



Rogers Sugar Reports Solid Performance for the Fourth Quarter of 2022; Continued Sugar Segment Strength Drives Record 2022 Full Year Adjusted EBITDA.

Rogers Sugar Inc.'s ("our," "we," "us" or "Rogers") (TSX: RSI) today reported fourth quarter fiscal 2022 results with consolidated adjusted EBITDA of \$29.0 million and \$102.1 million for the current quarter and the year, respectively.

"Our Sugar segment continued to perform strongly in the fourth quarter of 2022, driving our highest full year adjusted EBITDA in our 135-year history," said Mike Walton, President, and Chief Executive Officer of Rogers and Lantic Inc. "We generated another quarter of record sugar sales volumes in the fourth quarter as our flexible manufacturing platform allowed us to meet high demand and capture opportunistic sales in the domestic market. Despite supply chain challenges and inflationary pressures affecting both business segments, fiscal 2022 showcased the strength and adaptability of our people and operations as we continued to meet the needs of our valued customers."

"Over the next fiscal year, we anticipate stable financial results driven by continued strong demand and steady margins in our Sugar segment, along with slightly improved financial performance in our Maple segment, as the unfavourable inflationary pressures begin to recede. With global demand for sugar-containing products projected to remain strong, our reputation as a reliable, high quality sugar supplier and combined with our exciting growth project, we are well positioned to continue to create value for our shareholders in the future."

Fourth Quarter 2022 Consolidated Highlights (unaudited)	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Financials (\$000s)				
Revenues	267,406	243,231	1,006,134	893,931
Gross margin	28,472	39,616	130,805	139,744
Adjusted gross margin ⁽¹⁾	39,141	31,020	143,482	120,811
Results from operating activities	(38,345)	26,952	13,313	84,497
EBITDA ⁽¹⁾	18,283	33,382	89,461	109,708
Adjusted EBITDA ⁽¹⁾	28,952	24,786	102,138	91,022
Net (Loss) earnings	(45,502)	16,140	(16,568)	47,527
per share (basic)	(0.44)	0.16	(0.16)	0.46
per share (diluted)	(0.44)	0.15	(0.16)	0.44
Adjusted net earnings ⁽¹⁾⁽²⁾	12,161	9,620	40,659	33,866
Adjusted net earnings per share (basic) ⁽¹⁾⁽²⁾	0.12	0.09	0.39	0.33
Trailing twelve months free cash flow ⁽¹⁾	46,751	45,505	46,751	45,505
Dividends per share	0.09	0.09	0.36	0.36
Volumes				
Sugar (metric tonnes)	214,672	214,753	794,600	779,505
Maple Syrup (thousand pounds)	9,838	11,678	47,063	52,255

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

(2) Adjusted net earnings and adjusted net earnings per shares exclude the goodwill impairment charge of \$50.0 million recorded in the fourth quarter

- Consolidated adjusted EBITDA for the fourth quarter of 2022 was \$29.0 million, up \$4.2 million from the same quarter last year, driven by higher adjusted EBITDA in the Sugar segment;
- Consolidated adjusted EBITDA for the 2022 fiscal year was \$102.1 million, up 12.2% from the same period in 2021, and the highest balance recorded in our history. Current year adjusted EBITDA increased as a result of higher adjusted EBITDA in the Sugar segment; partly offset by lower adjusted EBITDA in our Maple segment;
- Consolidated revenues for the 2022 fiscal year amounted to \$1.0 billion, an increase of \$112.2 million from 2021 or 12.6%, largely driven by higher volume and higher selling prices in the Sugar segment;
- Sugar sales volume in the fourth quarter of 2022 was stable in comparison to the same quarter last year, totaling 214,700 metric tonnes.
- For the 2022 fiscal year, sugar sales volume reached the highest level delivered in our history, at 794,600 metric tonnes, representing an increase of almost 2.0% over 2021;



- Adjusted EBITDA in the Sugar segment improved by \$5.5 million in the fourth quarter of fiscal 2022 compared to the same quarter last year due mainly to higher selling prices; partially offset by higher operating costs, administrative and selling expenses and distribution costs;
- Adjusted EBITDA in the Maple segment for the fourth quarter was lower than last year by \$1.4 million largely as a result of lower sales volume and higher operating costs driven by inflationary pressures;
- In the fourth quarter of 2022, we recorded a non-cash impairment charge of \$50.0 million to the goodwill asset associated with our Maple business segment, reflecting the overall market-based deterioration of the conditions of this business segment in 2022;
- Free cash flow for the trailing 12 months ended October 1, 2022 was \$46.8 million, an increase of \$1.2 million from the same period last year;
- In the fourth quarter of fiscal 2022, we distributed \$0.09 per share to our shareholders for a total amount of \$9.4 million;
- On November 30, 2022, the Board of Directors declared a quarterly dividend of \$0.09 per share, payable on or before February 1, 2023; and
- We continue to work on the design and planning stage of our planned expansion project announced in August 2022. The current estimated cost of the project is \$160 million and would increase supply by 100,000 metric tonnes in Eastern Canada within the next two to three years.

Sugar

Fourth Quarter 2022 Sugar Highlights (unaudited)	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Financials (\$000s)				
Revenues	220,142	191,462	792,200	668,118
Gross margin	26,758	35,671	115,872	121,029
Adjusted gross margin ⁽¹⁾	35,324	26,020	126,168	100,223
Per metric tonne (\$/ mt) ⁽¹⁾	164.55	121.16	158.78	128.57
Administration and selling expenses	9,138	6,591	35,733	27,793
Distribution costs	4,958	3,531	19,681	15,970
Results from operating activities	12,662	25,549	60,458	77,266
EBITDA ⁽¹⁾	17,609	30,286	79,838	95,446
Adjusted EBITDA ⁽¹⁾	26,175	20,634	90,134	74,640
Volumes (metric tonnes)				
Total volume	214,672	214,753	794,600	779,505

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

In the fourth quarter, revenue increased by \$28.7 million, compared to the same period last year. The variance was driven mainly by variation in prices for Raw #11 sugar charged to customers, and improved average pricing for refining related activities.

Gross margin was \$26.8 million for the current quarter and include a loss of \$8.6 million for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was \$35.7 million, with a mark-to-market gain of \$9.7 million.

Adjusted gross margin increased by \$9.3 million in the current quarter compared to the same quarter last year mainly as a result of higher sugar sales margin from improved average pricing on sugar refining related activities. This positive variance was partially offset by higher production costs mainly driven by higher labour related costs and market-based inflationary pressures on other operating costs. In addition, by-product contribution was lower by \$0.9 million in comparison to the same period last fiscal year due to timing. On a per unit basis, adjusted gross margin for the fourth quarter was at \$164.55 per metric tonne, higher than last year by \$43.39 per metric tonne. The favourable variance was mainly due to the increase in overall margin from improved selling prices, partially offset by higher production cost, as compared to last year.

Results from operating activities for the fourth quarter were \$12.7 million, a decrease of \$12.9 million as compared to 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 property plant and equipment had a negative impact on the results from operating activities.

EBITDA for the fourth quarter was \$17.6 million, a decrease of \$12.7 million as compared to 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.



Adjusted EBITDA for the fourth quarter increased by \$5.5 million compared to the same period last year, largely as a result of higher adjusted gross margin, offset by higher administration and selling expenses as well as higher distribution costs.

Maple

Fourth Quarter 2022 Maple Highlights (unaudited)	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Financials (\$000s)				
Revenues	47,264	51,769	213,934	225,813
Gross margin	1,714	3,945	14,933	18,715
Adjusted gross margin ⁽¹⁾	3,817	5,000	17,314	20,588
As a percentage of revenues (%) ⁽¹⁾	8.1%	9.7%	8.1%	9.1%
Administration and selling expenses	2,411	2,084	10,050	9,162
Distribution costs	310	458	2,028	2,322
Results from operating activities	(51,007)	1,403	(47,145)	7,231
EBITDA ⁽¹⁾	674	3,096	9,623	14,509
Adjusted EBITDA ⁽¹⁾	2,777	4,152	12,004	16,382
Volumes (thousand pounds)				
Total volume	9,838	11,678	47,063	52,255

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

Revenues for the fourth quarter were \$4.5 million lower than the same period last year due to lower volume, partially offset by higher average sale pricing.

Gross margin was \$1.7 million for the three months ended in the current fiscal year and includes a loss of \$2.1 million for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was \$3.9 million, with a mark-to-market loss of \$1.1 million.

Adjusted gross margin for the fourth quarter of fiscal 2022 was lower by \$1.2 million due to lower volume and higher operating costs. Operating costs increased largely as a result of market-based inflationary pressures for packaging, freight and energy expenditures as well as increased compensation cost and employee benefits incurred to attract and retain employees in our production facilities.

Results from operating activities for the fourth quarter and the 2022 fiscal year were a loss of \$51.0 million, compared to positive results of \$1.4 million for 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 and a goodwill impairment of \$50.0 million recorded in the fourth quarter of fiscal 2022.

EBITDA for the fourth quarter and the 2022 fiscal year was \$0.7 million, a decrease of \$2.4 million compared to 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.

Adjusted EBITDA for the current quarter of fiscal 2022 decreased by \$1.4 million, due to lower adjusted gross margin.

OUTLOOK

The health and safety of our employees continue to be our top priority. We will continue to monitor closely the potential impacts related to the COVID-19 pandemic and follow closely public health authority recommendations.

Following a strong performance in 2022, including our highest sugar volume, consolidated revenue and adjusted EBITDA results to date, we expect to deliver a strong, stable financial performance in 2023. The continued strength in sugar demand and pricing is expected to provide stable results, despite ongoing challenges related to supply chain and logistics. We expect our Maple segment to slowly recover during 2023 as the unfavorable inflationary pressures encountered over the last year begin to recede.

Sugar

We expect the sugar segment to perform well in fiscal 2023. Underlying North American demand remains strong across all customer segments supported by favourable market dynamics. Improvements in pricing implemented in 2022 will continue to support our financial results positively, allowing us to mitigate the current impact of inflationary pressures on costs.



We expect sales volume for 2023 to reach 790,000 metric tonnes, representing a reduction of approximately 5,000 metric tonnes as compared to 2022. The slight reduction in volume in 2023 relates to the temporary increase in volumes recorded in the later part of 2022, in connection with a temporary tightness in market supply in North America. We do not expect this tightness to reoccur and anticipate the domestic market to be otherwise stable for 2023. We expect export volumes to decrease as we will prioritize the growing domestic demand. Our current view for volume by customer segment in 2023 is as follows:

- Industrial, our largest segment, is expected to decrease by 3%, although demand for sugar-containing products remains steady both in Canada and the US.
- Liquid volume is expected to growth by 6.0 % driven by continued demand from existing customers.
- Consumer volume is expected to increase by 2% for 2023, due to higher expected demand
- We anticipate selling 10% less to the export markets in 2023, due to the growing demand of the domestic market. We intend to explore potential supplemental export sales as favourable opportunities arise.

The harvest period for our sugar beet facility in Taber was completed in early November. We have received the expected quantity of beets from the Alberta growers. However, unfavourable weather conditions such as hailstorms and warmer temperatures encountered in the later stage of the growing period have reduced the expected sugar content of the sugar beets. We are currently in the processing stage of the 2022 beet campaign. We anticipate completing the processing of the sugar beets received by the end of February. Currently, based on our early assessment, we anticipate the 2022 crop to deliver between 100,000 metric tonnes and 110,000 metric tonnes of beet sugar. This would be lower than the 2021 crop which delivered 120,000 metric tonnes.

Production costs and maintenance programs for our three production facilities are expected to be moderately impacted by the current inflationary market-based pressures, as we continue to focus on cost control initiatives throughout our operations.

Distribution costs are expected to be stable in 2023. These expenditures will continue to reflect the market dynamics requiring the transfer of sugar produced in the West to the East to meet customer demand. We also expect that recent cost increases for logistics and our supply chain will remain. Once our planned expansion project is completed, we plan to optimize our increased national capacity to efficiently service our domestic customer base.

Administration and selling expenses are expected to decrease in 2023 as we do not anticipate the impact of share-based compensation to be as high.

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-year 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.

Spending on regular business capital projects is also expected to be stable for fiscal 2023. We anticipate spending approximately \$25 million on various initiatives, with approximately a quarter allocated to return-on-investment projects. This estimate for capital spending excludes potential expenditures that could be incurred in 2023, regarding the announcement we made in August 2022, about our intention to expand the capacity of our Montreal sugar refinery and Toronto distribution centre.

Maple

The Maple segment financial results were lower than anticipated for 2022. This was due mainly to lower volume and unexpected inflationary pressures on costs for packaging material, freight, and labour, along with global shipping challenges. We expect these financial and operating pressures to remain in the first part of 2023. Despite such challenges and a strong 2022 crop, we expect this business segment to slowly recover and to deliver slightly improved financial performance in 2023 as compared to 2022. The improvement will be driven by expected higher volume from new customers and higher margin from price increases on recently negotiated agreements.

Capital investments have reduced significantly for the Maple segment in recent years. The Maple segment is expected to spend between \$1 million and \$2 million annually on capital projects. The main driver for the Maple segment projects is to improve productivity and profitability through automation.

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



Cautionary Statement Regarding non-GAAP measures

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

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

The following is a description of the non-GAAP measures we used in this press release:

- 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.
- Adjusted results from operating activities are defined as results from operating activities adjusted for the adjustment to cost of sales and goodwill impairment.
- EBITDA is defined as earnings before interest, taxes, depreciation, amortization and goodwill impairment.
- Adjusted EBITDA is defined as adjusted results from operating activities adjusted to add back depreciation and amortization expenses.
- Adjusted net earnings is defined as net earnings adjusted for the adjustment to cost of sales, goodwill impairment and the income tax impact on these adjustments.
- 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, financial instruments non-cash amount, goodwill impairment 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 this press release, 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 our results as reported under GAAP. Reconciliations of non-GAAP financial measures to the most directly comparable IFRS financial measures are as follows:



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

	Q4 2022			Q4 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Consolidated results (In thousands of dollars)						
Gross margin	26,758	1,714	28,472	35,671	3,945	39,616
Total adjustment to the cost of sales ⁽¹⁾	8,566	2,103	10,669	(9,651)	1,055	(8,596)
Adjusted gross margin	35,324	3,817	39,141	26,020	5,000	31,020
Results from operating activities	12,662	(51,007)	(38,345)	25,549	1,403	26,952
Total adjustment to the cost of sales ⁽¹⁾	8,566	2,103	10,669	(9,651)	1,055	(8,596)
Goodwill impairment	-	50,000	50,000	-	-	-
Adjusted results from operating activities	21,228	1,096	22,324	15,898	2,458	18,356
Results from operating activities	12,662	(1,007)	(38,345)	25,549	1,403	26,952
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	4,947	1,681	6,628	4,737	1,694	6,430
Goodwill impairment	-	50,000	50,000	-	-	-
EBITDA ⁽¹⁾	17,609	674	18,283	30,286	3,096	33,382
EBITDA ⁽¹⁾	17,609	674	18,283	30,286	3,096	33,382
Total adjustment to the cost of sales ⁽¹⁾	8,566	2,103	10,669	(9,651)	1,055	(8,596)
Adjusted EBITDA	26,175	2,777	28,952	20,634	4,152	24,786
Net (loss) earnings			(45,502)			16,140
Total adjustment to the cost of sales ⁽¹⁾			10,669			(8,596)
Goodwill impairment			50,000			-
Net change in fair value in interest rate swaps ⁽¹⁾			(328)			(162)
Income taxes on above adjustments			(2,678)			2,238
Adjusted net earnings			12,161			9,620
Net (loss) earnings per share (basic)			(0.44)			0.16
Adjustment for the above			0.56			(0.07)
Adjusted net earnings per share (basic)			0.12			0.09

(1) See "Adjusted results" section in the MD&A



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES (CONTINUED)

Consolidated results (In thousands of dollars)	YTD 202			YTD 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Gross margin	115,872	14,933	130,805	121,029	18,715	139,744
Total adjustment to the cost of sales ⁽¹⁾	10,296	2,381	12,677	(20,806)	1,873	(18,933)
Adjusted gross margin	126,168	17,314	143,482	100,223	20,588	120,811
Results from operating activities	60,458	(47,145)	13,313	77,266	7,231	84,497
Total adjustment to the cost of sales ⁽¹⁾	10,296	2,381	12,677	(20,806)	1,873	(18,933)
Goodwill impairment	-	50,000	50,000	-	-	-
Adjusted results from operating activities	70,754	5,236	75,990	56,460	9,104	65,564
Results from operating activities	60,458	(47,145)	13,313	77,266	7,231	84,497
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	19,380	6,768	26,148	18,180	7,031	25,211
Goodwill impairment	-	50,000	50,000	-	-	-
EBITDA ⁽¹⁾	79,838	9,623	89,461	95,446	14,509	109,708
EBITDA ⁽¹⁾	79,838	9,623	89,461	95,446	14,509	109,708
Total adjustment to the cost of sales ⁽¹⁾	10,296	2,381	12,677	(20,806)	1,873	(18,933)
Maple Segment non-recurring costs	-	-	-	-	247	247
Adjusted EBITDA ⁽¹⁾	90,134	12,004	102,138	74,640	16,382	91,022
Net (loss) earnings			(16,568)			47,527
Total adjustment to the cost of sales ⁽¹⁾			12,677			(18,933)
Goodwill impairment			50,000			-
Net change in fair value in interest rate swaps ⁽¹⁾			(2,800)			451
Income taxes on above adjustments			(2,650)			4,821
Adjusted net earnings			40,659			33,866
Net (loss) earnings per share (basic)			(0.16)			0.46
Adjustment for the above			0.55			(0.13)
Adjusted net earnings per share (basic)			0.39			0.33

(1) See "Adjusted results" section in the MD&A



Conference Call and Webcast

We will host a conference call to discuss our fourth quarter of fiscal 2022 results on December 1, 2022 starting at 8:00a.m. ET. To participate, please dial 1-888-396-8049. A recording of the conference call will be accessible shortly after the conference, by dialing 1-877-674-7070, access code 896442#. This recording will be available until December 15, 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. Rogers 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:

- Future demand for refined sugar and maple syrup
- 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.

For further information

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ROGERS SUGAR INC.
Financial Report Q4 2022



This Management’s Discussion and Analysis (“MD&A”) of Rogers Sugar Inc.’s (“Rogers”, “RSI” or “our,” “we”, “us”) dated November 30, 2022 should be read in conjunction with the audited consolidated financial statements and related notes for the years ended October 1, 2022 and October 2, 2021. The Company’s MD&A and consolidated financial statements are prepared using a fiscal year which typically consists of 52 weeks, however, every five years, a fiscal year consists of 53 weeks. The fiscal years ended October 1, 2022 and October 2, 2021 consist of 52 weeks.

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

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

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

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OUR BUSINESS

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

Lantic, Rogers wholly owned subsidiary, operates cane sugar refineries in Montréal, 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.

Sugar

FACILITIES

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

In the fourth quarter, we announced our intention to proceed with an expansion of our Montréal refining capacity along with an increase of our Toronto distribution centre logistics and rail infrastructures. This project will increase the Eastern refined sugar supply by up to 100,000 metric tonnes annually at an estimated construction cost of approximately \$160 million. We are currently 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 to three years.

OUR PRODUCTS

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

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

In fiscal 2022, Lantic's domestic refined sugar sales volume grew by 3.7% which is higher than previous years, and slightly higher than the overall growth of the Canadian market.

The industrial granulated segment is the largest segment accounting for approximately 55% of all shipments. This segment is comprised of a broad range of food processing companies that serve both the Canadian and the American markets. In fiscal 2022, this segment sales volume increased by 5.3% as compared to the previous year.

In the consumer segment, a wide variety of products are offered under the Lantic and Rogers brand names. This segment has remained stable in fiscal 2022, and is representing approximately 12% of all shipments.

The liquid segment is comprised of core users whose process or products require liquid sucrose. Some customers in this segment group can substitute liquid sucrose with high fructose corn syrup ("HFCS"). The purchasing patterns of substitutable users are largely influenced by the absolute price spread between HFCS and liquid sugar. Increasingly, other considerations, such as ingredient

labeling may bear some influence on the purchasing decision. The liquid segment sales increased by 2.0% this year and are representing approximately 24% of all shipments in fiscal 2022.

Lantic's Taber plant is the only beet sugar factory in Canada and is therefore the only producer of Canadian origin sugar. From this facility, we service a mix of customers across Western Canada. We also sell into other North American markets through various quotas assigned through trade agreements. As such, this plant is the sole participant in an annual Canadian-specific quota of refined sugar to the United States ("US") of 19,900 metric tonnes of Canadian origin sugar.

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

OUR SUPPLY

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

In fiscal 2021, we entered into a two-year extension to the existing agreement with the Alberta Sugar Beet Growers ("Growers") for the supply of sugar beets to the Taber beet plant, for which the crop harvested in the fall of 2022 is the second year of the agreed contract. Any potential shortfall in beet sugar production related to crop issues is mostly replaced by refined cane sugar from the Vancouver refinery, which acts as a swing capacity refinery and from the Montréal refinery if required. We are currently negotiating with the Growers to secure supply of sugar beets for the upcoming crops. We expect to reach an agreement ahead of the 2023 seeding period in the third quarter of fiscal 2023.

PRICING

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

In fiscal 2022, the price of Raw #11 traded on the ICE fluctuated between US 17.20 cents and US 20.51 cents per pound and closed at US 18.42 cents per pound at the end of the fiscal year, which was US 1.27 cents lower than the closing value at October 2, 2021. Price variation during the year was less volatile than in fiscal 2021 when Raw #11 prices fluctuated between US 13.55 cents and US 20.37 cents per pound. The average Raw #11 price in fiscal 2022 at US 18.89 cents was higher than the fiscal 2021 average of US 16.55 cents. The higher average price of Raw #11 was mainly due to stronger global sugar demand.

Maple

FACILITIES

TMTC operates three plants in Québec, namely, in Granby, Dégelis and in St-Honoré-de-Shenley, and one in Websterville, Vermont.

OUR PRODUCTS

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

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

Bulk maple syrup is mainly sold in large containers, drums and totes to foodservice retailers, food processors as well as other wholesalers.

OUR SUPPLY

The production of maple syrup takes place over a period of six to eight weeks during the months of March and April of each year.

The biggest concentration of maple trees is located in the Provinces of Québec, New Brunswick, Ontario, and the US States of Vermont, Maine and New Hampshire. Canada remains the largest producer of maple syrup, with over 80% of the world's production. The Province of Québec alone represents 70% of the world's production. The US is the only other major producing country in the world, representing approximately 20% of the global supply.

The maple syrup producers in Québec are represented by the Producteurs et Productrices Acéricoles du Québec ("PPAQ"). The PPAQ generally regulates the buying and selling of bulk maple syrup. The PPAQ represents approximately 13,300 producers and 8,000 individual businesses.

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

The PPAQ manages a strategic maple syrup reserve in order to mitigate production fluctuations caused by weather conditions and prevent such fluctuations from causing maple syrup prices to spike or drop significantly. Each year, the PPAQ may organize a sale of a portion of its accumulated reserve. This allows bottlers to respond to supply shortages in the event of a poor harvest or unplanned growth and demand.

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

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

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

PRICING

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

USE OF FINANCIAL DERIVATIVES FOR HEDGING

Sugar

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

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

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

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

We purchase sugar beets from the Growers, for our Taber sugar refining facility under a fixed price negotiated from time to time.

Natural Gas

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

We purchase between 3.5 million gigajoules and 4.0 million gigajoules of natural gas per year for use in our refining operations. To protect against large and unforeseen fluctuations, we hedge forward our estimated usage on a longer-term basis based on prevailing market conditions.

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

Foreign Exchange

Raw sugar costs for all sales contracts are denominated in US dollars. We also buy natural gas in US dollars. In addition, sugar export sales and some Canadian sugar sales are denominated in US dollars. In order to protect ourselves against the movement of the Canadian dollar versus the US dollar, we, on a daily basis, reconcile all of our exposure to the US dollar and we hedge the net position against various forward months, estimated from the date of the various transactions.

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

INFORMATION ON COVID-19

We continue to closely monitor the impacts of the COVID-19 on our business. Our business is considered an essential service by the government and as such, our plants have continued to operate at usual capacity throughout the pandemic. Since the beginning of the COVID-19 pandemic in 2020, we have established extensive protection measures and protocols to ensure the health and safety of our employees, suppliers, customers and other business partners. In addition to standard operating procedures designed to maintain safe operations, we have implemented disease prevention plans in each location to provide guidance on health and safety measures to adopt during a pandemic. We actively communicate with our employees, to keep them apprised of the current situation.

For the fourth quarter and fiscal 2022, we incurred direct costs, in relation to COVID-19, amounting to \$0.1 million and \$1.1 million respectively, as compared to \$0.5 million and \$3.0 million for the same periods in fiscal 2021. These costs were largely attributable to health and safety measures implemented across all production facilities. COVID-19 related expenditures decreased in the current period as a result of the overall improvement of the pandemic situation over the last few months.

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

BUSINESS HIGHLIGHTS

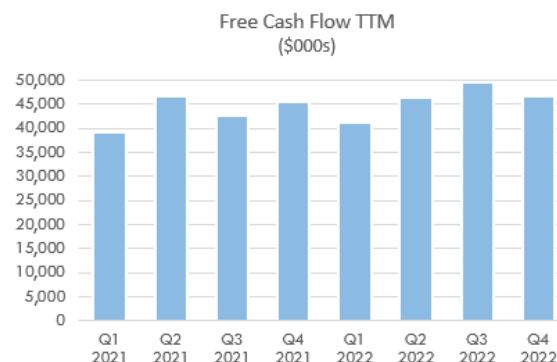
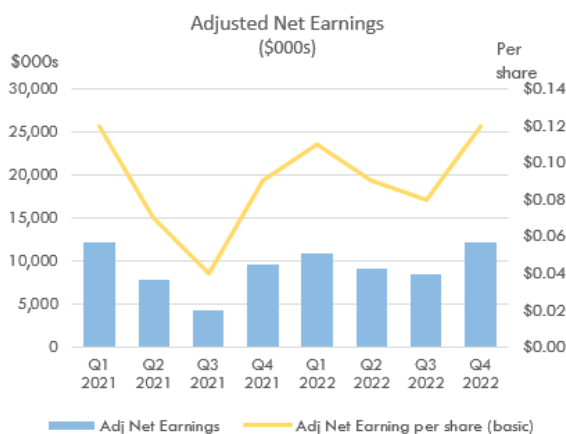
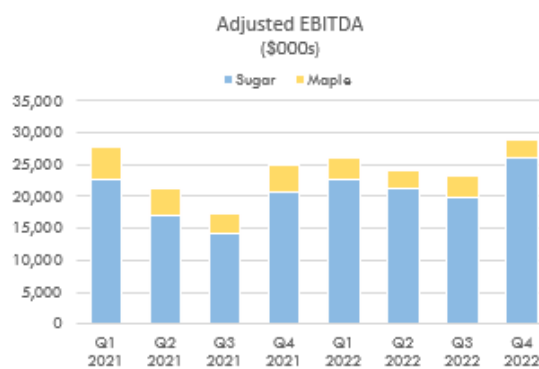
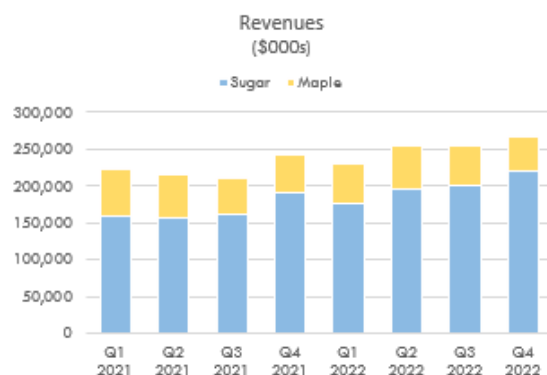
- Consolidated adjusted EBITDA for the fourth quarter of 2022 was \$29.0 million, up \$4.2 million from the same quarter last year, driven by higher adjusted EBITDA in the Sugar segment;
- Consolidated adjusted EBITDA for the 2022 fiscal year was \$102.1 million, up 12.2% from the same period in 2021, and the highest balance recorded in our history. Current year adjusted EBITDA increased as a result of higher adjusted EBITDA in the Sugar segment; partly offset by lower adjusted EBITDA in our Maple segment;
- Consolidated revenues for the 2022 fiscal year amounted to \$1.0 billion, an increase of \$112.2 million from 2021 or 12.6%, largely driven by higher volume and higher selling prices in the Sugar segment;
- Sugar sales volume in the fourth quarter of 2022 was stable in comparison to the same quarter last year, totaling 214,700 metric tonnes.
- For the 2022 fiscal year, sugar sales volume reached the highest level delivered in our history, at 794,600 metric tonnes, representing an increase of almost 2.0% over 2021;
- Adjusted EBITDA in the Sugar segment improved by \$5.5 million in the fourth quarter of fiscal 2022 compared to the same quarter last year due mainly to higher selling prices; partially offset by higher operating costs, administrative and selling expenses and distribution costs;
- Adjusted EBITDA in the Maple segment for the fourth quarter was lower than last year by \$1.4 million largely as a result of lower sales volume and higher operating costs driven by inflationary pressures;
- In the fourth quarter of 2022, we recorded a non-cash impairment charge of \$50.0 million to the goodwill asset associated with our Maple business segment, reflecting the overall market-based deterioration of the conditions of this business segment in 2022;
- Free cash flow for the trailing 12 months ended October 1, 2022 was \$46.8 million, an increase of \$1.2 million from the same period last year;
- In the fourth quarter of fiscal 2022, we distributed \$0.09 per share to our shareholders for a total amount of \$9.4 million;
- On November 30, 2022, the Board of Directors declared a quarterly dividend of \$0.09 per share, payable on or before February 1, 2023; and
- We continue to work on the design and planning stage of our planned expansion project announced in August 2022. The current estimated cost of the project is \$160 million and would increase supply by 100,000 metric tonnes in Eastern Canada within the next two to three years.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) (In thousands of dollars, except volume and per share information)	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Sugar (metric tonnes)	214,672	214,753	794,600	779,505
Maple syrup (000 pounds)	9,838	11,678	47,063	52,255
Total revenues	267,406	243,231	1,006,134	893,931
Gross margin	28,472	39,616	130,805	139,744
Adjustment to cost of sale ⁽¹⁾	(10,669)	8,596	(12,677)	18,933
Adjusted gross margin ⁽¹⁾	39,141	31,020	143,482	120,811
Results from operating activities	(38,345)	26,952	13,313	84,497
Adjusted results from operating activities ⁽¹⁾⁽²⁾	22,324	18,356	75,990	65,564
EBITDA ⁽¹⁾	18,283	33,382	89,461	109,708
Adjusted EBITDA ⁽¹⁾	28,952	24,786	102,138	91,022
Net (loss) earnings	(45,502)	16,140	(16,568)	47,527
per share (basic)	(0.44)	0.16	(0.16)	0.46
per share (diluted)	(0.44)	0.15	(0.16)	0.44
Adjusted net earnings ⁽¹⁾⁽²⁾	12,161	9,620	40,659	33,866
Adjusted net earnings per share (basic) ⁽¹⁾⁽²⁾	0.12	0.09	0.39	0.33
Trailing twelve months free cash flow ⁽¹⁾	46,751	45,505	46,751	45,505
Dividends per share	0.09	0.09	0.36	0.36

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

(2) Adjusted results for operating activities, adjusted net earnings and adjusted net earnings per share (basic) exclude the impact of \$50.0 million related to goodwill impairment



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 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 (loss) 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 consider goodwill impairment as a non-cash non-recurring charge and therefore we exclude this item in our adjusted results in order to avoid distortion in evaluating our financial performance.

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 and goodwill impairment. These adjusted financial results provide a more complete understanding of factors and trends affecting our business. This measurement is a non-GAAP measurement. See “Non-GAAP measures” section.

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

OUR RESULTS ARE ADJUSTED AS FOLLOWS:

Income (loss) (In thousands of dollars)	Q4 2022			Q4 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	(190)	-	(190)	2,879	-	2,879
Foreign exchange forward contracts	(5,339)	(2,384)	(7,723)	(503)	(500)	(1,003)
Total mark-to-market adjustment on derivatives	(5,529)	(2,384)	(7,913)	2,376	(500)	1,876
Cumulative timing differences	(3,037)	281	(2,756)	7,275	(555)	6,720
Total adjustment to costs of sales	(8,566)	(2,103)	(10,669)	9,651	(1,055)	8,596

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	1,325	-	1,325	3,431	-	3,431
Foreign exchange forward contracts	(5,058)	(2,474)	(7,532)	2,904	1,733	4,637
Total mark-to-market adjustment on derivatives	(3,733)	(2,474)	(6,207)	6,335	1,733	8,068
Cumulative timing differences	(6,563)	93	(6,470)	14,471	(3,606)	10,865
Total adjustment to costs of sales	(10,296)	(2,381)	(12,677)	20,806	(1,873)	18,933

Fluctuations in the mark-to-market adjustment on derivatives are due to the price movements in Raw #11 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 three and twelve months periods ended on October 1, 2022, the total cost of sales adjustment is a loss of \$10.7 million and \$12.7 million, respectively to be added to the consolidated results. For comparable periods last year, the total cost of sales adjustment is a gain of \$8.6 million and \$18.9 million, respectively to be deducted from the consolidated results.

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

SEGMENTED INFORMATION

Segmented Results (In thousands of dollars)	Q4 2022			Q4 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Revenues	220,142	47,264	267,406	191,462	51,769	243,231
Gross margin	26,758	1,714	28,472	35,671	3,945	39,616
Administration and selling expenses	9,138	2,411	11,549	6,591	2,084	8,675
Distribution costs	4,958	310	5,268	3,531	458	3,989
Goodwill impairment	-	50,000	50,000	-	-	-
Results from operating activities	12,662	(51,007)	(38,345)	25,549	1,403	26,952
Adjustment to cost of sales ⁽²⁾	8,566	2,103	10,669	(9,651)	1,055	(8,596)
Adjusted Gross margin ⁽¹⁾	35,324	3,817	39,141	26,020	5,000	31,020
Adjusted results from operating activities ⁽¹⁾⁽³⁾	21,228	1,096	22,324	15,898	2,458	18,356
EBITDA ⁽¹⁾	17,609	674	18,283	30,286	3,096	33,382
Adjusted EBITDA ⁽¹⁾	26,175	2,777	28,952	20,634	4,152	24,786
<i>Additional information:</i>						
Additions to property, plant and equipment and intangible assets, net of disposals	11,460	946	12,406	5,394	497	5,891
Increase in asset retirement obligation provision included in property, plant and equipment	-	-	-	100	-	100
Additions to right-of-use assets	113	-	113	5	38	43

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

(2) See "Adjusted results" section

(3) Adjusted results exclude impact of goodwill impairment

Segmented Results (In thousands of dollars)	YTD 2022			YTD 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Revenues	792,200	213,934	1,006,134	668,118	225,813	893,931
Gross margin	115,872	14,933	130,805	121,029	18,715	139,744
Administration and selling expenses	35,733	10,050	45,783	27,793	9,162	36,955
Distribution costs	19,681	2,028	21,709	15,970	2,322	18,292
Goodwill impairment	-	50,000	50,000	-	-	-
Results from operating activities	60,458	(47,145)	13,313	77,266	7,231	84,497
Adjustment to cost of sales ⁽²⁾	10,296	2,381	12,677	(20,806)	1,873	(18,933)
Adjusted Gross margin ⁽¹⁾	126,168	17,314	143,482	100,223	20,588	120,811
Adjusted results from operating activities ⁽¹⁾⁽³⁾	70,754	5,236	75,990	56,460	9,104	65,564
EBITDA ⁽¹⁾	79,838	9,623	89,461	95,446	14,509	109,708
Adjusted EBITDA ⁽¹⁾	90,134	12,004	102,138	74,640	16,382	91,022
<i>Additional information:</i>						
Additions to property, plant and equipment and intangible assets, net of disposals	22,642	1,364	24,006	23,574	1,222	24,796
Increase in asset retirement obligation provision included in property, plant and equipment	100	-	100	3,231	-	3,231
Additions to right-of-use assets	8,842	-	8,842	1,863	861	2,724

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

(2) See "Adjusted results" section

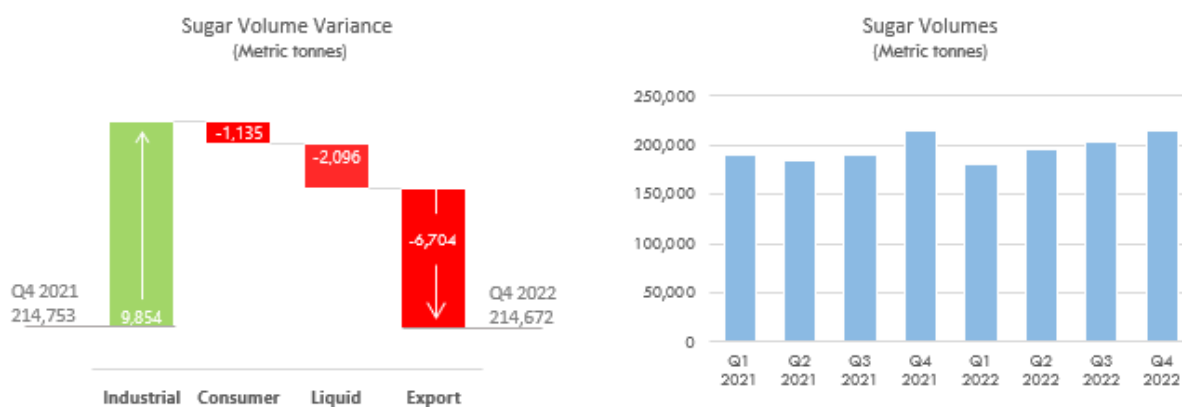
(3) Adjusted results exclude impact of goodwill impairment

Sugar

REVENUES

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)	220,142	191,462	28,680	792,200	668,118	124,082

In the fourth quarter, revenue increased by \$28.7 million, compared to the same period last year. The variance was driven mainly by variation in prices for Raw #11 sugar charged to customers, and improved average pricing for refining related activities.

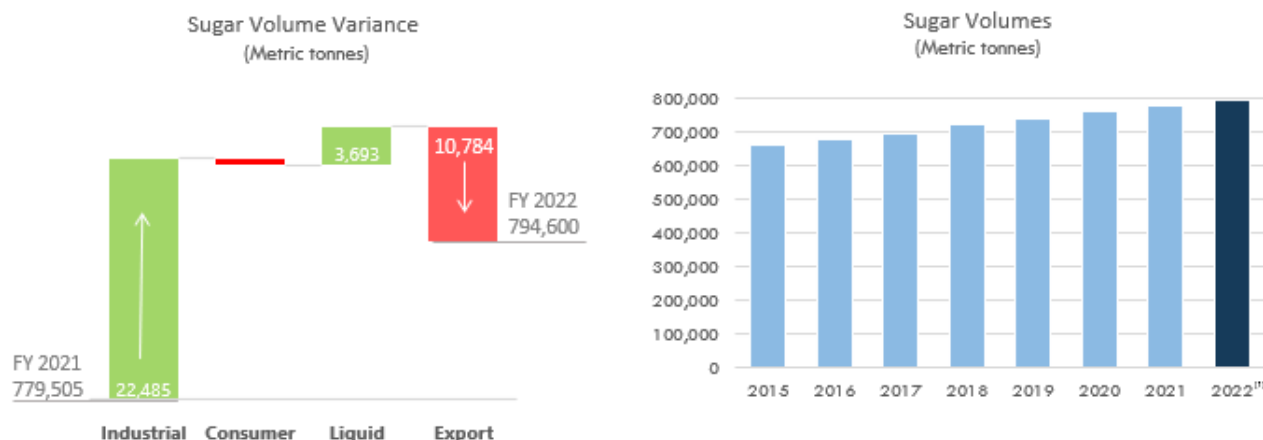


Overall, sugar volume was stable in the fourth quarter of 2022 compared to the same quarter last year, as strong industrial volumes were offset by lower volumes in our customer, liquid and export categories. The distribution of volume between customer categories and the resulting favourable product mix contributed to the increase in revenue in the current quarter.

- Industrial volume increased by 9,854 metric tonnes compared to the same period last year, due partially to an unforeseen peak in demand as a result of temporary tightness in supply in the North American market.
- Consumer volume was slightly lower in the fourth quarter due mainly to timing of orders from customers.
- Liquid volume decreased by 2,096 metric tonnes compared to the same period last year mainly due to timing of liquid sales.
- Export volume decreased by 6,704 metric tonnes compared to the same period last year, as we focused our sales efforts on serving the domestic industrial market, which was experiencing temporary increase in demand.

In the 2022 fiscal year, revenue increased by \$124.1 million compared to last year. The variance was driven mainly by variation in prices for Raw #11 sugar charged to customers, higher sales volume, improved average pricing for refining related activities, and higher by-product sales revenue.

The average prices for Raw #11 sugar increased by US 2.3 cent per pound to US 18.9 cent per pound for the 2022 fiscal year, when compared to the same period last year.



During fiscal year 2022, sugar volume totaled 794,600 metric tonnes, an increase of approximately 2.0% or 15,095 metric tonnes compared to the same period last year.

- Industrial volume increased by 22,485 metric tonnes compared to last year due mainly to higher demand throughout the year and the impact of increased market demand in the fourth quarter.
- Consumer volume remained largely unchanged as delayed orders in the first quarter of the year were recovered in the following three quarters, bringing retail consumer volume back to pre-covid growth levels.
- Liquid volume increased by 3,693 metric tonnes compared to last year as a result of higher demand.
- Export volume decreased by 10,784 metric tonnes compared to last year, as we focussed our sales effort toward serving the domestic industrial market in the second half of 2022.

GROSS MARGIN

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except per metric tonne information)						
Gross margin	26,758	35,671	(8,913)	115,872	121,029	(5,157)
Total adjustment to cost of sales ⁽²⁾	8,566	(9,651)	18,217	10,296	(20,806)	31,102
Adjusted gross margin ⁽¹⁾	35,324	26,020	9,304	126,168	100,223	25,945
Adjusted gross margin per metric tonne ⁽¹⁾	164.55	121.16	43.39	158.78	128.57	30.21
Included in gross margin:						
Depreciation of property, plant and equipment and right-of-use assets	4,300	4,118	182	16,835	15,450	1,385

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

(2) See "Adjusted results" section

Gross margin was \$26.8 million and \$115.9 million for the current quarter and the 2022 fiscal year, and include a loss of \$8.6 million and \$10.3 million, respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was \$35.7 million and \$121.0 million, respectively, with a mark-to-market gain of \$9.7 million and \$20.8 million respectively.

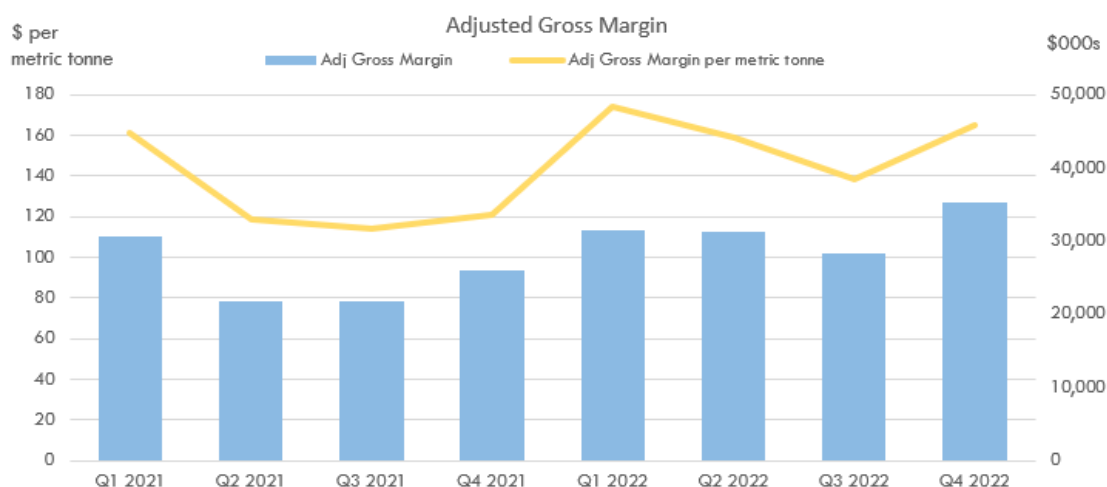
Adjusted gross margin was \$35.3 million and \$126.2 million for the current quarter and for the 2022 fiscal year, respectively, as compared to \$26.0 million and \$100.2 million in the same periods of 2021.

Adjusted gross margin increased by \$9.3 million in the current quarter compared to the same quarter last year mainly as a result of higher sugar sales margin from improved average pricing on sugar refining related activities. This positive variance was partially offset by higher production costs mainly driven by higher labour related costs and market-based inflationary pressures on other operating costs. In addition, by-product contribution was lower by \$0.9 million in comparison to the same period last fiscal year due to timing.

On a per unit basis, adjusted gross margin for the fourth quarter was at \$164.55 per metric tonne, higher than last year by \$43.39 per metric tonne. The favourable variance was mainly due to the increase in overall margin from improved selling prices, partially offset by higher production cost, as compared to last year.

Adjusted gross margin for the fiscal year 2022 was \$25.9 million higher than the comparable period last year, mainly due to higher refining margin of \$29.8 million and higher by-product contribution of \$4.9 million. The favourable variance was partially offset by higher production costs of \$8.8 million, partially due to higher labour related costs and inflationary pressures on other operating costs.

On a per unit basis, for the fiscal 2022, adjusted gross margin amounted to \$158.78 per metric tonne compared to \$128.57 per metric tonne for the same period last year. The favourable variance of \$30.21 per metric tonne was mainly due to higher volume sold to customers, improved average pricing, partially offset by higher production costs.



OTHER EXPENSES

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except per metric tonne information)						
Administration and selling expenses	9,138	6,591	2,547	35,733	27,793	7,940
Distribution costs	4,958	3,531	1,427	19,681	15,970	3,711
<i>Included in Administration and selling expenses:</i>						
Depreciation of property, plant and equipment and right-of-use assets	223	221	2	867	897	(30)
<i>Included in Distribution costs:</i>						
Depreciation of right-of-use assets	424	398	26	1,679	1,833	(154)

In the fourth quarter of fiscal 2022, administration and selling expenses were higher by \$2.5 million compared to the same quarter last year. The variance was mainly due to an increase in compensation related incentives of \$2.5 million, attributable to higher share-based compensation from the higher share price and improved financial performance over 2021. Distribution costs increased by \$1.4 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 2022 fiscal year, administration and selling expenses were \$7.9 million higher than the comparable period last year. The variance was mainly due to an increase in compensation related incentives of \$8.7 million, attributable to higher share-based compensation from the higher share price and improved financial performance over 2021, partially offset by lower COVID-19 costs in comparison to last year. Distribution costs increased by \$3.7 million compared to the 2021 fiscal 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

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Results from operating activities	12,662	25,549	(12,887)	60,458	77,266	(16,808)
Total adjustment to cost of sales ⁽²⁾	8,566	(9,651)	18,217	10,296	(20,806)	31,102
Adjusted results from operating activities ⁽¹⁾	21,228	15,898	5,330	70,754	56,460	14,294
Depreciation of property, plant and equipment, right-of-use assets, and amortization of intangible assets	4,947	4,737	210	19,380	18,180	1,200
EBITDA ⁽¹⁾	17,609	30,286	(12,676)	79,838	95,446	(15,608)
Adjusted EBITDA ⁽¹⁾	26,175	20,635	5,540	90,134	74,640	15,494

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

(2) See "Adjusted results" section

Results from operating activities for the fourth quarter and the 2022 fiscal year were \$12.7 million and \$60.5 million, respectively, a decrease of \$12.9 million and \$16.8 million respectively, as compared to 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 property plant and equipment had a negative impact on the results from operating activities.

Adjusted results from operating activities in the fourth 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 administration and selling expenses. Adjusted results from operating activities for the 2022 fiscal year were \$14.3 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.

EBITDA for the fourth quarter and the 2022 fiscal year were \$17.6 million and \$79.8 million, respectively, a decrease of \$12.7 million and \$15.6 million respectively, as compared to 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.

Adjusted EBITDA for the fourth quarter increased by \$5.5 million compared to the same period last year, largely as a result of higher adjusted gross margin, offset by higher administration and selling expenses as well as higher distribution costs. Adjusted EBITDA for the 2022 fiscal year increased by \$15.5 million largely due to higher adjusted gross margin offset by higher administration and distribution costs, as mentioned above.

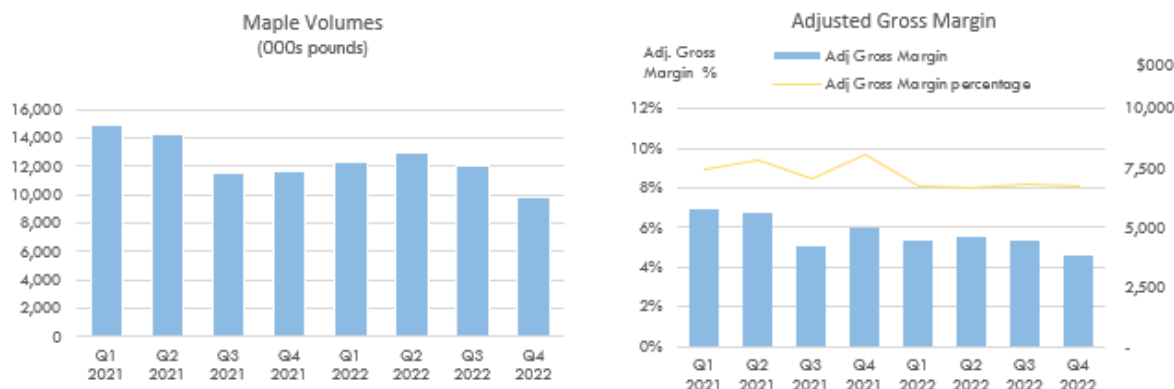
Maple

REVENUES

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except volume)						
Volume (000 pounds)	9,838	11,678	(1,840)	47,063	52,255	(5,192)
Revenues	47,264	51,769	(4,505)	213,934	225,813	(11,879)

Revenues for the fourth quarter were \$4.5 million lower than the same period last year due to lower volume, partially offset by higher average selling price. For the 2022 fiscal year, revenues were \$11.9 million lower than last fiscal year due to lower volume, partially offset by higher average selling price.

Overall volume decreased by 5.2 million lbs or 10.0% in 2022 as compared to 2021. The decrease in volume was mainly attributable to the competitiveness of the market, difficulties encountered in 2022 regarding shipping and logistics on export sales and lower demand from some of our existing retail customers.



GROSS MARGIN

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars, except adjusted gross margin rate information)						
Gross margin	1,714	3,945	(2,231)	14,933	18,715	(3,782)
Total adjustment to cost of sales ⁽¹⁾⁽²⁾	2,103	1,055	1,048	2,381	1,873	508
Adjusted gross margin ⁽¹⁾	3,817	5,000	(1,183)	17,314	20,588	(3,274)
Adjusted gross margin percentage ⁽¹⁾	8.1%	9.7%	(1.6%)	8.1%	9.1%	(1.0%)
Included in Gross margin:						
Depreciation of property, plant and equipment and right-of-use assets	807	821	(14)	3,278	3,543	(265)

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

(2) See "Adjusted results" section

Gross margin was \$1.7 million and \$14.9 million for the three months and twelve months ended in the current fiscal year and includes a loss of \$2.1 million and \$2.4 million respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was \$3.9 million and \$18.7 million, respectively, with a mark-to-market loss of \$1.1 million and \$1.9 million.

Adjusted gross margin for the fourth quarter of fiscal 2022 was lower by \$1.2 million due to lower volume and higher operating costs. Operating costs increased largely as a result of market-based inflationary pressures for packaging, freight and energy expenditures as well as increased compensation cost and employee benefits incurred to attract and retain employees in our production facilities.

Adjusted gross margin for fiscal 2022 was \$3.3 million lower than the prior year, due to lower volume and higher operating costs. Operating cost increased largely as a result of market-based inflationary pressures for packaging, freight and energy expenditures as well as increased compensation cost and employee benefits incurred to attract and retain employees in our production facilities.

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

Adjusted gross margin percentage at 8.1% for the current quarter and the 2022 fiscal year decreased by 160 basis point and 100 basis points respectively, compared to the same periods last year. These variances were mainly attributable to lower volume and to the market-based production cost increases discussed above. Such cost increases were not fully recovered through pricing increases to our customers due to the current high competitiveness of the maple market.

OTHER EXPENSES

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Administration and selling expenses	2,411	2,084	327	10,050	9,162	888
Distribution costs	310	458	(148)	2,028	2,322	(294)
Goodwill impairment	50,000	-	50,000	50,000	-	50,000
Included in Administration and selling expenses: Amortization of intangible assets	874	873	1	3,490	3,488	2

Administration and selling expenses for the last three months and for the twelve months ended in the current fiscal year were \$0.3 million and \$ 0.9 million higher than the comparable periods last year. These variances were largely due to higher compensation related expenses and higher administrative business support costs.

Distribution costs for the fourth quarter and for the 2022 fiscal year were lower by \$0.1 million and \$0.3 million respectively compared to the same period last year, due to lower sales volume.

At the end of fiscal 2022, we performed our annual accounting impairment testing and concluded that the carrying value of the net assets of our Maple business segment exceeded the recoverable amount by \$50.0 million at that point in time. As a result, we recorded a non-cash impairment charge to our goodwill balance of \$50.0 million in the fourth quarter of the current fiscal year. This reduction in goodwill is mainly attributable to the lower-than-expected financial results of the Maple business segment in 2022, caused by unfavorable market dynamics and significant inflationary pressures.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Results from operating activities	(51,007)	1,403	(52,410)	(47,145)	7,231	(54,376)
Total adjustment to cost of sales ⁽¹⁾	2,103	1,055	1,048	2,381	1,873	508
Goodwill impairment	50,000	-	50,000	50,000	-	50,000
Adjusted results from operating activities ⁽¹⁾⁽³⁾	1,096	2,458	(1,362)	5,236	9,104	(3,868)
Non-recurring expenses:						
Other one-time non-recurring items	-	-	-	-	247	(247)
Depreciation and amortization	1,681	1,694	(13)	6,768	7,031	(263)
EBITDA ⁽¹⁾	674	3,097	(2,423)	9,623	14,509	(4,886)
Adjusted EBITDA ⁽¹⁾	2,777	4,152	(1,375)	12,004	16,382	(4,378)

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

(2) See "Adjusted results" section

(3) Adjusted results for operating activities exclude goodwill impairment

Results from operating activities for the fourth quarter and the 2022 fiscal year were a loss of \$51.0 million and \$47.1 million respectively, compared to positive results of \$1.4 million and \$7.2 million in the same periods last year. Excluding the goodwill impairment recorded in the fourth quarter of 2022, results from operating activities for the fourth quarter and the 2022 fiscal year were a loss of \$1.0 million and a positive result of \$2.9 million respectively. 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 \$1.4 million lower than the comparable period last year, due mainly to lower adjusted gross margin.

Adjusted results from operating activities for the 2022 fiscal year was \$3.9 million lower than the comparable period last year, due mainly to lower adjusted gross margin and higher administration and selling expenses, as explained above.

EBITDA for the fourth quarter and the 2022 fiscal year were \$0.7 million and \$9.6 million, respectively, a decrease of \$2.4 million and \$4.9 million respectively, as compared to 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.

Adjusted EBITDA for the current quarter of fiscal 2022 decreased by \$1.4 million, due to lower adjusted gross margin as explained above. Adjusted EBITDA for 2022 fiscal year decreased by \$4.4 million, compared to the same period 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 continue to be our top priority. We will continue to monitor closely the potential impacts related to the COVID-19 pandemic and follow closely public health authority recommendations.

Following a strong performance in 2022, including our highest sugar volume, consolidated revenue and adjusted EBITDA results to date, we expect to deliver a strong, stable financial performance in 2023. The continued strength in sugar demand and pricing is expected to provide stable results, despite ongoing challenges related to supply chain and logistics. We expect our Maple segment to slowly recover during 2023 as the unfavorable inflationary pressures encountered over the last year begin to recede.

Sugar

We expect the sugar segment to perform well in fiscal 2023. Underlying North American demand remains strong across all customer segments supported by favourable market dynamics. Improvements in pricing implemented in 2022 will continue to support our financial results positively, allowing us to mitigate the current impact of inflationary pressures on costs.

We expect sales volume for 2023 to reach 790,000 metric tonnes, representing a reduction of 5,000 metric tonnes as compared to 2022. The slight reduction in volume in 2023 relates to the temporary increase in volumes recorded in the later part of 2022, in connection with a temporary tightness in market supply in North America. We do not expect this tightness to reoccur and anticipate the domestic market to be otherwise stable for 2023. We expect export volumes to decrease as we will prioritize the growing domestic demand. Our current view for volume by customer segment in 2023 is as follows:

- Industrial, our largest segment, is expected to decrease by 3%, although recurring demand for sugar-containing products is expected to remain steady in both Canada and the US.
- Liquid volume is expected to growth by 6% driven by continued demand from existing customers.
- Consumer volume is expected to increase by 2% for 2023, due to higher expected demand
- We anticipate selling 10% less to the export markets in 2023, due to the growing demand of the domestic market. We intend to explore potential supplemental export sales as favourable opportunities arise.

The harvest period for our sugar beet facility in Taber was completed in early November. We have received the expected quantity of beets from the growers. However, unfavourable weather conditions such as hailstorms and warmer temperatures encountered in the later stage of the growing period have reduced the expected sugar content of the sugar beets. We are currently in the processing stage of the 2022 sugar beet campaign. We anticipate completing the processing of the sugar beets received by the end of February. Currently, based on our early assessment, we anticipate the 2022 crop to deliver between 100,00 metric tonnes and 110,000 metric tonnes of beet sugar. This would be lower than the 2021 crop which delivered 120,000 metric tonnes.

Production costs and maintenance programs for our three production facilities are expected to be moderately impacted by the current inflationary market-based pressures, as we continue to focus on cost control initiatives throughout our operations.

Distribution costs are expected to be stable in 2023. These expenditures will continue to reflect the market dynamics requiring the transfer of sugar produced in the West to the East to meet customer demand. We also expect that recent cost increases for logistics and our supply chain will remain. Once our planned expansion project is completed, we plan to optimize our increased national capacity to efficiently service our domestic customer base.

Administration and selling expenses are expected to decrease in 2023 as we do not anticipate the impact of share-based compensation to be as high.

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-year 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.

Spending on regular business capital projects is also expected to be stable for fiscal 2023. We anticipate spending approximately \$25 million on various initiatives, with approximately a quarter allocated to return-on-investment projects. This estimate for capital spending excludes potential expenditures that could be incurred in 2023, regarding the announcement we made in August 2022, about our intention to expand the capacity of our Montreal sugar refinery and Toronto distribution centre.

Maple

The Maple segment financial results were lower than anticipated for 2022. This was due mainly to lower volume and unexpected inflationary pressure on costs for packaging material, freight, and labour, along with global shipping challenges. We expect these financial and operating pressures to remain in the first part of 2023. Despite such challenges and a strong 2022 crop, we expect this business segment to slowly recover and to deliver slightly improved financial performance in 2023 as compared to 2022. The improvement will be driven by expected higher volume from new customers and higher margin from price increases on recently negotiated agreements.

Capital investments have reduced significantly for the Maple segment in recent years. The Maple segment is expected to spend between \$1 million and \$2 million annually on capital projects. The main driver for the Maple segment projects is to improve productivity and profitability through automation.

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

CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION

	Q4 2022	Q4 2021	YTD 2022	YTD 2021
(unaudited)				
(In thousands of dollars, except volume and per share information)				
Sugar (metric tonnes)	214,672	214,753	794,600	779,505
Maple syrup (000 pounds)	9,838	11,678	47,063	52,255
Total revenues	267,406	243,231	1,006,134	893,931
Gross margin	28,472	39,616	130,805	139,744
Adjusted gross margin ⁽¹⁾	39,141	31,020	143,482	120,811
Results from operating activities	(38,345)	26,952	13,313	84,497
Adjusted results from operating activities ⁽¹⁾	22,324	18,356	75,990	65,564
EBITDA ⁽¹⁾	18,283	33,382	89,461	109,708
Adjusted EBITDA ⁽¹⁾	28,952	24,786	102,138	91,022
Net finance costs	5,057	5,015	17,567	19,439
Income tax expense	2,099	5,796	12,314	17,531
Net (loss) earnings	(45,502)	16,140	(16,568)	47,527
per share (basic)	(0.44)	0.16	(0.16)	0.46
per share (diluted)	(0.44)	0.15	(0.16)	0.44
Adjusted net earnings ⁽¹⁾	12,161	9,620	40,659	33,866
per share (basic) ⁽¹⁾	0.12	0.09	0.39	0.33
Dividends per share	0.09	0.09	0.36	0.36

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

Total revenues

Revenues increased by \$24.2 million and \$112.2 million for the fourth quarter and for the 2022 fiscal year, respectively, compared to the same periods last year. The increase in revenue was mainly attributable to higher average pricing, increased 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.

Gross margin

Excluding the mark-to-market of derivative financial instruments, adjusted gross margin for the fourth quarter of the current fiscal year increased by \$8.1 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 Maple segment. For the Sugar segment, the adjusted gross margin per metric tonne for the current quarter and the 2022 fiscal year were higher by \$43.39 per metric tonne and \$30.21 per metric tonne respectively, when compared to the same period last year. For the Maple segment, the adjusted gross margin percentage for the current quarter and the 2022 fiscal year were lower by 1.6% and 1.0%, respectively, when compared to the same period last year.

Results from operating activities

Results from operating activities for the current quarter were a loss of \$38.3 million compared to a positive result of \$27.0 million in the same quarter last year, representing a decrease of \$65.3 million. For fiscal 2022, results from operating activities were \$13.3 million compared to \$84.5 million last year, representing a decrease of \$71.2 million. Adjusted results from operating activities for the current quarter amounted to \$22.3 million compared to \$18.4 million in the same quarter last year, an increase of \$3.9 million.

For fiscal 2022, adjusted results from operating activities were \$76.0 million compared to \$65.6 million, representing an increase of \$10.4 million. The improvement of adjusted results from operating activities in both periods was mainly driven by higher contribution from the Sugar segment during the 2022 fiscal year.

Net finance costs

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Interest expense on convertible unsecured subordinated debentures	2,125	2,182	(57)	8,413	8,423	(10)
Interest on revolving credit facility	1,113	1,173	(60)	5,063	5,843	(780)
Interest on private placement	895	915	(20)	3,595	1,527	2,068
Amortization of deferred financing fees	311	278	34	1,240	1,187	53
Net change in fair value of interest rate swaps	(328)	(160)	(168)	(2,801)	451	(3,252)
Other interest expense	940	627	313	2,057	2,008	49
Net finance costs	5,057	5,015	42	17,567	19,439	(1,872)

For the fourth quarter of 2022, all components of net finance costs were consistent with the same period last year. For the 2022 fiscal year, net finance costs were \$1.9 million lower than last year, largely due to interest rate swaps gain of \$3.2 million, partially offset by the higher interest cost on private placement due to twelve months of interest in fiscal 2022 in comparison to five months of interest in 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

	Q4 2022	Q4 2021	Δ	YTD 2022	YTD 2021	Δ
(In thousands of dollars)						
Current	1,595	6,619	(5,024)	14,275	17,333	(3,058)
Deferred	504	(823)	1,327	(1,961)	198	(2,159)
Income tax expense	2,099	5,796	(3,697)	12,314	17,531	(5,217)

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, excluding the impact from the goodwill impairment, which had no current or deferred tax consequence.

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

Net earnings

Net earnings in the fourth quarter and for the fiscal 2022 were lower by \$61.6 million and \$64.1 million respectively, compared to the same periods last year. Excluding goodwill impairment of \$50.0 million recorded in the fourth quarter of fiscal 2022, net earnings in the fourth quarter and for the fiscal 2022 were lower by \$11.6 million and \$14.1 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 fourth quarter and for the 2022 fiscal year were higher by \$2.5 million and \$6.8 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 consolidated financial statements and non-GAAP measures of the Company for the last eight quarters:

(In thousands of dollars, except for volumes and per share information)	QUARTERS ⁽²⁾							
	2022				2021			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Sugar volumes (MT)	214,672	203,315	196,570	180,043	214,753	190,563	183,749	190,440
Maple products volumes ('000 pounds)	9,838	12,027	12,912	12,286	11,678	11,471	14,214	14,892
Total revenues	267,406	254,632	253,341	230,755	243,231	210,931	215,929	223,840
Gross margin	28,472	24,948	33,899	43,486	39,616	30,064	31,451	38,613
Adjusted gross margin ⁽¹⁾	39,141	32,654	35,887	35,800	31,020	25,932	27,407	36,452
Results from operations	(38,345)	8,822	15,499	27,337	26,952	15,062	19,151	23,332
Adjusted results from operations ⁽¹⁾	22,324	16,528	17,487	19,651	18,356	10,930	15,107	21,171
EBITDA ⁽¹⁾	18,283	15,402	22,029	33,748	33,382	21,346	25,418	29,808
Adjusted EBITDA ⁽¹⁾	28,952	23,108	24,017	26,061	24,786	17,214	21,375	27,647
Net (loss) earnings	(45,502)	3,138	8,570	17,226	16,140	6,836	10,778	13,773
Per share - basic	(0.44)	0.03	0.08	0.17	0.16	0.07	0.10	0.13
Per share - diluted	(0.44)	0.03	0.08	0.15	0.15	0.07	0.10	0.13
Adjusted net earnings ⁽¹⁾	12,161	8,419	9,122	10,957	9,620	4,247	7,751	12,248
Per share - basic	0.12	0.08	0.09	0.11	0.09	0.04	0.07	0.12
Per share - diluted	0.11	0.08	0.09	0.10	0.09	0.04	0.07	0.11
Sugar - Adjusted gross margin rate per MT ⁽¹⁾	164.55	138.68	159.11	174.25	121.16	113.95	118.60	161.18
Maple - Adjusted gross margin percentage ⁽¹⁾	8.1%	8.2%	8.0%	8.1%	9.7%	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

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 product 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 sales product mix, resulting in lower revenues, adjusted gross margins and adjusted net earnings. This trend was different in the fourth quarter of 2022 as negotiated price increases came into effect throughout the year and 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, over the last two years, we have experienced volatility in sales volume partially attributable to the pandemic, the highly competitive market and the global volatility in economic conditions.

Financial condition

(In thousands of dollars)	October 1, 2022	October 2, 2021	October 3, 2020 ⁽¹⁾
Total assets	\$ 937,956	\$ 879,930	\$ 856,059
Total liabilities	646,537	560,972	417,043

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

The increase in total assets of \$58.0 million in the current fiscal quarter compared to the same quarter last year was mainly due to an increase in inventory of \$66.4 million, trade and other receivables of \$24.7 million, and derivatives financial instruments assets of \$18.4 million, partially offset by a goodwill impairment of \$50.0 million and reduction of cash and cash equivalent.

Total liabilities for the current fiscal quarter increased by \$85.6 million compared to the same quarter last year due mainly to an increase in trade and other payables of \$57.5 million, higher outstanding balance under the revolving credit facility of \$26.0 million, higher deferred tax liabilities of \$5.4 million, derivatives financial instruments liabilities of \$5.1 million and higher lease obligations of \$4.7 million. This variance was partially offset by a reduction in the employee benefits liabilities of \$10.8 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 compliance of financial covenants for the year.

	FY 2022	FY 2021
<i>(In thousands of dollars)</i>		
Net cash flow from operating activities	21,552	78,577
Cash flow used in financing activities	(13,554)	(40,158)
Cash flow used in investing activities	(23,730)	(24,678)
Effect of changes in exchange rate on cash	240	(72)
Net increase (decrease) in cash	(15,492)	13,669

Cash flow from operating activities for the current year decreased by \$57.0 million compared to last year, due mainly to a negative non-cash working capital variation of \$31.7 million, lower net earnings adjusted for non-cash items of \$14.0 million and higher interest and income taxes paid of \$11.3 million.

Cash flow used in financing activities decreased by \$26.6 million for the current year compared to last year due mainly to an increase in borrowings from the revolving credit facility and by the cash received from the issuance of shares related to stock options that have been exercised in fiscal 2022.

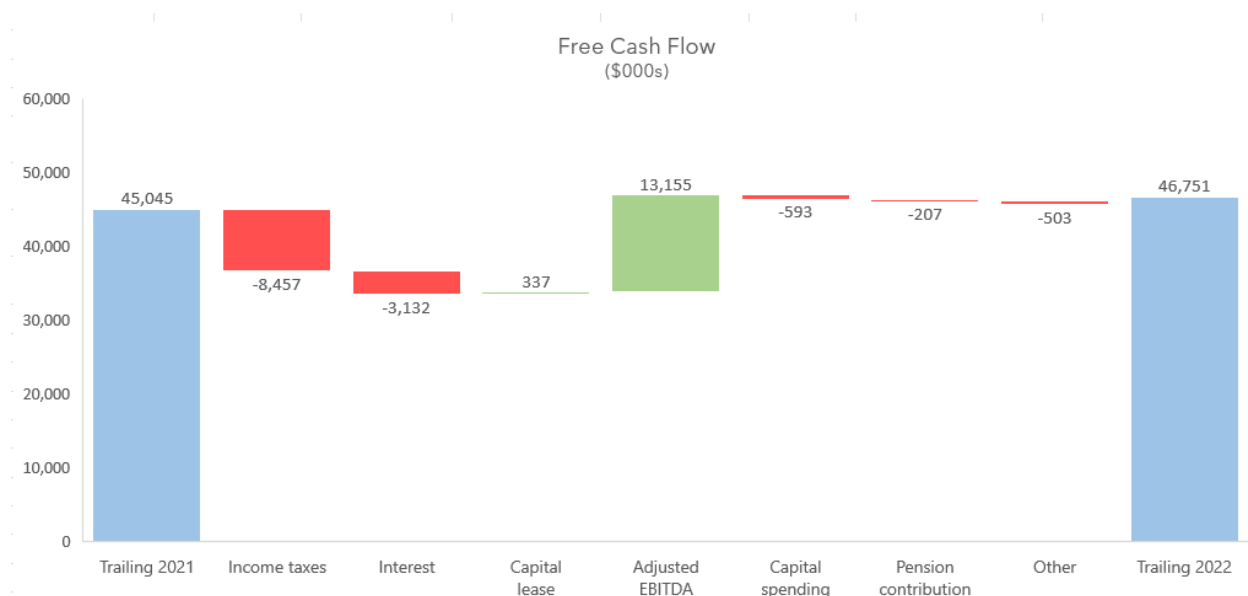
The cash outflow used in investing activities decreased by \$0.9 million in the current year compared to last year due mainly to the timing of capital expenditures.

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

FREE CASH FLOW

	Trailing twelve months	
<i>(In thousands of dollars)</i>	2022	2021
Cash flow from operations	21,552	78,577
Adjustments:		
Changes in non-cash working capital	42,927	11,471
Mark-to-market and derivative timing adjustments	9,876	(18,482)
Financial instruments non-cash amount	(4,030)	(3,203)
Capital expenditures and intangible assets	(23,730)	(24,678)
Value added capital expenditures	5,306	6,847
Payment of leases obligation	(5,150)	(5,487)
Free cash flow ⁽¹⁾	46,751	45,045
Declared dividends	37,500	37,300

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



Free cash flow for the trailing twelve months ending October 1, 2022 amounted to \$46.8 million, representing an increase of \$1.7 million compared to the same period last year. This increase in free cash flow was mainly due to higher adjusted EBITDA of \$13.2 million, excluding non-cash items related to future pension liabilities included in the Montréal collective agreement and senior management compensation related to higher shared-based compensation from the higher share price and improved financial performance over 2021. This favourable variance was partially offset by higher income taxes paid of \$8.5 million and higher interest paid of \$3.1 million.

Capital and intangible assets expenditures, net of value-added capital expenditures, increased by \$0.6 million compared to last year's rolling twelve months due mainly to higher expenditures incurred in 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 and financial instruments non-cash amount of \$5.8 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

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

	Total	Under 1 year	1 to 3 years	4 to 5 years	After 5 years
(In thousands of dollars)					
Revolving credit facility	126,000	26,000	-	100,000	-
Senior Guaranteed Notes	100,000	-	-	-	100,000
Interest on convertible debentures	19,206	7,506	11,700	-	-
Interest based on swaps	6,268	2,889	3,379	-	-
Interest on Senior Guaranteed Notes	29,955	3,490	6,980	3,490	15,995
Lease obligations	27,927	4,969	9,409	4,704	8,845
Purchase obligations	73,306	73,306	-	-	-
	382,662	118,160	31,468	108,194	124,840
Sugar purchase obligations ('000 MT)	585	585	-	-	-
Maple purchase obligations ('000 pounds)	1,200	1,200	-	-	-

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

Lantic has a revolving credit facility to support its financial and operational needs. The revolving credit facility is syndicated with four Canadian chartered banks and includes an accordion feature allowing for the borrowing of up to \$400 million. This agreement has been amended and extended from time to time. The revolving credit facility is subject to covenants and is secured by the assets of Lantic and TMTC. As of October 1, 2022, the approved amount available for borrowing was \$200 million, of which \$126 million was drawn.

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

As at October 1, 2022, Lantic was in compliance with all the covenants under its revolving credit facility and its private placement and a total of \$590.6 million have been pledged as security, compared to \$498.5 million as at October 2, 2021 including trade receivables, inventories and property, plant and equipment.

In order to fix the interest rate on a substantial portion of the expected drawdown of the revolving credit facility, we enter into interest rate swap agreements. The following table provides the outstanding swap agreements as at October 1, 2022 as well as their respective value, interest rate and time period:

Fiscal year contracted	Date	Total Value
(In thousands of dollars)		
Fiscal 2019	March 12, 2019 to June 28, 2024 – 2.08%	20,000
Fiscal 2019	June 28, 2022 to June 28, 2024 – 2.17%	80,000
Fiscal 2020	October 3, 2019 to June 28, 2024 – 1.68%	20,000
Fiscal 2020	February 24, 2020 to June 28, 2025 – 1.60%	20,000
Fiscal 2020	June 28, 2021 to June 28, 2023 – 1.08%	10,000
Fiscal 2020	June 28, 2024 to June 28, 2025 – 1.18%	80,000
Total outstanding value as at October 1, 2022		230,000

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

Purchase obligations represent all open purchase orders as at year-end along with an amount of approximately \$43.5 million for sugar beets that will be harvested and processed in fiscal 2023. However, it excludes any raw sugar priced against futures contracts.

The purchase obligation regarding the sugar beets represents our best estimate of the amount expected to be payable in fiscal 2023 as of the date of this MD&A.

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

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

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

We have hedged the majority of our exposure to raw sugar price risk movement through to September 2024.

At October 1, 2022, we had a net short sugar position of \$1.5 million in net contract amounts with a current net contract value of \$2.0 million. This short position represents the offset of a larger volume of sugar priced with customers than purchases priced from suppliers.

We use forwards contracts and commodity swaps to help manage our natural gas costs. At October 1, 2022, we had \$34.6 million in natural gas derivatives, with a current contract value of \$56.3 million.

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

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

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

At October 1, 2022, we had a net short position of \$138.0 million in foreign currency forward contracts with a current contract value of \$145.4 million, representing an unrealized loss of \$7.4 million.

As part of our normal business practice, we also enter into multi-year supply agreements with raw sugar processors for raw cane sugar. Contract terms will state the quantity and estimated delivery schedule of raw sugar. The price is determined at specified periods of time before such raw sugar is delivered based upon the value of Raw #11 as traded on the ICE world raw sugar market. At October 1, 2022, we had commitments to purchase a total of 585,000 metric tonnes of raw sugar, of which approximately 374,479 metric tonnes had been priced, for a total dollar commitment of \$224.2 million.

TMTC has \$2.4 million remaining to pay related to an agreement to purchase approximately 1.2 million pounds of maple syrup from the PPAQ.

We have no other off-balance sheet arrangements.

Capital resources

As at October 1, 2022, Lantic had a total of \$200.0 million of available working capital from its revolving credit facility, from which it can borrow at prime rate, LIBOR rate or under bankers' acceptances, plus 20 to 250 basis points, based on achieving certain financial ratios. As at October 1, 2022, a total of \$590.6 million of assets have been pledged as security for the revolving credit facility, compared to \$498.5 million as at October 2, 2021; including trade receivables, inventories and property, plant and equipment.

As at October 1, 2022, \$126.0 million had been drawn from the working capital facility and \$9.5 million in cash was also available.

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

Future commitments of approximately \$13.6 million have been approved for completing capital expenditures presently in progress.

We also have funding obligations related to our employee future benefit plans, which include defined benefit pension plans. As at October 1, 2022, all of our registered defined benefit pension plans were in a deficit position, except our Taber defined benefit pension plan which was in a net asset position at the end of fiscal 2022. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2019, and the next required valuation will be as of December 31, 2022. We monitor our pension plan assets closely and follow strict guidelines to ensure that pension fund investment portfolios are diversified in line with industry best practices. Nonetheless, pension fund assets are not immune to market fluctuations and, as a result, we may be required to make additional cash contributions in the future. In fiscal 2022, cash contributions to defined benefit pension plans decreased by approximately \$0.1 million to \$4.2 million. In total, we expect to incur cash contributions of approximately \$3.8 million for fiscal 2023 relating to employee defined benefit pension plans. For more information regarding our employee benefits and related assets and liabilities, please refer to Note 20 of the audited consolidated financial statements.

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

OUTSTANDING SECURITIES

A total of 104,372,045 shares were outstanding as at October 1, 2022 and November 30, 2022, respectively (103,686,923 as at October 2, 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. No shares have been purchased under the 2020 NCIB.

During fiscal 2022, the total amount outstanding under the Sixth and Seventh series debentures was \$57.4 million and \$97.6 million respectively. No conversion has been done during the current fiscal year and last fiscal year.

We currently have a share option plan that was established in 2011 and amended in 2021. Under this plan, we have set aside 6,000,000 common shares to be granted to key personnel. As at October 1, 2022, a total of 3,888,561 options had been granted, of which 3,123,439 were outstanding, at exercise prices ranging between \$4.28 per share and \$6.51 per share. These share options are exercisable to a maximum of twenty percent per year, starting after the first anniversary date of the granting of the options and will expire after a term of ten years.

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

Grant Date	PSUs	Additional PSUs ⁽¹⁾	Total PSUs	Performance Cycle
December 2, 2019	324,932	64,320	389,252	2020-2022
December 7, 2020	491,412	55,641	547,053	2021-2023
December 6, 2021	386,709	17,316	404,025	2022-2024

(1) Additional PSUs refer to aggregate of PSUs that were allocated from the dividend earned during the quarters since inception.

The PSUs were granted to executives and other key management employees and will vest at the end of the Performance Cycle based on the achievement of total shareholder returns set by the Human Resources and Compensation Committee ("HRCC") and the Board of Directors of the company. If the level of achievement of total shareholder returns is within the specified range, the value to be paid-out to each participant will be equal to the result of: the number of PSUs granted to the participant which have vested, multiplied by the volume weighted average closing price of the Common Shares on the Toronto Stock Exchange (the "TSX") for the five trading days immediately preceding the day on which the company shall pay the value to the participant under the PSU Plan. If the level of achievement of total shareholder returns is below the minimum threshold, the PSU will be forfeited without any payments made.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

The Board of Directors has appointed an ESG Committee comprised of five independent directors. The ESG Committee meets regularly and is responsible to oversee and advise the Board of Directors regarding the following areas:

- appointment to the Board of Directors of RSI and the board of directors of Lantic
- appointments to Board and Board Committees
- effective governance principles, including the evaluation of the effectiveness of Board and Board Committees
- skills of Directors
- initiatives, risks, and opportunities in respect to the Corporation's ESG strategy
- governance related to corporate policies.

Our governance and business management systems are design to monitor compliance with relevant environmental regulatory standards. We comply, in all material respects, with environmental laws and regulations and we maintain an open dialogue with regulators and the different levels of government, with respect to awareness and adoption of new environmental standards. The economic and reputational importance of energy and natural resources in our business is managed with a continuous improvement mindset, which includes the review of new available technologies and business practices that minimize our environmental footprint and in parallel, when possible, strengthen our financial position. We have made significant commitments over the past few years to leverage new technologies and process improvements to recover waste energy, improve energy efficiency and lower energy intensity.

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

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

We are engaged socially and promotes core values aligned with environmental stewardship, respect, diversity, and equity. We promote a workplace that focuses on workplace safety, empowerment, leadership, accountability, and recognition.

The Board of Directors has overall responsibility for monitoring, evaluating, and contributing to the strategic and operational direction of the business. This includes establishing a governance framework to support the business and meet all the applicable regulatory and legal requirements.

In 2022, we established an ESG team within our management group to support our ESG strategy. We also published our second ESG report, which highlights our sustainability efforts in areas such as energy use, air emissions, water usage, as well as responsible sourcing of raw sugar. We built on the inaugural ESG report filed in 2021 and included more information around our sustainability program and our efforts to improve workplace safety and diversity. These reports can be accessed on SEDAR or on our website at www.Lanticrogers.com.

RISK AND UNCERTAINTIES

We are committed to proactive risk governance and oversight practices. The Board of Directors is responsible for reviewing and assessing material risks associated with the business. The governance process ensures that we implement systems that effectively identify, manage, and monitor the principal risks associated with both of our business segments, to mitigate or reduce potential negative impacts. Management provides periodic updates to the Board of Directors on the risks and the related mitigation strategies and activities. Responsibility for risk management is shared across the organization and is an integral part of our management reporting system.

We maintain policies and a Code of Business Conduct (the “Code”), applicable to all directors, officers, and employees, as well as consultants and contractors. Such documents are reviewed at least annually by the Board of Directors. These policies and the Code aim to promote sound risk management throughout the organization, delegate appropriate authority among officers and set limits for authorizations required to approve and execute certain business transactions. On November 30, 2022, the Board of Directors approved a revised Code. The revised Code clearly states that all employees are expected to review regularly and abide by the Code. It provides clear guidelines to support the Whistleblowing policy and related reporting process. The Code addresses specifically the measures put forward to prevent corruption, anti-competitive practices, and unethical behaviors. It also includes clear directions to govern relationships with customers, suppliers, and other stakeholders. The Code is available on our website at www.lanticrogers.com or under Rogers’ profile on SEDAR at www.sedar.com.

Our business and operations are substantially affected by many factors and as such, are exposed to various risks and uncertainties. We have outlined below the risks and uncertainties that we believe are currently material. There may also exist additional risks and uncertainties that are not currently known to us or that are not considered material at this time. Those risks could have a material adverse effect on our business, operation, financial conditions, and results.

Dependence Upon Lantic

Rogers is entirely dependent upon the operations and assets of Lantic through its ownership of securities of this company. Accordingly, interest payments to debenture holders and dividends to shareholders are dependent upon the ability of Lantic and/or TMTC to pay its interest obligations under the subordinated notes and to declare and pay dividends on or return capital in respect of the common shares. The terms of Lantic’s bank and other indebtedness restricts its ability to pay dividends and make other distributions on its shares or make payments of principal or interest on subordinated debt, including debt which may be held, directly or indirectly,

by Rogers, in certain circumstances. In addition, Lantic may defer payment of interest on the subordinated notes at any given time for a period of up to 18 months.

No Assurance of Future Performance

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

Changes in General Economic Conditions

Changes in general economic conditions could have a material effect on the profitability of both of our business segments and on the assessment of the value of our assets, affecting our ability to execute our business strategy. The current inflationary pressures are increasing operating costs and there is no assurance that we will be able to recover the extent of such costs with timely commensurate increases in price to our customers.

The recent changes in general economic conditions and the potential for further worsening of the global economy could impact the performance, and the financial results and conditions of Rogers.

Government Regulations and Foreign Trade Policies with regard to the Sugar Segment

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

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

Following the CITT’s review, the Canadian Border Services Agency (“CBSA”) concluded a re-investigation in March 2022 to update the levels of duty protection applicable to dumped sugar from the US, Denmark, Germany, the Netherlands, and the UK and subsidized sugar from the 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.

The duties on imports of US, EU, and UK refined sugar are important to Lantic and to the Canadian refined sugar industry in general because they protect the market from the adverse effects of unfairly traded imports from these sources. The government support and trade distorting attributes of the US and EU sugar regimes continue to generate surplus refined sugar production and exports that threaten the Canadian sugar market.

Although the recent ruling is for a period of five years, it could be challenged by market participants for review if there is a material change in market conditions. If the duties were to be eliminated or significantly reduced in the future, there could be a material financial impact to Lantic and other members of the Canadian refined sugar industry.

Supply of Raw Cane Sugar

There are over 180 million metric tonnes of sugar produced worldwide. Of this, more than 55 million metric tonnes of sugar are traded on the world market. Lantic, through its cane refining plants, buys approximately 0.7 million metric tonnes of raw sugar per year. Even though worldwide raw sugar supply is much larger than Lantic’s yearly requirements, concentration of supply in certain countries like Brazil, combined with an increase in cane refining operations in certain countries, may create tightness in raw sugar availability at certain times of the year. To prevent any raw sugar supply shortage, Lantic normally enters into long-term supply contracts with reputable suppliers. For raw sugar supply not under contract, significant premiums may be paid on the purchase of raw sugar on a nearby basis, which may have a material impact on our performance, and financial results and conditions.

Supply and Quality of Sugar Beets in Alberta

The availability of sugar beets to be processed in Taber, Alberta is dependent on a supply contract with the Growers, and on the Growers planting the necessary acreage every year. In the event that sufficient acreage is not planted in a certain year, or that Lantic and the Growers cannot agree on a supply contract, sugar beets might not be available for processing, thus requiring transfer of products from Lantic’s cane refineries to the Prairie market, normally supplied by Taber. This would increase Lantic’s distribution costs and may have a material impact on our performance, and financial results and conditions.

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

Raw #11 Price and Foreign Exchange Risk for Sugar Segment

The price of raw sugar cane purchase for the Montréal and Vancouver refineries are based on the Raw #11 sugar market traded on the ICE. The price of refined sugar sold to customers is also based on the Raw #11 sugar market. All purchase of raw cane sugar and sales of refined sugar are economically hedged with financial instruments such as future contracts to mitigate risk, thus eliminating the impact of volatility in Raw #11 sugar price.

These purchases of raw cane sugar and sales of refined sugar are denominated in US dollars and could potentially expose us to fluctuation in the value of the Canadian dollar. Our strategy is to hedge the foreign exchange exposure of these transactions using available financial instruments, such as future contracts, to eliminate the impact of volatility.

There can be no assurance that we will be able to continue to mitigate efficiently this exposure to Raw #11 price and related foreign exchange risk in the future. If effective financial instruments were not available to mitigate such exposures, there could be material impacts on our performance, and financial results and conditions.

Competition in the Sugar Segment

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

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

Price of Natural Gas

Natural gas represents an important cost in our refining operations. Our three sugar refineries consume natural gas in their refining process. The Taber beet factory production also includes agricultural processing and as a result, uses more energy in its operations than the cane facilities in Vancouver and Montréal, principally from the need to heat the sliced sugar beets, to evaporate water from juices containing sugar, and to dry wet beet pulp. Our Maple segment bottling plants also use natural gas in their process although to a lower extent.

Changes in the costs and sources of energy may affect the financial results of Lantic's operations. In addition, all natural gas purchased is priced in US dollars. Therefore, fluctuations in the Canadian/US dollar exchange rate will also impact the cost of energy. Lantic hedges a portion of its natural gas price exposure through the use of natural gas contracts to lessen the impact of fluctuations in the price of natural gas. Provincial application of some form of carbon tax has been increasingly important across Canada and for some provinces with a carbon tax, rates have been increasing, which could increase the overall energy costs for Lantic.

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

Producers of maple syrup in Québec are required to operate within the framework provided for by the Marketing Act, which empowers the PPAQ to manage the production and marketing of Maple syrup in Quebec. As part of its regulating and organizing functions, the PPAQ is responsible for establishing and managing a governance framework aimed at maintaining supply to the market and fair prices for all producers for bulk maple syrup sold in container of five litres or more. This includes managing production surpluses and their storage to stabilize the pricing of maple syrup.

Bulk maple syrup may be sold to the PPAQ or to authorized buyers accredited by the PPAQ. In Québec, nearly 90% of the total production of maple syrup is sold to the PPAQ or the authorized buyers, leaving only approximately 10% of the total production being sold directly by the producers to consumers or grocery stores. TMTC is an authorized buyer with the PPAQ. The authorized buyer status is renewed on an annual basis. There is no certainty that TMTC will be able to maintain its status as an authorized buyer with the PPAQ. Failure by TMTC to remain an authorized buyer with the PPAQ would affect our capacity to supply our bottling facilities and therefore would impact materially our performance, and financial results and conditions.

The PPAQ, in its capacity as bargaining and sales agent for the producers of maple syrup in Québec sets the minimum purchase price for Maple syrup for the authorized buyers. The PPAQ sets price based on market intelligence, available supply and expected demand. If the PPAQ increases the price of maple syrup significantly, there could be no assurance that TMTC will be able to recover such increase from its customers and therefore this could impact materially the performance, and financial results and condition of Rogers.

Pursuant to the PPAQ rules and regulations, authorized buyers must commit to buying Maple syrup in barrels corresponding to their anticipated sales volume. The anticipated volume must be realistic and in line with volumes purchased in previous years. The refusal

from the PPAQ to accept our anticipated volume or failure by us to properly estimate the anticipated volume for a given year may affect our ability to increase our production capacity and therefore this could impact materially the performance, and financial results and condition of Rogers.

Supply of Maple Syrup

The PPAQ set up a strategic maple syrup reserve to mitigate production fluctuations caused by weather conditions and prevent such fluctuations from causing maple syrup prices to spike or drop significantly. The PPAQ objective is to have in reserve the equivalent to half of year of production. The reserves fluctuate yearly based on the size of the crop. Each year, the PPAQ may organize a sale of a portion of its accumulated reserve. There can be no assurance that TMTC will have access to some of such reserve to offset decreases in production due to weather conditions or that such reserve will be sufficient to cover a gap in the production in any given year. Any decrease in production or incapacity to purchase additional reserves from the PPAQ may affect TMTC's supply of its sales of maple syrup and other Maple products and, ultimately, its financial results and conditions.

Maple Segment Relying Substantially on Exports

The size of the global market for maple syrup is currently estimated at \$1.4 billion, the US being by far the world's largest importer, followed by Japan and Germany. Despite the increase of sales of maple products that the Canadian market has experienced in recent years, the industry largely relies on the international market. Over the last few years, New York, Vermont and Maine have increased their production of maple syrup and have now become competitors of Québec, which however remains the largest producer and exporter of maple syrup in the world.

While we continue to develop our selling efforts outside of Canada, including increasing our sales efforts in countries where the maple syrup market is developing, we are facing high competition from other bottlers and distributors, including from other Canadian and US companies, for our share of the international market.

Our Maple segment international operations are also subject to inherent risks, including change in the free flow of food products between countries, fluctuations in currency values, discriminatory fiscal policies, unexpected changes in local regulations and laws and the uncertainty of enforcement of remedies in foreign jurisdictions. Such jurisdictions could impose tariffs, quotas, trade barriers and other similar restrictions on our international sales and subsidize competing agricultural products.

All of these risks could result in increased costs or decreased revenues, either of which could materially adversely affect our financial conditions and results of operations.

Competition in the Maple Segment

Our Maple segment is the largest branded and private label maple syrup bottling and distributing company in the world. We have five major competitors located in Canada and US and also compete against a multitude of US bottlers and distributing companies.

A large majority of our Maple segment revenues are made under the private label line. We anticipate that for a foreseeable future, the relationship with our top private label customers will continue to be key and will continue to have a material impact on our sales. Although we consider the relationship with our top private label customers to be excellent, the loss of, or a decrease in the amount of business from, such customers, or any default in payment on their part could significantly reduce our sales and negatively impact the performance and, financial results and conditions of Rogers.

Foreign Exchange Exposure in the Maple Segment

A significant portion of sales of maple syrup are exports and are denominated in US dollars, in Euros or in Australian dollars. Fluctuations in the value of the Canadian dollar impacts the profitability of these sales. In order to mitigate against the movement of the Canadian dollar versus the US dollar, Euro or Australian dollar, we enter into foreign exchange hedging contracts with certain customers to mitigate the currency risk.

There is no assurance that we will be able to continue to mitigate efficiently this exposure to foreign exchange risk in the future. If effective financial instruments were not available to mitigate such risk, there could be a material impact for our performance, and financial results and conditions.

Cybersecurity

RSI faces various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to render data or systems unusable, or otherwise affect our ability to operate. Our business operations are dependent on various information technology systems. A cyber intrusion, such as, and not limited to, unauthorized access, confidential information leak (or identity theft), malicious software or other violations on systems that control our production operations and financial management could severely disrupt or otherwise affect our business. Such attacks on our data information systems and the inability to recover promptly could impact individuals, business partners, our operation capabilities, generate unexpected expenses impacting profitability, damage our reputation and result in additional liabilities.

We seek to manage cybersecurity risk by continuing to invest in appropriate information technology systems, infrastructure, and security, including disaster plans, reviewing our existing technologies, processes and practices on a regular basis and ensuring employees understand and are aware of their role in protecting the integrity of our technological security and information. We rely on third party products and services to assist us in protecting our information technology infrastructure and our proprietary and

confidential information. We seek to be proactive in the area of cybersecurity and consequently anticipate that we will continue to incur expenses in relation to these increasingly complex threats and risks.

The security measures put in place by Rogers in that regard cannot provide absolute security, and our information technology infrastructure may be vulnerable to cyberattacks in the future. The impacts of such attack may subject our operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could materially and adversely affect our operations, performance, and financial results and conditions.

Pandemics, Epidemics or Other Public Health Emergencies

Our business, results of operations, financial conditions, cash flows and stock price can be adversely affected by pandemics, epidemics, or other public health emergencies, such as the COVID-19 pandemic. Such events could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline, impacting economic activity through disruption in supply and delivery chains.

In March 2020, the World Health Organization characterized COVID-19 as a pandemic. The COVID-19 pandemic has resulted in governments around the world implementing stringent measures to help control the virus. Over the past few months, the level of criticality of the COVID-19 pandemic has decreased and many governments have eased their respective restrictions on individuals and businesses. There could be no assurance that the recent decrease in restrictive measures will continue. Should COVID-19 virus outbreaks reappear and become more widespread, such measures might be imposed again by governments and lead to further business disruption.

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

All of our facilities continue to operate as expected and preventive measures remain in place in accordance with our emergency response plan and applicable local government directives. We continue to actively monitor the situation, which remains uncertain, and may take further actions as required or recommended by authorities.

Food Safety and Consumer Health

Our Sugar and Maple business segments are subject to risks that affect the food industry in general, including risks posed by accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. We actively manage these risks by maintaining strict and rigorous controls and processes in our manufacturing facilities and distribution systems.

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

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

Health, Safety and Environmental Risks

Our operations carry inherent risk of liability related to employee's health and safety and the environment, including the risk of government-imposed orders to remedy unsafe conditions or address potential environmental issues. Compliance with current and future health, safety and environmental laws remains material for our business to operate efficiently. We have incurred and will continue to incur expenditures to comply with related federal, provincial and municipal regulations to manage our potential liability exposure.

We believe RSI and its subsidiaries are currently in compliance, in all material respects, with health, safety and environmental laws and regulations. This includes environmental regulations relating to the treatment and disposal of wastewater and cooling water, air emissions, contamination, and spills of substances. However, these regulations have become progressively more stringent, and we anticipate this trend will continue, potentially resulting in incremental compliance expenditures. Violation of these regulations can result in fines or other penalties, which in certain circumstances can include clean-up costs. Consequently, no assurance can be given that additional health, safety and environmental issues relating to currently known and unknown matters will not require expenditures in the future, or result in fines, penalties or other consequences material to our business and operations and potentially impacting our performance, financial results and conditions.

Global Climate Change

Global climate change, including the impacts of global warming and sudden change in weather conditions causing extreme weather events, represents a risk that could adversely affect both of our business segments. This risk has increased in recent years as average temperatures are rising and extreme weather events are more frequent.

The production of refined sugar for our Sugar segment is based on the availability of raw cane sugar and sugar beets. Extreme weather events create a risk of damage for the annual crops of sugar cane and sugar beet. The size and quality of the crops are directly impacted by weather conditions. The adverse effect of global climate change could result in supply disruption and or significant increase in purchase price for our Sugar segment.

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

These risks associated with global climate change could result in lower sales, increased costs and market disruptions, which could materially adversely affect our performance, and financial results and conditions.

Employee Relations with Unionized Employees

The majority of our operations are unionized, and agreements are currently in place in each unionized facility. During fiscal 2022, we signed a new collective agreement with the union at our Taber facility. The agreement was renewed in April 2022 at competitive rates for a period of five years. The collective agreement of our Vancouver cane refinery is expiring in February 2023. We are anticipating beginning the negotiation of a new agreement shortly with the local union.

We have contingency plans in place to mitigate the potential impact of labour disruptions at our facilities. However, such potential disruptions in future years could restrict our ability to service our customers in the affected regions, consequently affecting our performance and, financial results and conditions.

Ability to Retain Officers and Key Employees or to Attract New Talent

The officers and other key employees of Rogers, Lantic and TMTc play a significant role in our success. Our future performance and growth depend to a significant extent on the abilities, experience, and efforts of our management team. Our ability to retain our management team or to attract suitable replacements should key members of the management team leave is dependant on the competitive nature of the employment market.

The loss of services from key members of the management team or a limitation in their availability could adversely impact the performance, financial results, and condition of Rogers. Further, such a loss could be negatively perceived in the capital markets. Our success depends largely upon our continuing ability to attract, develop, and retain skilled employees to meet the needs of the business.

Recently Announced Expansion Project

The completion of our recently announced plant expansion project is subject to several conditions, certain of which are outside of the control of Lantic.

The detailed engineering studies and related plans for the project have not yet been completed. Until such time as such studies and plans are finalized, the expected cost of the project of \$160 million remains subject to change. In addition, in order to begin the project, Lantic will need to amend existing credit facilities and potentially enter into additional financing agreements in order to finance the construction stage. Our ability to secure the overall financing for the project is related to several factors, including market demand for refined sugar, the final cost estimation for the project and the borrowing conditions of the financial market.

There can be no assurance that the expansion project will be completed, or that it will be completed in the expected timeframe of two to three years, providing the expected incremental volume at the expected cost. Failure by Lantic to complete the expansion project under the expected conditions could have a material impact on the performance, and financial results and conditions of Rogers.

Interest Rate Fluctuations

We use our revolving credit facility to finance our day-to-day operations. We face interest rate risks in respect to the floating rate nature of our revolving short term credit facility. We are mitigating the risk of volatility in short term interest rate by hedging our exposure using interest rate swap agreements. There is no assurance that effective interest rate swap agreements will be available to mitigate such risk in the future.

Income Tax Matters

The income of Rogers and its subsidiaries must be computed and is taxed in accordance with Canadian and US tax laws, all of which may be changed in a manner that could adversely affect the ability to pay dividends in the future. There can be no assurance that

taxation authorities will accept the tax positions adopted including the determination of the amounts of taxable income, which could materially adversely affect dividends.

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

Management and Operation of Lantic

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

NON-GAAP MEASURES

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

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

The following is a description of the non-GAAP measures we used 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.
- Adjusted results from operating activities are defined as results from operating activities adjusted for the adjustment to cost of sales and goodwill impairment.
- EBITDA is defined as earnings before interest, taxes, depreciation, amortization and goodwill impairment.
- Adjusted EBITDA is defined as adjusted results from operating activities adjusted to add back depreciation and amortization expenses.
- Adjusted net earnings is defined as net earnings adjusted for the adjustment to cost of sales, goodwill impairment and the income tax impact on these adjustments.
- 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, financial instruments non-cash amount, goodwill impairment 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 our 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

Consolidated results (In thousands of dollars)	Q4 2022			Q4 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Gross margin	26,758	1,714	28,472	35,671	3,945	39,616
Total adjustment to the cost of sales ⁽¹⁾	8,566	2,103	10,669	(9,651)	1,055	(8,596)
Adjusted gross margin	35,324	3,817	39,141	26,020	5,000	31,020
Results from operating activities	12,662	(51,007)	(38,345)	25,549	1,403	26,952
Total adjustment to the cost of sales ⁽¹⁾	8,566	2,103	10,669	(9,651)	1,055	(8,596)
Goodwill impairment	-	50,000	50,000	-	-	-
Adjusted results from operating activities	21,228	1,096	22,324	15,898	2,458	18,356
Results from operating activities	12,662	(1,007)	(38,345)	25,549	1,403	26,952
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	4,947	1,681	6,628	4,737	1,694	6,430
Goodwill impairment	-	50,000	50,000	-	-	-
EBITDA ⁽¹⁾	17,609	674	18,283	30,286	3,096	33,382
EBITDA ⁽¹⁾	17,609	674	18,283	30,286	3,096	33,382
Total adjustment to the cost of sales ⁽¹⁾	8,566	2,103	10,669	(9,651)	1,055	(8,596)
Adjusted EBITDA	26,175	2,777	28,952	20,634	4,152	24,786
Net (loss) earnings			(45,502)			16,140
Total adjustment to the cost of sales ⁽¹⁾			10,669			(8,596)
Goodwill impairment			50,000			-
Net change in fair value in interest rate swaps ⁽¹⁾			(328)			(162)
Income taxes on above adjustments			(2,678)			2,238
Adjusted net earnings			12,161			9,620
Net (loss) earnings per share (basic)			(0.44)			0.16
Adjustment for the above			0.56			(0.07)
Adjusted net earnings per share (basic)			0.12			0.09

(1) See "Adjusted results" section

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES (CONTINUED)

Consolidated results (In thousands of dollars)	YTD 202			YTD 2021		
	Sugar	Maple Products	Total	Sugar	Maple Products	Total
Gross margin	115,872	14,933	130,805	121,029	18,715	139,744
Total adjustment to the cost of sales ⁽¹⁾	10,296	2,381	12,677	(20,806)	1,873	(18,933)
Adjusted gross margin	126,168	17,314	143,482	100,223	20,588	120,811
Results from operating activities	60,458	(47,145)	13,313	77,266	7,231	84,497
Total adjustment to the cost of sales ⁽¹⁾	10,296	2,381	12,677	(20,806)	1,873	(18,933)
Goodwill impairment	-	50,000	50,000	-	-	-
Adjusted results from operating activities	70,754	5,236	75,990	56,460	9,104	65,564
Results from operating activities	60,458	(47,145)	13,313	77,266	7,231	84,497
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	19,380	6,768	26,148	18,180	7,031	25,211
Goodwill impairment	-	50,000	50,000	-	-	-
EBITDA ⁽¹⁾	79,838	9,623	89,461	95,446	14,509	109,708
EBITDA ⁽¹⁾	79,838	9,623	89,461	95,446	14,509	109,708
Total adjustment to the cost of sales ⁽¹⁾	10,296	2,381	12,677	(20,806)	1,873	(18,933)
Maple Segment non-recurring costs	-	-	-	-	247	247
Adjusted EBITDA ⁽¹⁾	90,134	12,004	102,138	74,640	16,382	91,022
Net (loss) earnings			(16,568)			47,527
Total adjustment to the cost of sales ⁽¹⁾			12,677			(18,933)
Goodwill impairment			50,000			-
Net change in fair value in interest rate swaps ⁽¹⁾			(2,800)			451
Income taxes on above adjustments			(2,650)			4,821
Adjusted net earnings			40,659			33,866
Net (loss) earnings per share (basic)			(0.16)			0.46
Adjustment for the above			0.55			(0.13)
Adjusted net earnings per share (basic)			0.39			0.33

(1) See "Adjusted results" section

Report for the Fourth Quarter 2022 Results

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES (CONTINUED)

(In thousands of dollars, except for volumes and per share information)	QUARTERS ⁽¹⁾				
	For the fiscal year ended October 1, 2022				
	2022				
	Fourth	Third	Second	First	Total
Gross margin	28,472	24,948	33,899	43,486	130,805
Total adjustment to the cost of sales ⁽²⁾	10,669	7,706	1,988	(7,686)	12,677
Adjusted gross margin	39,141	32,654	35,887	35,800	143,482
Results from operating activities	(38,345)	8,822	15,499	27,337	13,313
Total adjustment to the cost of sales ⁽²⁾	10,669	7,706	1,988	(7,686)	12,677
Goodwill impairment	50,000	-	-	-	50,000
Adjusted results from operating activities	22,324	16,528	17,487	19,651	75,990
Results from operating activities	(38,345)	8,822	15,499	27,337	13,313
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	6,628	6,580	6,530	6,410	26,148
Goodwill impairment	50,000	-	-	-	50,000
EBITDA	18,283	15,402	22,029	33,747	89,461
EBITDA	18,283	15,402	22,029	33,747	89,461
Total adjustment to the cost of sales ⁽²⁾	10,669	7,706	1,988	(7,686)	12,677
Adjusted EBITDA	28,952	23,108	24,017	26,061	102,138
Net (loss) earnings	(45,502)	3,138	8,570	17,226	(16,568)
Total adjustment to the cost of sales ⁽²⁾	10,669	7,706	1,988	(7,686)	12,677
Goodwill impairment	50,000	-	-	-	50,000
Net change in fair value in interest rate swaps ⁽²⁾	(328)	(632)	(1,246)	(594)	(2,800)
Income taxes on above adjustments	(2,678)	(1,793)	(190)	2,011	(2,650)
Adjusted net earnings	12,161	8,419	9,122	10,957	40,659

(1) All quarters are 13 weeks

(2) See "Adjusted results" section

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES (CONTINUED)

(In thousands of dollars, except for volumes and per share information)	QUARTERS ⁽¹⁾				
	For the fiscal year ended October 2, 2021				
	2021				
	Fourth	Third	Second	First	Total
Gross margin	39,616	30,064	31,451	38,613	139,744
Total adjustment to the cost of sales ⁽²⁾	(8,596)	(4,132)	(4,044)	(2,161)	(18,933)
Adjusted gross margin	31,020	25,932	27,407	36,452	120,811
Results from operating activities	26,952	15,062	19,151	23,332	84,497
Total adjustment to the cost of sales ⁽²⁾	(8,596)	(4,132)	(4,044)	(2,161)	(18,933)
Adjusted results from operating activities	18,356	10,930	15,107	21,171	65,564
Results from operating activities	26,952	15,062	19,151	23,332	84,497
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	6,430	6,284	6,268	6,229	25,211
EBITDA	33,382	21,346	25,419	29,561	109,708
EBITDA	33,382	21,346	25,419	29,561	109,708
Total adjustment to the cost of sales ⁽²⁾	(8,596)	(4,132)	(4,044)	(2,161)	(18,933)
Maple Segment non-recurring costs	-	-	-	247	247
Adjusted EBITDA	24,786	17,214	21,375	27,647	91,022
Net earnings	16,140	6,836	10,778	13,773	47,527
Total adjustment to the cost of sales ⁽²⁾	(8,596)	(4,132)	(4,044)	(2,161)	(18,933)
Net change in fair value in interest rate swaps ⁽²⁾	(162)	613	-	-	451
Income taxes on above adjustments	2,238	930	1,017	636	4,821
Adjusted net earnings	9,620	4,247	7,751	12,248	33,866

(1) All quarters are 13 weeks

(2) See "Adjusted results" section

CRITICAL ACCOUNTING ESTIMATES

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

CHANGES IN ACCOUNTING PRINCIPLES AND PRACTICES NOT YET ADOPTED

A number of new standards and amendments to standards and interpretations are not yet effective for the year ended October 1, 2022 and have not been applied in preparing these consolidated financial statements. New standards and amendments to standards and interpretations that are currently under review include:

- Annual Improvements to IFRS Standards 2018-2020
- Onerous Contracts – Cost of fulfilling a contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IAS 3)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
- Lease liability in a sale and leaseback (Amendments to IFRS 16 Leases)

We do not intend to adopt the Amendments in its consolidated financial statements before the annual period beginning on October 2, 2022 and we do not expect the amendments to have a material impact on the consolidated financial statements.

CONTROLS AND PROCEDURES

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

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

DISCLOSURE CONTROLS AND PROCEDURES

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

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

As at October 1, 2022, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the company's DC&P. Based on this evaluation, the CEO and the CFO concluded that the company's DC&P were appropriately designed and were operating effectively as at October 1, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The CEO and CFO have also designed internal controls over financial reporting ("ICFR"), or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS using the framework established in "Internal Control – Integrated Framework (COSO 2013 Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)". As at October 1, 2022, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of Rogers' ICFR. Based on that evaluation, they have concluded that the design and operation of the company's internal controls over financial reporting were effective as at October 1, 2022.

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

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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

FORWARD-LOOKING STATEMENTS

This report contains statements or information that are or may be “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian Securities laws. Forward-looking statements may include, without limitation, statements and information which reflect 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:

- demand for refined sugar and maple syrup
- our intention to increase sugar refining capacity and the related eastern Canada distribution network
- 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
- the impact of the COVID-19 pandemic on our operations

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, 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.