# Strong Performance in Both Business Segments Drives Record Second Quarter Profitability at Rogers Sugar

## Rogers forecasts a third straight year of record adjusted EBITDA

Rogers Sugar Inc. (the "Company", "Rogers", "RSI" or "our," "we", "us") (TSX: RSI) today reported results for the second quarter and first six months of fiscal 2024. Consolidated adjusted EBITDA for the quarter rose 52 per cent to a record $38.1 million, driven by strong performance in the Company's Maple and Sugar segments.

Given supportive market conditions and the impact of management efforts to optimize the business and drive profitability, the Company is now expecting to deliver higher consolidated adjusted EBITDA for fiscal 2024 over fiscal 2023.

"The profitable growth we are generating in both our business segments showcases the combined benefits of strong demand for our products and our focus on harnessing that demand by continuously improving our operations," said Mike Walton, President and Chief Executive Officer of Rogers and Lantic Inc. "We look forward to another year of strong financial results as we move ahead with our capacity expansion that will enable us to further grow the business by meeting the needs of our customers for years to come."

| **Second Quarter 2024 Consolidated Highlights** (unaudited) | **Q2 2024** | Q2 2023 | **YTD 2024** | YTD 2023 |
|---|---|---|---|---|
| **Financials ($000s)** | | | | |
| Revenues | **300,944** | 272,949 | **589,643** | 534,392 |
| Gross margin | **44,861** | 41,658 | **89,505** | 82,849 |
| Adjusted gross margin(1) | **51,292** | 38,233 | **93,611** | 80,226 |
| Results from operating activities | **24,704** | 21,856 | **50,814** | 48,140 |
| EBITDA(1) | **31,664** | 28,445 | **64,709** | 61,158 |
| Adjusted EBITDA(1) | **38,095** | 25,020 | **68,815** | 58,535 |
| Net earnings | **13,936** | 11,062 | **27,788** | 25,736 |
| per share (basic) | **0.13** | 0.11 | **0.26** | 0.25 |
| per share (diluted) | **0.11** | 0.10 | **0.22** | 0.23 |
| Adjusted net earnings(1) | **18,891** | 9,115 | **31,504** | 24,462 |
| Adjusted net earnings per share (basic)(1) | **0.17** | 0.09 | **0.29** | 0.23 |
| Trailing twelve months free cash flow(1) | **56,570** | 51,807 | **56,570** | 51,807 |
| Dividends per share | **0.09** | 0.09 | **0.18** | 0.18 |
| **Volumes** | | | | |
| Sugar (metric tonnes) | **180,618** | 195,547 | **362,994** | 388,396 |
| Maple Syrup (thousand pounds) | **11,777** | 12,059 | **23,629** | 23,878 |

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

- The Company delivered consolidated adjusted EBITDA(1) for the second quarter and the first six months of fiscal 2024 of $38.1 million and $68.8 million respectively, up by $13.1 million and $10.3 million from the same periods last year, driven by the strong performance of both of our business segments.
- On March 4, 2024, in connection with the financing plan of our announced expansion of production and logistic capacity of our Eastern operations in Montréal and Toronto (the "LEAP Project"), Rogers issued 22,769,232 new common shares at a price of $5.18 per share. The net proceeds after commissions and related fees associated with this transaction amounted to $112.5 million.
- On February 1, 2024, the unionized employees of the Vancouver sugar refinery, represented by the Public and Private Workers of Canada Local 8, ratified a new five-year collective agreement, concluding a strike that began on September 28, 2023. The unionized employees have returned to work and the Vancouver refinery is now operating at its normal capacity.
- Throughout the labour disruption, production from our Taber and Montréal facilities was used to support our customers in Western Canada. The overall unfavourable impact of the strike is a net reduction of approximately 23,500 metric tonnes in sales volume, of which 13,500 metric tonnes were related to the second quarter, and a reduction of adjusted EBITDA(1) of $5.4 million, of which $2.4 million was related to the second quarter.

- Adjusted EBITDA[1] in the Sugar segment was very strong in the second quarter of fiscal 2024 at $33.2 million, an increase of $10.6 million compared to the same period last year, even after considering the unfavourable impact of the strike at the Vancouver refinery.
- Sales volumes in the Sugar segment decreased by approximately 15,000 metric tonnes to approximately 180,600 metric tonnes in the second quarter, largely driven by the reduction of activities at our Vancouver sugar refinery as a result of the labour disruption.
- Sugar segment adjusted gross margin[1] amounted to $249 per metric tonne in the second quarter of 2024 as compared to $175 per metric tonne for the same period last year, mainly due to a higher contribution from sugar refining activities.
- Adjusted EBITDA[1] in the Maple segment was $4.9 million in the second quarter, an increase of $2.5 million from the same quarter last year, largely driven by higher average selling prices and lower operating costs.
- Adjusted gross margin percentage[1] in the Maple segment amounted to 10.9%, as compared to an adjusted gross margin percentage[1] of 7.2% for the same period last year, driven by higher average selling prices and lower operating costs following the implementation of automation and continuous improvement initiatives in the later part of fiscal 2023.
- Free cash flow[1] for the trailing 12 months ended March 30, 2024, was $56.6 million, an increase of $4.8 million from the same period last year, driven by higher consolidated adjusted EBITDA[1], partially offset by an increase in capital expenditures.
- In the second quarter of fiscal 2024, we distributed $0.09 per share to our shareholders for a total of $9.5 million.
- On May 9, 2024, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before July 11, 2024.

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

## *Sugar*

| **Second Quarter 2024 Sugar Highlights** (unaudited) | **Q2 2024** | Q2 2023 | **YTD 2024** | YTD 2023 |
|---|---|---|---|---|
| **Financials ($000s)** | | | | |
| Revenues | **242,957** | 216,135 | **472,765** | 421,423 |
| Gross margin | **39,916** | 37,075 | **76,406** | 73,113 |
| Adjusted gross margin[1] | **44,947** | 34,145 | **81,179** | 71,806 |
| Per metric tonne ($/ mt) [1] | **248.85** | 174.62 | **223.64** | 184.88 |
| Administration and selling expenses | **10,815** | 11,101 | **20,194** | 17,737 |
| Distribution costs | **6,192** | 5,340 | **12,278** | 10,402 |
| Results from operating activities | **22,909** | 20,634 | **43,934** | 44,975 |
| EBITDA[1] | **28,194** | 25,512 | **54,494** | 54,566 |
| Adjusted EBITDA[1] | **33,225** | 22,582 | **59,267** | 53,259 |
| **Volumes (metric tonnes)** | | | | |
| Total volume | **180,618** | 195,547 | **362,994** | 388,396 |

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

In the second quarter of fiscal 2024, revenues increased by $26.8 million compared to the same period last year. The positive variance was largely driven by higher average price for Raw #11, and higher contribution from sugar refining related activities, partially offset by lower sales volume as a result of the labour disruption at our Vancouver sugar refinery.

In the second quarter of fiscal 2024, sugar volume totaled approximately 180,600 metric tonnes, a decrease of approximately 7.6% or 15,000 metric tonnes compared to the same period last year, driven mainly by the unfavorable net impact of the labour disruption at the Vancouver refinery, estimated at approximately 13,500 metric tonnes.

Gross margin was $39.9 million for the current quarter and included a loss of $5.0 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $37.1 million with a mark-to-market gain of $2.9 million.

Adjusted gross margin was $44.9 million for the second quarter of 2024 as compared to $34.1 million for the same period in 2023. Adjusted gross margin increased by $10.8 million in the second quarter compared to the same period last year mainly as a result of higher sugar sales margin from increased average pricing on sugar refining related activities and favorable mix of products sold. This positive variance was partially offset by higher production costs mainly driven by increased maintenance activities and market based inflationary pressure on costs, along with the unfavourable impact of lower sales volume, as describe above.

On a per-unit basis, adjusted gross margin for the second quarter was $249 per metric tonne, higher than last year by $74 per metric tonne. The favourable variance was mainly due to the increase in overall margin from improved selling prices and favourable mix of products sold, partially offset by higher production costs and lower sales volume.

Results from operating activities for the second quarter of fiscal 2024 were $22.9 million, an increase of $2.3 million from the same period last year. These results included gains and losses from the mark-to-market of derivative financial instruments.

EBITDA for the second quarter of fiscal 2024 was $28.2 million compared to $25.5 million in the same period last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the second quarter increased by $10.6 million compared to the same period last year, largely as a result of higher adjusted gross margin, partially offset by higher distribution costs.

### *Maple*

| **Second Quarter 2024 Maple Highlights** (unaudited) | **Q2 2024** | Q2 2023 | **YTD 2024** | YTD 2023 |
|---|---|---|---|---|
| **Financials ($000s)** | | | | |
| Revenues | **57,987** | 56,814 | **116,878** | 112,969 |
| Gross margin | **4,945** | 4,583 | **13,099** | 9,736 |
| Adjusted gross margin(1) | **6,345** | 4,088 | **12,432** | 8,420 |
| As a percentage of revenues (%) (1) | **10.9%** | 7.2% | **10.6%** | 7.5% |
| Administration and selling expenses | **2,916** | 2,865 | **5,677** | 5,527 |
| Distribution costs | **234** | 496 | **542** | 1,044 |
| Results from operating activities | **1,795** | 1,222 | **6,880** | 3,165 |
| EBITDA(1) | **3,470** | 2,933 | **10,215** | 6,592 |
| Adjusted EBITDA(1) | **4,870** | 2,438 | **9,548** | 5,276 |
| **Volumes (thousand pounds)** | | | | |
| Total volume | **11,777** | 12,059 | **23,629** | 23,878 |

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

Revenues for the second quarter of the current fiscal year were $1.2 million higher than the same period last year, largely due to higher average selling price, partially offset by lower sales volume.

Gross margin was $4.9 million for the current quarter, including a loss of $1.4 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $4.6 million with a mark-to-market gain of $0.5 million.

Adjusted gross margin percentage for the second quarter was 10.9% as compared to 7.2% for the same period last year, representing an increase in adjusted gross margin of $2.3 million, mainly due to higher average pricing and lower operating costs from savings related to continuous improvement and automation initiatives implemented in the later part of fiscal 2023

Results from operating activities for the second quarter of fiscal 2024 were $1.8 million, compared to $1.2 million in the same period last year. These results included gains from the mark-to-market of derivative financial instruments.

EBITDA for the second quarter of fiscal 2024 amounted to $3.5 million compared to $2.9 million for the same period last year. These results include gains from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the second quarter of fiscal 2024 increased by $2.4 million to $4.9 million, due mainly to higher adjusted gross margin, as explained above.

## LEAP PROJECT

The planning and design phases associated with the project are now completed and the construction phase is expected to begin shortly. Site preparation and permitting processes are currently in their final stages for the main construction site in Montréal. Detailed planning for the Toronto portion of the project is currently being developed. Orders for sugar refining equipment and other large production and logistic related equipment have been issued to suppliers.

In connection with the financing plan of the LEAP Project, RSI issued new common shares in the second quarter of 2024, for a net proceed of $112.5 million. As at March 30, 2024, $30.9 million, including $1.1 million in interest costs has been capitalized in construction in progress on the balance sheet for the LEAP project.

## OUTLOOK

Management continues to focus on optimizing the business and delivering growth in consolidated adjusted EBITDA. Considering the strong results of the first six months of fiscal 2024 for both of our business segments, we anticipate delivering higher financial results in 2024 as compared to 2023. The stability of our operations in both segments, the continued positive outlook of the Sugar segment from a market demand and pricing point of view, and the recovery of our Maple segment over the last few quarters, should drive an increase in consolidated adjusted EBITDA for fiscal 2024 over fiscal 2023.

### *Sugar*

We expect the Sugar segment to perform well in fiscal 2024 and to exceed the results of fiscal 2023, despite the unfavourable impact of the recent labour disruption in Vancouver that ended on February 1. Underlying North American demand remains strong across all customer segments supported by favourable market dynamics. The expected increase in sugar margin from recently negotiated agreements is having a positive impact on our financial results, allowing us to mitigate the recent inflationary pressures on costs, and the lower sales volume related to the recent labour disruption in Vancouver.

The initial volume expectation for fiscal year 2024 was set at 800,000 metric tonnes, representing an increase of 4,700 metric tonnes compared to fiscal year 2023. Considering the recently ended labour disruption in Vancouver and its impact on the volume delivered to customers, we expect our initial outlook for fiscal year 2024 to decrease by 20,000 metric tonnes, to 780,000 metric tonnes.

In Taber, the harvest season delivered a higher-than-expected volume of sugar beets, and the processing campaign was completed in late February. The expected sugar production from the crop is 115,000 metric tonnes, higher than the prior year production by 10,000 metric tonnes. The higher-than-expected production is attributable to the higher quality of the beets received in 2024 due to favourable weather conditions during the growing season, and the improved performance of the plant throughout the slicing process. The Alberta sugar beet growers are currently seeding for the next year crop, under the second year of a two-year agreement signed in April 2023. Negotiations with the Alberta Sugar Beet Growers Association for subsequent crops should begin later in fiscal 2024.

Production costs and maintenance programs for our three production facilities are expected to increase moderately in 2024 as such related expenditures continue to be impacted by the current inflationary market-based pressures, and as we continue to perform the necessary maintenance activities to ensure a smooth production process to meet the needs of our customers. We are committed to managing our costs responsibly and have put forward optimization and control initiatives in all our plants.

Distribution costs are expected to increase slightly in 2024. These expenditures reflect the current market dynamics requiring the transfer of sugar produced between our refineries to meet demand from customers, and some of the costs associated with servicing customers with imported refined sugar.

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

Considering the elements discussed above, we expect the Sugar segment adjusted EBITDA to increase in fiscal 2024 over fiscal 2023, reflecting the strong prevailing market dynamics and the stability of our operations.

We anticipate our financing costs to decrease in fiscal 2024 due mainly to the timing of the equity financing portion for the LEAP project, which is providing a temporary increase in our available cash that will reduce the interest costs associated with our revolving credit facility. We have been able to mitigate the impact of recent increases in interest rates and energy costs through our multi-year hedging strategy. We expect our hedging strategy will continue to mitigate such exposure in fiscal 2024.

Spending on regular business capital projects is also expected to remain stable for fiscal 2024. We anticipate spending approximately $26.0 million on various initiatives related to our regular operations. This capital spending estimate excludes expenditures relating to our LEAP Project, which are currently estimated at $46.0 million for fiscal 2024.

### *Maple*

We expect financial results in our Maple segment to improve in 2024 over the prior year. The Maple segment financial results were lower than anticipated in fiscal 2023. Over the last few months, we focused on negotiating market-based price increases and optimizing our operations at our Granby and Dégelis plants through automation and continuous improvement initiatives. Such initiatives are supporting the recovery of our Maple business segment noted over the last three quarters.

The expected sales volume for fiscal 2024 is higher than last year by approximately 2.0 million lbs at 46.0 million lbs. The sales volume expectation reflects the current market conditions, and the availability of new maple syrup from the producers. The 2024 maple syrup crop was significantly better than anticipated and will support the current market demand, while also allowing for the partial replenishment of the reserve held by the Producteurs et Productrices Acéricoles du Québec ("PPAQ"). The reserve of PPAQ has been depleted in recent years from below average crops.

Considering the elements discussed above, we expect the Maple segment adjusted EBITDA to increase in fiscal 2024 over fiscal 2023, reflecting the benefits of the positive changes we implemented over the last year.

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

See "Forward-Looking Statements" section below.

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

## Cautionary Statement Regarding Non-IFRS Measures

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

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

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

- Adjusted gross margin is defined as gross margin adjusted for "the adjustment to cost of sales", which comprises the mark-to-market gains or losses on sugar futures and foreign exchange forward contracts as shown in the notes to the consolidated financial statements and the cumulative timing differences as a result of mark-to-market gains or losses on sugar futures and foreign exchange forward contracts.
- Adjusted results from operating activities are defined as results from operating activities adjusted for the adjustment to cost of sales and goodwill impairment.
- EBITDA is defined as earnings before interest, taxes, depreciation, amortization and goodwill impairment.
- Adjusted EBITDA is defined as adjusted results from operating activities adjusted to add back depreciation and amortization expenses.
- Adjusted net earnings is defined as net earnings adjusted for the adjustment to cost of sales, goodwill impairment and the income tax impact on these adjustments.
- Adjusted gross margin rate per MT is defined as adjusted gross margin of the Sugar segment divided by the sales volume of the Sugar segment.
- Adjusted gross margin percentage is defined as the adjusted gross margin of the Maple segment divided by the revenues generated by the Maple segment.
- Adjusted net earnings per share is defined as adjusted net earnings divided by the weighted average number of shares outstanding.
- Free cash flow is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments and financial instruments' non-cash amounts, and including the payment of deferred financing fees, lease obligations, and capital expenditures and intangible assets, net of value-added capital expenditures and LEAP Project related capital expenditures.

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

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

| | Q2 2024 | | | Q2 2023 | | |
|---|---|---|---|---|---|---|
| **Consolidated results**<br>(In thousands of dollars) | **Sugar** | **Maple Products** | **Total** | Sugar | Maple Products | Total |
| Gross margin | **39,916** | **4,945** | **44,861** | 37,075 | 4,583 | 41,658 |
| Total adjustment to the cost of sales(1) | **5,031** | **1,400** | **6,431** | (2,930) | (495) | (3,425) |
| Adjusted Gross Margin | **44,947** | **6,345** | **51,292** | 34,145 | 4,088 | 38,233 |
| Results from operating activities | **22,909** | **1,795** | **24,704** | 20,634 | 1,222 | 21,856 |
| Total adjustment to the cost of sales(1) | **5,031** | **1,400** | **6,431** | (2,930) | (495) | (3,425) |
| Adjusted results from operating activities | **27,940** | **3,195** | **31,135** | 17,704 | 727 | 18,431 |
| Results from operating activities | **22,909** | **1,795** | **24,704** | 20,634 | 1,222 | 21,856 |
| Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets | **5,285** | **1,675** | **6,960** | 4,878 | 1,711 | 6,589 |
| EBITDA(1) | **28,194** | **3,470** | **31,664** | 25,512 | 2,933 | 28,445 |
| EBITDA(1 | **28,194** | **3,470** | **31,664** | 25,512 | 2,933 | 28,445 |
| Total adjustment to the cost of sales(1) | **5,031** | **1,400** | **6,431** | (2,930) | (495) | (3,425) |
| Adjusted EBITDA | **33,225** | **4,870** | **38,095** | 22,582 | 2,438 | 25,020 |
| Net earnings | | | **13,936** | | | 11,062 |
| Total adjustment to the cost of sales(1) | | | **6,431** | | | (3,425) |
| Net change in fair value in interest rate swaps(1) | | | **236** | | | 479 |
| Income taxes on above adjustments | | | **(1,712)** | | | 999 |
| Adjusted net earnings | | | **18,891** | | | 9,115 |
| Net earnings per share (basic) | | | **0.13** | | | 0.11 |
| Adjustment for the above | | | **0.04** | | | (0.02) |
| Adjusted net earnings per share (basic) | | | **0.17** | | | 0.09 |

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

| Consolidated results (In thousands of dollars) | YTD 2024 Sugar | YTD 2024 Maple Products | YTD 2024 Total | YTD 2023 Sugar | YTD 2023 Maple Products | YTD 2023 Total |
|---|---|---|---|---|---|---|
| Gross margin | **76,406** | **13,099** | **89,505** | 73,113 | 9,736 | 82,849 |
| Total adjustment to the cost of sales[1] | **4,773** | **(667)** | **4,106** | (1,307) | (1,316) | (2,623) |
| Adjusted gross margin | **81,179** | **12,432** | **93,611** | 71,806 | 8,420 | 80,226 |
| Results from operating activities | **43,934** | **6,880** | **50,814** | 44,975 | 3,165 | 48,140 |
| Total adjustment to the cost of sales[1] | **4,773** | **(667)** | **4,106** | (1,307) | (1,316) | (2,623) |
| Adjusted results from operating activities | **48,707** | **6,213** | **54,920** | 43,668 | 1,849 | 45,517 |
| Results from operating activities | **43,934** | **6,880** | **50,814** | 44,975 | 3,165 | 48,140 |
| Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets | **10,560** | **3,335** | **13,895** | 9,591 | 3,427 | 13,018 |
| EBITDA[1] | **54,494** | **10,215** | **64,709** | 54,566 | 6,592 | 61,158 |
| EBITDA[1] | **54,493** | **10,215** | **64,709** | 54,566 | 6,592 | 61,158 |
| Total adjustment to the cost of sales[1] | **4,773** | **(667)** | **4,106** | (1,307) | (1,316) | (2,623) |
| Adjusted EBITDA[1] | **59,267** | **9,548** | **68,815** | 53,259 | 5,276 | 58,535 |
| Net (loss) earnings | | | **27,788** | | | 25,736 |
| Total adjustment to the cost of sales[1] | | | **4,106** | | | (2,623) |
| Net change in fair value in interest rate swaps[1] | | | **894** | | | 525 |
| Income taxes on above adjustments | | | **(1,284)** | | | 824 |
| Adjusted net earnings | | | **31,504** | | | 24,462 |
| Net earnings per share (basic) | | | **0.26** | | | 0.25 |
| Adjustment for the above | | | **0.03** | | | (0.02) |
| Adjusted net earnings per share (basic) | | | **0.29** | | | 0.23 |

(1) See “Adjusted results” section

## Conference Call and Webcast

Rogers will host a conference call to discuss its second quarter fiscal 2024 results on May 9, 2024 starting at 17:30p.m. ET. To participate, please dial 1-888-717-1738. A recording of the conference call will be accessible shortly after the conference, by dialing 1-877-674-7070, access code 361624#. This recording will be available until June 9, 2024. A live audio webcast of the conference call will also be available via www.LanticRogers.com.

## About Rogers Sugar

Rogers is a corporation established under the laws of Canada. The Corporation holds all of the common shares of Lantic and its administrative office is in Montréal, Québec. Lantic operates cane sugar refineries in Montréal, Québec and Vancouver, British Columbia, as well as the only Canadian sugar beet processing facility in Taber, Alberta. Lantic also operate a distribution center in Toronto, Ontario. Lantic's sugar products are mainly marketed under the "Lantic" trademark in Eastern Canada, and the "Rogers" trademark in Western Canada and include granulated, icing, cube, yellow and brown sugars, liquid sugars, and specialty syrups. Lantic owns all of the common shares of TMTC and its head office is headquartered in Montréal, Québec. TMTC operates bottling plants in Granby, Dégelis and in St-Honoré-de-Shenley, Québec and in Websterville, Vermont. TMTC's products include maple syrup and derived maple syrup products supplied under retail private label brands in approximately fifty countries and sold under various brand names.

For more information about Rogers please visit our website at www.LanticRogers.com.

## Cautionary Statement Regarding Forward-Looking Information

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

- Future demand and related sales volume for refined sugar and maple syrup;
- our LEAP Project;
- future prices of Raw #11;
- expected inflationary pressures on costs;
- natural gas costs;
- beet sugar production forecast for our Taber facility;
- the level of future dividends; and
- the status of government regulations and investigations.

Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual performance or results could differ materially from those reflected in the forward-looking statements, historical results, or current expectations.

Readers should also refer to the section "Risks and Uncertainties" in this current quarter MD&A and the 2023 fourth quarter MD&A for additional information on risk factors and other events that are not within our control. These risks are also referred to in our Annual Information Form in the "Risk Factors" section. Although we believe that the expectations and assumptions on which forward-looking information is based are reasonable under the current circumstances, readers are cautioned not to rely unduly on this forward-looking information as no assurance can be given that it will prove to be correct. Forward-looking information contained herein is made as at the date of this press release, and we do not undertake any obligation to update or revise any forward-looking information, whether a result of events or circumstances occurring after the date hereof, unless so required by law.

## For further information

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ROGERS SUGAR INC.

# Financial Report Q2 2024

This Management's Discussion and Analysis ("MD&A") of Rogers Sugar Inc.'s (the "Company", "Rogers", "RSI" or "our," "we", "us") dated May 9, 2024 should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three- and six-month periods period ended March 30, 2024, as well as the audited consolidated financial statements and MD&A for the year ended September 30, 2023. This MD&A refers to Rogers, Lantic Inc. ("Lantic") (Rogers and Lantic together referred as the "Sugar segment"), The Maple Treat Corporation ("Maple Treat") and Highland Sugarworks Inc. ("Highland") (the latter two companies together referred to as "TMTC" or the "Maple segment").

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

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## OUR BUSINESS

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

Lantic, Rogers wholly owned subsidiary, operates cane sugar refineries in Montréal, Québec and Vancouver, British Columbia, as well as the only Canadian sugar beet processing facility in Taber, Alberta. Lantic's sugar products are generally marketed under the "Lantic" trademark in Eastern Canada, and the "Rogers" trademark in Western Canada and include granulated, icing, cube, yellow and brown sugars, liquid sugars and specialty syrups. We also operate a distribution center in Toronto, Ontario.

Maple Treat operates bottling plants in Granby, Dégelis and in St-Honoré-de-Shenley, Québec and in Websterville, Vermont. Maple Treat's products include maple syrup and derived maple syrup products supplied under retail private label brands in approximately fifty countries and are sold under various brand names.

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

## BUSINESS HIGHLIGHTS

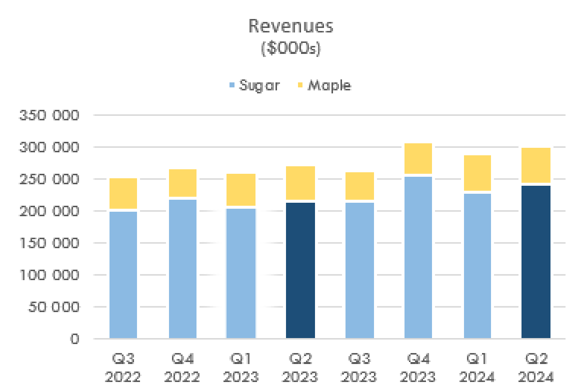
- The Company delivered consolidated adjusted EBITDA(1) for the second quarter and the first six months of fiscal 2024 of $38.1 million and $68.8 million respectively, up by $13.1 million and $10.3 million from the same periods last year, driven by the strong performance of both of our business segments.
- On March 4, 2024, in connection with the financing plan of our announced expansion of production and logistic capacity of our Eastern operations in Montréal and Toronto (the "LEAP Project"), Rogers issued 22,769,232 new common shares at a price of $5.18 per share. The net proceeds after commissions and related fees associated with this transaction amounted to $112.5 million.
- On February 1, 2024, the unionized employees of the Vancouver sugar refinery, represented by the Public and Private Workers of Canada Local 8, ratified a new five-year collective agreement, concluding a strike that began on September 28, 2023. The unionized employees have returned to work and the Vancouver refinery is now operating at its normal capacity.
- Throughout the labour disruption, production from our Taber and Montréal facilities was used to support our customers in Western Canada. The overall unfavourable impact of the strike is a net reduction of approximately 23,500 metric tonnes in sales volume, of which approximately13,500 metric tonnes were related to the second quarter, and a reduction of adjusted EBITDA(1) of $5.4 million, of which $2.4 million was related to the second quarter.
- Adjusted EBITDA(1) in the Sugar segment was very strong in the second quarter of fiscal 2024 at $33.2 million, an increase of $10.6 million compared to the same period last year, even after considering the unfavourable impact of the strike at the Vancouver refinery.
- Sales volumes in the Sugar segment decreased by approximately 15,000 metric tonnes to approximately 180,600 metric tonnes in the second quarter, largely driven by the reduction of activities at our Vancouver sugar refinery as a result of the labour disruption.
- Sugar segment adjusted gross margin(1) amounted to $249 per metric tonne in the second quarter of 2024 as compared to $175 per metric tonne for the same period last year, mainly due to a higher contribution from sugar refining activities.
- Adjusted EBITDA(1) in the Maple segment was $4.9 million in the second quarter, an increase of $2.5 million from the same quarter last year, largely driven by higher average selling prices and lower operating costs.
- Adjusted gross margin percentage(1) in the Maple segment amounted to 10.9%, as compared to an adjusted gross margin percentage(1) of 7.2% for the same period last year, driven by higher average selling prices and lower operating costs following the implementation of automation and continuous improvement initiatives in the later part of fiscal 2023.
- Free cash flow(1) for the trailing 12 months ended March 30, 2024, was $56.6 million, an increase of $4.8 million from the same period last year, driven by higher consolidated adjusted EBITDA(1), partially offset by an increase in capital expenditures.
- In the second quarter of fiscal 2024, we distributed $0.09 per share to our shareholders for a total of $9.5 million.
- On May 9, 2024, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before July 11, 2024.

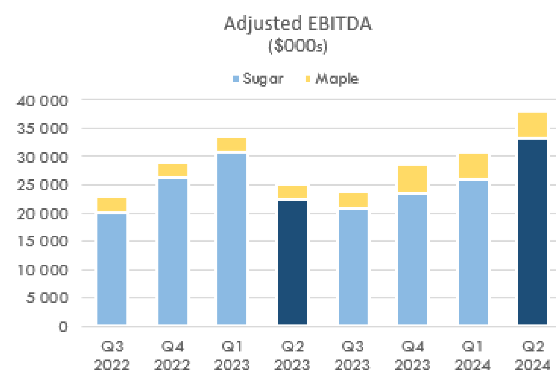
(1) See "Non-IFRS Measures" section for definition and reconciliation to IFRS measures

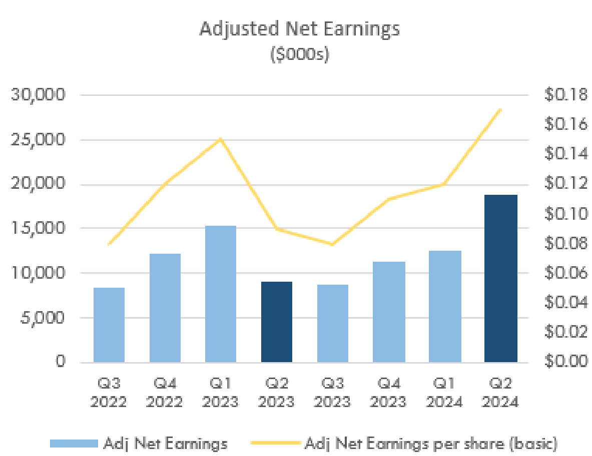
## SELECTED FINANCIAL DATA AND HIGHLIGHTS

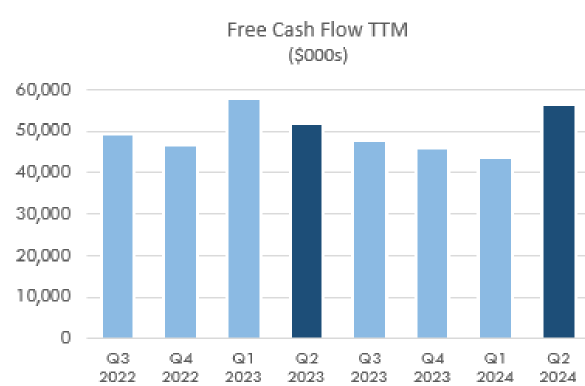
| (unaudited)<br>(In thousands of dollars, except volume and per share information) | **Q2 2024** | Q2 2023 | **YTD 2024** | YTD 2023 |
|---|---|---|---|---|
| Sugar (metric tonnes) | **180,618** | 195,547 | **362,994** | 388,396 |
| Maple syrup (000 pounds) | **11,777** | 12,059 | **23,629** | 23,878 |
| Total revenues | **300,944** | 272,949 | **589,643** | 534,392 |
| Gross margin | **44,861** | 41,658 | **89,505** | 82,849 |
| Adjustment to cost of sale[1] | **(6,431)** | 3,425 | **(4,106)** | 2,623 |
| Adjusted gross margin[1] | **51,292** | 38,233 | **93,611** | 80,226 |
| Results from operating activities | **24,704** | 21,856 | **50,814** | 48,140 |
| Adjusted results from operating activities[1] | **31,135** | 18,431 | **54,920** | 45,517 |
| EBITDA[1] | **31,664** | 28,445 | **64,709** | 61,158 |
| Adjusted EBITDA[1] | **38,095** | 25,020 | **68,815** | 58,535 |
| Net earnings | **13,936** | 11,062 | **27,788** | 25,736 |
| per share (basic) | **0.13** | 0.11 | **0.26** | 0.25 |
| per share (diluted) | **0.11** | 0.10 | **0.22** | 0.23 |
| Adjusted net earnings[1] | **18,891** | 9,115 | **31,504** | 24,462 |
| Adjusted net earnings per share (basic)[1] | **0.17** | 0.09 | **0.29** | 0.23 |
| Trailing twelve months free cash flow[1] | **56,570** | 51,807 | **56,570** | 51,807 |
| Dividends per share | **0.09** | 0.09 | **0.18** | 0.18 |

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



## Adjusted results

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

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

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

OUR RESULTS ARE ADJUSTED AS FOLLOWS:

| **Income (loss)**<br>(In thousands of dollars) | **Q2 2024** | | | Q2 2023 | | |
|---|---|---|---|---|---|---|
| | **Sugar** | **Maple Products** | **Total** | Sugar | Maple Products | Total |
| Mark-to-market on: | | | | | | |
| Sugar futures contracts | **1,154** | **-** | **1,154** | 4,925 | - | 4,925 |
| Foreign exchange forward contracts | **1,399** | **(1,203)** | **196** | 296 | (160) | 136 |
| Total mark-to-market adjustment on derivatives | **2,553** | **(1,203)** | **1,350** | 5,221 | (160) | 5,061 |
| Cumulative timing differences | **(7,584)** | **(197)** | **(7,781)** | (2,291) | 655 | (1,636) |
| Total adjustment to costs of sales | **(5,031)** | **(1,400)** | **(6,431)** | 2,930 | 495 | 3,425 |

| **Income (loss)**<br>(In thousands of dollars) | **YTD 2024** | | | YTD 2023 | | |
|---|---|---|---|---|---|---|
| | **Sugar** | **Maple Products** | **Total** | Sugar | Maple Products | Total |
| Mark-to-market on: | | | | | | |
| Sugar futures contracts | **(1,536)** | **-** | **(1,536)** | 3,717 | - | 3,717 |
| Foreign exchange forward contracts | **1,275** | **653** | **1,928** | 569 | (357) | 212 |
| Total mark-to-market adjustment on derivatives | **(261)** | **653** | **392** | 4,286 | (357) | 3,929 |
| Cumulative timing differences | **(4,512)** | **14** | **(4,498)** | (2,979) | 1,673 | (1,306) |
| Total adjustment to costs of sales | **(4,773)** | **667** | **(4,106)** | 1,307 | 1,316 | 2,623 |

Fluctuations in the mark-to-market adjustment on derivatives are due to the price movements in the Raw #11 sugar market ("Raw #11") and foreign exchange variations.

We recognize cumulative timing differences, as a result of mark-to-market gains or losses, only when sugar is sold to a customer. The gains or losses on sugar and related foreign exchange paper transactions are largely offset by corresponding gains or losses from the physical transactions, namely sale and purchase contracts with customers and suppliers.

The above-described adjustments are added to or deducted from the mark-to-market results to arrive at the total adjustment to cost of sales. For the second quarter of the current year, the total cost of sales adjustment is a loss of $6.4 million to be added to the consolidated results versus a gain of $3.4 million to be deducted from the consolidated results for the comparable quarter last year. For the first six months of fiscal 2024, the total cost of sales adjustment is a loss of $4.1 million to be added to the consolidated results compared to a gain of $2.6 million to be deducted from the consolidated results for the same period last year.

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

## SEGMENTED INFORMATION

| **Segmented Results** (In thousands of dollars) | | **Q2 2024** | | | Q2 2023 | |
|---|---|---|---|---|---|---|
| | **Sugar** | **Maple Products** | **Total** | Sugar | Maple Products | Total |
| Revenues | **242,957** | **57,987** | **300,944** | 216,135 | 56,814 | 272,949 |
| Gross margin | **39,916** | **4,945** | **44,861** | 37,075 | 4,583 | 41,658 |
| Administration and selling expenses | **10,815** | **2,916** | **13,731** | 11,101 | 2,865 | 13,966 |
| Distribution costs | **6,192** | **234** | **6,426** | 5,340 | 496 | 5,836 |
| Results from operating activities | **22,909** | **1,795** | **24,704** | 20,634 | 1,222 | 21,856 |
| Adjustment to cost of sales(2) | **5,031** | **1,400** | **6,431** | (2,930) | (495) | (3,425) |
| Adjusted gross margin(1) | **44,947** | **6,345** | **51,292** | 34,145 | 4,088 | 38,233 |
| Adjusted results from operating activities(1) | **27,940** | **3,195** | **31,135** | 17,704 | 727 | 18,431 |
| EBITDA(1) | **28,194** | **3,470** | **31,664** | 25,512 | 2,933 | 28,445 |
| Adjusted EBITDA(1) | **33,225** | **4,870** | **38,095** | 22,582 | 2,438 | 25,020 |
| *Additional information:* | | | | | | |
| Additions to property, plant and equipment and intangible assets, net of disposals | **14,252** | **421** | **14,673** | 6,514 | 275 | 6,789 |
| Additions to right-of-use assets | **2,674** | **58** | **2,732** | 948 | - | 948 |

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

| **Segmented Results** (In thousands of dollars) | | **YTD 2024** | | | YTD 2023 | |
|---|---|---|---|---|---|---|
| | **Sugar** | **Maple Products** | **Total** | Sugar | Maple Products | Total |
| Revenues | **472,765** | **116,878** | **589,643** | 421,423 | 112,969 | 534,392 |
| Gross margin | **76,406** | **13,099** | **89,505** | 73,113 | 9,736 | 82,849 |
| Administration and selling expenses | **20,194** | **5,677** | **25,871** | 17,736 | 5,527 | 23,263 |
| Distribution costs | **12,278** | **542** | **12,820** | 10,402 | 1,044 | 11,446 |
| Results from operating activities | **43,934** | **6,880** | **50,814** | 44,975 | 3,165 | 48,140 |
| Adjustment to cost of sales(2) | **4,773** | **(667)** | **4,106** | (1,307) | (1,316) | (2,623) |
| Adjusted Gross margin(1) | **81,179** | **12,432** | **93,611** | 71,806 | 8,420 | 80,226 |
| Adjusted results from operating activities(1) | **48,707** | **6,213** | **54,920** | 43,668 | 1,849 | 45,517 |
| EBITDA(1) | **54,494** | **10,215** | **64,709** | 54,566 | 6,592 | 61,158 |
| Adjusted EBITDA(1) | **59,267** | **9,548** | **68,815** | 53,259 | 5,276 | 58,535 |
| Additional information: | | | | | | |
| Additions to property, plant and equipment and intangible assets, net of disposals | **29,200** | **609** | **29,809** | 14,966 | 369 | 15,335 |
| Additions to right-of-use assets | **2,756** | **109** | **2,865** | 966 | 45 | 1,011 |

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

## Sugar

### IMPACT OF LABOUR DISRUPTION AT VANCOUVER REFINERY

On February 1, 2024, the unionized employees of the Vancouver sugar refinery, represented by the Public and Private Workers of Canada Local 8, ratified a new five-year collective agreement, concluding a strike that began on September 28, 2023. The unionized employees have returned to work and the Vancouver refinery is now operating at its normal capacity.

Throughout the labour disruption, production from our Taber and Montréal facilities was used to support our customers in Western Canada. The overall unfavourable impact of the strike is a net reduction in volume of approximately 23,500 metric tonnes, of which approximately 13,500 metric tonnes were related to the second quarter, and a reduction of adjusted EBITDA of $5.4 million, of which $2.4 million was related to the second quarter.

### LEAP PROJECT

On August 11, 2023, the Board of Directors of Lantic approved the LEAP Project. This investment is expected to provide approximately 100,000 metric tonnes of incremental refined sugar capacity to the growing Canadian market, at an estimated construction cost of approximately $200 million. The project is expected to be completed in the first half of fiscal 2026.

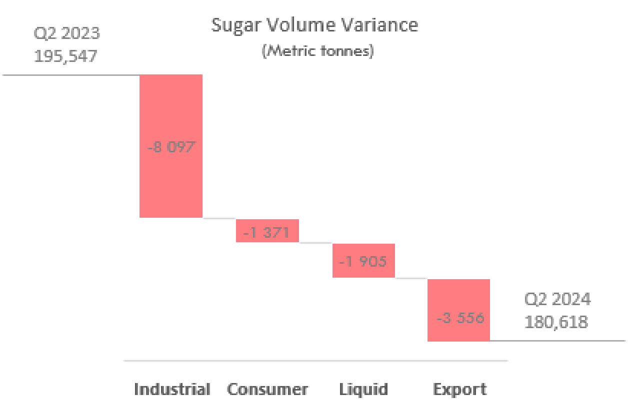
The planning and design phases associated with the project are now completed and the construction phase is expected to begin shortly. Site preparation and permitting processes are currently in their final stages for the main construction site in Montréal. Detailed planning for the Toronto portion of the project is currently being developed. Orders for sugar refining equipment and other large production and logistic related equipment have been issued to suppliers.

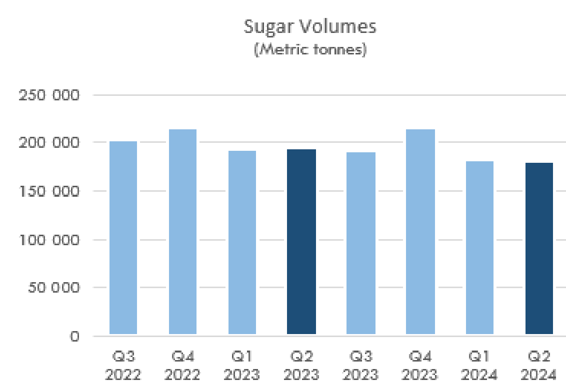
We intend to fund the construction costs of the LEAP project using a combination of new debt, new equity and our existing revolving credit facility. In connection with the financing plan of the LEAP Project, RSI issued new common shares in the second quarter of 2024, for a net proceed of $112.5 million. In the second half of 2023, also in connection with the financing of the LEAP project, Lantic entered into two secured loan agreements with Investissement Quebec for up to $65 million. We anticipate drawing funds from the approved loans from Investissement Quebec as the construction phase begins in the second half of fiscal 2024.

As at March 30, 2024, $30.9 million, including $1.1 milion in interest costs, has been capitalized in construction in progress on the balance sheet for the LEAP project. Thus far, most of the costs incurred are related to the design and planning phases of the project, along with deposits on sugar refining, production, and logistic equipment ordered with suppliers. For the first six months of fiscal 2024, $19.7 million has been capitalized in connection with the LEAP Project, as compared to $7.0 million for the same period last year.

### REVENUES

| | **Q2 2024** | Q2 2023 | Δ | **YTD 2024** | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| (In thousands of dollars) | **242,957** | 216,135 | 26,822 | **472,765** | 421,423 | 51,342 |



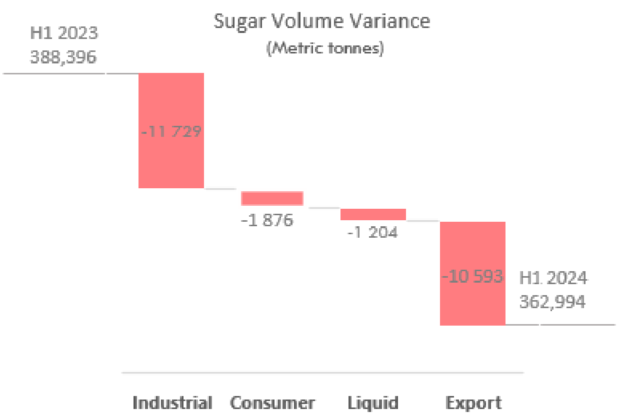



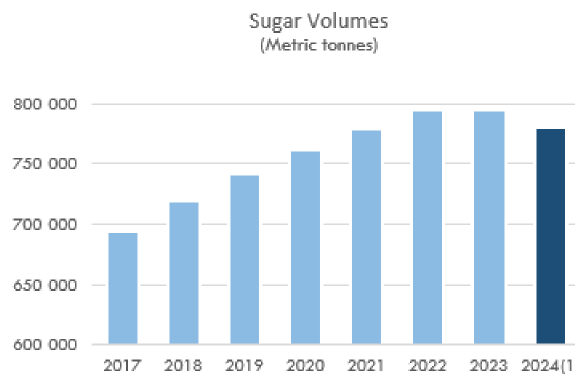

In the second quarter and first six months of fiscal 2024, revenue increased by $26.8 million and $51.3 million respectively, compared to the same periods last year. The positive variance was largely driven by higher average price for Raw #11 and higher contribution from refining related activities, partially offset by lower sales volume as a result of the labour disruption at our Vancouver sugar refinery. The average prices for Raw #11 increased by US 1.9 cents per pound to US 22.6 cents per pound during the current quarter and by US 4.1 cents per pound to US 24.1 cents per pound for the first half of the current fiscal year, when compared to the same periods last year.

In the second quarter of fiscal 2024, sugar volume totaled approximately 180,600 metric tonnes, a decrease of approximately 7.6% or 15,000 metric tonnes compared to the same period last year, driven mainly by the unfavorable net impact of the labour disruption at the Vancouver refinery, estimated at approximately 13,500 metric tonnes. The net impact of the strike on a customer segment basis was estimated as follows:

- Industrial volume decreased by approximately 4,600 metric tonnes.
- Liquid volume decreased by approximately 2,800 metric tonnes.
- Export volume decreased by approximately 6,100 metric tonnes as we focussed our sales efforts on serving the domestic market throughout the labour disruption.

For the second quarter of fiscal 2024, sales volume in Eastern Canada was also lower by approximately 1,500 metric tonnes due to timing in industrial and consumer sales, partially offset by higher sales to liquid customers.




(1) See Outlook section, sugar sales volume is expected to amount to 780,000 metric tonnes in fiscal 2024.

In the first half of fiscal 2024, sugar volume totaled approximately 363,000 metric tonnes, a decrease of approximately 6.5% or 25,400 metric tonnes compared to the same period last year, driven mainly by the unfavorable net impact of the labour disruption at the Vancouver refinery, estimated at approximately 23,500 metric tonnes. The net impact of the strike on a customer segment basis was estimated as follows:

- Industrial volume decreased by approximately 7,900 metric tonnes.
- Liquid volume decreased by approximately 4,300 metric tonnes.
- Export volume decreased by approximately 11,300 metric tonnes as we focussed our sales efforts on serving the domestic market throughout the labour disruption.

For the first six months of fiscal 2024, sales volume in Eastern Canada was also lower by approximately 1,900 metric tonnes due to timing in industrial and consumers sales, partially offset by higher sales to liquid customers.

GROSS MARGIN

| (In thousands of dollars, except per metric tonne information) | **Q2 2024** | Q2 2023 | Δ | **YTD 2024** | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| Gross margin | **39,916** | 37,075 | 2,841 | **76,406** | 73,113 | 3,293 |
| Total adjustment to cost of sales(2) | **5,031** | (2,930) | 7,961 | **4,773** | (1,307) | 6,080 |
| Adjusted gross margin(1) | **44,947** | 34,145 | 10,802 | **81,179** | 71,806 | 9,373 |
| Adjusted gross margin per metric tonne(1) | **248.85** | 174.62 | 74.23 | **223.64** | 184.88 | 38.76 |
| Included in gross margin: | | | | | | |
| Depreciation of property, plant and equipment and right-of-use assets | **4,144** | 3,372 | 772 | **8,318** | 7,496 | 822 |

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

(2) See "Adjusted results" section

Gross margin was $39.9 million and $76.4 million for the second quarter and the first six months of fiscal 2024, and includes a loss of $5.0 million and $4.8 million, respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was $37.1 million and $73.1 million, respectively, with a mark-to-market gain of $2.9 million and $1.3 million respectively.

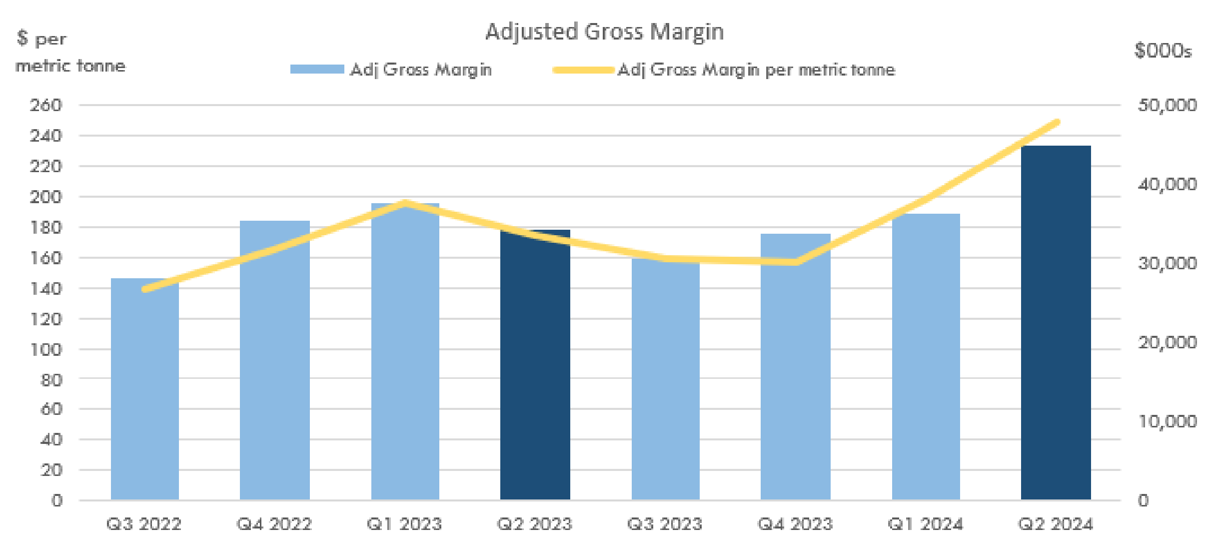
Adjusted gross margin was $44.9 million and $81.2 million for the second quarter and for the first six months of fiscal 2024, respectively, as compared to $34.1 million and $71.8 million in the same periods last year.

Adjusted gross margin increased by $10.8 million in the second quarter compared to the same period last year mainly as a result of higher sugar sales margin from increased average pricing on sugar refining related activities and favorable mix of products sold. This positive variance was partially offset by higher production costs mainly driven by increased maintenance activities and market based inflationary pressure on costs, along with the unfavourable impact of lower sales volume, as described above.

On a per-unit basis, adjusted gross margin for the second quarter was $249 per metric tonne, higher than last year by $74 per metric tonne. The favourable variance was mainly due to the increase in overall margin from improved selling prices and favorable mix of products sold, partially offset by higher production costs and lower sales volume.

Adjusted gross margin for the first six months of fiscal 2024 was $9.4 million higher than the comparable period last year as a result of higher sugar sales margin from increased average pricing on sugar refining related activities and favorable mix of products sold. This positive variance was partially offset by higher production costs mainly driven by increased maintenance activities and market based inflationary pressure on costs, along with the unfavourable impact of lower sales volume, as described above.

On a per-unit basis, for the first six months of fiscal 2024, adjusted gross margin amounted to $224 per metric tonne compared to $185 per metric tonne for the same period last year The favourable variance was mainly due to the increase in overall margin from improved selling prices and favorable mix of products sold, partially offset by higher production costs and lower sales volume.



OTHER EXPENSES

| (In thousands of dollars, except per metric tonne information) | **Q2 2024** | Q2 2023 | Δ | **YTD 2024** | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| Administration and selling expenses | **10,815** | 11,102 | (287) | **20,194** | 17,737 | 2,457 |
| Distribution costs | **6,192** | 5,340 | 852 | **12,278** | 10,402 | 1,876 |
| *Included in Administration and selling expenses:* | | | | | | |
| Depreciation of property, plant and equipment and right-of-use assets | **197** | 318 | (121) | **395** | 539 | (144) |
| *Included in Distribution costs:* | | | | | | |
| Depreciation of right-of-use assets | **944** | 1,188 | (244) | **1,847** | 1,555 | 292 |

In the second quarter of fiscal 2024, administration and selling expenses were lower by $0.3 million compared to the same quarter last year. The variance was mainly due to lower cash-settled share-based compensation expense as compared to the same period last year, driven by a variance in the share price in the current quarter. Distribution costs were higher by $0.9 million compared to the same quarter last year, mainly due to higher transfer of sugar between our facilities to support the needs of our customers, including costs associated with our mitigation strategy related to the labour disruption in Vancouver.

For the first six months of fiscal 2024, administration and selling expenses were $2.5 million higher than the comparable period last year. The variance was mainly due to higher compensation costs and related employee benefits, partially offset by lower cash-settled share-based compensation expenses driven by a variance in the share price used to estimate the related expense. Distribution costs for the first six months of fiscal 2024 increased by $1.9 million compared to the same period last year, mainly due to higher transfer of sugar between our facilities to support the needs of our customers, including costs associated with our mitigation strategy related to the labour disruption in Vancouver.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

| (In thousands of dollars) | **Q2 2024** | Q2 2023 | Δ | **YTD 2024** | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| Results from operating activities | **22,909** | 20,634 | 2,275 | **43,934** | 44,975 | (1,041) |
| Total adjustment to cost of sales (2) | **5,031** | (2,930) | 7,961 | **4,773** | (1,307) | 6,080 |
| Adjusted results from operating activities(1) | **27,940** | 17,704 | 10,236 | **48,707** | 43,668 | 5,039 |
| Depreciation of property, plant and equipment, right-of-use assets, and amortization of intangible assets | **5,285** | 4,878 | 407 | **10,560** | 9,591 | 969 |
| EBITDA(1) | **28,194** | 25,512 | 2,682 | **54,494** | 54,566 | (72) |
| Adjusted EBITDA(1) | **33,225** | 22,582 | 10,643 | **59,267** | 53,259 | 6,008 |

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

Results from operating activities for the second quarter and the first six months of fiscal 2024 year were $22.9 million and $43.9 million, respectively, an increase of $2.3 million and a decrease of $1.0 million respectively, as compared to same periods last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

Adjusted results from operating activities in the second quarter were $10.2 million higher than the same period last year, mainly due to higher adjusted gross margin, partially offset by higher distribution costs. Adjusted results from operating activities for the first six months of fiscal 2024 were $5.0 million higher than the same period last year as a result of higher adjusted gross margin, partially offset by higher distribution costs and administration and selling expenses.

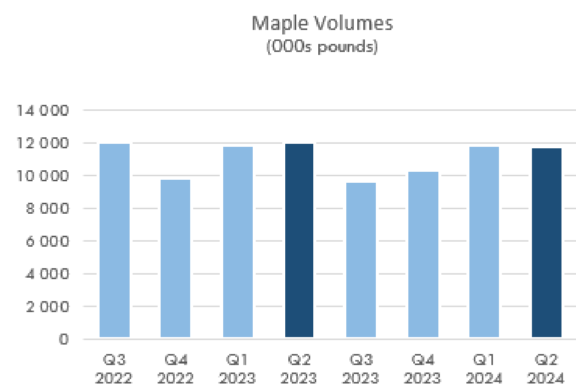
EBITDA for the second quarter and the first six months of fiscal 2024 were $28.2 million and $54.5 million, respectively, an increase of $2.7 million and a decrease of $0.1 million respectively, as compared to same periods last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

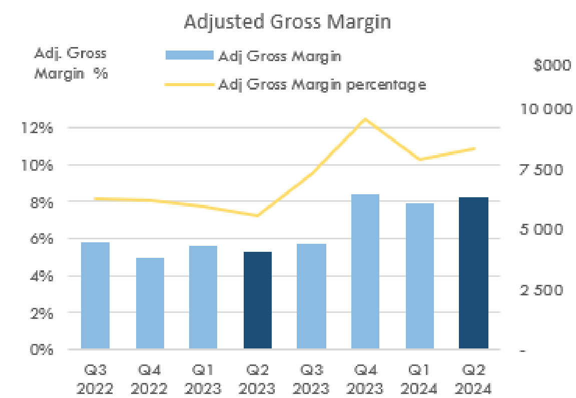
Adjusted EBITDA for the second quarter increased by $10.6 million compared to the same period last year, largely as a result of higher adjusted gross margin, partially offset by higher distribution costs. Adjusted EBITDA for the first six months of fiscal 2024 increased by $6.0 million largely due to higher adjusted gross margin, partially offset by higher distribution costs and administration and selling expenses, as mentioned above.

## Maple Products

REVENUES

| | Q2 2024 | Q2 2023 | Δ | YTD 2024 | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| (In thousands of dollars, except volume) | | | | | | |
| Volume (000 pounds) | **11,777** | 12,059 | (282) | **23,629** | 23,878 | (249) |
| Revenues | **57,987** | 56,814 | 1,173 | **116,878** | 112,969 | 3,909 |




Revenues for the second quarter were $1.2 million higher than the same period last year, largely due to higher average selling price, partially offset by lower sales volume. For the first six months of fiscal 2024, revenues were $3.9 million higher than the same period last year due to higher average selling price, partially offset by lower volume.

GROSS MARGIN

| | Q2 2024 | Q2 2023 | Δ | YTD 2024 | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| (In thousands of dollars, except adjusted gross margin rate information) | | | | | | |
| Gross margin | **4,945** | 4,583 | 362 | **13,099** | 9,736 | 3,363 |
| Total adjustment to cost of sales (1) (2) | **1,400** | (495) | 1,895 | **(667)** | (1,316) | 649 |
| Adjusted gross margin (1) | **6,345** | 4,088 | 2,257 | **12,432** | 8,420 | 4,012 |
| Adjusted gross margin percentage (1) | **10.9%** | 7.2% | 3.7% | **10.6%** | 7.5% | 3.1% |
| Included in Gross margin: | | | | | | |
| Depreciation of property, plant and equipment and right-of-use assets | **792** | 833 | (41) | **1,570** | 1,672 | (102) |

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

(2) See "Adjusted results" section

Gross margin was $4.9 million and $13.1 million for the second quarter and the first six months of fiscal 2024 and includes a loss of $1.4 million and a gain of $0.7 million respectively, for the mark-to-market of derivative financial instruments. For the same periods last year, gross margin was $4.6 million and $9.7 million, respectively, with mark-to-market gains of $0.5 million and $1.3 million respectively.

Adjusted gross margin for the second quarter and the first six months of fiscal 2024 were $6.3 million and $12.4 million, respectively, an increase of $2.3 million and $4.0 million respectively, as compared to the same periods last year. Adjusted gross margin percentage for the second quarter and the first six months of fiscal 2024 were 10.9% and 10.6% respectively, as compared to 7.2% and 7.5%, respectively, for the comparable period last year. These favourable variances were mainly related to higher average pricing and lower operating costs from savings related to continuous improvement and automation initiatives implemented in the later part of fiscal 2023.

OTHER EXPENSES

| | **Q2 2024** | Q2 2023 | Δ | **YTD 2024** | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| (In thousands of dollars) | | | | | | |
| Administration and selling expenses | **2,916** | 2,865 | 51 | **5,677** | 5,527 | 150 |
| Distribution costs | **234** | 496 | (262) | **542** | 1,044 | (502) |
| *Included in Administration and selling expenses:* | | | | | | |
| Amortization of intangible assets | **883** | 878 | 5 | **1,765** | 1,756 | 9 |

Administration and selling expenses for the second quarter and for the first six months of fiscal 2024 were $0.1 million and $0.2 million higher than the comparable periods last year. These variances were largely due to compensation related expenses.

Distribution costs for the second quarter and for the first six months of fiscal 2024 were lower by $0.3 million and $0.5 million respectively compared to the same period last year, mainly due to lower logistic costs and higher recovery of such costs from customers.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

| | **Q2 2024** | Q2 2023 | Δ | **YTD 2024** | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| (In thousands of dollars) | | | | | | |
| Results from operating activities | **1,795** | 1,222 | 573 | **6,880** | 3,165 | 3,715 |
| Total adjustment to cost of sales (1) | **1,400** | (495) | 1,895 | **(667)** | (1,316) | 649 |
| Adjusted results from operating activities (1) | **3,195** | 727 | 2,468 | **6,213** | 1,849 | 4,364 |
| Depreciation and amortization | **1,675** | 1,711 | (36) | **3,335** | 3,427 | (92) |
| EBITDA (1) | **3,470** | 2,933 | 536 | **10,215** | 6,592 | 3,623 |
| Adjusted EBITDA (1) | **4,870** | 2,438 | 2,432 | **9,548** | 5,276 | 4,272 |

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

(2) See "Adjusted results" section

Results from operating activities for the second quarter and the first six months of fiscal 2024 were $1.8 million and $6.9 million, respectively, compared to $1.2 million and $3.2 million in the same period last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

Adjusted results from operating activities for the second quarter and the first six months of fiscal 2024 were respectively $2.5 million and $4.4 million higher than the comparable period last year, due mainly to higher adjusted gross margin and lower distribution costs.

EBITDA for the second quarter and the first six months of 2024 amounted to $3.5 million and $10.2 million respectively, compared to $2.9 million and $6.6 million for the same period last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the second quarter of fiscal 2024 increased by $2.4 million compared to the same period last year, due to higher adjusted gross margin as explained above. Adjusted EBITDA for the first six months of fiscal 2024 increased by $4.3 million, compared to the same period last year, largely driven by higher adjusted gross margins and lower distribution costs as explained above.

# OUTLOOK

Management continues to focus on optimizing the business and delivering growth in consolidated adjusted EBITDA. Considering the strong results of the first six months of fiscal 2024 for both of our business segments, we anticipate delivering higher financial results in 2024 as compared to 2023. The stability of our operations in both segments, the continued positive outlook of the Sugar segment from a market demand and pricing point of view, and the recovery of our Maple segment over the last few quarters, should drive an increase in consolidated adjusted EBITDA for fiscal 2024 over fiscal 2023.

## Sugar

We expect the Sugar segment to perform well in fiscal 2024 and to exceed the results of fiscal 2023, despite the unfavourable impact of the recent labour disruption in Vancouver that ended on February 1. Underlying North American demand remains strong across all customer segments supported by favourable market dynamics. The expected increase in sugar margin from recently negotiated agreements is having a positive impact on our financial results, allowing us to mitigate the recent inflationary pressures on costs, and the lower sales volume related to the recent labour disruption in Vancouver.

The initial volume expectation for fiscal year 2024 was set at 800,000 metric tonnes, representing an increase of 4,700 metric tonnes compared to fiscal year 2023. Considering the recently ended labour disruption in Vancouver and its impact on the volume delivered to customers, we expect our initial outlook for fiscal year 2024 to decrease by 20,000 metric tonnes, to 780,000 metric tonnes.

In Taber, the harvest season delivered a higher-than-expected volume of sugar beets, and the processing campaign was completed in late February. The expected sugar production from the crop is 115,000 metric tonnes, higher than the prior year production by 10,000 metric tonnes. The higher-than-expected production is attributable to the higher quality of the beets received in 2024 due to favourable weather conditions during the growing season, and the improved performance of the plant throughout the slicing process. The Alberta sugar beet growers are currently seeding for the next year crop, under the second year of a two-year agreement signed in April 2023. Negotiations with the Alberta Sugar Beet Growers Association for subsequent crops should begin later in fiscal 2024.

Production costs and maintenance programs for our three production facilities are expected to increase moderately in 2024 as such related expenditures continue to be impacted by the current inflationary market-based pressures, and as we continue to perform the necessary maintenance activities to ensure a smooth production process to meet the needs of our customers. We are committed to managing our costs responsibly and have put forward optimization and control initiatives in all our plants.

Distribution costs are expected to increase slightly in 2024. These expenditures reflect the current market dynamics requiring the transfer of sugar produced between our refineries to meet demand from customers, and some of the costs associated with servicing customers with imported refined sugar.

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

Considering the elements discussed above, we expect the Sugar segment adjusted EBITDA to increase in fiscal 2024 over fiscal 2023, reflecting the strong prevailing market dynamics and the stability of our operations.

We anticipate our financing costs to decrease in fiscal 2024 due mainly to the timing of the equity financing portion of the LEAP project, which is providing a temporary increase in our available cash that will reduce the interest costs associated with our revolving credit facility. We have been able to mitigate the impact of recent increases in interest rates and energy costs through our multi-year hedging strategy. We expect our hedging strategy will continue to mitigate such exposure in fiscal 2024.

Spending on regular business capital projects is also expected to remain stable for fiscal 2024. We anticipate spending approximately $26.0 million on various initiatives related to our regular operations. This capital spending estimate excludes expenditures relating to our LEAP Project, which are currently estimated at $46.0 million for fiscal 2024.

## Maple

We expect financial results in our Maple segment to improve in 2024 over the prior year. The Maple segment financial results were lower than anticipated in fiscal 2023. Over the last few months, we focused on negotiating market-based price increases and optimizing our operations at our Granby and Dégelis plants through automation and continuous improvement initiatives. Such initiatives are supporting the recovery of our Maple business segment noted over the last three quarters.

The expected sales volume for fiscal 2024 is higher than last year by approximately 2.0 million lbs at 46.0 million lbs. The sales volume expectation reflects the current market conditions, and the availability of new maple syrup from the producers. The 2024 maple syrup crop was significantly better than anticipated and will support the current market demand, while also allowing for the partial replenishment of the reserve held by the Producteurs et Productrices Acéricoles du Québec (“PPAQ”). The reserve of PPAQ has been depleted in recent years from below average crops.

Considering the elements discussed above, we expect the Maple segment adjusted EBITDA to increase in fiscal 2024 over fiscal 2023, reflecting the benefits of the positive changes we implemented over the last year.

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

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

## CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION

| (unaudited)<br>(In thousands of dollars, except volume and per share information) | **Q2 2024** | Q2 2023 | **YTD 2024** | YTD 2023 |
|---|---|---|---|---|
| Sugar (metric tonnes) | **180,618** | 195,547 | **362,994** | 388,396 |
| Maple syrup (000 pounds) | **11,777** | 12,059 | **23,629** | 23,878 |
| Total revenues | **300,944** | 272,949 | **589,643** | 534,392 |
| Gross margin | **44,861** | 41,658 | **89,505** | 82,849 |
| Adjusted gross margin(1) | **51,292** | 38,233 | **93,611** | 80,226 |
| Results from operating activities | **24,704** | 21,856 | **50,814** | 48,140 |
| Adjusted results from operating activities(1) | **31,135** | 18,431 | **54,920** | 45,517 |
| EBITDA(1) | **31,664** | 28,445 | **64,709** | 61,158 |
| Adjusted EBITDA(1) | **38,095** | 25,020 | **68,815** | 58,535 |
| Net finance costs | **5,692** | 6,346 | **12,598** | 12,529 |
| Income tax expense | **5,076** | 4,448 | **10,428** | 9,875 |
| Net earnings | **13,936** | 11,062 | **27,788** | 25,736 |
| per share (basic) | **0.13** | 0.11 | **0.26** | 0.25 |
| per share (diluted) | **0.11** | 0.10 | **0.22** | 0.23 |
| Adjusted net earnings(1) | **18,891** | 9,115 | **31,504** | 24,462 |
| per share (basic)(1) | **0.17** | 0.09 | **0.29** | 0.23 |
| Dividends per share | **0.09** | 0.09 | **0.18** | 0.18 |

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

### Total revenues

Revenues increased by $28.0 million and $55.3 million respectively for the second quarter and the first six months of fiscal 2024 compared to the same periods last year. The increase in revenue was mainly attributable to higher prices paid for Raw #11 and higher average pricing for refining-related activities in the Sugar segment, as well as higher pricing in the Maple segment. This favorable variance was partially offset by lower sales volume in the Sugar segment in connection with the labour disruption at our Vancouver sugar refinery, which ended on February 1, 2024.

### Gross margin

Gross margin increased by $3.2 million and $6.7 million respectively for the second quarter and for the first six months of fiscal 2024 compared to the same periods last year. Excluding the mark-to-market of derivative financial instruments, adjusted gross margin for the current quarter and the first six months of 2024 increased by $13.1 million and $13.4 million respectively, compared to the same period last year. These positive variances were mainly due to higher adjusted gross margin from the Sugar and Maple segments.

For the Sugar segment, the adjusted gross margin per metric tonne for the second quarter and for the first six months of fiscal 2024 were higher by $74 per metric tonne and $39 per metric tonne respectively, when compared to the same period last year. For the Maple segment, the adjusted gross margin percentage for the current quarter and the first six months period of fiscal 2024 were higher by 3.7% and 3.1%, respectively, when compared to the same period last year.

### Results from operating activities

Results from operating activities for the second quarter were $24.7 million compared to $21.9 million in the same period last year, an increase of $2.8 million. For the first six months of fiscal 2024, results from operating activities were $50.8 million compared to $48.1 million for the same period last year, an increase of $2.7 million. Excluding the mark-to-market of derivative financial instruments, adjusted results from operating activities for the second quarter amounted to $31.1 million compared to $28.4 million in the same period last year, an increase of $2.7 million. For the first six months of fiscal 2024, adjusted results from operating activities were $54.9 million compared to $45.5 million for the same period last year, an increase of $9.4 million. The improvement of adjusted results from operating activities in both periods was mainly driven by higher contribution from the Sugar and Maple segments in 2024.

## Net finance costs

| (In thousands of dollars) | **Q2 2024** | Q2 2023 | Δ | **YTD 2024** | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| Interest expense on convertible unsecured subordinated debentures, including accretion expense (1) | **2,146** | 2,131 | 15 | **4,286** | 4,258 | 28 |
| Interest on revolving credit facility | **1,510** | 2,158 | (648) | **3,270** | 3,529 | (259) |
| Interest on senior guaranteed notes (2) | **926** | 899 | 27 | **1,847** | 1,796 | 51 |
| Amortization of deferred financing fees | **335** | 303 | 32 | **662** | 617 | 45 |
| Interest on *Producteurs et Productrices Acéricoles du Québec* supplier balance | **46** | 130 | (84) | **740** | 1,305 | (565) |
| Other interest expense | **54** | 1 | 53 | **54** | 11 | 43 |
| Interest accretion on discounted lease obligations | **439** | 245 | 194 | **845** | 488 | 357 |
| Net change in fair value of interest rate swaps | **236** | 479 | (243) | **894** | 525 | 369 |
| Net finance costs | **5,692** | 6,346 | (654) | **12,598** | 12,529 | 69 |

(1) Includes accretion expense of $271 and $534 for the three and six months ended March 30, 2024 (April 1, 2023 - $256 and $505, respectively)

(2) Includes accretion expense of $56 and $107 for the three and six months ended March 30, 2024 (April 1, 2023 - $29 and $56, respectively)

For the second quarter of 2024, net finance costs were lower by $0.7 million compared to the same periods last year, largely driven by lower interest expense on our revolving credit facility from lower average borrowing due mainly to the net proceeds received in connection with the issuance of common shares in March 2024, and the impact of market-based changes in fair value related to interest rate swaps contracts.

For the first six months of fiscal 2024, net finance costs were higher by $0.1 million compared to the same periods last year. The slight increase was mainly due to market-based changes in fair value related to interest rate swaps contracts and the increase in interest accretion on discounted lease obligations, partially offset by lower interest on the revolving credit facility and lower interest on PPAQ supplier balances for the purchase of maple syrup.

## Taxation

| (In thousands of dollars) | **Q2 2024** | Q2 2023 | Δ | **YTD 2024** | YTD 2023 | Δ |
|---|---|---|---|---|---|---|
| Current | **4,948** | 3,246 | 1,702 | **8,818** | 8,008 | 810 |
| Deferred | **128** | 1,202 | (1,074) | **1,610** | 1,867 | (257) |
| Income tax expense | **5,076** | 4,448 | 628 | **10,428** | 9,875 | 553 |

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

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

## Net earnings

Net earnings in the second quarter and for the first six month of fiscal 2024 were higher by $2.9 million and $2.1 million respectively, compared to the same periods last year.

Adjusted net earnings in the second quarter and the first six months of fiscal 2024 at $18.9 million and $31.5 million, respectively, were higher by $9.8 million and $7.0 million, respectively, compared to the same periods last year, largely attributable to strong contribution from the Sugar and Maple segments.

## Summary of quarterly results

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

| (In thousands of dollars, except for volumes and per share information) | QUARTERS(2) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2024** | | 2023 | | | | 2022 | |
| | Second | First | Fourth | Third | Second | First | Fourth | Third |
| Sugar volumes (MT) | **180,618** | 182,376 | 215,500 | 191,411 | 195,547 | 192,849 | 214,672 | 203,315 |
| Maple products volumes (‘000 pounds) | **11,777** | 11,852 | 10,363 | 9,630 | 12,059 | 11,819 | 9,838 | 12,027 |
| Total revenues | **300,944** | 288,699 | 308,036 | 262,285 | 272,949 | 261,443 | 267,406 | 254,632 |
| Gross margin | **44,861** | 44,644 | 41,192 | 41,685 | 41,659 | 41,191 | 28,472 | 24,948 |
| Adjusted gross margin(1) | **51,292** | 42,319 | 40,193 | 34,912 | 38,233 | 41,993 | 39,141 | 32,654 |
| Results from operations | **24,704** | 26,110 | 22,815 | 24,008 | 21,856 | 26,284 | (38,346) | 8,822 |
| Adjusted results from operations(1) | **31,135** | 23,785 | 21,816 | 17,235 | 18,431 | 27,086 | 22,324 | 16,528 |
| EBITDA(1) | **31,664** | 33,045 | 29,568 | 30,523 | 28,445 | 32,713 | 18,283 | 15,402 |
| Adjusted EBITDA(1) | **38,095** | 30,720 | 28,569 | 23,750 | 25,020 | 33,515 | 28,954 | 23,108 |
| Net (loss) earnings | **13,936** | 13,852 | 11,876 | 14,177 | 11,062 | 14,674 | (45,503) | 3,138 |
| Per share - basic | **0.13** | 0.13 | 0.12 | 0.13 | 0.11 | 0.14 | (0.44) | 0.03 |
| Per share - diluted | **0.11** | 0.11 | 0.09 | 0.12 | 0.10 | 0.13 | (0.44) | 0.04 |
| Adjusted net earnings(1) | **18,891** | 12,613 | 11,283 | 8,749 | 9,115 | 15,347 | 12,161 | 8,419 |
| Per share - basic | **0.17** | 0.12 | 0.11 | 0.08 | 0.09 | 0.15 | 0.12 | 0.08 |
| Per share - diluted | **0.15** | 0.10 | 0.10 | 0.08 | 0.09 | 0.14 | 0.11 | 0.08 |
| Sugar - Adjusted gross margin rate per MT(1) | **249** | 199 | 156 | 159 | 175 | 195 | 165 | 139 |
| Maple - Adjusted gross margin percentage(1) | **10.9%** | 10.3% | 12.5% | 9.5% | 7.2% | 7.7% | 8.1% | 8.2% |

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

(2) All quarters are 13 weeks

Historically the first quarter (October to December) and the fourth quarter (July to September) of the fiscal year are the strongest quarters for the Sugar segment in terms of adjusted gross margin, adjusted EBITDA, and adjusted net earnings due to the favourable sales product mix associated with a higher proportion of consumer sales during these periods of the year. At the same time, the second quarter (January to March) and the third quarter (April to June) historically have the lowest volumes as well as a less favourable product sales mix, resulting in lower adjusted gross margins, adjusted EBITDA, and adjusted net earnings. The first two quarters of fiscal 2024 did not follow the historical trend due to the impact of reduced activities at our Vancouver sugar refinery in connection with the labour disruption and the current favorable trend associated with strong contribution from sugar refining activities during the second quarter of fiscal 2024.

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

## Financial condition

| (In thousands of dollars) | **March 30, 2024** | April 1, 2023 | September 30, 2023 |
|---|---|---|---|
| Total assets | **$981,979** | $905,889 | $960,901 |
| Total liabilities | **559,624** | 616,800 | 654,005 |

The increase in total assets of $76.1 million in the current fiscal quarter compared to the same quarter last year is mainly due to an increase in property, plant, and equipment of $33.3 million largely associated with the LEAP Project and higher inventory of $37.0 million mainly related to higher price paid for Raw #11, compared to the same period last year. The favourable variance in total assets was also driven by higher trade and other receivables of $11.2 million from timing and higher average selling price and an increase in right of use assets of $8.4 million related to new leases for storages facilities and logistic related equipment. The increase in total assets was partially offset by a market-based decrease in derivatives financial instruments assets of $9.7 million and lower intangible assets of $3.2 million due to amortization expenses.

Total liabilities for the current fiscal quarter decreased by $57.2 million compared to the same quarter last year due mainly to a decrease of $92.0 million in the revolving credit facility partially attributable to the net proceeds received in connection with the issuance of common shares associated with the recent equity offering, which closed in March 2024. The reduction in total liabilities in the current quarter compared to the same period last year was also driven by a decrease in employee benefits of $16.1 million reflecting the market-based impact of the actuarial valuation performed at the end of fiscal 2023. This variance was partially offset by an increase in trade and other payables of $38.3 million largely associated with timing of payments to the PPAQ for maple syrup purchases, higher deferred tax liabilities of $3.4 million, and higher lease obligations of $8.8 million associated with the increase in right of use assets.

## Liquidity

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

| | **Q2 2024** | Q2 2023 | **YTD 2024** | YTD 2023 |
|---|---|---|---|---|
| (In thousands of dollars) | | | | |
| Net cash flow (used in) from operating activities | **(28,838)** | (24,621) | **(5,571)** | (33,515) |
| Cash flow (used in) from financing activities | **39,602** | 19,798 | **34,915** | 48,360 |
| Cash flow used in investing activities | **(13,154)** | (6,114) | **(25,937)** | (12,894) |
| Effect of changes in exchange rate on cash | **8** | (3) | **(1)** | (155) |
| Net increase (decrease) in cash | **(2,382)** | (10,940) | **3,406** | 1,796 |

Cash flow used in operating activities for the current quarter increased by $4.2 million compared to the same period last year, due mainly to a negative working capital variance of $8.9 million. This variance was partially offset by higher net earnings adjusted for non-cash items of $3.1 million and lower interest and income taxes paid of $1.6 million. For the first six months of 2024, cash flow from operating activities increased by $27.9 million compared to the same period last year, largely driven by a positive non-cash working capital variation of $18.6 million, higher net earnings adjusted for non-cash items of $5.5 million, and lower interest and income taxes paid of $3.8 million.

Cash flow from financing activities was higher by $19.8 million for the current quarter compared to the same quarter last year. The variance was due mainly to the net proceeds of $112.5 million received in connection with the issuance of common shares of RSI in March 2024 to support the financing plan of the LEAP Project, partially offset by a related decrease in the revolving credit facility of $92.0 million from higher available cash.

For the first six months of fiscal 2024, cash flow used in financing activities decreased by $13.4 million compared to same period last year largely due to a variation in the use of the revolving credit facility of $124.0 million from higher available cash, due mainly to the net proceeds of $112.5 million received in connection with the issuance of common shares of RSI in March 2024 to support the financing plan of the LEAP Project.

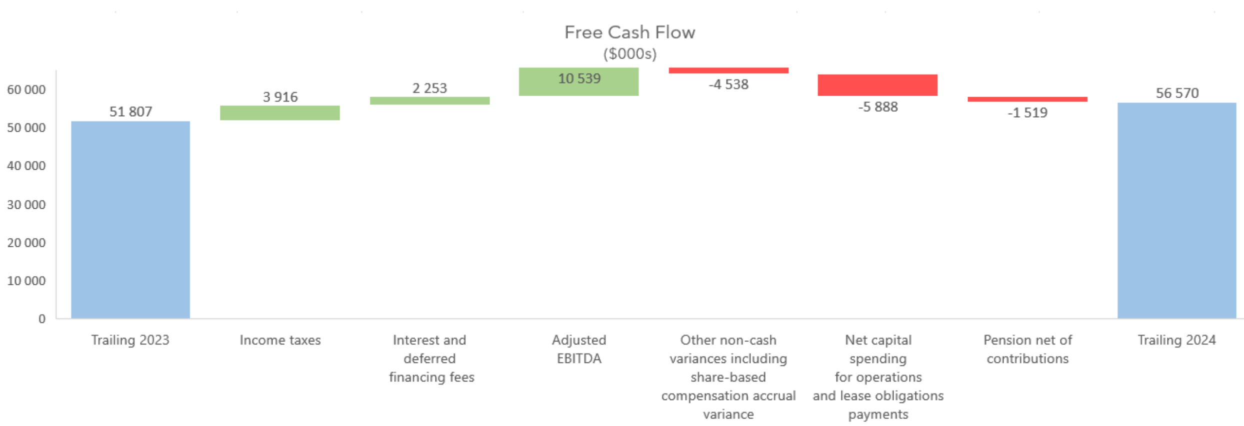
The cash flows used in investing activities for the current quarter and the first six months of 2024 were higher by $7.0 million and $13.0 million respectively, compared to the same periods last year. The variances were mainly related to the capitalization of $7.2 million in the current quarter and $15.5 million for the first six months of 2024 in expenditures in connection with the LEAP Project, as compared to $3.4 million and $5.4 million for the same periods last year.

## Free cash flow

We believe it is appropriate to measure free cash flow that is generated by our normal operations and accordingly to exclude the elements related to the LEAP project. Free cash flow is a non-IFRS measure and is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments and financial instruments' non-cash amounts, and including the payment of deferred financing fees, lease obligations, and capital expenditures and intangible assets, net of value-added capital expenditures. Free cash flow excludes expenditures associated with the LEAP project.

| | Trailing twelve months | |
|---|---|---|
| (In thousands of dollars) | **2024** | 2023 |
| Cash flow from operations | **72,262** | 2,939 |
| Adjustments: | | |
| Changes in non-cash working capital | **16,408** | 62,236 |
| Mark-to-market and derivative timing adjustments | **(2,773)** | 15,316 |
| Payment of deferred financing fees | **(404)** | (1,443) |
| Financial instruments non-cash amount | **1,907** | (2,298) |
| Payment of lease obligations | **(6,071)** | (5,221) |
| Capital expenditures and intangible assets, excluding LEAP Project related capital expenditures | **(28,572)** | (24,807) |
| Value-added capital expenditures | **3,813** | 5,085 |
| Net capital expenditures and intangible assets for operations | **(24,759)** | (19,722) |
| Free cash flow[(1)] | **56,570** | 51,807 |
| Declared dividends | **39,888** | 37,622 |

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




Free cash flow for the trailing twelve months ended March 30, 2024, amounted to $56.6 million, representing an increase of $4.8 million compared to the same period last year. This increase in free cash flow was mainly related to higher adjusted EBITDA of $10.5 million, lower income taxes paid of $3.9 million, and lower payments of interest and deferred financing fees of $2.3 million. This variance was partially offset by higher capital expenditures and intangible assets related to normal operations of $5.9 million, the reduction of non-cash impact of $4.5 million related to the variance in the accrual for cash-settled share-based compensation of senior management, and higher pension expenditures of $1.5 million.

Capital and intangible asset expenditures related to on-going operations increased by $5.9 million compared to last year's rolling twelve months due mainly to timing in spending. Free cash flow is not reduced by value-added capital expenditures and LEAP related capital expenditures, as such expenditures are not necessary for the operation of the plants.

The decrease in the amount spent in value-added capital expenditures for the trailing twelve months ended March 30, 2024, amounted to $1.3 million and was largely driven by timing of projects.

Interest paid for the trailing twelve months ended March 30, 2024, decreased by $2.4 million compared to last year due mainly to lower interest paid to the PPAQ for maple syrup purchases and lower interest paid on our revolving credit facility.

Deferred financing fees for the trailing twelve months ended March 30, 2024, decreased by $1.0 million compared to last year, largely due to lower financing costs paid associated with the LEAP Project as compared to the same period last year.

The Board of Directors declared a quarterly dividend of 9.0 cents per common share every quarter, totalling 36.0 cents for both trailing twelve-month periods.

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

The combined impact of the mark-to-market and derivative timing adjustments and financial instruments non-cash amount of $0.9 million for the current rolling twelve months does not represent cash items as these contracts will be settled when the physical transactions occur, which is the reason for the adjustment to free cash flow.

## Contractual obligations

There are no material changes in the contractual obligations table disclosed in the Management's Discussion and Analysis of the September 30, 2023, Annual Report, except for the capital commitments to complete the LEAP Project for a total value of $135.9 million to be incurred to fiscal 2026.

As at March 30, 2024, Lantic had commitments to purchase a total of 612,000 metric tonnes of raw sugar, of which 274,844 metric tonnes had been priced for a total dollar commitment of $215.5 million.

## Capital resources

As at March 30, 2024, Lantic had a total of $340.0 million available working capital under the revolving credit facility, which matures on October 31, 2027, from which it can borrow at prime rate, SOFR rate or under Adjusted Term CORRA loan (which is Term CORRA plus an adjustment varying between 30 to 32 basis points), plus 20 to 250 basis points, based on the achievement of certain financial ratios. As at March 30, 2024, a total of $661.2 million of assets had been pledged as security for the revolving credit facility, compared to $581.9 million as at April 1, 2023; including trade receivables, inventories and property, plant and equipment.

As at March 30, 2024, $103.0 million had been drawn from the revolving credit facility and $7.1 million in cash was also available.

As at March 30, 2024, the Company had $155.0 million total face value outstanding convertible unsecured subordinated debentures of which $57.4 million is maturing on December 31, 2024 (Sixth Series), and $97.6 million maturing on June 30, 2025 (Seventh Series).

In the second quarter of 2024, the outstanding balance of the convertible unsecured subordinated debentures of the Sixth Series amounting to $57.4 millions was classified as short term on the balance sheet, due to its maturity of less than 12 months. We are currently reviewing all available options regarding the maturity of the Sixth Series debentures, including conversion to common shares, payment at maturity from available cash or refinancing.

As at March 30, 2024, Lantic was in compliance with all the covenants under its revolving credit facility.

# OUTSTANDING SECURITIES

On March 4, 2024, the Company issued 22,769,232 common shares at a price of $5.18 per common share for gross proceeds of $117.9 million pursuant to a bought deal public offering in Canada, and private offerings to Fonds de solidarité des travailleurs du Québec and an existing shareholder, Belkorp Industries Inc.

Share issuance costs of $5.4 million ($4.0 million after tax) were accounted for as a reduction in common equity on the consolidated statements of financial position.

Net proceeds from the issuance of common shares amounted to $112.5 million and will be used to finance the LEAP Project, in accordance with the use of proceeds stated in the prospectus supplement filed on February 28, 2024 in connection with this common share offering.

A total of 127,916,834 shares were outstanding as at March 30, 2024 and May 9,2024, compared with 104,848,674 as at April 1, 2023.

During the first six months of fiscal 2024, 51,482 stock options were exercised for proceeds of $0.2 million, compared to 476,629 stock options exercised for proceeds of $2.2 million during the first six months of fiscal 2023.

## RISK AND UNCERTAINTIES

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

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

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

*Labour Disruption at Vancouver Sugar Refinery*

On February 1, 2024, the unionized employees of the Vancouver sugar refinery represented by the Public and Private Workers of Canada Local 8 ratified a new five-year collective agreement, following a strike that began on September 28, 2023. The unionized employees have returned to work and the Vancouver refinery is now operating at its normal capacity. Throughout the labour disruption, production from our Taber and Montréal facilities was used to support our customers in Western Canada.

This recently resolved labour disruption is expected to negatively impact our financial results for 2024, the extent of which could be higher than currently anticipated due to its potential long-term impacts on customers, and the potential unknown internal incremental costs associated with this event going forward.

*Expansion Project (the "LEAP Project")*

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

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

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

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

## NON-IFRS MEASURES

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

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

The following is a description of the non-IFRS measures we used in the MD&A:

- Adjusted gross margin is defined as gross margin adjusted for "the adjustment to cost of sales", which comprises the mark-to-market gains or losses on sugar futures and foreign exchange forward contracts as shown in the notes to the consolidated financial statements and the cumulative timing differences as a result of mark-to-market gains or losses on sugar futures and foreign exchange forward contracts.
- Adjusted results from operating activities are defined as results from operating activities adjusted for the adjustment to cost of sales and goodwill impairment.
- EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and goodwill impairment.
- Adjusted EBITDA is defined as adjusted results from operating activities adjusted to add back depreciation and amortization expenses.
- Adjusted net earnings is defined as net earnings adjusted for the adjustment to cost of sales, goodwill impairment, and the income tax impact on these adjustments.
- Adjusted gross margin rate per MT is defined as adjusted gross margin of the Sugar segment divided by the sales volume of the Sugar segment.
- Adjusted gross margin percentage is defined as the adjusted gross margin of the Maple segment divided by the revenues generated by the Maple segment.
- Adjusted net earnings per share is defined as adjusted net earnings divided by the weighted average number of shares outstanding.
- Free cash flow is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments and financial instruments' non-cash amounts, and including the payment of deferred financing fees, lease obligations, and capital expenditures and intangible assets, net of value-added capital expenditures and LEAP Project related capital expenditures.

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

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

| | **Q2 2024** | | | Q2 2023 | | |
|---|---|---|---|---|---|---|
| **Consolidated results**<br>(In thousands of dollars) | **Sugar** | **Maple Products** | **Total** | Sugar | Maple Products | Total |
| Gross margin | **39,916** | **4,945** | **44,861** | 37,075 | 4,583 | 41,658 |
| Total adjustment to the cost of sales(1) | **5,031** | **1,400** | **6,431** | (2,930) | (495) | (3,425) |
| Adjusted gross margin | **44,947** | **6,345** | **51,292** | 34,145 | 4,088 | 38,233 |
| | | | | | | |
| Results from operating activities | **22,909** | **1,795** | **24,704** | 20,634 | 1,222 | 21,856 |
| Total adjustment to the cost of sales(1) | **5,031** | **1,400** | **6,431** | (2,930) | (495) | (3,425) |
| Adjusted results from operating activities | **27,940** | **3,195** | **31,135** | 17,704 | 727 | 18,431 |
| | | | | | | |
| Results from operating activities | **22,909** | **1,795** | **24,704** | 20,634 | 1,222 | 21,856 |
| Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets | **5,285** | **1,675** | **6,960** | 4,878 | 1,711 | 6,589 |
| EBITDA(1) | **28,194** | **3,470** | **31,664** | 25,512 | 2,933 | 28,445 |
| | | | | | | |
| EBITDA(1 | **28,194** | **3,470** | **31,664** | 25,512 | 2,933 | 28,445 |
| Total adjustment to the cost of sales(1) | **5,031** | **1,400** | **6,431** | (2,930) | (495) | (3,425) |
| Adjusted EBITDA | **33,225** | **4,870** | **38,095** | 22,582 | 2,438 | 25,020 |
| | | | | | | |
| Net earnings | | | **13,936** | | | 11,062 |
| Total adjustment to the cost of sales(1) | | | **6,431** | | | (3,425) |
| Net change in fair value in interest rate swaps(1) | | | **236** | | | 479 |
| Income taxes on above adjustments | | | **(1,712)** | | | 999 |
| Adjusted net earnings | | | **18,891** | | | 9,115 |
| Net earnings per share (basic) | | | **0.13** | | | 0.11 |
| Adjustment for the above | | | **0.04** | | | (0.02) |
| Adjusted net earnings per share (basic) | | | **0.17** | | | 0.09 |

(1) See “Adjusted results” section

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

| | YTD 2024 | | | YTD 2023 | | |
|---|---|---|---|---|---|---|
| **Consolidated results**<br>(In thousands of dollars) | **Sugar** | **Maple Products** | **Total** | Sugar | Maple Products | Total |
| Gross margin | **76,406** | **13,099** | **89,505** | 73,113 | 9,736 | 82,849 |
| Total adjustment to the cost of sales(1) | **4,773** | **(667)** | **4,106** | (1,307) | (1,316) | (2,623) |
| Adjusted gross margin | **81,179** | **12,432** | **93,611** | 71,806 | 8,420 | 80,226 |
| Results from operating activities | **43,934** | **6,880** | **50,814** | 44,975 | 3,165 | 48,140 |
| Total adjustment to the cost of sales(1) | **4,773** | **(667)** | **4,106** | (1,307) | (1,316) | (2,623) |
| Adjusted results from operating activities | **48,707** | **6,213** | **54,920** | 43,668 | 1,849 | 45,517 |
| Results from operating activities | **43,934** | **6,880** | **50,814** | 44,975 | 3,165 | 48,140 |
| Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets | **10,560** | **3,335** | **13,895** | 9,591 | 3,427 | 13,018 |
| EBITDA(1) | **54,494** | **10,215** | **64,709** | 54,566 | 6,592 | 61,158 |
| EBITDA(1) | **54,494** | **10,215** | **64,709** | 54,566 | 6,592 | 61,158 |
| Total adjustment to the cost of sales(1) | **4,773** | **(667)** | **4,106** | (1,307) | (1,316) | (2,623) |
| Adjusted EBITDA(1) | **59,267** | **9,548** | **68,815** | 53,259 | 5,276 | 58,535 |
| Net earnings | | | **27,788** | | | 25,736 |
| Total adjustment to the cost of sales(1) | | | **4,106** | | | (2,623) |
| Net change in fair value in interest rate swaps(1) | | | **894** | | | 525 |
| Income taxes on above adjustments | | | **(1,284)** | | | 824 |
| Adjusted net earnings | | | **31,504** | | | 24,462 |
| Net earnings per share (basic) | | | **0.26** | | | 0.25 |
| Adjustment for the above | | | **0.03** | | | (0.02) |
| Adjusted net earnings per share (basic) | | | **0.29** | | | 0.23 |

(1) See “Adjusted results” section

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

| (In thousands of dollars, except for volumes and per share information) | QUARTERS[1][2] | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2024** | | 2023 | | | | 2022 | |
| | **Second** | **First** | Fourth | Third | Second | First | Fourth | Third |
| Gross margin | **44,861** | 44,644 | 41,192 | 41,685 | 41,658 | 41,191 | 28,472 | 24,948 |
| Total adjustment to the cost of sales[2] | **6,431** | (2,325) | (999) | (6,773) | (3,425) | 802 | 10,669 | 7,706 |
| Adjusted gross margin | **51,292** | 42,319 | 40,193 | 34,912 | 38,233 | 41,993 | 39,141 | 32,654 |
| | | | | | | | | |
| Results from operating activities | **24,704** | 26,110 | 22,815 | 24,008 | 21,856 | 26,284 | (38,345) | 8,822 |
| Total adjustment to the cost of sales[2] | **6,431** | (2,325) | (999) | (6,773) | (3,425) | 802 | 10,669 | 7,706 |
| Goodwill impairment | **-** | - | - | - | - | - | 50,000 | - |
| Adjusted results from operating activities | **31,135** | 23,785 | 21,816 | 17,235 | 18,431 | 27,086 | 22,324 | 16,528 |
| | | | | | | | | |
| Results from operating activities | **24,704** | 26,110 | 22,815 | 24,008 | 21,856 | 26,284 | (38,345) | 8,822 |
| Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets | **6,960** | 6,935 | 6,753 | 6,515 | 6,589 | 6,429 | 6,628 | 6,580 |
| Goodwill impairment | **-** | - | - | - | - | - | 50,000 | - |
| EBITDA | **31,664** | 33,045 | 29,568 | 30,523 | 28,445 | 32,713 | 18,283 | 15,402 |
| | | | | | | | | |
| EBITDA | **31,664** | 33,045 | 29,568 | 30,523 | 28,445 | 32,713 | 18,283 | 15,402 |
| Total adjustment to the cost of sales[2] | **6,431** | (2,325) | (999) | (6,773) | (3,425) | 802 | 10,669 | 7,706 |
| Adjusted EBITDA | **38,095** | 30,720 | 28,569 | 23,750 | 25,020 | 33,515 | 28,952 | 23,108 |
| | | | | | | | | |
| Net (loss) earnings | **13,936** | 13,852 | 11,876 | 14,177 | 11,062 | 14,674 | (45,502) | 3,138 |
| Total adjustment to the cost of sales[2] | **6,431** | (2,325) | (999) | (6,773) | (3,425) | 802 | 10,669 | 7,706 |
| Goodwill impairment | **-** | - | - | - | - | - | 50,000 | - |
| Net change in fair value in interest rate swaps[2] | **236** | 658 | 201 | (203) | 479 | 46 | (328) | (632) |
| Income taxes on above adjustments | **(1,712)** | 428 | 205 | 1,548 | 999 | (175) | (2,678) | (1,793) |
| Adjusted net earnings | **18,891** | 12,613 | 11,283 | 8,749 | 9,115 | 15,347 | 12,161 | 8,419 |

## CRITICAL ACCOUNTING ESTIMATES

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

## CHANGES IN ACCOUNTING PRINCIPLES AND PRACTICES NOT YET ADOPTED

New standards and interpretations were adopted during the fiscal year 2024 beginning on October 1, 2023. The adoption of these amendments did not have an impact on the consolidated interim financial statements. A number of new standards, and amendments to standards and interpretations, are not yet effective and have not been applied in preparing the unaudited condensed interim financial statements for the second quarter of fiscal 2024. Management has reviewed such new standards and proposed amendments and does not anticipate that they will have a material impact on Rogers' financial statements. Refer to note 3 of the unaudited condensed interim financial statements and to note 3 (q) of the 2023 audited consolidated financial statements for details.

## CONTROLS AND PROCEDURES

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

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

The Chief Executive Officer and Chief Financial Officer have evaluated whether or not there were any changes to Rogers' ICFR during the period beginning on December 31, 2023 and ended on March 30, 2024 that have materially affected, or are reasonably likely to materially affect, Rogers' ICFR. No such changes were identified through their evaluation.

## FORWARD-LOOKING STATEMENTS

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

- Future demand and related sales volume for refined sugar and maple syrup;
- our LEAP Project;
- future prices of Raw #11;
- expected inflationary pressures on costs;
- natural gas costs;
- beet sugar production forecast for our Taber facility;
- the level of future dividends; and
- the status of government regulations and investigations

Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual performance or results could differ materially from those reflected in the forward-looking statements, historical results or current expectations. Readers should also refer to the section "Risks and Uncertainties" in this MD&A for additional information on risk factors and other events that are not within our control. These risks are also referred to in our Annual Information Form in the "Risk Factors" section.

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