

Unaudited condensed consolidated interim financial statements of

## **ROGERS SUGAR INC.**

Three and six months ended March 29, 2025, and March 30, 2024

(Unaudited and not reviewed by the Company's external independent auditors)

(Unaudited)

## Condensed consolidated interim statements of earnings and comprehensive income

(In thousands of dollars except per share amounts)

Condensed consolidated interim statements of earnings	For the three months ended		For the six months ended	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Revenues (note 14)	326,307	300,944	649,475	589,643
Cost of sales	273,342	256,083	549,770	500,138
Gross margin	52,965	44,861	99,705	89,505
Administration and selling expenses	11,676	13,731	25,198	25,871
Distribution expenses	7,997	6,426	14,209	12,820
	19,673	20,157	39,407	38,691
Results from operating activities	33,292	24,704	60,298	50,814
Net finance costs (note 5)	5,388	5,692	10,792	12,598
Earnings before income taxes	27,904	19,012	49,506	38,216
Income tax expense (recovery):				
Current	4,427	4,948	14,587	8,818
Deferred	2,933	128	(1,433)	1,610
	7,360	5,076	13,154	10,428
Net earnings	20,544	13,936	36,352	27,788
Net earnings per share (note 11)				
Basic	0.16	0.13	0.28	0.26
Diluted	0.14	0.11	0.26	0.22

Condensed consolidated interim statements of comprehensive (loss) income	For the three months ended		For the six months ended	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Net earnings	20,544	13,936	36,352	27,788
Other comprehensive (loss) income				
Items that may or may not be reclassified subsequently to net earnings:				
Cash flow hedges (note 6)	(270)	(812)	1,901	(7,580)
Income tax on cash flow hedges (note 6)	69	209	(488)	1,946
Foreign currency translation differences	(152)	273	932	92
	(353)	(330)	2,345	(5,542)
Net earnings and comprehensive income for the period	20,191	13,606	38,697	22,246

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

(Unaudited)

## Condensed consolidated interim statements of financial position

(In thousands of dollars)

	March 29, 2025	March 30, 2024 (adjusted (note 3(A)))	September 28, 2024	September 30, 2023 (adjusted (note 3(A)))
<b>Assets</b>				
<b>Current assets:</b>				
Cash	5,187	3,452	19,121	46
Trade and other receivables	138,194	123,137	120,795	118,252
Income taxes receivable	-	-	1,526	2,280
Inventories	281,482	273,202	290,299	267,268
Prepaid expenses	6,348	5,417	8,089	8,912
Derivative financial instruments (note 6)	4,397	4,653	3,530	5,019
<b>Total current assets:</b>	<b>435,608</b>	<b>409,861</b>	<b>443,360</b>	<b>401,777</b>
<b>Non-current assets:</b>				
Property, plant and equipment	367,507	287,777	333,120	267,185
Right-of-use assets	26,530	30,041	27,494	29,973
Intangible assets	15,658	19,175	17,436	20,890
Other assets	1,412	1,245	1,072	783
Derivative financial instruments (note 6)	-	873	66	7,286
Employee benefits	23,189	-	23,189	-
Goodwill	233,007	233,007	233,007	233,007
<b>Total non-current assets</b>	<b>667,303</b>	<b>572,118</b>	<b>635,384</b>	<b>559,124</b>
<b>Total assets</b>	<b>1,102,911</b>	<b>981,979</b>	<b>1,078,744</b>	<b>960,901</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Current liabilities:</b>				
Trade and other payables	119,742	125,565	195,461	164,404
Income taxes payable	11,938	1,006	-	-
Provisions	6,461	1,112	5,585	1,415
Lease obligations	5,436	5,023	5,194	4,364
Convertible unsecured subordinated debentures (note 8)	97,276	57,021	153,830	-
Derivative financial instruments (note 6)	5,776	1,065	209	1,140
<b>Total current liabilities</b>	<b>246,629</b>	<b>190,792</b>	<b>360,279</b>	<b>171,323</b>
<b>Non-current liabilities:</b>				
Revolving credit facility (note 7)	110,000	103,000	100,000	158,000
Employee benefits	18,929	2,172	19,665	2,898
Provisions	1,195	136	2,881	287
Derivative financial instruments (note 6)	6,644	-	6,391	-
Lease obligations	22,447	25,857	23,448	26,086
Convertible unsecured subordinated debentures (note 8)	107,103	95,718	-	151,711
Term loans (note 9)	5,640	-	-	-
Senior guaranteed notes	98,518	98,302	98,409	98,212
Deferred tax liabilities	45,071	43,647	45,258	45,488
<b>Total non-current liabilities</b>	<b>415,547</b>	<b>368,832</b>	<b>296,052</b>	<b>482,682</b>
<b>Total liabilities</b>	<b>662,176</b>	<b>559,624</b>	<b>656,331</b>	<b>654,005</b>
<b>Shareholders' equity:</b>				
Share capital (note 10)	222,037	221,340	221,340	107,210
Contributed surplus	301,083	301,022	301,069	300,968
Equity portion of convertible unsecured subordinated debentures (note 8)	5,098	5,085	5,085	5,085
Deficit	(121,649)	(139,818)	(136,902)	(146,635)
Accumulated other comprehensive income	34,166	34,726	31,821	40,268
<b>Total shareholders' equity</b>	<b>440,735</b>	<b>422,355</b>	<b>422,413</b>	<b>306,896</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,102,911</b>	<b>981,979</b>	<b>1,078,744</b>	<b>960,901</b>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

ROGERS SUGAR INC.

(Unaudited)

Condensed consolidated interim statements of changes in shareholders' equity

(In thousands of dollars except number of shares)

	For the six months ended March 29, 2025								
	Number of shares	Common shares	Contributed surplus	Equity portion of convertible debentures	Accumulated unrealized gain on employee benefit plans	Accumulated cash flow hedge gain (loss)	Accumulated foreign currency translation differences	Deficit	Total
Balance, September 28, 2024	127,916,834	221,340	301,069	5,085	35,024	(4,315)	1,112	(136,902)	422,413
Net earnings for the period	-	-	-	-	-	-	-	36,352	36,352
Dividends (note 10)	-	-	-	-	-	-	-	(23,052)	(23,052)
Issuance of shares (note 10)	150,352	697	(21)	-	-	-	-	-	676
Issuance of convertible debentures, net of tax (note 8)	-	-	-	1,966	-	-	-	-	1,966
Repurchase of convertible debentures (note 8)	-	-	-	(1,953)	-	-	-	1,953	-
Share-based compensation (note 12)	-	-	35	-	-	-	-	-	35
Cash flow hedges, net of tax (note 6)	-	-	-	-	-	1,413	-	-	1,413
Translation of foreign operations	-	-	-	-	-	-	932	-	932
Balance, March 29, 2025	128,067,186	222,037	301,083	5,098	35,024	(2,902)	2,044	(121,649)	440,735

	For the six months ended March 30, 2024								
	Number of shares	Common shares	Contributed surplus	Equity portion of convertible debentures	Accumulated unrealized loss on employee benefit plans	Accumulated cash flow hedge gain (loss)	Accumulated foreign currency translation differences	Deficit	Total
Balance, September 30, 2023	105,096,120	107,210	300,968	5,085	31,695	7,484	1,089	(146,635)	306,896
Net earnings for the period	-	-	-	-	-	-	-	27,788	27,788
Dividends (note 10)	-	-	-	-	-	-	-	(20,971)	(20,971)
Issuance of shares (note 10)	22,820,714	114,130	(10)	-	-	-	-	-	114,120
Share-based compensation (note 12)	-	-	64	-	-	-	-	-	64
Cash flow hedges, net of tax (note 6)	-	-	-	-	-	(5,634)	-	-	(5,634)
Translation of foreign operations	-	-	-	-	-	-	92	-	92
Balance, March 30, 2024	127,916,834	221,340	301,022	5,085	31,695	1,850	1,181	(139,818)	422,355

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

## ROGERS SUGAR INC.

(Unaudited)

## Condensed consolidated interim statements of cash flows

(In thousands of dollars)

	For the three months ended		For the six months ended	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Cash flows from operating activities:				
Net earnings	20,544	13,936	36,352	27,788
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets (note 4)	6,409	6,007	13,090	11,988
Amortization of intangible assets (note 4)	941	953	1,878	1,907
Changes in fair value of derivative financial instruments included in cost of sales	(5,110)	1,351	6,870	(1,771)
Income tax expense	7,360	5,076	13,154	10,428
Pension contributions	(3,501)	(3,249)	(5,745)	(4,892)
Pension expense	3,182	2,922	5,009	4,229
Net finance costs (note 5)	5,388	5,692	10,792	12,598
Share-based compensation – equity settled (note 12)	14	25	35	64
Share-based compensation – cash settled (note 12)	(300)	642	686	1,055
Gain on disposal of property, plant and equipment	(11)	-	(14)	-
	34,916	33,355	82,107	63,394
Changes in:				
Trade and other receivables	(10,741)	(30,426)	(17,296)	(4,889)
Inventories	57,556	(33,760)	9,453	(6,062)
Prepaid expenses	(260)	21,472	1,032	3,495
Trade and other payables	(49,115)	(10,343)	(79,986)	(46,852)
Provisions	(206)	(450)	(810)	(454)
	(2,766)	(53,507)	(87,607)	(54,762)
Cash flows (used in) from operating activities	32,150	(20,152)	(5,500)	8,632
Interest paid	(6,257)	(5,552)	(8,747)	(8,669)
Income taxes paid	(646)	(3,134)	(1,006)	(5,534)
Net cash (used in) from operating activities	25,247	(28,838)	(15,253)	(5,571)
Cash flows (used in) from financing activities:				
Dividends paid (note 10)	(11,526)	(9,458)	(23,039)	(18,917)
(Decrease) increase in revolving credit facility (note 7)	(53,000)	(62,000)	10,000	(55,000)
Payment of financing fees	(491)	63	(525)	(539)
Payment of lease obligations	(1,737)	(1,655)	(3,422)	(3,281)
Proceeds from term loans (note 9)	-	-	7,399	-
Issuance of convertible debentures, net of finance costs (note 8)	109,587	-	109,587	-
Repurchase of convertible debentures (note 8)	(57,425)	-	(57,425)	-
Issuance of shares, net of finance costs (note 10)	-	112,652	676	112,652
Cash flow (used in) from financing activities	(14,592)	39,602	43,251	34,915
Cash flows used in investing activities:				
Additions to property, plant and equipment, net of proceeds on disposal	(22,744)	(13,154)	(42,016)	(25,912)
Additions to intangible assets	-	-	-	(25)
Cash flow used in investing activities	(22,744)	(13,154)	(42,016)	(25,937)
Effect of changes in exchange rate on cash	(176)	8	84	(1)
Net increase (decrease) in cash	(12,265)	(2,382)	(13,934)	3,406
Cash, beginning of period	17,452	5,834	19,121	46
Cash, end of period	5,187	3,452	5,187	3,452

Supplemental cash flow information (note 13)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

### 1. Reporting entity:

Rogers Sugar Inc. ("Rogers" or the "Company") is a company domiciled in Canada, incorporated under the *Canada Business Corporations Act*. The head office of Rogers is located at 123 Rogers Street, Vancouver, British Columbia, V6B 3V2. The unaudited condensed consolidated interim financial statements of Rogers for the three and six month periods ended March 29, 2025 and March 30, 2024 comprise Rogers and the directly and indirectly controlled subsidiaries, Lantic Inc. ("Lantic") and The Maple Treat Corporation ("TMT"), (together referred to as the "Company"). The principal business activities of the Company are the refining, packaging and marketing of sugar ("Sugar segment"), and the packaging, marketing and distribution of maple products ("Maple segment").

### 2. Basis of presentation and statement of compliance:

#### (A) STATEMENT OF COMPLIANCE:

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* on a basis consistent with those accounting policies followed by the Company in the most recent audited consolidated annual financial statements. Certain information, in particular the accompanying notes, normally included in the audited annual consolidated financial statements prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") has been omitted or condensed. Accordingly, these unaudited condensed consolidated interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the year ended September 28, 2024. The quarterly unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 12, 2025.

#### (B) BASIS OF MEASUREMENT:

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the unaudited condensed consolidated statements of financial position:

- (i) derivative financial instruments are measured at fair value,
- (ii) liabilities for cash-settled share-based compensation arrangements which are measured at fair value, and equity-settled share-based compensation arrangements which are measured at fair value at grant date pursuant to IFRS 2 *Share-based payment*,
- (iii) the defined benefit liability is recognized as the net total of the present value of the defined benefit obligation less the total of the fair value of the plan assets and the unrecognized past service costs,
- (iv) assets and liabilities acquired in business combinations are measured at fair value at acquisition date, less any subsequent impairment, if applicable, and,
- (v) lease obligations which are measured at the present value of minimum lease liabilities in accordance with IFRS 16 *Leases*.

#### (C) FUNCTIONAL AND PRESENTATION CURRENCY:

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars since it is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousands, except as noted and per share amounts.

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

### 2. Basis of presentation and statement of compliance (continued):

#### (D) USE OF ESTIMATES AND JUDGEMENTS:

The preparation of these unaudited condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are as those applied and described in the Company's audited annual consolidated financial statements for the year ended September 28, 2024.

### 3. Material accounting policies:

The material accounting policies as disclosed in the Company's audited annual consolidated financial statements for the year ended September 28, 2024 have been applied consistently in the preparation of these unaudited condensed consolidated interim financial statements, to the exception of the following material accounting policy:

#### Government assistance

Government assistance, including wage subsidies and investment tax credits, is recorded when there is a reasonable assurance that the assistance will be received and that the Company will comply with all relevant conditions. Government assistance related to the acquisition of inventories, property, plant and equipment and intangible assets is recorded as a reduction of the cost of the related asset. Government assistance related to incurred expenses is recorded as a reduction of the related expenses. Wage subsidies are recorded as a reduction of inventories or the related wage expenses.

#### (A) NEW STANDARDS AND INTERPRETATIONS ADOPTED:

The Company adopted the following standards and interpretations in its unaudited condensed consolidated interim financial statements for the annual period beginning on September 29, 2024.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

The adoption of the amendments did not have an impact on the unaudited condensed consolidated interim financial statements, other than the amendments to IAS 1, which resulted in the classification of the entire balance of the revolving credit facility as non-current. The change was applied retrospectively to the March 2024 and September 2023 consolidated statements of financial position. The adoption of these amendments had no impact on the consolidated statements of earnings and comprehensive income, changes in shareholders' equity and cash flows.

#### (B) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED:

A number of new standards and amendments to standards and interpretations are not yet effective for the period ended March 29, 2025 and have not been applied in preparing these unaudited condensed consolidated interim financial statements. New standards and amendments to standards and interpretations that are currently under review include:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS Accounting Standards (includes Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7)
- Presentation and disclosure in financial statements (IFRS 18)

The Company does not intend to adopt the Amendments in its consolidated financial statements before the annual period beginning on September 28, 2025. The Company does not expect the amendments to have a material impact on the consolidated financial statements, with the exception of Amendments to IFRS 9 and IFRS 7, and adoption of IFRS 18, for which the impact is being assessed by management.

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 4. Depreciation and amortization expense:

Depreciation and amortization expense were charged to the unaudited condensed consolidated interim statements of earnings as follows:

	For the three months ended		For the six months ended	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Depreciation of property, plant and equipment:				
Cost of sales	4,791	4,471	9,881	8,941
Administration and selling expenses	183	126	349	252
	4,974	4,597	10,230	9,193
Depreciation of right-of-use assets:				
Cost of sales	494	466	970	948
Distribution expenses	941	944	1,890	1,847
	1,435	1,410	2,860	2,795
Amortization of intangible assets:				
Administration and selling expenses	941	953	1,878	1,907
Total depreciation and amortization expense	7,350	6,960	14,968	13,895

## 5. Finance income and finance costs:

Recognized in net earnings:

	For the three months ended		For the six months ended	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Interest expense on convertible unsecured subordinated debentures, including accretion expense <sup>(1)</sup>	2,058	2,146	4,261	4,286
Interest on revolving credit facility	1,284	1,510	1,945	3,270
Interest on senior guaranteed notes <sup>(2)</sup>	926	926	1,850	1,847
Amortization of deferred financing fees	405	335	740	662
Interest on <i>Producteurs et Productrices Acéricoles du Québec</i> supplier balance	214	46	1,066	740
Other interest expense	43	54	90	54
Interest accretion on discounted lease obligations	408	439	790	845
Net change in fair value of interest rate swap (note 6)	50	236	50	894
Net finance costs recognized in net earnings	5,388	5,692	10,792	12,598

(1) Includes accretion expense of \$186 and \$512 for the three and six months ended March 29, 2025 (March 30, 2024 - \$271 and \$534, respectively)

(2) Includes accretion expense of \$56 and \$110 for the three and six months ended March 29, 2025 (March 30, 2024 - \$56 and \$107, respectively)

## 6. Financial instruments:

Disclosures relating to risks exposures, in particular credit risk, liquidity risk, foreign currency risk, interest rate risk and equity risk were provided in the September 28, 2024 annual consolidated financial statements and there have been no significant changes in the Company's risk exposures during the three and six months ended March 29, 2025.

For its financial assets and liabilities measured at amortized cost as at March 29, 2025, the Company has determined that the carrying value of its short-term financial assets and liabilities approximates their fair value because of the relatively short periods to maturity of these instruments.



## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 6. Financial instruments (continued):

Details of recorded gains (losses) for the year, in marking-to-market all derivative financial instruments and embedded derivatives that are outstanding at period end, are noted below. For sugar futures contracts (derivative financial instruments), the amounts noted below are netted with the variation margins paid or received to/from brokers at the end of the reporting period. Natural gas forwards and sugar futures have been marked-to-market using published quoted values for these commodities. The fair value of foreign exchange forward contracts is calculated as the present value of the estimated future cash flows, representing the differential between the value of the contract at maturity and the value determined using the exchange rate the financial institution would use if the same contract was renegotiated at the statement of financial position date. The fair value estimate of foreign exchange forward contracts is subject to a credit risk adjustment that reflects the credit risk of the Company and of the counterparty. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value of interest rate swaps is subject to a credit risk adjustment that reflects the credit risk of the Company and of the counterparty.

As at March 29, 2025, September 28, 2024 and March 30, 2024, the Company's financial derivatives carrying values were as follows:

	Fair value hierarchy level	Financial Assets		Financial Liabilities	
		Current	Non-Current	Current	Non-Current
		March 29, 2025		March 29, 2025	
Derivative financial instruments measured at fair value through profit or loss:					
Sugar futures contracts	Level 1	-	-	44	-
Foreign exchange forward contracts	Level 2	-	-	3,735	244
Interest rate swap	Level 2	-	-	50	-
Derivative financial instruments designated as effective cash flow hedging instruments:					
Natural gas futures contracts	Level 2	4,397	-	-	3,524
Interest rate swap	Level 2	-	-	1,947	2,876
		4,397	-	5,776	6,644

	Fair value hierarchy level	Financial Assets		Financial Liabilities		Financial Assets		Financial Liabilities	
		Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
		September 28, 2024				March 30, 2024			
Derivative financial instruments measured at fair value through profit or loss:									
Sugar futures contracts	Level 1	367	-	-	-	66	-	-	-
Foreign exchange forward contracts	Level 2	2,414	66	-	-	858	136	-	-
Interest rate swap	Level 2	-	-	-	-	958	-	-	-
Derivative financial instruments designated as effective cash flow hedging instruments:									
Natural gas futures contracts	Level 2	-	-	209	2,493	-	21	1,065	-
Interest rate swap	Level 2	749	-	-	3,898	2,771	716	-	-
		3,530	66	209	6,391	4,653	873	1,065	-

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 6. Financial instruments (continued):

	For the three months ended					
	Charged to cost of sales Unrealized gain (loss)		Charged to finance income (costs)		Other comprehensive gain (loss)	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
<b>Derivative financial instruments measured at fair value through profit or loss:</b>						
Sugar futures contracts	2,296	1,155	-	-	-	-
Foreign exchange contracts	133	196	-	-	-	-
Interest rate swap	-	-	(50)	(236)	-	-
<b>Derivative financial instruments designated as effective cash flow hedging instruments:</b>						
Natural gas futures contracts	-	-	-	-	1,504	(521)
Interest rate swap	-	-	-	-	(1,774)	(291)
	2,429	1,351	(50)	(236)	(270)	(812)

	For the six months ended					
	Charged to cost of sales Unrealized gain (loss)		Charged to finance income (costs)		Other comprehensive gain (loss)	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
<b>Derivative financial instruments measured at fair value through profit or loss:</b>						
Sugar futures contracts	(2,902)	(1,536)	-	-	-	-
Foreign exchange contracts	(9,675)	1,928	-	-	-	-
Interest rate swap	-	-	(50)	(894)	-	-
<b>Derivative financial instruments designated as effective cash flow hedging instruments:</b>						
Natural gas futures contracts	-	-	-	-	3,575	(5,461)
Interest rate swap	-	-	-	-	(1,674)	(2,119)
	(12,577)	392	(50)	(894)	1,901	(7,580)

The following table summarizes the Company's hedging components of accumulated other comprehensive income ("AOCI") as at March 29, 2025 and March 30, 2024:

	March 29, 2025			March 30, 2024		
	Natural gas futures contracts	Interest rate swap	Total	Natural gas futures contracts	Interest rate swap	Total
Opening AOCI	(1,992)	(3,957)	(5,949)	5,127	4,797	9,924
Income taxes	(1)	1,635	1,634	(1,828)	(612)	(2,440)
Opening AOCI – net of income taxes	(1,993)	(2,322)	(4,315)	3,299	4,185	7,484
Change in fair value of derivatives designated as cash flow hedges	3,575	(1,674)	1,901	(5,461)	(2,119)	(7,580)
Income taxes	(917)	429	(488)	1,402	544	1,946
Ending AOCI – net of income taxes	665	(3,567)	(2,902)	(760)	2,610	1,850

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 6. Financial instruments (continued):

The aggregate notional amount as at the reporting date of all the interest rate swap agreements all contracted under Daily compounded CORRA is as follows:

Fiscal year contracted	Date	Total value \$
Fiscal 2020 <sup>(1)</sup>	February 24, 2020 to June 28, 2025 – 1.327% (March 30, 2024 - 1.60%)	20,000
Fiscal 2020 <sup>(1)</sup>	June 28, 2024 to June 28, 2025 – 0.907% (March 30, 2024 – 1.18%)	80,000
Fiscal 2024	December 30, 2024 to December 30, 2026 – 3.941%	100,000
Fiscal 2024	June 27, 2025 to June 27, 2027 – 3.695%	100,000

(1) The terms of the interest rate swap agreements have been amended to conform with the IBOR reform. Comparative information is under CDOR

## 7. Revolving credit facility:

On March 29, 2025, the Company had a total of \$340.0 million of available working capital under the revolving credit facility, which matures on March 28, 2030, 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 achieving certain financial ratios.

During the quarter ended March 29, 2025, the Company extended the maturity date of its revolving credit facility from October 31, 2027 to March 28, 2030.

Certain assets of the Company, including trade receivables, inventories and property, plant and equipment, have been pledged as security for the revolving credit facility. As at March 29, 2025, a total of \$759.6 million of assets are pledged as security (September 28, 2024 - \$722.8 million; March 30, 2024 - \$661.2 million).

The Company must comply with certain financial covenants related to the revolving credit facility on a quarterly basis. The Company was in compliance with the financial covenants as at March 29, 2025.

The carrying value of the revolving credit facility approximates fair value. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

## 8. Convertible unsecured subordinated debentures:

The outstanding convertible debentures are as follows:

	March 29, 2025	September 28, 2024	March 30, 2024
Sixth series	-	57,425	57,425
Seventh series	97,575	97,575	97,575
Eight series	115,000	-	-
Total face value	212,575	155,000	155,000
Less deferred financing fees	(5,404)	(559)	(1,053)
Less equity component	(6,984)	(6,930)	(6,930)
Accumulated accretion expense	4,192	6,319	5,722
Total carrying value	204,379	153,830	152,739
Presented as:			
Current	97,276	153,830	57,021
Non current	107,103	-	95,718
	204,379	153,830	152,739

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

### 8. Convertible unsecured subordinated debentures (continued):

The fair value of the Seventh and Eight series debentures as at March 29, 2025 were approximately \$214.6 million based on market quotes for identical instruments (September 28, 2024 - \$154.0 million for the Sixth and Seventh series; March 30, 2024 - \$152.5 million for the Sixth and Seventh series).

#### (A) SIXTH SERIES:

On December 31, 2024, the principal amount of the convertible debentures and the accrued interest were repaid at maturity. As a consequence, the \$2.6 million (\$2.0 million net of tax) that was allocated as an equity component was transferred to the deficit portion of the shareholders' equity.

#### (B) SEVENTH SERIES:

On March 28, 2018, and on April 3, 2018, the Company issued \$85.0 million and \$12.8 million for a total of \$97.8 million, Seventh series, 4.75% convertible unsecured subordinated debentures ("Seventh series debentures"), maturing on June 30, 2025, with interest payable semi-annually in arrears on June 30 and December 31 of each year. The debentures may be converted at the option of the holder at any time prior to maturity at a conversion price of \$8.85 per share.

The debentures are redeemable at a price equal to the principal amount thereof plus accrued unpaid interest.

On redemption or on the maturity date, the Company will repay the indebtedness of the convertible debentures by paying an amount equal to the principal amount of the outstanding debentures, together with accrued and unpaid interest thereon.

The Company may, at its option, elect to satisfy its obligation to repay the principal amount of the convertible debentures, which are to be redeemed or which have matured, by issuing shares to the holders of the convertible debentures. The number of shares to be issued will be determined by dividing the indebtedness related to the convertible debenture by 95% of the then current market price on the day preceding the date fixed for redemption or the maturity date, as the case may be.

The Company is currently assessing its options regarding the upcoming maturity of the Seventh series. The options include, but are not limited to, conversion to shares, refinancing the obligation using similar financial instruments or repayment of the obligation using cash from operating activities, other equity and/or debt instruments.

#### (C) EIGHT SERIES:

On February 19, 2025, and on February 21, 2025, the Company issued \$100.0 million and \$15.0 million for a total of \$115.0 million, Eight series, 6.00% convertible unsecured subordinated debentures ("Eight series debentures"), maturing on June 30, 2030, with interest payable semi-annually in arrears on June 30 and December 31 of each year. The debentures may be converted at the option of the holder at any time prior to maturity at a conversion price of \$7.10 per share.

On or after June 30, 2028 and prior to June 30, 2029, the debentures may be redeemed by the Company at a price equal to the principal amount plus accrued and unpaid interest, provided that the weighted average trading price of the common shares, for the 20 consecutive trading days ending on the fifth trading day preceding the day prior to the date upon which the notice of redemption is given is at least 125% of the conversion price of \$7.10 per debenture share. On or after June 30, 2029, the debentures are redeemable at a price equal to the principal amount thereof plus accrued unpaid interest.

On redemption or on the maturity date, the Company will repay the indebtedness of the convertible debentures by paying an amount equal to the principal amount of the outstanding debentures, together with accrued and unpaid interest thereon.

The Company may, at its option, elect to satisfy its obligation to repay the principal amount of the convertible debentures, which are to be redeemed or which have matured, by issuing shares to the holders of the convertible debentures. The number of shares to be issued will be determined by dividing the indebtedness related to the convertible debenture by 95% of the then current market price on the day preceding the date fixed for redemption or the maturity date, as the case may be.

The Company allocated \$2.7 million (\$2.0 million net of tax) of the Eight series debentures into an equity component.

The Company incurred underwriting fees and issuance costs of \$5.4 million, which are netted against the convertible debenture liability.

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 9. Term loans:

Loans from Investissement Quebec ("IQ loans") are made of two separate loans and are subject to the same financial covenants as the revolving credit facility and the senior guaranteed notes, and are secured with specific LEAP project assets. IQ Loans are as follows:

A first loan in the amount of up to \$40.0 million under the ESSOR program, a Quebec government program designed to provide financing to Quebec businesses ("IQ Eссор Loan") and is to be used by the Company to finance the acquisition of certain new equipment related to the LEAP Project. The Company will benefit from a 36-month capital repayment moratorium period as of the date of the first disbursement of the IQ Eссор Loan. At the end of such moratorium period, the Company will repay the principal of the IQ Eссор Loan in 60 consecutive monthly installments.

A second term loan in the amount of \$25.0 million was extended to the Company by Investissement Quebec (the "IQ Term Loan"), to finance the acquisition of certain new equipment related to the LEAP Project. The Company will benefit from a 24-month capital repayment moratorium period as of the date of the first disbursement of the IQ Term Loan. At the end of such moratorium period, the Company will repay the principal of the IQ Term Loan in 20 consecutive quarterly installments.

On November 26, 2024, a first draw of \$7.4 million was received under the IQ Loans, \$5.0 million of which was borrowed under the Eссор Loan and \$2.4 million was borrowed under the IQ Term Loan. An equivalent amount of property, plant and equipment has been pledged as security. The Company recognized a grant of \$1.1 million as a reduction of property, plant and equipment representing the difference between the fair value of the IQ Eссор Loan at inception and the cash received. The Company must comply with certain financial covenants related to the IQ loans on a quarterly basis. The Company was in compliance with the financial covenants as at March 29, 2025.

## 10. Share capital and other components of equity:

As of March 29, 2025, a total of 128,067,186 common shares (September 28, 2024 – 127,916,834; March 30, 2024 – 127,916,834) were outstanding.

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, Belcorp Industries Inc.

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

During the first six months of fiscal year 2025, 150,352 stock options were exercised for proceeds of \$676, and reversal of previously recognized share-based compensation recorded in contributed surplus of \$21 (note 12). During the first six months of fiscal year 2024, 51,482 stock options have been exercised for proceeds of \$0.2 million.

The Company declared a quarterly dividend of \$0.09 per share during the six-month period ended March 29, 2025 and March 30, 2024. On May 12, 2025, the Board of Directors declared a quarterly dividend of \$0.09 per share, payable on or before July 16, 2025.

	March 29, 2025	March 30, 2024
Dividends	23,052	20,971

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 11. Earnings per share:

Reconciliation between basic and diluted earnings per share is as follows:

	For the three months ended		For the six months ended	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Basic earnings per share:				
Net earnings	20,544	13,936	36,352	27,788
Weighted average number of shares outstanding	128,067,186	108,159,475	128,007,168	107,184,771
Basic earnings per share	0.16	0.13	0.28	0.26
Diluted earnings per share:				
Net earnings	20,544	13,936	36,352	27,788
Plus impact of convertible unsecured subordinated debentures	1,523	1,590	2,510	3,173
	22,067	15,526	38,862	30,961
Weighted average number of shares outstanding:				
Basic weighted average number of shares outstanding	128,067,186	108,159,475	128,007,168	107,184,771
Plus impact of convertible unsecured subordinated debentures	25,723,862	30,801,943	22,253,037	30,801,943
Plus impact of share options	36,234	64,475	41,299	60,502
	153,827,282	139,025,893	150,301,504	138,047,216
Diluted earnings per share	0.14	0.11	0.26	0.22

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 12. Share-based compensation:

## (A) EQUITY-SETTLED SHARE-BASED COMPENSATION:

The Company has not issued share options effective for Fiscals 2025 and 2024.

Total share-based compensation expense, related to options issued in prior periods, is amortized over the service period and included in administration and selling expenses with an offsetting credit to contributed surplus. An expense of \$14 and \$35 was recorded for the three and six month periods ended March 29, 2025 (an expense of \$25 and \$64 for the three and six month periods ended March 30, 2024).

The following tables summarize information about the share option plan as of March 29, 2025:

Exercise price per option	Outstanding number of options at September 28, 2024	Options granted during the six month period	Options exercised during the six month period	Options forfeited during the six month period	Outstanding number of options at March 29, 2025	Weighted average remaining life	Number of options exercisable
\$ 4.28	164,000	-	(100,000)	-	64,000	4.98	64,000
\$ 4.68	160,448	-	(37,180)	-	123,268	4.68	123,268
\$ 5.58	146,841	-	(13,172)	-	133,669	3.68	133,669
\$ 5.85	666,347	-	-	-	666,347	7.70	266,538
\$ 5.85	785,897	-	-	-	785,897	6.69	464,872
\$ 6.23	391,954	-	-	-	391,954	2.68	391,954
\$ 6.51	210,000	-	-	-	210,000	1.68	210,000
\$ 5.85	2,525,487	-	(150,352)	-	2,375,135	5.55	1,654,301

Options outstanding held by key management personnel amounted to 2,175,135 options as at March 29, 2025 (2,325,487 options as at September 28, 2024 and March 30, 2024).

## (B) CASH-SETTLED SHARE-BASED COMPENSATION-PERFORMANCE SHARE UNITS ("PSU"):

Fiscal 2025 grant:

On December 9, 2024, a total of 513,037 PSUs were granted to executives of the Company at a price of \$6.29 per units. These PSUs will vest at the end of the 2025-2027 performance cycle based on the achievement of total shareholder returns and other non market performance conditions, as set by the Board of Directors. Following the end of a performance cycle, the Board of Directors will determine, concurrently with the release of the Company's financial results for the fiscal year ended at the end of the performance cycle, whether the vesting conditions for the PSUs granted to a participant relating to such performance cycle have been achieved. Depending on the achievement of the vesting conditions, between 0% and 200% of the PSUs will become vested. The Board of Directors of the Company has the discretion to determine that all or a portion of the PSUs granted to a participant, for which the vesting conditions have not been achieved, shall vest to such participant.

The value to be paid-out to each participant will be equal to the result of: the number of PSUs granted to the participant which have vested, multiplied by the volume weighted average closing price of the Common Shares on the Toronto Stock Exchange (the "TSX") for the five trading days immediately preceding the day on which the Company shall pay the value to the participant under the PSU plan, and such date will in no event occur after December 31 of the third calendar year following the calendar year in which the PSUs are granted.

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 12. Share-based compensation (continued):

## (B) CASH-SETTLED SHARE-BASED COMPENSATION-PERFORMANCE SHARE UNITS ("PSU") (CONTINUED):

The fair values of the PSUs were established using a Monte Carlo simulation model for the portion subject to market performance conditions and the remaining portion, which is based on certain non market measures, was based on managements' estimates. The fair values are vesting in equal tranches over a three-year period (one-third per year). The fair value on March 29, 2025, was estimated at \$1,840. An expense of \$58 and \$307 related to this specific grant was recorded for the three and six months periods ended March 29, 2025, in administration and selling expenses.

For grants related to fiscal years 2022, 2023 and 2024, a gain of \$358 and an expense of \$379 was recorded for the three and six months periods ended March 29, 2025, in administration and selling expenses.

During the first quarter of fiscal 2025, the grant related to fiscal 2022 was cash settled for an amount of \$1,302 (\$3,755 for grant related to fiscal 2021 during the first quarter of 2024).

As at March 29, 2025, \$1,829 is included under trade and other payables (September 28, 2024 - \$2,445 and March 30, 2024 - \$2,497).

## 13. Supplementary cash flow information:

	For the six months ended		September 28,	For the year ended
	March 29, 2025	March 30, 2024	2024	September 30, 2023
Non-cash transactions:				
Additions of property, plant and equipment and intangibles assets included in trade and other payables	17,379	7,823	13,704	3,951
Increase in asset retirement obligation provision included in property, plant and equipment	-	-	9,670	350
Additions to right-of-use assets	1,865	2,865	3,174	12,093

The following table summarizes the capitalized costs associated with the LEAP project. These costs are included in construction in progress which is included in property, plant and equipment.

	Total	Portion related to borrowing costs	Interest capitalization rate
	\$	\$	%
<b>Cost or deemed cost:</b>			
Balance at September 30, 2023	11,203	359	
Additions	19,732	671	6.75
Balance at March 30, 2024	30,935	1,030	
Additions	22,884	676	5.10
Balance at September 28, 2024	53,819	1,706	
Additions	35,692	1,510	4.45
<b>Balance at March 29, 2025</b>	<b>89,511</b>	<b>3,216</b>	

As at March 29, 2025, included in this amount are \$15.7 million of deposits on machinery and equipment (September 28, 2024 - \$11.3 million and March 30, 2024 - \$Nil). As at March 29, 2025, the Company had \$142.4 million of capital commitments related to the LEAP project.



## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 14. Segmented information:

The Company has two operating and reportable segments, Sugar and Maple products. The principal business activity of the Sugar segment is the refining, packaging and marketing of sugar products. The Maple products segment processes pure maple syrup and related maple products. The reportable segments are managed independently as they require different technology and capital resources. Performance is measured based on the segments' gross margins and results from operating activities. These measures are included in the internal management reports that are reviewed by the Company's senior executives, and management believes that such information is relevant in the evaluation of the results of the segments.

Transactions between reportable segments are interest receivable (payable), which are eliminated upon consolidation.

	For the three months ended March 29, 2025			
	Sugar	Maple products	Corporate and eliminations	Total
Revenues	260,681	65,626	-	326,307
Cost of sales	217,826	55,516	-	273,342
Gross margin	42,855	10,110	-	52,965
Depreciation and amortization	5,645	1,705	-	7,350
Results from operating activities	26,940	6,886	(534)	33,292
Additions to property, plant and equipment and intangible assets, net of disposals	22,221	561	-	22,782
Additions to right-of-use assets	1,652	-	-	1,652

	For the six months ended March 29, 2025			
	Sugar	Maple products	Corporate and eliminations	Total
Revenues	517,468	132,007	-	649,475
Cost of sales	431,786	117,984	-	549,770
Gross margin	85,682	14,023	-	99,705
Depreciation and amortization	11,564	3,404	-	14,968
Results from operating activities	54,357	7,184	(1,243)	60,298
Additions to property, plant and equipment and intangible assets, net of disposals	43,830	779	-	44,609
Additions to right-of-use assets	1,740	125	-	1,865

	As at March 29, 2025			
	Sugar	Maple products	Corporate and eliminations	Total
Total assets	1,119,766	148,562	(165,417)	1,102,911
Total liabilities	(602,013)	(87,970)	27,807	(662,176)

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 14. Segmented information (continued):

	For the three months ended March 30, 2024			
	Sugar	Maple products	Corporate and eliminations	Total
Revenues	242,957	57,987	-	300,944
Cost of sales	203,041	53,042	-	256,083
Gross margin	39,916	4,945	-	44,861
Depreciation and amortization	5,285	1,675	-	6,960
Results from operating activities	23,515	1,795	(606)	24,704
Additions to property, plant and equipment and intangible assets, net of disposals	14,252	421	-	14,673
Additions to right-of-use assets	2,674	58	-	2,732

	For the six months ended March 30, 2024			
	Sugar	Maple products	Corporate and eliminations	Total
Revenues	472,765	116,878	-	589,643
Cost of sales	396,359	103,779	-	500,138
Gross margin	76,406	13,099	-	89,505
Depreciation and amortization	10,560	3,335	-	13,895
Results from operating activities	45,487	6,880	(1,553)	50,814
Additions to property, plant and equipment and intangible assets, net of disposals	29,200	609	-	29,809
Additions to right-of-use assets	2,756	109	-	2,865

	As at March 30, 2024			
	Sugar	Maple products	Corporate and eliminations	Total
Total assets	977,265	170,268	(165,554)	981,979
Total liabilities	(1,065,107)	(115,190)	620,673	(559,624)

	As at September 28, 2024			
	Sugar	Maple products	Corporate and eliminations	Total
Total assets	1,025,379	218,547	(165,182)	1,078,744
Total liabilities	(539,733)	(161,860)	45,262	(656,331)

## Notes to unaudited condensed consolidated interim financial statements

(In thousands of dollars except as noted and amounts per share)

## 14. Segmented information (continued):

Revenues were derived from customers in the following geographic areas:

	For the three months ended		For the six months ended	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Canada	<b>242,044</b>	242,196	<b>484,648</b>	480,694
United States	<b>69,374</b>	44,988	<b>132,649</b>	80,743
Europe	<b>8,021</b>	7,371	<b>17,785</b>	15,290
Other	<b>6,868</b>	6,389	<b>14,393</b>	12,916
	<b>326,307</b>	300,944	<b>649,475</b>	589,643