Rogers Sugar Delivers Strong First Quarter Results, Driven by Solid Performance from Both Maple and Sugar Segments

Rogers Sugar Inc.'s (the "Company", "Rogers", "RSI" or "our," "we", "us") (TSX: RSI) today reported strong first quarter fiscal 2025 results, with consolidated adjusted EBITDA increasing by 29% to $39.6 million.

"We are pleased to have made a strong start to the year, delivering profitable growth in both our Sugar and Maple segments," said Mike Walton, President and Chief Executive Officer of Rogers and its operating subsidiary, Lantic Inc., "By harnessing the strength of our markets and focusing on delivering excellent service to our customers, we have been able to drive growth in revenues, margins and free cash flow."

First Quarter 2025 Consolidated Highlights (unaudited)	**Q1 2025**	Q1 2024
Financials ($000s)		
Revenues	**323,168**	288,699
Gross margin	**46,740**	44,644
Adjusted gross margin[1]	**51,731**	42,319
Results from operating activities	**27,006**	26,110
EBITDA[1]	**34,624**	33,045
Adjusted EBITDA[1]	**39,615**	30,720
Net earnings	**15,808**	13,852
per share (basic)	**0.12**	0.13
per share (diluted)	**0.11**	0.11
Adjusted net earnings[1]	**19,517**	12,613
Adjusted net earnings per share (basic)[1]	**0.15**	0.12
Trailing twelve months free cash flow[1]	**86,173**	44,261
Dividends per share	**0.09**	0.09
Volumes		
Sugar (metric tonnes)	**196,100**	182,400
Maple Syrup (thousand pounds)	**13,400**	11,900

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

- Consolidated adjusted EBITDA[1] for the first quarter of fiscal 2025 was $39.6 million, an increase of $8.9 million from the same quarter last year, mainly driven by a strong performance from both of our business segments, as we maintain our focus on delivering consistent, profitable and sustainable growth.
- Consolidated adjusted net earnings[1] for the current quarter were $19.5 million or $0.15 per share, as compared to $12.6 million or $0.12 per share for the same period last year, driven by the strong performance of our Sugar and Maple segments.
- Consolidated revenues for the first quarter of 2025 amounted to $323.2 million, an increase of 12% as compared to last year, due mainly to higher average pricing and increased sales volumes in our Sugar segment and higher sales volume in our Maple segment.
- Sales volumes in the Sugar segment at 196,100 metric tonnes for the current quarter were aligned with our expectation. The increase of 13,700 metric tonnes over the first quarter of last year was mainly related to the unfavourable impact of the labour disruption at our Vancouver facility, which reduced sales volume in the first two quarters of fiscal 2024.
- Sugar segment adjusted EBITDA[1] increased by $7.9 million over last year due to higher adjusted gross margin[1] from increased sales volumes and improved business performance.
- Adjusted EBITDA[1] in the Maple segment was $5.7 million in the first quarter, an increase of $1.0 million from the same quarter last year, largely driven by higher sales volume and improved business performance.
- Free cash flow[1] for the trailing 12 months ended December 28, 2024, was $86.2 million, an increase of $41.9 million from the same period last year, largely driven by higher adjusted EBITDA[1].
- During the first quarter of 2025, $21.8 million was spent on additions to property plant and equipment, of which $19.7 million was in connection with the expansion of our Eastern sugar refining and logistic capacity in Montreal and Toronto (the "LEAP Project").
- On December 31, 2024, the principal amount of the Sixth series convertible unsecured subordinated debentures ("Sixth series debentures") of $57.4 million matured and were repaid to the holders.

- In the first quarter of 2025, we distributed $0.09 per share to our shareholders for a total of $11.5 million.
- On February 5, 2025, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before April 16, 2025.

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

Sugar

First Quarter 2025 Sugar Highlights (unaudited)	**Q1 2025**	Q1 2024
Financials ($000s)		
Revenues	**256,787**	229,808
Gross margin	**42,827**	36,490
Adjusted gross margin(1)	**44,103**	36,232
Per metric tonne ($/ mt) (1)	**225**	199
Administration and selling expenses	**10,202**	9,379
Distribution costs	**5,917**	6,086
Results from operating activities	**26,708**	21,025
EBITDA(1)	**32,627**	26,300
Adjusted EBITDA(1)	**33,903**	26,042
Volumes (metric tonnes)		
Total volumes	**196,100**	182,400

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

In the first quarter of fiscal 2025, revenues increased by $27.0 million compared to the same period last year. The favourable variance was largely driven by higher sales volume compared to the same period last year. The increase of 13,700 metric tonnes over the first quarter of last year was mainly related to the unfavourable impact of the labour disruption at our Vancouver facility, which reduced sales volumes in the first two quarter of fiscal 2024. The favourable variance in revenues was also driven by higher pricing for refining-related activities.

The variances in sales volumes by customer categories were as follows:

- Industrial volume increased by 3,500 metric tonnes as compared to the same quarter last year, mainly reflecting the unfavourable impact from the labour disruption at our Vancouver facility in 2024.
- Consumer volume decreased by 2,500 metric tonnes compared to the same period last year, mainly due to timing in demand from customers.
- Liquid volume decreased by 7,500 metric tonnes compared to the same quarter last year, mainly related to the loss of a large customer in Western Canada.
- Export volume increased by 20,200 metric tonnes in the first quarter of 2025, reflecting the unfavourable impact from the labour disruption at our Vancouver facility in 2024, and from higher sales to existing customers.

Gross margin was $42.8 million for the current quarter and included a loss of $1.3 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $36.5 million with a mark-to-market gain of $0.3 million.

Adjusted gross margin was $44.1 million for the first quarter of 2025 as compared to $36.2 million for the same period in 2024. Adjusted gross margin increased by $7.9 million for the first three months of 2025, due mainly to higher sales volumes and higher contribution on sugar refining-related activities. The favourable variance includes a $2.7 million gain recognized in the first quarter of 2025, in relation to the settlement of an insurance claim associated with the purchase, in prior periods, of sugar from Central America. In addition, in the first quarter of fiscal 2024, adjusted gross margin was negatively impacted by approximately $3.0 million due to the labour disruption in Vancouver.

On a per-unit basis, adjusted gross margin for the first quarter, at $225 per metric tonne, was $26 per metric tonne higher than the same quarter last year.

EBITDA for the first quarter of fiscal 2025 was $32.6 million compared to $26.3 million in the same period last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the current quarter increased by $7.9 million compared to the same period last year, mainly due to higher adjusted gross margin, partially offset by higher administration and selling expenses. These variances include the impact of the labour disruption in Vancouver for the first quarter of last fiscal year, which is estimated at approximately $3.0 million.

Maple

First Quarter 2025 Maple Highlights (unaudited)	**Q1 2025**	Q1 2024
Financials ($000s)		
Revenues	**66,381**	58,891
Gross margin	**3,913**	8,154
Adjusted gross margin(1)	**7,628**	6,087
As a percentage of revenues (%) (1)	**11.5%**	10.3%
Administration and selling expenses	**3,320**	2,761
Distribution costs	**295**	308
Results from operating activities	**298**	5,085
EBITDA(1)	**1,997**	6,745
Adjusted EBITDA(1)	**5,712**	4,678
Volumes (thousand pounds)		
Total volumes	**13,400**	11,900

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

Revenues for the first quarter of the current fiscal year were $7.5 million higher than the same period last year, driven mainly by higher sales volume from existing customers.

Gross margin was $3.9 million for the first three months of the current fiscal year, including a loss of $3.7 million from the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $8.2 million with a mark-to-market gain of $2.1 million.

Adjusted gross margin percentage for the current quarter was 11.5% as compared to 10.3% for the same period last year, representing an increase in adjusted gross margin of $1.5 million. The higher gross margin was mainly related to higher sales volume and lower operating expenses.

EBITDA for the first quarter of fiscal 2025 amounted to $2.0 million compared to $6.7 million for the same period last year. These results include gains from the mark-to-market of derivative financial instruments.

LEAP PROJECT

On August 11, 2023, the Board of Directors of Lantic approved the LEAP Project. LEAP is expected to provide approximately 100,000 metric tonnes of incremental refined sugar capacity to the growing Canadian market and includes sugar refining assets, along with logistic assets to increase the delivery capacity to the Ontario market. The total cost for the LEAP Project is expected to range between $280 million and $300 million and we anticipate the LEAP Project to be in service by the end of 2026.

The planning and design phases associated with the LEAP Project are completed and the construction phase has begun. Site preparation and permitting processes are completed for the main construction site in Montréal. Detailed planning for the Toronto portion of the project is now completed. Orders for sugar refining equipment and other large production and logistic-related equipment have been placed with suppliers, with several pieces of equipment already on site.

We are funding the execution of the LEAP Project with a combination of debt, equity, existing operating cash flow and our revolving credit facility. In connection with the financing plan of the LEAP Project, we issued 22,769,000 common shares of RSI in fiscal 2024, for net proceeds of $112.5 million and we also increased the amount available under our revolving credit facility by $75 million, to $340 million. In fiscal 2023, also in connection with the financing of the LEAP Project, Lantic entered into two secured loan agreements with Investissement Québec ("IQ loans") for up to $65 million. As at December 28, 2024, $7.4 million has been drawn under the IQ Loans.

As at December 28, 2024, $73.5 million, including $2.4 million in interest costs, has been capitalized as construction in progress on the balance sheet for the LEAP Project. Thus far, most of the costs incurred are related to the design and planning phases of the project, the site preparation in Montréal and sugar refining, production, and logistic equipment ordered and received from suppliers. For the first quarter of fiscal 2025, $19.7 million has been capitalized in connection with the LEAP Project, while $10.5 million was capitalized in the same period last year.

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

OUTLOOK

We continue to focus on delivering consistent, profitable and sustainable growth. Following a strong performance in both of our business segments in 2024, and in the first quarter of 2025, we expect, subject to the adverse impact of potential US tariffs in the near future, to deliver strong financial results in 2025. The strength in demand and pricing is expected to continue for our Sugar business segment going forward.

For our Maple segment, we expect the recovery of 2024 to set the pace for a strong year in 2025, as the global maple market is showing growth, also subject to the adverse impact of potential US tariffs in the near future.

In both of our segments, we have been reviewing strategies and steps to mitigate the potential adverse impact of such tariffs in the event that they are imposed. See "Forward-Looking Statements" and "Risks and Uncertainties" in our Management's Discussion and Analysis for the three-month period ended December 28, 2024.

Sugar

We expect the Sugar segment to perform well in fiscal 2025. Underlying North American demand for sugar remains favourable. Gross margin for the sugar segment for 2025 is expected to align with previous year, reflecting market-based price increases for sugar and sugar-containing products, and should continue to have a positive impact on our financial results, allowing us to mitigate the expected increase in costs associated with our operations.

We are maintaining our sales volume outlook for fiscal year 2025 at approximately 800,000 metric tonnes, following a first quarter sales volume that was aligned with our expectation, subject to the adverse impact of the potential imposition of US tariffs. Overall, this would represent an increase of over 5% year-over-year from 2024, if we adjust for the unfavourable impact of the labour disruption in Vancouver, which reduced volume in the first two quarters of last fiscal year. We expect to continue to prioritize domestic sales and to take advantage of export sales opportunities in fiscal 2025, with the objective to consistently meet our commitments to our customers.

The harvest period for our sugar beet facility in Taber was completed in early November. We are currently in the processing stage of the 2024 sugar beet campaign, with expected completion by the end of February. Based on our early assessment, we anticipate the 2024 crop to deliver between 100,000 metric tonnes and 105,000 metric tonnes of beet sugar, which is slightly less than anticipated due to unfavourable weather conditions impacting the quality of the harvested beets, which is negatively impacting the slicing process.

Production costs and maintenance programs for our three production facilities are expected to increase moderately in 2025, as such related expenditures continue to be impacted by market-based increases in costs and annual wage increases for employees. For 2025, we plan to continue to perform the necessary maintenance activities to ensure a smooth production process to meet the needs of our customers. We remain committed to managing our costs responsibly and to properly maintain our production assets and related facilities.

Distribution costs are expected to align with prior year These expenditures reflect the current market dynamics and include the transfer of sugar produced between our refineries to meet demand from customers, pending the completion of our LEAP Project.

Administration and selling expenses are expected to slightly increase in 2025 compared to 2024, reflecting expected market-based increases for compensation-related expenses and external services.

We anticipate our financing costs to be stable in fiscal 2025, as excess cash related to the timing of the equity financing portion of the LEAP project is providing a temporary increase in our available cash, which is mitigating the impact of a higher net interest rate on our credit facility. We have been able to partially mitigate the impact of recent increases in interest rates and energy costs through our multi-year hedging strategy. We expect our hedging strategy will continue to mitigate such exposure in fiscal 2025.

Spending on regular business capital projects is expected to decrease slightly in fiscal 2025 as compared to 2024. We anticipate spending between $25.0 million to $30.0 million on various initiatives. This capital spending estimate excludes expenditures relating to our LEAP Project, which are currently estimated to be approximately $112 million for fiscal 2025.

Maple

We expect financial results in our Maple segment to be strong in 2025, following the recovery seen over the last year and the strong results of the first quarter. We currently anticipate sales volume to grow by 2.0 million lbs in 2025, representing a growth rate of approximately 5%, subject to the adverse impact of the potential imposition of US tariffs. The sales volume expectation reflects current market conditions, and the anticipated availability of maple syrup from the producers.

The 2024 maple syrup crop was significantly better than anticipated and should support the current market demand, while also allowing for the partial replenishment of the reserve held by the Producteurs et Productrices Acéricoles du Québec ("PPAQ"). The reserve of PPAQ had been depleted in recent years from below average crops.

We expect to spend between $1 million and $1.5 million annually on capital projects for the Maple business segment. The main driver for the selected projects is improvement in productivity and profitability through automation.

See “Forward-Looking Statements” and “Risks and Uncertainties” in our Management's Discussion and Analysis for the three-month period ended December 28, 2024.

A full copy of Rogers first quarter 2025, including management's discussion and analysis and unaudited condensed consolidated interim financial statements, can be found at www.LanticRogers.com or on SEDAR+ at www.sedarplus.ca.

Cautionary Statement Regarding Non-IFRS Measures

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

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

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

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

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

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

	Q1 2025			Q1 2024		
Consolidated results (In thousands of dollars)	**Sugar**	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**42,827**	**3,913**	**46,740**	36,490	8,154	44,644
Total adjustment to the cost of sales[(1)]	**1,276**	**3,715**	**4,991**	(258)	(2,067)	(2,325)
Adjusted Gross Margin	**44,103**	**7,628**	**51,731**	36,232	6,087	42,319
Results from operating activities	**26,708**	**298**	**27,006**	21,025	5,085	26,110
Total adjustment to the cost of sales[(1)]	**1,276**	**3,715**	**4,991**	(258)	(2,067)	(2,325)
Adjusted results from operating activities	**27,984**	**4,013**	**31,997**	20,767	3,018	23,785
Results from operating activities	**26,708**	**298**	**27,006**	21,025	5,085	26,110
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**5,919**	**1,699**	**7,618**	5,275	1,660	6,935
EBITDA[(1)]	**32,627**	**1,997**	**34,624**	26,300	6,745	33,045
EBITDA[(1]	**32,627**	**1,997**	**34,624**	26,300	6,745	33,045
Total adjustment to the cost of sales[(1)]	**1,276**	**3,715**	**4,991**	(258)	(2,067)	(2,325)
Adjusted EBITDA	**33,903**	**5,712**	**39,615**	26,042	4,678	30,719
Net earnings			**15,808**			13,852
Total adjustment to the cost of sales[(1)]			**4,991**			(2,325)
Net change in fair value in interest rate swaps[(1)]			**-**			658
Income taxes on above adjustments			**(1,282)**			428
Adjusted net earnings			**19,517**			12,613
Net earnings per share (basic)			**0.12**			0.13
Adjustment for the above			**0.03**			(0.01)
Adjusted net earnings per share (basic)			**0.15**			0.12

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

Conference Call and Webcast

Rogers will host a conference call to discuss its first quarter fiscal 2025 results on February 6, 2025, starting at 8:00a.m. ET. To participate, please dial 1-800-717-1738. To access the live webcast presentation, please click on the link below:

https://onlinexperiences.com/scripts/Server.nxp?LASCmd=AI:4;F:QS!10100&ShowUUID=F01668B1-D8E1-4B1D-957D-61B15877FD5B&LangLocaleID=1033

A recording of the conference call will be accessible shortly after the conference, by dialing 1-888-660-6264, access code 01931#. This recording will be available until March 6, 2025. A live audio webcast of the conference call will also be available via www.LanticRogers.com.

About Rogers Sugar

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

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

Cautionary Statement Regarding Forward-Looking Information

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

- The potential impact of US tariffs on export sales of refined sugar, sugar containing products and maple products;
- Future demand and related sales volume for refined sugar and maple syrup;
- our LEAP Project;
- future prices of Raw #11;
- natural gas costs;
- beet sugar production forecast for our Taber facility;
- the level of future dividends;
- the status of government regulations and investigations; and
- projections regarding future financial performance.

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

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

For further information

Mr. Jean-Sébastien Couillard
Vice President of Finance, Chief Financial Officer and Corporate Secretary
Phone: (514) 940-4350
Email: jscouillard@lantic.ca

ROGERS SUGAR INC.

Financial Report Q1 2025

This Management's Discussion and Analysis ("MD&A") of Rogers Sugar Inc.'s (the "Company", "Rogers", "RSI" or "our," "we", "us") dated February 5, 2025 should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three-month period ended December 28, 2024, as well as the audited consolidated financial statements and MD&A for the year ended September 28, 2024. This MD&A refers to Rogers, Lantic Inc. ("Lantic") (Rogers and Lantic together referred as the "Sugar segment"), The Maple Treat Corporation ("Maple Treat") and Highland Sugarworks Inc. ("Highland") (the latter two companies together referred to as "TMTC" or the "Maple segment").

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

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OUR BUSINESS

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

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

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

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

BUSINESS HIGHLIGHTS

- Consolidated adjusted EBITDA(1) for the first quarter of fiscal 2025 was $39.6 million, an increase of $8.9 million from the same quarter last year, mainly driven by a strong performance from both of our business segments, as we maintain our focus on delivering consistent, profitable and sustainable growth.
- Consolidated adjusted net earnings(1) for the current quarter were $19.5 million or $0.15 per share, as compared to $12.6 million or $0.12 per share for the same period last year, driven by the strong performance of our Sugar and Maple segments.
- Consolidated revenues for the first quarter of 2025 amounted to $323.2 million, an increase of 12% as compared to last year, due mainly to higher average pricing and increased sales volumes in our Sugar segment and higher sales volume in our Maple segment.
- Sales volumes in the Sugar segment at 196,100 metric tonnes for the current quarter were aligned with our expectation. The increase of 13,700 metric tonnes over the first quarter of last year was mainly related to the unfavourable impact of the labour disruption at our Vancouver facility, which reduced sales volume in the first two quarters of fiscal 2024.
- Sugar segment adjusted EBITDA(1) increased by $7.9 million over last year due to higher adjusted gross margin (1) from increased sales volumes and improved business performance.
- Adjusted EBITDA(1) in the Maple segment was $5.7 million in the first quarter, an increase of $1.0 million from the same quarter last year, largely driven by higher sales volume and improved business performance.
- Free cash flow(1) for the trailing 12 months ended December 28, 2024, was $86.2 million, an increase of $41.9 million from the same period last year, largely driven by higher adjusted EBITDA(1).
- During the first quarter of 2025, $21.8 million was spent on additions to property plant and equipment, of which $19.7 million was in connection with the expansion of our Eastern sugar refining and logistic capacity in Montreal and Toronto (the "LEAP Project").
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- On February 5, 2025, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before April 16, 2025.

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SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) (In thousands of dollars, except volume and per share information)	Q1 2025	Q1 2024
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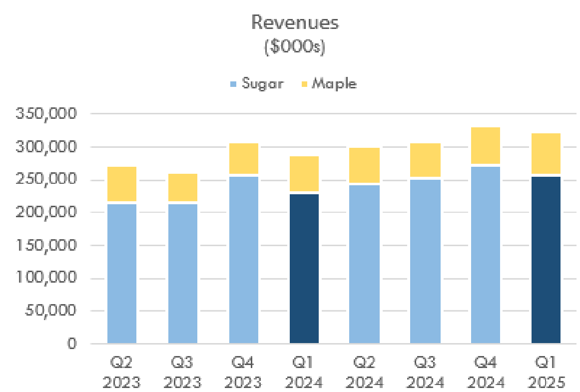
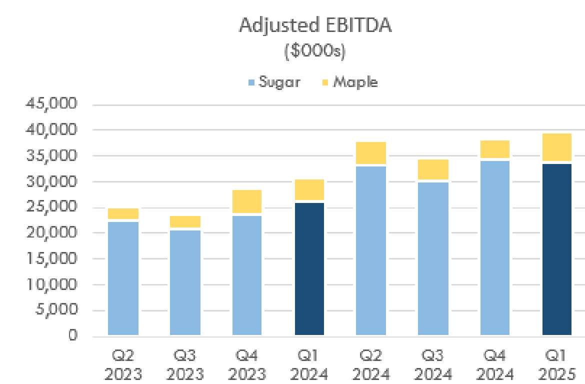
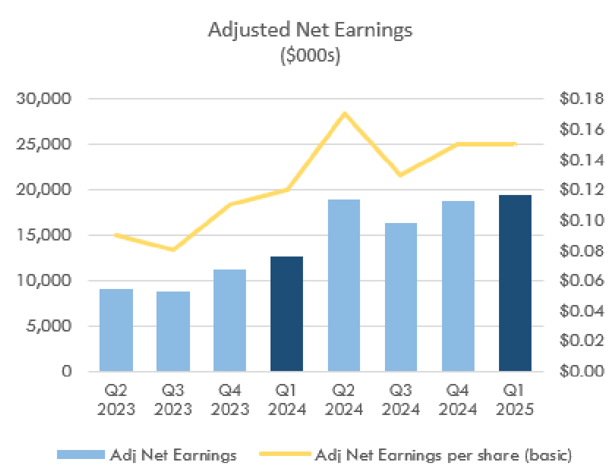
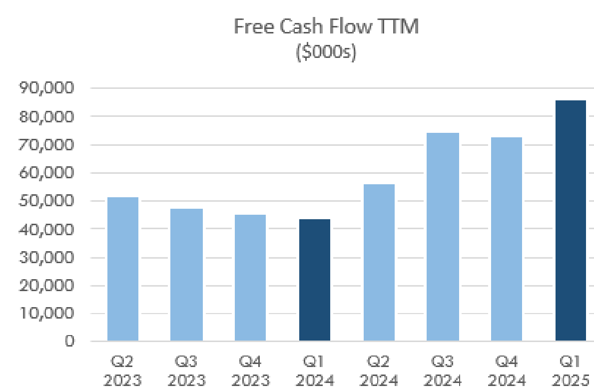
Adjusted net earnings(1)	**19,517**	12,613
Adjusted net earnings per share (basic)(1)	**0.15**	0.12
Trailing twelve months free cash flow(1)	**86,173**	44,261
Dividends per share	**0.09**	0.09

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









Adjusted results

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

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

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

OUR RESULTS ARE ADJUSTED AS FOLLOWS:

Income (loss) (In thousands of dollars)	**Q1 2025**			Q1 2024		
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Mark-to-market on:						
Sugar futures contracts	**(5,198)**	**-**	**(5,198)**	(2,690)	-	(2,690)
Foreign exchange forward contracts	**(5,574)**	**(4,234)**	**(9,808)**	(124)	1,856	1,732
Total mark-to-market adjustment on derivatives	**(10,772)**	**(4,234)**	**(15,006)**	(2,814)	1,856	(958)
Cumulative timing differences	**9,496**	**519**	**10,015**	3,072	211	3,283
Total adjustment to costs of sales	**(1,276)**	**(3,715)**	**(4,991)**	258	2,067	2,325

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

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

The above-described adjustments are added to or deducted from the mark-to-market results to arrive at the total adjustment to cost of sales. For the first quarter of the current year, the total cost of sales adjustment is a loss of $5.0 million to be added to the consolidated results versus a gain of $2.3 million to be deducted from the consolidated results for the comparable quarter last year.

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

SEGMENTED INFORMATION

Segmented Results (In thousands of dollars)		**Q1 2025**			Q1 2024	
	Sugar	**Maple Products**	**Total**	Sugar	Maple Products	Total
Revenues	**256,787**	**66,381**	**323,168**	229,808	58,891	288,699
Gross margin	**42,827**	**3,913**	**46,740**	36,490	8,154	44,644
Administration and selling expenses	**10,202**	**3,320**	**13,522**	9,379	2,761	12,140
Distribution costs	**5,917**	**295**	**6,212**	6,086	308	6,394
Results from operating activities	**26,708**	**298**	**27,006**	21,025	5,085	26,110
Adjustment to cost of sales[2]	**1,276**	**3,715**	**4,991**	(258)	(2,067)	(2,325)
Adjusted gross margin[1]	**44,103**	**7,628**	**51,731**	36,232	6,087	42,319
Adjusted results from operating activities[1]	**27,984**	**4,013**	**31,997**	20,767	3,018	23,785
EBITDA[1]	**32,627**	**1,997**	**34,624**	26,300	6,745	33,045
Adjusted EBITDA[1]	**33,903**	**5,712**	**39,615**	26,042	4,678	30,720
Additional information:						
Additions to property, plant and equipment and intangible assets, net of disposals	**21,609**	**218**	**21,827**	14,948	188	15,136
Additions to right-of-use assets	**88**	**125**	**213**	82	51	133

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

Sugar

LEAP PROJECT

On August 11, 2023, the Board of Directors of Lantic approved the LEAP Project. LEAP is expected to provide approximately 100,000 metric tonnes of incremental refined sugar capacity to the growing Canadian market and includes sugar refining assets, along with logistic assets to increase the delivery capacity to the Ontario market. The total cost for the LEAP Project is expected to range between $280 million and $300 million and we anticipate the LEAP Project to be in service by the end of 2026.

The planning and design phases associated with the LEAP Project are completed and the construction phase has begun. Site preparation and permitting processes are completed for the main construction site in Montréal. Detailed planning for the Toronto portion of the project is now completed. Orders for sugar refining equipment and other large production and logistic-related equipment have been placed with suppliers, with several pieces of equipment already on site.

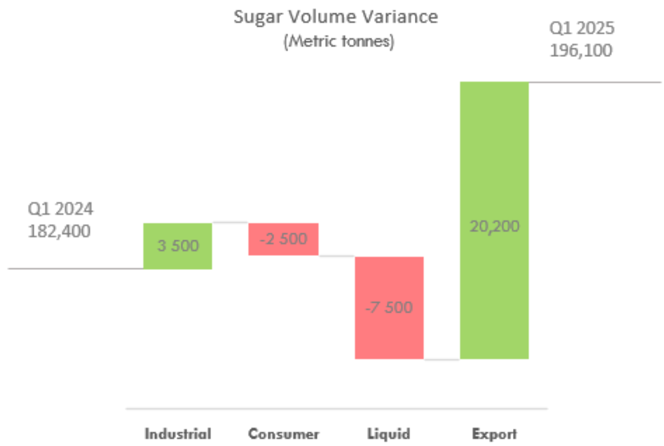
We are funding the execution of the LEAP Project with a combination of debt, equity, existing operating cash flow and our revolving credit facility. In connection with the financing plan of the LEAP Project, we issued 22,769,000 common shares of RSI in fiscal 2024, for net proceeds of $112.5 million and we also increased the amount available under our revolving credit facility by $75 million, to $340 million. In fiscal 2023, also in connection with the financing of the LEAP Project, Lantic entered into two secured loan agreements with Investissement Québec ("IQ loans") for up to $65 million. As at December 28, 2024, $7.4 million has been drawn under the IQ Loans.

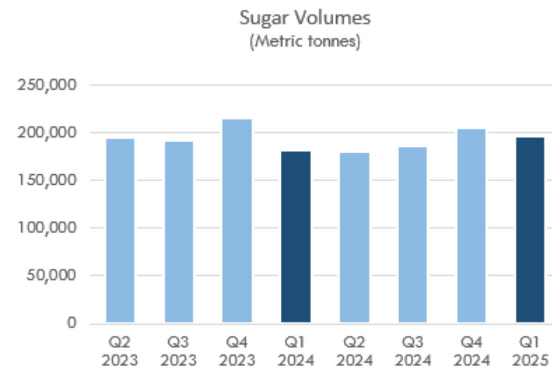
As at December 28, 2024, $73.5 million, including $2.4 million in interest costs, has been capitalized as construction in progress on the balance sheet for the LEAP Project. Thus far, most of the costs incurred are related to the design and planning phases of the project, the site preparation in Montréal and sugar refining, production, and logistic equipment ordered and received from suppliers. For the first quarter of fiscal 2025, $19.7 million has been capitalized in connection with the LEAP Project, while $10.5 million was capitalized in the same period last year.

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

REVENUES

	Q1 2025	Q1 2024	Δ
(In thousands of dollars)	**256,787**	229,808	26,979





In the first quarter of fiscal 2025, revenues increased by $27.0 million compared to the same period last year. The favourable variance was largely driven by higher sales volume compared to the same period last year. The increase of 13,700 metric tonnes over the first quarter of last year was mainly related to the unfavourable impact of the labour disruption at our Vancouver facility, which reduced sales volumes in the first two quarters of fiscal 2024. The favourable variance in revenues was also driven by higher pricing for refining-related activities.

The average price for Raw #11 in the first quarter of 2025 was US 21.6 cents per pound as compared to US 25.6 cents per pound in the first quarter of 2024. The decrease in price had a marginal impact on our revenues for the first quarter of 2025 due to the timing of our related hedging contracts.

The variances in sales volumes by customer categories were as follows:

- Industrial volume increased by 3,500 metric tonnes as compared to the same quarter last year, mainly reflecting the unfavourable impact from the labour disruption at our Vancouver facility in 2024.
- Consumer volume decreased by 2,500 metric tonnes compared to the same period last year, mainly due to timing in demand from customers.
- Liquid volume decreased by 7,500 metric tonnes compared to the same quarter last year, mainly related to the loss of a large customer in Western Canada.
- Export volume increased by 20,200 metric tonnes in the first quarter of 2025, reflecting the unfavourable impact from the labour disruption at our Vancouver facility in 2024, and from higher sales to existing customers.

GROSS MARGIN

	Q1 2025	Q1 2024	Δ
(In thousands of dollars, except per metric tonne information)			
Gross margin	**42,827**	36,490	6,337
Total adjustment to cost of sales(2)	**1,276**	(258)	1,534
Adjusted gross margin(1)	**44,103**	36,232	7,871
Adjusted gross margin per metric tonne(1)	**225**	199	26
Included in gross margin:			
Depreciation of property, plant and equipment and right-of-use assets	**4,753**	4,174	579

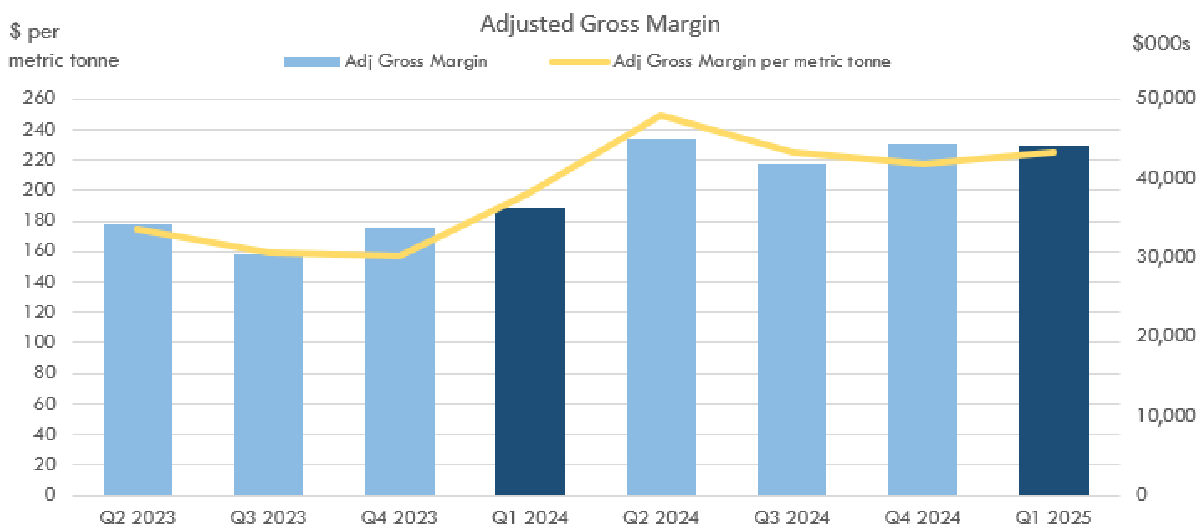
(1) See "Non-IFRS Measures" section for definition and reconciliation to IFRS measures

(2) See "Adjusted results" section

Gross margin was $42.8 million for the current quarter and included a loss of $1.3 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $36.5 million with a mark-to-market gain of $0.3 million.

Adjusted gross margin was $44.1 million for the first quarter of 2025 as compared to $36.2 million for the same period in 2024. Adjusted gross margin increased by $7.9 million for the first three months of 2025, due mainly to higher sales volumes and higher contribution on sugar refining-related activities. The favourable variance includes a $2.7 million gain recognized in the first quarter of 2025, in relation to the settlement of an insurance claim associated with the purchase, in prior periods, of sugar from Central America. In addition, in the first quarter of fiscal 2024, adjusted gross margin was negatively impacted by approximately $3.0 million due to the labour disruption in Vancouver.

On a per-unit basis, adjusted gross margin for the first quarter, at $225 per metric tonne, was $26 per metric tonne higher than the same quarter last year.



OTHER EXPENSES

	Q1 2025	Q1 2024	Δ
(In thousands of dollars, except per metric tonne information)			
Administration and selling expenses	**10,202**	9,379	823
Distribution costs	**5,917**	6,086	(169)
Included in Administration and selling expenses:			
Depreciation of property, plant and equipment and right-of-use assets	**217**	198	19
Included in Distribution costs:			
Depreciation of right-of-use assets	**949**	903	46

For the first quarter of fiscal 2025, administration and selling expenses increased by $0.8 million compared to the same quarter last year. The variance was mainly due to higher cash-settled share-based compensation expense, driven by a higher variation in share price and other non-market metrics used to value the associated liability in the current quarter.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

(In thousands of dollars)	**Q1 2025**	Q1 2024	Δ
Results from operating activities	**26,708**	21,025	5,683
Total adjustment to cost of sales (2)	**1,276**	(258)	1,534
Adjusted results from operating activities(1)	**27,984**	20,767	7,217
Depreciation of property, plant and equipment, right-of-use assets, and amortization of intangible assets	**5,919**	5,275	644
EBITDA(1)	**32,627**	26,300	6,327
Adjusted EBITDA(1)	**33,903**	26,042	7,861

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

Results from operating activities for the first quarter of fiscal 2025 were $26.7 million, an increase of $5.7 million from the same period last year. These results included gains and losses from the mark-to-market of derivative financial instruments.

Adjusted results from operating activities in the first quarter of fiscal 2025 increased by $7.2 million compared to the same period last year, mainly due to higher adjusted gross margin, partially offset by higher administration and selling expenses. These variances include the impact of the labour disruption in Vancouver for the first quarter of last fiscal year, which was estimated at approximately $3.0 million.

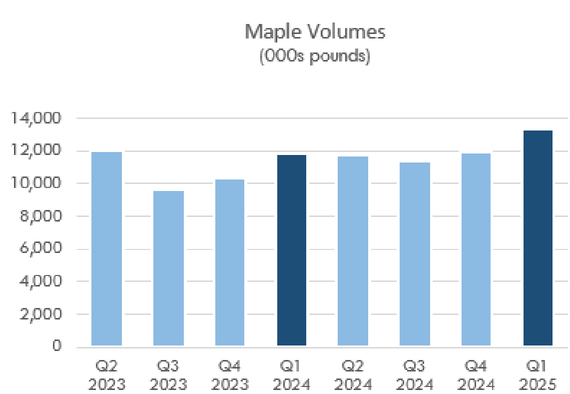
EBITDA for the first quarter of fiscal 2025 was $32.6 million compared to $26.3 million in the same period last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

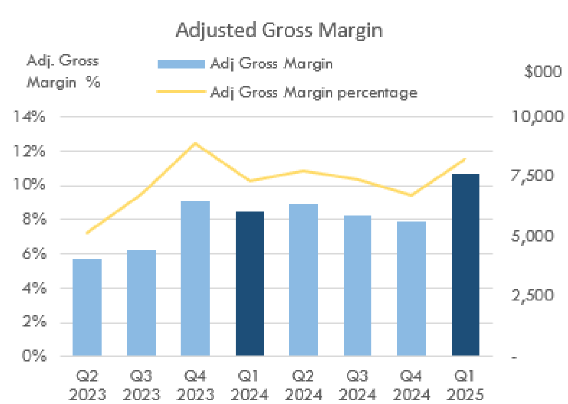
Adjusted EBITDA for the current quarter increased by $7.9 million compared to the same period last year, mainly due to higher adjusted gross margin, partially offset by higher administration and selling expenses. These variances include the impact of the labour disruption in Vancouver for the first quarter of last fiscal year, which is estimated at approximately $3.0 million.

Maple

REVENUES

(In thousands of dollars, except volume)	**Q1 2025**	Q1 2024	Δ
Volume (000 pounds)	**13,400**	11,900	1,500
Revenues	**66,381**	58,891	7,490





Revenues for the first quarter of the current fiscal year were $7.5 million higher than the same period last year, driven mainly by higher sales volume from existing customers.

GROSS MARGIN

	Q1 2025	Q1 2024	Δ
(In thousands of dollars, except adjusted gross margin percentage)			
Gross margin	**3,913**	8,154	(4,241)
Total adjustment to cost of sales[(1) (2)]	**3,715**	(2,067)	5,782
Adjusted gross margin[(1)]	**7,628**	6,087	1,541
Adjusted gross margin percentage[(1)]	**11.5%**	10.3%	1.2%
Included in gross margin:			
Depreciation of property, plant and equipment and right-of-use assets	**813**	778	35

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

Gross margin was $3.9 million for the first three months of the current fiscal year, including a loss of $3.7 million from the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $8.2 million with a mark-to-market gain of $2.1 million.

Adjusted gross margin percentage for the current quarter was 11.5% as compared to 10.3% for the same period last year, representing an increase in adjusted gross margin of $1.5 million. The higher gross margin was mainly related to higher sales volume and lower operating expenses.

OTHER EXPENSES

	Q1 2025	Q1 2024	Δ
(In thousands of dollars)			
Administration and selling expenses	**3,320**	2,761	559
Distribution costs	**295**	308	(13)
Included in Administration and selling expenses:			
Amortization of intangible assets	**886**	882	4

Administration and selling expenses for the first quarter of the current fiscal year increased by $0.6 million compared to the same period last year, largely due to market-based cost increases for compensation-related expenses and administrative business support costs.

RESULTS FROM OPERATING ACTIVITIES AND ADJUSTED EBITDA

	Q1 2025	Q1 2024	Δ
(In thousands of dollars)			
Results from operating activities	**298**	5,085	(4,787)
Total adjustment to cost of sales[(1) (2)]	**3,715**	(2,067)	5,782
Adjusted results from operating activities[(1)]	**4,013**	3,018	995
Depreciation and amortization	**1,699**	1,660	39
EBITDA[(1)]	**1,997**	6,745	(4,748)
Adjusted EBITDA[(1)]	**5,712**	4,678	1,034

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

Results from operating activities for the first quarter of fiscal 2025 were $0.3 million, compared to $5.1 million for the same period last year. These results included gains from the mark-to-market of derivative financial instruments.

Adjusted results from operating activities for the current quarter were $1.0 million higher than the comparable period last year, mainly due to higher volumes sold in the first quarter of fiscal 2025.

EBITDA for the first quarter of fiscal 2025 amounted to $2.0 million compared to $6.7 million for the same period last year. These results include gains from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the first quarter of fiscal 2025 increased by $1.0 million to $5.7 million, due mainly to higher volume sold and lower operating expenses in the first quarter of 2025.

OUTLOOK

We continue to focus on delivering consistent, profitable and sustainable growth. Following a strong performance in both of our business segments in 2024, and in the first quarter of 2025, we expect, subject to the adverse impact of potential US tariffs in the near future, to deliver strong financial results in 2025. The strength in demand and pricing is expected to continue for our Sugar business segment going forward.

For our Maple segment, we expect the recovery of 2024 to set the pace for a strong year in 2025, as the global maple market is showing growth, also subject to the adverse impact of potential US tariffs in the near future.

In both of our segments, we have been reviewing strategies and steps to mitigate the potential adverse impact of such tariffs in the event that they are imposed. See “Forward-Looking Statements” and “Risks and Uncertainties” in our Management’s Discussion and Analysis for the three-month period ended December 28, 2024.

Sugar

We expect the Sugar segment to perform well in fiscal 2025. Underlying North American demand for sugar remains favourable. Gross margin for the sugar segment for 2025 is expected to align with previous year, reflecting market-based price increases for sugar and sugar-containing products, and should continue to have a positive impact on our financial results, allowing us to mitigate the expected increase in costs associated with our operations.

We are maintaining our sales volume outlook for fiscal year 2025 at approximately 800,000 metric tonnes, following a first quarter sales volume that was aligned with our expectation, subject to the adverse impact of the potential imposition of US tariffs. Overall, this would represent an increase of over 5% year-over-year from 2024, if we adjust for the unfavourable impact of the labour disruption in Vancouver, which reduced volume in the first two quarters of last fiscal year. We expect to continue to prioritize domestic sales and to take advantage of export sales opportunities in fiscal 2025, with the objective to consistently meet our commitments to our customers.

The harvest period for our sugar beet facility in Taber was completed in early November. We are currently in the processing stage of the 2024 sugar beet campaign, with expected completion by the end of February. Based on our early assessment, we anticipate the 2024 crop to deliver between 100,000 metric tonnes and 105,000 metric tonnes of beet sugar, which is slightly less than anticipated due to unfavourable weather conditions impacting the quality of the harvested beets, which is negatively impacting the slicing process.

Production costs and maintenance programs for our three production facilities are expected to increase moderately in 2025, as such related expenditures continue to be impacted by market-based increases in costs and annual wage increases for employees. For 2025, we plan to continue to perform the necessary maintenance activities to ensure a smooth production process to meet the needs of our customers. We remain committed to managing our costs responsibly and to properly maintain our production assets and related facilities.

Distribution costs are expected to align with prior year. These expenditures reflect the current market dynamics and include the transfer of sugar produced between our refineries to meet demand from customers, pending the completion of our LEAP Project.

Administration and selling expenses are expected to slightly increase in 2025 compared to 2024, reflecting expected market-based increases for compensation-related expenses and external services.

We anticipate our financing costs to be stable in fiscal 2025, as excess cash related to the timing of the equity financing portion of the LEAP project is providing a temporary increase in our available cash, which is mitigating the impact of a higher net interest rate on our credit facility. We have been able to partially mitigate the impact of recent increases in interest rates and energy costs through our multi-year hedging strategy. We expect our hedging strategy will continue to mitigate such exposure in fiscal 2025.

Spending on regular business capital projects is expected to decrease slightly in fiscal 2025 as compared to 2024. We anticipate spending between $25.0 million to $30.0 million on various initiatives. This capital spending estimate excludes expenditures relating to our LEAP Project, which are currently estimated to be approximately $112 million for fiscal 2025.

Maple

We expect financial results in our Maple segment to be strong in 2025, following the recovery seen over the last year and the strong results of the first quarter. We currently anticipate sales volume to grow by 2.0 million lbs in 2025, representing a growth rate of approximately 5%, subject to the adverse impact of the potential imposition of US tariffs. The sales volume expectation reflects current market conditions, and the anticipated availability of maple syrup from the producers.

The 2024 maple syrup crop was significantly better than anticipated and should support the current market demand, while also allowing for the partial replenishment of the reserve held by the Producteurs et Productrices Acéricoles du Québec (”PPAQ”). The reserve of PPAQ had been depleted in recent years from below average crops.

We expect to spend between $1 million and $1.5 million annually on capital projects for the Maple business segment. The main driver for the selected projects is improvement in productivity and profitability through automation.

See "Forward-Looking Statements" and "Risks and Uncertainties" in our Management's Discussion and Analysis for the three-month period ended December 28, 2024

CONSOLIDATED RESULTS AND SELECTED FINANCIAL INFORMATION

(Unaudited) (In thousands of dollars, except volume and per share information)	**Q1 2025**	Q1 2024
Sugar (metric tonnes)	**196,100**	182,400
Maple syrup (000 pounds)	**13,400**	11,900
Total revenues	**323,168**	288,699
Gross margin	**46,740**	44,644
Adjusted gross margin(1)	**51,731**	42,319
Results from operating activities	**27,006**	26,110
Adjusted results from operating activities(1)	**31,997**	23,785
EBITDA(1)	**34,624**	33,045
Adjusted EBITDA(1)	**39,615**	30,720
Net finance costs	**5,404**	6,906
Income tax expense	**5,794**	5,352
Net earnings	**15,808**	13,852
per share (basic)	**0.12**	0.13
per share (diluted)	**0.11**	0.11
Adjusted net earnings(1)	**19,517**	12,613
per share (basic)(1)	**0.15**	0.12
Dividends per share	**0.09**	0.09

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

Total revenues

Revenues increased by $34.5 million for the first quarter of fiscal 2025 compared to the same quarter last year. The increase in revenue was mainly attributable to higher sales volume in both the Sugar and the Maple segments as well as higher average pricing in the Sugar business segment.

Gross margin

Gross margin increased by $2.1 million for the current quarter compared to the same period last year. Excluding the mark-to-market of derivative financial instruments, adjusted gross margin for the first quarter of the current year increased by $9.4 million, mainly as a result of higher adjusted gross margin in both the Sugar and Maple segments.

Results from operating activities

Results from operating activities for the current quarter were $27.0 million compared to $26.1 million for the same quarter last year. Excluding the mark-to-market of derivative financial instruments, adjusted results from operating activities for the current quarter amounted to $32.0 million compared to $23.8 million for the same quarter last year, an increase of $8.2 million. The increase in the current quarter was mainly due to higher contribution from both the Sugar and Maple segments.

Net finance costs

	Q1 2025	Q1 2024	Δ
(In thousands of dollars)			
Interest expense on convertible unsecured subordinated debentures, including accretion expense (1)	**2,203**	2,140	63
Interest on revolving credit facility	**661**	1,760	(1,099)
Interest on senior guaranteed notes, including accretion of $54 (December 30, 2023 - $51)	**924**	921	3
Amortization of deferred financing fees	**335**	326	9
Interest on *Producteurs et Productrices Acéricoles du Québec* supplier balance	**852**	694	158
Other interest expense	**47**	1	46
Interest accretion on discounted lease obligations	**382**	406	(24)
Net change in fair value of interest rate swap	**-**	658	(658)
Net finance costs	**5,404**	6,906	(1,502)

(1) Includes accretion expense of $326 for the three months ended December 28, 2024 (December 30, 2023 - $263)

For the first quarter of 2025, net finance costs were lower by $1.5 million compared to the same period last year, largely driven by lower interest expense on our revolving credit facility from lower average borrowing due mainly to the net cash proceeds received in connection with the issuance of common shares in March 2024. The decrease was also associated with the impact of market-based changes in fair value related to interest rate swaps contracts that did not qualify under hedged accounting during the first quarter of last year. During the first quarter of fiscal 2025, interest rate swap agreements all qualified under hedged accounting and accordingly, the net change in fair value was recorded in Other Comprehensive Income.

Taxation

	Q1 2025	Q1 2024	Δ
(In thousands of dollars)			
Current	**10,160**	3,870	6,290
Deferred	**(4,366)**	1,482	(5,848)
Income tax expense	**5,794**	5,352	442

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

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

Net earnings

Net earnings in the first quarter of fiscal 2025 were $2.0 million higher than the same period last year. This increase was mainly attributable to higher results from operating activities and lower net finance costs, partially offset by higher income tax expense.

Adjusted net earnings in the first quarter of fiscal 2025 were $6.9 million higher than in the comparable period last year. This increase was mainly attributable to higher adjusted results from operating activities and lower net finance costs, partially offset by higher income tax expense.

Summary of quarterly results

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

(In thousands of dollars, except for volumes and per share information)	QUARTERS(2)							
	2025	2024				2023		
	First	Fourth	Third	Second	First	Fourth	Third	Second
Sugar volumes (MT)	**196,100**	204,500	185,800	180,600	182,400	215,500	191,400	195,500
Maple products volumes ('000 pounds)	**13,400**	11,900	11,400	11,800	11,900	10,400	9,600	12,100
Total revenues	**323,168**	333,029	309,091	300,944	288,699	308,036	262,285	272,949
Gross margin	**46,740**	49,732	36,635	44,861	44,644	41,192	41,685	41,659
Adjusted gross margin(1)	**51,731**	50,070	47,742	51,292	42,319	40,193	34,912	38,233
Results from operations	**27,006**	30,080	16,315	24,704	26,110	22,815	24,008	21,856
Adjusted results from operations(1)	**31,997**	30,418	27,422	31,135	23,785	21,816	17,235	18,431
EBITDA(1)	**34,624**	37,971	23,372	31,664	33,045	29,568	30,523	28,445
Adjusted EBITDA(1)	**39,615**	38,309	34,479	38,095	30,720	28,569	23,750	25,020
Net (loss) earnings	**15,808**	18,562	7,379	13,936	13,852	11,876	14,177	11,062
Per share - basic	**0.12**	0.13	0.06	0.13	0.13	0.12	0.13	0.11
Per share - diluted	**0.11**	0.13	0.06	0.11	0.11	0.09	0.12	0.10
Adjusted net earnings(1)	**19,517**	18,819	16,337	18,891	12,613	11,283	8,749	9,115
Per share - basic	**0.15**	0.14	0.13	0.17	0.12	0.11	0.08	0.09
Per share - diluted	**0.14**	0.13	0.11	0.15	0.10	0.10	0.08	0.09
Sugar - Adjusted gross margin rate per MT(1)	**225**	217	225	249	199	156	159	175
Maple - Adjusted gross margin percentage(1)	**11.5%**	9.4%	10.4%	10.9%	10.3%	12.5%	9.5%	7.2%

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

(2) All quarters are 13 weeks

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

Usually, there is minimal seasonality in the Maple products segment. However, in fiscal 2023, we experienced volatility in sales volumes partially attributable to the highly competitive market and the global volatility in economic conditions.

Financial condition

(In thousands of dollars)	**December 28, 2024**	December 30, 2023	September 28, 2024
Total assets	**$ 1,141,228**	$ 934,726	$ 1,078,744
Total liabilities	**711,138**	628,606	656,331

The increase in total assets of $206.5 million in the current fiscal quarter compared to the same quarter last year was mainly due to higher inventory of $99.7 million from higher volume of raw sugar associated with timing of arrival of vessels and lower inventory in the first quarter of fiscal 2024 arising from the labour disruption at our Vancouver facility. The variance was also driven by an increase in property plant, and equipment of $72.0 million mainly associated with the LEAP Project. The positive variance was also attributable to an increase in trade and other receivables of $34.8 million mainly due to incremental revenue compared to the same period last year and timing of collection.

Total liabilities for the current fiscal quarter increased by $82.5 million compared to the same quarter last year due mainly to an increase in trade and other payables of $38.3 million largely associated with timing of payments to the PPAQ for maple syrup purchases and accrual liabilities in connection with the LEAP Project. The variance was also driven by an increase in employee benefits liabilities of $16.7 million. The increase in total liabilities was also explained by market-based increase in derivative financial instruments liabilities of $12.6 million, the increase in term loan of $5.6 million in connection with the draw under the IQ loan during the first quarter of fiscal 2025 and higher income tax payable of $8.3 million due to timing of tax instalments.

Liquidity

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

	Q1 2025	Q1 2024
(In thousands of dollars)		
Net cash flow from (used in) operating activities	**(40,500)**	23,267
Cash flow (used in) from financing activities	**57,843**	(4,687)
Cash flow used in investing activities	**(19,272)**	(12,783)
Effect of changes in exchange rate on cash	**260**	(9)
Net (decrease) increase in cash	**(1,669)**	5,788

Cash flow from operating activities for the current quarter decreased by $63.8 million compared to the same period last year, due mainly to a negative working capital variance of $83.6 million largely associated to timing of arrival of raw sugar vessels. The negative variance was partially offset by higher net earnings adjusted for non-cash items of $17.2 million and lower interest and income taxes paid of $2.6 million.

Cash flow from financing activities was higher by $62.5 million for the current quarter compared to the same quarter last year due mainly to higher increase in borrowing from the revolving credit facility of $56.0 million mainly to support working capital variance and capital expenditures related to the LEAP Project. The increase in financing activities was also due to proceeds from IQ loan of $7.4 million in the current quarter compared to the same quarter last year. The variance was partially offset by higher dividend paid of $2.0 million in relation with the shares issued during the second quarter of fiscal 2024.

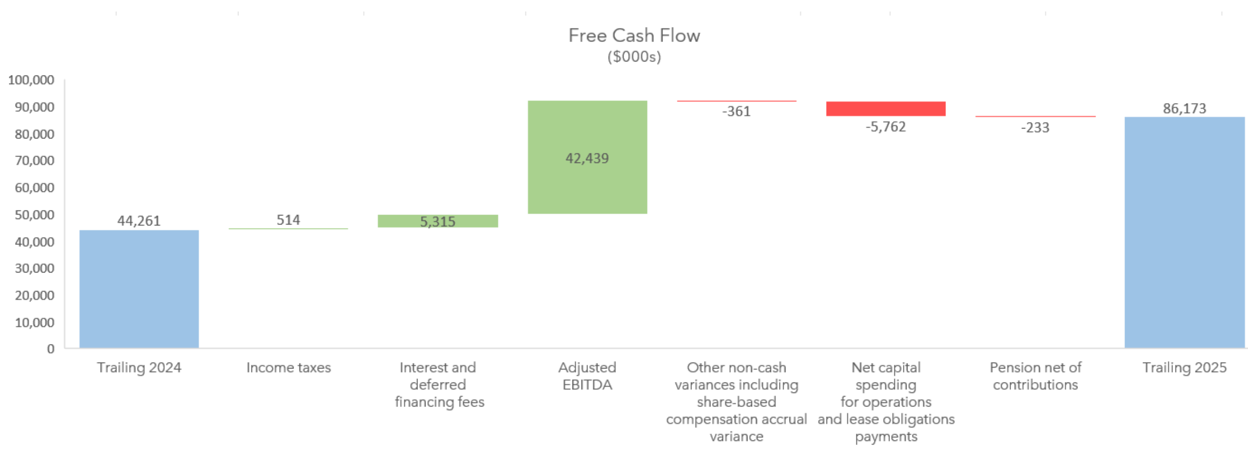
The cash flow used in investing activities increased by $6.5 million in the current quarter compared to the same period last year. The variance was mainly related to higher payments related to the LEAP Project of $7.3 million in the first quarter of 2025. The variance was partially offset by a decrease of $0.8 million in capital expenditures for regular operations in the current quarter as compared to the same period last year.

Free cash flow

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

	Trailing twelve months	
(In thousands of dollars)	**2025**	2024
Cash flow from operations	**16,023**	76,479
Adjustments:		
Changes in non-cash working capital	**94,158**	7,494
Mark-to-market and derivative timing adjustments	**24,055**	(12,386)
Payment of deferred financing fees	**(78)**	(1,810)
Financial instruments non-cash amount	**(12,732)**	3,974
Payment of lease obligations	**(6,759)**	(5,839)
Capital expenditures and intangible assets, excluding LEAP Project related capital expenditures	**(31,659)**	(26,633)
Value-added capital expenditures	**3,165**	2,982
Net capital expenditures and intangible assets for operations	**(28,494)**	(23,651)
Free cash flow[(1)]	**86,173**	44,261
Declared dividends	**46,063**	37,812

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



Free cash flow for the trailing twelve months ended December 28, 2024, amounted to $86.2 million, representing an increase of $41.9 million compared to the same period last year. This increase in free cash flow was mainly due to higher adjusted EBITDA of $42.4 million and a decrease in interest payments and deferred financing fees of $5.3 million. The favourable variance was partially offset by higher capital expenditures and growth in intangible assets related to normal operations of $4.8 million and higher payment of lease obligations of $0.9 million.

Capital and intangible asset expenditures related to ongoing operations increased by $4.8 million compared to last year's rolling twelve months due mainly to higher investment in production assets in the Sugar segment. Free cash flow is not reduced by value-added capital expenditures and LEAP Project related expenditures, as such projects are not necessary for the regular operations of the plants.

Payment of lease obligations increased by $0.9 million compared to last year's rolling twelve months due mainly to incremental leases for storage facilities and logistic related equipment.

Interest paid for the trailing twelve months ended December 28, 2024, decreased by $3.6 million compared to last year due mainly to lower interest paid on our revolving credit facility from lower average balance under the revolving credit facility.

Deferred financing fees for the trailing twelve months ended December 28, 2024, decreased by $1.7 million compared to last year, largely due to costs incurred in the prior year in connection with amendments to our credit facility and private placement agreements, associated with the financing of our LEAP Project.

The Board of Directors declared a quarterly dividend of 9.0 cents per common share in each of the last four quarters, totalling 36.0 cents for both trailing twelve-month periods.

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

The combined impact of the mark-to-market and derivative timing adjustments and financial instruments non-cash amount of $11.3 million for the current rolling twelve months does not represent cash items as these contracts will be settled when the physical transactions occur, which is the reason for the adjustment to free cash flow.

Contractual obligations

There are no material changes in the contractual obligations table disclosed in the Management's Discussion and Analysis of the September 28, 2024, Annual Report, except for the maturity of the Sixth series debentures on December 31, 2024, which were repaid at maturity.

As at December 28, 2024, Lantic had commitments to purchase a total of 1,265,000 metric tonnes of raw sugar, of which 311,964 metric tonnes had been priced for a total dollar commitment of $218.8 million.

As at December 28, 2024, Lantic had $146.5 million of capital commitments related to the LEAP project.

Capital resources

As at December 28, 2024, Lantic had a total of $340.0 million available working capital under the revolving credit facility, which matures on October 31, 2027, from which it can borrow at prime rate, SOFR rate or under Adjusted Daily compounded or Term CORRA loan (which is Daily compounded or Term CORRA plus an adjustment varying between 30 to 32 basis points), plus 20 to 250 basis points, based on achieving certain financial ratios. As at December 28, 2024, a total of $790.1 million of assets have been pledged as security for the revolving credit facility, compared to $589.6 million as at December 30, 2023; including trade receivables, inventories and property, plant and equipment.

As at December 28, 2024, $163.0 million had been drawn from the revolving credit facility and $21.5 million in cash was also available.

As at December 28, 2024, the Company had $155.0 million total face value outstanding convertible unsecured subordinated debentures from which the Sixth series debentures, amounting to $57.4 million are maturing on December 31, 2024 and the Seventh series convertible unsecured subordinated debentures ("Seventh series debentures"), amounting to $97.6 million are maturing on June 30, 2025.

On December 31, 2024, the principal amount of the convertible debentures of $57.4 million was repaid to the holders.

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

As at December 28, 2024, $7.4 million was drawn under the IQ Loans, $5.0 million of which was borrowed under the ESSOR program, a Québec government program designed to provide financing to Québec businesses and $2.4 million was borrowed under the Investissement Québec business loan program.

Cash requirements for working capital and other capital expenditures are expected to be paid from available cash resources and funds generated from operations.

LEAP Project is financed using a combination of various financial instruments, including the revolving credit facility, approved loans from Investissement Québec for up to $65 million, and other debt and/or equity instruments.

As at December 28, 2024, Lantic was in compliance with all the covenants under its revolving credit facility, the IQ Loans and the senior guaranteed notes.

Management believes that the unused available credit under the revolving facility, its options regarding the upcoming maturity of the Seventh series debentures, the available IQ Loans, the existing operating cash flow and the net proceeds received from the recent equity issue are adequate to meet the revised expected cash requirements to fund the LEAP Project.

OUTSTANDING SECURITIES

A total of 128,067,186 shares were outstanding as at December 28, 2024 and 128,067,186 as at February 5, 2025, compared with 105,096,120 as at December 30, 2023.

During the quarter ended December 28, 2024, 150,352 stock options were exercised for proceeds of $675,500.

RISK AND UNCERTAINTIES

Our business and operations are exposed to various risks and uncertainties and are substantially affected by many factors including, but not limited to, prevailing margins on refined sugar and maple products, our ability to market refined sugar and maple products competitively, sourcing of raw material supplies, weather conditions, operating costs and government programs and regulations.

We are committed to proactive risk governance and oversight practices. The Board of Directors is responsible for reviewing and assessing material risks associated with the business. The governance process ensures that we implement systems that effectively identify, manage, and monitor the principal risks associated with both of our business segments, to mitigate or reduce potential negative impacts. Management provides periodic updates to the Board of Directors on the risks and the related mitigation strategies and activities. Responsibility for risk management is shared across the organization and is an integral part of our management reporting system.

We maintain policies and a Code of Business Conduct (the "Code"), applicable to all directors, officers, and employees, as well as consultants and contractors. Such documents are reviewed at least annually by the Board of Directors. These policies and the Code aim to promote sound risk management throughout the organization, delegate appropriate authority among officers and set limits for authorizations required to approve and execute certain business transactions. The Code addresses specifically the measures put forward to prevent corruption, anti-competitive practices, and unethical behavior. It also includes clear directions to govern relationships with customers, suppliers, and other stakeholders. The Code is available on our website at www.lanticrogers.com or under Rogers' profile on SEDAR+ at www.sedarplus.ca.

Risk factors in our business and operations are discussed in the Management's Discussion and Analysis of our Annual Report for the year ended September 28, 2024. This document is available on SEDAR+ at www.sedarplus.ca. or on our website at www.LanticRogers.com.

The risk factors titled *Government Regulations and Foreign Trade Policies with regard to the Sugar Segment* and *Maple Segment Relying Substantially on Exports,* included in the Management's Discussion and Analysis section of our Annual Report for the year ended September 28, 2024, should be updated to consider the following as of the date of this MD&A.

Government Regulations and Foreign Trade Policies with regard to the Sugar Segment

In 1995, Revenue Canada made a determination that there was dumping of refined sugar from the US, Denmark, Germany, the United Kingdom ("UK"), the Netherlands and the Republic of Korea into Canada, and that subsidized refined sugar was being imported into Canada from the European Union ("EU"). The Canadian International Trade Tribunal ("CITT") conducted an inquiry and ruled that the dumping of refined sugar from the US, Denmark, Germany, the UK, and the Netherlands, as well as the subsidizing of refined sugar from the EU, was threatening material injury to the Canadian sugar industry. The ruling resulted in the imposition of protective duties on these unfairly traded imports.

Under Canadian laws, these duties must be reviewed every five years. In August 2021, the CITT concluded its fifth review of the 1995 findings and issued its decision to continue the duties for another five-year period against (i) dumped sugar from the US, Denmark, Germany, the Netherlands, and the UK, and (ii) subsidized sugar from the EU. The Canadian Sugar Institute ("CSI") and its members, including Lantic, participated fully in the review and submitted detailed evidence and witness testimony to the CITT. The CITT agreed that imports of dumped and subsidized sugar would likely cause material injury to the Canadian industry if the duty protection was removed.

Following the CITT's review, the Canadian Border Services Agency ("CBSA") concluded a re-investigation in March 2022 to update the levels of duty protection applicable to dumped sugar from the US, Denmark, Germany, the Netherlands, and the UK and subsidized sugar from the EU. The CBSA determined that anti-dumping duties will continue to apply to imports of dumped sugar from the US, Denmark, Germany, the Netherlands and the UK and ruled that a countervailing duty will continue to apply to imports of subsidized EU sugar.

The duties on imports of US, EU, and UK refined sugar are important to Lantic and to the Canadian refined sugar industry in general because they protect the market from the adverse effects of unfairly traded imports from these sources. The government support and trade distorting attributes of the US and EU sugar regimes continue to generate surplus refined sugar production and exports that threaten the Canadian sugar market.

Although the recent ruling is for a period of five years, it could be challenged by market participants for review if there is a material change in market conditions. If the duties were to be eliminated or significantly reduced in the future, there could be a significant adverse financial impact to Lantic and other members of the Canadian refined sugar industry.

Our Sugar segment exports approximately 5% to 10% of its production directly to the US. Our industrial customers sell sugar-containing products to the US. Each year, between 40% and 50% of all the sugar refined in Canada is exported to the US in the form of sugar containing products by industrial food transformation companies located in Canada. Conversely, each year, sugar-containing products are imported to Canada by US companies.

All these sales are subject to inherent risks, including change in the free flow of food products between Canada and the US, discriminatory fiscal policies, unexpected changes in local regulations and laws and the uncertainty of enforcement of remedies.

On February 1, 2025, the US President announced a 25% tariff on imports from Canada, to become effective on February 4, 2025. However, on February 3, 2025, the tariff was paused for at least 30 days. The duration of this pause and the final decision on the tariff remain uncertain. If implemented, the 25% tariff and any retaliatory tariffs and countermeasures could have a significant adverse financial impact on Lantic, its Sugar segment and its customers.

All of these risks could result in increased costs or decreased revenues, either of which could significantly and adversely affect the performance and financial results of Lantic and its Sugar segment.

Maple Segment Relying Substantially on Exports

The size of the global market for maple syrup is currently estimated at US $1.5 billion, the US being by far the world's largest importer, followed by Japan and Germany. Despite the increase in sales of maple products that the Canadian market has experienced in recent years, the industry largely relies on the international market. Over the last few years, New York, Vermont and Maine have increased their production of maple syrup and have now become competitors of Québec, which remains the largest producer and exporter of maple syrup in the world.

While we continue to develop our selling efforts outside of Canada, including increasing our sales efforts in countries where the maple syrup market is developing, we are facing high competition from other bottlers and distributors, including from other Canadian and US companies, for our share of the international market.

Our Maple segment international operations are also subject to inherent risks, including change in the free flow of food products between countries, fluctuations in currency values, discriminatory fiscal policies, unexpected changes in local regulations and laws and the uncertainty of enforcement of remedies in foreign jurisdictions. Such jurisdictions could impose tariffs, quotas, trade barriers and other similar restrictions on our international sales and subsidize competing agricultural products.

Canada produces 80% of the world's maple syrup. We currently estimate the proportion of all Canadian maple syrup sold in the US to be approximately 50% per year on average.

On February 1, 2025, the US President announced a 25% tariff on imports from Canada, to become effective on February 4, 2025. However, on February 3, 2025, the tariff was paused for at least 30 days. The duration of this pause and the final decision on the tariff remain uncertain. If implemented, the 25% tariff and any retaliatory tariffs and countermeasures could have a significant adverse financial impact on Lantic, its Maple segment and its customers.

All of these risks could result in increased costs or decreased revenues, either of which could significantly and adversely affect the performance and financial results of Lantic and its Maple segment.

NON-IFRS MEASURES

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

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

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

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

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

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

	Q1 2025			Q1 2024		
Consolidated results (In thousands of dollars)	**Sugar**	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**42,827**	**3,913**	**46,740**	36,490	8,154	44,644
Total adjustment to the cost of sales(1)	**1,276**	**3,715**	**4,991**	(258)	(2,067)	(2,325)
Adjusted gross margin	**44,103**	**7,628**	**51,731**	36,232	6,087	42,319
Results from operating activities	**26,708**	**298**	**27,006**	21,025	5,085	26,110
Total adjustment to the cost of sales(1)	**1,276**	**3,715**	**4,991**	(258)	(2,067)	(2,325)
Adjusted results from operating activities	**27,984**	**4,013**	**31,997**	20,767	3,018	23,785
Results from operating activities	**26,708**	**298**	**27,006**	21,025	5,085	26,110
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**5,919**	**1,699**	**7,618**	5,275	1,660	6,935
EBITDA(1)	**32,627**	**1,997**	**34,624**	26,300	6,745	33,045
EBITDA(1	**32,627**	**1,997**	**34,624**	26,300	6,745	33,045
Total adjustment to the cost of sales(1)	**1,276**	**3,715**	**4,991**	(258)	(2,067)	(2,325)
Adjusted EBITDA	**33,903**	**5,712**	**39,615**	26,042	4,678	30,719
Net earnings			**15,808**			13,852
Total adjustment to the cost of sales(1)			**4,991**			(2,325)
Net change in fair value in interest rate swaps(1)			**-**			658
Income taxes on above adjustments			**(1,282)**			428
Adjusted net earnings			**19,517**			12,613
Net earnings per share (basic)			**0.12**			0.13
Adjustment for the above			**0.03**			(0.01)
Adjusted net earnings per share (basic)			**0.15**			0.12

(1) See "Adjusted results" section

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

(In thousands of dollars, except for volumes and per share information)	QUARTERS[1][2]							
	2025	2024				2023		
	First	Fourth	Third	Second	First	Fourth	Third	Second
Gross margin	**46,740**	49,732	36,635	44,861	44,644	41,192	41,685	41,658
Total adjustment to the cost of sales[2]	**4,991**	338	11,107	6,431	(2,325)	(999)	(6,773)	(3,425)
Adjusted gross margin	**51,731**	50,070	47,742	51,292	42,319	40,193	34,912	38,233
Results from operating activities	**27,006**	30,080	16,315	24,704	26,110	22,815	24,008	21,856
Total adjustment to the cost of sales[2]	**4,991**	338	11,107	6,431	(2,325)	(999)	(6,773)	(3,425)
Adjusted results from operating activities	**31,997**	30,418	27,422	31,135	23,785	21,816	17,235	18,431
Results from operating activities	**27,006**	30,080	16,315	24,704	26,110	22,815	24,008	21,856
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**7,618**	7,891	7,057	6,960	6,935	6,753	6,515	6,589
EBITDA	**34,624**	37,971	23,372	31,664	33,045	29,568	30,523	28,445
EBITDA	**34,624**	37,971	23,372	31,664	33,045	29,568	30,523	28,445
Total adjustment to the cost of sales[2]	**4,991**	338	11,107	6,431	(2,325)	(999)	(6,773)	(3,425)
Adjusted EBITDA	**39,615**	38,309	34,479	38,095	30,720	28,569	23,750	25,020
Net (loss) earnings	**15,808**	18,562	7,379	13,936	13,852	11,876	14,177	11,062
Total adjustment to the cost of sales[2]	**4,991**	338	11,107	6,431	(2,325)	(999)	(6,773)	(3,425)
Net change in fair value in interest rate swaps[2]	**-**	8	943	236	658	201	(203)	479
Income taxes on above adjustments	**(1,282)**	(89)	(3,092)	(1,712)	428	205	1,548	999
Adjusted net earnings	**19,517**	18,819	16,337	18,891	12,613	11,283	8,749	9,115

(1) All quarters are 13 weeks
(2) See "Adjusted results" section

CRITICAL ACCOUNTING ESTIMATES

For the first quarter of fiscal 2025, there were no significant changes in the critical accounting estimates as disclosed in our Management's Discussion and Analysis of the September 28, 2024 Annual Report.

CHANGES IN ACCOUNTING PRINCIPLES AND PRACTICES NOT YET ADOPTED

A number of new standards, and amendments to standards and interpretations, are not yet effective and have not been applied in preparing the unaudited condensed interim financial statements for the first quarter of fiscal 2025. Management has reviewed such new standards and proposed amendments and does not anticipate that they will have a material impact on Rogers' financial statements. Refer to note 3 of the unaudited condensed consolidated interim financial statements and to note 3 (r) of the 2024 audited consolidated financial statements for details.

CONTROLS AND PROCEDURES

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

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

The Chief Executive Officer and Chief Financial Officer have evaluated whether or not there were any changes to Rogers' ICFR during the period beginning on September 29, 2024 and ended on December 28, 2024 that have materially affected, or are reasonably likely to materially affect, Rogers' ICFR. No such changes were identified through their evaluation.

FORWARD-LOOKING STATEMENTS

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

- The potential impact of US tariffs on export sales of refined sugar, sugar containing products and maple products;
- Future demand and related sales volume for refined sugar and maple syrup;
- our LEAP Project;
- future prices of Raw #11;
- natural gas costs;
- beet sugar production forecast for our Taber facility;
- the level of future dividends;
- the status of government regulations and investigations; and
- projections regarding future financial performance.

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

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