Rogers Sugar Reports Solid First Quarter 2024 Results Driven by Strong Performance from Both Business Segments

Rogers Sugar Inc.'s (the "Company", "Rogers", "RSI" or "our," "we", "us") (TSX: RSI) today reported first quarter fiscal 2024 results with consolidated adjusted EBITDA of $30.7 million.

"Continued strong domestic demand for quality refined sugar, as well as improvement to our Maple operations, combined to drive a solid performance in the first quarter of fiscal 2024," said Mike Walton, President and Chief Executive Officer of Rogers and Lantic Inc. "We are reporting strong financial results in the first quarter, despite the unfavourable effect of the labour disruption at our Vancouver sugar refinery that ended a few days ago. With this event behind us, we are confident in our ability to deliver improved financial results over the remainder of the year, demonstrating the robust fundamentals of our business."

First Quarter 2024 Consolidated Highlights (unaudited)	**Q1 2024**	Q1 2023
Financials ($000s)		
Revenues	**288,699**	261,443
Gross margin	**44,644**	41,191
Adjusted gross margin(1)	**42,319**	41,993
Results from operating activities	**26,110**	26,284
EBITDA(1)	**33,045**	32,713
Adjusted EBITDA(1)	**30,720**	33,515
Net earnings	**13,852**	14,674
per share (basic)	**0.13**	0.14
per share (diluted)	**0.11**	0.13
Adjusted net earnings(1)	**12,613**	15,347
Adjusted net earnings per share (basic)(1)	**0.12**	0.15
Trailing twelve months free cash flow(1)	**44,261**	57,985
Dividends per share	**0.09**	0.09
Volumes		
Sugar (metric tonnes)	**182,376**	192,849
Maple Syrup (thousand pounds)	**11,852**	11,819

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

- Consolidated adjusted EBITDA(1) for the first quarter of fiscal 2024 was $30.7 million, a decrease of $2.8 million from the same quarter last year. Current quarter consolidated adjusted EBITDA(1) decreased as a result of lower adjusted EBITDA(1) in the Sugar segment, partially offset by higher adjusted EBITDA(1) in our Maple segment.
- On February 1, 2024, the unionized employees of the Vancouver sugar refinery, represented by the Public and Private Workers of Canada Local 8, ratified a new five-year collective agreement, following a strike that began on September 28, 2023. The unionized employees are in the process of returning to work and we anticipate the Vancouver sugar refinery to return to full production over the next few weeks. Throughout the labour disruption, production from our Taber and Montreal facilities have been used to support our customers in western Canada.
- Adjusted EBITDA(1) in the Sugar segment was $26.0 million in the first quarter of fiscal 2024, a reduction of $4.6 million compared to the same period last year.
- Sales volumes in the Sugar segment decreased by 10,473 metric tonnes to 182,376 metric tonnes in the first quarter, largely driven by the reduction of our activities at our Vancouver sugar refinery as a result of the recent labour disruption.
- Sugar segment adjusted gross margin(1) amounted to $199 per metric tonne in the first quarter of 2024 as compared to $195 per metric tonne for the same period last year, mainly due to higher contribution for sugar refining activities.
- Adjusted EBITDA(1) in the Maple segment was $4.7 million in the first quarter, an increase of $1.8 million from the same quarter last year, largely driven by higher average selling prices and lower operating costs.

- Adjusted gross margin percentage(1) in the Maple segment amounted to 10.3%, as compared to an adjusted gross margin percentage(1) of 7.7% for the same period last year, driven by higher average selling prices and lower operating costs following the implementation of automation and continuous improvement initiatives in the later part of fiscal 2023.
- In the fourth quarter of 2023, the Board of Directors of Lantic approved the expansion of the production and logistic capacity of its eastern sugar refining operations in Montreal and Toronto (the “Expansion Project”). The Expansion Project is progressing as planned and is expected to provide 100,000 metric tonnes of incremental refined sugar capacity to the growing Canadian market, at an estimated construction cost of approximately $200 million. We expect the incremental production and logistic capacity to be in service in the first half of fiscal 2026.
- Free cash flow(1) for the trailing 12 months ended December 30, 2023, was $44.3 million, a decrease of $13.7 million from the same period last year, as a result of higher capital expenditures, increase in interest paid, and higher deferred financing fees.
- On November 1, 2023, we amended our revolving credit facility, by extending the term to October 31, 2027, and by increasing the amount available for working capital and for the Expansion Project by $75 million to $340 million.
- In the first quarter of 2024, we distributed $0.09 per share to our shareholders for a total of $9.5 million.
- On February 7, 2024, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before April 17, 2024.

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Sugar

First Quarter 2024 Sugar Highlights (unaudited)	**Q1 2024**	Q1 2023
Financials ($000s)		
Revenues	**229,808**	205,287
Gross margin	**36,490**	36,038
Adjusted gross margin(1)	**36,232**	37,661
Per metric tonne ($/ mt) (1)	**199**	195
Administration and selling expenses	**9,379**	6,635
Distribution costs	**6,086**	5,062
Results from operating activities	**21,025**	24,341
EBITDA(1)	**26,300**	29,053
Adjusted EBITDA(1)	**26,042**	30,676
Volumes (metric tonnes)		
Total volumes	**182,376**	192,849

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In the first quarter of fiscal 2024, revenues increased by $24.5 million compared to the same period last year. The positive variance was largely driven by higher average price for Raw #11 and higher contribution for refining related activities, partially offset by lower sales volume as a result of the recently resolved labour disruption at our Vancouver sugar refinery.

Sugar volume decreased by 10,473 metric tonnes in the first quarter of fiscal 2024 compared to the same quarter last year, driven mainly by the unfavorable net impact of the reduction in volume produced at our Vancouver facility attributable to the recent labour disruption.

- Industrial volume decreased by 3,631 metric tonnes or 3.3% as compared to the same quarter last year, as a result of the unfavourable impact from the labour disruption at our Vancouver sugar refinery.
- Consumer volume decreased by 505 metric tonnes or 1.8% compared to the same period last year, largely due to timing in demand from our eastern customers and the impact of the reduced operations at our Vancouver facility.
- Liquid volume increased by 701 metric tonnes or 1.7% compared to the same quarter last year, due to increased demand from eastern customers.
- Export volume decreased by 7,038 metric tonnes in the first quarter as we focussed our sales efforts on serving the domestic market throughout the recent labour disruption at our Vancouver facility.

Gross margin was $36.5 million for the current quarter and included a gain of $0.3 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $36.0 million with a mark-to-market loss of $1.6 million.

Adjusted gross margin was $36.2 million for the first quarter of 2024 as compared to $37.7 million for the same period in 2023. Adjusted gross margin decreased by $1.4 million for the first three months of 2024, due mainly to lower sales volume associated with the recently ended labour disruption at our Vancouver facility and higher production costs, partially offset by higher margin on sugar refining related activities. The overall impact of the labour disruption in Vancouver on the first quarter results is estimated at approximately $3.0 million and reflects the impact of lower sales volume.

On a per-unit basis, adjusted gross margin for the first quarter was $199 per metric tonne, higher than the same quarter last year by $4 per metric tonne. The favourable variance was mainly due to higher margin, partially offset by higher production cost, as compared to last year.

Results from operating activities for the first quarter of fiscal 2024 were $21.0 million, a decrease of $3.3 million from the same period last year. These results included gains and losses from the mark-to-market of derivative financial instruments.

EBITDA for the first quarter of fiscal 2024 was $26.3 million compared to $29.1 million in the same period last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the current quarter decreased by $4.6 million compared to the same period last year, mainly due to lower adjusted gross margin, higher administration and selling expenses, and higher distribution costs. These variances include the impact of the labour disruption in Vancouver for the first quarter, estimated at $3.0 million.

Maple

First Quarter 2024 Maple Highlights (unaudited)	**Q1 2024**	Q1 2023
Financials ($000s)		
Revenues	**58,891**	56,156
Gross margin	**8,154**	5,153
Adjusted gross margin (1)	**6,087**	4,332
As a percentage of revenues (%) (1)	**10.3%**	7.7%
Administration and selling expenses	**2,761**	2,662
Distribution costs	**308**	548
Results from operating activities	**5,085**	1,943
EBITDA (1)	**6,745**	3,660
Adjusted EBITDA (1)	**4,678**	2,839
Volumes (thousand pounds)		
Total volumes	**11,852**	11,819

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

Revenues for the first quarter of the current fiscal year were $2.7 million higher than the same period last year, driven by increased average selling prices.

Gross margin was $8.2 million for the first three months of the current fiscal year, including a gain of $2.1 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $5.1 million with a mark-to-market gain of $0.8 million.

Adjusted gross margin percentage for the current quarter was 10.3% as compared to 7.7% for the same period last year, representing an increase in adjusted gross margin of $1.8 million, mainly due to higher average selling prices and lower operating costs, following the implementation of automation and continuous improvement initiatives in the later part of 2023.

Results from operating activities for the first quarter of fiscal 2024 were $5.1 million, compared to $2.0 million in the same period last year. These results included gains from the mark-to-market of derivative financial instruments.

EBITDA for the first quarter of fiscal 2024 amounted to $6.7 million compared to $3.7 million for the same period last year. These results include gains from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the first quarter of fiscal 2024 increased by $1.8 million to $4.7 million, due mainly to higher adjusted results from operating activities, as explained above.

OUTLOOK

Following a strong performance in 2023, including our highest sugar volume, consolidated revenue, and adjusted EBITDA results to date, we expect this positive trend to continue and anticipate delivering higher consolidated revenue and adjusted EBITDA in 2024.

The continued strength in demand for sugar is expected to support organic growth for our Sugar business segment throughout 2024. We also expect the financial results of our Maple segment to improve during 2024, from improved market conditions and recently implemented production automation and continuous improvement initiatives.

Sugar

We expect the Sugar segment to perform well in fiscal 2024, despite the unfavourable impact of the recent labour disruption in Vancouver that ended on February 1. Underlying North American demand remains strong across all customer segments supported by favourable market dynamics. The expected increase in sugar margin from recently negotiated agreements will have a positive impact on our financial results, allowing us to mitigate the recent inflationary pressures on costs, and the lower sales volume caused by the recent labour disruption in Vancouver.

In the first quarter, the labour disruption reduced sales volume, resulting in an unfavourable impact on adjusted EBITDA of approximately $3.0 million. The Vancouver refinery produces approximately 17% of our refined sugar production volume. During the strike, the Vancouver sugar refinery has continued to operate at a reduced level, and we have leveraged our other facilities in Taber and Montreal to support our valued customers in western Canada.

The initial volume expectation for fiscal year 2024 was set at 800,000 metric tonnes, representing an increase of 4,700 metric tonnes compared to fiscal year 2023. Considering the recently ended labour strike in Vancouver and its impact on the volume delivered to customers, we expect our initial outlook to decrease by 10,000 metric tonnes, to 790,000 metric tonnes.

The harvest period for our sugar beet facility in Taber was completed in early November. We are currently in the processing stage and we anticipate completing the processing of the sugar beets received in early March. Currently, based on our early assessment, we anticipate the current crop to deliver between 105,000 metric tonnes and 110,000 metric tonnes of beet sugar, consistent with our expectations.

Production costs and maintenance programs for our three production facilities are expected to continue 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 increase slightly in 2024. These expenditures reflect the market dynamics requiring the transfer of sugar produced between our refineries to meet demand from customers, and some of the costs associated with servicing customers with imported refined sugar.

Administration and selling expenses are expected to increase in 2024 as compared to 2023, due mainly to market-based increases in compensation expenditures and external services.

We anticipate our financing costs to increase in fiscal 2024 due to higher working capital needs, mainly associated with the recent increase in Raw #11 price for the purchase of raw sugar. We have been able to mitigate the impact of recent increases in interest rates and energy costs through our multi-year hedging strategy. We expect our hedging strategy will continue to mitigate such exposure in fiscal 2024.

Spending on regular business capital projects is also expected to remain stable for fiscal 2024. We anticipate spending approximately $25 million on various initiatives. This capital spending estimate excludes expenditures relating to our Expansion Project, which are currently estimated at $70 million for fiscal 2024.

Maple

We expect financial results in our Maple segment to improve in 2024 over the prior year. The Maple segment financial results were lower than anticipated in fiscal 2023. This was due mainly to lower volume and lingering inflationary cost pressures. Although we expect these financial and operating pressures to remain in the first part of fiscal 2024, we forecast the Maple business segment to continue to benefit from automation and continuous improvement initiatives at our Granby and Dégelis plants. Such initiatives, combined with recently negotiated price increases, are supporting the anticipated recovery of our Maple business segment in 2024.

The expected sales volume for 2024 is stable when compared to 2023 at approximately 43.5 million lbs. The sales volume expectation reflects the challenging sector-wide market conditions, impacting the global demand for maple syrup and the current low level of maple syrup reserve held by the Producteurs et Productrices Acéricoles du Québec ("PPAQ"). The reserve of PPAQ has been depleted in recent years from below average crops.

Capital investments in the Maple segment have decreased significantly in recent years. We expect to spend between $1 million and $1.5 million annually on capital projects in this segment. The main driver for the selected projects is improvement in productivity and profitability through automation.

See "Forward-Looking Statements" section and "Risks and Uncertainties" section.

A full copy of Rogers first quarter 2024, including management's discussion and analysis and unaudited condensed consolidated interim financial statements, can be found at www.LanticRogers.com or on SEDAR+ at www.sedarplus.ca.

Cautionary Statement Regarding Non-IFRS 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-IFRS financial measures. A non-IFRS 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-IFRS financial measures are not standardized; therefore, it may not be possible to compare these financial measures with the non-IFRS 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-IFRS financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These non-IFRS 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-IFRS measures" section at the end of the MD&A for the current quarter for additional information.

The following is a description of the non-IFRS 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 and foreign exchange forward contracts 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 and foreign exchange forward contracts.
- 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-IFRS 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-IFRS measures should not be considered in isolation, or as a substitute for, analysis of our results as reported under IFRS. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are as follows:

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

	Q1 2024			Q1 2023		
Consolidated results (In thousands of dollars)	**Sugar**	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**36,490**	**8,154**	**44,644**	36,038	5,153	41,191
Total adjustment to the cost of sales(1)	**(258)**	**(2,067)**	**(2,325)**	1,623	(821)	802
Adjusted Gross Margin	**36,232**	**6,087**	**42,319**	37,661	4,332	41,993
Results from operating activities	**21,025**	**5,085**	**26,110**	24,341	1,943	26,284
Total adjustment to the cost of sales(1)	**(258)**	**(2,067)**	**(2,325)**	1,623	(821)	802
Adjusted results from operating activities	**20,767**	**3,018**	**23,785**	25,964	1,122	27,086
Results from operating activities	**21,025**	**5,085**	**26,110**	24,341	1,943	26,284
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**5,275**	**1,660**	**6,935**	4,712	1,717	6,429
EBITDA(1)	**26,300**	**6,745**	**33,045**	29,053	3,660	32,713
EBITDA(1	**26,300**	**6,745**	**33,045**	29,053	3,660	32,713
Total adjustment to the cost of sales(1)	**(258)**	**(2,067)**	**(2,325)**	1,623	(821)	802
Adjusted EBITDA	**26,042**	**4,678**	**30,719**	30,676	2,839	33,515
Net earnings			**13,852**			14,674
Total adjustment to the cost of sales(1)			**(2,325)**			802
Net change in fair value in interest rate swaps(1)			**658**			46
Income taxes on above adjustments			**428**			(175)
Adjusted net earnings			**12,613**			15,347
Net earnings per share (basic)			**0.13**			0.14
Adjustment for the above			**(0.01)**			0.01
Adjusted net earnings per share (basic)			**0.12**			0.15

(1) See “Adjusted results” section of the MD&A for additional information

Conference Call and Webcast

Rogers will host a conference call to discuss its first quarter fiscal 2024 results on February 8, 2024 starting at 8:00a.m. ET. To participate, please dial 1-888-886-7786. A recording of the conference call will be accessible shortly after the conference, by dialing 1-877-674-7070, access code 805894#. This recording will be available until April 30, 2024. A live audio webcast of the conference call will also be available via [www.LanticRogers.com.](http://www.LanticRogers.com)

About Rogers Sugar

Rogers is a corporation established under the laws of Canada. The Corporation holds all of the common shares of Lantic and its administrative office is in Montréal, Québec. Lantic operates cane sugar refineries in Montréal, Québec and Vancouver, British Columbia, as well as the only Canadian sugar beet processing facility in Taber, Alberta. Lantic also operate a 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 approximately fifty countries and sold under various brand names.

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:

- the estimated impact of the recent labour disruption at our Vancouver sugar refinery;
- demand for refined sugar and maple syrup;
- sales volumes for sugar and maple syrup;
- our Expansion Project;
- future prices of Raw #11;
- expected inflationary pressures on costs;
- natural gas costs;
- beet sugar production forecast for our Taber facility;
- growth of the maple syrup industry and the refined sugar industry;
- the level of future dividends; and
- 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, 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 current quarter MD&A and the 2023 fourth 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 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 Q1 2024

This Management's Discussion and Analysis ("MD&A") of Rogers Sugar Inc.'s (the "Company", "Rogers", "RSI" or "our," "we", "us") dated February 7, 2024 should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three-month period ended December 30, 2023, as well as the audited consolidated financial statements and MD&A for the year ended September 30, 2023. This MD&A refers to Rogers, Lantic Inc. ("Lantic") (Rogers and Lantic together referred as the "Sugar segment"), The Maple Treat Corporation ("Maple Treat") and Highland Sugarworks Inc. ("Highland") (the latter two companies together referred to as "TMTC" or the "Maple segment").

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

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OUR BUSINESS

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

Lantic, Rogers wholly owned subsidiary, operates cane sugar refineries in Montreal, Québec and Vancouver, British Columbia, as well as the only Canadian sugar beet processing facility in Taber, Alberta. Lantic's sugar products are generally 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 distribution center in Toronto, Ontario.

Maple Treat operates bottling plants in Granby, Dégelis and in 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 approximately fifty countries and are sold under various brand names.

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

BUSINESS HIGHLIGHTS

- Consolidated adjusted EBITDA(1) for the first quarter of fiscal 2024 was $30.7 million, a decrease of $2.8 million from the same quarter last year. Current quarter consolidated adjusted EBITDA(1) decreased as a result of lower adjusted EBITDA(1) in the Sugar segment, partially offset by higher adjusted EBITDA(1) in our Maple segment.
- On February 1, 2024, the unionized employees of the Vancouver sugar refinery, represented by the Public and Private Workers of Canada Local 8, ratified a new five-year collective agreement, following a strike that began on September 28, 2023. The unionized employees are in the process of returning to work and we anticipate the Vancouver sugar refinery to return to full production over the next few weeks. Throughout the labour disruption, production from our Taber and Montreal facilities have been used to support our customers in western Canada.
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- In the fourth quarter of 2023, the Board of Directors of Lantic approved the expansion of the production and logistic capacity of its eastern sugar refining operations in Montreal and Toronto (the "Expansion Project"). The Expansion Project is progressing as planned and is expected to provide 100,000 metric tonnes of incremental refined sugar capacity to the growing Canadian market, at an estimated construction cost of approximately $200 million. We expect the incremental production and logistic capacity to be in service in the first half of fiscal 2026.
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- In the first quarter of 2024, we distributed $0.09 per share to our shareholders for a total of $9.5 million.
- On February 7, 2024, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before April 17, 2024.

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SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) (In thousands of dollars, except volume and per share information)	**Q1 2024**	Q1 2023
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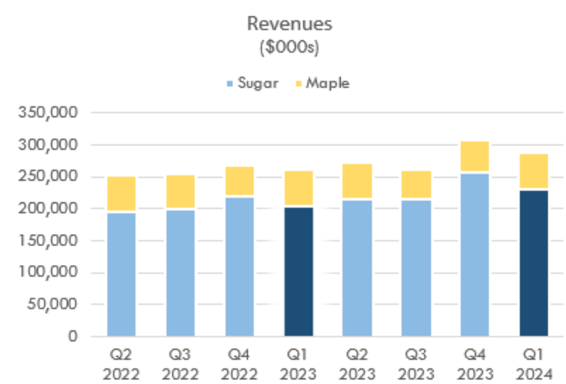
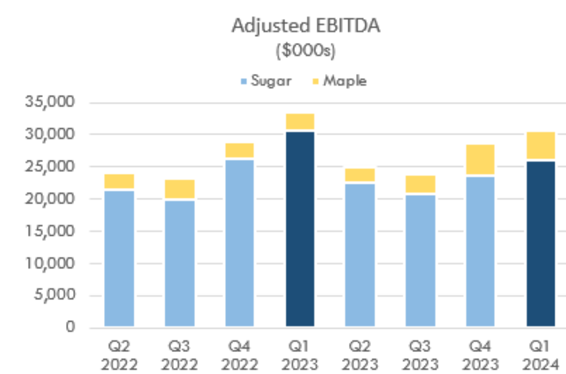
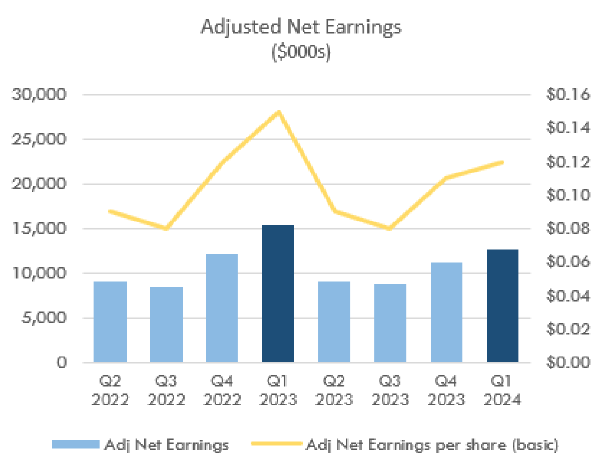
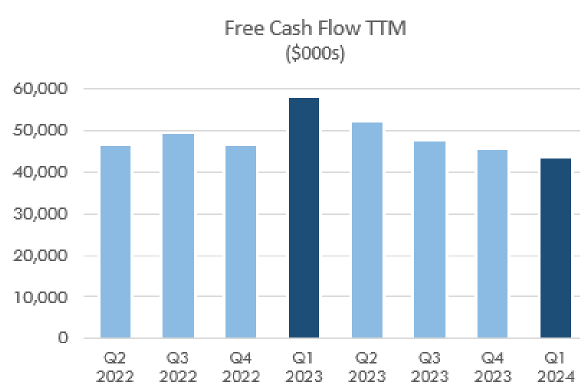
Trailing twelve months free cash flow[(1)]	**44,261**	57,985
Dividends per share	**0.09**	0.09

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









Adjusted results

In the normal course of business, we use derivative financial instruments consisting of sugar futures, foreign exchange forward contracts, natural gas futures and interest rate swaps. We have designated our natural gas futures and our interest rate swap agreements entered into in order to protect us against natural gas price 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 condensed consolidated statement of earnings. The unrealized gains/losses related to natural gas futures and interest rate swaps that qualify under hedged accounting are accounted for in other comprehensive income. The unrealized gain/losses related to interest rate swaps that do not qualify under hedged accounting are accounted in the condensed consolidated statement of earnings. The amount recognized in other comprehensive income is removed and included in net earnings under the same line item in the condensed consolidated statement of earnings and comprehensive income as the hedged item, in the same period that the hedged cash flows affect net earnings, reducing earnings volatility related to the movements of the valuation of these derivatives hedging instruments.

We believe that our financial results are more representative of our business to management, investors, analysts, and any other interested parties when financial results are adjusted by the gains/losses from financial derivative instruments that do not qualify for hedge accounting. These adjusted financial results provide a more complete understanding of factors and trends affecting our business. This measurement is a non-IFRS measurement. See "Non-IFRS measures" section.

We use the non-IFRS adjusted results of the operating company to measure and to evaluate the performance of the business through our adjusted gross margin, adjusted gross margin percentage, adjusted gross margin rate, adjusted results from operating activities, adjusted EBITDA, adjusted net earnings, adjusted net earnings per share and trailing twelve months free cash flow. These non-IFRS measures are evaluated on a consolidated basis and at a segmented level, excluding adjusted gross margin percentage, adjusted gross margin per metric tonne, 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, adjusted net earnings, adjusted net earnings per share and trailing twelve months free cash flow when discussing results with the Board of Directors, analysts, investors, banks, and other interested parties. See "Non-IFRS measures" section.

OUR RESULTS ARE ADJUSTED AS FOLLOWS:

Income (loss) (In thousands of dollars)	**Q1 2024**			Q1 2023		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	**(2,690)**	**-**	**(2,690)**	(1,208)	-	(1,208)
Foreign exchange forward contracts	**(124)**	**1,856**	**1,732**	273	(197)	76
Total mark-to-market adjustment on derivatives	**(2,814)**	**1,856**	**(958)**	(935)	(197)	(1,132)
Cumulative timing differences	**3,072**	**211**	**3,283**	(688)	1,018	330
Total adjustment to costs of sales	**258**	**2,067**	**2,325**	(1,623)	821	(802)

Fluctuations in the mark-to-market adjustment on derivatives are due to the price movements in the Raw #11 sugar market ("Raw #11") 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 first quarter of the current year, the total cost of sales adjustment is a gain of $2.3 million to be deducted from the consolidated results versus a loss of $0.8 million to be added to the consolidated results for the comparable quarter last year.

See the "Non-IFRS measures" section for more information on these adjustments.

SEGMENTED INFORMATION

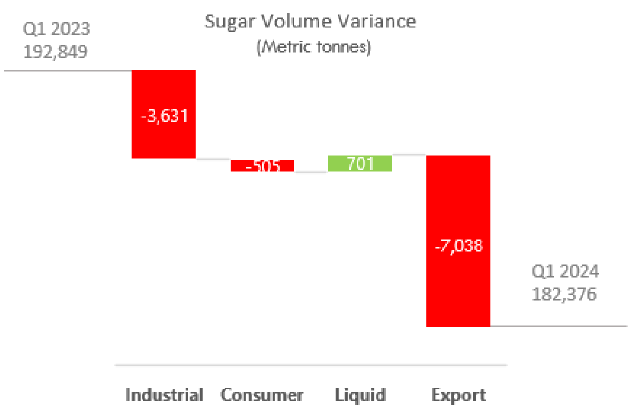
Segmented Results (In thousands of dollars)	**Q1 2024**			Q1 2023		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Revenues	**229,808**	**58,891**	**288,699**	205,287	56,156	261,443
Gross margin	**36,490**	**8,154**	**44,644**	36,038	5,153	41,191
Administration and selling expenses	**9,379**	**2,761**	**12,140**	6,635	2,662	9,297
Distribution costs	**6,086**	**308**	**6,394**	5,062	548	5,610
Results from operating activities	**21,025**	**5,085**	**26,110**	24,341	1,943	26,284
Adjustment to cost of sales(2)	**(258)**	**(2,067)**	**(2,325)**	1,623	(821)	802
Adjusted gross margin(1)	**36,232**	**6,087**	**42,319**	37,661	4,332	41,993
Adjusted results from operating activities(1)	**20,767**	**3,018**	**23,785**	25,964	1,122	27,086
EBITDA(1)	**26,300**	**6,745**	**33,045**	29,053	3,659	32,713
Adjusted EBITDA(1)	**26,042**	**4,678**	**30,720**	30,676	2,839	33,515
Additional information:						
Additions to property, plant and equipment and intangible assets, net of disposals	**14,948**	**188**	**15,136**	8,452	94	8,546
Additions to right-of-use assets	**82**	**51**	**133**	18	45	63

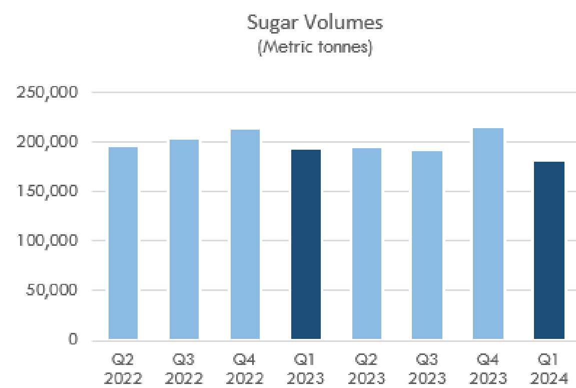
(1) See “Non-IFRS Measures” section for definition and reconciliation to IFRS measures
(2) See “Adjusted results” section

Sugar

REVENUES

	Q1 2024	Q1 2023	Δ
(In thousands of dollars)	**229,808**	205,287	24,521





In the first quarter of fiscal 2024, revenues increased by $24.5 million compared to the same period last year. The positive variance was largely driven by higher average price for Raw #11 and higher contribution for refining related activities, partially offset by lower sales volume as a result of the recently resolved labour disruption at our Vancouver sugar refinery. In the first quarter of 2024, the average price for Raw #11 increased to US 25.6 cents per pound from US 19.2 cents per pound in the first quarter of 2023.

Sugar volume decreased by 10,473 metric tonnes in the first quarter of fiscal 2024 compared to the same quarter last year, driven mainly by the unfavorable net impact of the reduction in volume produced at our Vancouver facility attributable to the recent labour disruption.

- Industrial volume decreased by 3,631 metric tonnes or 3.3% as compared to the same quarter last year, as a result of the unfavourable impact from the labour disruption at our Vancouver facility.
- Consumer volume slightly decreased by 505 metric tonnes or 1.8% compared to the same period last year, largely due to timing in demand from our eastern customers and the impact of the reduced operations at our Vancouver facility.
- Liquid volume increased by 701 metric tonnes or 1.7% compared to the same quarter last year, due to increased demand from eastern customers.
- Export volume decreased by 7,038 metric tonnes in the first quarter as we focussed our sales efforts on serving the domestic market throughout the recent labour disruption at our Vancouver facility.

GROSS MARGIN

	Q1 2024	Q1 2023	Δ
(In thousands of dollars, except per metric tonne information)			
Gross margin	**36,490**	36,038	452
Total adjustment to cost of sales(2)	**(258)**	1,623	(1,881)
Adjusted gross margin(1)	**36,232**	37,661	(1,429)
Adjusted gross margin per metric tonne(1)	**199**	195	4
Included in gross margin:			
Depreciation of property, plant and equipment and right-of-use assets	**4,174**	4,124	50

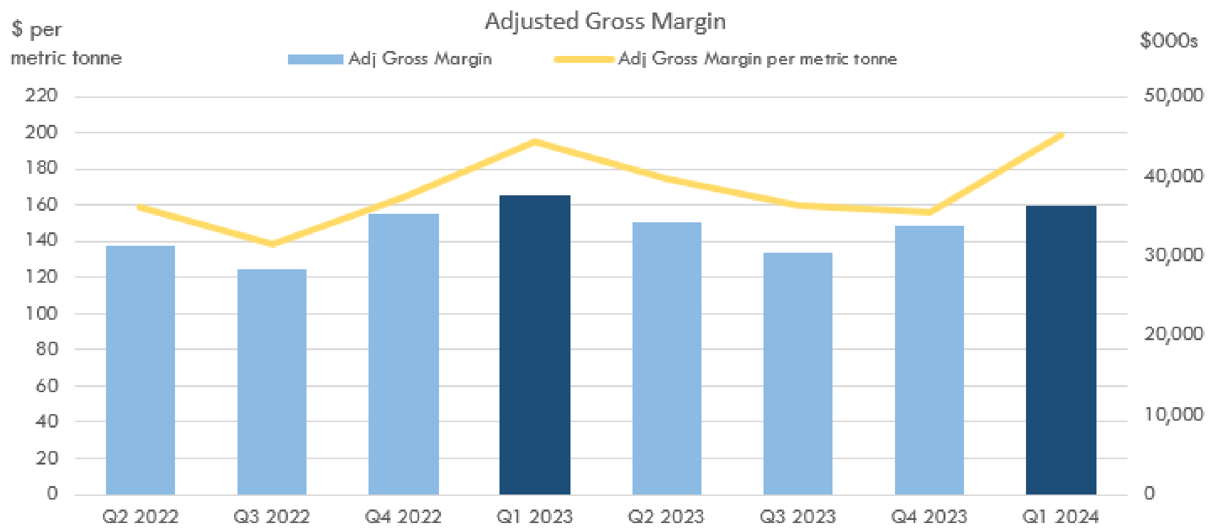
(1) See "Non-IFRS Measures" section for definition and reconciliation to IFRS measures

(2) See "Adjusted results" section

Gross margin was $36.5 million for the current quarter and included a gain of $0.3 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $36.0 million with a mark-to-market loss of $1.6 million.

Adjusted gross margin was $36.2 million for the first quarter of 2024 as compared to $37.7 million for the same period in 2023. Adjusted gross margin decreased by $1.4 million for the first three months of 2024, due mainly to lower sales volume associated with the recently ended labour disruption at our Vancouver facility and higher production costs, partially offset by higher contribution on sugar refining related activities. The overall impact of the labour disruption in Vancouver on the first quarter results is estimated at approximately $3.0 million and includes the impact of lower sales volume.

On a per-unit basis, adjusted gross margin for the first quarter was $199 per metric tonne, higher than the same quarter last year by $4 per metric tonne. The favourable variance was mainly due to higher margin, partially offset by higher production cost, as compared to last year.



OTHER EXPENSES

	Q1 2024	Q1 2023	Δ
(In thousands of dollars, except per metric tonne information)			
Administration and selling expenses	**9,379**	6,635	2,744
Distribution costs	**6,086**	5,062	1,024
Included in Administration and selling expenses:			
Depreciation of property, plant and equipment and right-of-use assets	**198**	221	(23)
Included in Distribution costs:			
Depreciation of right-of-use assets	**903**	367	536

For the first quarter of fiscal 2024, administration and selling expenses increased by $2.7 million compared to the same quarter last year. The variance was mainly due to a reduction in share-based compensation expense recorded in the first quarter of 2023 in relation to performance share units for senior management. The non-cash decrease recorded in the first quarter of 2023 was largely driven by a decrease in share price during that quarter.

Distribution costs in the first quarter of 2024 increased by $1.0 million compared to the same period last year. The increase was mainly due to higher transfer of sugar between our facilities to support the needs of our customers.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q1 2024	Q1 2023	Δ
(In thousands of dollars)			
Results from operating activities	**21,025**	24,341	(3,316)
Total adjustment to cost of sales (2)	**(258)**	1,623	(1,881)
Adjusted results from operating activities(1)	**20,767**	25,964	(5,197)
Depreciation of property, plant and equipment, right-of-use assets, and amortization of intangible assets	**5,275**	4,712	563
EBITDA(1)	**26,300**	29,053	(2,753)
Adjusted EBITDA(1)	**26,042**	30,676	(4,634)

(1) See “Non-IFRS Measures” section for definition and reconciliation to IFRS measures
(2) See “Adjusted results” section

Results from operating activities for the first quarter of fiscal 2024 were $21.0 million, a decrease of $3.3 million from the same period last year. These results included gains and losses from the mark-to-market of derivative financial instruments.

Adjusted results from operating activities in the first quarter of fiscal 2024 decreased by $5.2 million compared to the same period last year, mainly due to lower adjusted gross margin, the increase in administration and selling expenses, and higher distribution costs. These variances include the impact of the labour disruption in Vancouver for the first quarter.

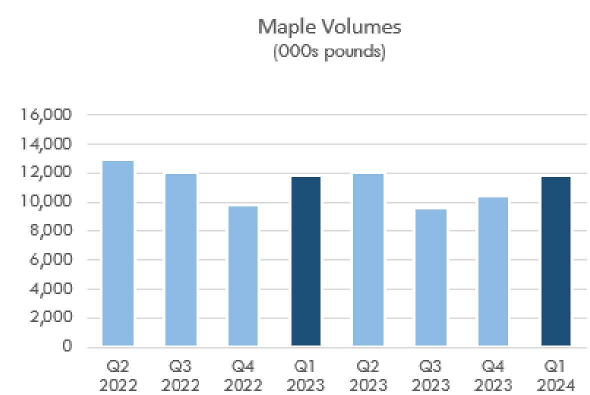
EBITDA for the first quarter of fiscal 2024 was $26.3 million compared to $29.1 million in the same period last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

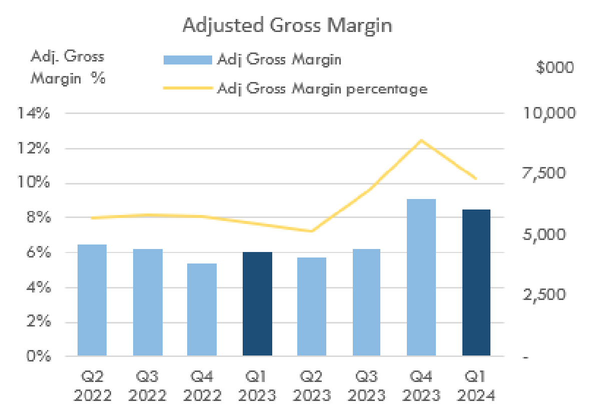
Adjusted EBITDA for the current quarter decreased by $4.6 million compared to the same period last year, mainly due to lower adjusted gross margin, higher administration and selling expenses, and higher distribution costs. These variances include the impact of the labour disruption in Vancouver for the first quarter, estimated at $3.0 million.

Maple Products

REVENUES

	Q1 2024	Q1 2023	Δ
(In thousands of dollars, except volume)			
Volume (000 pounds)	**11,852**	11,819	33
Revenues	**58,891**	56,156	2,735





Revenues for the first quarter of the current fiscal year were $2.7 million higher than the same period last year, driven by increased average selling prices.

GROSS MARGIN

	Q1 2024	Q1 2023	Δ
(In thousands of dollars, except adjusted gross margin percentage)			
Gross margin	**8,154**	5,153	3,001
Total adjustment to cost of sales(1) (2)	**(2,067)**	(821)	(1,246)
Adjusted gross margin(1)	**6,087**	4,332	1,755
Adjusted gross margin percentage(1)	**10.3%**	7.7%	2.6%
Included in gross margin:			
Depreciation of property, plant and equipment and right-of-use assets	**778**	838	(60)

(1) See “Non-IFRS Measures” section for definition and reconciliation to IFRS measures
(2) See “Adjusted results” section

Gross margin was $8.2 million for the first three months of the current fiscal year, including a gain of $2.1 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $5.1 million with a mark-to-market gain of $0.8 million.

Adjusted gross margin percentage for the current quarter was 10.3% as compared to 7.7% for the same period last year, representing an increase in adjusted gross margin of $1.8 million, mainly due to higher average selling prices and lower operating costs, following the implementation of automation and continuous improvement initiatives in the later part of 2023.

OTHER EXPENSES

	Q1 2024	Q1 2023	Δ
(In thousands of dollars)			
Administration and selling expenses	**2,761**	2,662	99
Distribution costs	**308**	548	(240)
Included in Administration and selling expenses:			
Amortization of intangible assets	**882**	878	4

Administration and selling expenses for the first quarter of the current fiscal year slightly increased by $0.1 million compared to the same period last year, largely due to market-based increases in business support costs. Distribution costs decreased by $0.2 million in the current quarter compared to the same quarter last year, mainly due to lower logistic costs and higher recovery of such costs from customers.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q1 2024	Q1 2023	Δ
(In thousands of dollars)			
Results from operating activities	**5,085**	1,943	3,142
Total adjustment to cost of sales(1) (2)	**(2,067)**	(821)	(1,246)
Adjusted results from operating activities(1)	**3,018**	1,122	1,896
Depreciation and amortization	**1,660**	1,717	(57)
EBITDA(1)	**6,745**	3,660	3,085
Adjusted EBITDA(1)	**4,678**	2,839	1,839

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

(2) See “Adjusted results” section

Results from operating activities for the first quarter of fiscal 2024 were $5.1 million, compared to $2.0 million in the same period last year. These results included gains from the mark-to-market of derivative financial instruments.

Adjusted results from operating activities for the current quarter of 2024 were $1.9 million higher than the comparable period last year, mainly due to higher adjusted gross margin and lower distribution costs.

EBITDA for the first quarter of fiscal 2024 amounted to $6.7 million compared to $3.7 million for the same period last year. These results include gains from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the first quarter of fiscal 2024 increased by $1.8 million to $4.7 million, due mainly to higher adjusted results from operating activities, as explained above.

OUTLOOK

Following a strong performance in 2023, including our highest sugar volume, consolidated revenue, and adjusted EBITDA results to date, we expect this positive trend to continue and anticipate delivering higher consolidated revenue and adjusted EBITDA in 2024.

The continued strength in demand for sugar is expected to support organic growth for our Sugar business segment throughout 2024. We also expect the financial results of our Maple segment to improve during 2024, from improved market conditions and recently implemented production automation and continuous improvement initiatives.

Sugar

We expect the Sugar segment to perform well in fiscal 2024, despite the unfavourable impact of the recent labour disruption in Vancouver that ended on February 1. Underlying North American demand remains strong across all customer segments supported by favourable market dynamics. The expected increase in sugar margin from recently negotiated agreements will have a positive impact on our financial results, allowing us to mitigate the recent inflationary pressures on costs, and the lower sales volume caused by the recent labour disruption in Vancouver.

In the first quarter, the labour disruption reduced sales volume, resulting in an unfavourable impact on adjusted EBITDA of approximately $3.0 million. The Vancouver refinery produces approximately 17% of our refined sugar production volume. During the strike, the Vancouver sugar refinery has continued to operate at a reduced level, and we have leveraged our other facilities in Taber and Montreal to support our valued customers in western Canada.

The initial volume expectation for fiscal year 2024 was set at 800,000 metric tonnes, representing an increase of 4,700 metric tonnes compared to fiscal year 2023. Considering the recently ended labour strike in Vancouver and its impact on the volume delivered to customers, we expect our initial outlook to decrease by 10,000 metric tonnes, to 790,000 metric tonnes.

The harvest period for our sugar beet facility in Taber was completed in early November. We are currently in the processing stage and we anticipate completing the processing of the sugar beets received in early March. Currently, based on our early assessment, we anticipate the current crop to deliver between 105,000 metric tonnes and 110,000 metric tonnes of beet sugar, consistent with our expectations.

Production costs and maintenance programs for our three production facilities are expected to continue 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 increase slightly in 2024. These expenditures reflect the market dynamics requiring the transfer of sugar produced between our refineries to meet demand from customers, and some of the costs associated with servicing customers with imported refined sugar.

Administration and selling expenses are expected to increase in 2024 as compared to 2023, due mainly to market-based increases in compensation expenditures and external services.

We anticipate our financing costs to increase in fiscal 2024 due to higher working capital needs, mainly associated with the recent increase in Raw #11 price for the purchase of raw sugar. We have been able to mitigate the impact of recent increases in interest rates and energy costs through our multi-year hedging strategy. We expect our hedging strategy will continue to mitigate such exposure in fiscal 2024.

Spending on regular business capital projects is also expected to remain stable for fiscal 2024. We anticipate spending approximately $25 million on various initiatives. This capital spending estimate excludes expenditures relating to our Expansion Project, which are currently estimated at $70 million for fiscal 2024.

Maple

We expect financial results in our Maple segment to improve in 2024 over the prior year. The Maple segment financial results were lower than anticipated in fiscal 2023. This was due mainly to lower volume and lingering inflationary cost pressures. Although we expect these financial and operating pressures to remain in the first part of fiscal 2024, we forecast the Maple business segment to continue to benefit from automation and continuous improvement initiatives at our Granby and Dégelis plants. Such initiatives, combined with recently negotiated price increases, are supporting the anticipated recovery of our Maple business segment in 2024.

The expected sales volume for 2024 is stable when compared to 2023 at approximately 43.5 million lbs. The sales volume expectation reflects the challenging sector-wide market conditions, impacting the global demand for maple syrup and the current low level of maple syrup reserve held by the Producteurs et Productrices Acéricoles du Québec ("PPAQ"). The reserve of PPAQ has been depleted in recent years from below average crops.

Capital investments in the Maple segment have decreased significantly in recent years. We expect to spend between $1 million and $1.5 million annually on capital projects in this segment. The main driver for the selected projects is improvement in productivity and profitability through automation.

See "Forward-Looking Statements" section and "Risks and Uncertainties" section.

CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION

(Unaudited) (In thousands of dollars, except volume and per share information)	**Q1 2024**	Q1 2023
Sugar (metric tonnes)	**182,376**	192,849
Maple syrup (000 pounds)	**11,852**	11,819
Total revenues	**288,699**	261,443
Gross margin	**44,644**	41,191
Adjusted gross margin(1)	**42,319**	41,993
Results from operating activities	**26,110**	26,284
Adjusted results from operating activities(1)	**23,785**	27,086
EBITDA(1)	**33,045**	32,713
Adjusted EBITDA(1)	**30,720**	33,515
Net finance costs	**6,906**	6,183
Income tax expense	**5,352**	5,427
Net earnings	**13,852**	14,674
per share (basic)	**0.13**	0.14
per share (diluted)	**0.11**	0.13
Adjusted net earnings(1)	**12,613**	15,347
per share (basic)(1)	**0.12**	0.15
Dividends per share	**0.09**	0.09

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

Total revenues

Revenues increased by $27.3 million for the first quarter of fiscal 2024 compared to the same quarter last year. The increase in revenue was mainly attributable to higher prices paid for Raw #11 and higher average pricing for refining-related activities in the Sugar segment, as well as higher pricing in the Maple segment. This favorable variance was partially offset by lower sales volume in the Sugar segment in connection with the labour disruption at our Vancouver sugar refinery.

Gross margin

Gross margin increased by $3.5 million for the current quarter compared to the same period last year. Excluding the mark-to-market of derivative financial instruments, adjusted gross margin for the first quarter of the current year increased by $0.3 million, mainly as a result of higher adjusted gross margin from the Maple segment, partially offset by lower adjusted gross margin from the Sugar segment. For the Sugar segment, the adjusted gross margin per metric tonne for the current quarter at $199 per metric tonne was higher than the same period last year by $4 per metric tonnes. For the Maple segment, the adjusted gross margin percentage for the quarter at 10.3% was higher by 2.6% when compared to the same period last year.

Results from operating activities

Results from operating activities for the current quarter were $26.1 million compared to $26.3 million for the same quarter last year. Excluding the mark-to-market of derivative financial instruments, adjusted results from operating activities for the current quarter amounted to $23.8 million compared to $27.1 million for the same quarter last year, a decrease of $3.3 million. The decrease in the current quarter was mainly driven by lower contribution from the Sugar segment as a result of the reduced operations at our Vancouver sugar refinery associated with the labour disruption.

Net finance costs

	Q1 2024	Q1 2023	Δ
(In thousands of dollars)			
Interest expense on convertible unsecured subordinated debentures, including accretion expense (1)	**2,140**	2,126	14
Interest on revolving credit facility	**1,760**	1,371	389
Interest on senior guaranteed notes, including accretion of $51 (December 31, 2022 - $27)	**921**	897	24
Amortization of deferred financing fees	**326**	314	12
Interest on *Producteurs et Productrices Acéricoles du Québec* supplier balance	**694**	1,177	(483)
Other interest expense	**1**	10	(9)
Interest accretion on discounted lease obligations	**406**	242	164
Net change in fair value of interest rate swap	**658**	46	612
Net finance costs	**6,906**	6,183	723

(1) Includes accretion expense of $263 for the three months ended December 30, 2023 (December 31, 2022 - $249)

For the first quarter of the current year, net finance costs were $0.7 million higher than the comparable period last year, mainly due to the impact of market-based changes in fair value related to interest rate swaps contracts, and the increase in interest expense on our revolving credit facility from higher average borrowing, partially offset by lower interest expense related to lower purchase of maple syrup from PPAQ.

Taxation

	Q1 2024	Q1 2023	Δ
(In thousands of dollars)			
Current	**3,870**	4,762	(892)
Deferred	**1,482**	665	817
Income tax expense	**5,352**	5,427	(75)

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

Deferred income taxes reflect temporary differences, which result primarily from the difference between the amount of depreciation claimed for tax purposes and the amount of depreciation recognized for financial reporting purposes, losses carried forward, 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 first quarter of fiscal 2024 were $0.8 million lower than in the comparable period last year. This decrease was mainly attributable to higher net finance cost and lower results from operating activities, partially offset by a non-cash favourable variance in the mark-to-market of derivative financial instruments.

Adjusted net earnings in the first quarter of fiscal 2024 were $2.7 million lower than in the comparable period last year. This decrease was mainly attributable to lower adjusted results from operating activities from the Sugar segment, partially offset by higher adjusted results from operating activities in the Maple segment.

Summary of quarterly results

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

(In thousands of dollars, except for volumes and per share information)	QUARTERS[2]							
	2024	2023				2022		
	First	Fourth	Third	Second	First	Fourth	Third	Second
Sugar volumes (MT)	**182,376**	215,500	191,411	195,547	192,849	214,672	203,315	196,570
Maple products volumes (‘000 pounds)	**11,852**	10,363	9,630	12,059	11,819	9,838	12,027	12,912
Total revenues	**288,699**	308,036	262,285	272,949	261,443	267,406	254,632	253,341
Gross margin	**44,644**	41,192	41,685	41,659	41,191	28,472	24,948	33,899
Adjusted gross margin[1]	**42,319**	40,193	34,912	38,233	41,993	39,141	32,654	35,887
Results from operations	**26,110**	22,815	24,008	21,856	26,284	(38,346)	8,822	15,499
Adjusted results from operations[1]	**23,785**	21,816	17,235	18,431	27,086	22,324	16,528	17,487
EBITDA[1]	**33,045**	29,568	30,523	28,445	32,713	18,283	15,402	22,029
Adjusted EBITDA[1]	**30,720**	28,569	23,750	25,020	33,515	28,954	23,108	24,017
Net (loss) earnings	**13,852**	11,876	14,177	11,062	14,674	(45,503)	3,138	8,570
Per share - basic	**0.13**	0.12	0.13	0.11	0.14	(0.44)	0.03	0.08
Per share - diluted	**0.11**	0.09	0.12	0.10	0.13	(0.44)	0.04	0.08
Adjusted net earnings[1]	**12,613**	11,283	8,749	9,115	15,347	12,161	8,419	9,122
Per share - basic	**0.12**	0.11	0.08	0.09	0.15	0.12	0.08	0.09
Per share - diluted	**0.10**	0.10	0.08	0.09	0.14	0.11	0.08	0.09
Sugar - Adjusted gross margin rate per MT[1]	**199**	156	159	175	195	165	139	159
Maple - Adjusted gross margin percentage[1]	**10.3%**	12.5%	9.5%	7.2%	7.7%	8.1%	8.2%	8.0%

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

(2) All quarters are 13 weeks

Historically the first quarter (October to December) and the fourth quarter (July to September) of the fiscal year are the strongest quarters for the Sugar segment in terms of adjusted gross margin, adjusted EBITDA, and adjusted net earnings due to the favourable sales product mix associated with an higher proportion of consumer sales during these periods of the year. At the same time, the second quarter (January to March) and the third quarter (April to June) historically have the lowest volumes as well as an less favourable product sales mix, resulting in lower adjusted gross margins, adjusted EBITDA, and adjusted net earnings. Over the last eight quarters, this trend was less correlated due to sustained strong demand in the domestic market and sales that were delayed in the first quarter of fiscal 2023. The first two quarters of fiscal 2024 are not expected to follow the historical trend due to the impact from reduced activities at our Vancouver sugar refinery in connection with the labour disruption.

Usually, there is minimal seasonality in the Maple products segment. However, over the last two years, we have experienced volatility in sales volumes partially attributable to the highly competitive market and the global volatility in economic conditions.

Financial condition

(In thousands of dollars)	**December 30, 2023**	December 31, 2022	September 30, 2023
Total assets	**$ 934,726**	$ 916,377	$ 960,901
Total liabilities	**628,606**	626,299	654,005

The increase in total assets of $18.3 million in the current fiscal quarter compared to the same quarter last year is mainly due to an increase in prepaid expenses of $21.8 million in connection with the pre-payment of a raw sugar vessel, higher property, plant, and equipment of $25.5 million largely associated with the Expansion Project, and an increase in right of use assets of $6.8 million related to new leases for storages facilities and logistic related equipment. The increase in total assets is partially offset by a market-based decrease in derivatives financial instruments assets of $12.5 million, a reduction in cash of $7.1 million, lower trade and other receivables of $5.3 million, a decrease in inventory of $7.9 million and lower intangible assets of $3.2 million.

Total liabilities for the current fiscal quarter increased by $2.3 million compared to the same quarter last year due mainly to an increase in trade and other payables of $7.4 million, higher lease obligations of $7.1 million associated with the increase in right of use assets, and deferred tax liabilities of $4.6 million. This variance was partially offset by a decrease in employee benefits of $15.8 million reflecting the market-based impact of the actuarial valuation performed at the end of fiscal 2023, and a decrease in derivatives financial instruments liabilities of $1.4 million.

Liquidity

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

	Q1 2024	Q1 2023
(In thousands of dollars)		
Net cash flow from (used in) operating activities	**23,267**	(8,894)
Cash flow (used in) from financing activities	**(4,687)**	28,562
Cash flow used in investing activities	**(12,783)**	(6,780)
Effect of changes in exchange rate on cash	**(9)**	(152)
Net increase in cash	**5,788**	12,736

Cash flow from operating activities for the current quarter increased by $32.2 million compared to the same period last year, due mainly to a positive working capital variance of $27.5 million, higher net earnings adjusted for non-cash items of $2.4 million and lower interest and income taxes paid of $2.2 million.

Cash flow from financing activities was lower by $33.2 million for the current quarter compared to the same quarter last year due mainly to lower increase in borrowing from the revolving credit facility of $32.0 million.

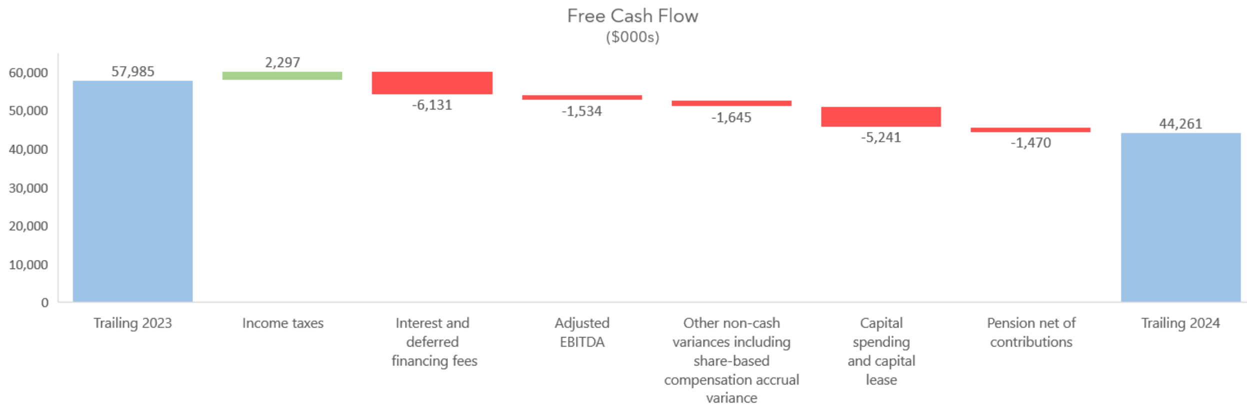
The cash flow used in investing activities increased by $6.0 million in the current quarter compared to the same period last year due mainly to the capitalization of $8.4 million in expenditures in connection with the Expansion Project.

Free cash flow

We believe it is appropriate to measure free cash flow that is generated by our operations. Free cash flow is a non-IFRS 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 and intangible assets, net of value-added capital expenditures, and the payment of lease obligations.

	Trailing twelve months	
(In thousands of dollars)	**2024**	2023
Cash flow from operations	**76,479**	48,020
Adjustments:		
Changes in non-cash working capital	**7,494**	16,351
Mark-to-market and derivative timing adjustments	**(12,386)**	19,004
Payment of deferred financing fees	**(1,810)**	-
Financial instruments non-cash amount	**3,974**	(1,141)
Capital expenditures and intangible assets	**(41,401)**	(27,672)
Value-added capital expenditures	**17,750**	8,533
Payment of lease obligations	**(5,839)**	(5,110)
Free cash flow[(1)]	**44,261**	57,985
Declared dividends	**37,812**	37,563

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



Free cash flow for the trailing twelve months ended December 30, 2023, amounted to $44.3 million, representing a decrease of $13.7 million compared to the same period last year. This decrease in free cash flow was mainly due to higher capital expenditures net of value-added capital expenditures of $4.5 million, the reduction of non-cash impact of $1.6 million related to the variance in the accrual for cash-settled share-based compensation of senior management, the increase in payment of interest and deferred financing fees of $6.1 million, lower adjusted EBITDA of $1.5 million and higher pension expense, net of contributions of $1.5 million. This variance was partially offset by the decrease in income taxes paid of $2.3 million.

Capital and intangible asset expenditures, net of value-added capital expenditures, increased by $5.2 million compared to last year's rolling twelve months due mainly to higher investment in production assets. 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 increase in the amount spent in value-added capital expenditures for 2024 as compared to the same period in 2023, was mainly related to costs incurred in connection with the Expansion Project amounting to $8.4 million.

Interest paid for the trailing twelve months ended December 30, 2023, increased by $4.4 million compared to last year due mainly to higher interest paid on our revolving credit facility from higher average borrowing and higher interest paid to the PPAQ for maple syrup purchases. Deferred financing fees for the trailing twelve months ended December 30, 2023, increased by $1.7 million compared to last year, largely due to financing costs paid in relation with Expansion Project.

The Board of Directors declared a quarterly dividend of 9.0 cents per common share every quarter, totalling 36.0 cents for both trailing twelve-month 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 $8.4 million for the current rolling twelve months does not represent cash items as these contracts will be settled when the physical transactions occur, which is the reason for the adjustment to free cash flow.

Contractual obligations

There are no material changes in the contractual obligations table disclosed in the Management's Discussion and Analysis of the September 30, 2023, Annual Report, except for the capital commitments to complete the Expansion Project for a total value of $129.0 million to be incurred to fiscal 2026.

As at December 30, 2023, Lantic had commitments to purchase a total of 752,000 metric tonnes of raw sugar, of which 412,163 metric tonnes had been priced for a total dollar commitment of $328.7 million.

Capital resources

As at December 30, 2023, Lantic had a total of $340.0 million available working capital under the revolving credit facility, which matures on October 31, 2027, from which it can borrow at prime rate, SOFR rate or under Adjusted Term CORRA loan (which is Term CORRA plus an adjustment varying between 30 to 32 basis points), plus 20 to 250 basis points, based on the achievement of certain financial ratios. As at December 30, 2023, a total of $589.6 million of assets have been pledged as security for the revolving credit facility, compared to $576.7 million as at December 31, 2022; including trade receivables, inventories and property, plant and equipment.

As at December 30, 2023, $165.0 million had been drawn from the revolving credit facility and $8.8 million in cash was also available.

As at December 30, 2023, the Company had $155.0 million total face value outstanding convertible unsecured subordinated debentures from which $57.4 million is maturing on December 31, 2024, and $97.6 million maturing on June 30, 2025.

Cash requirements for working capital and other capital expenditures are expected to be funded 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.

As at December 30, 2023, Lantic was in compliance with all the covenants under its revolving credit facility.

OUTSTANDING SECURITIES

A total of 105,096,120 shares were outstanding as at December 30, 2023 and 105,147,602 as at February 7, 2024, compared with 104,430,135 as at December 31, 2022.

RISK AND UNCERTAINTIES

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

Risk factors in our business and operations are discussed in the Management's Discussion and Analysis of our Annual Report for the year ended September 30, 2023. This document is available on SEDAR+ at www.sedarplus.ca. or on our website at www.LanticRogers.com.

The risk factors titled *Employees Relations with Unionized Employees* and *Recently Announced Eastern Capacity Expansion Project,* included in the Management's Discussion and Analysis section of our Annual Report for the year ended September 30, 2023, should be updated to consider the following as of the date of this MD&A.

Labour Disruption at Vancouver Sugar Refinery

On February 1, 2024, the unionized employees of the Vancouver sugar refinery, represented by the Public and Private Workers of Canada Local 8 ratified a new five-years collective agreement, following a strike that begun on September 28, 2023. The unionized employees are in the process of returning to work and we anticipate the Vancouver sugar refinery to return to full production over the next few weeks. Throughout the labour disruption, production from our Taber and Montreal facilities have been used to support our customers in western Canada.

This recently resolved labour disruption is expected to negatively impact our financial results for 2024, the extent of which is not yet fully known, and will depend mainly on the potential internal incremental costs associated with this event.

Expansion Project

The completion of our Expansion Project is subject to several conditions and risks, certain of which are outside of the control of Lantic. The detailed engineering plan for the project has been completed and includes estimates as it relates to costs, construction period and incremental production capacity. The expected total cost of the project is estimated at approximately $200 million.

Delays and cost overruns may occur in completing the construction of the Expansion Project. A number of factors that could cause such delays or cost overruns include, without limitation, permitting delays, construction pricing escalation, changing engineering and design requirements, the performance of contractors, labour disruptions, adverse weather conditions and the availability of financing. Even when complete, the new installed capacity and other related assets may not operate as planned due to design or manufacturing flaws, which may not all be covered by warranty. Mechanical breakdown could occur in equipment after the period of warranty has expired, resulting in loss of production as well as the cost of repair.

In addition, in order to complete the project, Lantic might need to further amend existing credit facilities and potentially enter into additional financing agreements in order to finance the construction. Lantic's ability to secure the overall financing for the project is related to several factors, including market demand for refined sugar, the final cost for the project and the borrowing conditions in 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 approximately two 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.

NON-IFRS 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-IFRS financial measures. A non-IFRS 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-IFRS financial measures are not standardized; therefore, it may not be possible to compare these financial measures with the non-IFRS 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-IFRS financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These non-IFRS 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-IFRS 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 and foreign exchange forward contracts 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 and foreign exchange forward contracts.
- 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-IFRS 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-IFRS measures should not be considered in isolation, or as a substitute for, analysis of our results as reported under IFRS. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are as follows:

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

	Q1 2024			Q1 2023		
Consolidated results (In thousands of dollars)	**Sugar**	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**36,490**	**8,154**	**44,644**	36,038	5,153	41,191
Total adjustment to the cost of sales(1)	**(258)**	**(2,067)**	**(2,325)**	1,623	(821)	802
Adjusted gross margin	**36,232**	**6,087**	**42,319**	37,661	4,332	41,993
Results from operating activities	**21,025**	**5,085**	**26,110**	24,341	1,943	26,284
Total adjustment to the cost of sales(1)	**(258)**	**(2,067)**	**(2,325)**	1,623	(821)	802
Adjusted results from operating activities	**20,767**	**3,018**	**23,785**	25,964	1,122	27,086
Results from operating activities	**21,025**	**5,085**	**26,110**	24,341	1,943	26,284
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**5,275**	**1,660**	**6,935**	4,712	1,717	6,429
EBITDA(1)	**26,300**	**6,745**	**33,045**	29,053	3,660	32,713
EBITDA(1	**26,300**	**6,745**	**33,045**	29,053	3,660	32,713
Total adjustment to the cost of sales(1)	**(258)**	**(2,067)**	**(2,325)**	1,623	(821)	802
Adjusted EBITDA	**26,042**	**4,678**	**30,719**	30,676	2,839	33,515
Net earnings			**13,852**			14,674
Total adjustment to the cost of sales(1)			**(2,325)**			802
Net change in fair value in interest rate swaps(1)			**658**			46
Income taxes on above adjustments			**428**			(175)
Adjusted net earnings			**12,613**			15,347
Net earnings per share (basic)			**0.13**			0.14
Adjustment for the above			**(0.01)**			0.01
Adjusted net earnings per share (basic)			**0.12**			0.15

(1) See “Adjusted results” section

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

(In thousands of dollars, except for volumes and per share information)	QUARTERS[1][2]							
	2024	2023				2022		
	First	Fourth	Third	Second	First	Fourth	Third	Second
Gross margin	**44,644**	41,192	41,685	41,658	41,191	28,472	24,948	33,899
Total adjustment to the cost of sales[2]	**(2,325)**	(999)	(6,773)	(3,425)	802	10,669	7,706	1,988
Adjusted gross margin	**42,319**	40,193	34,912	38,233	41,993	39,141	32,654	35,887
Results from operating activities	**26,110**	22,815	24,008	21,856	26,284	(38,345)	8,822	15,499
Total adjustment to the cost of sales[2]	**(2,325)**	(999)	(6,773)	(3,425)	802	10,669	7,706	1,988
Goodwill impairment	**-**	-	-	-	-	50,000	-	-
Adjusted results from operating activities	**23,785**	21,816	17,235	18,431	27,086	22,324	16,528	17,487
Results from operating activities	**26,110**	22,815	24,008	21,856	26,284	(38,345)	8,822	15,499
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**6,935**	6,753	6,515	6,589	6,429	6,628	6,580	6,530
Goodwill impairment	**-**	-	-	-	-	50,000	-	-
EBITDA	**33,045**	29,568	30,523	28,445	32,713	18,283	15,402	22,029
EBITDA	**33,045**	29,568	30,523	28,445	32,713	18,283	15,402	22,029
Total adjustment to the cost of sales[2]	**(2,325)**	(999)	(6,773)	(3,425)	802	10,669	7,706	1,988
Adjusted EBITDA	**30,720**	28,569	23,750	25,020	33,515	28,952	23,108	24,017
Net (loss) earnings	**13,852**	11,876	14,177	11,062	14,674	(45,502)	3,138	8,570
Total adjustment to the cost of sales[2]	**(2,325)**	(999)	(6,773)	(3,425)	802	10,669	7,706	1,988
Goodwill impairment	**-**	-	-	-	-	50,000	-	-
Net change in fair value in interest rate swaps[2]	**658**	201	(203)	479	46	(328)	(632)	(1,246)
Income taxes on above adjustments	**428**	205	1,548	999	(175)	(2,678)	(1,793)	(190)
Adjusted net earnings	**12,613**	11,283	8,749	9,115	15,347	12,161	8,419	9,122

(1) All quarters are 13 weeks
(2) See “Adjusted results” section

CRITICAL ACCOUNTING ESTIMATES

For the first quarter of fiscal 2024, there were no significant changes in the critical accounting estimate as disclosed in our Management's Discussion and Analysis of the September 30, 2023 Annual Report.

CHANGES IN ACCOUNTING PRINCIPLES AND PRACTICES NOT YET ADOPTED

A number of new standards, and amendments to standards and interpretations, are not yet effective and have not been applied in preparing the unaudited condensed interim financial statements for the first quarter of fiscal 2024. Management has reviewed such new standards and proposed amendments and does not anticipate that they will have a material impact on Rogers' financial statements. Refer to note 3 of the unaudited condensed interim financial statements and to note 3 (q) of the 2023 audited consolidated financial statements for details.

CONTROLS AND PROCEDURES

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

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

The Chief Executive Officer and Chief Financial Officer have evaluated whether or not there were any changes to Rogers' ICFR during the period beginning on October 1, 2023 and ended on December 30, 2023 that have materially affected, or are reasonably likely to materially affect, Rogers' ICFR. No such changes were identified through their evaluation.

FORWARD-LOOKING STATEMENTS

This report contains statements or information that are or may be "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian Securities laws. Forward-looking statements may include, without limitation, statements and information which reflect our current expectations with respect to future events and performance. Wherever used, the words "may," "will," "should," "anticipate," "intend," "assume," "expect," "plan," "believe," "estimate," and similar expressions and the negative of such expressions, identify forward-looking statements. Although this is not an exhaustive list, we caution investors that statements concerning the following subjects are, or are likely to be, forward-looking statements:

- the estimated impact of the recent labour disruption at our Vancouver sugar refinery;
- demand for refined sugar and maple syrup;
- sales volumes for sugar and maple syrup;
- our Expansion Project;
- future prices of Raw #11;
- expected inflationary pressures on costs;
- natural gas costs;
- beet sugar production forecast for our Taber facility;
- growth of the maple syrup industry and the refined sugar industry;
- the level of future dividends; and
- 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, 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.