Consolidated Financial Statements of

ROGERS SUGAR INC.

Fiscal years ended October 3, 2026 and September 27, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Rogers Sugar Inc.

Opinion

We have audited the consolidated financial statements of Rogers Sugar Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at October 3, 2026 and September 27, 2025
- the consolidated statements of earnings and comprehensive income for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at October 3, 2026 and September 27, 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended October 3, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

The determination and allocation of costs to the Sugar segment work in progress and finished goods inventory derived from cane sugar.

Description of the matter

As described in note 8 to the consolidated financial statements, the Entity reported work in progress and finished goods inventory of $10.4 million and $45.8 million, respectively, a portion of which related to the Sugar segment inventory derived from cane sugar. As described in note 3 (e) to the financial statements, the cost of inventories is determined on a first-in, first-out basis and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured finished goods inventories and work in progress, cost also includes an appropriate share of production overhead based on normal operating capacity.

Why the matter is a key audit matter

We identified the determination and allocation of costs to the Sugar segment work in progress and finished goods inventory derived from cane sugar as a key audit matter. This matter represented an area of higher assessed risk of misstatement given the magnitude of work in progress and finished goods inventory and the nature and extent of effort needed to address this matter.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

- For a selection of raw cane sugar cost per metric ton, we inspected supplier invoices.
- For a sample of variable and fixed production and conversion costs included in the cost of sales, we inspected relevant documentation and developed an independent expectation of the variable and fixed production and conversion cost per metric ton. We compared this expectation to actual variable and fixed production and conversion cost per metric ton recorded by management.
- We developed an independent expectation of the cost of work in progress and finished goods inventory based on the above noted cost per metric ton, the stage of completion and year-end metric tons on hand and compared this expectation to actual cost of work in progress and finished goods inventory recorded by management.

Other Information

Management is responsible for the other information. Other information comprises the information:

- Included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- Other than the financial statements and the auditor's report thereon, included in a document likely to be entitled " 2026 Combined ESG & Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2026 Combined ESG & Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Franco Mucci.

KPMG LLP*

Montréal, Canada

November 25, 2026

*CPA auditor, public accountancy permit No. A131106

Consolidated statements of earnings and comprehensive income

(In thousands of dollars except per share amounts)

Consolidated statements of earnings	Fiscal year ended	
	October 3, 2026	September 27, 2025
Revenues (note 33)	**1,212,000**	1,312,629
Cost of sales	**988,959**	1,120,391
Gross margin	**223,041**	192,238
Administration and selling expenses	**63,049**	54,242
Distribution expenses	**29,359**	28,195
Construction in progress impairment (note 10)	**4,771**	-
	97,179	82,437
Results from operating activities	**125,862**	109,801
Net finance costs (note 5)	**25,537**	23,502
Earnings before income taxes	**100,325**	86,299
Income tax expense (recovery) (note 6):		
Current	**30,213**	21,890
Deferred	**(3,944)**	(46)
	26,269	21,844
Net earnings	**74,056**	64,455
Net earnings per share (note 28):		
Basic	**0.58**	0.50
Diluted	**0.54**	0.49

Consolidated statements of comprehensive income	Fiscal year ended	
	October 3, 2026	September 27, 2025
Net earnings	**74,056**	64,455
Other comprehensive income:		
Items that are or may be reclassified subsequently to net earnings:		
Cash flow hedges (note 9)	**(4,152)**	1,586
Income tax on cash flow hedges (note 6)	**1,065**	(407)
Foreign currency translation differences	**360**	597
	(2,727)	1,776
Items that will not be reclassified to net earnings:		
Defined benefit actuarial gains (note 20)	**8,121**	16,945
Income tax on defined benefit actuarial gains (note 6)	**(2,090)**	(4,347)
	6,031	12,598
Other comprehensive income	**3,304**	14,374
Comprehensive income	**77,360**	78,829

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

Consolidated statements of financial position

(In thousands of dollars)

Assets	October 3, 2026	September 27, 2025
Current assets:		
Cash	**244**	8,545
Trade and other receivables (note 7)	**126,944**	129,569
Inventories (note 8)	**286,254**	290,306
Prepaid expenses	**7,659**	8,844
Derivative financial instruments (note 9)	**26**	2,555
Total current assets	**421,127**	439,819
Non-current assets:		
Property, plant and equipment (note 10)	**511,946**	408,063
Right-of-use assets (note 11)	**24,865**	26,378
Intangible assets (notes 12 and 15)	**10,108**	13,755
Other assets (note 13)	**1,253**	1,294
Employee benefits (note 20)	**47,488**	40,527
Goodwill (note 15)	**233,007**	233,007
Total non-current assets	**828,667**	723,024
Total assets	**1,249,794**	1,162,843
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables (note 17)	**241,636**	211,209
Income taxes payable	**7,744**	19,524
Provisions (note 18)	**4,714**	4,777
Lease obligations (note 19)	**4,551**	5,683
Derivative financial instruments (note 9)	**11,081**	5,667
Term loans (note 22)	**2,159**	-
Total current liabilities	**271,885**	246,860
Non-current liabilities:		
Revolving credit facility (note 16)	**100,000**	147,000
Employee benefits (note 20)	**18,729**	18,624
Provisions (note 18)	**1,113**	2,060
Derivative financial instruments (note 9)	**3,634**	4,085
Lease obligations (note 19)	**22,338**	22,278
Convertible unsecured subordinated debentures (note 21)	**162,442**	107,796
Term loans (note 22)	**27,964**	6,350
Senior guaranteed notes (note 23)	**98,861**	98,630
Deferred tax liabilities (note 14)	**47,353**	50,707
Total non-current liabilities	**482,434**	457,530
Total liabilities	**754,319**	704,390
Shareholders' equity:		
Share capital (note 24)	**227,408**	222,692
Contributed surplus	**300,874**	301,081
Equity portion of convertible unsecured subordinated debentures (note 21)	**3,376**	1,966
Deficit	**(85,682)**	(113,481)
Accumulated other comprehensive income	**49,499**	46,195
Total shareholders' equity	**495,475**	458,453
Commitments (notes 19 and 26)		
Contingencies (note 27)		
Total liabilities and shareholders' equity	**1,249,794**	1,162,843

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

Consolidated statements of changes in shareholders' equity

(In thousands of dollars except number of shares)

	For the fiscal year ended October 3, 2026								
	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 27, 2025	**128,181,916**	**222,692**	**301,081**	**1,966**	**47,622**	**(3,136)**	**1,709**	**(113,481)**	**458,453**
Net earnings for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**74,056**	**74,056**
Dividends (note 24)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(46,257)**	**(46,257)**
Issuance of shares (note 24)	**779,811**	**4,716**	**(239)**	**-**	**-**	**-**	**-**	**-**	**4,477**
Issuance of convertible debentures, net of tax (note 21)	**-**	**-**	**-**	**1,410**	**-**	**-**	**-**	**-**	**1,410**
Share-based compensation (note 25)	**-**	**-**	**32**	**-**	**-**	**-**	**-**	**-**	**32**
Cash flow hedges, net of tax (note 9)	**-**	**-**	**-**	**-**	**-**	**(3,087)**	**-**	**-**	**(3,087)**
Defined benefit actuarial gains, net of tax (note 20)	**-**	**-**	**-**	**-**	**6,031**	**-**	**-**	**-**	**6,031**
Translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**-**	**360**	**-**	**360**
Balance, October 3, 2026	**128,961,727**	**227,408**	**300,874**	**3,376**	**53,653**	**(6,223)**	**2,069**	**(85,682)**	**495,475**

	For the fiscal year ended September 27, 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 year	-	-	-	-	-	-	-	64,455	64,455
Dividends (note 24)	-	-	-	-	-	-	-	(46,119)	(46,119)
Issuance of shares (note 24)	262,823	1,332	(51)	-	-	-	-	-	1,281
Issuance of convertible debentures, net of tax (note 21)	-	-	-	1,966	-	-	-	-	1,966
Repurchase of convertible debentures and conversion at maturity of convertible debentures into common shares (note 21)	2,259	20	-	(5,085)	-	-	-	5,085	20
Share-based compensation (note 25)	-	-	63	-	-	-	-	-	63
Cash flow hedges, net of tax (note 9)	-	-	-	-	-	1,179	-	-	1,179
Defined benefit actuarial gains, net of tax (note 20)	-	-	-	-	12,598	-	-	-	12,598
Translation of foreign operations	-	-	-	-	-	-	597	-	597
Balance, September 27, 2025	128,181,916	222,692	301,081	1,966	47,622	(3,136)	1,709	(113,481)	458,453

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

Consolidated statements of cash flows

(In thousands of dollars)

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
Cash flows from operating activities:		
Net earnings	**74,056**	64,455
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets (note 4)	**26,087**	26,094
Amortization of intangible assets (note 4)	**3,668**	3,735
Changes in fair value of derivative financial instruments included in cost of sales	**3,336**	5,384
Income tax expense (note 6)	**26,269**	21,844
Pension contributions	**(12,466)**	(11,570)
Pension expense	**13,731**	10,136
Net finance costs (note 5)	**25,537**	23,502
Loss on disposal of property, plant and equipment and right-of-use assets (notes 10 and 11)	**-**	284
Share-based compensation - equity settled (note 25)	**32**	63
Share-based compensation - cash settled (note 25)	**6,718**	3,214
Construction in progress impairment (note 10)	**4,771**	-
	171,739	147,141
Changes in:		
Trade and other receivables	**2,671**	(8,715)
Inventories	**4,256**	360
Prepaid expenses	**789**	(851)
Trade and other payables	**13,528**	4,059
Provisions (note 18)	**(1,010)**	(1,629)
	20,234	(6,776)
Cash generated from operating activities:	**191,973**	140,365
Interest paid	**(21,517)**	(18,084)
Income taxes paid	**(42,943)**	(843)
Net cash flows from operating activities	**127,513**	121,438
Cash flows from (used in) financing activities:		
Dividends paid	**(46,186)**	(46,096)
Increase (decrease) in revolving credit facility (note 16)	**(47,000)**	47,000
Payment of lease obligations (note 19)	**(7,764)**	(7,013)
Increase in term loans (note 22)	**26,068**	7,399
Issuance of convertible debentures, net of finance costs (note 21)	**54,586**	109,587
Repurchase of convertible debentures, net of conversion of convertible debentures into common shares (2025 - $20) (notes 21 and 24)	**-**	(154,980)
Issuance of shares (note 24)	**4,477**	1,281
Payment of financing fees	**(369)**	(542)
Net cash flows used in financing activities	**(16,188)**	(43,364)
Cash flows used in investing activities:		
Additions to property, plant and equipment, net of proceeds on disposal	**(119,641)**	(88,686)
Net cash flows used in investing activities	**(119,641)**	(88,686)
Effect of changes in exchange rate on cash	**15**	36
Net decrease in cash	**(8,301)**	(10,576)
Cash, beginning of year	**8,545**	19,121
Cash, end of year	**244**	8,545

Supplemental cash flow information (note 29).
The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated 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 consolidated financial statements of Rogers as at October 3, 2026 and September 27, 2025 comprise Rogers and the directly and indirectly controlled subsidiaries, Lantic Inc. ("Lantic"), Lantic Maple Inc. and Highland Sugarworks Inc. (the latter two companies together referred to as "Maple"), (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 syrup and other related maple products ("Maple segment").

The Company's fiscal year ends on the Saturday closest to the end of September. All references to 2026 and 2025 represent the years ended October 3, 2026 and September 27, 2025.

2. Basis of preparation:

(A) STATEMENT OF COMPLIANCE:

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on November 25, 2026.

(B) BASIS OF MEASUREMENT:

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

(i) derivative financial instruments are measured at fair value;

(ii) equity-settled share-based compensation, cash-settled share appreciation rights and cash-settled performance share units are measured at fair value;

(iii) the defined benefit liability and asset 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 acquired and liabilities assumed 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 consolidated 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.

(D) USE OF ESTIMATES AND JUDGEMENTS:

The preparation of these consolidated financial statements, in conformity with IFRS, requires management to make judgements, estimates and assumptions about future events that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting years.

3. Material accounting policies:

(A) BASIS OF CONSOLIDATION:

The consolidated financial statements include Rogers and the directly and indirectly controlled subsidiaries, Lantic Inc., Lantic Maple Inc. and Highland Sugarworks Inc.

Control exists where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases. The accounting policies of subsidiaries are aligned with the policies adopted by the Company.

The Company owns 100% of the common shares and 100% of the Class A shares of Lantic. Lantic Capital Inc., a wholly-owned subsidiary of Belkorp Industries Inc., owns the two outstanding Class C shares of Lantic. These Class C shares are non-voting, have no rights to return or risk of loss and are redeemable for a nominal value of one dollar each. The Class C shares entitle the holder to elect five of the seven directors of Lantic but have no other voting rights at any meetings of Lantic's shareholders except as may be required by law.

Notwithstanding Lantic Capital Inc.'s ability to elect five of the seven directors of Lantic, Lantic Capital Inc. receives no benefits or exposure to losses from its ownership of the Class C shares. As the Class C shares are non-dividend paying and redeemable for a nominal value of one dollar, there is no participation in future dividends or changes in value of Lantic resulting from the ownership of the Class C shares. There is also no management fee or other form of consideration attributable to the Class C shares. The determination of control involves judgement. Based on all the facts and available information, management has concluded that Rogers has control of Lantic.

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

(B) FOREIGN CURRENCY TRANSACTIONS:

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate in effect at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the rate prevailing at the date that the fair value was determined. Foreign denominated non-monetary assets and liabilities that are measured at the historical costs are translated at the rate prevailing at the transaction date. Revenues and expenses denominated in foreign currencies are translated into the functional currency at the rate in effect on the dates they occur. Gains or losses resulting from these translations are recorded in net earnings of the period.

(C) FOREIGN OPERATIONS:

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on business combinations, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars at the average exchange rate in effect during the reporting period.

Foreign currency differences are recognized in other comprehensive income (loss) in the accumulated foreign currency translation differences account. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

(D) CASH:

Cash includes cash on hand, bank balances and bank overdraft when the latter forms an integral part of the Company's cash management.

3. Material accounting policies: (continued)

(E) INVENTORIES:

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is determined on a first-in, first-out basis and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(F) PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment, with the exception of land, are recorded at cost less accumulated depreciation and any accumulated impairment losses. Land is carried at cost and is not depreciated.

Cost includes expenditures that are directly attributable to the acquisition of the asset less any government grants received for capital expenditures. The cost of assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Construction-in-progress assets are capitalized during construction and depreciation commences when the asset is available for use.

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognized in cost of sales for assets used in production and in administration and selling expenses for all other assets.

Depreciation related to assets used in production is recorded in cost of sales while the depreciation of all other assets is recorded in administration and selling expenses. Depreciation is calculated on a straight-line basis, after taking into account residual values, over the estimated useful lives of each component of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Significant components of individual assets are assessed and, if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

The estimated useful lives are as follows:

Barrels	6 to 15 years
Buildings	10 to 60 years
Furniture and fixtures	3 to 10 years
Machinery and equipment	5 to 40 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and depreciation is adjusted on a prospective basis, if necessary.

3. Material accounting policies: (continued)

(G) INTANGIBLE ASSETS:

(i) Goodwill:

Goodwill is measured at the acquisition date as the fair value of the consideration transferred less the fair value of the net identifiable assets of the acquired company or business activities. Goodwill is not amortized and is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired.

(ii) Other intangible assets:

Intangible assets that are acquired by the Company and have finite useful lives are initially measured at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which it relates. Amortization is calculated over the cost of the asset, less its residual value. Amortization is recognized in administrative expenses on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Amortization of intangible assets not in service begins when they are ready for their intended use. The estimated useful lives are as follows:

Software	5 to 15 years
Customer relationships	10 years
Other	10 years

Brand names are not amortized as they are considered to have an indefinite life and are tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired.

For intangible assets with finite life, useful lives and residual values are reviewed at each financial year-end and amortization is adjusted on a prospective basis, if necessary.

(H) LEASES:

The Company recognizes a right-of-use asset and a lease liability based on the present value of future lease payments when the leased asset is available for use by the Company. The lease payments include fixed and in-substance fixed payments and variable lease payments that depend on an index or rate, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. The Company uses their incremental borrowing rate for its present value calculations. Lease payments are discounted over the lease term, which includes the fixed term and renewal options that the Company is reasonably certain to exercise. Lease payments are allocated between the lease liability and a finance cost, which is recognized in finance costs over the lease term in the consolidated statement of earnings.

Lease payments for assets that are exempt through the short-term exemption and variable payments not based on an index or rate are recognized in administration and selling expenses or distribution expenses as incurred.

Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. Cost is calculated as the initial measurement of the lease liability plus any initial direct costs and any lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life.

(I) IMPAIRMENT:

The carrying amounts of the Company's non-financial assets, other than inventories, deferred tax assets and pension asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives, the recoverable amount is estimated yearly at the same time, at year-end, and whenever there is an indication that the asset might be impaired.

3. Material accounting policies: (continued)

(I) IMPAIRMENT: (CONTINUED)

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

The Company's corporate assets do not generate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets in the CGU.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets. Fair value less costs to sell (the "FVLCS") is the estimated amount obtainable from the sale of the CGU in an arm's-length transaction between knowledgeable, willing parties, less the costs of disposal. In assessing the fair value less cost to sell, the market approach is used which incorporates comparable transaction multiples applied to adjusted EBITDA less an estimate of the cost to sell to derive a range of the FVLCS.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(J) EMPLOYEE BENEFITS:

(i) Pension benefit plans:

The Company provides post-employment benefits through defined benefit and defined contribution plans. The Company also sponsors Supplemental Executive Retirement Plans ("SERP"), which are neither registered nor pre-funded. Finally, the Company sponsors defined benefit life insurance, disability plans and medical benefits for some retirees and employees.

Defined contribution plans

The Company's obligations for contributions to employee defined contribution pension plans are recognized as employee benefit expense in profit or loss in the years during which services are rendered by employees.

Defined benefit plans

The Company maintains some contributory defined benefit plans that provide for pensions to employees based on years of service and the employee's compensation. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The measurement of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (loss). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

3. Material accounting policies: (continued)

(J) EMPLOYEE BENEFITS: (CONTINUED)

(i) Pension benefit plans: (continued)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. Costs related to plan settlements are recorded at the time the Company is committed to a settlement as a separate constructive obligation. Subsequent to the Company being committed to a settlement, the plan liability is measured at the expected settlement amount using settlement interest rates.

(ii) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under cash incentive if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based compensation:

The Company has a Share Option Plan. Share-based payment awards are measured at fair value at the grant date, which is recognized as a personnel expense, with a corresponding increase in contributed surplus over the vesting period, which is normally five years. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met. Any consideration paid by employees on exercise of share options is credited to share capital.

(iv) Cash-settled Performance Share Units:

The Company has a Performance Share Units plan ("PSU") entitling certain senior personnel and executives to a cash payment. A liability is recognized in payables for the services acquired and is recorded at fair value based on the share price of the Company's Common Shares with a corresponding expense recognized in administration and selling expenses. The amount recognized as an expense is adjusted to reflect the number of units for which the related service and market and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the units of awards that do meet the related service and non-market performance conditions at the vesting date.

At the end of each reporting period until the liability is settled, the fair value of the liability is re-measured, with any changes in fair value recognized in the consolidated statement of earnings. The fair value of the employee benefits expense of the PSUs is measured using management's best estimate which includes a Monte Carlo pricing model.

(v) Termination benefits:

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be fully settled within 12 months of the end of the reporting period, they are discounted.

(K) PROVISIONS:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

3. Material accounting policies: (continued)

(K) PROVISIONS: (CONTINUED)

The Company recognizes the estimated liability for future costs to be incurred in the remediation of site restoration in regards to asbestos removal and disposal of such asbestos to a landfill for hazardous waste, and for oil, chemical and other hazardous materials, only when a present legal or constructive obligation has been determined and that such obligation can be estimated reliably. Upon initial recognition of the obligation, the corresponding costs are added to the carrying amount of the related items of property, plant and equipment and amortized as an expense over the economic life of the asset, or earlier if a specific plan of removal exists. This obligation is reduced every year by payments incurred during the year in relation to these items. The obligation might be increased by any required remediation to the owned assets that would be required through enacted legislation.

(L) FINANCIAL INSTRUMENTS:

(i) IFRS 9, Financial Instruments:

The Company initially recognizes trade receivables when they are originated and other financial instruments on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value except for trade receivables without a financing component which are initially measured at the transaction price. In the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are added to or deducted from the fair value.

(ii) Financial assets:

Financial assets are classified into the following categories:

a. Financial assets measured at amortized cost:

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principals and/or interest.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

The Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in income or loss and reflected in an allowance account against trade and other receivables.

3. Material accounting policies: (continued)

(L) FINANCIAL INSTRUMENTS: (CONTINUED)

(ii) Financial assets: (continued)

b. Financial assets measured at fair value through profit or loss:

These assets are measured at fair value through profit or loss and changes therein, including any interest are recognized in profit or loss. The Company currently has no significant financial assets measured at fair value, except for derivative financial instruments.

(iii) Financial liabilities:

Financial liabilities are classified into the following categories:

a. Financial liabilities measured at amortized cost:

Financial liability subsequently measured at amortized cost, is accounted for using the effective interest method.

b. Financial liabilities measured at fair value through profit or loss:

Financial liabilities at fair value through profit or loss are initially recognized at fair value and are re-measured at each reporting date with any changes therein recognized in net earnings. The Company currently has no significant financial liabilities measured at fair value except for derivative financial instruments.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Fair values of financial instruments:

Financial assets and liabilities measured at fair value use a fair value hierarchy to prioritize the inputs used in measuring fair value as follows:

Level 1 - valuation based on observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs that are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and

Level 3 - valuation techniques with observable market inputs (involves assumptions and estimates by management of how market participants would price the asset or liability).

a. Cash:

Cash includes cash on hand, bank balances and bank overdraft when the latter forms an integral part of the Company's cash management.

b. Derivative financial instruments:

The Company uses derivative financial instruments to manage its exposure to changes in raw sugar, foreign exchange, and natural gas prices. In addition, the Company entered into interest rate swap contracts to fix a portion of the Company's exposure to floating interest rate debt on its short-term borrowings. The Company's objective for holding derivatives is to minimize risk using the most efficient methods to eliminate or reduce the impacts of these exposures.

Fair value estimates are made as of a specific point in time, using available information about the financial instruments. These estimates are subjective in nature and may not be determined with precision.

3. Material accounting policies: (continued)

(L) FINANCIAL INSTRUMENTS: (CONTINUED)

(iv) Fair values of financial instruments: (continued)

b. Derivative financial instruments: (continued)

The fair value of derivative instruments is the estimated amount that the Company would receive or pay to terminate the instruments at the reporting date. The fair values have been determined by reference to prices available from the markets on which the instruments trade, subject to credit adjustments as applicable. The fair values of the sugar future contracts and options are measured using Level 1 inputs, using published quoted values for these commodities. The fair values for the natural gas futures contracts, foreign exchange forward contracts and interest rate swap contracts are measured using Level 2 inputs. The fair values for these derivative assets or liabilities are estimated using industry standard valuation models.

Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, natural gas prices, foreign exchange rates, and forward and spot prices for currencies.

The Company's natural gas futures and interest rate swap agreements (for fiscal year ends 2026 and 2025 – a portion of its interest rate swap agreements did not fully qualify for hedge accounting) were designated as cash flow hedges and qualified for hedge accounting.

For sugar futures contracts, the amounts are netted with the variation margins paid or received to/from brokers at the end of the reporting period.

c. Compound financial instruments:

The Company's convertible unsecured subordinated debentures are accounted for as compound financial instruments. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, gains and losses relating to the financial liability are recognized in profit or loss.

d. Financing charges:

Financing charges, which reflect the cost to obtain new financing, are offset against the debt for which they were incurred and recognized in finance costs using the effective interest method. Financing charges for the revolving credit facility are recorded with other assets.

e. Share capital:

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. Dividends to the equity holders are recorded in equity.

3. Material accounting policies: (continued)

(L) FINANCIAL INSTRUMENTS: (CONTINUED)

(v) Cash flow hedges:

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction that could affect net earnings, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in accumulated other comprehensive income as part of equity.

The amount recognized in other comprehensive income is removed and included in net earnings under the same line item in the consolidated statements of earnings and comprehensive income as the hedged item, in the same period that the hedged cash flows affect net earnings.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, or exercised, the hedge accounting is discontinued prospectively.

If the forecasted transaction is no longer expected to occur, then the balance in accumulated other comprehensive income (loss) is recognized immediately in net earnings.

When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to net earnings (loss) in the same period that the hedged item affects net earnings.

The Company has designated as cash flow hedges its natural gas futures and its interest rate swap agreements (for fiscal year ends 2026 and 2025 – a portion of its interest rate swap agreements did not fully qualify for hedge accounting) entered into in order to protect itself against natural gas price and interest rate fluctuations.

(M) REVENUE RECOGNITION:

The Company derives revenue from the sale of finished goods, which include sugar, maple syrup and other related maple products. The Company recognizes revenue when all performance obligations have been met which is generally at a point in time when it transfers control of the finished goods to a customer, which occurs upon shipment of the finished goods from the Company's facilities or upon delivery of the finished goods to the customer's premises. Some arrangements for the sale of finished goods provide for customer price discounts and/or volume rebates based on aggregate sales over a specified period, which gives rise to variable consideration. At the time of sale, estimates are made for items giving rise to variable consideration based on the terms of the sales program or arrangement. The estimate is based on historical experience, current trends, and other known factors. Sales are recorded net of customer discounts, rebates, and exclude sales taxes.

A portion of export sales are subject to governments' duties, levies or tariffs. Such duties, levies or tariffs are recognized as revenues in the period in which they are incurred.

(N) NET FINANCE COSTS:

Finance income comprises interest income on funds invested and finance costs comprise interest expense on borrowings, interest accretion on discounted lease obligations and other financing fees. Changes in the fair value of interest rate swaps are recorded initially in other comprehensive income since inception of the cash flow hedge and transferred to net finance costs in the same period that the hedged cash flows affect net earnings. Net change in fair value of interest rate swap that do not meet hedge accounting is recognized in net finance costs. Interest expense is recorded using the effective interest method.

(O) 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.

3. Material accounting policies: (continued)

(P) INCOME TAXES:

Income tax expense comprises current and deferred taxes. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred taxes are not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. In addition, the effect on deferred tax assets or liabilities of a change in tax rates is recognized in profit or loss in the period in which the enactment or substantive enactment takes place, except to the extent that it relates to an item recognized either in other comprehensive income (loss) or directly in equity in the current or in a previous period. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(Q) EARNINGS PER SHARE:

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares from the conversion of the convertible debentures and in-the-money stock options.

(R) NEW STANDARDS AND INTERPRETATIONS ADOPTED:

The Company did not adopt any standards and interpretations in its consolidated financial statements for the annual period beginning on September 28, 2025.

(S) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED:

A number of new standards and amendments to standards and interpretations are not yet effective for the year ended October 3, 2026 and have not been applied in preparing these consolidated 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 October 4, 2026. The Company is assessing the impact of the amendments on the consolidated financial statements.

4. Depreciation and amortization expenses:

Depreciation and amortization expenses were charged to the consolidated statements of earnings and comprehensive income as follows:

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Depreciation of property, plant and equipment		
Cost of sales	**18,909**	19,543
Administration and selling expenses	**483**	730
	19,392	20,273
Depreciation of right-of-use assets		
Cost of sales	**2,625**	2,025
Administration and selling expenses	**4,070**	3,796
	6,695	5,821
Amortization of intangible assets:		
Administration and selling expenses	**3,668**	3,735
Total depreciation and amortization expenses	**29,755**	29,829

5. Net finance costs:

Recognized in net earnings:

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Interest expense on convertible unsecured subordinated debentures, including accretion of $578 (2025 - $849) (note 21)	**9,735**	9,244
Interest on revolving credit facility	**6,894**	5,166
Interest on senior guaranteed notes, including accretion of $230 (2025 - $222)	**3,778**	3,702
Amortization of deferred financing fees	**1,699**	1,531
Interest on *Producteurs et Productrices Acéricoles du Québec* supplier balance	**1,741**	1,890
Other interest expense (income)	**96**	(52)
Interest accretion on discounted lease obligations	**1,590**	1,626
Net change in fair value of interest rate swaps (note 9)	**4**	395
Net finance costs	**25,537**	23,502

6. Income tax expense (recovery):

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Current tax expense (recovery):		
Current period	**30,212**	21,902
Adjustments for prior year periods	**1**	(12)
Current tax expense	**30,213**	21,890
Deferred tax expense (recovery):		
Recognition and reversal of temporary differences	**(4,256)**	49
Adjustments for prior year periods	**312**	(95)
Deferred tax recovery	**(3,944)**	(46)
Total income tax expense	**26,269**	21,844

Income tax recognized in other comprehensive income (loss):

	For the fiscal years ended					
	October 3, 2026			September 27, 2025		
	Before tax	**Tax effect**	**Net of tax**	Before tax	Tax effect	Net of tax
	$	**$**	**$**	$	$	$
Cash flow hedges	**(4,152)**	**1,065**	**(3,087)**	1,586	(407)	1,179
Defined benefit actuarial gains	**8,121**	**(2,090)**	**6,031**	16,945	(4,347)	12,598

Reconciliation of effective tax rate:

The income tax expense differs from the amount computed by applying the Canadian federal and provincial tax rates to earnings before income taxes. The reasons for the difference and the related tax effects are as follows:

	For the fiscal years ended			
	October 3, 2026		September 27, 2025	
	%	**$**	%	$
Earnings before income taxes		**100,325**		86,299
Income taxes using the Company's statutory tax rate	**27.00**	**27,088**	27.00	23,301
Changes due to the following items:				
Effect of differences in tax rates in other jurisdictions	**(1.15)**	**(1,157)**	(1.46)	(1,257)
Non-deductible expenses (non taxable income)	**0.02**	**25**	(0.11)	(93)
Adjustments for prior year periods	**0.31**	**313**	(0.12)	(107)
	26.18	**26,269**	25.31	21,844

7. Trade and other receivables:

	October 3, 2026	September 27, 2025
	$	$
Trade receivables	**114,888**	112,899
Less expected credit loss	**(631)**	(600)
	114,257	112,299
Other receivables	**12,448**	16,848
Initial margin deposits with commodity brokers	**239**	422
	126,944	129,569

The Company grants credit to its customers in the ordinary course of business.

Management believes that the Company's exposure to credit risk and impairment losses related to trade and other receivables is limited due to the following reasons:

- There is a broad base of customers with dispersion across different market segments.
- Bad debt write-offs to total revenue have been less than 0.1% for each of the last five years (averaging less than $0.1 million per year). Write-offs for fiscal 2026 were $321 (September 27, 2025 - $NIL). All bad debt write-offs are charged to administration and selling expenses.
- Less than 3% of trade receivables are outstanding for more than 90 days (September 27, 2025 - less than 2%), while 84% are current (less than 30 days) as at October 3, 2026 (September 27, 2025 - 86%).

Through general security agreements with its lenders of the revolving credit facility (Note 16) and senior guaranteed notes (Note 23), trade and other receivables have been granted as continuing collateral security for all present and future indebtedness to the current lenders.

8. Inventories:

	October 3, 2026	September 27, 2025
	$	$
Raw materials	**186,194**	171,700
Work in progress	**10,359**	14,849
Finished goods	**45,769**	62,885
	242,322	249,434
Packaging and operating supplies	**20,240**	19,062
Spare parts and other	**23,692**	21,810
	286,254	290,306

Costs of sales expensed during the year were all inventorial items, except for fixed costs incurred in Taber, Alberta, after the beet slicing campaign, and mark-to-market adjustments of derivative financial instruments. A portion of export sales are subject to governments' duties, levies or tariffs. Such duties, levies or tariffs are recognized in the cost of sales in the period in which they are incurred.

As at October 3, 2026, inventories recognized as cost of sales amounted to $989.0 million (September 27, 2025 - $1,109.9 million).

All inventories have been pledged as security for the revolving credit facility (Note 16) and senior guaranteed notes (Note 23).

9. Financial instruments and risk management:

(A) CLASSIFICATION AND FAIR VALUES:

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value (which is the case for cash, trade and other receivables, revolving credit facility and trade and other payables).

	Carrying Amount				Fair Value	
October 3, 2026	**Fair value - hedging instruments**	**Fair value through profit or loss**	**Amortized cost**	**Total**	**Fair value hierarchy level**	**Amount**
	$	**$**	**$**	**$**	**$**	**$**
Financial assets measured at fair value						
Sugar futures contracts	**-**	**26**	**-**	**26**	**Level 1**	**26**
	-	**26**	**-**	**26**		
Financial assets not measured at fair value						
Cash	**-**	**-**	**244**	**244**		
Trade and other receivables	**-**	**-**	**126,944**	**126,944**		
	-	**-**	**127,188**	**127,188**		
Financial liabilities measured at fair value						
Natural gas futures contracts used for hedging	**(7,674)**	**-**	**-**	**(7,674)**	**Level 2**	**(7,674)**
Foreign exchange forward contracts	**-**	**(5,882)**	**-**	**(5,882)**	**Level 2**	**(5,882)**
Interest rate swaps used for hedging	**(958)**	**-**	**-**	**(958)**	**Level 2**	**(958)**
Other interest rate swaps	**-**	**(201)**	**-**	**(201)**	**Level 2**	**(201)**
	(8,632)	**(6,083)**	**-**	**(14,715)**		
Financial liabilities not measured at fair value						
Revolving credit facility	**-**	**-**	**(100,000)**	**(100,000)**		
Trade and other payables	**-**	**-**	**(241,636)**	**(241,636)**		
Term loans	**-**	**-**	**(30,123)**	**(30,123)**	**Level 2**	**(30,200)**
Senior guaranteed notes	**-**	**-**	**(98,861)**	**(98,861)**	**Level 2**	**(92,000)**
Convertible unsecured subordinated debentures	**-**	**-**	**(162,442)**	**(162,442)**	**Level 1**	**(184,400)**
	-	**-**	**(633,062)**	**(633,062)**		

9. Financial instruments and risk management: (continued)

(A) CLASSIFICATION AND FAIR VALUES: (CONTINUED)

	Carrying Amount				Fair Value	
September 27, 2025	Fair value - hedging instruments	Fair value through profit or loss	Amortized cost	Total	Fair value hierarchy level	Amount
	$	$	$	$	$	$
Financial assets measured at fair value						
Sugar futures contracts	-	135	-	135	Level 1	135
Natural gas futures contract used for hedging	2,420	-	-	2,420	Level 2	2,420
	2,420	135	-	2,555		
Financial assets not measured at fair value						
Cash	-	-	8,545	8,545		
Trade and other receivables	-	-	129,569	129,569		
	-	-	138,114	138,114		
Financial liabilities measured at fair value						
Natural gas futures contracts used for hedging	(2,641)	-	-	(2,641)	Level 2	(2,641)
Foreign exchange forward contracts	-	(2,672)	-	(2,672)	Level 2	(2,672)
Interest rate swaps used for hedging	(4,242)	-	-	(4,242)	Level 2	(4,242)
Other interest rate swaps	-	(197)	-	(197)	Level 2	(197)
	(6,883)	(2,869)	-	(9,752)		
Financial liabilities not measured at fair value						
Revolving credit facility	-	-	(147,000)	(147,000)		
Trade and other payables	-	-	(211,209)	(211,209)		
Terms Loan	-	-	(6,350)	(6,350)	Level 2	(6,800)
Senior guaranteed notes	-	-	(98,630)	(98,630)	Level 2	(94,300)
Convertible unsecured subordinated debentures	-	-	(107,796)	(107,796)	Level 1	(115,000)
	-	-	(570,985)	(570,985)		

(B) DERIVATIVES AND HEDGING:

As at October 3, 2026 and September 27, 2025, the Company's financial derivatives carrying values were as follows:

	Financial Assets		**Financial Liabilities**	
October 3, 2026	**Current**	**Non-current**	**Current**	**Non-current**
	$	**$**	**$**	**$**
Derivative financial instruments measured at fair value through profit or loss:				
Sugar futures contracts	**26**	**-**	**-**	**-**
Foreign exchange forward contracts	**-**	**-**	**5,653**	**229**
Interest rate swap	**-**	**-**	**201**	**-**
Derivative financial instruments designated as effective cash flow hedging instruments:				
Natural gas futures contracts	**-**	**-**	**4,269**	**3,405**
Interest rate swap	**-**	**-**	**958**	**-**
	26	**-**	**11,081**	**3,634**

9. Financial instruments and risk management: (continued)

(B) DERIVATIVES AND HEDGING: (CONTINUED)

	Financial Assets		Financial Liabilities	
September 27, 2025	Current	Non-current	Current	Non-current
	$	$	$	$
Derivative financial instruments measured at fair value through profit or loss:				
Sugar futures contracts	135	-	-	-
Foreign exchange forward contracts	-	-	2,537	135
Interest swap rate	-	-	197	-
Derivative financial instruments designated as effective cash flow hedging instruments:				
Natural gas futures contracts	2,420	-	-	2,641
Interest rate swap	-	-	2,933	1,309
	2,555	-	5,667	4,085

	For the fiscal years ended					
	Charged to cost of sales Unrealized gain (loss)		Net finance costs		Other comprehensive income	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025	**October 3, 2026**	September 27, 2025
	$	$	**$**	$	**$**	$
Derivative financial instruments measured at fair value through profit or loss:						
Sugar futures contracts	**(1,634)**	(9,609)	**-**	-	**-**	-
Foreign exchange forward contracts	**(9,169)**	(8,098)	**-**	-	**-**	-
Interest rate swap	**-**	-	**(4)**	(395)	**-**	-
Derivative financial instruments designated as effective cash flow hedging instruments:						
Natural gas futures contracts	**-**	-	**-**	-	**(7,454)**	2,481
Interest rate swap	**-**	-	**-**	-	**3,302**	(895)
	(10,803)	(17,707)	**(4)**	(395)	**(4,152)**	1,586

The following table summarizes the Company's hedging components of accumulated other comprehensive income (loss) ("AOCI") as at October 3, 2026 and September 27, 2025:

	October 3, 2026			September 27, 2025		
	Natural gas futures contracts	**Interest rate swap**	**Total**	Natural gas futures contracts	Interest rate swap	Total
	$	**$**	**$**	$	$	$
Opening AOCI	**489**	**(4,852)**	**(4,363)**	(1,992)	(3,957)	(5,949)
Income taxes	**(638)**	**1,865**	**1,227**	(1)	1,635	1,634
Opening AOCI - net of income taxes	**(149)**	**(2,987)**	**(3,136)**	(1,993)	(2,322)	(4,315)
Change in fair value of derivatives designated as cash flow hedges	**(7,454)**	**3,302**	**(4,152)**	2,481	(895)	1,586
Income taxes	**1,913**	**(848)**	**1,065**	(637)	230	(407)
Ending AOCI - net of income taxes	**(5,690)**	**(533)**	**(6,223)**	(149)	(2,987)	(3,136)

9. Financial instruments and risk management: (continued)

(B) DERIVATIVES AND HEDGING: (CONTINUED)

For the fiscal year ended October 3, 2026, the derivatives designated as cash flow hedges were considered to be fully effective and no ineffectiveness has been recognized in net earnings, with the exception of $4 loss in interest rate swaps (September 27, 2025 - $395 loss in interest rate swaps)

Approximately $4.0 million of net loss presented in accumulated other comprehensive income (loss) are expected to be reclassified to net earnings within the next twelve months.

(C) COMMODITY PRICE RISK:

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commodity prices.

There are two types of commodity contracts, which are entered into by the Company:

(i) Sugar:

In order to protect itself against fluctuations of the world raw sugar market, the Company follows a rigorous economic hedging program for all purchases of raw cane sugar and sales of refined sugar. Anytime raw sugar is priced by a sugar supplier, a corresponding sugar futures contract is sold for the same quantity, period and underlying value. Anytime refined sugar is priced by a customer, the corresponding volume of raw sugar is purchased for the same quantity, period and underlying value. The Company's policy is to cover all raw cane purchases and refined sugar sales as they are priced by the Company's suppliers and customers. On a daily basis, the Company monitors all net sugar futures contract positions against the physical priced purchases and sales commitments to ensure that appropriate economic hedge positions are in place.

For the Company's beet operation, the Board of Directors approved an economic pre-hedge, using sugar futures contracts, of some of the beet sugar sales that will occur in the future, provided there is a contract in place with the Alberta Sugar Beet Growers to grow sugar beets.

The Board of Directors also approved a trading book up to a maximum of 15,000 metric tonnes of sugar derivative contracts.

The Company's raw sugar futures contracts as well as the fair value of these contracts relating to purchases or sales of raw sugar as at October 3, 2026 and September 27, 2025 are as follows:

	October 3, 2026			September 27, 2025		
	Original futures contractual amount	**Current contractual amount**	**Fair value gain (loss)**	Original futures contractual amount	Current contractual amount	Fair value gain (loss)
	(US$)	**(US$)**	**(US$)**	(US$)	(US$)	(US$)
Purchases						
0 - 12 months	**102,764**	**122,289**	**19,525**	141,410	132,953	(8,457)
12 - 24 months	**59,034**	**64,434**	**5,400**	28,159	27,186	(973)
Over 24 months	**39**	**39**	**-**	117	112	(5)
	161,837	**186,762**	**24,925**	169,686	160,251	(9,435)
Sales						
0 - 12 months	**(81,432)**	**(97,144)**	**(15,712)**	(122,588)	(116,525)	6,063
12 - 24 months	**(84,737)**	**(92,232)**	**(7,495)**	(27,609)	(26,189)	1,420
Over 24 months	**-**	**-**	**-**	(10,499)	(10,188)	311
	(166,169)	**(189,376)**	**(23,207)**	(160,696)	(152,902)	7,794
Net Position	**(4,332)**	**(2,614)**	**1,718**	8,990	7,349	(1,641)
Foreign exchange rate at the end of period			**1.4260**			1.3938
Net value (CA$)			**2,450**			(2,287)
Margin call (receipt) payment at year-end			**(2,424)**			2,422
Net asset (liability) (CA$)			**26**			135

9. Financial instruments and risk management: (continued)

(C) COMMODITY PRICE RISK: (CONTINUED)

(i) Sugar: (continued)

All sugar futures contracts are traded through a large exchange clearing house on the New York Intercontinental Exchange. Regulation of the US futures industry is primarily self-regulation, with the role of the Federal Commodity Futures Trading Commission being principally an oversight role to determine that self-regulation is continuous and effective.

The exchange clearing house used is one of the world's largest capitalized financial institutions with excellent long-term credit ratings. Daily cash settlements are mandatory (margin calls) for resulting gains and/or losses from futures trading for each customer's account. Due to the above, the Company does not anticipate a credit risk from the raw sugar futures derivative instruments.

As at October 3, 2026 and September 27, 2025, the Company had the following sugar futures contracts:

	October 3, 2026			September 27, 2025		
	Volume M.T.	**Contractual average value per M.T. (US$)**	**Total contractual amount (US$)**	Volume M.T.	Contractual average value per M.T. (US$)	Total contractual amount (US$)
Purchases	**446,558**	**418.23**	**186,762**	448,946	356.95	160,251
Sales	**(406,119)**	**418.56**	**(169,985)**	(424,662)	360.06	(152,902)
Beet pre-hedge	**(44,859)**	**432.26**	**(19,391)**	-	-	-
	(4,420)	**n/a**	**(2,614)**	24,284	n/a	7,349
Foreign exchange rate at the end of the period			**1.4260**			1.3938
Total contractual amount CA$			**(3,727)**			10,242

If, on October 3, 2026, the raw sugar value would have increased by US$0.05 per pound (being approximately US$110.0 per metric tonne), and all other variables remained constant, the impact on net earnings would have been a decrease of approximately $0.5 million (calculated only on the point-in-time exposure on October 3, 2026) (September 27, 2025 - increase in net earnings of $2.8 million). If the raw sugar value would have decreased by US$0.02 per pound (being approximately US$44.00 per metric tonne), and all other variables remained constant, the impact on net earnings would have been an increase of approximately $0.2 million (September 27, 2025 - decrease in net earnings of $1.1 million).

Except for the beet pre-hedge, management believes that the above is not representative, as the Company has physical raw sugar purchases and refined sugar selling contracts that would offset most gains or losses realized from such decrease or increase in the commodity value, when such contracts are liquidated. For the beet pre-hedge, if, on October 3, 2026, the raw sugar value would have increased by US$0.05 per pound (being approximately US$110.00 per metric tonne), and all other variables remained constant, the impact on net earnings would have been a decrease of approximately $5.2 million (calculated only on the point-in-time exposure on October 3, 2026). If the raw sugar value would have decreased by US$0.02 per pound (being approximately US$44.00 per metric tonne), and all other variables remained constant, the impact on net earnings would have been an increase of approximately $2.1 million. The Company had no beet pre-hedge contracts as at September 27, 2025.

9. Financial instruments and risk management: (continued)

(C) COMMODITY PRICE RISK: (CONTINUED)

(ii) Natural gas:

In order to mitigate the overall price risks in the purchase of natural gas for use in the manufacturing operations, the Board approved the use of natural gas futures contracts. Natural gas futures contracts cannot be entered into for speculative reasons. The Company monitors its positions and the credit ratings of its counterparties and does not anticipate losses due to counterparty's non-performance. The Company's natural gas contracts as well as the fair value of these contracts relating to purchases of natural gas are as follows:

	October 3, 2026				September 27, 2025			
	Contracts (10,000 MM BTU)	**Original futures contractual amount**	**Current contractual amount**	**Fair value gain/(loss)**	Contracts (10,000 MM BTU)	Original futures contractual amount	Current contractual amount	Fair value gain/(loss)
		(US$)	**(US$)**	**(US$)**		(US$)	(US$)	(US$)
Purchases								
Less than 1 year		**7,883**	**4,889**	**(2,994)**		4,421	6,158	1,737
1 to 2 years		**8,928**	**7,133**	**(1,795)**		7,884	7,142	(742)
2 to 3 years		**8,344**	**7,793**	**(551)**		10,270	9,402	(868)
3 years and over		**11,761**	**11,719**	**(42)**		12,394	12,109	(285)
	1,080	**36,916**	**31,534**	**(5,382)**	1,064	34,969	34,811	(158)
Foreign exchange rate at the end of period				**1.4260**				1.3938
Net asset (liability) (CA$)				**(7,674)**				(221)

The forecasted purchases of natural gas, the hedged items, are used for calculating the hedge ineffectiveness. No ineffectiveness was recognized in net earnings as the change in value of the hedging instrument for calculating ineffectiveness was the same or smaller as the change in value of the hedged items used for calculating the ineffectiveness.

If, on October 3, 2026, the natural gas market price would have increased by US$1.00, and all other variables remained constant, other comprehensive income (loss) would have increased by $11.4 million (September 27, 2025 – increase in other comprehensive income (loss) of $11.0 million) as a result of the change in fair value of our natural gas futures. If the natural gas value would have decreased by US$1.00, and all other variables remained constant, would have an equal but opposite effect on other comprehensive income (loss).

Management believes that this impact for natural gas is not representative as this variance will mostly offset when the actual natural gas is purchased and used. At such time, a gain or loss on the liquidation of the natural gas contracts would mostly offset the same increase or decrease in the actual physical transaction.

(D) CURRENCY RISK:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company's significant cash flow exposure to foreign currency is due mainly to the following:

- sales in US dollars for both the sugar and maple products segments;
- purchases of imported refined white sugar;
- purchases of natural gas;
- sales of by-products;
- Taber refined sugar and by-products sales;
- ocean freight; and
- purchases of property, plant and equipment for both the sugar and maple segments.

The Company mitigates its exposure to foreign currency by entering into forward exchange contracts.

The credit risk associated with foreign exchange contracts arises from the possibility that a counterparty to a foreign exchange contract, in which the Company has an unrealized gain, fails to perform according to the terms of the contract. The credit risk is much less than the notional principal amount, being limited at any time to the change in foreign exchange rates attributable to the principal amount.

Forward foreign exchange contracts have maturities of less than four years and relate mostly to US currency, and from time to time, euro, Sterling pound and Australian dollar currencies. The counterparties to these contracts are major Canadian financial institutions. The Company does not anticipate any material adverse effect on its financial position resulting from its involvement in these types of contracts, nor does it anticipate non-performance by the counterparties.

9. Financial instruments and risk management: (continued)

(D) CURRENCY RISK: (CONTINUED)

The Company's foreign currency forward contracts relating to the purchase of raw sugar, the sale of refined sugar, the purchase of natural gas and purchases of property, plant and equipment for the sugar segment are detailed below. In addition, for the maple products segment, the Company hedges its exposure to fluctuations in foreign currency related to its anticipated cash flows from sales to specific US customers, using a foreign exchange forward contract.

The Company's foreign exchange contracts as at October 3, 2026 and September 27, 2025 are as follows:

				October 3, 2026
	Original contract value	Original contract value	Current contract value	Fair value gain/(loss)
	(US/EUR/GBR/AUD$)	(CA$)	(CA$)	(CA$)
Sugar				
Purchases US dollars				
Less than 1 year	**76,227**	**105,359**	**108,160**	**2,801**
1 to 2 years	**3,228**	**4,377**	**4,507**	**130**
2 to 3 years	**-**	**-**	**-**	**-**
	79,455	**109,736**	**112,667**	**2,931**
Sales US dollars				
Less than 1 year	**(168,572)**	**(233,085)**	**(238,957)**	**(5,872)**
1 to 2 years	**(7,075)**	**(9,732)**	**(9,892)**	**(160)**
2 to 3 years	**-**	**-**	**-**	**-**
	(175,647)	**(242,817)**	**(248,849)**	**(6,032)**
Total US dollars – Sugar	**(96,192)**	**(133,081)**	**(136,182)**	**(3,101)**
Maple products				
Purchases US dollars				
Less than 1 year	**1,700**	**2,410**	**2,399**	**(11)**
Sales US dollars				
Less than 1 year	**(72,422)**	**(99,839)**	**(102,344)**	**(2,505)**
1 to 2 years	**(22,570)**	**(31,327)**	**(31,526)**	**(199)**
	(94,992)	**(131,166)**	**(133,870)**	**(2,704)**
Total US dollars - Maple	**(93,292)**	**(128,756)**	**(131,471)**	**(2,715)**
Maple				
Purchases EUR				
Less than 1 year	**-**	**-**	**-**	**-**
Sales EUR				
Less than 1 year	**(2,149)**	**(3,460)**	**(3,444)**	**16**
Total EUR – Maple	**(2,149)**	**(3,460)**	**(3,444)**	**16**
Maple products				
Sales AUD				
Less than 1 year	**(2,856)**	**(2,731)**	**(2,794)**	**(63)**
Total AUD - Maple	**(2,856)**	**(2,731)**	**(2,794)**	**(63)**
Maple products				
Sales GBR				
Less than 1 year	**(675)**	**(1,251)**	**(1,270)**	**(19)**
Total GBR - Maple	**(675)**	**(1,251)**	**(1,270)**	**(19)**
Total Foreign Exchange	**(195,164)**	**(269,279)**	**(275,161)**	**(5,882)**

9. Financial instruments and risk management: (continued)

(D) CURRENCY RISK: (CONTINUED)

				September 27, 2025
	Original contract value	Original contract value	Current contract value	Fair value gain/(loss)
	(US/EUR/GBR/AUD$)	(CA$)	(CA$)	(CA$)
Sugar				
Purchases US dollars				
Less than 1 year	78,053	107,680	108,279	599
1 to 2 years	10,290	14,011	14,093	82
2 to 3 years	1,483	1,993	2,017	24
	89,826	123,684	124,389	705
Sales US dollars				
Less than 1 year	(142,341)	(194,674)	(197,665)	(2,991)
1 to 2 years	(11,958)	(16,162)	(16,381)	(219)
2 to 3 years	(1,185)	(1,588)	(1,611)	(23)
	(155,484)	(212,424)	(215,657)	(3,233)
Total US dollars – Sugar	(65,658)	(88,740)	(91,268)	(2,528)
Maple products				
Purchases US dollars				
Less than 1 year	12,045	16,619	16,654	35
Sales US dollars				
Less than 1 year	(76,078)	(105,178)	(105,136)	42
Total US dollars - Maple	(64,033)	(88,559)	(88,482)	77
Maple products				
Purchases EUR				
Less than 1 year	450	734	734	-
Sales EUR				
Less than 1 year	(3,425)	(5,447)	(5,593)	(146)
Total EUR - Maple	(2,975)	(4,713)	(4,859)	(146)
Maple products				
Sales AUD				
Less than 1 year	(3,205)	(2,851)	(2,903)	(52)
Total AUD - Maple	(3,205)	(2,851)	(2,903)	(52)
Maple Products				
Sales GBR				
Less than 1 year	(912)	(1,664)	(1,687)	(23)
Total GBR – Maple	(912)	(1,664)	(1,687)	(23)
Total Foreign Exchange	(136,783)	(186,527)	(189,199)	(2,672)

9. Financial instruments and risk management: (continued)

(D) CURRENCY RISK: (CONTINUED)

The Company had the following significant foreign currency exposures at year-end:

	October 3, 2026	September 27, 2025
	(US$)	(US$)
Financial instruments measured at amortized cost		
Cash	**696**	1,578
Trade and other receivables, including initial margin deposits	**30,899**	32,264
Trade and other payables	**(3,978)**	(5,998)
	27,617	27,844
Financial instruments at cash flow hedging instruments or at fair value through profit or loss:		
Net current contractual amount of raw sugar futures contracts	**2,614**	(7,349)
Natural gas contracts	**(36,916)**	(34,969)
	(34,302)	(42,318)
Total exposure from above	**(6,685)**	(14,474)
Forward exchange contracts	**(189,484)**	(129,691)
Gross exposure	**(196,169)**	(144,165)
Sugar purchases priced not received	**(72,400)**	(128,015)
Committed future sales in US dollars	**214,116**	237,686
Ocean freight	**(2,208)**	(1,096)
Net exposure	**(56,661)**	(35,590)

As at October 3, 2026, the US/Can. Exchange rate was $1.4260 (September 27, 2025 - $1.3938).

Based on the above gross exposure at year-end, and assuming that all other variables remain constant, in particular the price of raw sugar and natural gas, a $0.05 increase in the Canadian dollar would result in an increase in net earnings of $7.3 million, (September 27, 2025 – increase in net earnings of $5.3 million) while a $0.05 decrease would have an equal but opposite effect on net earnings.

Management believes that the impact on the gross exposure is not representative as it needs to be adjusted for transactions, which are not recorded on the consolidated statements of financial position as at year-end but were committed during the fiscal year, and will be accounted for as the physical transactions occur.

The net exposure is mainly attributable to unhedged foreign exchange exposure associated with natural gas purchase contracts with maturities exceeding 12 months, as well as certain foreign exchange and raw sugar No. 11 pre-hedging positions associated with anticipated beet and cane sugar exposures, entered into in accordance with the Company's established pre-hedging policies. The impact of a $0.05 increase in the Canadian dollar would result in an increase in net earnings by $2.1 million in 2026 (September 27, 2025 – increase in net earnings of $1.3 million) while a decrease would have an equal but opposite effect on net earnings.

Sugar futures sales contracts represent, in large part, contracts entered into when sugar is priced to a customer. As both the raw sugar component of futures sales contracts and the sugar purchases priced not received are in US dollars, there is no need to hedge the currency of the raw sugar component, hence the adjustment for sugar purchases priced not received. It also includes the Taber sales of refined sugar in US dollars. As all beet sugar is paid in Canadian dollars, Taber sales contracts in US dollars need to be financially hedged for currency exposure.

Some sales are transacted in US dollars. For these sales, the raw sugar value is not hedged, as the corresponding futures contract is also in US dollars. Only the US dollar refined sugar margin and ocean freight contribution are hedged for the currency exposure.

Ocean freight for raw sugar is denominated in US dollars and therefore forward exchange contracts are used to cover the foreign exchange exposure.

9. Financial instruments and risk management: (continued)

(E) INTEREST RATE RISK:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to fix the interest rate on a substantial portion of the expected drawdown of the revolving credit facility, the Company enters into interest rate swap agreements.

To mitigate the risk in future cash flows due to interest rate fluctuations, the Company enters into interest rate swap agreements from time to time. All other borrowings over and above the aggregate notional amount of the swap agreements are therefore exposed to interest rate fluctuations, to the exception of the senior guaranteed notes and the IQ Essor Loan that bear fixed interest rates.

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 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

The counterparties to these swap agreements are major Canadian financial institutions. The Company does not anticipate any material adverse effect on its financial position resulting from its involvement in these types of swap agreements, nor does it anticipate non-performance by the counterparties.

As at October 3, 2026, the Company had long-term cash borrowing of $229.0 million (September 27, 2025 - $251.9 million) for which the portion bearing fixed interest rate is exposed to fair value variance risk. Such fixed interest rate long-term cash borrowing included $98.9 million in senior guaranteed notes (September 27, 2025 - $98.6 million) and $19.5 million in IQ Essor Loan (September 27, 2025 - $3.9 million) (Note 22).

The other portion of long-term cash borrowing bears interest using a risk-adjusted interest rate and is therefore not exposed to fair value variance. This portion of the long-term cash borrowing is at risk-adjusted interest rate and included the IQ Term Loan (Note 22) for $10.6 million (September 27, 2025 - $2.4 million), which is bearing interest at prime rate, and $100.0 million (September 27, 2025 - $147.0 million) under the revolving credit facility, which is entered into 30 day Daily compounded CORRA or under prime interest rate. During fiscal 2026, the principal of the revolving credit facility ranged between $100.0 million to $185.0 million.

For the fiscal year ended October 3, 2026, if interest rates had been 50 basis points higher, considering all borrowings not covered by the interest rate swap agreements designated for hedge accounting, there would be no impact on net earnings (September 27, 2025 - $0.1 million lower net earnings) while a decrease would have an equal but opposite effect on net earnings.

(F) CREDIT RISK:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company believes it has limited credit risk other than those explained in Note 7, Trade and other receivables and Note 9, Financial instruments.

9. Financial instruments and risk management: (continued)

(G) LIQUIDITY RISK:

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities, including estimated interest payments:

					October 3, 2026
	Carrying amount	**Contractual cash flows**	**0 to 12 months**	**12 to 24 months**	**After 24 months**
	$	**$**	**$**	**$**	**$**
Non-derivative financial liabilities					
Revolving credit facility	**100,000**	**100,000**	**-**	**-**	**100,000**
Trade and other payables	**241,636**	**241,636**	**241,636**	**-**	**-**
Term loans	**30,123**	**36,352**	**3,058**	**6,672**	**26,622**
Senior guaranteed notes	**98,861**	**117,450**	**3,490**	**3,490**	**110,470**
	470,620	**495,438**	**248,184**	**10,162**	**237,092**
Derivative financial instruments measured at fair value through profit or loss:					
Sugar futures contracts[1]	**(26)**	**(3,728)**	**35,857**	**(39,640)**	**55**
Forward exchange contracts (net) [1]	**5,882**	**(269,279)**	**(232,597)**	**(36,682)**	**-**
Derivative financial instruments designated as effective cash flow hedging instruments:					
Natural gas contracts[1]	**7,674**	**52,643**	**11,242**	**12,732**	**28,669**
Interest on swap agreements	**958**	**3,757**	**3,757**	**-**	**-**
	14,488	**(216,607)**	**(181,741)**	**(63,590)**	**28,724**
	485,108	**278,831**	**66,443**	**(53,428)**	**265,816**

(1) Based on notional amounts as presented above.

					September 27, 2025
	Carrying amount	Contractual cash flows	0 to 12 months	12 to 24 months	After 24 months
	$	$	$	$	$
Non-derivative financial liabilities					
Revolving credit facility	147,000	147,000	-	-	147,000
Trade and other payables	211,209	211,209	211,209	-	-
Term Loans	6,350	8,080	85	85	7,910
Senior guaranteed notes	98,630	119,486	3,490	3,490	112,506
	463,189	485,775	214,784	3,575	267,416
Derivative financial instruments measured at fair value through profit or loss:					
Sugar futures contracts[1]	(135)	10,242	22,897	1,390	(14,045)
Forward exchange contracts (net) [1]	2,672	(186,527)	(184,781)	(2,151)	405
Derivative financial instruments designated as effective cash flow hedging instruments:					
Natural gas contracts[1]	221	48,520	8,583	9,954	29,983
Interest on swap agreements	4,242	12,029	8,272	3,757	-
	7,000	(115,736)	(145,029)	12,950	16,343
	470,189	370,039	69,755	16,525	283,759

(1) Based on notional amounts as presented above.

The convertible unsecured subordinated debentures in the carrying amount of $162.4 million and the related interest payments of $48.2 million (September 27, 2025 – carrying amount of $107.8 million and interest payments of $34.5 million) have been excluded from the above due to the Company's option to satisfy the obligations at redemption or maturity in shares.

9. Financial instruments and risk management: (continued)

(G) LIQUIDITY RISK: (CONTINUED)

The Company borrows under its revolving credit facility (Note 16). It is the Company's intention to keep a debt level under its revolving credit facility ranging between $100.0 million and $250.0 million. All other non-derivative financial liabilities are expected to be financed through the collection of trade and other receivables and cash flows generated from operations. The eastern expansion project ("LEAP Project") is financed using a combination of various financial instruments, including the revolving credit facility, loans from Investissement Quebec ("IQ loans") for up to $65 millions, and other debt and/or equity instruments.

Derivative financial instruments for raw sugar, natural gas and forward exchange contracts are expected to be financed from the working capital of the Company.

As at October 3, 2026 the Company had an unused available line of credit of $240.0 million (September 27, 2025 - $193.0 million), a cash balance of $0.2 million (September 27, 2025 - $8.5 million).

10. Property, plant and equipment:

	Land	Buildings	Machinery and equipment	Barrels	Furniture and fixtures	Construc-tion in progress	Total
		$	$	$	$	$	$
Cost or deemed cost:							
Balance at September 28, 2024	18,089	98,909	411,633	3,299	10,448	91,850	634,228
Additions	-	81	278	267	77	94,810	95,513
Transfers	-	16,420	15,268	-	916	(32,604)	-
Disposals	-	-	(1,655)	(92)	-	-	(1,747)
Effect of movements in exchange rate	-	1	5	-	-	-	6
Balance at September 27, 2025	18,089	115,411	425,529	3,474	11,441	154,056	728,000
Additions	**-**	**180**	**443**	**255**	**23**	**127,160**	**128,061**
Transfers	**-**	**1,054**	**9,523**	**-**	**17**	**(10,594)**	**-**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment	**-**	**-**	**-**	**-**	**-**	**(4,771)**	**(4,771)**
Effect of movements in exchange rate	**-**	**(2)**	**(11)**	**-**	**(1)**	**-**	**(14)**
Balance at October 3, 2026	**18,089**	**116,643**	**435,484**	**3,729**	**11,480**	**265,851**	**851,276**
Accumulated depreciation:							
Balance at September 28, 2024	-	39,399	251,209	2,555	7,945	-	301,108
Depreciation	-	3,465	15,614	183	1,011	-	20,273
Disposals	-	-	(1,352)	(92)	-	-	(1,444)
Balance at September 27, 2025	-	42,864	265,471	2,646	8,956	-	319,937
Depreciation	**-**	**3,922**	**14,407**	**337**	**727**	**-**	**19,393**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at October 3, 2026	**-**	**46,786**	**279,878**	**2,983**	**9,683**	**-**	**339,330**
Net carrying amounts							
At September 27, 2025	18,089	72,547	160,058	828	2,485	154,056	408,063
At October 3, 2026	**18,089**	**69,857**	**155,606**	**746**	**1,797**	**265,851**	**511,946**

Any grants received are offset against property, plant and equipment additions. During the year, an amount of $11.8 million was recorded (September 27, 2025 - $1.6 million), which includes $2.4 million related to the IQ Essor Loan described in Note 22 (September 27, 2025 - $1.1 million).

All property, plant and equipment have been pledged as security for the revolving credit facility (Note 16) and senior guaranteed notes (Note 23).

10. Property, plant and equipment: (continued)

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
	$	$	%
Cost or deemed cost:			
Balance at September 28, 2024	53,819	1,706	
Additions	74,603	2,009	4.82
Balance at September 27, 2025	128,422	3,715	
Additions	**105,931**	**3,968**	**5.49**
Impairment	**(4,771)**	-	
Balance at October 3, 2026	**229,582**	**7,683**	

During the year, the Board of Directors approved a change in the scope and design of the Toronto site portion of the LEAP project. The Company assessed the recoverability of costs previously capitalized in construction in progress and identified certain planning, design and professional fees that are no longer expected to provide future economic benefits. As a result, the Company recognized a write-off of capitalized cost associated with the LEAP project in the amount of $4.8 million in net earnings. The carrying amount of construction in progress was reduced accordingly.

As at October 3, 2026, included in this amount are $0.5 million of deposits on machinery and equipment (September 27, 2025 - $3.0 million).

11. Right-of-use assets:

	Land	Buildings	Machinery and equipment	Total
	$	$	$	$
Cost:				
Balance at September 28, 2024	40	33,215	15,601	48,856
Additions (net)	-	4,185	507	4,692
Effect of movements in exchange rate	-	12	1	13
Balance at September 27, 2025	40	37,412	16,109	53,561
Additions (net)	**-**	**(130)**	**5,287**	**5,157**
Effect of movements in exchange rate	**-**	**158**	**(134)**	**24**
Balance at October 3, 2026	**40**	**37,440**	**21,262**	**58,742**
Accumulated depreciation:				
Balance at September 28, 2024	-	15,208	6,154	21,362
Depreciation	-	3,968	1,853	5,821
Balance at September 27, 2025	-	19,176	8,007	27,183
Depreciation	**-**	**4,448**	**2,246**	**6,694**
Balance at October 3, 2026	**-**	**23,624**	**10,253**	**33,877**
Net carrying amounts:				
At September 27, 2025	40	18,236	8,102	26,378
At October 3, 2026	**40**	**13,816**	**11,009**	**24,865**

12. Intangible assets:

	Software	Customer relationships	Brand names[1]	Other	Total
	$	$	$	$	$
Cost:					
Balance at September 28, 2024	5,108	34,636	5,900	574	46,218
Effect of movements in exchange rate	-	46	8	-	54
Balance at September 27, 2025	5,108	34,682	5,908	574	46,272
Effect of movements in exchange rate	**-**	**18**	**3**	**-**	**21**
Balance at October 3, 2026	**5,108**	**34,700**	**5,911**	**574**	**46,293**
Accumulated amortization:					
Balance at September 28, 2024	4,006	24,409	-	367	28,782
Amortization for the year	251	3,455	-	29	3,735
Balance at September 27, 2025	4,257	27,864	-	396	32,517
Amortization for the year	**187**	**3,451**	**-**	**30**	**3,668**
Balance at October 3, 2026	**4,444**	**31,315**	**-**	**426**	**36,185**
Net carrying amounts:					
At September 27, 2025	851	6,818	5,908	178	13,755
At October 3, 2026	**664**	**3,385**	**5,911**	**148**	**10,108**

(1) Indefinite life

13. Other assets:

Deferred financing charges represent the fees and costs related to the revolving credit facility agreement (Note 16). These fees are amortized over the life of the revolving credit facility, which matures on July 31, 2031.

14. Deferred tax liabilities:

The deferred tax liabilities comprise the following temporary differences:

	October 3, 2026	September 27, 2025
	$	$
Net assets (liabilities):		
Property, plant and equipment	**(42,408)**	(44,981)
Right-of-use assets	**(6,394)**	(6,742)
Intangibles	**(2,879)**	(3,775)
Employee benefits	**(7,403)**	(5,618)
Lease obligations	**6,903**	7,153
Derivative financial instruments	**3,145**	2,471
Losses carried forward	**-**	528
Investment tax credits carried forward	**1,160**	-
Goodwill	**(3,057)**	(2,960)
Provisions	**1,533**	1,754
Deferred financing charges	**48**	405
Other	**1,999**	1,058
	(47,353)	(50,707)

As at October 3, 2026, no deferred tax liability was recognized for temporary differences arising from investments in subsidiaries because the Company controls the decisions affecting the realization of such liabilities and it is probable that the temporary differences will not reverse in the foreseeable future.

14. Deferred tax liabilities: (continued)

The movement in temporary differences during the current years is as follows:

	Balance September 27, 2025	**Recognized in profit (loss)**	**Recognized in other comprehensive income (loss)**	**Recognized in equity**	**Recognized in Property, Plant and Equipment**	**Balance October 3, 2026**
	$	**$**	**$**	**$**	$	**$**
Property, plant and equipment	**(44,981)**	**2,573**	**-**	**-**	**-**	**(42,408)**
Right-of-use assets	**(6,742)**	**312**	**36**		**-**	**(6,394)**
Intangibles	**(3,775)**	**902**	**(6)**	**-**	**-**	**(2,879)**
Employee benefits	**(5,618)**	**305**	**(2,090)**	**-**	**-**	**(7,403)**
Lease obligations	**7,153**	**(229)**	**(21)**	**-**	**-**	**6,903**
Derivative financial instruments	**2,471**	**(391)**	**1,065**	**-**	**-**	**3,145**
Losses carried forward	**528**	**(528)**	**-**	**-**	**-**	**-**
Investment tax credits carried forward	**-**	**206**	**-**	**-**	**954**	**1,160**
Goodwill	**(2,960)**	**(91)**	**(6)**	**-**	**-**	**(3,057)**
Provisions	**1,754**	**(221)**	**-**	**-**	**-**	**1,533**
Deferred financing charges	**405**	**(357)**	**-**	**-**	**-**	**48**
Other	**1,058**	**1,463**	**-**	**(522)**	**-**	**1,999**
	(50,707)	**3,944**	**(1,022)**	**(522)**	**954**	**(47,353)**

	Balance September 28, 2024	Recognized in profit (loss)	Recognized in other comprehensive income (loss)	Recognized in equity	Balance September 27, 2025
	$	$	$	$	$
Property, plant and equipment	(44,939)	(41)	(1)	-	(44,981)
Right-of-use assets	(7,119)	382	(5)	-	(6,742)
Intangibles	(4,648)	868	5	-	(3,775)
Employee benefits	(904)	(367)	(4,347)	-	(5,618)
Lease obligations	7,413	(264)	4	-	7,153
Derivative financial instruments	(221)	3,099	(407)	-	2,471
Losses carried forward	4,220	(3,692)	-	-	528
Goodwill	(3,042)	99	(17)	-	(2,960)
Provisions	2,172	(418)	-	-	1,754
Deferred financing charges	698	(293)	-	-	405
Other	1,112	673	-	(727)	1,058
	(45,258)	46	(4,768)	(727)	(50,707)

15. Goodwill and indefinite life intangible assets:

Recoverability of cash generating units ("CGU"):

For the purpose of impairment testing, goodwill and intangibles with indefinite useful life are allocated to the Company's operating segments, which represent the lowest level within the Company at which the goodwill and intangibles are monitored for internal management purposes, as follows:

	October 3, 2026	September 27, 2025
	$	$
Sugar:		
Goodwill	**229,952**	229,952
Maple:		
Goodwill	**3,055**	3,055
Brand names	**5,911**	5,908
	238,918	238,915

In assessing whether goodwill and indefinite life intangible assets are impaired, the carrying amount of the segments (including goodwill and indefinite life intangible assets) are compared to their recoverable amount. The recoverable amounts of segments are based on the higher of the value in use and fair value less costs of disposal.

(A) SUGAR SEGMENT

The Company performed the annual impairment review for goodwill as at October 3, 2026, and the estimated recoverable amounts exceeded the carrying amounts of the segment and, as a result, there was no impairment identified.

The recoverable amount was based on the value in use. The key assumptions used in the estimation of the recoverable amount are set out below. The key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	2026	2025
	%	%
Pre-tax discount rate	**11.7**	10.9
Terminal growth rate	**2.0**	2.0
Budgeted EBITDA growth rate (average of next 5 years)	**1.6**	5.0

The discount rate was a pre-tax measure estimated based on historical industry weighted-average cost of capital adjusted for impacts on risk and taxes.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was based on management's best estimate of the long-term compound annual EBITDA growth rate.

Budgeted EBITDA was estimated taking into account past experience, adjusted to factor revenue growth for the first year based on budgeted sales volumes, and the following years taking into account the average growth levels experienced over the past 5 years and the estimated sales volumes resulting from the LEAP project and price growth for the next five years. It was assumed that the sales price would increase in line with forecasted inflation over the next five years.

15. Goodwill and indefinite life intangible assets: (continued)

(B) MAPLE SEGMENT

The Company performed the annual impairment review for goodwill as at October 3, 2026, and the estimated recoverable amounts exceeded the carrying amounts of the segment and, as a result, there was no impairment identified.

The recoverable amount was based on the value in use. The key assumptions used in the estimation of the recoverable amount are set out below. The key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	2026	2025
	%	%
Pre-tax discount rate	**13.0**	12.2
Terminal growth rate	**2.0**	2.0
Budgeted EBITDA growth rate (average of next 5 years)	**1.2**	4.1

The discount rate was a pre-tax measure estimated based on historical industry weighted-average cost of capital adjusted for impacts on risk and taxes.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was based on management's best estimate of the long-term compound annual EBITDA growth rate.

Budgeted EBITDA was estimated taking into account past experience, adjusted to factor revenue growth for the first year based on budgeted sales volumes, and the following years taking into account the average growth levels experienced over the past 5 years and price growth for the next five years. It was assumed that the sales price would increase in line with forecasted inflation over the next five years.

16. Revolving credit facility:

On October 3, 2026, the Company had a total of $340.0 million of available working capital under the revolving credit facility, which matures on July 31, 2031, 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.

On July 31, 2026, the Company extended the maturity date of its revolving credit facility from March 28, 2030 to July 31, 2031.

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 October 3, 2026, a total of $869.2 million of assets are pledged as security (September 27, 2025 - $798.7 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 year end.

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.

17. Trade and other payables:

	October 3, 2026	September 27, 2025
	$	$
Trade payables	**186,224**	165,964
Other non-trade payables	**4,894**	5,103
Personnel-related liabilities	**38,911**	28,606
Dividends payable to shareholders	**11,607**	11,536
	241,636	211,209

Considering that maple syrup is harvested once a year, the *Producteurs et Productrices Acericoles du Québec* ("PPAQ") offers to authorized purchasers the possibility to pay their purchases throughout the year, and before the end of February. The outstanding balance of $99.9 million as at October 3, 2026 (September 27, 2025 - $97.9 million) is included in trade payables, bears interest at 4.0% (September 27, 2025 – 4.0%) and is paid in five monthly installments (October, November, December, January and February).

During the year, approximately 92% of the maple syrup purchases were made through the PPAQ process (September 27, 2025 – 89%).

Personnel-related liabilities represent the Company's obligation to its current and former employees that are expected to be settled within one year from the reporting period as salary and accrued vacation.

18. Provisions:

	October 3, 2026	September 27, 2025
	$	$
Opening balance	**6,837**	8,466
Additions	**-**	-
Provisions used during the period	**(1,010)**	(1,629)
Closing balance	**5,827**	6,837
Presented as:		
Current	**4,714**	4,777
Non-current	**1,113**	2,060
	5,827	6,837

Provisions are comprised of asset retirement obligations, which represent the future cost the Company estimated to incur for the removal of asbestos in the operating facilities and for oil, chemical and other hazardous materials for which the Company has been able to identify the costs.

The estimate of the total liability for future asset retirement obligations is subject to change, based on amendments to laws and regulations and as new information concerning the Company's operations becomes available. Future changes, if any, to the estimated total liability as a result of amended requirements, laws, regulations and operating assumptions would be recognized prospectively as a change in estimate, when applicable.

19. Lease obligations:

The Company's leases are primarily for warehouses, operating properties, railcars and production equipment.

The following table presents lease obligations recorded in the consolidated statements of financial position:

	October 3, 2026	September 27, 2025
	$	$
Current	**4,551**	5,683
Non-current	**22,338**	22,278

The following table summarizes the reconciliation of the lease obligations for the periods ended:

	October 3, 2026	September 27, 2025
	$	$
Opening balance	**27,961**	28,642
Additions	**5,157**	4,692
Payment of lease obligations	**(7,764)**	(7,013)
Interest accretion	**1,590**	1,626
Other	**(55)**	14
Closing balance	**26,889**	27,961

Certain leases contain extension or termination options exercisable by the Company before the end of the non-cancellable contract period. The Company has applied judgement to determine the lease term for the contracts with renewal and termination options and has included renewal and termination options in the measurement of lease obligations when it is reasonably certain to exercise the options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or a significant change in circumstances which impacts the original assessments made.

Expenses relating to short-term leases, and for leases of low-value assets were not significant for the period ended October 3, 2026 and September 27, 2025.

The total cash outflow for leases (including interest) for the period ended October 3, 2026 was $7.8 million (September 27, 2025- $7.0 million), which was included as part of cash outflows from financing activities.

The lease obligations are payable as follows:

	October 3, 2026			September 27, 2025		
	Future minimum lease payments	**Interest**	**Present value of minimum lease payments**	Future minimum lease payments	Interest	Present value of minimum lease payments
	$	**$**	**$**	$	$	$
Less than one year	**5,986**	**1,435**	**4,551**	7,142	1,459	5,683
Between one and five years	**17,011**	**3,678**	**13,333**	15,787	3,712	12,075
More than five years	**10,742**	**1,737**	**9,005**	12,401	2,198	10,203
	33,739	**6,850**	**26,889**	35,330	7,369	27,961

20. Employee benefits:

The Company sponsors defined benefit pension plans for its employees ("Pension benefit plans"), as well as health care benefits, medical plans and life insurance coverage ("Other benefit plans").

The following table presents a reconciliation of the pension obligations, the plan assets and the funded status of the benefit plans:

	October 3, 2026	September 27, 2025
	$	$
Fair value of plan assets (including asset ceiling of $10,425 (September 27,2025 - $Nil):		
Pension benefit plans	**159,267**	153,509
Defined benefit obligation:		
Pension benefit plans	**118,500**	120,293
Other benefit plans	**12,007**	11,313
	130,507	131,606
Funded status:		
Pension benefit plans	**40,767**	33,216
Other benefit plans	**(12,007)**	(11,313)
	28,760	21,903
Plans with net assets:		
Pension benefit plans	**47,488**	40,527
Plans with net liabilities:		
Pension benefit plans	**(6,721)**	(7,311)
Other benefit plans	**(12,007)**	(11,313)
	(18,728)	(18,624)

The Company has determined that, in accordance with the terms and conditions of the defined benefit pension plans, and in accordance with statutory requirements (such as minimum funding requirements) of the plans of the respective jurisdictions, the present value of refunds or reductions in the future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of the obligations, to the exception of one pension plan for which there is an asset ceiling of $10,425 (September 27, 2025 - $Nil) recognized in other comprehensive income (loss).

The Company measures its accrued benefit obligations and the fair value of plan assets for accounting purposes at year-end. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2024, the next required valuation will be as of December 31, 2026.

The asset allocation of the major categories in the plan, including the asset ceiling of $10,425 (September 27, 2025 - $Nil), was as follows:

		October 3, 2026		September 27, 2025
	%	**$**	%	$
Equity instruments	**61.6**	**104,523**	61.6	94,539
Government bonds	**36.0**	**61,113**	33.0	50,663
Cash and short-term securities	**2.4**	**4,056**	5.4	8,307
	100.0	**169,692**	100.0	153,509

20. Employee benefits: (continued)

The pension committee prepares the documentation relating to the management of asset allocation, reviews the investment policy and recommends it to the Board of Directors for approval in the event of material changes to the policy. Semi-annually monitoring of the asset allocation of the pension benefit plans allows the pension committee to ensure that the limits of asset allocation of the pension benefit plans are respected.

Based on historical data, contributions to the defined benefit pension plans in fiscal 2027 are expected to be approximately $3.5 million.

The pension plan exposes the Company to the following risks:

(i) Investment risk:

The defined benefit obligation is calculated using a discount rate. If the fund returns are lower than the discount rate, a deficit is created.

(ii) Interest rate risk:

Variation in bond rates will affect the value of the defined benefit obligation.

(iii) Inflation risk:

The defined benefit obligation is calculated assuming a certain level of inflation. An actual inflation higher than expected will have the effect of increasing the value of the defined benefit obligation.

The movement in the pension and other benefit plans is as follows:

	For the fiscal years ended					
	October 3, 2026			September 27, 2025		
	Pension benefit plans	**Other benefit plans**	**Total**	Pension benefit plans	Other benefit plans	Total
Movement in the present value of the defined benefit obligation:						
Defined benefit obligation, beginning of the year	**120,293**	**11,313**	**131,606**	122,820	11,423	134,243
Current service cost	**2,243**	**239**	**2,482**	2,285	241	2,526
Past service cost [1]	**2,875**	**-**	**2,875**	-	-	-
Interest cost	**5,725**	**529**	**6,254**	5,615	516	6,131
Employee contributions	**1,092**	**-**	**1,092**	1,077	-	1,077
Benefit payments from plan	**(5,976)**	**-**	**(5,976)**	(5,725)	-	(5,725)
Benefit payments from employer	**(727)**	**(669)**	**(1,396)**	(927)	(652)	(1,579)
Actuarial (gains) losses arising from changes in demographic assumptions	**929**	**152**	**1,081**	-	55	55
Actuarial (gains) losses arising from changes in financial assumptions	**(7,521)**	**(1,013)**	**(8,534)**	(2,365)	(217)	(2,582)
Actuarial (gains) losses arising from member experience	**(433)**	**1,456**	**1,023**	(2,487)	(53)	(2,540)
Defined benefit obligation, end of year	**118,500**	**12,007**	**130,507**	120,293	11,313	131,606
Movement in the fair value of plan assets:						
Fair value of plan assets, beginning of the year	**153,509**	**-**	**153,509**	137,767	-	137,767
Interest income	**7,533**	**-**	**7,533**	6,414	-	6,414
Return on plan assets (excluding interest income)	**11,636**	**-**	**11,636**	11,914	-	11,914
Employer contributions	**3,102**	**669**	**3,771**	3,357	652	4,009
Employee contributions	**1,092**	**-**	**1,092**	1,077	-	1,077
Benefit payments from plan	**(5,976)**	**-**	**(5,976)**	(5,725)	-	(5,725)
Benefit payments from employer	**(727)**	**(669)**	**(1,396)**	(927)	(652)	(1,579)
Plan expenses	**(477)**	**-**	**(477)**	(368)	-	(368)
Changes in asset ceiling	**(10,425)**	**-**	**(10,425)**	-	-	-
Fair value of plan assets, end of year	**159,267**	**-**	**159,267**	153,509	-	153,509

(1) As a result of the negotiated collective agreements, the Company recorded in the third quarter of fiscal 2026 an expense of $2,875 in cost of sales for contracted future plan amendments and past service costs to one of the pension benefit plans. In addition, the Company recorded an actuarial gain of $6,898 to other comprehensive income as a result of the re-measurement of the assets and obligations due to changes in discount rate, rate of compensation increases and rate of return on assets of this pension benefit plan.

20. Employee benefits: (continued)

The net defined benefit obligation can be allocated to the plans' participants as follows:

	October 3, 2026		September 27, 2025	
	Pension benefit plans	**Other benefit plans**	Pension benefit plans	Other benefit plans
	%	%	%	%
Active plan participants	**40.6**	**32.3**	39.1	30.2
Retired plan members	**54.0**	**67.7**	55.6	69.8
Deferred plan participants	**5.4**	**-**	5.3	-
	100.0	**100.0**	100.0	100.0

The Company's defined benefit pension expense was as follows:

	For the fiscal years ended					
	October 3, 2026			September 27, 2025		
	Pension benefit plans	**Other benefit plans**	**Total**	Pension benefit plans	Other benefit plans	Total
	$	**$**	**$**	$	$	$
Pension costs recognized in net earnings:						
Current service cost	**2,243**	**239**	**2,482**	2,285	241	2,526
Past service cost	**2,875**	**-**	**2,875**	-	-	-
Expenses related to the pension benefit plans	**477**	**-**	**477**	368	-	368
Net interest cost (income)	**(1,807)**	**529**	**(1,278)**	(799)	516	(283)
Re-measurements of other long-term benefits	**11**	**469**	**480**	5	(41)	(36)
Pension expense	**3,799**	**1,237**	**5,036**	1,859	716	2,575
Recognized in:						
Cost of sales	**3,327**	**1,006**	**4,333**	1,344	552	1,896
Administration and selling expenses	**472**	**231**	**703**	515	164	679
	3,799	**1,237**	**5,036**	1,859	716	2,575

The following table presents the change in the actuarial gains and losses recognized in other comprehensive income (loss):

	For the fiscal years ended					
	October 3, 2026			September 27, 2025		
	Pension benefit plans	**Other benefit plans**	**Total**	Pension benefit plans	Other benefit plans	Total
	$	**$**	**$**	$	$	$
Cumulative amount in comprehensive income (loss) at the beginning of the year	**(51,180)**	**(13,358)**	**(64,538)**	(34,409)	(13,184)	(47,593)
Recognized during the year [2]	**(8,247)**	**126**	**(8,121)**	(16,771)	(174)	(16,945)
Cumulative amount in comprehensive income (loss) at the end of the year	**(59,427)**	**(13,232)**	**(72,659)**	(51,180)	(13,358)	(64,538)
Recognized during the year, net of tax	**(6,125)**	**94**	**(6,031)**	(12,469)	(129)	(12,598)

(2) See [1] above.

20. Employee benefits: (continued)

Principal actuarial assumptions used were as follows:

	For the fiscal years ended			
	October 3, 2026		September 27, 2025	
	Pension benefit plans	Other benefit plans	Pension benefit plans	Other benefit plans
	%	%	%	%
Company's defined benefit obligation:				
Discount rate	**5.50**	**5.50**	4.85	4.85
Rate of compensation increase	**3.00**	**3.00**	3.00	3.00
Net benefit plans expense:				
Discount rate	**4.85**	**4.85**	4.70	4.70
Rate of compensation increase	**3.00**	**3.00**	3.00	3.00

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the value of the liabilities in the defined benefit plans are as follows:

	October 3, 2026	September 27, 2025
Longevity at age 65 for current pensioners:		
Males	**22.5**	22.4
Females	**25.2**	25.0
Longevity at age 65 for members aged 45:		
Males	**24.6**	23.9
Females	**27.1**	26.3

The assumed health care cost trend rate as at October 3, 2026 was 5.30% (September 27, 2025 – 5.30%), decreasing uniformly to 4.00% in 2040 (September 27, 2025 - 4.00% in 2040) and remaining at that level thereafter.

The following table outlines the key assumptions for the fiscal year ended October 3, 2026 and the sensitivity of a percentage change in each of these assumptions on the defined benefit plan obligations and the net defined benefit plan costs.

The sensitivity analysis provided in the table is hypothetical and should be used with caution. The sensitivities of each key assumption have been calculated independently of any changes in other key assumptions. Actual experience may result in changes in a number of key assumptions simultaneously. Changes in one factor may result in changes in another, which could amplify or reduce the impact of such assumptions.

	For the fiscal year ended October 3, 2026		
	Pension benefit plan	Other benefit plan	Total
	$	$	$
(Decrease) increase in Company's defined benefit obligation:			
Discount rate			
Impact of increase of 1%	**(12,108)**	**(1,334)**	**(13,442)**
Impact of decrease of 1%	**15,380**	**1,685**	**17,065**
Rate of compensation increase			
Impact of increase of 0.5%	**879**	**4**	**883**
Impact of decrease of 0.5%	**(963)**	**(2)**	**(965)**
Mortality			
99% of expected rate	**168**	**33**	**201**

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend would have the following effects:

	Increase	Decrease
	$	$
Effect on the defined benefit obligations	**1,430**	**(1,148)**

As at October 3, 2026, the weighted average duration of the defined benefit obligation amounts to 11.8 years (September 27, 2025 – 12.3 years).

21. Convertible unsecured subordinated debentures:

The outstanding convertible debentures are as follows:

	October 3, 2026	September 27, 2025
	$	$
Non-current:		
Eighth series [(a)]	**115,000**	115,000
Ninth series [(B)]	**57,500**	-
Total face value	**172,500**	115,000
Less net deferred financing fees	**(6,248)**	(4,748)
Less equity component	**(4,625)**	(2,693)
Accumulated accretion expense	**815**	237
Total carrying value – non current	**162,442**	107,796

(A) EIGHTH 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, Eighth series, 6.00% convertible unsecured subordinated debentures ("Eighth 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 Eighth 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 and a portion to the equity component.

The fair value of the Eighth series convertible unsecured subordinated debentures is measured based on Level 1 of the three-tier fair value hierarchy and was based upon market quotes for the identical instruments. The fair value as at October 3, 2026 was approximately $125.2 million.

(B) NINTH SERIES:

On January 12, 2026, the Company issued $57.5 million, Ninth series, 5.5% convertible unsecured subordinated debentures ("Ninth series debentures"), maturing on January 31, 2033, with interest payable semi-annually in arrears on January 31 and July 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 $7.91 per share.

On or after January 31, 2029 and prior to January 31, 2031, 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 $7.91 per debenture share. On or after January 31, 2031, 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.

21. Convertible unsecured subordinated debentures: (continued)

(B) NINTH SERIES: (CONTINUED)

The Company allocated $1.9 million ($1.4 million net of tax) of the Ninth series debentures into an equity component. The Company incurred underwriting fees and issuance costs of $2.9 million, which are netted against the convertible debenture liability and a portion to the equity component.

The fair value of the Ninth series convertible unsecured subordinated debentures is measured based on Level 1 of the three-tier fair value hierarchy and was based upon market quotes for the identical instruments. The fair value as at October 3, 2026 was approximately $59.2 million.

22. 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 Essor 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 Essor Loan. At the end of such moratorium period, the Company will repay the principal of the IQ Essor Loan in 60 consecutive monthly installments. The IQ Essor Loan bears interest at 1.69%.

A second term loan in the amount of up to $25.0 million was extended to the Company by Investissement Quebec ("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. The IQ Term Loan bears interest at prime rate, plus 72 basis points.

	IQ Essor Loan	**IQ Term Loan**	**Total**
	$	$	**$**
Balance at September 28, 2024	-	-	-
Additions	5,013	2,386	7,399
Grant [1]	(1,096)	-	(1,096)
Deferred financing fees	(77)	(36)	(113)
Accretion	154	6	160
Balance at September 27, 2025	3,994	2,356	6,350
Additions	**17,661**	**8,407**	**26,068**
Grant [1]	**(2,364)**	**-**	**(2,364)**
Deferred financing fees	**(356)**	**(169)**	**(525)**
Accretion	**557**	**37**	**594**
Balance at October 3, 2026	**19,492**	**10,631**	**30,123**

(1) Representing the difference between the fair value of the IQ Essor Loan at inception and the cash received

	October 3, 2026	September 27, 2025
	$	$
IQ Essor Loan	**22,674**	5,013
IQ Term Loan	**10,793**	2,386
Total IQ Loans	**33,467**	7,399
Less net deferred financing fees	**(638)**	(113)
Less grant	**(3,460)**	(1,096)
Accumulated accretion expense	**754**	160
Total carrying value	**30,123**	6,350
Presented as:		
Current	**2,159**	-
Non-current	**27,964**	6,350
	30,123	6,350

An amount of $33.5 million of property, plant and equipment has been pledged as security. 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 at year end.

The IQ Loans are classified and measured at amortized cost, using the effective interest method. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The fair value as at October 3, 2026 was approximately $30.2 million.

23. Senior guaranteed notes:

In 2021, the Company issued a private placement of $100 million in the form of senior guaranteed notes ("Notes") under a note purchase agreement entered into with certain institutional investors. The Notes are guaranteed and rank pari passu with the existing revolving credit facility. The Notes are due on April 30, 2031, bear interest at 3.49%, and interest is payable semi-annually in arrears in equal installments on April 30th and October 30th of each year and represent interest accrued from and including the date of issue of the Notes.

The Notes are classified and measured at amortized cost, using the effective interest method. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The fair value as at October 3, 2026 was approximately $92.0 million (September 27, 2025 - $94.3 million). The Company must comply with certain financial covenants related to these Notes on a quarterly basis. The Company was in compliance with the financial covenants at year end.

24. Share capital and other components of equity:

As of October 3, 2026, a total of 128,961,727 common shares (September 27, 2025 - 128,181,916) were outstanding.

During the year, 779,811 stock options have been exercised for proceeds of $4.5 million and reversal of previously recognized share-based compensation recorded in contributed surplus of $0.2 million was transferred to share capital (note 25) (262,823 stock options were exercised for proceeds of $1.3 million and reversal of previously recognized share-based compensation recorded in contributed surplus of $0.1 million was transferred to share capital for fiscal 2025).

The Company declared a quarterly dividend of $0.09 per share for fiscals 2026 and 2025. The following dividends were declared by the Company:

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Dividends	**46,257**	46,119

On November 25, 2026, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before January 20, 2027.

(A) CONTRIBUTED SURPLUS:

The contributed surplus account is used to record amounts arising on the issue of equity-settled share-based payment awards (see Note 25, Share-based compensation).

(B) CAPITAL MANAGEMENT:

The Company's objectives when managing capital are:

- To ensure proper capital investment is done in the manufacturing infrastructure to provide stability and competitiveness of the operations;
- To have stability in the dividends paid to shareholders;
- To have appropriate cash reserves on hand to protect the level of dividends made to shareholders; and meet its operations needs to manage the business;
- To maintain an appropriate debt level so that there is no financial constraint on the use of capital, and;
- To have an appropriate line of credit, considering its leverage ratio.

The Company typically invests in its operations approximately $27.0 million yearly in capital expenditures, excluding the LEAP Project. Management believes that these investments, combined with approximately $50.0 to $55.0 million spent on average annually on maintenance expenses, allow for the stability of the manufacturing operations and improve its cost competitiveness through new technology or process procedures.

The Board of Directors aims to ensure proper cash reserves are in place to maintain the current dividend level. Dividends to shareholders will only be approved after the Directors have carefully assessed a variety of factors that include the overall competitive landscape, volume and selling margin sustainability, the operating performance and capital requirements of the manufacturing plants and the sustainability of any increase.

The Company has a $340.0 million revolving credit facility in addition to $100 million senior guaranteed notes that have been issued in 2021 and $33.5 million IQ Loans. The Company estimates to use between $100.0 million and $250.0 million of its revolving credit facility to finance its normal operations.

24. Share capital and other components of equity: (continued)

The Company monitors, on a quarterly basis, the ratio of total debt to earnings before interest, income taxes, depreciation and amortization, adjusted for the impact of all derivative financial instruments ("adjusted EBITDA") of the operating company. To comply with lenders' covenants, the debt ratio must be kept below 3.75:1. At year-end, the operating company's debt ratio was 1.53:1 for fiscal 2026 and 1.74:1 for fiscal 2025.

LEAP Project is expected to provide incremental capacity of 100,000 metric tonnes of refined white sugar, at an expected estimated cost not to exceed $300.0 million. The Company is financing this project using a combination of various financial instruments, including working capital, revolving credit facility, IQ Loans, and other debt and/or equity instruments.

The Company does not use equity ratios to manage its capital requirements.

25. Share-based compensation:

(A) EQUITY-SETTLED SHARE-BASED COMPENSATION:

The Company has reserved and set aside for issuance an aggregate of 6,000,000 common shares (September 27, 2025 – 6,000,000 common shares) at a price equal to the average market price of transactions during the last five trading days prior to the grant date. Options are exercisable to a maximum of twenty percent of the optioned shares per year, starting after the first anniversary date of the granting of the options and will expire after a term of ten years. Upon termination, resignation, retirement, death or long-term disability, all share options granted under the Share Option Plan not vested shall be forfeited.

No share options were granted during the 2026 and 2025 fiscal years.

Total share-based compensation expense is amortized over the service period and included in administration and selling expenses with an offsetting credit to contributed surplus. An expense of $32 was recorded for the fiscal year ended October 3, 2026 (September 27, 2025 - $63).

The following table summarizes information about the share option plan as of October 3, 2026:

Exercise price per option	Outstanding number of options at September 27, 2025	Options granted during the period	Options exercised during the period	Options forfeited during the period	Outstanding number of options at October 3, 2026	Weighted average remaining life	Number of options exercisable
$4.28	**64,000**	**-**	**(64,000)**	**-**	**-**	**-**	**-**
$4.68	**78,461**	**-**	**(78,461)**	**-**	**-**	**-**	**-**
$5.58	**133,669**	**-**	**(112,500)**	**-**	**21,169**	**2.17**	**21,169**
$5.85	**632,016**	**-**	**(93,321)**	**(34,336)**	**504,359**	**6.19**	**272,155**
$5.85	**752,564**	**-**	**(168,205)**	**(16,666)**	**567,693**	**5.18**	**423,847**
$6.23	**391,954**	**-**	**(128,324)**	**-**	**263,630**	**1.17**	**263,630**
$6.51	**210,000**	**-**	**(135,000)**	**-**	**75,000**	**0.17**	**75,000**
$5.95	**2,262,664**	**-**	**(779,811)**	**(51,002)**	**1,431,851**	**4.49**	**1,055,801**

The following table summarizes information about the share option plan as of September 27, 2025:

Exercise price per option	Outstanding number of options at September 28, 2024	Options granted during the period	Options exercised during the period	Options forfeited during the period	Outstanding number of options at September 27, 2025	Weighted average remaining life	Number of options exercisable
$4.28	164,000	-	(100,000)	-	64,000	4.48	64,000
$4.68	160,448	-	(81,987)	-	78,461	4.18	78,461
$5.58	146,841	-	(13,172)	-	133,669	3.18	133,669
$5.85	666,347	-	(34,331)	-	632,016	7.21	232,207
$5.85	785,897	-	(33,333)	-	752,564	6.19	431,539
$6.23	391,954	-	-	-	391,954	2.18	391,954
$6.51	210,000	-	-	-	210,000	1.19	210,000
$5.88	2,525,487	-	(262,823)	-	2,262,664	5.02	1,541,830

Options outstanding held by key management personnel amounted to 1,231,851 options as at October 3, 2026 (1,927,266 as at September 27, 2025) (see Note 30, Key management personnel).

25. Share-based compensation: (continued)

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

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.

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.

Fiscal 2026 grant:

On December 8, 2025, a total of 598,828 PSUs were granted to executives of the Company at a price of $5.97 per units. In addition, an aggregate of 25,340 PSUs at a weighted-average share price of $6.47 were allocated as a result of the dividends paid since inception, as the participants also receive dividend equivalents paid in the form of PSUs. As at October 3, 2026, an aggregate of 624,168 PSUs were outstanding in relation with this grant. These PSUs will vest at the end of the 2026-2028 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.

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 will vest in equal tranches over a three-year period (one-third per year). The Company believes it is probable that certain non-market performance conditions will be achieved. The fair value as at grant date was $3,197 and $4,681 as at October 3, 2026. An expense of $1,560 related to this specific grant was recorded in administration and selling expenses. The liability arising from these PSUs as at October 3, 2026 was $1,560.

25. Share-based compensation: (continued)

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

Fiscal 2025 grant:

On December 8, 2024, a total of 513,037 PSUs were granted to executives of the Company. In addition, an aggregate of 55,674 PSUs at a weighted-average share price of $6.08 were allocated as a result of the dividend paid during the quarters since inception, as the participants also receive dividend equivalents paid in the form of PSUs. As at October 3, 2026, an aggregate of 568,711 PSUs were outstanding. These PSUs will vest at the end of the 2025-2027 performance cycle.

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 will vest in equal tranches over a three-year period (one-third per year). The fair value as at grant date was $2,985 and $4,168 as at October 3, 2026 (September 27, 2025 - $3,006). An expense of $1,707 was recorded for the year ended October 3, 2026 (September 27, 2025 – expense of $1,228) in administration and selling expenses. The liability arising from these PSUs as at October 3, 2026 was $2,935 (September 27, 2025 - $1,228).

Fiscal 2024 grant:

On December 11, 2023, a total of 559,963 PSUs were granted to executives of the Company. In addition, an aggregate of 102,126 PSUs at a weighted-average share price of $5.88 were allocated as a result of the dividend paid during the quarters since inception, as the participants also receive dividend equivalents paid in the form of PSUs. As at October 3, 2026, an aggregate of 662,089 PSUs were outstanding. These PSUs will vest at the end of the 2024-2026 performance cycle.

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 will vest in equal tranches over a three-year period (one-third per year). The fair value as at grant date was $2,484 and $6,580 as at October 3, 2026 (September 27, 2025 - $4,437). An expense of $3,451 was recorded for the year ended October 3, 2026 (September 27, 2025 – expense of $2,115) in administration and selling expenses. The liability arising from these PSUs as at October 3, 2026 was $6,580 (September 27, 2025 - $3,129).

Fiscal 2023 grant:

During fiscal 2026, the grant related to fiscal 2023 was cash settled for an amount of $Nil, and no expense was recorded for the year ended October 3, 2026 ($1,302 for grant related to fiscal 2022 during the year ended September 27, 2025, and an expense of $184) in administration and selling expenses.

26. Commitments:

As at October 3, 2026, the Company had commitments to purchase a total of 265,000 metric tonnes of raw cane sugar up to fiscal 2027 (September 27, 2025 - 876,000 up to fiscal 2027), of which 178,290 metric tonnes had been priced (September 27, 2025 - 299,284), for a total dollar commitment of $103.2 million (September 27, 2025 - $178.4 million). Subsequent to year-end, on October 28, 2026, the Company entered into commitments to purchase an additional 594,000 metric tonnes of raw cane sugar, of which 363,000 metric tonnes relate to fiscal 2027 and 231,000 metric tonnes relate to fiscal 2028. These additional volumes remain unpriced. In addition, the Company has a commitment of approximately $40.0 million (September 27, 2025 - $38.0 million) for sugar beets to be harvested and processed in fiscal 2027.

Maple has $2.8 million (September 27, 2025 - $0.5 million) remaining to pay related to an agreement to purchase approximately $2.8 million (0.8 million pounds) (September 27, 2025 - $4.5 million; 1.4 million pounds) of maple syrup from the PPAQ in fiscal 2026. In order to secure bulk syrup purchases, the Company issued an insurance bond for an amount of $22.1 million in favor of the PPAQ (September 27, 2025 – $23.1 million). The insurance bond expires on March 15, 2027.

During the fiscal year ended October 3, 2026, the Company entered into capital commitments to complete its capital projects for a total of $87.3 million (September 27, 2025 - $127.1 million) to be incurred in fiscal 2027, of which $71.6 million (September 27, 2025 - $121.4 million) relates to the LEAP Project.

27. Contingencies:

The Company, in the normal course of business, becomes involved from time to time in litigation and claims. While the final outcome with respect to claims and legal proceedings pending as at October 3, 2026 cannot be predicted with certainty, management believes that no material provision was required and that the financial impact, if any, from claims related to normal business activities will not be material.

28. Earnings per share:

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

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Basic earnings per share:		
Net earnings	**74,056**	64,455
Weighted average number of shares outstanding	**128,359,326**	128,056,304
Basic earnings per share	**0.58**	0.50
Diluted earnings per share:		
Net earnings	**74,056**	64,455
Plus impact of convertible unsecured subordinated debentures and share options	**7,205**	3,284
	81,261	67,739
Weighted average number of shares outstanding:		
Basic weighted average number of shares outstanding	**128,359,326**	128,056,304
Plus impact of convertible unsecured subordinated debentures and share options	**21,496,545**	9,869,164
	149,855,871	137,925,468
Diluted earnings per share	**0.54**	0.49

29. Supplementary cash flow information:

	October 3, 2026	September 27, 2025	September 28, 2024
	$	$	$
Non-cash transactions:			
Additions of property, plant and equipment and intangible assets included in trade and other payables	**31,799**	21,608	13,704
Increase in asset retirement obligation provision included in property, plant and equipment	**-**	-	9,670
Additions to right-of-use assets	**5,157**	4,692	3,174

30. Key management personnel:

The Board of Directors as well as the executive team, which include the President and all the Vice-Presidents, are deemed to be key management personnel of the Company. The following is the compensation expense for key management personnel:

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Salaries and short-term benefits	**6,330**	5,951
Fees for members of the Board of Directors	**1,568**	1,520
Post-employment benefits	**162**	170
Share-based compensation (note 25)	**6,750**	3,277
	14,810	10,918

31. Personnel expenses:

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Wages, salaries and employee benefits	**141,998**	136,045
Expenses related to defined benefit plans (note 20)	**5,036**	2,590
Expenses related to defined contributions plans	**8,695**	7,546
Share-based compensation (note 25)	**6,750**	3,277
	162,479	149,458

The personnel expenses were charged to the consolidated statements of earnings and comprehensive income or capitalized in the consolidated statements of financial position as follows:

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Cost of sales	**116,075**	109,883
Administration and selling expenses	**41,541**	35,201
Distribution expenses	**3,811**	3,364
	161,427	148,448
Property, plant and equipment	**1,052**	1,010
	162,479	149,458

32. Related parties:

Lantic has outstanding redeemable Class B special shares of $44.5 million that are retractable and can be settled at Lantic's option by delivery of a note receivable from Belkorp Industries Inc., having the same value. The note receivable bears no interest and has no fixed terms of repayment. The Class B special shares are entitled to vote, but on a pro rata basis at a meeting of shareholders of Lantic. Under the terms of a voting trust agreement between Belkorp Industries Inc. and Rogers, Rogers is entitled to vote the Class B special shares so long as they remain outstanding. Due to the fact that Lantic has the intent and the legal right to settle the note receivable with the redeemable Class B special shares, these amounts have been offset and, therefore, are not presented on the consolidated statements of financial position.

Belkorp Industries Inc. also controls, through Lantic Capital, the two Lantic Class C shares issued and outstanding. The Class C shares entitle Lantic Capital to elect five of the seven directors of Lantic, but have no other voting rights at any meetings of shareholders of Lantic, except as may be required by law.

33. Segmented information:

The Company has two operating and reportable segments, sugar and maple. The principal business activity of the Sugar segment is the refining, packaging and marketing of sugar products. The Maple 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. Management believes that such information is the most relevant IFRS measure in the evaluation of the results of the segments relative to other entities.

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

	For the fiscal year ended October 3, 2026			
	Sugar	**Maple**	**Corporate and eliminations**	**Total**
	$	**$**	**$**	**$**
Revenues	**934,420**	**277,580**	**-**	**1,212,000**
Cost of sales	**739,119**	**249,840**	**-**	**988,959**
Gross margin	**195,301**	**27,740**	**-**	**223,041**
Depreciation and amortization	**22,505**	**7,250**	**-**	**29,755**
Impairment of construction in progress	**4,771**	**-**	**-**	**4,771**
Results from operating activities	**116,083**	**12,528**	**(2,749)**	**125,862**
Additions to property, plant and equipment and intangible assets, net of disposals	**126,725**	**1,336**	**-**	**128,061**
Addition to right-of-use assets, net of disposals	**4,536**	**621**	**-**	**5,157**

	For the fiscal year ended October 3, 2026			
	Sugar	**Maple**	**Corporate and eliminations**	**Total**
	$	**$**	**$**	**$**
Total assets	**1,153,967**	**261,469**	**(165,642)**	**1,249,794**
Total liabilities	**(610,236)**	**(190,973)**	**46,890**	**(754,319)**

Notes to consolidated financial statements
(In thousands of dollars except as noted and amounts per share)

33. Segmented information: (continued)

	For the fiscal year ended September 27, 2025			
	Sugar	Maple	Corporate and eliminations	Total
	$	$	$	$
Revenues	1,049,490	263,139	-	1,312,629
Cost of sales	883,879	236,512	-	1,120,391
Gross margin	165,611	26,627	-	192,238
Depreciation and amortization	23,003	6,826	-	29,829
Results from operating activities	98,660	13,760	(2,619)	109,801
Additions to property, plant and equipment and intangible assets, net of disposals	93,657	1,553	-	95,210
Increase in asset retirement obligation provision included in property, plant and equipment	-	-	-	-
Addition to right-of-use assets	3,302	1,390	-	4,692

	For the fiscal year ended September 27, 2025			
	Sugar	Maple	Corporate and eliminations	Total
	$	$	$	$
Total assets	1,099,047	229,558	(165,762)	1,162,843
Total liabilities	(546,251)	(165,807)	7,668	(704,390)

Revenues were derived from customers in the following geographic areas:

	For the fiscal years ended	
	October 3, 2026	September 27, 2025
	$	$
Canada	**901,868**	969,262
United States	**235,282**	271,708
Europe	**38,364**	39,983
Other	**36,486**	31,676
	1,212,000	1,312,629

Substantially all of the non-current assets are located in Canada.