OUTSTANDING 4th QUARTER VOLUME CAPS OFF ANOTHER GOOD YEAR FOR SUGAR
RECORD ADJUSTED EBITDA OF $99.9 MIILION FOR FISCAL 2018
HIGHER FREE CASH FLOW FOR THE QUARTER AND YEAR-TO-DATE

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 Company's total sugar deliveries for the fourth quarter of fiscal 2018 were very strong and increased by approximately 9% or approximately 16,700 metric tonnes versus the comparable period last year, with improvements in all categories versus the fourth quarter last year. The improvement year-over-year was not as pronounced as a percentage but still finished with a commendable increase of approximately 25,400 metric tonnes above fiscal 2017 volume.

The industrial market segment increased by approximately 5,100 metric tonnes and approximately 400 metric tonnes for the last quarter of fiscal 2018 and year-to-date, respectively. The improvement in volume for the fourth quarter is mostly due to timing, which more than offset the lag in volume that was reported for the first nine months of the current fiscal year and as a result, the industrial volume ended fiscal 2018 slightly above last fiscal year.

Total consumer volume also had a solid fourth quarter with an increase of approximately 1,700 metric tonnes when compared to the same period last year as a result of additional retail promotional activities in the last quarter of the current year. Overall, the consumer volume ended the year approximately 400 metric tonnes lower than the last twelve months of fiscal 2017.

The liquid market continued to deliver higher volume when compared to the prior year with the strongest increase quarter-over-quarter in fiscal 2018. For the current quarter, volume grew by approximately 5,400 metric tonnes, raising the fiscal 2018 liquid volume by approximately 14,100 metric tonnes above last year. The increase for the quarter and year-to-date is due mainly to the recapture of some business temporarily lost to HFCS in fiscal 2017 and to additional demand from existing customers.

Finally, the export volume increased by approximately 4,500 metric tonnes and approximately 11,300 metric tonnes for the current quarter and year-to-date, respectively, when compared to the same periods last year. Variation for both periods is attributable to timing in sales deliveries to Mexico, as well as additional U.S. high tier opportunistic sales versus last year's comparative periods.

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 loss of $4.2 million and a gain of $2.9 million for the fourth quarter of fiscal 2018 and year-to-date, which was added or deducted to calculate the adjusted EBIT and adjusted gross margin results. See "Non-GAAP measures" section in the MD&A.

Adjusted gross margin for the quarter was $25.8 million compared to $24.6 million for the same quarter last year, representing an increase of $1.2 million. The increase is mainly driven by higher volume and an increase in by-products revenues. However, these positive variations were somewhat offset by lower #11 raw sugar values when compared to last year, which had a negative impact on Taber's domestic sales gross margin rate and higher maintenance in Montreal and Taber. The current quarter's adjusted gross margin rate was $128.90 per metric tonne as compared to $134.18 per metric tonne in fiscal 2017, a decrease of $5.28 per metric tonne. This decrease is mostly explained by the lower #11 raw sugar prices, the unfavorable sales mix with the strongest volume increase in industrial, liquid and opportunistic export sales and the additional maintenance costs.

Year-to-date, adjusted gross margin of $99.7 million includes 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 $98.2 million or $1.7 million lower than last year. The decrease is mainly explained by lower #11 raw sugar prices, which had the biggest impact in the second half of the current year, as well as additional maintenance costs in the last quarter of fiscal 2018. The year-to-date adjusted gross margin rate of $138.44 per metric tonne includes a gain of $2.05 per metric tonne for the non-cash pension plan income, explained above, thus reducing the adjusted gross margin rate to $136.39 per metric tonne as compared to $143.76 for fiscal 2017, a decrease of $7.37 per metric tonne. As it was the case for the quarter, the lower #11 raw sugar values during the year, the unfavorable sales mix and additional maintenance expenses had a negative impact on adjusted gross margin per metric tonne when compared to last year.

Administration and selling expenses for the fourth quarter of fiscal 2018 and year-to-date were $2.6 million lower than both comparable periods last year, mainly due to a charge of $1.9 million and $2.5 million in fiscal 2017 for the quarter and year-to-date, respectively, relating to the acquisition of LBMT. In addition, for the current quarter, employee benefits were lower when compared to the fourth quarter of fiscal 2017.

Distribution expenses for the quarter and year-to-date were approximately $0.5 million and $0.8 million higher, respectively, than the comparable periods due to higher volume transferred to the Toronto distribution center, higher freight rates and additional storage costs in Taber.

The results from operating activities for fiscal 2018 of $14.0 million and $70.7 million for the fourth quarter and year-to-date, respectively, do not reflect the adjusted results from operating activities of the Sugar segment, 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.

In addition, the acquisition of LBMT has resulted in expenses that do not reflect the economic performance of the operation of the Sugar Segment. Finally, non-cash depreciation and amortization expense also had a negative impact on the results from operating activities. As such Management believes that the Sugar segment's financial results are more meaningful to management, investors, analysts, and any other interested parties when financial results are adjusted for the above mentioned items.

Adjusted EBITDA

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

(In thousands of dollars)	Fourth Quarter		Fiscal Year	
	2018	2017	**2018**	2017
Results from operating activities	**$ 13,981**	$ 9,190	**$ 70,748**	$ 40,083
Total adjustment to cost of sales (1) (2)	**4,158**	5,567	**(2,919)**	26,125
Adjusted results from operating activities	**$ 18,139**	$ 14,757	**$ 67,829**	$ 66,208
Depreciation of property, plant and equipment and amortization of intangible assets	**3,431**	3,298	**13,495**	13,105
Sugar Segment Acquisition costs (1)	**-**	1,887	**-**	2,517
Adjusted EBITDA (1)	**$ 21,570**	$ 19,942	**$ 81,324**	$ 81,830

(1) See "Non-GAAP measures" section of the MD&A.

(2) See "Adjusted results" within the consolidated results of operation section and "Segmented information" section of the MD&A.

Adjusted EBITDA for the fourth quarter amounted to $21.6 million, which represented an increase of $1.6 million versus the last quarter of fiscal 2017. The increase is explained by higher adjusted gross margins of $1.3 million and lower administration and selling expenses of $0.8 million, excluding depreciation and amortization expense and Acquisition costs, somewhat offset by higher distribution costs of $0.5 million, as explained above. Year-to-date, adjusted EBITDA amounted to $81.3 million compared to $81.8 million, a $0.5 million decrease when compared to fiscal 2017. The decrease is mostly explained by an increase in distribution costs of $0.8 million, somewhat offset by an increase in adjusted gross margin of $0.2 million and a decrease of $0.1 million in administration and selling expenses, the latter two items, excluding depreciation and amortization expense and Acquisition costs, as explained above.

Maple products

Gross margin of $7.6 million and $28.3 million for the quarter and year-to-date does not reflect the economic margin of the Maple products segment, as it includes a gain of $0.6 million and $1.6 million, respectively, for the mark-to-market of derivative financial instruments on foreign exchange contracts.

Adjusted gross margin for the current quarter was $7.0 million, representing an adjusted gross margin percentage of 13.7% while year-to-date adjusted gross margin amounted to $26.7 million or 13.1% of revenues. However, included in cost of sales for the first quarter of fiscal 2018, was 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 inventories of finished goods upon acquisition are 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. Without this adjustment, adjusted gross margin for fiscal 2018 would have been $27.0 million or 13.3% of revenues.

Fiscal 2017 results only represents approximately eight weeks of operations of LBMTC since its acquisition date on August 5, 2017.

Administration and selling expenses amounted to $2.2 million and $11.0 million for the current quarter and year-to-date, respectively, the latter includes non-recurring costs of $0.9 million and consulting fees and other costs totalling $0.7

million associated with acquisition of Decacer in the first quarter of the current year. This compares to $1.9 million for the quarter and year-to-date of fiscal 2017, which included $0.4 million in acquisition costs and non-recurring items.

Distribution expenses were $1.2 million for the fourth quarter of fiscal 2018 and $3.9 million year-to-date, compared to $0.7 million for both periods last year.

The results from operating activities for fiscal 2018 of $4.3 million and $13.4 million for the fourth quarter and year-to-date, respectively, do not reflect the adjusted results from operating activities of the Maple products segment, 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.

In addition, the acquisitions of LBMT and Decacer resulted in expenses that do not reflect the economic performance of the operation of the Maple products segment. Finally, non-cash depreciation and amortization expense 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.

Adjusted results

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

(In thousands of dollars)	Fourth Quarter		Fiscal Year	
	2018	2017	**2018**	2017
Results from operating activities	**$ 4,250**	$ 948	**$ 13,352**	$ 948
Total adjustment to cost of sales (1) (2)	**(649)**	(164)	**(1,572)**	(164)
Adjusted results from operating activities	**3,601**	784	**11,780**	784
Non-recurring expenses:				
Acquisition costs incurred	**-**	211	**675**	211
Other one-time non-recurring items	**(4)**	195	**923**	195
Finished goods value at the estimated selling price less disposal costs as of the acquisition date	**-**	670	**261**	670
Depreciation and amortization	**1,165**	491	**4,979**	491
LBMT Adjusted EBITDA(1) (2)	**$ 4,762**	$ 2,351	**$ 18,618**	$ 2,351

(1) See "Non-GAAP measures" section in the MD&A.

(2) See "Adjusted results" within the consolidated operating results section and "Segmented information" section in the MD&A.

Other non-recurring items mainly include severance costs expensed to date.

Consolidated

The reconciliation of the Adjusted gross margin, adjusted results from operating activities and adjusted EBITDA by segment as well as the consolidated Adjusted net earnings is as follows. Results were explained above in each segment.

Consolidated results (In thousands of dollars)	**Fourth Quarter Fiscal 2018**			Fourth Quarter Fiscal 2017		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**$ 21,640**	**$ 7,615**	**$ 29,255**	$ 19,041	$ 3,590	$ 22,631
Total adjustment to the cost of sales [(1) (2)]	**4,158**	**(649)**	**3,509**	5,567	(164)	5,403
Adjusted Gross Margin [(1)]	**$ 25,798**	**$ 6,966**	**$ 32,764**	$ 24,608	$ 3,426	$ 28,034
Results from operating activities	**$ 13,981**	**$ 4,250**	**$ 18,231**	$ 9,190	$ 948	$ 10,138
Total adjustment to the cost of sales [(1) (2)]	**4,158**	**(649)**	**3,509**	5,567	(164)	5,403
Adjusted results from operating activities [(1)]	**$ 18,139**	**$ 3,601**	**$ 21,740**	$ 14,757	$ 784	$ 15,541
Depreciation of property, plant and equipment and amortization of intangible assets	**3,431**	**1,165**	**4,596**	3,298	491	3,789
Sugar Segment Acquisition costs [(1)]	**-**	**-**	**-**	1,887	-	1,887
Maple Segment non-recurring costs [(1)]	**-**	**(4)**	**(4)**	-	1,076	1,076
Adjusted EBITDA[(1)]	**$ 21,570**	**$ 4,762**	**$ 26,332**	$ 19,942	$ 2,351	$ 22,293

Consolidated results (In thousands of dollars)	**Fiscal 2018**			Fiscal 2017		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**$ 102,578**	**28,275**	**130,853**	73,708	3,590	77,298
Total adjustment to the cost of sales [(1) (2)]	**(2,919)**	**(1,572)**	**(4,491)**	26,125	(164)	25,961
Adjusted Gross Margin [(1)]	**$ 99,659**	**$ 26,703**	**$ 126,362**	$ 99,833	$ 3,426	$ 103,259
Results from operating activities	**$ 70,748**	**$ 13,352**	**$ 84,100**	$ 40,083	$ 948	$ 41,031
Total adjustment to the cost of sales [(1) (2)]	**(2,919)**	**(1,572)**	**(4,491)**	26,125	(164)	25,961
Adjusted results from operating activities [(1)]	**$ 67,829**	**$ 11,780**	**$ 79,609**	$ 66,208	$ 784	$ 66,992
Depreciation of property, plant and equipment and amortization of intangible assets	**13,495**	**4,979**	**18,474**	13,105	491	13,596
Sugar Segment Acquisition costs [(1)]	**-**	**-**	**-**	2,517	-	2,517
Maple Segment non-recurring costs [(1)]	**-**	**1,859**	**1,859**	-	1,076	1,076
Adjusted EBITDA[(1)]	**$ 81,324**	**$ 18,618**	**$ 99,942**	$ 81,830	$ 2,351	$ 84,181

(1) See “Non-GAAP measures” section in the MD&A.

(2) See “Adjusted results” within the consolidated operating results section and “Segmented information” section in the MD&A.

Excluding the amortization of the transitional balance and net change in fair value, net finance costs for the fourth quarter and year-to-date were $1.4 million and $7.1 million higher than the comparable periods of last year, respectively, due to the increase in overall borrowings under the revolving credit facility and the convertible unsecured subordinated debentures, the increase in interest rates on the revolving credit facility, the additional accretion expense on the convertible unsecured subordinated debentures and the additional interest payable by LBMT and Decacer to the Fédération des Producteurs Acéricoles du Québec ("FPAQ") on syrup purchases.

Free cash flow for the fourth quarter of 2018 was $10.3 million compared to $6.6 million for the same period year, an increase of $3.7 million. The higher free cash flow is mainly explained by an increase in adjusted EBITDA (See "Non-GAAP measures" section in the MD&A) of $6.4 million and a decrease in deferred financing charges payment of $0.5 million. This positive variance was somewhat offset by purchase and cancellation of shares totalling $2.2 million and higher interest paid of $1.1 million.

Free cash flow for fiscal 2018 was $7.2 million higher than the previous year mainly explained by an increase in adjusted EBITDA (See "Non-GAAP measures" section in the MD&A) of $15.4 million, a decrease in income taxes paid of $4.2 million and lower deferred financing charges paid of $0.4 million. However, these variations were somewhat offset by higher interest paid of $4.9 million, the purchase and cancellation of shares, as opposed to issuance of shares following the exercise of share options, for a total negative variance of $4.5 million, higher capital and intangible spending, net of operational excellence capital of $2.3 million and higher pension plan contribution of $1.1 million.

Outlook

Sugar

After achieving excellent growth in fiscal 2018, we expect total volume for fiscal 2019 to be comparable to fiscal 2018.

Looking at each segment, we expect the industrial market segment to slightly decrease, mainly due to timing in deliveries of existing customers as a result of strong demand and increased sales volume in the last fiscal year.

The consumer volume for next year is expected to be comparable to fiscal 2018.

The liquid market segment should continue to be strong and is expected to benefit from growth with existing and some new customers which should more than offset the anticipated decrease in industrial volume. In addition, we have extended for an additional two years the supply contract with a Western HFCS substitutable bottler up to fiscal 2021.

As for the export segment, the total volume is anticipated to decrease slightly for opportunistic high tier sales to the U.S. given the recent rise in the #11 world raw sugar values. The Company will continue to aggressively pursue any additional export sales that would be beneficial to the overall results. It is also worth commenting that the Company does not anticipate that the additional Canada specific quota of 9,600 metric tonnes granted under the USMCA would take effect in fiscal 2019 and therefore, should not have any impact on the overall export volume for next year. In addition, the long-term contract with a Mexican customer was also extended for an additional two years up to fiscal 2021.

The Sugar segment's capital expenditures for fiscal 2019 are expected to increase compared to fiscal 2018 as the Company will undertake the capital project in Taber to be fully compliant with air emission standards by fiscal 2020, with spending ranging between $6.5 million and $8.5 million left to be spent on this specific project next year, as approximately $1.5 million was spent in fiscal 2018. The remaining capital spend for the Sugar segment is expected to be similar to fiscal 2018, including a high proportion of return on investment capital expenditures.

Maple products

The Maple products segment Adjusted EBITDA for fiscal 2018 amounted to $18.6 million, short of management's expectations of $19.9 million. Given the lower than anticipated results from fiscal 2018, management believes it is prudent to reduce expectations with regards to the Maple products segment Adjusted EBITDA for fiscal 2019 by approximately the same value of the fiscal 2018 shortfall and therefore, expects that Adjusted EBITDA should be approximately $21.0 million, excluding non-recurring costs of approximately $1.1 million. Although the current year's result did not meet our expectations, primary due to certain loss of sales earlier this year and due to the delays in implementing the operational optimization of the Maple products asset footprint, management remains positive on the future outlook for this segment as the maple syrup market growth remains strong and as such, with a sales team that is now fully organized, we are positive that we can capture and participate in the market growth.

In addition, the optimization of the Maple products segment footprint as well as the re-alignment of some of the production lines will be tackled in fiscal 2019 due to the more complex nature of the analysis that was undertaken, which resulted in a two-phase approach to the project. The first phase of the project was approved during the third quarter of fiscal 2018, being the relocation from the current leased bottling facility in Granby to a new built for purpose state of the art leased property. This move will allow us to better align production flow and install a new high capacity bottling line. The completion of the first phase is expected to occur at the end of fiscal 2019, early fiscal 2020. As a result of this decision, approximately $4.5 million will be spent on return on investment capital expenditures, of which, approximately $4.0 million remains to be spent in fiscal 2019 in new equipment and leasehold improvements. Capital spending on the first phase is expected to meet our normal threshold of a payback of less than five years. However, approximately $1.1 million will be spent in fiscal 2019 as non-recurring costs, mostly attributable to lease payments for two locations, moving costs and other additional miscellaneous costs. Operational savings from the move to a new Granby facility are expected in fiscal 2020.

The operational analysis at other bottling sites, with a focus on developing a more specialized and efficient asset footprint, is continuing with the aim of completing the overall plan of the second phase in the next few months.

The business continues to work through the identified integration plans. While the timing and outcome of each initiative has changed since our initial forecast, our original overall integration gains are achievable albeit over a modestly longer time horizon.

FOR THE BOARD OF DIRECTORS,

Dallas H. Ross, Chairman
Vancouver, British Columbia – November 21, 2018

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