volume and higher by-product sales in the Sugar segment, as well as higher sales price in the Maple segment, partially offset by lower sales volume in the Maple segment in the first two quarters of 2022.

Gross margin

Excluding the mark-to-market of derivative financial instruments, adjusted gross margin for the third quarter of the current fiscal year increased by \$6.7 million compared to the same period last year, mainly as a result of higher adjusted gross margin in both business segments. For the Sugar segment, the adjusted gross margin per metric tonne was higher by \$24.73 per metric tonne and for the Maple segment, the adjusted gross margin percentage was lower by 0.3% when compared to the same period last year.

For the first nine months of fiscal 2022, adjusted gross margin was \$14.5 million higher than the same period last fiscal year, driven largely by increased adjusted gross margin in the Sugar segment partly offset by lower adjusted gross margin in the Maple segment.

Results from operating activities

Excluding the mark-to-market of derivative financial instruments, adjusted results from operating activities for the current quarter amounted to \$16.5 million compared to \$10.9 million in the same quarter last year, an increase of \$5.6 million. For the first nine months of fiscal 2022, adjusted results from operating activities were \$53.7 million compared to \$47.2 million, representing an increase of \$6.5 million. The improvement in both periods was mainly driven by higher contribution from the Sugar segment during the first nine months of the current fiscal year.

Net finance costs

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
<i>(In thousands of dollars)</i>						
Interest expense on convertible unsecured subordinated debentures	2,119	2,101	18	6,288	6,241	47
Interest on revolving credit facility	1,308	1,314	(7)	3,950	4,670	(720)
Interest on private placement	897	612	285	2,699	612	2,087
Amortization of deferred financing fees	311	316	(5)	928	909	19
Net change in fair value of interest rate swaps	(633)	611	(1,244)	(2,473)	611	(3,084)
Other interest expense	383	391	(8)	1,116	1,381	(265)
Net finance costs	4,385	5,345	(961)	12,509	14,424	(1,916)

For the third quarter and first nine months of the current fiscal year, net finance costs were lower by \$1.0 million and \$1.9 million respectively, compared to the same periods last year, largely driven by the favourable impact of changes in fair value related to interest rate swap contracts and lower average interest cost on the revolving credit facility from lower average balance outstanding. This reduction was partially offset by additional interest expense on the senior guaranteed notes issued during the third quarter of fiscal 2021.

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

Taxation

	Q3 2022	Q3 2021	Δ	YTD 2022	YTD 2021	Δ
<i>(In thousands of dollars)</i>						
Current	2,522	2,458	64	12,680	10,713	1,967
Deferred	(1,223)	423	(1,646)	(2,465)	1021	(3,486)
Income tax expense	1,299	2,881	(1,582)	10,215	11,734	(1,519)

The variation in current and deferred tax expense period-over-period is consistent with the variation in earnings before income taxes during the current quarter compared to the same quarter last year.

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

Net earnings

Net earnings in the third quarter and for the first nine months of fiscal 2022 were lower by \$3.7 million and \$2.5 million respectively, compared to the same periods last year. These variances were mainly attributable to non-cash variances in the mark-to-market of derivative financial instruments associated with sugar futures contracts and foreign exchange forward contracts, partially offset by lower net finance costs and income tax expenses.

Adjusted net earnings in the current quarter and the first nine months of fiscal 2022 were higher by \$4.2 million and \$4.3 million respectively, compared to the same periods last year, largely attributable to higher adjusted results from operating activities from the Sugar segment.

Summary of Quarterly Results

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

(In thousands of dollars, except for volume and per share information)	QUARTERS ⁽²⁾							
	2022			2021				2020
	Third	Second	First	Fourth	Third	Second	First	Fourth
Sugar Volume (MT)	203,315	196,570	180,043	214,753	190,563	183,749	190,440	225,396
Maple products volume (000 pounds)	12,027	12,912	12,286	11,678	11,471	14,214	14,892	13,181
Total revenues	254,632	253,341	230,755	243,231	210,931	215,929	223,840	246,212
Gross margin	24,948	33,899	43,486	39,616	30,064	31,451	38,613	37,890
Adjusted gross margin ⁽¹⁾	32,654	35,887	35,800	31,020	25,932	27,407	36,452	40,065
Results from operations	8,822	15,499	27,337	26,952	15,062	19,151	23,332	22,829
Adjusted results from operations ⁽¹⁾	16,528	17,487	19,651	18,356	10,930	15,107	21,171	25,004
Adjusted EBITDA	23,108	24,017	26,062	24,786	17,214	21,375	27,647	31,231
Net earnings (loss)	3,138	8,570	17,226	16,140	6,836	10,778	13,773	12,952
Per share - basic	0.03	0.08	0.17	0.16	0.07	0.10	0.13	0.13
Per share - diluted	0.03	0.08	0.15	0.15	0.07	0.10	0.13	0.12
Adjusted net earnings ⁽¹⁾	8,419	9,122	10,957	9,620	4,247	7,751	12,248	14,551
Per share - basic	0.08	0.09	0.11	0.09	0.04	0.07	0.12	0.14
Per share - diluted	0.08	0.09	0.10	0.09	0.04	0.07	0.11	0.14
Sugar - Adjusted gross margin rate per MT ⁽¹⁾	138.68	159.11	174.25	121.16	113.95	118.60	161.18	157.51
Maple - Adjusted gross margin percentage ⁽¹⁾	8.2%	8.0%	8.1%	9.7%	8.5%	9.4%	8.9%	7.9%

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

(2) All quarters are 13 weeks with the exception of the fourth quarter of 2020 which is 14 weeks

Historically the first quarter (October to December) of the fiscal year is the best quarter of the sugar segment for adjusted gross margin and adjusted net earnings due to the favourable sales mix associated with an increased proportion of consumer sales during that period of the year. At the same time, the second quarter (January to March) historically has the lowest volumes as well as an unfavourable customer mix, resulting in lower revenues, adjusted gross margins and adjusted net earnings. This trend was different in the second quarter of 2022 as several sales that were delayed in the first quarter of the year materialized in the second quarter.

Usually, there is minimal seasonality in the Maple products segment. However, since the third quarter of fiscal 2020, we are experiencing volatility in sales volume partially attributable to the pandemic.

Financial condition

(In thousands of dollars)	July 2, 2022	July 3, 2021	October 2, 2021
Total assets	\$ 985,166	\$ 885,667	\$ 879,930
Total liabilities	650,382	605,396	560,972

The increase in total assets of \$99.5 million in the current fiscal quarter compared to the same quarter last year was mainly due to an increase in inventory of \$43.9 million, trade and other receivables of \$30.7 million, and derivatives financial instruments assets of \$21.8 million.

Total liabilities for the current fiscal quarter increased by \$45.0 million compared to the same quarter last year due mainly to an increase in trade and other payables of \$40.5 million, higher outstanding balance under the revolving credit facility of \$21.0 million, higher deferred tax liabilities of \$11.6 million and higher lease obligations of \$4.0 million. This variance was partially offset by a reduction in the employee benefits liabilities of \$ 30.7 million.

Liquidity

Cash flow generated by Lantic is mainly paid to Rogers by way 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 distribution of cash arising from the compliance of financial covenants for the year.

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
(In thousands of dollars)				
Net cash flow from operating activities	(406)	24,752	(15,308)	29,715
Cash flow used in financing activities	(3,878)	(16,263)	12,123	(9,608)
Cash flow used in investing activities	(3,387)	(5,689)	(9,784)	(17,785)
Effect of changes in exchange rate on cash	129	1	70	(18)
Net increase (decrease) in cash	(7,542)	2,801	(12,899)	2,304

Cash flow from operating activities for the current quarter decreased by \$25.2 million compared to the same quarter last year, due mainly to a negative non-cash working capital variation of \$15.0 million, lower net earnings adjusted for non-cash items of \$5.6 million and higher interest and income taxes paid of \$4.6 million. For the first nine months of 2022, cash flow from operating activities decreased by \$45.0 million, mainly attributable to a negative non-cash working capital variation of \$32.7 million, and higher interest and income taxes paid of \$10.7 million and lower net earnings adjusted for non-cash items of \$1.5 million.

Cash flow used in financing activities increased by \$12.4 million for the current quarter compared to the same quarter last year due mainly to an increase in borrowings from the combination of the reduction of the revolving credit facility and the issuance of the senior guaranteed notes in 2021. For the first nine months of fiscal 2022, cash flow from financing activities increased by \$21.7 million compared to the same period last year. The increase was largely due to an increase in borrowings from the combination of the reduction of the revolving credit facility and the issuance of the senior guaranteed notes in 2021 for \$19.1 million and the cash received from the issuance of shares related to stock options that have been exercised during the period of \$2.6 million.

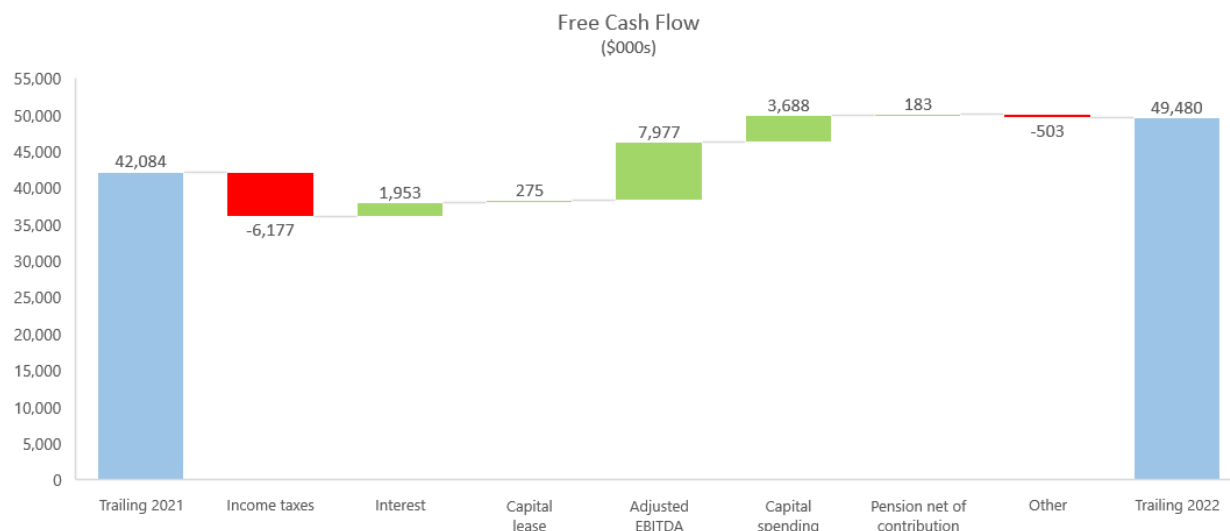
The cash outflow used in investing activities for the current quarter and the first nine months of fiscal 2022 were lower by \$2.3 million and \$8.0 million respectively, compared to the same periods last year. The variances were mainly related to lower capital expenditures.

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

FREE CASH FLOW

	Trailing twelve months	
(In thousands of dollars)	2022	2021
Cash flow from operations	33,557	45,197
Adjustments:		
Changes in non-cash working capital	43,934	28,771
Mark-to-market and derivative timing adjustments	(9,223)	(7,527)
Amortization of transitional balances	-	(23)
Financial instruments non-cash amount	287	(1,296)
Capital expenditures and intangible assets	(16,678)	(27,416)
Value added capital expenditures	2,701	9,751
Payment of leases obligation	(5,098)	(5,373)
Free cash flow ⁽¹⁾	49,480	42,084
Declared dividends	37,439	37,287

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



Free cash flow for the trailing twelve months ending July 2, 2022 amounted to \$49.5 million, representing an increase of \$7.4 million compared to the same period last year. This increase in free cash flow was mainly due to higher adjusted EBITDA of \$8.0 million, excluding non-cash items related to future pension liabilities included in the Montreal collective agreement and senior management compensation related to our performance share units program, lower capital expenditures net of value added capital expenditures of \$3.7 million and lower interest paid of \$2.0 million. These favourable variances were partially offset by higher income taxes paid of \$6.2 million.

Capital and intangible assets expenditures, net of value-added capital expenditures, decreased by \$3.7 million compared to last year's rolling twelve months due mainly to lower expenditures incurred in the first three quarters of fiscal 2022. Free cash flow is not reduced by value-added capital expenditures, as these projects are not necessary for the operation of the plants but are undertaken because of the operational savings that are realized once the projects are completed.

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

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

The combined impact of the mark-to-market and derivative timing adjustments, amortization of transitional balances and financial instruments non-cash amount of \$8.9 million for the current rolling twelve months does not represent cash items as these contracts will be settled when the physical transactions occur, which is the reason for the adjustment to free cash flow.

Contractual obligations

There are no material changes in the contractual obligations table disclosed in the Management's Discussion and Analysis of the October 2, 2021 Annual Report.

As at July 2, 2022, Lantic had commitments to purchase a total of 746,000 metric tonnes of raw sugar, of which 196,727 metric tonnes had been priced for a total dollar commitment of \$168.8 million.

Capital resources

Lantic has a total of \$200 million of available working capital under the revolving credit facility, which matures on November 23, 2026, 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 July 2, 2022, a total of \$588.3 million of assets have been pledged as security for the revolving credit facility, compared to \$519.7 million as at July 3, 2021; including trade receivables, inventories and property, plant and equipment.

As at July 2, 2022, \$141.0 million had been drawn from the revolving credit facility and \$2.7 million in cash was also available.

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

As at July 2, 2022, Lantic was in compliance with all the covenants under its revolving credit facility.

OUTSTANDING SECURITIES

A total of 104,372,045 shares were outstanding as at July 2, 2022 and August 10, 2022, respectively (103,686,923 as at July 3, 2021).

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

RISK AND UNCERTAINTIES

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

Risk factors in our business and operations are discussed in the Management's Discussion and Analysis of our Annual Report for the year ended October 2, 2021. This document is available on SEDAR at www.sedar.com or on our website at www.LanticRogers.com.

NON-GAAP MEASURES

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

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

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

- Adjusted gross margin is defined as gross margin adjusted for:
 - "the adjustment to cost of sales", which comprises the mark-to-market gains or losses on sugar futures, foreign exchange forward contracts and embedded derivatives as shown in the notes to the consolidated financial statements and the cumulative timing differences as a result of mark-to-market gains or losses on sugar futures, foreign exchange forward contracts and embedded derivatives as described below; and
 - "the amortization of transitional balance to cost of sales for cash flow hedges", which is the transitional marked-to-market balance of the natural gas futures outstanding as of October 1, 2016 amortized over time based on their respective settlement date until all existing natural gas futures have expired, as shown in the notes to the consolidated financial statements.
- Adjusted results from operating activities are defined as results from operating activities adjusted for the adjustment to cost of sales, the amortization of transitional balances to cost of sales for cash flow hedges.
- Adjusted EBITDA is defined as adjusted results from operating activities adjusted to add back depreciation and amortization expenses and the Maple segment non-recurring expenses.
- Adjusted net earnings is defined as net earnings adjusted for the adjustment to cost of sales, the amortization of transitional balances to cost of sales for cash flow hedges, the amortization of transitional balance to net finance costs 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 segment divided by the revenues generated by the Maple segment.
- Adjusted net earnings per share is defined as adjusted net earnings divided by the weighted average number of shares outstanding.
- Free cash flow is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments, amortization of transitional balances, financial instruments non-cash amount, and includes deferred financing charges, funds received from stock options exercised, capital and intangible assets expenditures, net of value-added capital expenditures, and payments of capital leases.

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

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

	Q3 2022			Q3 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Consolidated results (In thousands of dollars)						
Gross margin	21,278	3,670	24,948	26,594	3,470	30,064
Total adjustment to the cost of sales ⁽¹⁾	6,917	789	7,706	(4,880)	748	(4,132)
Adjusted gross margin	28,195	4,459	32,654	21,714	4,218	25,932
Results from operating activities	8,159	663	8,822	14,684	378	15,062
Total adjustment to the cost of sales ⁽¹⁾	6,917	789	7,706	(4,880)	748	(4,132)
Adjusted results from operating activities	15,076	1,452	16,528	9,804	1,126	10,930
Results from operating activities	8,159	663	8,822	14,684	378	15,062
Total adjustment to the cost of sales ⁽¹⁾	6,917	789	7,706	(4,880)	748	(4,132)
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	4,903	1,677	6,580	4,461	1,823	6,284
Maple Segment non-recurring costs	-	-	-	-	-	-
Adjusted EBITDA	19,979	3,129	23,108	14,265	2,949	17,214
Net earnings			3,138			6,836
Total adjustment to the cost of sales ⁽¹⁾			7,706			(4,132)
Net change in fair value in interest rate swaps ⁽¹⁾			(632)			611
Income taxes on above adjustments			(1,793)			932
Adjusted net earnings			8,419			4,247
Net earnings per share (basic)			0.03			0.07
Adjustment for the above			0.05			(0.03)
Adjusted net earnings per share (basic)			0.08			0.04

(1) See "Adjusted results" section

Consolidated results (In thousands of dollars)	YTD 2022			YTD 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Gross margin	89,114	13,219	102,333	85,358	14,770	100,128
Total adjustment to the cost of sales ⁽¹⁾	1,730	278	2,008	(11,154)	818	(10,336)
Adjusted gross margin	90,844	13,497	104,341	74,204	15,588	89,792
Results from operating activities	47,796	3,862	51,658	51,717	5,828	57,545
Total adjustment to the cost of sales ⁽¹⁾	1,730	278	2,008	(11,154)	818	(10,336)
Adjusted results from operating activities	49,526	4,140	53,666	40,563	6,646	47,209
Results from operating activities	47,796	3,862	51,658	51,717	5,828	57,545
Total adjustment to the cost of sales ⁽¹⁾	1,730	278	2,008	(11,154)	818	(10,336)
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	14,434	5,087	19,521	13,444	5,337	18,781
Maple Segment non-recurring costs	-	-	-	-	247	247
Adjusted EBITDA	63,960	9,227	73,187	54,007	12,230	66,237
Net earnings			28,934			31,387
Total adjustment to the cost of sales ⁽¹⁾			2,008			(10,336)
Net change in fair value in interest rate swaps ⁽¹⁾			(2,473)			611
Income taxes on above adjustments			29			2,584
Adjusted net earnings			28,498			24,246
Net earnings per share (basic)			0.28			0.30
Adjustment for the above			(0.01)			(0.07)
Adjusted net earnings per share (basic)			0.27			0.23

(1) See "Adjusted results" section

CRITICAL ACCOUNTING ESTIMATES

For the third quarter and the first nine month of fiscal 2022, there were no significant changes in the critical accounting estimate as disclosed in our Management's Discussion and Analysis of the October 2, 2021 Annual Report.

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 the unaudited consolidated interim financial statements for the third quarter of fiscal 2022. Management has reviewed such new standards, proposed amendments and does not anticipate that they will have a material impact on Rogers' financial statements. Refer to note 3 (a) of the unaudited condensed interim financial statements and to note 3 (r) of the 2021 audited consolidated financial statements for details.

CONTROLS AND PROCEDURES

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

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

The Chief Executive Officer and Chief Financial Officer have evaluated whether or not there were any changes to Rogers' ICFR during the nine-month period ended July 2, 2022 that have materially affected, or are reasonably likely to materially affect, Rogers' ICFR. No such changes were identified through their evaluation.

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 our current expectations 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, we caution investors that statements concerning the following subjects are, or are likely to be, forward-looking statements:

- our intention to increase sugar refining capacity and the related eastern Canada distribution network
- the impact of the COVID-19 pandemic on our operations
- future prices of raw sugar
- expected inflationary pressures on costs
- natural gas costs
- beet production forecasts
- growth of the maple syrup industry and the refined sugar industry
- the status of labour contracts and negotiations
- the level of future dividends
- the status of government regulations and investigations

Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, including with respect to our ability to finance and complete the expansion project of our Montreal plant and eastern distribution network, the continuity of our operations despite the COVID-19 pandemic, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual performance or results could differ materially from those reflected in the forward-looking statements, historical results or current expectations. Readers should also refer to the section “Risks and Uncertainties” in this MD&A for additional information on risk factors and other events that are not within our control. These risks are also referred to in our Annual Information Form in the “Risk Factors” section.

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