Rogers Sugar Inc.

Press release – 1st Quarter 2018 Results

FREE CASH $2.7 MILLION HIGHER THAN PRIOR YEAR
STRONG VOLUME IN THE SUGAR SEGMENT
ACQUISITION OF DECACER COMPLEMENTS MAPLE SYRUP PORTFOLIO ACQUIRED IN FISCAL 2017

During the quarter, Rogers Sugar Inc. (the "Company") expanded its operational capabilities and maple syrup product offering with the acquisition of another maple syrup bottler, securing a global leadership position in the maple syrup industry. On November 18, 2017, the Company acquired from the Levasseur Family 100% of 9020-2292 Québec Inc. ("Decacer"), a company operated under the "Decacer" trade name for approximately $40.0 million, in addition to closing adjustments of approximately $3.0 million. Decacer has one bottling plant in Dégelis, Québec. This acquisition, combined with the earlier acquisition of LBMT, allows us to create a solid platform and to broaden the Company's maple syrup operations and expand its product offering, including a unique maple sugar dehydration technology as well as enhancing the potential for additional operational synergies. The acquisition was funded by a drawdown under the Company's existing $275.0 million revolving credit facility, which was subsequently increased by $40.0 million to $315.0 million on December 20, 2017.

As a result of the acquisition of LBMT and Decacer, the Company now has the following two operating segments: Sugar and Maple products.

Sugar

The industrial market segment decreased by approximately 1,000 metric tonnes for the quarter, mostly due to timing in sugar deliveries, while the consumer volume increased for the current quarter by approximately 300 metric tonnes compared to the same period last year. Liquid volume ended the period at approximately 3,800 metric tonnes higher than the first quarter of last year. The increase is explained by additional demand from existing customers and liquid sugar deliveries of a high fructose corn syrup ("HFCS") substitutable customer in Western Canada for the full quarter of fiscal 2018 as opposed to two months in the first quarter of fiscal 2017. Exports increased by approximately 2,700 metric tonnes for the current quarter due to timing in deliveries of the Canada specific U.S. quota and Mexico sales, as well as additional U.S. high tier opportunistic sales versus the comparative period last year.

With the mark-to-market of all derivative financial instruments and embedded derivatives in non-financial instruments at the end of each reporting period, our accounting income does not represent a complete understanding of factors and trends affecting the business. Consistent with previous reporting, we prepared adjusted gross margin and adjusted earnings results to reflect the performance of the Company during the period without the impact of the mark-to-market of derivative financial instruments and embedded derivatives in non-financial instruments. Earnings before interest and income taxes ("EBIT") for the Sugar segment included a mark-to-market gain of $4.8 million for the first quarter which was deducted to calculate adjusted EBIT and adjusted gross margin results. See "Non-GAAP measures" section in the MD&A.

Adjusted gross margin for the quarter was $31.2 million compared to $29.1 million for the same quarter last year, representing an increase of $2.1 million. Included in adjusted gross margin is a non-cash pension plan income of $1.5 million recorded as a result of the approval by the Alberta Treasury Board and Finance of an amendment to the Alberta hourly pension plan. Excluding this non-cash income, adjusted gross margin was $29.7 million or $0.6 million higher than last year, mostly due to higher sales volume, somewhat offset by additional operating expenses, such as higher energy costs associated to the new carbon tax in Alberta, higher maintenance costs, due to timing and to consulting fees incurred relating to air emission reduction initiatives in Taber. Adjusted gross margin rate was $179.19 per metric tonne or $170.70 per metric

tonne, when excluding the non-cash pension plan income of $8.49 per metric tonne, and as a result, adjusted gross margin decreased by $2.22 per metric tonne versus the first quarter of fiscal 2017. The decrease is due mainly to the additional operating expenses explained above.

Administration and selling expenses for the first quarter of fiscal 2018 were $0.3 million lower than the comparable period last year mostly explained by a reduction in employee benefits.

Adjusted results from operating activities for the first quarter of $23.8 million were $2.3 million higher than the comparable period year. The increase is mainly due to the non-cash pension plan income, higher sales volume and lower administrative and selling expenses, somewhat offset by additional operating expenses, mainly in Taber, as explained above.

Maple products

Revenues for the first quarter include revenues generated by Decacer since its acquisition on November 18, 2017.

Gross margin of $7.1 million for the quarter does not reflect the economic margin of the Maple products segment, as it includes a gain of $1.0 million for the mark-to-market of derivative financial instruments on foreign exchange contracts. The mark-to-market gain was deducted to calculate adjusted EBITDA and adjusted gross margin results. See "Non-GAAP measures" section in the MD&A.

In addition to the impact of the mark-to-market adjustment for derivative instruments, the acquisition by LBMT of Decacer has resulted in expenses that do not reflect the economic performance of the operation of LBMT. Finally, certain non-cash items and non-recurring expenses also had a negative impact on the results from operating activities. As such Management believes that the Maple products 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. See "Non-GAAP measures" section in the MD&A. Maple products Adjusted EBITDA is defined as the earnings before interest expenses, taxes and depreciation and amortization expenses of the Maple products segment, adjusted for the total adjustment to cost of sales relating to its segment and non-recurring expenses.

Adjusted gross margin for the quarter was $6.1 million, representing an adjusted gross margin percentage of 12.4%. However, included in cost of sales, is an amount of $0.3 million due to an increase in value of the finished goods inventory at the date of acquisition of Decacer. Under IFRS, all inventory of finished goods upon acquisition is valued at the estimated selling price less the sum of the costs of disposal, and a reasonable profit allowance for the selling effort of the acquirer which results in, lower selling margins when the acquired inventory is sold. As at December 30, 2017, there was no finished goods inventory remaining that existed as at the acquisition date. Without this adjustment, adjusted gross margin would have been $6.4 million or 13.0% of revenues.

Administration and selling expenses of $3.2 million include $0.7 million in consulting fees and other costs incurred as a result of the acquisition of Decacer and $0.3 million in non-recurring costs representing severance costs accrued to date.

Distribution expenses were $0.8 million for the period.

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

		December 30, 2017
Results from operating activities	$	3,041
Total adjustment to cost of sales [(1)] [(2)]		(987)
Adjusted results from operating activities		2,054
Non-recurring expenses:		
Acquisition costs incurred		710
Other non-recurring items		254
Finished goods valued at the estimated selling price less disposal cost as of acquisition date		261
Depreciation and amortization		923
LBMT Adjusted EBITDA [(1)] [(2)]	$	4,202

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" within the unaudited condensed consolidated interim operating results section and "Segmented information" section of the MD&A.

Other non-recurring items represent severance costs accrued to date.

Consolidated

Adjusted gross margin for the quarter was $37.3 million versus $29.1 million for the comparable period last year. During the current quarter, LBMT and Decacer contributed $6.1 million of adjusted gross margin. The remainder of the positive adjusted gross margin variation is attributable to the Sugar segment and was explained above in the Sugar segment section.

Adjusted EBIT for the first quarter of fiscal 2018 was $25.9 million compared to $21.5 million, an increase of $4.4 million. The increase in adjusted gross margin of $8.2 million was partly offset by higher administration and selling expenses as well as distribution costs when compared to the comparable period, due mainly to LBMT and Decacer's administrative and selling expenses and distribution costs of $4.0 million for the quarter. Included in the current quarter's administrative and selling expenses of the Maple product segment is $0.7 million in acquisition costs incurred related to Decacer. Without the acquisition costs, adjusted EBIT was $26.6 million, an increase of $5.1 million versus the comparable period last year.

The Decacer acquisition was funded from a drawdown under the revolving credit facility.

Net finance costs for the quarter were $1.7 million higher than the comparable period of last year, excluding the amortization of the transitional balance, due to the increased borrowings under the revolving credit facility, the increase in interest rates during the fourth quarter of fiscal 2017 and additional interest payable by LBMT to the *Fédération des Producteurs Acéricoles du Québec* ("FPAQ") on syrup purchases.

Free cash flow for the first quarter of 2018 was $17.4 million compared to $14.7 million for the same period last year, an increase of $2.7 million. The increase is mainly explained by an increase in adjusted EBITDA, net of the non-cash pension income (See "Non-GAAP measures" section in the MD&A) of $3.7 million as well as a decrease in income taxes paid of $2.8 million. Offsetting a portion of the positive variance is an increase in interest paid of $1.4 million, higher capital expenditures,

net of operational excellence capital expenditures of $1.3 million and an increase in pension plan contributions of $0.6 million. Also, an amount of $0.4 million was received during the first quarter of fiscal 2017 following the exercise of share options by executives, compared to none in the current period. Finally, the Company paid $0.1 million in deferred financing charges during the current quarter to amend the revolving credit facility.

Outlook

In fiscal 2018, we expect the industrial market segment to decrease slightly, while the consumer volume should be comparable to fiscal 2017.

The liquid market segment should continue to be strong, benefitting from some growth with existing customers, the recapture of some of the volume loss in fiscal 2017 and the benefit of a full year of supply to a large bottler account in Western Canada. As a result, we expect the liquid market segment to surpass fiscal 2017 by approximately 10,000 metric tonnes.

As for the export segment, total volume is anticipated to increase by approximately 5,000 metric tonnes due to additional sales to Mexico and U.S. high tier opportunistic sales.

Overall, we expect total volume to increase by approximately 10,000 metric tonnes.

In fiscal 2018, the Company will benefit from a full year of operations of LBMT. As previously presented in the short form prospectus dated July 21, 2017, we expect LBMT's Adjusted EBITDA (See "Non-GAAP measures" section of the MD&A) to approximate $18.4 million, which includes an increase in sales volume and related selling margins in addition to some operational efficiency gains for a total of approximately $2.9 million. Management does not expect LBMT's Adjusted EBITDA to vary significantly, although it could be slightly lower than anticipated. Integration gains related to internal operational synergies have been revalidated and are expected to be well established in the second half of the fiscal year but are slightly delayed from our original targets. Anticipated commercial gains have been generally positive but some evidence of more competitive responses to new market growth has developed. In addition, Management expects non-recurring expenses of approximately $1.0 million related to severance costs. In fiscal 2019, we expect additional integration gains of approximately $2.1 million to be fully realized by the end of fiscal 2019. Therefore, fiscal 2019 Adjusted EBITDA for LBMT should amount to approximately $20.5 million assuming the realization of all expected integration gains.

On November 20, 2017, the Company announced the acquisition of Decacer for $40.0 million, subject to post-closing adjustments. Decacer's Adjusted pro forma EBITDA (See "Non-GAAP measures" section) on an annual basis is estimated at $5.1 million. This acquisition, combined with the earlier acquisition of LBMT, allows us to create a solid platform and to broaden the Company's maple syrup operations and expand its product offering, including a unique maple sugar dehydration technology as well as enhancing the potential for additional operational synergies.

We expect energy costs to increase by approximately $1.5 million in fiscal 2018 as a result of the implementation of the carbon tax in Alberta on January 1, 2017. The current carbon tax amounts to $1.011 per gigajoule and will increase to $1.517 per gigajoule on January 1, 2018.

Capital expenditures for fiscal 2018 are expected to increase compared to fiscal 2017 as the Company intends to spend approximately $6.0 million on operational excellence capital projects. The Company is currently evaluating various scenarios in order to be fully compliant on air emission standards for the 2019 beet harvesting season and a decision is expected next quarter. To achieve this objective, the Company expects to undertake significant capital expenditure for this project, starting in the second half of the fiscal year. Early estimates of the net investment required to remediate the non-compliance range between $15 million and $25 million.

The beet slicing campaign is expected to be completed in late February. We expect that the current crop should derive approximately 125,000 metric tonnes of refined sugar.

Total pension plan expense is expected to decrease by approximately $2.4 million in fiscal 2018 as a result of the increase in discount rates, as well as to the approval by the Alberta Treasury Board and Finance of an amendment to the Alberta Hourly Plan.

As a result of the acquisition of LBMT and Decacer, as well as the recent increase in interest rate and expectations of further increases by the Bank of Canada in fiscal 2018, we anticipate higher interest expense when compared to fiscal 2017.

FOR THE BOARD OF DIRECTORS,

Dallas H. Ross, Chairman
Vancouver, British Columbia – February 1, 2018

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This Management's Discussion and Analysis ("MD&A") of Rogers Sugar Inc.'s ("Rogers", "RSI" or the "Company") dated February 1, 2018 should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the period ended December 30, 2017, as well as the audited consolidated financial statements and MD&A for the year ended September 30, 2017. The quarterly unaudited condensed consolidated interim financial statements and any amounts shown in this MD&A were not reviewed nor audited by our external auditors.

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.

NON-GAAP MEASURES

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

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

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

- Adjusted gross margin is defined as gross margin adjusted for:
  - "the adjustment to cost of sales", which comprises of the mark-to-market gains or losses on sugar futures, foreign exchange forward contracts and embedded derivatives as shown in the notes to the unaudited condensed consolidated interim financial statements and the cumulative timing differences as a result of mark-to-market gains or losses on sugar futures, foreign exchange forward contracts and embedded derivatives as described below; and
  - "the amortization of transitional balance to cost of sales for cash flow hedges", which is the transitional marked-to-market balance of the natural gas futures outstanding as of October 1, 2016 amortized over time based on their respective settlement date until all existing natural gas futures have expired, as shown in the notes to the consolidated financial statements.
- Adjusted EBIT is defined as EBIT adjusted for the adjustment to cost of sales, the amortization of transitional balances to cost of sales for cash flow hedges.
- Adjusted EBITDA is defined as adjusted EBIT adjusted to add back depreciation and amortization expenses.
- Adjusted net earnings is defined as net earnings adjusted for the adjustment to cost of sales, the amortization of transitional balances to cost of sales for cash flow hedges, the amortization of transitional balance to net finance costs and the income tax impact on these adjustments. Amortization of transitional balance to net finance costs is defined as the transitional marked-to-market balance of the interest rate swaps outstanding as of October 1, 2016, amortized over time based on their respective settlement date until all existing interest rate swaps agreements have

expired, as shown in the notes to the unaudited condensed consolidated interim financial statements.

- Adjusted gross margin rate per MT is defined as adjusted gross margin of the Sugar segment divided by the sales volume of the Sugar segment.
- Adjusted gross margin percentage is defined as the adjusted gross margin of the Maple segment divided by the revenues generated by the Maple product segment.
- Adjusted net earnings per share is defined as adjusted net earnings divided by the weighted average number of shares outstanding.
- Maple products segment Adjusted EBITDA is defined as the earnings before interest expenses, taxes and depreciation and amortization expenses of the Maple products segment, adjusted for the total adjustment to cost of sales relating to its segment and non-recurring expenses.
- LBMT's Adjusted EBITDA is defined as the earnings before interest expenses, taxes and depreciation and amortization expenses associated to the LBMT acquisition on August 5, 2017, adjusted for the total adjustment to cost of sales relating to its segment and non-recurring expenses.
- LBMT's EBITDA is defined as earnings before interest expenses, taxes, depreciation and amortization expenses, business combination related costs, gain on business acquisition and fair value adjustment to purchase price allocation on inventories.
- Adjusted *pro forma* EBITDA is defined as LBMT's EBITDA, adjusted to include the EBITDA of Highland and Great Northern from April 1, 2016 until their respective acquisition by LBMT and the expected EBITDA of Sucro-Bec for the twelve-month period ended March 31, 2017, as well as certain non-recurring operating expenses.
- Adjusted *pro forma* EBITDA assuming the LBMT Integration Gains is defined as the adjusted *pro forma* EBITDA, adjusted to include any recent customer gains, procurement efficiencies, redistribution of production lines, reduction of maple syrup losses and previous integration of acquired businesses.
- Adjusted *pro forma* EBITDA assuming the LBMT Integration Gains and the RSI Integration Gains is defined as the adjusted *pro forma* EBITDA assuming the LBMT Integration Gains, adjusted to include business efficiencies, including procurement cost reductions and Operational Excellence, and customer gains, as a result of the Rogers integration.
- Decacer's *pro forma* Adjusted EBITDA is defined as earnings before interest expenses, taxes, depreciation and amortization expense for the twelve-month period ended March 31, 2017, adjusted to take into account non-recurring items identified by the Decacer Management, non-recurring items identified by the Company during the course of its due diligence and estimated adjustments required to reflect the going-forward EBITDA run-rate.
- Free cash flow is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments, amortization of transitional balances, financial instruments non-cash amount, and includes funds received or paid from the issue or purchase of shares, deferred financing charges paid and capital expenditures, net of operational excellence capital expenditures.

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

FORWARD-LOOKING STATEMENTS

This report contains Statements or information that are or may be "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking statements may include, without limitation, statements and information which reflect the current expectations of Rogers, Lantic, LBMT and Decacer (together all referred to as "the Company") with respect to future events and performance. Wherever used, the words "may," "will," "should," "anticipate," "intend," "assume," "expect," "plan," "believe," "estimate," and similar expressions and the negative of such expressions, identify forward-looking statements. Although this is not an exhaustive list, the Company cautions investors that statements concerning the following subjects are, or are likely to be, forward-looking statements: future prices of raw sugar, natural gas costs, the opening of special refined sugar quotas in the United States ("U.S."), beet production forecasts, growth of the maple syrup industry, anticipated benefit of the LBMT and Decacer acquisitions (including expected adjusted EBITDA), the status of labour contracts and negotiations, the level of future dividends and the status of government regulations and investigations. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, 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. These risks are referred to in the Company's Annual Information Form in the "Risk Factors" section and include, without limitation: the risks related to the Company's dependence on the operations and assets of Lantic, the risks related to government regulations and foreign trade policies, the risks related to competition faced by Lantic, the risks related to fluctuations in margins, foreign exchange and raw sugar prices, the risks related to security of raw sugar supply, the risk related to weather conditions affecting sugar beets, the risks relating to fluctuation in energy costs, the risks that LBMT and Decacer's historical financial information may not be representative of future performance, the risk that following the acquisition of LBMT on August 5, 2017 and Decacer on November 18, 2017 (the "Acquisitions"), Rogers and Lantic may not be able to successfully integrate LBMT and Decacer's businesses with their current business and achieve the anticipated benefits of the Acquisitions, the risks of unexpected costs or liabilities related to the Acquisitions, including that the Representation and Warranty Insurance ("RWI") Policy may not be sufficient to cover such costs or liabilities or that the Company may not be able to recover such costs or liabilities from the shareholders of LBMT and Decacer, the risks related to the regulatory regime governing the purchase and sale of maple syrup in Québec, including the risk that LBMT and Decacer may not be able to maintain their authorized buyer status with the Federation des Producteurs Acéricoles du Québec ("FPAQ") and the risk that it may not be able to purchase maple syrup in sufficient quantities, the risk related to the production of maple syrup being seasonal and subject to climate change, the risk related to customer concentration and LBMT and Decacer's reliance on private label customers, the risks related to consumer habits and the risk related to LBMT and Decacer's business growth, substantially relying on exports.

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

of this MD&A, Management does not expect LBMT's Adjusted EBITDA to vary significantly, although it could be slightly lower than anticipated. Integration gains related to internal operational synergies have been revalidated and are expected to be well established in the second half of the fiscal year but are slightly delayed from our original targets. Anticipated commercial gains have been generally positive but some evidence of more competitive responses to new market growth has developed.

FORWARD-LOOKING INFORMATION IN THIS MD&A

The following table outlines the forward-looking information contained in this MD&A, which the Corporation considers important to better inform readers about its potential financial performance, together with the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

Principal Assumptions	Principal Risks and Uncertainties
Expected adjusted EBITDA for LBMT	
The expected adjusted EBITDA is the expected earnings before interest expenses, taxes, depreciation and amortization expense for a twelve-month period, adjusted for one-time costs and including the integration gains. The Corporation estimates annual operating earnings by subtracting from the estimated revenues, the estimated annual operating costs, from which it subtracts estimated general and administrative expenses. The integration gains include LBMT for fiscal 2018 and RSI integration gains for fiscal 2019. LBMT integration gains are estimated gains resulting from the three acquisitions completed by LBMT since February 2, 2016 and which include customer gains, procurement efficiencies, redistribution of production lines, reduction of maple syrup losses and previous integration of acquired businesses. RSI integration gains are estimated operational gains resulting from the combination of the Corporation and LBMT which include business efficiencies and customer gains.	• Historical financial information used to estimate amounts may not be representative of future results. • Variability in LBMT's performance. • Unexpected administration, selling or distribution expenditures. • Uncertainty of successful integration and operational gains. • Other risks relating to the business of LBMT (refer to the "Risk Factors" section of the MD&A for the year ended September 30, 2017).
Expected Adjusted *pro forma* EBITDA for Decacer	
Decacer's Adjusted *pro forma* EBITDA is the expected earnings before interest expenses, taxes, depreciation and amortization expense for a twelve-month period, adjusted to take into account non-recurring items identified by Decacer Management, non-recurring items identified by the Company during the course of its due diligence and estimated adjustments required to reflect the going-forward EBITDA run-rate.	• Historical financial information used may not be representative of future results. • Variability in Decacer's performance. • Unexpected administration, selling or distribution expenditures. • Uncertainty of successful integration and operational gains.

INTERNAL DISCLOSURE CONTROLS

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 the Company's ICFR during the three month period ended December 30, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. No such changes were identified through their evaluation.

LIMITATION ON SCOPE OF DESIGN

The Company has limited the scope of its DC&P and ICFR to exclude controls, policies and procedures of LBMT and its subsidiaries, including Decacer, acquired not more than 365 days before the last day of the period covered by the annual filing. The Company elected to exclude it from the scope of certification as allowed by NI 52-109. The Company intends to perform such testing within one year of acquisition.

The chart below presents the summary financial information included in the Corporation's unaudited condensed consolidated interim financial statements for the excluded business:

(In thousands of dollars, unaudited)	LMBT & Decacer $
Statement of Financial Position	
Total assets	264,728
Statement of Comprehensive Income	
Total revenue	49,119
Results from operating activities	3,041

SELECTED FINANCIAL INFORMATION

The following is a summary of selected financial information of Rogers' unaudited condensed consolidated interim results for the first quarters of fiscal 2018 and 2017.

(In thousands of dollars, except volume and per share information)	First Quarter			
		2018		2017
Total volume				
Sugar (metric tonnes)		**174,144**		168,376
Maple syrup ('000 pounds)		**11,191**		n/a
Total revenues	**$**	**204,883**	$	159,604
Gross margin		**43,113**		28,176
Results from operating activities ("EBIT")		**31,685**		20,596
Net finance costs		**4,004**		2,305
Income tax expense		**7,465**		4,739
Net earnings		**20,216**		13,552
Net earnings per share:				
Basic		**0.19**		0.14
Diluted		**0.18**		0.14
Dividends per share	**$**	**0.09**	$	0.09

Consolidated results of operations

Aligned with our strategic priorities, Rogers targeted acquisition of new businesses during the fourth quarter of fiscal 2017 and the first quarter of fiscal 2018. The culmination of efforts resulted in the acquisition of LBMT on August 5, 2017 for approximately $160.3 million, subject to closing adjustments of approximately $6.1 million and Decacer on November 18, 2017 for approximately $40.0 million, subject to closing adjustments of approximately $3.0 million. This new platform will provide the Company with opportunities to grow organically, leverage sales and administrative synergies, and build our leadership position in maple syrup by leveraging our existing footprint and to a lesser extent, investigate potential opportunistic acquisitions in that segment. Results from the LBMT and Decacer operations are included in the unaudited consolidated interim results of operations since their acquisition date. As a result of the acquisition, Rogers now has the following two operating segments: Sugar and Maple products.

Total revenues

Revenues for the current quarter amounted to $204.9 million, an increase of $45.3 million versus the comparable quarter last year. The improvement is mainly attributable to $49.1 million of revenues generated by LBMT and Decacer in the first quarter of fiscal 2018, slightly offset by lower sugar selling values.

Gross margin

Gross margin of $43.1 million for the quarter does not reflect the economic margin of the Company, as it includes a gain of $5.8 million for the mark-to-market of derivative financial instruments as explained below (See "Adjusted results" section). In fiscal 2017, a mark-to-market loss of $0.9 million was recorded for the first quarter resulting in a gross margin of $28.2 million for the period.

Results from operating activities ("EBIT")

EBIT is defined as earnings before interest and taxes. For the first quarter of fiscal 2018, EBIT amounted to $31.7 million compared to $20.6 million last year. The Maple product segment contributed $3.0 million of the increase in EBIT. In addition, as mentioned above, the gross margin does not reflect the economic results from operating activities which had a positive impact of $6.7 million for the quarter-over-quarter variation in mark-to-market of derivative financial instruments.

Net finance costs

Net finance costs consisted of interest paid under the revolving credit facility, as well as interest expense on the convertible unsecured subordinated debentures and other interest. It also includes a mark-to-market gain or loss on the interest swap agreements.

The net finance costs breakdown is as follows:

(In thousands of dollars)	First Quarter	
	2018	2017
Interest expense on convertible unsecured subordinated debentures	**$ 1,698**	$ 1,586
Interest on revolving credit facility	**1,426**	628
Amortization of deferred financing fees	**249**	206
Other interest expense	**766**	-
Net change in fair value of interest rate swap agreements	**(135)**	(115)
Net finance costs	**$ 4,004**	$ 2,305

The Decacer acquisition was funded by a drawdown under the revolving credit facility.

The interest expense on the convertible unsecured subordinated debentures increased by approximately $0.1 million for the current quarter, when compared to the same period last year. The additional interest expense is mostly explained by an increase in accretion expense on the equity component of the convertible unsecured subordinated debentures.

The increase in interest on the revolving credit facility is explained by the additional drawdowns as a result of the LBMT and Decacer acquisitions as well as the additional drawdown to repay the Fourth series debentures on May 1, 2017. The increase in interest rates also had a negative impact when compared to the same period last year.

The other interest expense pertains mainly to interest payable to the FPAQ on syrup purchases, in accordance with its payment terms, which will tend to be higher between July and February of each year.

Starting on October 2, 2016, interest rate swap agreements were designated as effective cash flow hedging instruments and as a result, mark-to-market adjustments are now recorded in other comprehensive income. The transitional balances, representing the mark-to-market value recorded as of October 1, 2016, will be subsequently removed from other comprehensive income when each of the fixed interest rate tranches will be liquidated, in other words, when the fixed interest rate is paid. As a result,

the Company removed a gain of $0.1 million from other comprehensive income and recorded a gain of the same amount in net finance costs for the current quarter and the comparative period. The transitional balance relating to interest rate swap agreements will be fully depleted in fiscal 2020. See "Adjusted results" section.

Taxation

The income tax expense is as follows:

(In thousands of dollars)	First Quarter	
	2018	2017
Current	**$ 5,761**	$ 3,845
Deferred	**1,704**	894
Income tax expense	**$ 7,465**	$ 4,739

The variation in current and deferred tax expense quarter-over-quarter is consistent with the increase in earnings before income taxes in fiscal 2018.

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 for the first quarter of fiscal 2018 were $20.2 million compared to $13.6 million for fiscal 2017. The improvement in net earnings is mostly explained by the after tax impact of the increase in gross margin of the Sugar segment, mostly attributed to the mark-to-market of derivative financial instruments, as well as the net earnings of the Maple product segment, excluding the interest on inter-company debt. The positive net earnings variance was somewhat offset by $1.7 million and $0.7 million in additional finance costs and in acquisition costs, respectively.

Adjusted results

In the normal course of business, the Company uses derivative financial instruments consisting of sugar futures, foreign exchange forward contracts, natural gas futures and interest rate swaps. For fiscal 2016 and prior years, all derivative financial instruments were marked-to-market at each reporting date, with the unrealized gains/losses charged to the consolidated statement of earnings. As of October 2, 2016, the Company adopted all the requirements of IFRS 9 (2014) Financial Instruments. As a result, the Company has designated as effective hedging instruments its natural gas futures and its interest rate swap agreements entered into in order to protect itself against natural gas prices and interest rate fluctuations as cash flow hedges. Derivative financial instruments pertaining to sugar futures and foreign exchange forward contracts continue to be marked-to-market at each reporting date and are charged to the consolidated statement of earnings. In addition, the derivative financial instruments pertaining to foreign exchange forward contracts on maple syrup sales were marked-to-market as at December 30, 2017 and also charged to the consolidated statement of earnings. The unrealized gains/losses related to natural gas futures and interest rate swaps are accounted for in other comprehensive income. The amount recognized in other comprehensive income is removed and included in net earnings 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. The transitional marked-to-market balances outstanding as of October 1, 2016 will be amortized over time based on their settlements until all existing natural gas futures and all existing interest rate swaps agreements have expired.

The Company sells refined sugar to some clients in U.S. dollars. Prior to October 1, 2016, these sales contracts were viewed as having an embedded derivative if the functional currency of the customer was not U.S. dollars, the embedded derivative being the source currency of the transaction. The embedded derivatives were marked-to-market at each reporting date, with the unrealized gains/losses charged to the unaudited condensed consolidated interim statement of earnings with a corresponding offsetting amount charged to the unaudited condensed consolidated statement of financial position. As of October 2, 2016, the U.S. dollars of these sales contract will no longer be considered as being an embedded derivative as it was determined that the U.S. dollar is commonly used in Canada. This change in estimate will be applied prospectively, as a result, only the embedded derivatives relating to sales contracts outstanding as of October 1, 2016 will continue to be marked-to-market every quarter until all the volume on these contracts has been delivered.

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

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

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

Income (loss) (In thousands of dollars)	First Quarter **2018**	2017
Mark-to-market on:		
Sugar futures contracts	**$ 1,231**	$ (4,594)
Foreign exchange forward contracts	**1,333**	(1,113)
Embedded derivatives	**51**	722
Total mark-to-market adjustment on derivatives	**$ 2,615**	$ (4,985)
Cumulative timing differences	**2,312**	3,198
Adjustment to cost of sales	**4,927**	(1,787)
Amortization of transitional balance to cost of sales for cash flow hedges	**883**	848
Total adjustment to costs of sales [1]	**$ 5,810**	$ (939)

(1) See "Non-GAAP measures" section.

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

Cumulative timing differences, as a result of mark-to-market gains or losses, are recognized by the Company only when sugar is sold to a customer. The gains or losses on sugar and related foreign exchange paper transactions are largely offset by corresponding gains or losses from the physical transactions, namely sale and purchase contracts with customers and suppliers. See "Non-GAAP measures" section.

As previously mentioned, starting on October 2, 2016, natural gas futures were designated as an effective cash flow hedging instrument and as a result, mark-to-market adjustments are now recorded in other comprehensive income. The transitional balances, representing the mark-to-market value recorded as of October 1, 2016, will be subsequently removed from other comprehensive income when the natural gas futures will be liquidated, in other words, when the natural gas is used. As a result, in the first quarter of fiscal 2018, the Company removed a gain of $0.9 million from other comprehensive income and recorded a gain of the same amount in cost of sales. The transitional balance relating to natural gas futures will be fully depleted in fiscal 2020. See "Non-GAAP measures" section.

The above described adjustments are added or deducted to the mark-to-market results to arrive at the total adjustment to cost of sales. For the first quarter of the current year, the total cost of sales adjustment is a gain of $5.8 million to be deducted from the unaudited condensed consolidated interim operating results versus a loss of $0.9 million to be added to the unaudited condensed consolidated interim results for the comparable quarter last year. See "Non-GAAP measures" section.

The following is a table showing the adjusted unaudited condensed consolidated interim results (non-GAAP) without the above mark-to-market results:

Consolidated results (In thousands of dollars, except per share information)	First Quarter	
	2018	2017
Gross margin as per financial statements	**$ 43,113**	$ 28,176
Adjustment as per above	**(4,927)**	1,787
Amortization of transitional balance to cost of sales as per above	**(883)**	(848)
Adjusted gross margin [1]	**37,303**	29,115
EBIT as per financial statements	**$ 31,685**	$ 20,596
Adjustment as per above	**(4,927)**	1,787
Amortization of transitional balance to cost of sales as per above	**(883)**	(848)
Adjusted EBIT [1]	**25,875**	21,535
Net earnings as per financial statements	**20,216**	13,552
Adjustment to cost of sales as per above	**(4,927)**	1,787
Amortization of transitional balance to cost of sales as per above	**(883)**	(848)
Amortization of transitional balance to net finance costs	**(135)**	(115)
Income taxes on above adjustments	**1,577**	(258)
Adjusted net earnings [1]	**15,848**	14,118
Net earnings per share basic, as per financial statements	**0.19**	0.14
Adjustment for the above	**(0.04)**	(0.01)
Adjusted net earnings per share basic [1]	**$ 0.15**	$ 0.15

(1) See "Non-GAAP measures" section.

Adjusted gross margin

Adjusted gross margin for the quarter was $37.3 million versus $29.1 million for the comparable period last year. During the current quarter, LBMT and Decacer contributed $6.1 million of adjusted gross margin. The remainder of the positive adjusted gross margin variation is attributable to the Sugar segment and is explained later in the segmented information section.

Results from operating activities

Adjusted EBIT for the first quarter of fiscal 2018 was $25.9 million compared to $21.5 million, an increase of $4.4 million. The increase in adjusted gross margin of $8.2 million was partly offset by higher administration and selling expenses as well as distribution costs when compared to the comparable period, due mainly to LBMT and Decacer's administrative and selling expenses and distribution costs of $4.0 million for the quarter. Included in the current quarter's administrative and selling expenses of the Maple product segment is $0.7 million in acquisition costs incurred related to Decacer. Without the acquisition costs, adjusted EBIT was $26.6 million, an increase of $5.1 million versus the comparable period last year.

Segmented information

Following the acquisition of LBMT and Decacer, the Company has two distinct segments, namely, refined sugar and by-products, together referred to as the "Sugar" segment and maple syrup and derived products, together referred to as the "Maple products" segment.

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

Consolidated results (In thousands of dollars, except volume)	First Quarter		
	Sugar	**Maple Products**	**Total**
Fiscal 2018			
Revenues	**$ 155,764**	**$ 49,119**	**$ 204,883**
Gross margin	**36,027**	**7,086**	**43,113**
Administration and selling expenses	**4,987**	**3,200**	**8,187**
Distribution costs	**2,396**	**845**	**3,241**
Results from operating activities	**28,644**	**3,041**	**31,685**
Non- GAAP results:			
Total adjustment to the cost of sales [1]	**(4,823)**	**(987)**	**(5,810)**
Adjusted Gross Margin [1]	**31,204**	**6,099**	**37,303**
Adjusted results from operating activities [1]	**$ 23,821**	**$ 2,054**	**$ 25,875**
Additional information:			
Addition to property, plant and equipment and intangible assets	**$ 4,242**	**$ 164**	**$ 4,406**
Fiscal 2017			
Revenues	$ 159,604	$ -	$ 159,604
Gross margin	28,176	-	28,176
Administration and selling expenses	5,290	-	5,290
Distribution costs	2,290	-	2,290
Results from operating activities	20,596	-	20,596
Non- GAAP results:			
Total adjustment to the cost of sales [1]	939	-	939
Adjusted Gross Margin [1]	29,115	-	29,115
Adjusted results from operating activities [1]	$ 21,535	$ -	$ 21,535
Additional information:			
Addition to property, plant and equipment and intangible assets	$ 2,373	$ -	$ 2,373

(1) See "Non-GAAP measures" section.

Results from operation by segment

Sugar

Revenues

(In thousands of dollars, except volume)	First Quarter	
	2018	2017
Volume (MT)	**174,144**	168,376
Revenues	**$ 155,764**	$ 159,604

The industrial market segment decreased by approximately 1,000 metric tonnes for the quarter, mostly due to timing in sugar deliveries, while the consumer volume increased for the current quarter by approximately 300 metric tonnes compared to the same period last year. Liquid volume ended the period at approximately 3,800 metric tonnes higher than the first quarter of last year. The increase is explained by additional demand from existing customers and liquid sugar deliveries of a high fructose corn syrup ("HFCS") substitutable customer in Western Canada for the full quarter of fiscal 2018 as opposed to two months in the first quarter of fiscal 2017. . Exports increased by approximately 2,700 metric tonnes for the current quarter due to timing in deliveries of the Canada specific U.S. quota and Mexico sales, as well as additional U.S. high tier opportunistic sales versus the comparative period last year.

The decrease in revenues for the first quarter of fiscal 2018 versus the comparable period last year is mainly explained by a decrease in the weighted average raw sugar values in Canadian dollars, since the cost of raw sugar for all domestic sales is passed on to the Company's customers.

Gross Margin

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

(In thousands of dollars, except per metric tonne information)	First Quarter	
	2018	2017
Gross margin	**$ 36,027**	$ 28,176
Total adjustment to cost of sales [(1) (2)]	**(4,823)**	939
Adjusted gross margin	**$ 31,204**	$ 29,115
Gross margin per metric tonne	**$ 206.88**	$ 167.34
Adjusted gross margin per metric tonne	**$ 179.19**	$ 172.92

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" within the unaudited condensed consolidated interim results of operation section and "Segmented information" section.

Gross margin of $36.0 million for the quarter does not reflect the economic margin of the sugar segment, as it includes a gain of $4.8 million for the mark-to-market of derivative financial instruments as explained above. In fiscal 2017, a mark-to-market loss of $0.9 million was recorded for the first quarter resulting in gross margins of $28.2 million.

We will therefore comment on adjusted gross margin results.

Adjusted gross margin for the quarter was $31.2 million compared to $29.1 million for the same quarter last year, representing an increase of $2.1 million. Included in adjusted gross margin is a non-cash pension plan income of $1.5 million recorded as a result of the approval by the Alberta Treasury Board and Finance of an amendment to the Alberta hourly pension plan. Excluding this non-cash income,

adjusted gross margin was $29.7 million or $0.6 million higher than last year, mostly due to higher sales volume, somewhat offset by additional operating expenses, such as higher energy costs associated to the new carbon tax in Alberta, higher maintenance costs, due to timing and to consulting fees incurred relating to air emission reduction initiatives in Taber. Adjusted gross margin rate was $179.19 per metric tonne or $170.70 per metric tonne, when excluding the non-cash pension plan income of $8.49 per metric tonne, and as a result, adjusted gross margin decreased by $2.22 per metric tonne versus the first quarter of fiscal 2017. The decrease is due mainly to the additional operating expenses explained above.

Included in gross margin and adjusted gross margin is $3.1 million of depreciation expense in cost of sales for the first quarter, which is comparable to the comparable period last year.

Other expenses

(In thousands of dollars)	First Quarter	
	2018	2017
Administration and selling expenses	**$ 4,987**	$ 5,290
Distribution costs	**$ 2,396**	$ 2,290

Administration and selling expenses for the first quarter of fiscal 2018 were $0.3 million lower than the comparable period last year mostly explained by a reduction in employee benefits.

Distribution costs for the quarter were approximately $0.1 million higher than last year.

Results from operating activities

(In thousands of dollars)	First Quarter	
	2018	2017
Results from operating activities	**$ 28,644**	$ 20,596
Adjusted results from operating activities	**$ 23,821**	$ 21,535

The results from operating activities for the first quarter of fiscal 2018 of $28.6 million do not reflect the adjusted results from operating activities of the Company, as they include gains and losses from the mark-to-market of derivative financial instruments, as well as timing differences in the recognition of any gains and losses on the liquidation of derivative instruments. We will therefore comment on adjusted results from operating activities.

Adjusted results from operating activities for the first quarter of $23.8 million were $2.3 million higher than the comparable period year. The increase is mainly due to the non-cash pension plan income, higher sales volume and lower administrative and selling expenses, somewhat offset by additional operating expenses, mainly in Taber, as explained above.

Maple products

Revenues

(In thousands of dollars and volume, in thousands of pounds)		First Quarter 2018		2017
Volume (pounds)		**11,191**		-
Revenues	**$**	**49,119**	$	-

Revenues for the first quarter include revenues generated by Decacer since its acquisition on November 18, 2017.

Gross Margin

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

(In thousands of dollars, except adjusted gross margin percentage information)		First Quarter 2018		2017
Gross margin	**$**	**7,086**	$	-
Total adjustment to cost of sales [(1) (2)]		**(987)**		-
Adjusted gross margin	**$**	**6,099**	**$**	-
Gross margin percentage		**14.4%**		-
Adjusted gross margin percentage		**12.4%**		-

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" within the unaudited condensed consolidated interim operating results section and "Segmented information" section.

Gross margin of $7.1 million for the quarter does not reflect the economic margin of the Maple products segment, as it includes a gain of $1.0 million for the mark-to-market of derivative financial instruments on foreign exchange contracts.

We will therefore comment on adjusted gross margin results.

Adjusted gross margin for the quarter was $6.1 million, representing an adjusted gross margin percentage of 12.4%. However, included in cost of sales, is an amount of $0.3 million due to an increase in value of the finished goods inventory at the date of acquisition of Decacer. Under IFRS, all inventory of finished goods upon acquisition is valued at the estimated selling price less the sum of the costs of disposal, and a reasonable profit allowance for the selling effort of the acquirer which results in, lower selling margins when the acquired inventory is sold. As at December 30, 2017, there was no finished goods inventory remaining that existed as at the acquisition date. Without this adjustment, adjusted gross margin would have been $6.4 million or 13.0% of revenues.

Other expenses

(In thousands of dollars)		First Quarter		
		2018		2017
Administration and selling expenses	**$**	**3,201**	$	-
Distribution costs	**$**	**845**	$	-

Administration and selling expenses of $3.2 million include $0.7 million in consulting fees and other costs incurred as a result of the acquisition of Decacer and $0.3 million in non-recurring costs representing severance costs accrued to date.

Distribution expenses were $0.8 million for the period.

Results from operating activities

(In thousands of dollars)		First Quarter		
		2018		2017
Results from operating activities	**$**	**3,041**	$	-
Adjusted results from operating activities	**$**	**2,054**	$	-

The above results from operating activities reflect the earnings before interest and taxes of LBMT for the period and Decacer since its acquisition.

Adjusted results

In the normal course of business, the Company uses derivative financial instruments consisting of foreign exchange forward contracts, which are marked-to-market at each reporting date with the unrealized gains/losses charge to the consolidated statement of earnings. In addition, the acquisition by LBMT of Decacer has resulted in expenses that do not reflect the economic performance of the operation of LBMT. Finally, certain non-cash items and non-recurring expenses also had a negative impact on the results from operating activities. As such Management believes that the Maple products 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.

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

(In thousands of dollars)	First Quarter	
	2018	2017
Results from operating activities	**$ 3,041**	$ -
Total adjustment to cost of sales [(1) (2)]	**(987)**	-
Adjusted results from operating activities	**2,054**	-
Non-recurring expenses:		
Acquisition costs incurred	**710**	-
Other non-recurring items	**254**	-
Finished goods valued at the estimated selling price less disposal cost as of acquisition date	**261**	-
Depreciation and amortization	**923**	-
Maple products segment adjusted EBITDA[(1) (2)]	**$ 4,202**	$ -

(1) See "Non-GAAP measures" section.

(2) See "Adjusted results" within the unaudited condensed consolidated interim operating results section and "Segmented information" section.

Other non-recurring items represent severance costs accrued to date.

Summary of Quarterly Results

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

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

	QUARTERS							
	2018	2017				2016		
	First	Fourth	Third	Second	First	Fourth	Third	Second
Sugar Volume (MT)	**174,144**	183,397	173,969	168,723	168,376	187,179	169,481	161,638
Maple products volume ('000 Lbs)	**11,191**	5,764	-	-	-	-	-	-
	$	$	$	$	$	$	$	$
Total revenues	**204,883**	192,984	166,363	163,566	159,604	161,733	138,600	133,988
Gross margin	**43,113**	22,631	9,886	16,605	28,176	32,418	36,721	20,520
EBIT	**31,685**	10,138	1,513	8,784	20,596	24,472	28,636	12,900
Net earnings	**20,216**	4,014	(448)	4,788	13,552	16,453	19,383	7,672
Gross margin rate per MT [1]	**206.88**	103.82	56.83	98.42	167.34	173.19	216.67	126.95
Gross margin percentage [2]	**14.4%**	13.5%	-	-	-	-	-	-
Per share								
Net earnings								
Basic	**0.19**	0.04	-	0.05	0.14	0.18	0.21	0.08
Diluted	**0.18**	0.04	-	0.05	0.14	0.16	0.19	0.08
Non-GAAP Measures								
Adjusted gross margin	**37,303**	28,034	22,843	23,267	29,115	29,615	20,356	20,366
Adjusted EBIT	**25,875**	15,541	14,470	15,446	21,535	21,669	12,271	12,746
Adjusted net earnings	**15,848**	7,938	9,030	9,628	14,118	14,263	7,259	7,630
Adjusted gross margin rate per MT [1]	**179.19**	134.18	131.31	137.90	172.92	158.22	120.11	126.00
Adjusted gross margin percentage [2]	**12.4%**	-	-	-	12.8%	-	-	-
Adjusted net earnings per share								
Basic	**0.15**	0.08	0.10	0.10	0.15	0.15	0.08	0.08
Diluted	**0.14**	0.08	0.10	0.10	0.14	0.14	0.08	0.08

(1) Gross margin rate per MT and adjusted gross margin rate per MT pertains to the Sugar segment only.

(2) Gross margin percentage and adjusted gross margin percentage pertains to the Maple products segment only

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

The increase in revenues for the first quarter of fiscal 2018 and the fourth quarter of fiscal 2017 is explained by the benefit from the LBMT acquisition on August 5, 2017 and Decacer's acquisition on November 18, 2017. The timing of both acquisitions also had an impact on the maple product volume.

Liquidity

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

(In thousands of dollars)	**2018**	2017
Net cash flow used in operating activities	**$ (10,762)**	$ (19,296)
Cash flow from financing activities	**47,861**	21,981
Cash flow used in investing activities	**(45,116)**	(1,297)
Effect of changes in exchange rate on cash	**68**	-
Net (decrease) increase in cash	**$ (7,949)**	$ 1,388

Cash flow from operating activities was negative $10.8 million in fiscal 2018, as opposed to negative $19.3 million in the comparable quarter of fiscal 2017. The negative variance decreased by $8.5 million due to an increase in net earnings of $6.7 million, as well as a decrease in income taxes paid of $2.8 million and a positive non-cash working capital variation of $0.7 million. Offsetting a portion of the positive variance is an increase in interest paid of $1.4 million and an increase in pension plan contributions of $0.6 million. It should be noted that the acquisition of the working capital of Decacer is shown in investing activities and therefore, only the working capital variation between the acquisition date and December 30, 2017 is presented as part of the cash flow from operating activities.

The increase in cash flow from financing activities of $25.9 million is attributable to the increase in the revolving credit facility of $27.5 million, slightly offset by an increase of $1.1 million in dividends paid in the current period as compared to the comparative period due to the issuance of common shares in fiscal 2017.

The cash outflow used in investing activities increased compared to the first quarter of fiscal 2017 by $43.8 million due mainly to the acquisition of Decacer for $42.1 million. Also contributing to the negative variation is greater capital spending during the current period of $1.8 million, in line with an increase in anticipated capital spending in fiscal 2018.

In order to provide additional information, the Company believes it is appropriate to measure free cash flow that is generated by the operations of the Company. Free cash flow is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments, amortization of transitional balances, financial instruments non-cash amount, and includes

funds received or paid from the issue or purchase of shares, deferred financing charges paid and capital expenditures, net of operational excellence capital expenditures.. Free cash flow is a non-GAAP measure.

Free cash flow is as follows:

(In thousands of dollars)		First Quarter		
		2018		2017
Cash flow used in operations	**$**	**(10,762)**	$	(19,296)
Adjustments:				
Changes in non-cash working capital		**31,744**		32,453
Mark-to-market and derivative timing adjustments		**(4,927)**		1,787
Amortization of transitional balances		**(1,018)**		(963)
Financial instruments non-cash amount		**4,753**		1,256
Capital expenditures		**(3,055)**		(1,297)
Operational excellence capital expenditures		**748**		304
Share options exercised		**-**		428
Deferred financing charges		**(122)**		-
Free cash flow [(1)]	**$**	**17,361**	$	14,672
Declared dividends	**$**	**9,517**	$	8,460

(1) See "Non-GAAP measures" section.

Free cash flow for the first quarter of 2018 was $17.4 million compared to $14.7 million for the same period last year, an increase of $2.7 million. The increase is mainly explained by an increase in adjusted EBITDA, net of the non-cash pension income (See "Non-GAAP measures" section in the MD&A) of $3.7 million as well as a decrease in income taxes paid of $2.8 million. Offsetting a portion of the positive variance is an increase in interest paid of $1.4 million, higher capital expenditures, net of operational excellence capital expenditures of $1.3 million and an increase in pension plan contributions of $0.6 million. Also, an amount of $0.4 million was received during the first quarter of fiscal 2017 following the exercise of share options by executives, compared to none in the current period. Finally, the Company paid $0.1 million in deferred financing charges during the current quarter to amend the revolving credit facility.

Capital expenditures, net of operational excellence expenditures, were slightly higher in fiscal 2018, in line with an increase in anticipated capital spending in fiscal 2018. Operational excellence capital expenditures are $0.4 million higher for the quarter when compared to the same period of last fiscal year. Free cash flow is not reduced by operational excellence capital expenditures, as these projects are not necessary for the operation of the plants, but are undertaken because of the substantial operational savings that are realized once the projects are completed.

Financing charges are paid when a new debt financing is completed and such charges are deferred and amortized over the term of that debt. The cash used in the year to pay for such fees is therefore not available and as a result is deducted from free cash flow.

The Company declared a quarterly dividend of 9.0 cents per common share, for a total amount of approximately $9.5 million for the current quarter, compared to $8.5 million in the comparable period.

The increase is due to the issuance of common shares pursuant to the offering made under a short term prospectus in July 2017.

Changes in non-cash operating working capital represent year-over-year movements in current assets, such as accounts receivable and inventories, and current liabilities, such as accounts payables. Movements in these accounts are due mainly to timing in the collection of receivables, receipts of raw sugar and payment of liabilities. Increases or decreases in such accounts are due to timing issues and therefore do not constitute free cash flow. Such increases or decreases are financed from available cash or from the Company's available credit facility of $315.0 million. Increases or decreases in bank indebtedness are also due to timing issues from the above and therefore do not constitute available free cash flow.

The combined impact of the mark-to-market and financial instruments non-cash amount of $1.2 million for the current quarter do not represent cash items as these contracts will be settled when the physical transactions occur, which is the reason for the adjustment to free cash flow.

Contractual obligations:

There are no significant changes in the contractual obligations table disclosed in the Management's Discussion and Analysis of the September 30, 2017 Annual Report.

Capital resources:

On December 20, 2017, the Company amended its existing revolving credit facility thereby increasing its available credit by $40.0 million by drawing additional funds under the accordion feature embedded in the revolving credit facility ("Additional Accordion Borrowings"). As a result of the amended revolving credit facility and the Additional Accordion Borrowings, the Company has a total of $315.0 million of available working capital from which it can borrow at prime rate, LIBOR rate or under bankers' acceptances, plus 20 to 250 basis points, based on achieving certain financial ratios. Certain assets of the Company, including trade receivables, inventories and property, plant and equipment, have been pledged as security for the revolving credit facility, including some of the assets of LBMT. The maturity date of the amended revolving credit facility is June 28, 2022.

At December 30, 2017, $227.5 million had been drawn from the working capital facility and $9.1 million in cash was also available.

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

OUTSTANDING SECURITIES

A total of 105,743,582 shares were outstanding as at December 30, 2017 and February 1, 2018.

On December 4, 2017, a total of 1,065,322 share options were granted at a price of $6.23 per common share to certain executives and senior managers. Last year, on December 5, 2016, the Company granted a total of 360,000 share options to certain executives at an exercise price of $6.51. These 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. Upon termination, resignation, retirement, death or long-term disability, all shares granted under the Share Option Plan not vested are forfeited.

In addition, during the quarter, a Performance Share Unit plan ("PSU") was created and on December 4, 2017, a total of 224,761 PSUs were granted to executives. These PSUs will vest at the end of the 2017-

2020 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. 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.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

There were no significant changes in the critical estimate and accounting policies disclosed in the Management's Discussion and Analysis of the September 30, 2017 Annual Report, except as follows:

- Employee benefits:
  - Cash-settled performance share units:

    During the quarter, the Company implemented a Performance Share Units plan ("PSUs") entitling executives to a cash payment. A liability is recognized for the services acquired and is recorded at fair value based on the share price of the Company's Common Shares in payables with a corresponding expense recognized in administration and selling expenses. The amount recognized as an expense is adjusted to reflect the number of units for which the related service and performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the units of awards that meet the related service and non-market performance conditions at the vesting date. At the end of each reporting period until the liability is settled, the fair value of the liability is re-measured, with any changes in fair value recognized in the consolidated statement of earnings of the period.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as disclosed in the Company's audited annual consolidated financial statements for the year ended September 30, 2017 have been applied consistently in the preparation of these unaudited condensed consolidated interim financial statements except as noted below:

- IAS 7, *Disclosure Initiative:*

  On January 7, 2016 the IASB issued Disclosure Initiative (amendments to IAS 7). The amendments apply prospectively for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

  The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, includes both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities.

  The Company adopted the amendments to IAS 7 in its consolidated financial statements for the annual period beginning on October 1, 2017. The adoption of the standard did not have an impact on the consolidated interim financial statements.

- IAS 12, *Recognition of Deferred Tax Assets for Unrealized Losses*:

  On January 19, 2016 the IASB issued Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12). The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences.

The Company adopted the amendments to IAS 12 in its consolidated interim financial statements for the annual period beginning on October 1, 2017. The adoption of the amendments did not have an impact on the consolidated interim financial statements.

- Annual Improvements to IFRS Standards (2014-2016) Cycle:

On December 8, 2016 the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. Each of the amendments has its own specific transition requirements and effective date.

Amendments were made to the following standard:

- Clarification that IFRS 12, *Disclosures of Interests in Other Entities* also applies to interests that are classified as held for sale, held for distribution, or discontinued operations, effective retrospectively for annual periods beginning on or after January 1, 2017.

The Company adopted the amendment in its consolidated interim financial statements for the annual period beginning October 1, 2017. The adoption of the amendments did not have an impact on the consolidated interim financial statements.

CHANGES IN ACCOUNTING PRINCIPLES AND PRACTICES NOT YET ADOPTED

A number of new standards, and amendments to standards and interpretations, are not yet effective and have not been applied in preparing these unaudited condensed interim consolidated financial statements. New standards and amendments to standards and interpretations that are currently under review include:

- IFRS 15, *Revenue from Contracts with Customers*:

On May 28, 2014 the IASB issued IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 will replace IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers*, and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*. The new standard is effective for years beginning on or after January 1, 2018. Earlier application is permitted.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The Company intends to adopt IFRS 15 in its consolidated financial statements for the year beginning on September 30, 2018. The extent of the impact of adoption of the standard on the consolidated financial statements of the Company has not yet been determined.

- IFRS 16, *Leases*:

  On January 13, 2016 the IASB issued IFRS 16 *Leases*. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 *Leases*.

  This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

  This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by the lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided.

  The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning on September 29, 2019. The extent of the impact of adoption of the standard on the consolidated financial statements of the Company has not yet been determined.

Additional new standards, and amendments to standards and interpretations, include: IFRS 2, *Classification and Measurement of Share-based Payment Transactions*, Annual Improvements to IFRS Standards (2014-2016) Cycle and (2015-2017) Cycle, IFRIC 22, *Foreign Currency Transactions and Advance Consideration* and IFRIC 23 *Uncertainty over Income Tax Treatments*. The Company intends to adopt these new standards, and amendments to standards and interpretations, in its consolidated financial statements in each of their respective annual period for which they become applicable. The extent of the impact of adoption of these new standards, and amendments to standards and interpretations, has not yet been determined. Refer to note 3 (d) to the unaudited condensed consolidated interim financial statements for more detail.

RISK FACTORS

Risk factors in the Company's business and operations are discussed in the Management's Discussion and Analysis of our Annual Report for the year ended September 30, 2017. This document is available on SEDAR at www.sedar.com or on one of our websites at www.lantic.ca or www.rogerssugarinc.com.

OUTLOOK

In fiscal 2018, we expect the industrial market segment to decrease slightly, while the consumer volume should be comparable to fiscal 2017.

The liquid market segment should continue to be strong, benefitting from some growth with existing customers, the recapture of some of the volume loss in fiscal 2017 and the benefit of a full year of supply to a large bottler account in Western Canada. As a result, we expect the liquid market segment to surpass fiscal 2017 by approximately 10,000 metric tonnes.

As for the export segment, total volume is anticipated to increase by approximately 5,000 metric tonnes due to additional sales to Mexico and U.S. high tier opportunistic sales.

Overall, we expect total volume to increase by approximately 10,000 metric tonnes.

In fiscal 2018, the Company will benefit from a full year of operations of LBMT. As previously presented in the short form prospectus dated July 21, 2017, we expect LBMT's Adjusted EBITDA (See "Non-GAAP measures" section of the MD&A) to approximate $18.4 million, which includes an increase

in sales volume and related selling margins in addition to some operational efficiency gains for a total of approximately $2.9 million. Management does not expect LBMT's Adjusted EBITDA to vary significantly, although it could be slightly lower than anticipated. Integration gains related to internal operational synergies have been revalidated and are expected to be well established in the second half of the fiscal year but are slightly delayed from our original targets. Anticipated commercial gains have been generally positive but some evidence of more competitive responses to new market growth has developed. In addition, Management expects non-recurring expenses of approximately $1.0 million related to severance costs. In fiscal 2019, we expect additional integration gains of approximately $2.1 million to be fully realized by the end of fiscal 2019. Therefore, fiscal 2019 Adjusted EBITDA for LBMT should amount to approximately $20.5 million assuming the realization of all expected integration gains.

On November 20, 2017, the Company announced the acquisition of Decacer for $40.0 million, subject to post-closing adjustments. Decacer's Adjusted *pro forma* EBITDA (See "Non-GAAP measures" section) on an annual basis is estimated at $5.1 million. This acquisition, combined with the earlier acquisition of LBMT, allows us to create a solid platform and to broaden the Company's maple syrup operations and expand its product offering, including a unique maple sugar dehydration technology as well as enhancing the potential for additional operational synergies.

We expect energy costs to increase by approximately $1.5 million in fiscal 2018 as a result of the implementation of the carbon tax in Alberta on January 1, 2017. The current carbon tax amounts to $1.011 per gigajoule and will increase to $1.517 per gigajoule on January 1, 2018.

Approximately 75% of fiscal 2018's natural gas requirements have been hedged at average prices comparable to those realized in fiscal 2017. In addition, some futures positions for fiscal 2019 to 2022 have also been taken. Some of these positions are at prices higher than current market value, but are at the same or better levels than those achieved in fiscal 2017. We will continue to monitor natural gas market dynamics with the objective of maintaining competitive costs and minimizing natural gas cost variances.

Capital expenditures for fiscal 2018 are expected to increase compared to fiscal 2017 as the Company intends to spend approximately $6.0 million on operational excellence capital projects. The Company is currently evaluating various scenarios in order to be fully compliant on air emission standards for the 2019 beet harvesting season and a decision is expected next quarter. To achieve this objective, the Company expects to undertake significant capital expenditure for this project, starting in the second half of the fiscal year. Early estimates of the net investment required to remediate the non-compliance range between $15 million and $25 million.

The beet slicing campaign is expected to be completed in late February. We expect that the current crop should derive approximately 125,000 metric tonnes of refined sugar.

Total pension plan expense is expected to decrease by approximately $2.4 million in fiscal 2018 as a result of the increase in discount rates, as well as to the approval by the Alberta Treasury Board and Finance of an amendment to the Alberta Hourly Plan.

As a result of the acquisition of LBMT and Decacer, as well as the recent increase in interest rate and expectations of further increases by the Bank of Canada in fiscal 2018, we anticipate higher interest expense when compared to fiscal 2017.

Labour negotiations with the Vancouver refinery unionized employees for the renewal of the labour contract will start over the coming weeks. The collective agreement expires at the end of February.