



## Rogers Sugar reports higher Adjusted EBITDA due to higher volume and higher adjusted gross margin rate in the Sugar segment.

Rogers Sugar Inc.'s ("our," "we," "us" or "Rogers") (TSX: RSI) today reported second quarter fiscal 2022 results with consolidated adjusted EBITDA of \$24.0 million and \$50.1 million for the current quarter and the first six months of the year, respectively.

"The demand for refined sugar was very strong in the second quarter of 2022, following the volatility and unforeseen events that negatively impacted our first quarter sales volume," said Mike Walton, President and Chief Executive Officer of Rogers and Lantic Inc. "The increase in sales volume, coupled with margin improvements and a good production out of our Taber beet sugar facility are contributing to our positive outlook for our Sugar segment in 2022. We expect this will more than compensate for the challenges we are currently experiencing in our Maple segment relating to inflationary costs pressures."

<b>Second Quarter 2022 Consolidated Highlights</b> (unaudited)	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>
<b>Financials (\$000s)</b>				
Revenues	<b>253,341</b>	215,929	<b>484,096</b>	439,769
Adjusted gross margin <sup>(1)</sup>	<b>35,887</b>	27,407	<b>71,687</b>	63,859
Adjusted EBITDA <sup>(1)</sup>	<b>24,017</b>	21,375	<b>50,079</b>	49,022
Net earnings	<b>8,570</b>	10,778	<b>25,796</b>	24,551
per share (basic)	<b>0.08</b>	0.10	<b>0.25</b>	0.24
per share (diluted)	<b>0.08</b>	0.10	<b>0.24</b>	0.23
Adjusted net earnings <sup>(1)</sup>	<b>9,122</b>	7,751	<b>20,079</b>	19,999
Adjusted net earnings per share (basic) <sup>(1)</sup>	<b>0.09</b>	0.07	<b>0.19</b>	0.19
Trailing twelve months free cash flow <sup>(1)</sup>	<b>46,560</b>	46,670	<b>44,684</b>	46,670
Dividends per share	<b>0.09</b>	0.09	<b>0.18</b>	0.18
<b>Volumes</b>				
Sugar (metric tonnes)	<b>196,570</b>	183,749	<b>376,613</b>	374,189
Maple Syrup (thousand pounds)	<b>12,912</b>	14,214	<b>25,198</b>	29,106

(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 second quarter and the first six months of fiscal 2022 was \$24.0 million and \$50.1 million respectively, an increase of \$2.6 million and \$1.1 million from the same periods last year, largely driven by higher adjusted EBITDA in the Sugar segment;
- Adjusted EBITDA in the Sugar segment was \$21.4 million in the second quarter, an increase of \$4.4 million from the same quarter last year, driven by higher volume, improved pricing and higher production out of our Taber sugar beet facility; partly offset by increased distribution costs and administrations and selling expenses;
- Sales volume in the Sugar segment increased by 7.0% to 196,570 metric tonnes in the second quarter of the current fiscal year, as stronger industrial, consumer and liquid volumes were partly offset by a slight reduction in export volume;
- Adjusted gross margin in the Sugar segment improved by \$40.51 per metric tonne in the second quarter of fiscal 2022 compared to the same quarter last year due to higher selling margin and better contribution from our Taber sugar beet facility;
- Adjusted EBITDA in the Maple segment was \$2.7 million in the second quarter, a decrease of \$1.7 million from the same quarter last year largely as a result of lower sales volume, higher packaging, freight and energy costs as well as higher compensation and employee benefits;
- Maple segment volume decreased by 1,302,000 pounds to 12,912,000 pounds in the current quarter, driven mainly by lower demand and timing issues related to shipping availabilities;
- Free cash flow for the trailing 12 months ended April 2, 2022 was \$46.6 million, a decrease of \$0.1 million from the same period last year;
- On March 30, 2022, the Canadian Border Services Agency ("CBSA") issued a notice of the conclusion of its re-investigation concerning dumped sugar from the United States (US), Denmark, Germany, the Netherlands and the United Kingdom (UK) and subsidized sugar from the European Union (EU). The CBSA determined that anti-dumping duties will continue to apply to imports of dumped sugar from the US, Denmark, Germany, the Netherlands and the UK and ruled that a countervailing duty will continue to apply to imports of subsidized EU sugar;



- On April 14, 2022, we renewed the collective labour agreement with the union at our Taber facility for five years.
- On May 11, 2022, William Maslechko stepped away from his position as Director of RSI, effective June 27, 2022. Mr. Maslechko will remain on the Lantic Inc. Board of Directors. Concurrently, Shelley Potts was appointed on the Board of Directors of RSI, effective June 27, 2022;
- In the second quarter of fiscal 2022, we distributed \$0.09 per share to our shareholders for a total amount of \$9.3 million; and
- On May 11, 2022, the Board of Directors declared a quarterly dividend of \$0.09 per share, payable on or before July 13, 2022.

## Sugar

<b>Second Quarter 2022 Sugar Highlights</b> (unaudited)	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>
<b>Financials (\$000s)</b>				
Revenues	<b>195,875</b>	155,961	<b>371,782</b>	315,419
Adjusted gross margin <sup>(1)</sup>	<b>31,277</b>	21,793	<b>62,649</b>	52,489
Per metric tonne (\$/ mt) <sup>(1)</sup>	<b>159.11</b>	118.60	<b>166.35</b>	140.27
Administration and selling expenses	<b>9,415</b>	5,771	<b>18,527</b>	13,039
Distribution costs	<b>5,328</b>	3,623	<b>9,672</b>	8,692
Adjusted EBITDA <sup>(1)</sup>	<b>21,364</b>	17,010	<b>43,981</b>	39,741
<b>Volumes (metric tonnes)</b>				
Total volume	<b>196,570</b>	183,749	<b>376,613</b>	374,189

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

In the second quarter of fiscal 2022, revenue increased by \$39.9 million compared to the same period last year, driven mainly by higher sales volume, higher prices for #11 world raw sugar, improved pricing and higher by-product sales revenue. The average price for #11 world raw sugar increased by US 3.9 cent per pound to US 18.4 cent per pound during the current quarter when compared to the same quarter last year.

Sugar volume increased by 12,821 metric tonnes in the second quarter of fiscal 2022 compared to the same quarter last year as stronger industrial, consumer and liquid volumes were partly offset by a slight reduction in export volume.

- Industrial and consumer volumes contributed the largest increase in the quarter as delayed orders from the first quarter of the year were filled in the current quarter. Prior order delays, which occurred in the first quarter of 2022, were caused in part by COVID-19 related demand volatility, high retail inventory levels and rail and road closures from unfavourable weather conditions in Western Canada.
- Liquid volume during the current quarter also increased mainly due to higher demand from existing customers.

Adjusted gross margin increased by \$9.5 million in the current quarter compared to the same quarter last year mainly as a result of higher sugar sales margin of \$12.0 million from higher sales volume and improved pricing and an increased by-product net contribution of \$1.5 million. The favourable variance was partially offset by higher production costs mainly driven by higher volume and higher energy and labour costs. On a per unit basis, adjusted gross margin for the second quarter was at \$159.11 per metric tonne, higher than last year by \$40.51 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 at of our Taber facility during the current quarter, as compared to last year. In 2021, our Taber facility produced less sugar as the quality of the beets was negatively impacted by unfavourable conditions.

Adjusted EBITDA for the second quarter of fiscal 2022 increased by \$4.4 million compared to the same quarter last year, largely as a result of higher adjusted gross margin, as mentioned above, partially offset by higher administration and selling expenses mainly attributable to a non-cash increase in share-based compensation expense driven by an increase in share price in recent quarters, higher compensation expense, and higher distribution costs largely driven by higher freight costs and additional logistical costs incurred to support the needs of our customers.



## Maple Products

Second Quarter 2022 Maple Highlights (unaudited)	Q2 2022	Q2 2021	YTD 2022	YTD 2021
<b>Financials (\$000s)</b>				
Revenues	57,466	59,968	112,314	124,350
Adjusted gross margin <sup>(1)</sup>	4,610	5,614	9,038	11,370
As a percentage of revenues (%) <sup>(1)</sup>	8.0%	9.4%	8.0%	9.1%
Administration and selling expenses	2,705	2,185	5,079	4,515
Distribution costs	952	721	1,271	1,334
Adjusted EBITDA <sup>(1)</sup>	2,653	4,365	6,098	9,281
<b>Volumes (thousand pounds)</b>				
Total volume	12,912	14,214	25,198	29,106

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

Revenues for the second quarter of the current fiscal year were \$2.5 million lower than the same period last year due mainly to decreased demand from existing customers and timing issues caused by shipment delays due to global supply chain disruption and carrier shortages for international shipments.

Adjusted gross margin for the current quarter of fiscal 2022 were lower by \$1.0 million compared to the same period last year largely driven by a combination of lower sales volume, 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. Due to the timing of pricing negotiations in the Maple segment, we are experiencing a delay between our cost increases and the associated expected price increases.

Adjusted gross margin percentage for the current quarter decreased by 140 basis point to 8.0% compared to the same period last year. This variance was mainly attributable to market-based production cost increases discussed above and the timing of passing these increases to our customers.

Adjusted EBITDA for the second quarter of fiscal 2022 decreased by \$1.7 million compared to the same quarter last year, largely driven by lower adjusted gross margin, as mentioned above, and higher administration and selling expenses.

## 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 pricing, 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 higher margin from favourable market-based pricing adjustments.

In Taber, the sugar beet processing campaign was completed during the current quarter 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 5,000 metric tonnes to 775,000 metric tonnes. We expect domestic volumes to grow by 3%, up from our previously forecasted growth of 2%, 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 4,500 metric tonnes lower than 2021, with volumes expected to change as follows in 2022:

- Industrial, our largest segment, is expected to grow at 2% as demand for sugar-containing products remains steady both in Canada and the US.
- Liquid volume is expected to deliver growth of approximately 2% to 3% driven by continued demand from existing customers.
- Consumer volume is also expected to grow by 3%, a level aligned with the normalized growth we experienced pre-covid.
- We anticipate selling less in the export markets in 2022, due to lower opportunity from CUSMA.

Despite the reduction of total volume, 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 an yield improvement in operating costs.

Distribution costs are expected to increase overall by 10% to 15%, reflecting a higher market price for warehousing, rail and ground transportation.

Administration and selling expenses are expected to increase by 25% to 30% due to a non-cash increase in share-based compensation expense driven by the increase in share price noted in recent quarters.

Spending on capital projects is also expected to be similar to recent periods. For fiscal 2022, we anticipate spending approximately \$25.0 million to \$30.0 million on various capital projects, with approximately a quarter allocated to return-on-investment projects.

### **Maple Products**

The Maple segment financial results were lower than anticipated for the first half of 2022, due mainly to lower volume and unexpected inflationary pressures on costs for packaging material, freight, and labour; along with shipping challenges related to the availability of carriers. We expect these financial and operating challenges 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. We anticipate these new prices to take effect over the next two quarters and lead to improved margin.

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

A full copy of Rogers second quarter 2022, including management's discussion and analysis and unaudited condensed consolidated interim financial statements, can be found at [www.LanticRogers.com](http://www.LanticRogers.com).

### **Conference Call and Webcast**

We will host a conference call to discuss our second quarter of fiscal 2022 results on May 12, 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 May 26, 2022. A live audio webcast of the conference call will also be available via [www.LanticRogers.com](http://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](http://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:

- 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 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

Mr. Jean-Sébastien Couillard

Vice President of Finance, Chief Financial Officer and Corporate Secretary

Phone: (514) 940-4350

Email: [jscouillard@lantic.ca](mailto:jscouillard@lantic.ca)



ROGERS SUGAR INC.

# Financial Report Q2 2022



This Management’s Discussion and Analysis (“MD&A”) of Rogers Sugar Inc.’s (“Rogers”, “RSI” or “our”, “we”, “us”) dated May 11, 2022 should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three- and six-month periods ended April 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.

## TABLE OF CONTENTS

OUR BUSINESS.....	2
UPDATE ON COVID-19 .....	2
BUSINESS HIGHLIGHTS.....	2
SELECTED FINANCIAL DATA AND HIGHLIGHTS.....	3
Adjusted results.....	4
SEGMENTED INFORMATION .....	5
Sugar.....	6
Maple Products.....	9
OUTLOOK.....	11
Sugar.....	11
Maple Products.....	11
CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION .....	12
Total revenues.....	12
Gross margin .....	12
Results from operating activities .....	12
Net finance costs .....	13
Taxation.....	13
Net earnings.....	13
Summary of Quarterly Results.....	14
Financial condition.....	14
Liquidity .....	15
Contractual obligations.....	16
Capital resources .....	16
OUTSTANDING SECURITIES .....	17
RISK AND UNCERTAINTIES .....	17
NON-GAAP MEASURES.....	17
CRITICAL ACCOUNTING ESTIMATES.....	19
CHANGES IN ACCOUNTING PRINCIPLES AND PRACTICES NOT YET ADOPTED.....	19
CONTROLS AND PROCEDURES .....	19
FORWARD-LOOKING STATEMENTS.....	20

## 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 TMT, 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 chain, operations, financial market volatility, pension and benefits liabilities and other economic fundamentals. For the second quarter and the first six months of fiscal 2022, we incurred direct costs amounting to \$0.5 million and \$0.8 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 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.

## BUSINESS HIGHLIGHTS

- Consolidated adjusted EBITDA for the second quarter and the first six months of fiscal 2022 was \$24.0 million and \$50.1 million respectively, an increase of \$2.6 million and \$1.1 million from the same periods last year, largely driven by higher adjusted EBITDA in the Sugar segment;
- Adjusted EBITDA in the Sugar segment was \$21.4 million in the second quarter, an increase of \$4.4 million from the same quarter last year, driven by higher volume, improved pricing and higher production out of our Taber sugar beet facility; partly offset by increased distribution costs and administrations and selling expenses;
- Sales volume in the Sugar segment increased by 7.0% to 196,570 metric tonnes in the second quarter of the current fiscal year, as stronger industrial, consumer and liquid volumes were partly offset by a slight reduction in export volume;
- Adjusted gross margin in the Sugar segment improved by \$40.51 per metric tonne in the second quarter of fiscal 2022 compared to the same quarter last year due to higher selling margin and better contribution from our Taber sugar beet facility;
- Adjusted EBITDA in the Maple segment was \$2.7 million in the second quarter, a decrease of \$1.7 million from the same quarter last year largely as a result of lower sales volume, higher packaging, freight and energy costs as well as higher compensation and employee benefits;
- Maple segment volume decreased by 1,302,000 pounds to 12,912,000 pounds in the current quarter, driven mainly by lower demand and timing issues related to shipping availabilities;
- Free cash flow for the trailing 12 months ended April 2, 2022 was \$46.6 million, a decrease of \$0.1 million from the same period last year;
- On March 30, 2022, the Canadian Border Services Agency ("CBSA") issued a notice of the conclusion of its re-investigation concerning dumped sugar from the United States (US), Denmark, Germany, the Netherlands and the United Kingdom (UK) and subsidized sugar from the European Union (EU). The CBSA determined that anti-dumping duties will continue to apply to imports of dumped sugar from the US, Denmark, Germany, the Netherlands and the UK and ruled that a countervailing duty will continue to apply to imports of subsidized EU sugar;
- On April 14, 2022, we reached an agreement to renew the collective labour agreement with the union at our Taber facility for five years;
- On May 11, 2022, William Maslechko stepped away from his position as Director of RSI, effective June 27, 2022. Mr. Maslechko will remain on the Lantic Inc. Board of Directors. Concurrently, Shelley Potts was appointed on the Board of Directors of RSI, effective June 27, 2022;



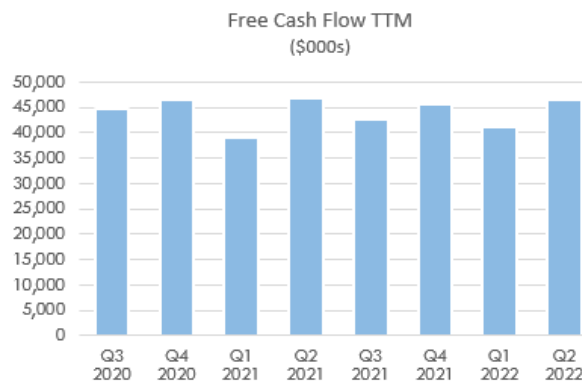
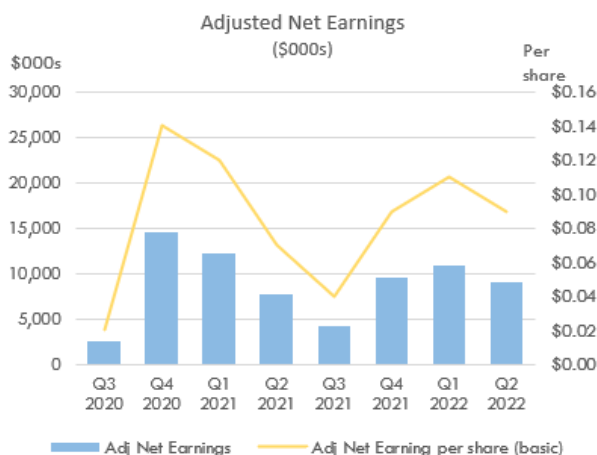
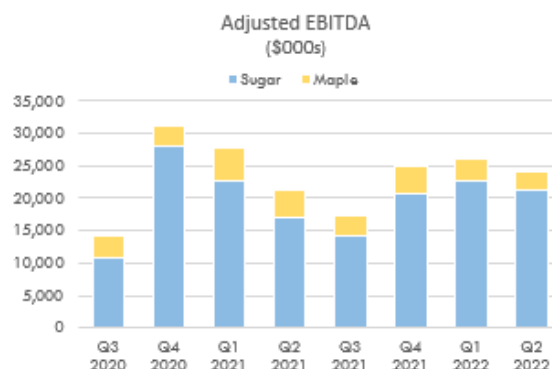
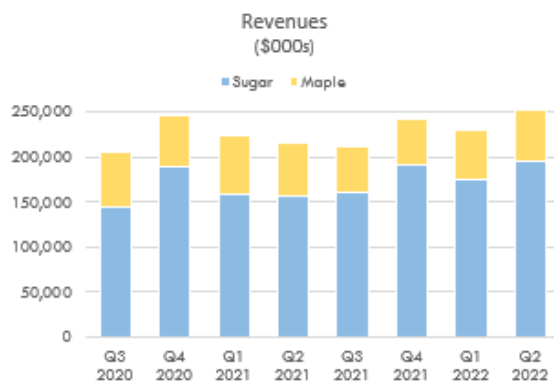
## Interim Report for the Second Quarter 2022 Results

- In the second quarter of fiscal 2022, we distributed \$0.09 per share to our shareholders for a total amount of \$9.3 million; and
- On May 11, 2022, the Board of Directors declared a quarterly dividend of \$0.09 per share, payable on or before July 13, 2022.

## SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) (In thousands of dollars, except volume and per share information)	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Sugar (metric tonnes)	196,570	183,749	376,613	374,189
Maple syrup (000 pounds)	12,912	14,214	25,198	29,106
Total revenues	253,341	215,929	484,096	439,769
Gross margin	33,899	31,451	77,385	70,064
Adjusted gross margin <sup>(1)</sup>	35,887	27,407	71,687	63,859
Results from operating activities	15,499	19,151	42,836	42,483
Adjusted results from operating activities <sup>(1)</sup>	17,487	15,107	37,138	36,278
Adjusted EBITDA <sup>(1)</sup>	24,017	21,375	50,079	49,022
Net earnings	8,570	10,778	25,796	24,551
per share (basic)	0.08	0.10	0.25	0.24
per share (diluted)	0.08	0.10	0.24	0.23
Adjusted net earnings <sup>(1)</sup>	9,122	7,751	20,079	19,999
Adjusted net earnings per share (basic) <sup>(1)</sup>	0.09	0.07	0.19	0.19
Trailing twelve months free cash flow <sup>(1)</sup>	46,560	46,670	44,684	46,670
Dividends per share	0.09	0.09	0.18	0.18

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



## 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)	Q2 2022			Q2 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	2,187	-	2,187	1,462	-	1,462
Foreign exchange forward contracts	418	268	686	526	794	1,320
Total mark-to-market adjustment on derivatives	2,605	268	2,873	1,988	794	2,782
Cumulative timing differences	(4,852)	(9)	(4,861)	2,642	(1,380)	1,262
Total adjustment to costs of sales	(2,247)	259	(1,988)	4,630	(586)	4,044

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	2,310	-	2,310	1,041	-	1,041
Foreign exchange forward contracts	76	404	480	3,823	1,892	5,715
Total mark-to-market adjustment on derivatives	2,386	404	2,790	4,864	1,892	6,756
Cumulative timing differences	2,801	107	2,908	1,411	(1,962)	(551)
Total adjustment to costs of sales	5,187	511	5,698	6,275	(70)	6,205

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 second quarter of the current fiscal year, the total cost of sales adjustment is a loss of \$2.0 million to be added to the consolidated results versus a gain of \$4.0 million to be deducted from the consolidated results for the comparable period last year. For the first six months of fiscal 2022, the total cost of sales adjustment is a gain of \$5.7 million to be deducted from the consolidated results compared to a gain of \$6.2 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)	Q2 2022			Q2 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Revenues	195,875	57,466	253,341	155,961	59,968	215,929
Gross margin	29,030	4,869	33,899	26,423	5,028	31,451
Administration and selling expenses	9,415	2,705	12,120	5,771	2,185	7,956
Distribution costs	5,328	952	6,280	3,623	721	4,344
Results from operating activities	14,287	1,212	15,499	17,029	2,122	19,151
Adjustment to cost of sales <sup>(2)</sup>	2,247	(259)	1,988	(4,630)	586	(4,044)
Adjusted gross margin <sup>(1)</sup>	31,277	4,610	35,887	21,793	5,614	27,407
Adjusted results from operating activities <sup>(1)</sup>	16,534	953	17,487	12,399	2,708	15,107
Adjusted EBITDA <sup>(1)</sup>	21,364	2,653	24,017	17,010	4,365	21,375
<i>Additional information:</i>						
Additions to property, plant and equipment and intangible assets, net of disposals	3,100	136	3,236	6,876	367	7,243
Additions to right-of-use assets	(129)	-	(129)	29	-	29

(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	371,782	112,314	484,096	315,419	124,350	439,769
Gross margin	67,836	9,549	77,385	58,764	11,300	70,064
Administration and selling expenses	18,527	5,079	23,606	13,039	4,515	17,554
Distribution costs	9,672	1,271	10,943	8,692	1,334	10,027
Results from operating activities	39,637	3,199	42,836	37,033	5,450	42,483
Adjustment to cost of sales <sup>(2)</sup>	(5,187)	(511)	(5,698)	(6,275)	70	(6,205)
Adjusted Gross margin <sup>(1)</sup>	62,649	9,038	71,687	52,489	11,370	63,859
Adjusted results from operating activities <sup>(1)</sup>	34,450	2,688	37,138	30,758	5,520	36,278
Adjusted EBITDA <sup>(1)</sup>	43,981	6,098	50,079	39,741	9,281	49,022
<i>Additional information:</i>						
Additions to property, plant and equipment and intangible assets, net of disposals	7,093	355	7,448	12,965	478	13,443
Additions to right-of-use assets	8,083	-	8,038	383	-	383

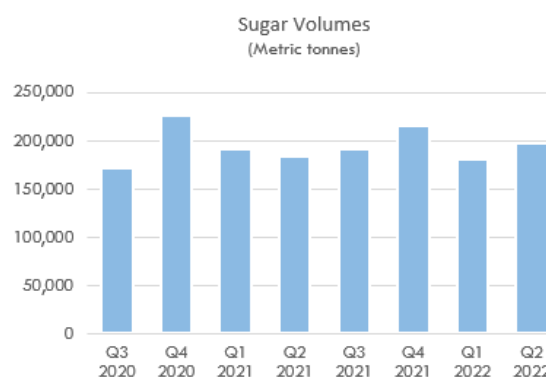
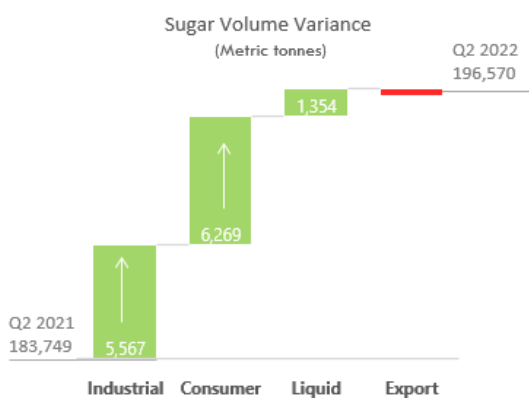
(1) See "Non-GAAP Measures" section for definition and reconciliation to GAAP measures

(2) See "Adjusted results" section

## Sugar

## REVENUES

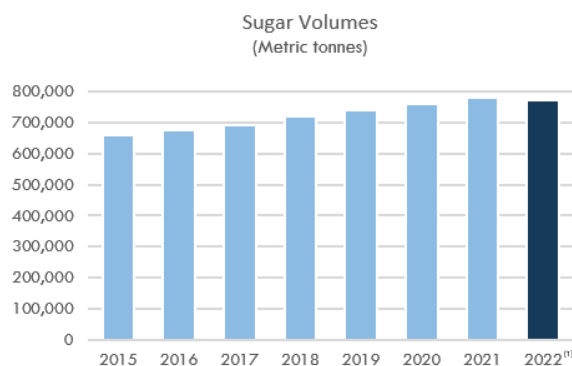
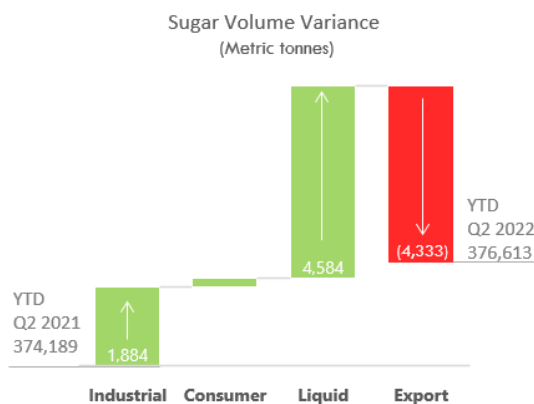
	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)	195,875	155,961	39,914	371,782	315,419	56,363



In the second quarter and first six months of fiscal 2022, revenue increased by \$39.9 million and \$56.4 million respectively, compared to the same periods last year, driven mainly by higher sales volume, higher prices for #11 world raw sugar, improved pricing and higher by-product sales revenue. The average prices for #11 world raw sugar increased by US 3.9 cent per pound to US 18.4 cent per pound during the current quarter and by US 5.0 cent per pound to US 18.8 cent per pound for the first half of the current fiscal year, when compared to the same periods last year.

Sugar volume increased by 12,821 metric tonnes in the second quarter of fiscal 2022 compared to the same quarter last year as stronger industrial, consumer and liquid volumes were partly offset by a slight reduction in export volume.

- Industrial and consumer volumes contributed the largest increase in the quarter. The was mainly due to the delayed orders from the first quarter of the year that were filled in the current quarter. Prior order delays, which occurred in the first quarter of 2022, were caused in part by COVID-19 related demand volatility, high retail inventory levels and rail and road closures from unfavourable weather conditions in Western Canada.
- Liquid volume during the current quarter also increased mainly due to higher demand from existing customers.



<sup>(1)</sup> See Outlook section for more details

In the first half of fiscal 2022, sugar volume totaled 376,613 metric tonnes, an increase of 0.6% 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 1,884 metric tonnes compared to the same period last year due mainly to higher demand in 2022.
- Liquid volume increased by 4,584 metric tonnes during the first six months of the current fiscal year mainly due to higher demand from existing customers.

## Interim Report for the Second Quarter 2022 Results

- Consumer volume remained largely unchanged as delayed orders in the first quarter of the year were recovered in the current quarter, bringing retail consumer volume at pre-covid level.
- Export volume decreased during the first half of the current fiscal year when compared to the same period last year, as the first half of fiscal year 2021 included a one-time opportunistic quota under the ratified Canadian United States Mexico Agreement (“CUSMA”).

### GROSS MARGIN

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except per metric tonne information)						
Gross margin	29,030	26,423	2,607	67,836	58,764	9,072
Total adjustment to cost of sales <sup>(2)</sup>	2,247	(4,630)	6,877	(5,187)	(6,275)	1,088
Adjusted gross margin <sup>(1)</sup>	31,277	21,793	9,484	62,649	52,489	10,160
Adjusted gross margin per metric tonne <sup>(1)</sup>	159.11	118.60	40.51	166.35	140.27	26.07
Included in gross margin:						
Depreciation of property, plant and equipment and right-of-use assets	4,201	3,986	215	8,273	7,762	511

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

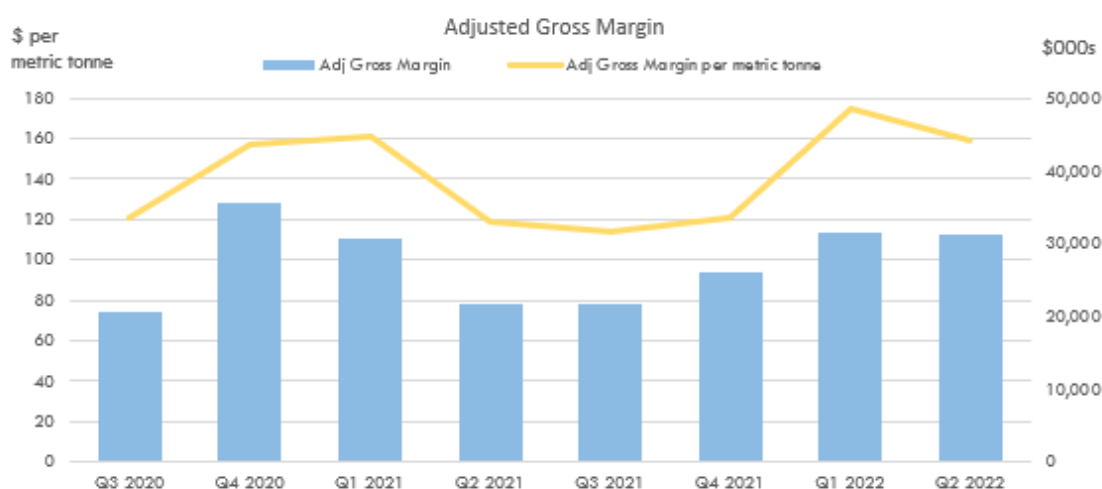
(2) See “Adjusted results” section

Gross margin was \$29.0 million and \$67.8 million for the current quarter and the first six months of fiscal 2022 and include a loss of \$2.2 million and a gain of \$5.2 million, respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was \$26.4 million and \$58.8 million, respectively, with a mark-to-market gain of \$4.6 million and \$6.3 million respectively.

Adjusted gross margin was \$31.3 million and \$62.6 million for the second quarter and for the first six months of fiscal 2022, respectively, as compared to \$21.8 million and \$52.5 million in the same periods of 2021.

Adjusted gross margin increased by \$9.5 million in the current quarter compared to the same quarter last year mainly as a result of higher sugar sales margin of \$12.0 million from higher sales volume and improved pricing and an increased by-product net contribution of \$1.5 million. The favourable variance was partially offset by higher production costs mainly driven by higher volume and higher energy and labour costs. On a per unit basis, adjusted gross margin for the second quarter was at \$159.11 per metric tonne, higher than last year by \$40.51 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 during the current quarter, as compared to last year. In 2021, our Taber facility produced less sugar as the quality of the beets was negatively impacted by unfavourable conditions.

Adjusted gross margin for the first six months of fiscal 2022 was \$10.2 million higher than the comparable period last year, mainly due to higher adjusted gross margin in the second quarter of fiscal 2022, as explained above. On a per unit basis, for the first six months of fiscal 2022, adjusted gross margin amounted to \$166.35 per metric tonne compared to \$140.27 per metric tonne. The favourable variance of \$26.07 per metric tonne was mainly due to higher volume sold to customers, improved pricing, and higher production of beet sugar out of our Taber facility during the current quarter.



## OTHER EXPENSES

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Administration and selling expenses	9,415	5,771	3,644	18,527	13,039	5,488
Distribution costs	5,328	3,623	1,705	9,672	8,692	980
<i>Included in Administration and selling expenses:</i>						
Depreciation of property, plant and equipment and right-of-use assets	213	218	(5)	424	440	(16)
<i>Included in Distribution costs:</i>						
Depreciation of right-of-use assets	417	407	10	835	781	54

In the second quarter of fiscal 2022, administration and selling expenses increased by \$3.6 million compared to the same quarter last year, mainly due to a non-cash increase in share-based compensation expense driven by an increase in share price in recent quarters and higher compensation costs and related employee benefits. This variance was partially offset by lower COVID related health and safety costs. Distribution costs increased by \$1.7 million compared to the same quarter last year largely driven by higher freight costs and additional logistical costs incurred to support our supply chain.

For the first six months of fiscal 2022, administration and selling expenses were \$5.5 million higher than the comparable period last year, mainly due to the increase in share-based compensation expenses, as mentioned above. Distribution cost increased by \$1.0 million compared to the first six months of last year largely driven by increased distribution costs during the current quarter, as explained above.

## RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Results from operating activities	14,287	17,029	(2,742)	39,637	37,033	2,604
Total adjustment to cost of sales <sup>(2)</sup>	2,247	(4,630)	6,877	(5,187)	(6,275)	1,088
Adjusted results from operating activities <sup>(1)</sup>	16,534	12,399	4,135	34,450	30,758	3,692
Depreciation of property, plant and equipment, right-of-use assets, and amortization of intangible assets	4,830	4,611	219	9,531	8,983	548
Adjusted EBITDA <sup>(1)</sup>	21,364	17,010	4,354	43,981	39,741	4,241

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

(2) See "Adjusted results" section

Results from operating activities for the second quarter and the first six months of fiscal 2022 were \$14.3 million and \$39.6 million, respectively, as compared to \$17.0 million and \$37.0 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.

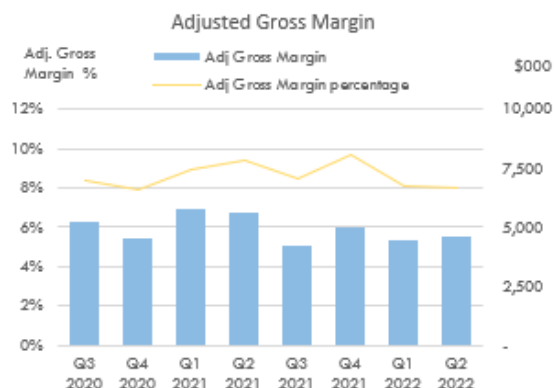
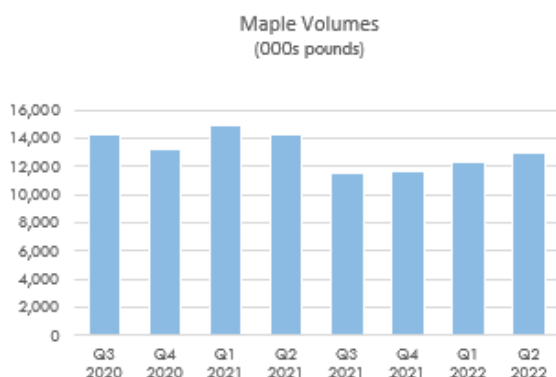
Adjusted results from operating activities for the second quarter of fiscal 2022 were \$4.1 million higher than the same period last year, mainly due to higher adjusted gross margin, partially offset by higher administration and selling expenses as well as higher distribution costs. Adjusted results from operating activities for the first six months of fiscal 2022 were \$3.7 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 second quarter and the first six months of fiscal 2022 increased by \$4.4 million and \$ 4.2 million, respectively, compared to the same periods last year, largely as a result of higher adjusted results from operating activities mainly in the second quarter.

## Maple

### REVENUES

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except volume)						
Volume (000 pounds)	12,912	14,214	(1,302)	25,198	29,106	(3,908)
Revenues	57,466	59,968	(2,502)	112,314	124,350	(12,036)



Revenues for the second quarter and the first six months of the current fiscal year were \$2.5 million and \$12.0 million lower than the same periods last year due mainly to decreased demand from existing customers and timing issues caused by shipment delays due to global supply chain disruption and carrier shortages for international shipments.

### GROSS MARGIN

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except adjusted gross margin rate information)						
Gross margin	4,869	5,028	(159)	9,549	11,300	(1,751)
Total adjustment to cost of sales <sup>(2)</sup>	(259)	586	(845)	(511)	70	(581)
Adjusted gross margin <sup>(1)</sup>	4,610	5,614	(1,004)	9,038	11,370	(2,332)
Adjusted gross margin percentage <sup>(1)</sup>	8.0%	9.4%	-1.4%	8.0%	9.1%	-1.1%
Included in Gross margin: Depreciation of property, plant and equipment and right-of-use assets	827	785	42	1,666	1,767	(101)

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

(2) See "Adjusted results" section

Gross margin was \$4.9 million and \$9.5 million for the three and six months ended in the current fiscal year and include a gain of \$0.3 and \$0.5 million respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was \$5.0 million and \$11.3 million, respectively, with a mark-to-market loss of \$0.6 million and \$0.1 million.

Adjusted gross margin for the current quarter and the first six months of fiscal 2022 were lower by \$1.0 million and \$2.3 million respectively compared to the same periods last year, largely driven by a combination of lower sales volume, 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. Due to the timing of pricing negotiations in the Maple segment, we are experiencing a delay between our cost increases and the associated expected price increases.

Adjusted gross margin percentage for the current quarter and the first six months of fiscal 2022 decreased by 140 basis point and 110 basis points respectively, to 8.0% for both periods when 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 to our customers.

## OTHER EXPENSES

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Administration and selling expenses	2,705	2,185	520	5,079	4,515	564
Distribution costs	952	721	231	1,271	1,334	(63)
Included in Administration and selling expenses:						
Amortization of intangible assets	872	872	-	1,743	1,747	(4)

Administration and selling expenses for the current quarter and the first six months of fiscal 2022 increased by \$0.5 million and \$0.6 million respectively, compared to the same periods last year, due mainly to increased compensation and employees benefits as well as higher recruitment expenses.

Distribution costs for the second quarter of fiscal 2022 were higher by \$0.2 million compared to the same period last year, largely due to higher net freight cost related to market-based pricing increases in the quarter. For the first six months of fiscal 2022, distribution costs were lower by \$0.1 million when compared to the same period last year, due to lower volume, partially offset by higher freight costs.

## RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Results from operating activities	1,212	2,122	(910)	3,199	5,450	(2,251)
Total adjustment to cost of sales <sup>(2)</sup>	(259)	586	(845)	(511)	70	(581)
Adjusted results from operating activities <sup>(1)</sup>	953	2,708	(1,755)	2,688	5,520	(2,832)
Non-recurring expenses:						
Other one-time non-recurring items	-	-	-	-	247	(247)
Depreciation and amortization	1,700	1,657	43	3,410	3,514	(104)
Adjusted EBITDA <sup>(1)</sup>	2,653	4,365	(1,712)	6,098	9,281	(3,183)

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

(2) See "Adjusted results" section

Results from operating activities for the second quarter and the first six months of fiscal 2022 were \$1.2 million and \$3.2 million respectively, compared to \$2.1 million and \$5.5 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 and the first six months of fiscal 2022 were respectively \$1.8 million and \$2.8 million lower than the comparable periods last year, due mainly to lower adjusted gross margin and higher administration and selling expenses, as explained above.

Adjusted EBITDA for the second quarter and the first six months of fiscal 2022 decreased by \$1.7 million and \$3.2 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 margin, 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 higher margin from favourable market-based pricing adjustments.

In Taber, the sugar beet processing campaign was completed during the current quarter 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 5,000 metric tonnes to 775,000 metric tonnes. We expect domestic volumes to grow by 3%, up from our previously forecasted 2%, 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 4,500 metric tonnes lower than 2021, with volumes expected to change as follows in 2022:

- Industrial, our largest segment, is expected to grow at 2% as demand for sugar-containing products remains steady both in Canada and the US.
- Liquid volume is expected to deliver growth of approximately 2% to 3% driven by continued demand from existing customers.
- Consumer volume is also expected to grow by 3%, a level aligned with the normalized growth we experienced pre-covid.
- We anticipate selling less in the export markets in 2022, due to lower opportunity from CUSMA.

Despite the reduction of total volume, 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 10% to 15%, reflecting a higher market price for warehousing, rail and ground transportation.

Administration and selling expenses are expected to increase by 25% to 30% due to a non-cash increase in share-based compensation expense driven by the increase in share price noted in recent quarters.

Spending on capital projects is also expected to be similar to recent periods. For fiscal 2022, we anticipate spending approximately \$25.0 million to \$30.0 million on various capital projects, with approximately a quarter allocated to return-on-investment projects.

### Maple

The Maple segment financial results were lower than anticipated for the first half of 2022, due mainly to lower volume and unexpected inflationary pressure on costs for packaging material, freight, and labour; along with 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. We anticipate these new prices to take effect over the next two quarters and lead to improved margin.

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

## CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION

	Q2 2022	Q2 2021	YTD 2022	YTD 2021
(unaudited)				
(In thousands of dollars, except volume and per share information)				
Sugar (metric tonnes)	196,570	183,749	376,613	374,189
Maple syrup (000 pounds)	12,912	14,214	25,198	29,106
Total revenues	253,341	215,929	484,096	439,769
Gross margin	33,899	31,451	77,385	70,064
Adjusted gross margin <sup>(1)</sup>	35,887	27,407	71,687	63,859
Results from operating activities	15,499	19,151	42,836	42,483
Adjusted results from operating activities <sup>(1)</sup>	17,487	15,107	37,138	36,278
Adjusted EBITDA <sup>(1)</sup>	24,017	21,375	50,079	49,022
Net finance costs	3,707	4,383	8,124	9,079
Income tax expense	3,222	3,990	8,916	8,853
Net earnings	8,570	10,778	25,796	24,551
per share (basic)	0.08	0.10	0.25	0.24
per share (diluted)	0.08	0.10	0.24	0.23
Adjusted net earnings <sup>(1)</sup>	9,122	7,751	20,079	19,999
per share (basic) <sup>(1)</sup>	0.09	0.07	0.19	0.19
Dividends per share	0.09	0.09	0.18	0.18

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

### Total revenues

Revenues increased by \$37.4 million and \$44.3 million for the second quarter and for the first six months of fiscal 2022 respectively versus comparable periods last year. The increase in revenue was mainly attributable to higher pricing and sales volume and higher by-product sales in the Sugar segment, partially offset by lower sales volume in the Maple segment.

### Gross margin

Excluding the mark-to-market of derivative financial instruments, adjusted gross margin for the second quarter of the current fiscal year increased by \$8.5 million compared to the same period last year, mainly as a result of higher adjusted gross margin in the Sugar segment, partially offset by lower adjusted gross margin in the Maple segment. For the Sugar segment, the adjusted gross margin per metric tonne was higher by \$40.51 per metric tonne and for the Maple segment, the adjusted gross margin percentage was lower by 1.4% when compared to the same period last year.

For the first six months of fiscal 2022, adjusted gross margin was \$7.8 million higher than the first half of fiscal 2021, driven largely by the increased adjusted gross margin in the Sugar segment during the current quarter.

### Results from operating activities

Excluding the mark-to-market of derivative financial instruments, adjusted results from operating activities for the current quarter amounted to \$17.5 million compared to \$15.1 million in the same quarter last year, an increase of \$2.4 million. For the first six months of fiscal 2022, adjusted results from operating activities were \$37.1 million compared to \$36.3 million, representing an increase of \$0.8 million. The improvement in both periods was mainly driven by higher contribution from the Sugar segment during the first half of the current fiscal year.

## Net finance costs

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
<i>(In thousands of dollars)</i>						
Interest expense on convertible unsecured subordinated debentures	2,119	2,102	17	4,169	4,140	29
Interest on revolving credit facility	1,357	1,644	(287)	2,643	3,356	(713)
Interest on senior guaranteed notes	905	-	905	1,802	-	1,802
Amortization of deferred financing fees	311	297	14	617	593	24
Net change in fair value of interest rate swaps	(1,246)	-	(1,246)	(1,840)	-	(1,840)
Other interest expense	261	340	(79)	733	990	(257)
Net finance costs	3,707	4,383	(676)	8,124	9,079	(955)

For the second quarter and first six months of the current fiscal year, net finance costs were lower by \$0.7 million and \$1.0 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

	Q2 2022	Q2 2021	Δ	YTD 2022	YTD 2021	Δ
<i>(In thousands of dollars)</i>						
Current	3,439	3,479	(40)	10,158	8,255	1,903
Deferred	(217)	511	(728)	(1,242)	598	(1,840)
Income tax expense	3,222	3,990	(768)	8,916	8,853	62

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 second quarter and for the first six months of fiscal 2022 were lower by \$2.2 million and higher by \$1.2 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 income tax expenses.

Adjusted net earnings in the current quarter and the first six months of fiscal 2022 were higher by \$1.4 million and \$0.1 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 <sup>(2)</sup> (3)							
	2022		2021			2020		
	Second	First	Fourth	Third	Second	First	Fourth	Third
Sugar Volume (MT)	196,570	180,043	214,753	190,563	183,749	190,440	225,396	172,054
Maple products volume (000 pounds)	12,912	12,286	11,678	11,471	14,214	14,892	13,181	14,313
Total revenues	253,341	230,755	243,231	210,931	215,929	223,840	246,212	206,147
Gross margin	33,899	43,486	39,616	30,064	31,451	38,613	37,890	29,873
Adjusted gross margin <sup>(1)</sup>	35,887	35,800	31,020	25,932	27,407	36,452	40,065	25,915
Results from operations	15,499	27,337	26,952	15,062	19,151	23,332	22,829	12,372
Adjusted results from operations <sup>(1)</sup>	17,487	19,651	18,356	10,930	15,107	21,171	25,004	8,414
Adjusted EBITDA	24,017	26,062	24,786	17,214	21,375	27,647	31,231	14,279
Net earnings	8,570	17,226	16,140	6,836	10,778	13,773	12,952	5,538
Per share - basic	0.08	0.17	0.16	0.07	0.10	0.13	0.13	0.05
Per share - diluted	0.08	0.15	0.15	0.07	0.10	0.13	0.12	0.05
Adjusted net earnings <sup>(1)</sup>	9,122	10,957	9,620	4,247	7,751	12,248	14,551	2,560
Per share - basic	0.09	0.11	0.09	0.04	0.07	0.12	0.14	0.02
Per share - diluted	0.09	0.10	0.09	0.04	0.07	0.11	0.14	0.02
Sugar - Adjusted gross margin rate per MT <sup>(1)</sup>	159.11	174.25	121.16	113.95	118.60	161.18	157.51	120.45
Maple - Adjusted gross margin percentage <sup>(1)</sup>	8.0%	8.1%	9.7%	8.5%	9.4%	8.9%	7.9%	8.4%

(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)	April 2, 2022	April 3, 2021	October 2, 2021
Total assets	\$ 907,376	\$ 831,514	\$ 879,930
Total liabilities	570,158	553,348	560,972

The increase in total assets in the current fiscal quarter compared to the same quarter last year was mainly due to an increase in inventory of \$22.3 million, trade and other receivables of \$ 21.3 million, derivatives financial instruments assets of \$20.5 million and cash of \$8.8 million.

Total liabilities for the current fiscal quarter increased by \$16.8 million compared to the same quarter last year due mainly to the senior guaranteed notes that were issued in the third quarter of fiscal 2021 for \$98.8 million and the increase in trade and other payables of \$16.2 million, in deferred tax liabilities of \$13.7 million and in lease obligations of \$5.3 million. This variance was partially offset by a reduction in the revolving credit facility balance of \$90.0 million and in employee benefits liabilities of \$ 30.4 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.

	Q2 2022	Q2 2021	YTD 2022	YTD 2021
(In thousands of dollars)				
Net cash flow from operating activities	20,460	9,687	(14,902)	4,981
Cash flow used in financing activities	(9,407)	(10,328)	16,000	6,637
Cash flow used in investing activities	(3,559)	(7,715)	(6,397)	(12,096)
Effect of changes in exchange rate on cash	(75)	25	(58)	(19)
Net increase (decrease) in cash	7,419	(8,331)	(5,357)	(497)

Cash flow from operating activities for the current quarter increased by \$10.8 million compared to the same quarter last year, due mainly to a positive non-cash working capital variation of \$16.6 million, offset by lower net earnings adjusted for non-cash items of \$4.9 million and income taxes paid of \$1.1 million. For the first six months of 2022, cash flow from operating activities decreased by \$19.9 million, mainly attributable to a negative non-cash working capital variation of \$17.8 million and higher interest and income taxes paid of \$6.1 million, offset by higher net earnings adjusted for non-cash items of \$4.0 million.

Cash flow used in financing activities was lower by \$0.9 million for the current quarter compared to the same quarter last year due mainly to cash received from the issuance of shares related to stock options that have been exercised during the period of \$2.2 million, partially offset by an increase in borrowings from the revolving credit facility of \$1.0 million. For the first six months of fiscal 2022, cash flow from financing activities increased by \$9.4 million compared to the same period last year largely as a result of an increase in borrowings from the revolving credit facility and the bank overdraft of \$6.8 million and the cash received from the issuance of shares related to stock options that have been exercised during the period of \$2.5 million.

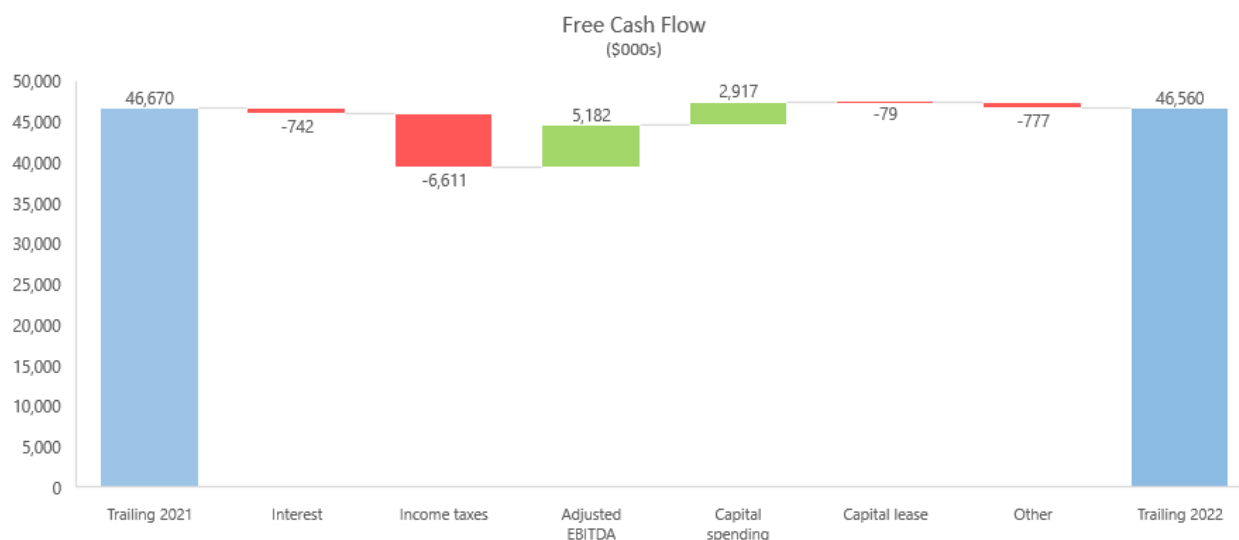
The cash outflow used in investing activities for the current quarter and the first six months of fiscal 2022 were lower by \$4.2 million and \$5.7 million respectively, compared to the same periods last year. The variances were mainly related to timing of capital expenditures.

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

### FREE CASH FLOW

	Trailing twelve months	
(In thousands of dollars)	2022	2021
Cash flow from operations	58,714	48,855
Adjustments:		
Changes in non-cash working capital	28,983	23,122
Mark-to-market and derivative timing adjustments	(19,815)	(7,916)
Amortization of transitional balances	-	(138)
Financial instruments non-cash amount	(975)	5,932
Capital expenditures and intangible assets	(18,979)	(27,838)
Value added capital expenditures	3,765	9,707
Payment of leases obligation	(5,133)	(5,054)
Free cash flow <sup>(1)</sup>	46,560	46,670
Declared dividends	37,376	37,275
Share repurchased	-	80

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



Free cash flow for the trailing twelve months ending on April 2, 2022 amounted to \$46.6 million, representing a decrease of \$0.1 million compared to the same period last year. This decrease in free cash flow was mainly due to higher interest and income taxes paid of \$7.4 million partially offset by an increase in adjusted EBITDA of \$5.2 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, and lower capital expenditures net of value added capital expenditures.

Capital and intangible assets expenditures, net of value added capital expenditures, decreased by \$2.9 million compared to last year's rolling twelve months due mainly to timing in spending. 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 both trailing twelve months periods.

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

The combined impact of the mark-to-market and derivative timing adjustments, amortization of transitional balances and financial instruments non-cash amount of \$20.8 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 April 2, 2022, Lantic had commitments to purchase a total of 882,000 metric tonnes of raw sugar, of which 267,145 metric tonnes had been priced for a total dollar commitment of \$151.7 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 April 2, 2022, a total of \$513.1 million of assets have been pledged as security for the revolving credit facility, compared to \$470.3 million as at April 3, 2021; including trade receivables, inventories and property, plant and equipment.

As at April 2, 2022, \$135.0 million had been drawn from the revolving credit facility and \$10.3 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 April 2, 2022, Lantic was in compliance with all the covenants under its revolving credit facility.

## OUTSTANDING SECURITIES

A total of 104,195,845 shares were outstanding as at April 2, 2022 and May 11, 2022, respectively (103,536,923 as at April 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.

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

## 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](http://www.sedar.com) or on our website at [www.LanticRogers.com](http://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 operational excellence 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

	Q2 2022			Q2 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
<b>Consolidated results</b> (In thousands of dollars)						
Gross margin	29,030	4,869	33,899	26,423	5,028	31,451
Total adjustment to the cost of sales <sup>(1)</sup>	2,247	(259)	1,988	(4,630)	586	(4,044)
Adjusted Gross Margin	31,277	4,610	35,887	21,793	5,614	27,407
Results from operating activities	14,287	1,212	15,499	17,029	2,122	19,151
Total adjustment to the cost of sales <sup>(1)</sup>	2,247	(259)	1,988	(4,630)	586	(4,044)
Adjusted results from operating activities	16,534	953	17,487	12,399	2,708	15,107
Results from operating activities	14,287	1,212	15,499	17,029	2,122	19,151
Total adjustment to the cost of sales <sup>(1)</sup>	2,247	(259)	1,988	(4,630)	586	(4,044)
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	4,830	1,700	6,530	4,611	1,657	6,268
Maple Segment non-recurring costs	-	-	-	-	-	-
Adjusted EBITDA	21,364	2,653	24,017	17,010	4,365	21,375
Net earnings			8,570			10,778
Total adjustment to the cost of sales <sup>(1)</sup>			1,988			(4,044)
Net change in fair value in interest rate swaps <sup>(1)</sup>			(1,246)			-
Income taxes on above adjustments			(190)			1,017
Adjusted net earnings			9,122			7,751
Net earnings per share (basic)			0.08			0.10
Adjustment for the above			0.01			(0.03)
Adjusted net earnings per share (basic)			0.09			0.07

(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	67,836	9,549	77,385	58,764	11,300	70,064
Total adjustment to the cost of sales <sup>(1)</sup>	(5,187)	(511)	(5,698)	(6,275)	70	(6,205)
Adjusted Gross Margin	62,649	9,038	71,687	52,489	11,370	63,859
Results from operating activities	39,637	3,199	42,836	37,033	5,450	42,483
Total adjustment to the cost of sales <sup>(1)</sup>	(5,187)	(511)	(5,698)	(6,275)	70	(6,205)
Adjusted results from operating activities	34,450	2,688	37,138	30,758	5,520	36,278
Results from operating activities	39,637	3,199	42,836	37,033	5,450	42,483
Total adjustment to the cost of sales <sup>(1)</sup>	(5,187)	(511)	(5,698)	(6,275)	70	(6,205)
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	9,531	3,410	12,941	8,983	3,514	12,497
Maple Segment non-recurring costs	-	-	-	-	247	247
Adjusted EBITDA	43,981	6,098	50,079	39,741	9,281	49,022
Net earnings			25,796			24,551
Total adjustment to the cost of sales <sup>(1)</sup>			(5,698)			(6,205)
Net change in fair value in interest rate swaps <sup>(1)</sup>			(1,840)			-
Income taxes on above adjustments			1,821			1,653
Adjusted net earnings			20,079			19,999
Net earnings per share (basic)			0.25			0.24
Adjustment for the above			(0.06)			(0.05)
Adjusted net earnings per share (basic)			0.19			0.19

(1) See "Adjusted results" section

## CRITICAL ACCOUNTING ESTIMATES

For the second quarter and the first six 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 first 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 six-month period ended April 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:

- 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 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 as a result of events or circumstances occurring after the date hereof, unless so required by law.