Annual Management's Discussion & Analysis

Year ended December 31, 2024

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1 Basis of Presentation

The following Management's Discussion and Analysis ("MD&A") presents the factors that had a significant impact on the results, financial position, and cash flows of Lassonde Industries Inc. ("Lassonde" or the "Corporation"). This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements ("consolidated financial statements") and accompanying notes. In addition to containing an analysis of the fourth quarter and year ended December 31, 2024, this MD&A reports on items deemed significant that have taken place from December 31, 2024 up to and including March 27, 2025, which is the date on which this MD&A was approved by the Corporation's Board of Directors (the "Board"). The financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise indicated, the reporting currency is the Canadian dollar and all dollar amounts are expressed in millions, which may cause some calculation discrepancies due to rounding.

The MD&A is available on the Lassonde Industries Inc. website at www.lassonde.com. Readers will also find this MD&A, the Annual Information Form for the fiscal year ended December 31, 2024, additional documents, press releases, certifications of filings, and more information about the Corporation on the SEDAR+ website at www.sedarplus.ca. Printed copies of such documents may be obtained by contacting Lassonde's Corporate Secretary's Office. The Class A subordinate voting shares of Lassonde Industries Inc. are listed for trading on the Toronto Stock Exchange under the ticker symbol LAS.A.

This document contains financial measures not in accordance with IFRS. Lassonde reports its financial results in accordance with IFRS and generally assesses its financial performance using financial measures or ratios that are prepared using IFRS. However, this MD&A also refers to certain measures or ratios that are not in accordance with IFRS, including the following: Adjusted operating profit; Earnings before interest, taxes, depreciation, and amortization ("EBITDA"); Adjusted EBITDA; Adjusted profit attributable to the Corporation's shareholders; Adjusted basic and diluted earnings per share; Operating working capital; Days operating working capital; Capital employed and sources of capital; Return on capital employed; and Net debt to adjusted EBITDA. These measures may not be comparable to similar measures presented by other issuers. Please refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable. The Corporation uses measures and ratios that are not in accordance with IFRS to provide investors with supplemental metrics to assess and measure its operating performance and financial position from one period to the next. These metrics are presented as a complement to enhance the understanding of Lassonde's financial performance but not in substitution of IFRS measures. In addition, measures that are not in accordance with IFRS should not be viewed as a substitute to the related financial information prepared in accordance with IFRS.

2 Forward-Looking Statements

This report contains "forward-looking information", and the Corporation's oral and written public communications that do not constitute historical fact may be deemed to be "forward-looking information" within the meaning of applicable Canadian securities law. These forward-looking statements include, but are not limited to, statements on the Corporation's objectives and goals and are based on current expectations, projections, beliefs, judgments, and assumptions based on information available at the time the applicable forward-looking statement was made and considering the Corporation's experience combined with its perception of historical trends.

Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "could", "would", "believe", "plan", "intend", "design", "target", "objective", "strategy", "likely", "potential", "outlook", "aim", "goal", and similar expressions suggesting future events or future performance in addition to the negative forms of these terms or any variations thereof. All statements other than statements of historical fact included in this report may constitute a forward-looking statement.

In this report, forward-looking statements include, but are not limited to, those set forth in *Section 9 – "Outlook"* hereafter, which also presents some (but not all) of the key assumptions used in determining the forward-looking statements. Some of the forward-looking statements in this report, such as statements concerning sales volume and sales growth rate, key commodity and input costs, expenses, including items impacting the comparability between the periods, effective tax rate, working capital, and capital expenditures may be considered financial outlooks for the purposes of applicable Canadian securities regulations. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes.

Various factors or assumptions are applied by the Corporation in elaborating the forward-looking statements. These factors and assumptions are based on information currently available to the Corporation, including information obtained by the Corporation from third parties. **Readers are cautioned that the assumptions considered by the Corporation to support these forward-looking statements may prove to be incorrect in whole or in part.**

The significant factors that could cause actual results to differ materially from the conclusions, forecasts or projections reflected in the forward-looking statements contained herein include, among other things, risks associated with the following: deterioration of general macroeconomic conditions, including international conflicts, such as trade conflicts (including tariffs, duties and other trade restrictions), which can lead to negative impacts on the Corporation's suppliers, customers and operating costs; the availability of raw materials and packaging and related price variations (including the prices of orange juice and orange concentrates, key commodities for the Corporation, which have continued to trade above historical highs for the past several months); disruptions in or failures of the Corporation's information technology systems, as well as the development and performance of technology; cyber threats and other information-technology-related risks leading to business disruptions, confidentiality, data integrity, and business email compromise-related fraud; the successful deployment of the Corporation's multi-year strategy (the "Strategy", defined in *Section 4 – "Multi-Year Strategy"* of this MD&A), including the successful execution of its key capital projects along with the materialization of the underlying expected benefits, and the Corporation's ability to effectively integrate any acquisitions; climate change and disasters causing higher operating costs and capital expenditures and reduced production output, or impacting the availability, quality or price volatility of key commodities sourced by the Corporation; loss of key suppliers or supplier concentration; changes made to laws and rules that affect the Corporation's activities, particularly in matters of tax, as well as the interpretation thereof, and new positions adopted by relevant authorities; the Corporation's ability to maintain strong sourcing and manufacturing platforms and efficient distribution channels; fluctuations in the prices of inbound and outbound freight, the impact of oil prices (and derivatives thereof) on the Corporation's direct and indirect costs along with the Corporation's ability to transfer those increases through higher prices or other means, if any, to its customers in competitive market conditions and considering demand elasticity; the scarcity of labour and the related impact on the hiring, training, developing, retaining and reliance of personnel together with their productivity, employment matters, compliance with employment laws across multiple jurisdictions, and the potential for work stoppages due to the non-renewal of collective bargaining agreements or other reasons; the successful deployment of the Corporation's health and safety programs in compliance with applicable laws and regulations; serious injuries or fatalities, which could have a material impact on the Corporation's business continuity and reputation and lead to compliance-related costs; disputes with significant suppliers; the increasing concentration of customers in the food industry, providing them with significant bargaining power, particularly on the Corporation's selling prices; the implementation, cost, and impact of environmental sustainability initiatives, as well as the cost of remediating environmental liabilities; the ability to adapt to changes and developments affecting the Corporation's industry, including customer preferences, tastes, and buying patterns, market conditions and the activities of competitors and customers; failure to maintain the quality and safety of the Corporation's products, which could result in product recalls and product liability claims for misbranded, adulterated, contaminated, or spoiled food products, along with reputational damage; risks related to fluctuations in interest rates, currency exchange rates, liquidity and credit, stock price and pension obligations; the incurrence of restructuring, disposal, or other related charges together with the recognition of impairment charges on goodwill or long-lived assets; the sufficiency of insurance coverage; and the implications and outcome of potential legal actions, litigation or regulatory proceedings to which the Corporation may be a party. The Corporation cautions readers that the foregoing list of factors is not exhaustive.

The Corporation's ability to achieve its sustainability targets and goals is further subject to, among other factors, its ability to access and implement all technology necessary to achieve them as well as the development, deployment, and performance of technology, and environmental regulation. The Corporation's ability to achieve its environmental, social and governance ("ESG") risk commitments is further subject to, among other factors, its ability to leverage its supplier relationships.

The assumptions, expectations, and estimates involved in preparing forward-looking statements and risks and uncertainties that could cause actual results to differ materially from forward-looking statements are discussed in the Corporation's materials filed with the Canadian securities regulatory authorities, including information about risk factors that can be found in *Section 21 – "Uncertainties and Principal Risk Factors"* of this MD&A. Readers should review this section in detail.

All forward-looking statements included herein speak only as of the date hereof. Unless required by law, the Corporation does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. **All forward-looking statements contained herein are wholly and expressly qualified by this cautionary statement.**

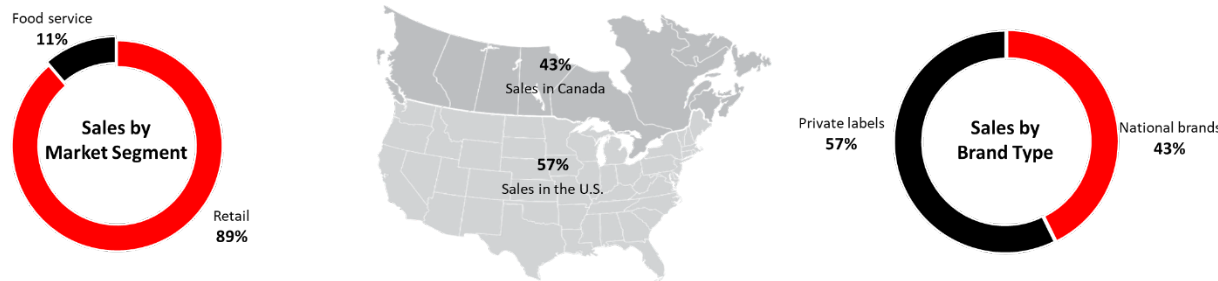
3 Corporate Profile

Lassonde Industries Inc. is a leader in the food and beverage industry in North America. The Corporation develops, manufactures, and markets a wide range of national brand and private label products, including fruit juices and drinks, specialty food products, and fruit-based snacks. Lassonde also manufactures and markets cranberry sauces as well as selected wines, ciders and other selected alcoholic beverages. Altogether, Lassonde distributes over 3,500 unique products in approximately 200 formats across shelf-stable, chilled, and frozen categories.

The Corporation's go-to-market strategy consists of (i) retail sales to food retailers and wholesalers such as supermarket chains, independent grocers, superstores, warehouse clubs, convenience stores, and major pharmacy chains and (ii) food service sales to restaurants, hotels, hospitals, schools, and wholesalers serving these institutions.

Lassonde operates 19 plants located in Canada and the United States ("U.S.") through the expertise of over 2,900 full-time equivalent employees. To learn more, visit www.lassonde.com.

Pro Forma Sales Breakdowns[1] (2024)



Main Beverage Brands

Specialty Food Brands

The Corporation's national brands are sold in various packages under several proprietary trademarks as well as under trademarks for which the Corporation is a licensed user. The Corporation also manufactures private label products for the vast majority of major retailers and wholesalers in North America.

4 Multi-Year Strategy

In 2022, Lassonde created a multi-year strategy to enhance clarity and direction in capital allocation decisions, revealing its vision: **To become a stronger, more diversified and leading North American food and beverage player**. This Strategy aims to accelerate sales growth, expand margins, improve overall profitability, and drive long-term value by focusing on three strategic pillars.

- The first pillar, **Building a growth-oriented portfolio**, reinforces the Corporation's commitment to becoming a more diversified food and beverage leader in North America by accelerating the growth of its specialty foods business, strengthening its leadership position in the Canadian beverages market, and fortifying its competitive position in the U.S.

- The second pillar focuses on **Driving sustainable performance** by increasing investments in its manufacturing network, strengthening its supply chain activities, modernizing its revenue management practices, and driving efficiency across all areas of the organization. Moreover, the Corporation's ESG roadmap is a driver of its sustainability agenda and serves as a guide for important investment decisions for the future.

- The third pillar, **Improving its capacity to act,** focuses on modernizing its operating model to accelerate innovation, improve costs and increase productivity. It is also focused on simplifying its operations, investing in new tools and technologies, including upgrading ERP systems, and on fortifying its capabilities in key areas of the business to enable the execution of its growth strategy.

Through the execution of its Strategy, Lassonde set out a goal to achieve a sales run rate of $3 billion by the end of 2026 supported by a combination of organic growth and investment-driven growth. The Corporation anticipates a contribution from each of these sources, which will provide a certain degree of flexibility depending on inflation and exchange rate assumptions, market conditions, timing and available opportunities. The Corporation has also stated that profitable growth will take precedence over its sales growth objective.

Since the deployment of its Strategy, Lassonde has made significant strides across each of the above strategic pillars, demonstrating its commitment to capture growth, drive productivity, and become more sustainable. In addition to investments of approximately $540 million since 2022 (including acquisitions), Lassonde has announced plans to invest an additional US$220 million in support of its Strategy, essentially to support the building of a new beverage facility in New Jersey. By integrating the following initiatives, Lassonde is strategically positioning itself to better navigate the challenges and capture the opportunities of the beverage market while capitalizing on its strong foothold in the specialty food market, ensuring sustained growth and a competitive edge as a stronger, more diversified and leading North American food and beverage player.

[1] The pro forma sales breakdowns are reflecting the annualized sales of Summer Garden Food Manufacturing.

Building a Growth-Oriented Portfolio

Building Back Volume in the U.S.

Lassonde is focused on rebuilding its U.S. sales volume, which was voluntarily reduced by approximately 20% during the 2023 portfolio simplification process, as part of Project Eagle (further detailed under “Driving Sustainable Performance” Section). In 2024, despite the category experiencing low-to-mid-single-digit declines due to ongoing inflation, Lassonde has made significant strides in bolstering its U.S. beverage presence and capturing market share through a 10% volume growth. In the non-refrigerated private label fruit juices and drinks segment, where the Corporation sees long-term growth potential and holds a strong foothold, the focus is on fortifying relationships with existing customers while also diligently pursuing new customer relationships. For example, in 2024, the Corporation added to its customers a prominent Midwest-based supermarket chain and an important Northeast-based convenience and gas chain. Meanwhile, the branded business has prioritized its focus on single-serve products and will capitalize on the benefits of insourcing a substantial portion of the juice box production in the second half of 2025 through an investment made in North Carolina.

Fortify its Market Leadership in Canadian Beverages

The Corporation is Canada’s largest manufacturer of fruit juices and drinks. This position was achieved through consistent growth across both its branded and private label platforms, stemming from strategic investments in brand development and a strong commitment to customer relationships, positioning itself as a trusted partner, ensuring reliable service and fostering a culture of innovation. To maintain this position, the Corporation remains committed to fostering loyalty and affinity with its diverse set of leading brands, especially Oasis, recognized for three consecutive years as Canada’s most trusted fruit juice brand pursuant to the 2025 Brand Spark Most Trusted Awards. The Corporation is focused on optimizing its revenue management practices, strengthening its portfolio through innovation to reduce its exposure to volatile commodities, investing in emerging products and packaging formats, and promoting growth in the food service channel. To support this, Lassonde is introducing a new "bag-in-a-box" (“BIB”) packaging line for beverage dispensers. BIB packaging offers convenient dispensing, making it an ideal and sustainable option for a range of food service establishments. This initiative is supported by a $10 million investment in Rougemont, with operations expected to begin by mid-2025.

Strengthening its position in Specialty Food

In August 2024, Lassonde completed the acquisition of The Zidian Group, which operates Summer Garden Food Manufacturing and certain of its affiliates (collectively “Summer Garden”). Located in Boardman, Ohio, and employing approximately 200 people, Summer Garden develops, manufactures and markets a wide range of premium sauces and condiments, including tomato and cream-based pasta sauces, BBQ sauces, dipping sauces and dressings. Its portfolio consists of approximately 250 products sold through more than 20,000 locations under its brands *Gia Russa, Little Italy in the Bronx* and *G Hughes*, a leader in the U.S. sugar-free BBQ sauce (and other condiments) segment. Further details regarding this transaction are provided in Section 5 below.

This investment aligns with Lassonde's plan to become a more diversified North American food and beverage player, creating a platform for profitable growth. In terms of product diversification, the acquisition strengthens Lassonde's leadership and capacity in the strategically important low acid segment. It also adds a wide range of premium sauces and condiments to Lassonde's portfolio, enhancing Lassonde's product offerings and appealing to a broader customer base. Summer Garden also acts as a co-packer for top-tier brands, which expands its market at attractive margins. In addition, this acquisition should enable the realization of synergies through integration with its legacy Canadian specialty food business unit, which operates two plants in Canada. Finally, the Corporation is assessing the potential for further expansion of the Summer Garden’s plant that should enable the Corporation to produce closer to its U.S. specialty food customers.

Driving Sustainable Performance

Fortifying its Manufacturing Network

Project Eagle, an initiative launched in the second quarter of 2022 to revitalize the Corporation's underperforming U.S. operations, aims at enhancing operational efficiency, improving supply chain resilience, and optimizing production processes. Expected outcomes should include increased production capacity, reduced operational costs, and improved product quality. These improvements should meet the growing demand for private label offerings in the U.S. market. The Corporation has already taken significant steps to better understand, mitigate, and ultimately realize value for the complexities associated with its bespoke private label offerings. Additionally, Project Eagle addresses manufacturing and labour constraints by implementing automation technologies and enhancing workforce recruitment, retention and training programs. The diagnostic phase took place in late 2022 and early 2023, with some quick-win solutions implemented in late 2023 and in 2024. After addressing initial challenges, Project Eagle has entered its investment phase. This included a US$53 million investment to strengthen its Southeast production hub in North Carolina with the introduction, in July 2024, of single-serve aseptic capabilities in the U.S. and a further investment of US$20 million is planned in 2025 to establish in-house juice box production, reducing reliance on co-packers. Simultaneously, the Corporation is upgrading its Northeast production hub in New Jersey with a US$200 million investment for the construction of a new plant to replace the existing one. This new facility, scheduled for commissioning in early 2027, is expected to enhance capacity, boost efficiency, and reduce costs.

In 2024, the Corporation also deployed two new high-speed juice box production lines in Canada at a cost of $30 million. This represents an improvement in efficiency for the Canadian Beverage business unit as these lines are replacing five legacy lines in addition of increasing volumes, streamlining production and reducing operational complexity. These upgrades not only enhance production capacity but also minimize downtime and maintenance costs, leading to a more efficient and cost-effective manufacturing process.

Modernizing its North American Supply Chain

Lassonde continues to optimize its North American supply chain by implementing best practices in purchasing and logistics. These initiatives include leveraging data analytics, enhancing procurement processes and ensuring the timely and cost-effective acquisition of raw materials and packaging. Enhancing its strategic approach to supplier management should enable Lassonde to negotiate better terms and maintain strong relationships with key suppliers. In logistics, Lassonde is improving its transportation and warehousing operations by leveraging technology and automation, such as a new transportation management system. The insourcing of strategic co-pack volume further strengthens the supply chain, ensuring both reliability and efficiency. These efforts are crucial for maintaining a resilient and responsive supply network, streamlining inventory management, reducing lead times, and minimizing costs, which should enable Lassonde to meet customer demands effectively and sustain its profitable growth trajectory.

Improving its Capacity to Act

Creating Advantage through a New Operating Model

Lassonde successfully rolled out a new operating model in early 2023. Central to these efforts was the creation of three new Centres of Excellence (CoE): Manufacturing, Supply Chain and Innovation. By establishing these CoEs, and adopting a shared services model for its corporate functions, the Corporation can better leverage its scale and capture organization synergies. This approach allows for the sharing of the best operational practices across North America, ensuring service excellence to its customers at a competitive cost and enhancing its ability to meet market demands effectively and efficiently. Additionally, this model simultaneously allows its three areas of focus, Beverages, Specialty Foods and Snacks, the ability to maximize their emphasis on commercial growth and build competitive advantage in customer and revenue growth management, marketing and innovation.

Implementation of New Processes and Systems

Lassonde is implementing new processes and systems, including ERPs, a transportation management system, as well as a demand planning system and is exploring other processes and systems improvement opportunities in both Canada and the U.S. to enhance efficient data-driven decision-making. These deployments will not only streamline operations and boost productivity and efficiency but also reinforce Lassonde's commitment to leveraging advanced technologies to maintain its market leadership.

5 Acquisition of Summer Garden Food Manufacturing

Business combination

On August 8, 2024, a 90%-owned U.S. subsidiary of the Corporation completed the acquisition of Summer Garden.

The acquisition was for a cash consideration of US$237.2 million, paid at closing. This amount has since been reduced by US$0.6 million following the final purchase price adjustment. Moreover, contingent considerations of up to US$45.0 million may be payable in various instalments over the two years following the closing of the transaction, should certain financial targets be achieved and other conditions met. The contingent considerations are related to the sales volume of certain products over the two-year period following the acquisition, the renewal or not of a customer agreement upon expiry thereof and, to a lesser extent, the occurrence or not of events related to labour costs. For the 12-month period ending in May 2024, Summer Garden generated sales of approximately US$148.0 million and adjusted EBITDA[2] of approximately US$27.9 million.

Consistent with the ownership structure of the Corporation's U.S. subsidiaries in place since 2011, the Corporation owns a 90% equity interest in Summer Garden while 3346625 Canada Inc., an entity controlled by Mr. Pierre-Paul Lassonde, member of the Board, owns the remaining 10%.

At the closing of the acquisition, an amount of US$241.0 million was paid to settle the Summer Garden acquisition cost and certain related charges. It was financed as follows: (i) US$224.5 million from the Canadian revolving operating credit facility (“CA revolving credit”), (ii) US$6.0 million from the Corporation’s cash and cash equivalents and (iii) US$10.5 million in equity from 3346625 Canada Inc. The acquisition-related costs totalled $10.1 million.

The Corporation recognizes this business combination using the acquisition method in accordance with the provisions of IFRS 3 “Business Combinations”. Therefore, the 2024 consolidated financial statements include the results of Summer Garden from August 8, 2024, certain acquisition-related transaction costs, and the effect of the purchase price allocation exercise.

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[2] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – “Financial Measures Not in Accordance With IFRS*” of this MD&A for more information, including the definition and composition of the measure.

Purchase price allocation

During the fourth quarter of 2024, the Corporation completed the purchase price allocation. The process, which also required a fair value assessment of the contingent considerations previously described, resulted in the identification and fair valuation of the following assets based on the Corporation's assumptions and estimates:

- The current assets acquired were deemed to be reflected at fair value except for the finished goods inventories, which had to be remeasured up at their net realizable value (estimated selling price minus the estimated costs required to complete the sale). This resulted in a fair value adjustment of $4.3 million (US$3.2 million) on the opening balance sheet. This amount was subsequently expensed, in the cost of sales, during the third quarter of 2024.

- The fair value of the property, plant and equipment acquired was established at $39.1 million (US$28.4 million). The associated annual depreciation expense is currently estimated at US$3.0 million.

- In addition to the residual goodwill, assessed at $144.4 million (US$105.1 million), the process identified two separate intangible asset categories, i.e., trademarks and trade name as well as client relationships. The fair value of these assets is estimated at $153.6 million (US$111.8 million). The associated annual amortization expense is currently estimated at US$13.9 million. The goodwill recognized in this business combination is not amortizable for accounting purposes (though it is subject to impairment testing), but it is tax deductible on a straight-line basis over 15 years. A similar tax deductibility period applies to the above-identified intangible assets.

The final acquisition-date fair value of the contingent considerations, amounting to $45.3 million (US$32.9 million), was assessed using estimated probability of the financial objectives being achieved and the other conditions being met. Subsequent changes in the fair value, which include the impact of revisions made to key assumptions and the impact of the passage of time, will be recognized in profit or loss during the period in which they arise, in other (gains) losses.

Impact of the business combination on the Corporation's financial performance

If the business combination had been completed on January 1, 2024, the Corporation's consolidated sales and consolidated profit for the year ended December 31, 2024 would have stood at $2,730.2 million and $125.4 million, respectively. The Corporation considers these pro forma figures to be approximate measurements of the combined business's financial performance over a 12-month period and that they provide a baseline against which to compare the financial performance of future periods.

To determine the Corporation's pro forma consolidated sales and profit if Summer Garden had been acquired on January 1, 2024, the Corporation:

- Calculated the depreciation of property, plant and equipment acquired and the amortization of intangible assets acquired based on the fair values determined during the final initial recognition of the business combination rather than the carrying amounts recognized in the pre-acquisition financial statements;

- Calculated the borrowing costs on the Corporation's net indebtedness after the business combination;

- Calculated the impact of the passage of time on the contingent considerations payable;

- Excluded the acquisition-related costs that were recognized in profit or loss and the seller's transaction costs recognized in the pre-acquisition financial statements; and

- Excluded the impact of the inventory revaluation adjustment to fair value arising from the final initial recognition of the business combination on cost of sales.

Note 6 to the 2024 consolidated financial statements contains additional information about the acquisition, including the assets acquired and liabilities assumed at the acquisition date, as well as the financing of the acquisition cost and related costs.

6 Selected Annual Information

(in millions of dollars, unless otherwise indicated)	Dec. 31, 2024	Years ended Dec. 31, 2023	Dec. 31, 2022
	$	$	$
Related to operations			
Sales	**2,600.9**	2,314.9	2,151.0
Gross profit	**698.1**	587.7	523.3
Operating profit	**174.7**	135.4	81.3
Adjusted operating profit[3]	**197.7**	144.5	97.5
Adjusted EBITDA[3]	**275.8**	207.1	157.1
Profit attributable to the Corporation's shareholders	**114.1**	87.5	53.9
Basic and diluted earnings per share ("EPS") *(in $)*	**16.73**	12.83	7.85
Adjusted EPS[3] *(in $)*	**19.05**	13.18	9.37
Dividends declared per share for Class A and B shares *(in $)*	**4.00**	2.20	2.98
Cash flows from operating activities	**233.9**	224.9	24.0
Related to financial position			
Total assets	**2,277.0**	1,665.7	1,604.7
Operating working capital[3]	**309.1**	293.5	303.9
Days operating working capital[3] *(in days)*	**38.1**	44.2	49.7
Long-term debt, including the current portion	**477.5**	210.5	249.4
Net debt to adjusted EBITDA ratio[3]	**1.63:1**	0.92:1	1.57:1
Return on capital employed[3] *(in %)*	**13.9**	12.1	8.4

Refer to *Section 144 – "Analysis of Selected Annual Information"* of this MD&A for summary explanations on changes, between fiscal years 2023 and 2022, in sales, operating profit, profit attributable to the Corporation's shareholders, cash flows from operating activities, and total assets.

7 Financial Information Related to Entities Acquired During 2023 and 2024

Lassonde acquired control of Diamond Estates Wines & Spirits Inc. ("Diamond") on November 14, 2023, and completed the acquisition of Summer Garden on August 8, 2024 (collectively referred to as the "Acquired Entities"). Consequently, these entities have been consolidated in Lassonde since these dates and the tables below detail the data related to their respective contributions.

	Fourth quarter ended Dec. 31, 2023		Year ended Dec. 31, 2023	
(in millions of dollars, unless otherwise indicated)	Diamond	Summer Garden[4]	Diamond	Summer Garden[4]
	$	$	$	$
Related to operations				
Sales	3.8	-	3.8	-
Gross profit	1.3	-	1.3	-
Operating profit (loss)	(0.6)	-	(0.6)	-
Profit (loss) before income taxes	(1.2)	-	(1.2)	-
Profit (loss)	(1.2)	-	(1.2)	-
Profit (loss) attributable to the Corporation's shareholders	(0.6)	-	(0.6)	-
Depreciation of property, plant and equipment and amortization of intangible assets	0.2	-	0.2	-
Cash flows from operating activities	(0.9)	-	(0.9)	-

[3] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

[4] Amounts reflect the effect of the purchase price allocation, as explained in Section 5.

(in millions of dollars, unless otherwise indicated)	Fourth quarter ended Dec. 31, 2024 Diamond	Fourth quarter ended Dec. 31, 2024 Summer Garden[4]	Year ended Dec. 31, 2024 Diamond	Year ended Dec. 31, 2024 Summer Garden[4]
	$	$	$	$
Related to operations				
Sales	**7.8**	**55.7**	**23.8**	**82.4**
Gross profit	**4.0**	**21.7**	**11.4**	**27.6**
Operating profit (loss)	**2.2**	**6.0**	**(1.3)**	**3.5**
Profit (loss) before income taxes	**2.2**	**6.0**	**(2.1)**	**3.5**
Profit (loss)	**2.2**	**4.7**	**(2.1)**	**2.7**
Profit (loss) attributable to the Corporation's shareholders	**1.2**	**4.2**	**(1.2)**	**2.4**
Depreciation of property, plant and equipment and amortization of intangible assets	**0.5**	**6.5**	**1.5**	**10.3**
Cash flows from operating activities	**(0.1)**	**17.8**	**1.4**	**19.5**

8 Financial Highlights

Fourth quarter ended December 31, 2024:

- Sales of $738.1 million. Excluding a $9.1 million favourable foreign exchange impact and sales from the Acquired Entities, sales were up $64.5 million (10.7%) from the same quarter last year, essentially due to higher sales volumes, mainly in the U.S., and to the favourable impact of selling price adjustments in Canada, mainly for private label products.

- Gross profit of $192.9 million (26.1% of sales). Excluding gross profit from the Acquired Entities, gross profit was up $16.0 million from the same quarter last year. This net increase results mainly from the following items:

  - A favourable impact of an increase in sales volume;
  - A favourable impact of selling price adjustments to offset the higher costs of certain inputs, essentially for orange juice and orange concentrates;
  - A decrease in the Corporation's conversion costs, a portion of which results from operational improvements, including the impact of the ongoing insourcing of manufacturing for certain products sold by the Corporation's U.S. beverage business units;
  - $2.2 million in start-up costs related to key growth and optimization projects; and
  - $1.2 million in expenses related to a production interruption at the Corporation's North Carolina plant, resulting from Hurricane Helene.

- Operating profit of $43.0 million. Excluding the contribution from the Acquired Entities, operating profit was up $2.1 million from the same quarter last year. This net increase results mainly from the following items:

  - Higher gross profit;
  - $9.2 million increase in transportation costs incurred to deliver products to clients and in finished goods warehousing costs, essentially in the U.S.;
  - $0.6 million in losses on capital assets in 2024 compared to a $1.5 million gain in 2023 related to business optimization; and
  - $1.9 million increase in expenses related to the Strategy and the implementation of new key systems as the Corporation continues to invest in its deployment.

- Excluding items impacting comparability but including the Acquired Entities, adjusted EBITDA[5] was $79.6 million (10.8% of sales), up $27.0 million from the same quarter last year.

- Profit attributable to the Corporation's shareholders of $27.1 million, resulting in EPS of $3.97, up 29.0% from the same quarter in 2023. Excluding the contribution from the Acquired Entities and the impact of additional financial expenses, net of taxes, related to the Summer Garden acquisition, profit attributable to the Corporation's shareholders was up $3.4 million (or 15.9%) year over year. Excluding items impacting comparability, adjusted EPS[5] was $5.13, up 63.4% from the same quarter last year.

- Operating activities generated $75.7 million in cash compared to $77.8 million generated in the same quarter last year. Excluding cash flows from Acquired Entities, operating activities generated $20.7 million less than in the fourth quarter of 2023 on a comparable basis. This decrease in cash inflows was essentially due to a change in non-cash operating working capital items, which generated $25.0 million less cash than in the same quarter of 2023, partly offset by a $9.8 million net withdrawal of certain excess amounts invested in its defined benefit pension plans.

- Dividend of $1.00 per share, paid on December 13, 2024.

Year ended December 31, 2024:

- Sales of $2,600.9 million. Excluding a $19.9 million favourable foreign exchange impact and sales from the Acquired Entities, the Corporation's sales were up $163.6 million (7.1%) from last year, mainly due to the favourable impact of selling price adjustments in Canada and an increase in the U.S. sales volume for both private label and branded products, partly offset by an unfavourable change in the U.S. sales mix, mainly for private label products.

- Gross profit of $698.1 million (26.8% of sales). Excluding a $4.7 million unfavourable foreign exchange impact and gross profit from the Acquired Entities, gross profit was up $77.4 million from last year. This net increase results mainly from the following items:

    - A favourable impact of selling price adjustments to offset the higher costs of certain inputs, essentially for orange juice and orange concentrates;

    - A decrease in the Corporation's conversion costs, a portion of which results from operational improvements, including the impact of the ongoing insourcing of manufacturing for certain products sold by the Corporation's U.S. beverage business units;

    - A favourable impact of an increase in sales volume;

    - $2.2 million in start-up costs related to key growth and optimization projects; and

    - $1.2 million in expenses related to a production interruption at the Corporation's North Carolina plant, resulting from Hurricane Helene.

- Operating profit of $174.7 million. Excluding the contribution from the Acquired Entities, operating profit was up $36.6 million from last year. This net increase results mainly from the impact of the following items:

    - Higher gross profit;

    - $19.0 million increase in finished goods warehousing costs and transportation costs incurred to deliver products to clients, essentially in the U.S.;

    - $10.1 million in costs related to the Summer Garden acquisition;

    - $3.2 million unfavourable foreign exchange impact that affected the conversion of the selling and administrative expenses of the U.S. entities into Canadian dollars;

    - $2.5 million net increase in other selling and administrative expenses;

    - $0.7 million in losses on capital assets in 2024 compared to a $1.0 million gain in 2023 related to business optimization; and

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[5] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

- $1.3 million increase in expenses related to the Strategy and the implementation of new key systems as the Corporation continues to invest in its deployment.

- Excluding items impacting comparability but including the Acquired Entities, adjusted EBITDA[6] was $275.8 million (10.6% of sales), up $68.7 million from last year.

- Profit attributable to the Corporation's shareholders of $114.1 million, resulting in EPS of $16.73, up 30.4% from 2023. Excluding the contribution from the Acquired Entities and the impact of additional financial expenses, net of taxes, related to the Summer Garden acquisition, the profit attributable to the Corporation's shareholders was up $30.4 million (or 34.5%) year over year. Excluding items impacting comparability, adjusted EPS[6] was $19.05, up 44.5% from last year.

- As at December 31, 2024, the Corporation had total assets of $2,277.8 million versus $1,665.7 million as at December 31, 2023, a 36.7% increase arising mainly from the Summer Garden assets of $408.4 million, an increase in property, plant and equipment as well as a higher foreign exchange conversion rate as at December 31, 2024.

- As at December 31, 2024, long-term debt, including the current portion, stood at $477.5 million, representing a net debt to adjusted EBITDA[6] ratio of 1.63:1. Excluding $309.4 million in borrowings to finance the Summer Garden acquisition, this is down $42.4 million from December 31, 2023.

- Operating activities generated $233.9 million in cash compared to $224.9 million generated in the same period last year. Excluding cash flows from Acquired Entities, operating activities generated $12.8 million less than in 2023 on a comparable basis. This decrease in cash inflows was mainly due to a change in non-cash operating working capital items, which generated $43.1 million less cash than in 2023 and to a $22.2 million increase in net income tax paid, partly offset by a higher operating profit and a net $9.8 million withdrawal of certain excess amounts invested in the defined benefit pension plans.

- Total dividend of $4.00 per share, paid in 2024.

9 Outlook

Lassonde continues to expect that the largest factors impacting its performance in fiscal 2025 will be the financial health of consumers and the inflationary environment. Given the highly uncertain scale, breadth, timing, and duration of any trade conflict (including actual or threat on tariffs, duties, and other trade restrictions including countermeasures collectively referred to as "Tariffs"), and the rapidly evolving situation, this Outlook section has been prepared without considering the anticipated impact of the Tariffs as of the date of this MD&A. Any views on these Tariffs and their potential impact on Lassonde are isolated in a separate sub-section below. As a result, the Corporation is currently using the following assumptions for its fiscal year 2025:

Sales growth rate

- For 2025, barring any significant external shocks and excluding foreign exchange impacts, Lassonde expects a sales growth rate of approximately 10%, mainly driven by:
  - the impact of a full year of Summer Garden results compared to only five months in 2024;
  - the run rate effect of its existing and planned selling price adjustments; and
  - a sequential improvement in sales volume resulting from the combined impact of the following items: (i) the pace of the U.S. demand build back strategy for the Corporation's products; (ii) additional volume available following the deployment of its single serve line in North Carolina; and (iii) the overall stabilization of demand.

- The Corporation is closely monitoring the evolution of consumer food habits and demand elasticity for its products in a context of ongoing inflation in the cost of its key commodities.

[6] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

Key commodity and input costs

- Lassonde has experienced substantial increases in input costs since 2021. Although inflation trends have recently abated for certain commodities, the costs of orange juice, orange concentrates, and apple concentrates are expected to remain volatile through 2025. The recent decreases in orange concentrate prices may provide some relief for purchases of such concentrate not covered by futures held by the Corporation. However, the recent surge in apple concentrate costs will result in a margin contraction during the first quarter, due to the lag between the rise in costs and subsequent pricing adjustments.

- Given that a large portion of the raw material purchases made by Lassonde's Canadian operations are in U.S. dollars, a strengthening of this currency against the Canadian dollar results in a higher cost for products sold in the Canadian market.

Expenses, including items impacting the comparability between the periods

- Due to the uncertainty surrounding Tariffs and their effects, transportation and warehousing costs in the market have risen and are expected to continue increasing, at least for the first half of 2025.

- As overall demand stabilizes, the Corporation's operating expenses in 2025 will continue to reflect targeted investments to reinforce the innovation pipeline, distribution expansion, and strategic trade spending to support growth.

- During 2025, Lassonde plans to continue deploying its Strategy, optimizing its business and upgrading its key systems and technology infrastructures to improve its efficiency. Planned spending in support of these elements is expected to reach up to $15.0 million in 2025.

Depreciation and amortization

- The depreciation and amortization expense is estimated at $115.0 million. This includes: (i) the run rate effect of Summer Garden's purchase price allocation, (ii) the commissioning of various capital projects undertaken in 2024, such as the new single-serve line at the North Carolina plant, and (iii) the accelerated depreciation of certain existing assets at the New Jersey plant, estimated at US$6.0 million for 2025, along with any new capital expenditures for this plant until its closure.

Effective tax rate

- Effective tax rate of about 26.0% for 2025, excluding the impact on the tax rate of Diamond's results.

Working capital

- The Corporation's Days Operating Working Capital[7] is slightly below its historical levels as of December 31, 2024. A certain increase in this metric should be anticipated throughout 2025. In addition, this outlook might be further impacted by (i) opportunistic decisions to secure inventory cost ahead of potential additional price increases from suppliers, (ii) the objective of ensuring an adequate service level, (iii) decisions to counter new potential supply chain disruptions, or (iv) support provided to the Corporation's manufacturing network optimization projects.

Capital expenditures

- The Corporation's overall capital expenditures program for 2025 is estimated to reach up to 9.0% of its sales as it continues to deploy capital in support of its Strategy. This estimate depends on the rate of progress of certain large capital projects and on the evolution of the macroeconomic environment.

- The new capital assets will be financed, to the extent possible, using the Corporation's operating cash flows, although the Corporation may also turn to borrowing if interest rates and conditions prove advantageous.

[7] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

Tariffs

- The Corporation sources raw materials globally, including from Canada, Mexico, and the U.S. It sells finished goods manufactured in Canada to the U.S. market, and to a lesser extent, sells finished goods manufactured in the U.S. to the Canadian market and as a result is exposed to potential Tariffs. In the current environment, the Corporation is actively evaluating its direct and indirect exposures, competitive position, and mitigation plans regarding the Tariffs, which include further price increases. Since several variables remain uncertain, including the duration and evolution of these Tariffs, currency fluctuations, interest rate trends, and their collective impact on the general economy, these factors may ultimately affect the timing and effectiveness of the Corporation's mitigation plans. As a result, Lassonde believes that sharing more information on its exposure would be speculative. However, due to the time needed to implement mitigation measures, any impact is expected to be more heavily weighted in the initial months following the implementation of any Tariffs.

The above forward-looking statements have been prepared using the following key assumptions: currently observed geopolitical situation and macroeconomic trends, (subject to the factors set out above in the context of uncertainties related to trade conflicts and the ensuing implications, including employment, inflation and interest rates; a stable exchange rate between the U.S. dollar and the Canadian dollar); the continuity of recently observed consumer behaviours and market trends for the Corporation's products; the effectiveness of the Corporation's selling price adjustment initiatives; the limited impact of the Corporation's selling price adjustment initiatives on product demand; no material disruption to the Corporation's operations (including workforce availability) or to its supply chain; the continuity of observed trends in the competitive environment and the effectiveness of the Corporation's strategy to position itself competitively in the markets in which it operates; limited additional cost increases from suppliers; adequate availability of key inputs; the continuity of recently observed normalized trends in the throughput capacity of key U.S. plants; expected lead time for new manufacturing equipment; and adequate contractor or consultant availability to progress the Corporation's capital expenditures. The Corporation cautions readers that the foregoing list of factors is not exhaustive. It should also be noted that some of these key assumptions, notably those related to the geopolitical situation and macroeconomic trends, are volatile and rapidly evolving. In preparing its outlook, the Corporation made assumptions that do not consider extraordinary events or circumstances beyond its control. The Corporation believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. For additional information, refer to *Section 2 – " Forward-Looking Statements"* of this MD&A.

10 Fourth Quarter

10.1 Analysis of the Consolidated Results

(in millions of dollars, unless otherwise indicated)	**Fourth quarters ended**		
	Dec. 31, 2024	Dec. 31, 2023	Δ
	$	$	$
Sales	**738.1**	604.8	133.3
Cost of sales	**545.2**	452.3	92.9
Gross profit	**192.9**	152.5	40.4
Selling and administrative expenses	**150.0**	120.4	29.5
Operating profit	**43.0**	32.1	10.9
Share in the profit or (loss) of an associate	**-**	(1.2)	1.2
Financial expenses	**8.8**	3.8	5.0
Other (gains) losses	**(2.1)**	(1.7)	(0.4)
Profit before income taxes	**36.3**	28.7	7.6
Income taxes	**8.4**	8.1	0.3
Profit	**27.8**	20.5	7.3
Attributable to:			
Corporation's shareholders	**27.1**	21.0	6.1
Non-controlling interests	**0.7**	(0.5)	1.2
	27.8	20.5	7.3
EPS *(in $)*	**3.97**	3.08	0.89
Weighted average number of shares outstanding *(in thousands)*	**6,822**	6,822	-
Adjusted operating profit[8]	**54.4**	36.0	18.4
Adjusted EBITDA[8]	**79.6**	52.6	27.0
Adjusted EPS[8] ***(in $)***	**5.13**	3.14	1.99

An overview of the key themes affecting 2024, including its fourth quarter, is provided in *Section 12 – "Annual Financial Information"*.

[8] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

Sales

(in millions of dollars)	Fourth quarters Private labels	 National brands	 Total
	$	$	$
Sales 2023			**604.8**
Sales from Diamond			**3.8**
Sales 2023 (excluding Diamond)	**350.0**	**251.0**	**601.0**
Selling price adjustments impact	21.4	6.5	**27.9**
Volume impact	20.6	20.2	**40.8**
Change in the sales mix impact	(1.6)	(1.6)	**(3.2)**
Other impacts, net	-	(1.0)	**(1.0)**
Growth excluding foreign exchange impact	40.4 *11.6%*	24.1 *9.6%*	**64.5** *10.7%*
Foreign exchange impact	6.5	2.6	**9.1**
Sales 2024 (excluding the Acquired Entities)	**396.9**	**277.7**	**674.6**
Sales from Diamond			**7.8**
Sales from Summer Garden			**55.7**
Sales 2024			**738.1**

The 2024 fourth-quarter sales rose $133.3 million (22.0%) compared to the same quarter of 2023. Excluding a $9.1 million favourable foreign exchange impact and sales from the Acquired Entities, the Corporation's sales were up $64.5 million (10.7%) year over year, essentially due to higher sales volume, mainly in the U.S., and to the favourable impact of selling price adjustments in Canada, mainly for the private label products.

Cost of sales

The 2024 fourth-quarter cost of sales was up $92.9 million or 20.5% from the same quarter of 2023. Excluding a $9.0 million unfavourable foreign exchange impact and cost of sales from the Acquired Entities, cost of sales was up $48.6 million (10.8%) year over year. This 10.8% increase in cost of sales essentially reflects:

(i) the unfavourable impact of a net increase in sales volume; and

(ii) a higher cost for certain inputs, essentially orange juice and orange concentrates;

(iii) $2.2 million in start-up costs related to the key growth and optimization projects;

(iv) $1.2 million in expenses related to a production interruption at the Corporation's North Carolina plant; and

(v) $2.6 million in expenses related to business optimization in 2024 compared with $2.0 million in 2023;

partly offset by:

(i) a decrease in the Corporation's conversion costs, a portion of which results from operational improvements, including the impact of the ongoing insourcing of manufacturing for certain products sold by the Corporation's U.S. beverage business units; and

(ii) the favourable impact of a change in U.S. sales mix.

Gross profit

As a result of the aforementioned factors and excluding gross profit from the Acquired Entities, gross profit amounted to $167.2 million (24.8% of sales) in the fourth quarter of 2024, up 10.6% from $151.2 million (25.2% of sales) in the fourth quarter of 2023.

Selling and administrative expenses

The 2024 fourth-quarter selling and administrative expenses were up $29.5 million year over year. Excluding selling and administrative expenses from the Acquired Entities, selling and administrative expenses rose $13.9 million. This increase was essentially due to:

(i) a $6.8 million increase in transportation costs incurred to deliver products to clients, essentially in the U.S.;

(ii) a $2.4 million increase in finished goods warehousing costs, mainly in the U.S.;

(iii) $0.6 million in losses on capital assets in 2024 compared to a $1.5 million gain in 2023 related to business optimization;

(iv) a $1.9 million increase in expenses related to the Strategy and the implementation of new key systems as the Corporation continues to invest in its deployment;

(v) $1.8 million in costs related to the Summer Garden acquisition; and

(vi) a $1.5 million unfavourable foreign exchange impact that affected the conversion of the selling and administrative expenses of the U.S. entities into Canadian dollars;

partly offset by:

(i) a $1.6 million decrease in selling and marketing expenses, essentially in Canada; and

(ii) $1.5 million in expenses in 2023 related to business optimization.

Operating profit

As a result of the aforementioned factors and excluding the contribution from the Acquired Entities, the Corporation's operating profit totalled $34.8 million in the fourth quarter of 2024 versus $32.6 million in the fourth quarter of 2023.

Financial expenses

The 2024 fourth-quarter financial expenses were up $5.0 million year over year. Excluding financial expenses from the Acquired Entities and $4.6 million in additional financial expenses related to the Summer Garden acquisition, financial expenses were up $0.4 million from the same quarter last year. This increase came mainly from an increase in other interest, net of interest income, and from an increase in interest on lease liabilities, partly offset by a decrease in interest expense on long-term debt.

Other (gains) losses

Excluding a $0.5 million gain from Diamond, the 2024 fourth-quarter other (gains) losses resulted in a $1.6 million gain that came essentially from $1.7 million in foreign exchange gains. The 2023 fourth-quarter gain came essentially from a $1.9 million gain resulting from the business combination with Diamond and from a $0.6 million gain related to the final settlement of an insurance claim, partly offset by $0.8 million in foreign exchange losses.

Profit before income taxes

Excluding the contribution from the Acquired Entities and $4.6 million in additional financial expenses related to the Summer Garden acquisition, profit before income taxes totalled $32.6 million in the fourth quarter of 2024, up 9.2% from $29.9 million in the same quarter of 2023.

Income taxes

Excluding the impact on profit before income taxes from Diamond's contribution, the 2024 fourth-quarter effective income tax rate of 24.8% was lower than the 27.3% rate in the same quarter of 2023. This lower 2024 effective income tax rate is essentially explained by a retroactive adjustment of the tax rate at year-end applicable on the profit before income taxes from previous quarters as well as the net impact on the 2023 profit before income taxes of the share in the profit or (loss) of Diamond, as this element has no tax impact on the Corporation.

Profit

Excluding the contribution from the Acquired Entities and $3.3 million in additional financial expenses, net of tax, related to the Summer Garden acquisition, profit totalled $24.3 million in the fourth quarter of 2024, up from $21.7 million in the same quarter of 2023.

Profit attributable to the Corporation's shareholders

Excluding the contribution from the Acquired Entities and the $3.3 million impact of additional financial expenses, net of tax, related to the Summer Garden acquisition, profit attributable to the Corporation's shareholders for the fourth quarter of 2024 totalled $25.1 million, resulting in EPS of $3.68, compared to $21.6 million and $3.17, respectively, for the same quarter of 2023.

10.2 Analysis of the Consolidated Cash Flows

(in millions of dollars)	**Fourth quarters ended Dec. 31, 2024**	**Fourth quarters ended Dec. 31, 2023**
	$	$
Operating activities	**75.7**	77.8
Financing activities	**(25.7)**	(29.9)
Investing activities	**(30.2)**	(52.2)
Change in cash and cash equivalents	**19.8**	(4.3)
Cash and cash equivalents at beginning	**6.1**	20.2
Effect of exchange rate changes on cash and cash equivalents	**1.1**	(0.0)
Cash and cash equivalents at end	**27.0**	15.8

Cash flows related to operating activities

For the fourth quarter of 2024, operating activities generated $75.7 million in cash, whereas these activities had generated $77.8 million in cash during the fourth quarter of 2023. Excluding cash flows from the Acquired Entities, operating activities generated $20.7 million less than in the fourth quarter of 2023 on a comparable basis.

This decrease in cash inflows was essentially due to a change in non-cash operating working capital items that generated $10.2 million in cash during the fourth quarter of 2024 compared to $35.2 million in cash generated in the same quarter last year, for a $25.0 million decrease in cash inflows. This fluctuation in the change in working capital was due to the combined impact of the following items:

a) a change in inventories that used $47.5 million during the fourth quarter of 2024 compared to $11.3 million generated in the fourth quarter of 2023;

b) a change in accounts receivable that generated $27.8 million during the fourth quarter of 2024 compared to $9.6 million generated during the same quarter of 2023;

c) a change in accounts payable and accrued liabilities that generated $37.1 million during the fourth quarter of 2024 compared to $18.2 million generated in the fourth quarter of 2023; and

d) a change in other current assets and liabilities that used $7.1 million during the fourth quarter of 2024 compared to $3.8 million used during the same quarter of 2023.

The following items also contributed to the downward change in cash flows generated by operating activities:

(i) a $6.1 million increase in net income tax paid;

(ii) a $5.8 million increase in net interest paid; and

(iii) a $2.7 million unfavourable change in settlements of derivative instruments.

The downward change in operating cash flows was limited by the following items:

(i) a $9.8 million net withdrawal from the defined benefit pension plans in 2024; and

(ii) a $6.7 million increase in earnings before interest, taxes, depreciation and amortization (including a $0.2 million unfavourable change in other (gains) losses).

Cash flows related to financing activities

For the fourth quarter of 2024, financing activities used $25.7 million in cash, whereas these activities had used $29.9 million in cash during the fourth quarter of 2023. Excluding cash flows from Acquired Entities, financing activities used $5.9 million less than in the fourth quarter of 2023 on a comparable basis. This decrease in cash outflows was mainly due to a $17.0 million repayment on the revolving operating credit during the fourth quarter of 2024, compared to a $25.1 million repayment during the fourth quarter of 2023 and to a $1.3 million decrease in long-term debt repayments, partly offset by a $3.4 million increase in dividends paid on Class A and B shares.

Cash flows related to investing activities

For the fourth quarter of 2024, investing activities used $30.2 million in cash compared to $52.2 million used in the fourth quarter of 2023. Excluding cash flows from Acquired Entities, investing activities used $21.3 million less than in the fourth quarter of 2023 on a comparable basis. This downward change came essentially from an $11.1 million decrease in cash outflows to acquire property, plant and equipment and from the acquisition in 2023 of a $9.0 million additional economic interest in Diamond to acquire control thereof.

11 Summary of Quarterly Results

(in millions of dollars, unless otherwise indicated)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
	$	$	$	$	$	$	$	$
Sales	**738.1**	668.3	624.7	569.8	604.8	583.4	579.4	547.3
Operating profit	**43.0**	47.2	50.0	34.6	32.1	35.7	41.3	26.2
Adjusted EBITDA[9]	**79.6**	69.3	74.6	52.4	52.6	52.9	58.6	43.1
Profit attributable to the Corporation's shareholders	**27.1**	29.7	33.5	23.8	21.0	24.3	25.1	17.1
EPS *(in $)*	**3.97**	4.35	4.91	3.49	3.08	3.56	3.68	2.51
Adjusted EPS[9] *(in $)*	**5.13**	4.53	5.73	3.68	3.14	3.67	3.89	2.48

The Corporation's sales typically follow a seasonal pattern, increasing progressively throughout the year. Sales usually mirror consumer spending habits with higher demand in the back-to-school and holiday seasons and lower demand in the early parts of the year.

Quarterly sales may also fluctuate due to acquisitions, divestitures, price adjustments, sales mix, and foreign exchange impacts. Profitability behaves relatively similar to sales but, in addition to the above-mentioned factors, it is also influenced by input costs and transportation costs, the Corporation's operating efficiency as well as government decisions on interest rates and taxes.

For a more complete explanation and analysis of quarterly results, refer to the Corporation's MD&A for each of the respective quarterly periods, which are filed on the SEDAR+ website and also available on the Corporation's website.

[9] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

12 Annual Financial Information

12.1 Analysis of the Consolidated Results

(in millions of dollars, unless otherwise indicated)	Years ended Dec. 31, 2024	Dec. 31, 2023	Δ
	$	$	$
Sales	**2,600.9**	2,314.9	285.9
Cost of sales	**1,902.8**	1,727.2	175.6
Gross profit	**698.1**	587.7	110.4
Selling and administrative expenses	**523.3**	452.3	71.0
Operating profit	**174.7**	135.4	39.3
Share in the profit or (loss) of an associate	**-**	(2.9)	2.9
Financial expenses	**24.4**	16.8	7.6
Other (gains) losses	**(4.2)**	(5.7)	1.5
Profit before income taxes	**154.6**	121.5	33.1
Income taxes	**41.2**	33.2	7.9
Profit	**113.4**	88.3	25.1
Attributable to:			
Corporation's shareholders	**114.1**	87.5	26.6
Non-controlling interests	**(0.7)**	0.7	(1.5)
	113.4	88.3	25.1
EPS *(in $)*	**16.73**	12.83	3.90
Weighted average number of shares outstanding *(in thousands)*	**6,822**	6,822	-
Adjusted operating profit[10]	**197.7**	144.5	53.2
Adjusted EBITDA[10]	**275.8**	207.1	68.7
Adjusted EPS[10]	**19.05**	13.18	5.87

In 2024, while revitalizing the U.S. beverage business, the Corporation also focused on exploring market opportunities in the specialty food segment, leading to the acquisition of Summer Garden, detailed above in Section 5. This acquisition brings numerous benefits, including an expanded product portfolio, operational synergies through high-quality assets including retort capabilities, and enhanced financial performance with important sales and adjusted EBITDA[10] contributions. It aligns with the Corporation's strategy to diversify and grow in the North American food and beverage market, helping Lassonde achieve its ambition to become a more diversified player and fuel margin expansion. The strategic move enhances Lassonde's competitive positioning by leveraging Summer Garden's market presence and expertise, aligning with the Corporation's long-term vision to stay at the forefront of industry trends and consumer preferences. Since the acquisition closing in early August, management has focused on onboarding new employees, identifying revenue and cost synergies, and evaluating investment scenarios to boost production capacity and expand its footprint, aiming to capture additional growth opportunities in existing markets and adjacent areas. Excluding items affecting comparability, such as acquisition-related costs and purchase price allocation impacts, Summer Garden's positive impact on Lassonde's financial performance is according to plan.

In 2024, the Corporation saw positive outcomes in its efforts to turnaround the U.S. operations through Project Eagle, particularly in terms of market share gains. Operational efficiencies at U.S. plants improved, with a 10% increase in production volume, despite the effect of

[10] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

Hurricane Helene on the North Carolina plant and recognizing that the New Jersey plant had reached its limits and required a major investment.

During the third quarter, two manufacturing lines were successfully deployed on time and within budget. First, the commissioning of the new single-serve line at the North Carolina plant faced setbacks from Hurricane Helene and mechanical issues. However, it is now beginning to deliver some of the anticipated benefits. This new line is essential for expanding into new markets and enhancing both branded and private label businesses. It represents a significant step forward in the Corporation's growth strategy, opening numerous opportunities for Lassonde in the U.S. market in addition to relocating to the U.S. approximately 50% of its single-serve format needs that are currently manufactured in the Corporation's Canadian plant network. The Corporation also deployed a second high-speed single-serve juice box line in Rougemont, Quebec during the third quarter.

Additionally, the challenges faced over the past few years with aseptic production capacity from co-packers in the U.S. market prompted the decision to insource a significant portion of the Corporation's needs. This initiative began with the launch of a new high-speed single-serve juice box line in Rougemont, Quebec, commissioned in January 2024. In October 2024, the Corporation announced the relocation of certain production assets from a co-packer facility to its North Carolina plant, strengthening its role as a strategic production hub in the U.S. This insourcing, expected to be completed by late 2025, will enhance network efficiency and reliability by optimizing asset utilization and providing greater flexibility to meet incremental demand. This investment is expected to unlock additional volume for U.S. products and relocate some production currently manufactured in the Corporation's Canadian plant network. These initiatives will increase U.S. capacity by approximately 10%, half of which is produced by the Canadian operations, enabling Lassonde to better serve customers, drive future growth, and increase profitability.

Finally, by leveraging the improvements achieved through Project Eagle, Lassonde evaluated various investment scenarios to secure the long-term competitiveness of its U.S. beverage business units. Comprehensive analyses uncovered several limitations at the Corporation's New Jersey plant. This facility, which employs close to 200 people, houses two hot fill multi-serve beverage lines and is the only one in the Lassonde network to produce canned cranberry sauce. It was built in 1935 and acquired by Lassonde as part of the Clement Pappas & Company Inc. acquisition in 2011. Over the past several years, the plant and its equipment have required and continue to require frequent and significant investments to maintain its operations. These costs, along with the associated downtime, have led to inconsistent production and subpar service levels. A recent engineering study revealed that a multimillion-dollar investment was necessary to sustain long-term ongoing operations at the current facility. However, this investment would yield minimal returns and significantly disrupt business operations during its execution. Additionally, despite the facility's 456,000 square feet, its design causes operational inefficiencies, high operating costs and limits further growth within the current footprint. Finally, most production lines in this facility are nearing the end of their useful life.

Given limitations of this plant and the strategic importance of the Northeast region for the Corporation's U.S. business, management determined that a significant investment was necessary. As a result, on October 1, 2024, Lassonde unveiled the details of an investment of approximately US$200.0 million over an estimated two-year period for the construction of a new facility in New Jersey, on a site adjacent to the Corporation's existing plant. Lassonde incurred US$13.0 million in 2024 and expects to incur approximately US$100.0 million in 2025 and the remainder in 2026.

Once built, the state-of-the-art facility, extending across approximately 200,000 square feet, will replace the existing plant and enable Lassonde to fortify its competitive position in the key U.S. Northeast market by improving operating efficiency and delivering incremental volume at lower costs through a more efficient production flow, improved yields, and better logistics. The Corporation anticipates that the new cranberry sauce line will be operational for the 2026 pressing season while the two new beverage lines will be deployed in phases later in 2026 and early in 2027. The investment is anticipated to be accretive, with an internal rate of return surpassing the Corporation's cost of capital and a payback period of approximately five years post-completion.

On September 27, 2024, Hurricane Helene struck North Carolina which affected the output from this plant. Although the Corporation's Hendersonville plant had limited direct impact, significant damages to the area led to a 15-day closure and a prolonged ramp-up following such closure. The hurricane also affected water availability and disrupted road infrastructure across the Southeast impacting product deliveries and related costs. The Corporation quickly implemented mitigation plans to minimize the impact of the shutdown and related issues. Although the hurricane impacted the entire plant, it particularly disrupted the ramp-up of the new single-serve line. Because of the hurricane, the Corporation incurred a minimum of $1.2 million in incremental costs and had to absorb both fixed overheads and direct labour costs during the plant's downtime. Furthermore, this disruption resulted in a production shortfall of approximately 20% of the plant's anticipated volume for the fourth quarter, including the expected output from the new single-serve production line.

Since the first half of 2023, the Corporation has noticed a stabilization in the inflation trend impacting most of its raw materials and packaging. Two key raw materials, however, remain an exception to this trend. Apples and apple concentrates (collectively referred to as "Apples") together with orange juice and orange concentrates (collectively referred to as "Oranges") represent approximately 25% of the Corporation's cost of sales. Inflation and volatility continued to affect both commodities throughout 2024. For instance, the price of frozen concentrate orange juice has been trading at elevated levels throughout 2024. In addition, the Corporation has had to face a new wave of cost increases affecting apple concentrates towards the end of 2024 due to delayed harvest and lower production combined with an increased demand for this commodity. To mitigate the effects of certain input cost fluctuations, the Corporation occasionally secures mid- to long-term supply agreements, buys more than usual for a given period, or contracts derivative instruments. Decreases in the cost of inputs covered by a hedging instrument could also increase its cost of goods sold depending on the change in the market value of the selected derivative instruments. These procurement practices aimed at reducing the risk of future cost increases could also limit its ability to take advantage of potential cost decreases.

As costs rose, the Corporation implemented measures to counter their impact on its profitability, including price adjustments. The Corporation remains mindful of the effect of price increases and continues to keep a close eye on evolving trends in consumer food preferences and price sensitivity, especially considering a downtrend in market demand. During the fourth quarter of 2024 compared to the same quarter in 2023, industry data indicates that the sales volume in the U.S. fruit juice and drink market has seen a relative stabilisation, declining by a low-single-digit range, while sales volume in the Canadian market declined at a rate below the mid-single-digit range. On a full year basis, the North American fruit juice and drink market has seen a decline around the mid-single-digit range.

Sales

(in millions of dollars)	**Private labels**	**National brands**	**Total**
	$	$	$
Sales 2023			**2,314.9**
Sales from Diamond			**3.8**
Sales 2023 (excluding Diamond)	**1,343.1**	**968.0**	**2,311.1**
Selling price adjustments impact	59.0	40.6	**99.6**
Volume impact	57.5	33.7	**91.2**
Change in the sales mix impact	(20.2)	(5.4)	**(25.6)**
Other impacts, net	-	(1.5)	**(1.5)**
Growth excluding foreign exchange impact	96.3	67.4	**163.6**
	7.2%	*7.0%*	***7.1%***
Foreign exchange impact	14.3	5.6	**19.9**
Sales 2024 (excluding the Acquired Entities)	**1,453.7**	**1,040.9**	**2,494.6**
Sales from Diamond			**23.8**
Sales from Summer Garden			**82.4**
Sales 2024			**2,600.9**

For the year ended December 31, 2024, sales rose $285.9 million (12.4%) compared to last year. Excluding a $19.9 million favourable foreign exchange impact and sales from the Acquired Entities, the Corporation's sales were up $163.6 million (7.1%) year over year, mainly due to the favourable impact of selling price adjustments in Canada and an increase in the U.S. sales volume for both private label and branded products, partly offset by an unfavourable change in the U.S. sales mix, mainly for private label products.

Cost of sales

For the year ended December 31, 2024, cost of sales was up $175.6 million or 10.2% from last year. Excluding a $24.6 million unfavourable foreign exchange impact and cost of sales from the Acquired Entities, cost of sales was up $86.2 million (5.0%) year over year. This 5.0% increase in cost of sales essentially reflects:

(i) the unfavourable impact of a net increase in sales volume;

(ii) a higher cost for certain inputs, essentially Oranges;

(iii) $2.2 million in start-up costs related to the key growth and optimization projects;

(iv) $1.2 million in expenses related to a production interruption at the Corporation's North Carolina plant; and

(v) $2.6 million in expenses related to business optimization in 2024 compared with $2.0 million in 2023;

partly offset by:

(i) the favourable impact of a change in U.S. sales mix;

(ii) a decrease in the Corporation's conversion costs, a portion of which results from operational improvements, including the impact of the ongoing insourcing of manufacturing for certain products sold by the Corporation's U.S. beverage business units; and

(iii) a $0.9 million expense in 2023 resulting from an adjustment related to taxes not recoverable by the Corporation.

Gross profit

As a result of the aforementioned factors and excluding gross profit from the Acquired Entities, gross profit amounted to $659.1 million (26.4% of sales) in 2024, up 12.4% from $586.4 million (25.4% of sales) in 2023.

Selling and administrative expenses

The 2024 selling and administrative expenses were up $71.0 million compared to 2023. Excluding selling and administrative expenses from the Acquired Entities, selling and administrative expenses rose $36.2 million year over year. This increase was mainly due to:

(i) a $10.2 million increase in finished goods warehousing costs, essentially in the U.S.;

(ii) $10.1 million in costs related to the Summer Garden acquisition;

(iii) an $8.8 million increase in transportation costs incurred to deliver products to clients, essentially in the U.S.;

(iv) an $7.2 million increase in certain administrative expenses;

(v) a $3.2 million unfavourable foreign exchange impact that affected the conversion of the selling and administrative expenses of the U.S. entities into Canadian dollars;

(vi) $0.7 million in losses on capital assets in 2024 compared to a $1.0 million gain in 2023 related to business optimization;

(vii) A $1.3 million increase in expenses related to the Strategy and the implementation of new key systems as the Corporation continues to invest in its deployment; and

(viii) a $0.9 million increase in selling and marketing expenses, essentially in the U.S.;

partly offset by:

(i) a $5.6 million decrease in performance-related compensation expenses; and

(ii) $1.9 million in expenses in 2023 related to business optimization.

Operating profit

As a result of the aforementioned factors and excluding the contribution from the Acquired Entities, the Corporation's operating profit totalled $172.5 million for 2024 versus $136.0 million for 2023.

Financial expenses

The 2024 financial expenses were up $7.6 million year over year. Excluding financial expenses from the Acquired Entities and $7.8 million in additional financial expenses related to the Summer Garden acquisition, financial expenses were down $2.0 million from last year. This decrease came mainly from a decrease in interest expense on long-term debt given a lower debt level, partly offset by higher interest rates.

Other (gains) losses

Excluding a $1.5 million gain from Diamond, the other (gains) losses for 2024 resulted in a $2.7 million gain that came essentially from $3.0 million in foreign exchange gains, partly offset by a $0.4 million expense related to an increase in the fair value of the contingent considerations payable. The 2023 gain came essentially from (i) $3.2 million in gains related to the settlement of insurance claims, from (ii) a $1.9 million gain resulting from the business combination with Diamond, and from (iii) $0.6 million in foreign exchange gains.

Profit before income taxes

Excluding the contribution from the Acquired Entities and $7.8 million in additional financial expenses related to the Summer Garden acquisition, profit before income taxes totalled $161.0 million in 2024, up from $122.7 million last year.

Income taxes

Excluding the impact on profit before income taxes from Diamond's contribution, the effective income tax rate of 26.2% for 2024 was lower than the 27.1% rate in 2023. This lower 2024 effective income tax rate is essentially explained by the net impact on the 2023 profit before income taxes of the share in the profit or (loss) of Diamond, as this element has no tax impact on the Corporation.

Profit

Excluding the contribution from the Acquired Entities and $5.7 million in additional financial expenses, net of tax, related to the Summer Garden acquisition, profit totalled $118.5 million in 2024, up from $89.4 million last year.

Profit attributable to the Corporation's shareholders

Excluding the contribution from the Acquired Entities and the $5.7 million impact of additional financial expenses, net of tax, related to the Summer Garden acquisition, profit attributable to the Corporation's shareholders for 2024 totalled $118.5 million, resulting in EPS of $17.38, compared to $88.2 million and $12.92, respectively, for 2023.

12.2 Analysis of Consolidated Cash Flows

	Years ended	
(in millions of dollars)	**Dec. 31, 2024**	**Dec. 31, 2023**
	$	$
Operating activities	**233.9**	224.9
Financing activities	**217.3**	(91.7)
Investing activities	**(440.8)**	(115.4)
Change in cash and cash equivalents	**10.3**	17.8
Cash and cash equivalents at beginning	**15.8**	(1.7)
Effect of exchange rate changes on cash and cash equivalents	**0.8**	(0.3)
Cash and cash equivalents at end	**27.0**	15.8

Cash flows related to operating activities

For the year ended December 31, 2024, operating activities generated $233.9 million in cash, whereas these activities had generated $224.9 million during 2023. Excluding cash flows from the Acquired Entities, operating activities generated $12.8 million less than in 2023 on a comparable basis.

This decrease in cash inflows was due, among other factors, to a change in non-cash operating working capital items that generated $4.1 million in cash during 2024 compared to $47.2 million generated last year, for a $43.1 million decrease in cash inflows. This fluctuation in the change in working capital was due to the combined impact of the following items:

a) a change in inventories that used $43.9 million during 2024 compared to $43.2 million generated in 2023;

b) a change in accounts payable and accrued liabilities that generated $42.4 million during 2024 compared to $21.1 million generated last year;

c) a change in accounts receivable that generated $4.6 million during 2024 compared to $15.1 million used in 2023; and

d) a change in other current assets and liabilities that generated $0.9 million during 2024 compared to $2.0 million used last year.

The following items also contributed to the downward change in cash flows generated by operating activities:

(i) a $22.2 million increase in net income tax paid; and

(ii) a $5.1 million increase in net interest paid.

The downward change in operating cash flows was limited by the following items:

(i) a $41.8 million increase in earnings before interest, taxes, depreciation and amortization (including a $3.1 million unfavourable change in other (gains) losses);

(ii) a net $9.8 million withdrawal from the defined benefit pension plans in 2024; and

(iii) a $3.1 million favourable change in settlements of derivative instruments.

Cash flows related to financing activities

For the year ended December 31, 2024, financing activities generated $217.3 million in cash whereas these activities had used $91.7 million during 2023. Excluding cash flows from Acquired Entities and the cash flows generated during the third quarter of 2024 for the Summer Garden acquisition totalling $323.3 million, financing activities used $9.4 million more than in 2023 on a comparable basis. This increase in cash outflows was mainly due to a $12.3 million increase in dividends paid on Class A and B shares, partly offset by a $65.8 million repayment on the revolving operating credits during 2024 compared to a $68.0 million repayment during 2023.

Cash flows related to investing activities

For the year ended December 31, 2024, investing activities used $440.8 million in cash compared to $115.4 million used in 2023. Excluding cash flows from Acquired Entities and cash flows used during the third quarter of 2024 for the Summer Garden acquisition, net of acquired cash on hand, totalling $324.6 million, investing activities used $1.1 million more than in 2023 on a comparable basis. This upward change came essentially from a $10.1 million increase in cash outflows to acquire property, plant and equipment, partly offset by the acquisition in 2023 of a $9.0 million additional economic interest in Diamond to acquire control thereof.

13 Analysis of the Consolidated Financial Position

(in millions of dollars)	As at Dec. 31, 2024	As at Dec. 31, 2023	Increase (decrease) Foreign exchange impact[11]	Variance, excluding foreign exchange impact
	$	$	$	$
Assets				
Current				
Cash and cash equivalents	**28.2**	19.8	0.5	7.9
Accounts receivable	**213.5**	188.3	11.1	14.1
Income tax recoverable	**9.2**	4.2	1.4	3.6
Inventories	**472.2**	386.6	16.6	69.0
Derivative instruments	**11.7**	0.2	0.1	11.4
Other current assets	**36.6**	37.5	0.6	(1.5)
	771.5	636.6	30.3	104.6
Derivative instruments	**0.3**	0.1	-	0.2
Property, plant and equipment	**657.7**	500.8	21.7	135.2
Intangible assets	**336.3**	184.6	11.6	140.1
Net defined benefit asset	**6.2**	22.0	-	(15.8)
Deferred tax assets	**6.4**	-	1.8	4.6
Other non-current assets	**0.8**	0.8	-	0.0
Goodwill	**498.7**	320.9	26.6	151.2
	2,277.8	1,665.7	92.0	520.1
Liabilities				
Current				
Bank overdraft	**1.3**	4.0	0.2	(2.9)
Accounts payable and accrued liabilities	**429.6**	330.4	16.3	82.9
Income tax payable	**19.1**	7.1	0.8	11.2
Derivative instruments	**1.3**	6.4	-	(5.1)
Other current liabilities	**30.1**	5.7	0.7	23.7
Current portion of long-term debt	**25.1**	18.5	0.2	6.4
	506.5	372.2	18.2	116.1
Derivative instruments	**0.0**	-	-	0.0
Long-term debt	**452.4**	192.0	21.7	238.7
Long-term incentive plan liabilities	**11.2**	5.3	-	5.9
Net pension plan liabilities	**1.3**	0.8	-	0.5
Deferred tax liabilities	**113.7**	99.5	6.4	7.8
Other non-current liabilities	**26.9**	-	1.6	25.3
	1,112.0	669.8	47.9	394.3
Shareholders' equity	**1,165.8**	995.9	44.1	125.8
	2,277.8	1,665.7	92.0	520.1

13.1 Assets

Accounts receivable totalled $213.5 million as at December 31, 2024 compared to $188.3 million as at December 31, 2023. Excluding the foreign exchange impact, accounts receivable were up $14.1 million, essentially explained by Summer Garden's accounts receivable of $12.8 million.

[11] When comparing Consolidated Statement of Financial Position items, readers must consider the conversion rate applicable to closing balances denominated in U.S. dollars, which went from $1.3226 CAD per USD as at December 31, 2023 to $1.4389 CAD per USD as at December 31, 2024. The table presents the main Consolidated Statement of Financial Position items that were significantly affected by the movement in exchange rates.

Inventories went from $386.6 million as at December 31, 2023 to $472.2 million as at December 31, 2024. Excluding the foreign exchange impact and Summer Garden's inventories in an amount of $30.5 million, inventories increased by $38.5 million. This increase came from a $20.5 million increase in inventories of raw materials and supplies due essentially to advanced purchases of apple concentrate to secure prices and supply, partly offset by a lower cost and from an $18.0 million increase in finished goods inventories explained mainly by a higher inventory level.

As at December 31, 2024, the fair value of **derivative instruments recorded as current assets** was $11.7 million compared to $0.2 million as at December 31, 2023. This Statement of Financial Position item essentially reflects the favourable variances between the rates on the foreign exchange forward contracts held by the Corporation to cover its foreign currency requirements for up to 12 months following its reporting date and the exchange rates on that date. It also reflects the favourable changes in fair value of the derivative instruments held by the Corporation to hedge fluctuations in frozen concentrated orange juice prices.

Property, plant and equipment ("PP&E") went from $500.8 million as at December 31, 2023 to $657.7 million as at December 31, 2024. Excluding the foreign exchange impact and $42.2 million in PP&E from Summer Garden, property, plant and equipment increased by $93.0 million. This increase was mainly due to $131.0 million in PP&E acquisitions and to an $8.1 million net upward revaluation in the value of right-of-use assets, partly offset by a $45.6 million depreciation expense.

Intangible assets went from $184.6 million as at December 31, 2023 to $336.3 million as at December 31, 2024. Excluding the foreign exchange impact and $152.5 million in intangible assets from Summer Garden, intangible assets decreased by $12.4 million, as an amortization expense of $24.7 million was partly offset by intangible asset purchases of $11.0 million.

In 2024, the Corporation invested a total amount of $142.0 million in capital expenditures, with growth and optimization projects representing $93.6 million, maintenance and regulatory projects representing $33.3 million, and technology projects representing $15.1 million.

The **net defined benefit asset** went from $22.0 million as at December 31, 2023 to $6.2 million as at December 31, 2024, a $15.8 million decrease essentially explained by a $10.0 million withdrawal from the defined benefit pension plans and by a $5.3 million actuarial loss.

Goodwill went from $320.9 million as at December 31, 2023 to $498.7 million as at December 31, 2024. Excluding the foreign exchange impact, goodwill increased by $151.2 million, with the Summer Garden acquisition accounting for the entire increase.

13.2 Liabilities

Accounts payable and accrued liabilities went from $330.4 million as at December 31, 2023 to $429.6 million as at December 31, 2024. Excluding the foreign exchange impact and Summer Garden's accounts payable and accrued liabilities of $12.8 million, accounts payable and accrued liabilities increased by $70.1 million. This increase was essentially due to an $82.3 million increase in trade payables and accrued expenses, explained mainly by an increase in purchases of raw materials and supplies, and higher capital expenditures, partly offset by a $9.7 million decrease in trade spending and by a $1.7 million decrease in the "Salaries and accrued vacation payable" item.

As at December 31, 2024, the fair value of **derivative instruments recorded as current liabilities** was $1.3 million compared to $6.4 million as at December 31, 2023. This Statement of Financial Position item essentially reflects the unfavourable variances between the rates on the foreign exchange forward contracts held by the Corporation to cover its foreign currency requirements for up to 12 months following its reporting date and the exchange rates on that date. It also reflects the unfavourable changes in fair value of the derivative instruments held by the Corporation to hedge fluctuations in frozen concentrated orange juice prices.

Other current liabilities went from $5.7 million as at December 31, 2023 to $30.1 million as at December 31, 2024. Excluding the foreign exchange impact, other current liabilities increased by $23.7 million. This increase came mainly from an amount of $20.5 million attributable to the current portion of the contingent considerations payable related to the Summer Garden acquisition.

Long-term debt, including the current portion, was $477.5 million as at December 31, 2024 compared to $210.5 million as at December 31, 2023. Excluding the foreign exchange impact, a $309.4 million increase in long-term debt to finance the Summer Garden acquisition and Summer Garden's lease liabilities totalling $6.7 million, long-term debt decreased by $71.0 million. This decrease was mainly due to a $108.6 million repayment on the Canadian revolving operating credit while the Corporation drew $42.8 million on the U.S. revolving operating credit. Moreover, the Corporation repaid $4.8 million on its Canadian term debts. Regarding the Corporation's lease liabilities, they increased by $4.2 million, mainly due to an $8.1 million net upward revaluation in their value, partly offset by $4.0 million in repayments. Lastly, Diamond repaid $4.3 million on its long-term debt.

The long-term portion of the **long-term incentive plan liabilities** went from $5.3 million as at December 31, 2023 to $11.2 million as at December 31, 2024. This increase is explained by the additional grant of restricted share units and share appreciation rights, and by the rise in Lassonde's share price, thereby increasing their value.

Deferred tax liabilities went from $99.5 million as at December 31, 2023 to $113.7 million as at December 31, 2024. Excluding the foreign exchange impact and Summer Garden's deferred tax liabilities of $0.6 million, deferred tax liabilities increased by $7.2 million. This increase came mainly from the tax amortization of goodwill and the tax impact of recognizing, in comprehensive income, gains on financial instruments designated as cash flow hedges.

Other non-current liabilities went from $nil as at December 31, 2023 to $26.9 million as at December 31, 2024, with the entire increase being attributable to the non-current portion of the contingent considerations payable related to the Summer Garden acquisition.

13.3 Shareholders' Equity

Equity attributable to the Corporation's shareholders totalled $1,070.0 million as at December 31, 2024, up $147.4 million from $922.6 million as at December 31, 2023. **Accumulated other reserves** increased by $64.9 million given a $53.8 million increase in the foreign currency translation reserve and also given an $11.1 million increase in the hedging reserve. **Retained earnings** rose $82.6 million to total $883.4 million at the end of 2024. This increase essentially reflects $114.1 million in profit attributable to the Corporation's shareholders for 2024, less $27.3 million in dividends paid, and the recognition of a $4.0 million actuarial loss, net of tax, in other comprehensive income. The **non-controlling interests** went from $73.3 million as at December 31, 2023 to $95.8 million as at December 31, 2024. As part of the Summer Garden acquisition and consistent with the ownership structure of the Corporation's U.S. subsidiaries in place since 2011, 3346625 Canada inc. invested an amount of $14.4 million to maintain a 10% equity interest. Moreover, minority interests also invested an amount of $0.8 million in Diamond. The non-controlling interests represent a minority interest's share in the equity of the Corporation's U.S. subsidiaries as well as the share of other minority interests in the equity of Diamond.

Various ratios related to the consolidated financial position, and the details of their calculation, are available in *Section 20 – "Financial Measures Not in Accordance With IFRS*".

13.4 Contractual Obligations

The principal repayments required on long-term debt other than lease liabilities, the payments required on lease liabilities, purchase commitments, and other commitments for the coming years are as follows:

(in millions of dollars)

Contractual obligations	2025	2026 and 2027	2028 and 2029	2030 and thereafter
	$	$	$	$
Long-term debt (excluding lease liabilities)	18.9	398.4	-	-
Lease liabilities	6.2	10.0	7.7	36.3
PP&E purchase commitments	64.3	89.4	-	-
Other purchase commitments	366.0	7.2	2.1	8.0
Other commitments [i)]	453.6	29.1	-	-
Total	**909.0**	**534.1**	**9.8**	**44.3**

i) Includes bank overdraft, accounts payable and accrued liabilities, derivative instrument liabilities, the contingent consideration payable, and other financial liabilities.

14 Analysis of Selected Annual Information

Sales

At $2,314.9 million, the Corporation's 2023 sales had increased from $2,151.0 million in 2022. Excluding a $43.8 million favourable foreign exchange impact, the Corporation's sales were up $120.1 million (5.6%) year over year. This increase from 2022 to 2023 came mainly from the favourable impact of selling price adjustments and from a favourable change in the sales mix of private label products, partly offset by a decrease in sales volume, essentially in the U.S.

Operating profit

For the year ended December 31, 2023, the Corporation's operating profit had totalled $135.4 million, a $54.1 million year-over-year increase. This increase was mainly explained by (i) a higher gross margin due to the favourable impact of selling price adjustments to offset cost increases, including the higher cost for all inputs and the increase in conversion costs, and by (ii) a $38.9 million decrease in transportation costs incurred to deliver products to customers, resulting (a) from decreases in fuel surcharges and in base transportation rates, (b) from savings related to the use of new processes and the transportation management system ("TMS") in the U.S. and (c) from a decrease in sales volume. These items were partly offset by a $28.9 million increase in performance-related compensation expenses and by a $14.5 million increase in selling and marketing and other administrative expenses.

Profit attributable to the Corporation's shareholders

The 2023 profit attributable to the Corporation's shareholders had totalled $87.5 million, a $33.6 million year-over-year increase that came mainly from a higher operating profit, partly offset by higher income taxes.

Cash flows from operating activities

For 2023, cash flows generated by operating activities had totalled $224.9 million, up $200.9 million from 2022. This upward change was essentially due to a change in non-cash operating working capital items, which had generated $134.8 million more than in 2022, mainly explained by a lower inventory level and a higher operating profit.

Total assets

Total assets grew $61.0 million between 2022 and 2023, mainly due to the Diamond's assets of $62.4 million, and to an increase in property, plant and equipment, partly offset by lower inventories as well as a lower foreign exchange conversion rate as at December 31, 2023.

15 Financing and Cash

As at December 31, 2024, the Corporation had $28.2 million in cash and cash equivalents and a $1.3 million bank overdraft compared to $19.8 million in cash and cash equivalents and a $4.0 million bank overdraft as at December 31, 2023.

The Canadian credit facilities, originally instituted in 2013, were provided by a syndicate of financial institutions to support the Corporation's Canadian operations. In June 2024, upon the signing of the Summer Garden acquisition agreement, the Corporation entered into an agreement to amend the Canadian credit facilities to raise the authorized amount of the revolving operating credit facility ("CA revolving credit") by $250.0 million to $475.0 million and to authorize its use to finance the business combination in the U.S. This agreement came into effect upon the closing of the Summer Garden acquisition on August 8, 2024 and expires in April 2027. Prior to this amendment, the Canadian credit facilities also included a term credit facility ("CA term credit"), which was repaid in July 2024. The CA revolving credit facility provides the Corporation with the option, subject to the participation of each lender, to raise borrowing capacity by an amount not exceeding $50.0 million and to extend, on each annual anniversary date, the expiry date of this CA revolving credit facility by one year under the same terms and conditions.

The U.S. credit facilities, originally instituted in 2011, were provided by a syndicate of financial institutions to support the Corporation's U.S. operations. On January 6, 2023, the Corporation entered into an agreement to amend the U.S. credit facilities to, notably, extend the expiry date until January 2026, and to raise the authorized amount of the revolving operating credit ("U.S. revolving credit") by US$60.0 million. As a result of this agreement, the credit facilities comprise a U.S. revolving credit committed for a period of three years for an authorized amount of US$160.0 million. This U.S. revolving credit facility is not guaranteed by Lassonde Industries Inc. and its Canadian subsidiaries.

In November 2024, Diamond's credit facilities were amended to provide a demand credit ("Diamond demand credit") of $2.5 million, guaranteed by Lassonde Industries Inc., and to revise the authorized amount of the term credit ("Diamond term credit") from $8.8 million to $3.0 million. The credit facilities also comprise a revolving operating credit ("Diamond revolving credit") for an authorized amount of $11.4 million.

As at December 31, 2024, the outstanding balance of the CA revolving credit was $264.7 million, that of the U.S. revolving credit was US$92.9 million and that of the Diamond revolving credit was $9.6 million, whereas, as at December 31, 2023, the outstanding balance of the CA revolving credit was $52.9 million, that of the U.S. revolving credit was US$61.6 million and that of the Diamond revolving credit was $11.3 million.

The terms and conditions of these credit facilities are presented in Note 21 to the Corporation's consolidated financial statements for the year ended December 31, 2024. The Corporation believes that it will be able to ensure its development using cash flows from operating activities and currently available bank credit.

Capital management

Lassonde's capital management strategy requires a well-balanced financing structure to maintain the flexibility needed to implement growth initiatives while allowing it to pursue disciplined capital investments and to maximize shareholder value. The Corporation continues to target a long-term leverage not to exceed a Net debt to adjusted EBITDA[12] ratio of approximately 3.25:1. From time to time, it could deviate from its long-term leverage target to pursue strategic opportunities.

16 Off-Consolidated-Statement-of-Financial-Position Arrangements

As at December 31, 2024, the Corporation had letters of credit outstanding totalling $1.5 million.

Commitments are presented in Note 29 to the Corporation's audited consolidated financial statements for the year ended December 31, 2024.

17 Share Information

As at December 31, 2024, the Corporation's issued and outstanding share capital consisted of 3,069,000 Class A subordinate voting shares and 3,752,620 Class B multiple voting shares.

The shares of Lassonde Industries Inc. traded at prices ranging from $132.99 to $191.00 during 2024. The closing share price for fiscal 2024 was $184.83, up 31.8% from $140.25 at the end of 2023.

18 Dividends

On February 12, 2025, the Board declared, in accordance with the Corporation's dividend policy as amended, a quarterly dividend of $1.10 per share, payable on March 14, 2025 to all registered holders of Class A and Class B shares on February 24, 2025. This dividend is an eligible dividend.

The table below presents the current or expected dates of declaration, record and payment of dividends for fiscal 2025, all of which are subject to approval by the Board.

Declaration date	Record date	Payment date
February 12, 2025	February 24, 2025	March 14, 2025
May 8, 2025	May 21, 2025	June 13, 2025
August 7, 2025	August 19, 2025	September 15, 2025
November 6, 2025	November 19, 2025	December 15, 2025

19 Subsequent Event

Trade conflict

In March 2025, the U.S. administration announced its intention to impose tariffs on goods imported from Canada and other countries. The Canadian government responded by imposing counter tariff measures on certain goods imported from the United States and announcing additional measures to come. In the current environment, the Corporation is actively evaluating the situation as well as its mitigation plans regarding the tariffs. Since several variables remain uncertain, including the duration and evolution of these tariffs, currency fluctuations, interest rate trends, and their collective impact on the general economy, the impact of this trade conflict cannot be reliably assessed.

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[12] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 20 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

20 Financial Measures Not in Accordance With IFRS

To provide more information for evaluating the Corporation's performance, the financial information in the financial documents contains certain supplementary financial measures and certain data or ratios that are not financial measures defined under IFRS ("non-IFRS measures"), which are also calculated on an adjusted basis to exclude specific items impacting the comparability between periods. The Corporation believes that providing these non-IFRS measures is useful to management, investors, and analysts, as they provide additional information to analyze its performance and financial position.

The following non-IFRS financial measures are used in the Corporation's financial disclosures:

- Adjusted Operating Profit;
- EBITDA and Adjusted EBITDA;
- Adjusted Profit Attributable to the Corporation's Shareholders;
- Operating Working Capital;
- Capital Employed; and
- Sources of Capital.

The following non-IFRS ratios are used in the Corporation's financial disclosures:

- Adjusted Operating Profit margin;
- EBITDA margin and Adjusted EBITDA margin;
- Adjusted EPS;
- Days Operating Working Capital;
- Return on Capital Employed; and
- Net Debt to Adjusted EBITDA.

The following supplementary financial measures are used in the Corporation's financial disclosures:

- Days of Sales Outstanding;
- Days of Inventory Outstanding; and
- Days of Payables Outstanding.

These financial measures or ratios, further described below, do not constitute standardized financial measures or ratios in accordance with the financial reporting framework used to prepare the Corporation's financial statements. These non-IFRS measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS. Comparing them to similar financial measures or ratios presented by other issuers may not be possible.

20.1 Items Impacting the Comparability Between Periods

The following table contains a list, description and quantification of items impacting the comparability of the financial performance between the periods:

	Fourth quarters ended		Years ended	
(in millions of dollars)	**Dec. 31, 2024**	**Dec 31., 2023**	**Dec. 31, 2024**	**Dec. 31, 2023**
	$	$	**$**	$
Costs related to the Strategy	**2.7**	0.6	**4.6**	1.9
Implementation costs of new key systems	**1.1**	1.3	**2.0**	3.4
Business optimization	**(0.2)**	3.0	**0.3**	3.4
Costs related to the Summer Garden acquisition	**1.8**	-	**10.1**	-
Start-up costs related to key growth and optimization projects	**2.2**	-	**2.2**	-
Production interruption at North Carolina's plant	**1.2**	-	**1.2**	-
Adjustment related to non-recoverable sales taxes	**-**	-	**-**	0.9
Sum of items impacting comparability on EBITDA:	**8.8**	4.9	**20.4**	9.6
Accelerated depreciation expense related to business optimization	**2.6**	0.5	**2.6**	0.5
Gain on capital assets related to business optimization	**-**	(1.5)	**-**	(1.0)
Sum of items impacting comparability on operating profit:	**11.4**	3.9	**23.0**	9.1
Items impacting comparability on "Other (gains) losses":				
Gains related to the settlement of insurance claims	**-**	(0.6)	**-**	(3.2)
Gain on a business combination	**-**	(1.9)	**-**	(1.9)
Tax impact of previous items	**(3.0)**	(0.9)	**(6.0)**	(1.6)
Impact on profit	**8.4**	0.6	**17.0**	2.5
Attributable to:				
Corporation's shareholders	**7.9**	0.5	**15.9**	2.4
Non-controlling interests	**0.5**	0.1	**1.1**	0.1

20.2 Adjusted Operating Profit

Adjusted operating profit is a financial measure used by the Corporation to compare operating profit between periods by excluding items impacting comparability. Adjusted operating profit is calculated by adjusting the operating profit with items considered by management as impacting the comparability between periods.

	Fourth quarters ended		Years ended	
(in millions of dollars)	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2024**	**Dec. 31, 2023**
	$	$	**$**	$
Operating profit	**43.0**	32.1	**174.7**	135.4
Sum of items impacting comparability	**11.4**	3.9	**23.0**	9.1
Adjusted operating profit	**54.4**	36.0	**197.7**	144.5

(in millions of dollars)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
	$	$	$	$	$	$	$	$
Adjusted operating profit	**54.4**	48.8	58.2	36.4	36.0	37.2	43.3	27.9

20.3 EBITDA and Adjusted EBITDA

EBITDA is a financial measure used by the Corporation and investors to assess the Corporation’s capacity to generate future cash flows from operating activities and pay financial expenses. Adjusted EBITDA is a financial measure used by the Corporation to compare EBITDA between periods by excluding items impacting comparability. EBITDA consists of the sum of operating profit and of the “depreciation of property, plant and equipment and amortization of intangible assets” item and “(Gains) losses on capital assets,” item, as shown in the Consolidated Statement of Cash Flows. Adjusted EBITDA is calculated by adjusting the EBITDA with items considered by management as impacting the comparability between periods.

	Fourth quarters ended		Years ended	
(in millions of dollars)	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2024**	**Dec. 31, 2023**
	$	$	**$**	$
Operating profit	**43.0**	32.1	**174.7**	135.4
Depreciation of property, plant and equipment and amortization of intangible assets	**27.7**	17.1	**80.5**	63.3
(Gains) losses on capital assets	**0.1**	(1.5)	**0.2**	(1.1)
EBITDA	**70.8**	47.7	**255.4**	197.5
Sum of items impacting comparability	**8.8**	4.9	**20.4**	9.6
Adjusted EBITDA	**79.6**	52.6	**275.8**	207.1

For the fourth quarter, the depreciation and amortization (“D&A”) expense went from $17.1 million in 2023 to $27.7 million in 2024. Excluding a $0.5 million unfavourable foreign exchange impact and D&A expense from the Acquired Entities, the D&A expense increased by $3.3 million, explained mainly by the recognition, in the fourth quarter of 2024, of a $2.6 million accelerated depreciation expense related to business optimization ($0.5 million in 2023) and by an increase in the depreciation of property, plant and equipment after capital assets were commissioned during 2023 and 2024, including the new single-serve line in the North Carolina plant.

The annual D&A expense went from $63.3 million in 2023 to $80.5 million in 2024. Excluding a $0.8 million unfavourable foreign exchange impact and D&A expense from the Acquired Entities, the D&A expense increased by $4.9 million, explained mainly by the recognition, in the fourth quarter of 2024, of a $2.6 million accelerated depreciation expense related to business optimization ($0.5 million in 2023) and by an increase in the depreciation of property, plant and equipment after capital assets were commissioned during 2023 and 2024, including the new single-serve line in the North Carolina plant.

(in millions of dollars)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
	$	$	$	$	$	$	$	$
EBITDA	**70.8**	67.7	66.4	50.6	47.7	51.4	57.1	41.4
Adjusted EBITDA	**79.6**	69.3	74.6	52.4	52.6	52.9	58.6	43.1

20.4 Adjusted Profit Attributable to the Corporation's Shareholders and Adjusted EPS

Adjusted profit attributable to the Corporation's shareholders and adjusted EPS are financial measures used by the Corporation to compare profit attributable to the Corporation's shareholders and EPS between periods by excluding items impacting comparability. They are calculated by adjusting them with items considered by management as impacting the comparability between periods.

	Fourth quarters ended		Years ended	
(in millions of dollars, unless otherwise indicated)	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2024**	**Dec. 31, 2023**
	$	$	**$**	$
Profit attributable to the Corporation's shareholders	**27.1**	21.0	**114.1**	87.5
Sum of items impacting comparability	**7.9**	0.6	**15.9**	2.4
Adjusted profit attributable to the Corporation's shareholders	**35.0**	21.5	**130.0**	89.9
Weighted average number of shares outstanding *(in thousands)*	**6,822**	6,822	**6,822**	6,822
Adjusted EPS *(in $)*	**5.13**	3.14	**19.05**	13.18

(in millions of dollars, except adjusted EPS)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
	$	$	$	$	$	$	$	$
Adjusted profit attributable to the Corporation's shareholders	**35.0**	30.9	39.1	25.1	21.5	25.0	26.5	16.9
Adjusted EPS *(in $)*	**5.13**	4.53	5.73	3.68	3.14	3.67	3.89	2.48

20.5 Net Debt to Adjusted EBITDA

Net debt to adjusted EBITDA is a financial measure used by the Corporation to assess its ability to pay off existing debt and define available borrowing capacity. To calculate the net debt to adjusted EBITDA ratio, net debt is divided by the sum of adjusted EBITDA from the last four quarters. Net debt represents long-term debt, including the current portion, less the "Cash and cash equivalents" item, as they are presented in the Corporation's Consolidated Statement of Financial Position.

(in millions of dollars, except the net debt to adjusted EBITDA ratio)	**As at Dec. 31, 2024**	**As at Dec. 31, 2023**
	$	$
Current portion of long-term debt	**25.1**	18.5
Long-term debt	**452.4**	192.0
Less: Cash and cash equivalents	**(28.2)**	(19.8)
Net debt	**449.3**	190.7
Sum of adjusted EBITDA from the last four quarters	**275.8**	207.1
Net debt to adjusted EBITDA ratio	**1.63:1**	0.92:1

	Q4 2024	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
Net debt to adjusted EBITDA ratio	**1.63:1**	1.83:1	0.86:1	1.01:1	0.92:1	0.98:1	1.28:1	1.67:1

20.6 Days Operating Working Capital

Days operating working capital is a financial efficiency measure used by the Corporation to represent the number of days of sales tied up as operating working capital. To calculate this financial measure, operating working capital is divided by the last quarter's sales, as they are presented in *Section 10 – "Fourth Quarter"* of this MD&A, and multiplied by 91 days. Operating working capital consists of the sum of trade accounts receivable, discounts receivable and inventories, less trade payables and accrued expenses and trade spending, as they are presented in the accompanying notes to the Corporation's consolidated financial statements.

(in millions of dollars, except days operating working capital)	**As at Dec. 31, 2024**	**As at Dec. 31, 2023**
	$	$
Trade accounts receivable	**204.3**	180.2
Discounts receivable	**4.8**	4.7
Inventories	**472.2**	386.6
Less: Trade payables and accrued expenses	**(321.9)**	(219.2)
Less: Trade spending	**(50.4)**	(58.8)
Operating working capital	**309.1**	293.5
Divided by: Last quarter's sales	**738.1**	604.8
	0.42	0.49
Days operating working capital *(in days)*	**38.1**	44.2

(in days)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
Days operating working capital	**38.1**	46.3	45.0	48.2	44.2	48.6	51.5	56.6

While the Corporation uses the "Days Operating Working Capital" financial measure described above to assess its overall working capital position, it also remains attentive to the following working capital indicators:

20.6.1 Days of Sales Outstanding

Days of sales outstanding ("DSO") is a financial efficiency measure used by the Corporation to represent the average number of days that it takes the Corporation to collect payment for a sale. This financial measure is obtained by dividing trade accounts receivable less trade spending, as they are presented in the accompanying notes to the Corporation's consolidated financial statements, by the last quarter's sales, as they are presented in *Section 10 – "Fourth Quarter"* of this MD&A, and multiplied by 91 days.

(in millions of dollars, except DSO)	**As at Dec. 31, 2024**	**As at Dec. 31, 2023**
	$	$
Trade accounts receivable	**204.3**	180.2
Less: Trade spending	**(50.4)**	(58.8)
	154.0	121.4
Divided by: Last quarter's sales	**738.1**	604.8
	0.21	0.20
DSO *(in days)*	**19.0**	18.3

(in days)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
DSO	**19.0**	20.9	17.9	20.1	18.3	18.4	17.8	20.2

20.6.2 Days of Inventory Outstanding

Days of inventory outstanding ("DIO") is a financial efficiency measure used by the Corporation to represent the average number of days the Corporation takes to turn its inventory into sales. To calculate this financial measure, inventories, as they are presented in the Consolidated Statement of Financial Position, are divided by the last quarter's cost of sales, as it is presented in *Section 10 – "Fourth Quarter"* of this MD&A, and multiplied by 91 days.

(in millions of dollars, except DIO)	**As at Dec. 31, 2024**	**As at Dec. 31, 2023**
	$	$
Inventories	**472.2**	386.6
Divided by: Last quarter's cost of sales	**545.2**	452.3
	0.87	0.85
DIO *(in days)*	**78.8**	77.8

(in days)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
DIO	**78.8**	77.2	79.7	88.1	77.8	79.5	92.6	94.6

20.6.3 Days of Payables Outstanding

Days of payables outstanding ("DPO") is a financial efficiency measure used by the Corporation to represent the average number of days the Corporation takes to pay its accounts payable and accrued liabilities. This financial measure is obtained by dividing trade payables and accrued expenses less discounts receivable, as they are presented in the accompanying notes to the Corporation's consolidated financial statements, by the last quarter's cost of sales, as it is presented in *Section 10 – "Fourth Quarter"* of this MD&A, and multiplied by 91 days.

(in millions of dollars, except DPO)	**As at Dec. 31, 2024**	**As at Dec. 31, 2023**
	$	$
Trade payables and accrued expenses	**321.9**	219.2
Less: Discounts receivable	**(4.8)**	(4.7)
	317.1	214.5
Divided by: Last quarter's cost of sales	**545.2**	452.3
	0.58	0.47
DPO *(in days)*	**52.9**	43.2

(in days)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
DPO	**52.9**	42.4	42.0	49.9	43.2	39.2	46.9	46.1

20.7 Capital Employed and Sources of Capital

The Corporation uses the capital employed and sources of capital financial measures to measure, on one hand, the level of capital deployed to operate its business and, on the other hand, the source of financing for this utilisation of capital. Capital employed is the sum of all assets (except cash and cash equivalents), less all liabilities (except bank overdraft as well as the long-term debt and its current portion), as they are presented in the Corporation's Consolidated Statement of Financial Position or in the accompanying notes to the Corporation's consolidated financial statements. The sources of capital measure is the sum of bank overdraft, long-term debt, including the current portion, and shareholders' equity, less cash and cash equivalents, as they are presented in the Corporation's Consolidated Statement of Financial Position.

(in millions of dollars)	**As at Dec. 31, 2024**	**As at Dec. 31, 2023**
	$	$
Capital employed		
Trade accounts receivable	**204.3**	180.2
Discounts receivable	**4.8**	4.7
Inventories	**472.2**	386.6
Less: Trade payables and accrued expenses	**(321.9)**	(219.2)
Less: Trade spending	**(50.4)**	(58.8)
Operating working capital	**309.1**	293.5
Other receivables	**4.4**	3.4
Income tax recoverable	**9.2**	4.2
Other current assets	**36.6**	37.5
Derivative instruments asset, including the current portion	**12.0**	0.2
Property, plant and equipment	**657.7**	500.8
Intangible assets	**336.3**	184.6
Net defined benefit asset	**6.2**	22.0
Deferred tax assets	**6.4**	-
Other non-current assets	**0.8**	0.8
Goodwill	**498.7**	320.9
Less: Other accounts payable and accrued liabilities	**(57.3)**	(52.4)
Less: Income tax payable	**(19.1)**	(7.1)
Less: Other current liabilities	**(30.1)**	(5.7)
Less: Derivative instruments liability, including the current portion	**(1.4)**	(6.4)
Less: Long-term incentive plan liabilities	**(11.2)**	(5.3)
Less: Net pension plan liabilities	**(1.3)**	(0.8)
Less: Deferred tax liabilities	**(113.7)**	(99.5)
Less: Other non-current liabilities	**(26.9)**	-
	1,616.3	1,190.6
Sources of capital		
Bank overdraft	**1.3**	4.0
Long-term debt, including the current portion	**477.5**	210.5
Shareholders' equity	**1,165.8**	995.9
Less: Cash and cash equivalents	**(28.2)**	(19.8)
	1,616.3	1,190.6

20.8 Return on Capital Employed

The Corporation uses return on capital employed ("ROCE"), a profitability ratio, to measure how efficiently it is using its capital to generate profits. To calculate ROCE, the sum of adjusted operating profit from the last four quarters is divided by the average capital employed from the last four quarters.

(in millions of dollars, unless otherwise indicated)	**As at Dec. 31, 2024**	**As at Dec. 31, 2023**
	$	$
Sum of adjusted operating profit from the last four quarters	**197.7**	144.5
Average capital employed from the last four quarters	**1,421.0**	1,194.4
Return on capital employed ratio *(in %)*	**13.9**	12.1

(in %)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
ROCE	**13.9**	13.7	13.7	12.7	12.1	11.0	9.8	8.4

21 Uncertainties and Principal Risk Factors

Lassonde operates in a competitive and constantly changing industry. Its business, its brands, its ability to achieve its strategic objectives, and, as a result, its financial position, liquidity, sales and results of operations (together referred to as "Financial Performance") are and will remain subject to numerous risks and uncertainties. The Corporation's management ("Management") selects strategies that focus on seizing business opportunities and mitigating the risks to which the Corporation is exposed. If Lassonde is unable to respond appropriately to changes in its external and internal environment due to inaction, ineffective strategies or poor execution of strategies, there could be negative repercussions on its Financial Performance. The uncertainties and risk factors described hereafter are those likely to affect the Corporation's Financial Performance materially and adversely. Under these circumstances, the trading price of its shares could decline.

The Board is ultimately accountable for overseeing the implementation of processes to identify, manage and mitigate the Corporation's risks and uncertainties. The Board has mandated the Audit Committee to periodically review and assess the risk factors inherent to the Corporation and to ensure that proper measures are in place to manage them effectively. To this end, the Audit Committee is supported by the Corporation's Risk Management Committee, which is composed of Corporation's senior executives, including executives leading the Corporation's business units, as well as the innovation, manufacturing and supply chain CoEs.

Through Lassonde's risk management process, which is designed to identify, assess and emphasize on key risks that could negatively impact the Corporation's objectives and operations based on, among other factors, the likelihood of occurrence, potential impact and speed with which they could occur (velocity), the Risk Management Committee adopts specific action plans to mitigate the risks identified. The Board conducts a parallel risk assessment using the same methodology. On an annual basis, the Chair of the Risk Management Committee reports to the Audit Committee and to the Board on the results of the Corporation's risk management process, together with the proposed action plans for the key risks identified.

On an annual basis, the Chair of the Risk Management Committee presents to the Audit Committee the Corporation's top 20 risks and the action plans for the five most significant risks among these. Also, the Chair presents, on a quarterly basis, a summary of the progress made on the action plans.

In addition, the Board has mandated its Governance Committee to oversee the measures for managing the ESG risks faced by the Corporation and has mandated its Human Resources and Compensation Committee to oversee the measures for managing human resource risks.

The risks and uncertainties outlined herein are generally presented without mitigation measures. Some of them have occurred and any of them may occur in the future, may not materialize in the manner expected or have the anticipated consequences. Although the risks below are organized by heading, and each risk is described separately, many of the risks are interrelated. In addition, the risk review and assessment process cannot guarantee that all events or circumstances that could adversely affect the Corporation's Financial Performance are identified. New information, future events or changing circumstances could affect the Corporation's current assessment of such risks. Additional risks and uncertainties that the Corporation currently deems insignificant may also impair its business operations. Consequently, readers should not consider the following to be a complete discussion of all possible risks or uncertainties applicable to Lassonde's business.

For ease of reference, Lassonde categorized its most significant risks in the following five categories:

Strategic		Operational		Human Resources		Information Technology		Financial	
Risk	Section	Risk	Section	Risk	Section	Risk	Section	Risk	Section
Geopolitical and other global scourge	21.1	Rising and fluctuating input, energy and transportation and other costs	21.3	Leadership, retention and succession	21.9	Cyber security	21.7	Foreign exchange variations	21.4
Macro-economic factors and conditions	21.2	Dependency on certain suppliers and/or commodities	21.5	Employee management and labour relations	21.9	Infrastructure, software and cloud services	21.7	Interest rates, liquidity and credit	21.19
Execution of Strategy	21.6	Supply chain	21.5 21.18			Complexity and efficiency	21.7	Stock price	21.19
Competitive environment	21.8	Inability to revitalize the performance of U.S. beverage subsidiaries	21.10					Pension obligations	21.19
Changes in the legal/regulatory and/or tax environment	21.12 21.18 21.21	Failure to realize benefits from productivity initiatives	21.11					Customer credit	21.19
Climate change and natural disasters	21.13	Product quality and safety	21.16						
Changes in consumer preferences	21.14	Damage to reputation or brand image	21.17						
Customer concentration and increased retailer power	21.15	Inventory obsolescence	21.20						
ESG governance	21.17	Impairment in value of assets	21.20						
Intellectual property	21.21	Claims, litigations and insurability	21.21						
		Public health threats	21.22						

21.1 The Corporation is exposed to geopolitical risks, which could materially and adversely affect its business and Financial Performance

Geopolitical risks encompass the potential for political, economic, and social events to disrupt strategic plans and impact an organization's long-term objectives. Recent examples include the trade tensions between the U.S., Canada, Mexico, and China, the Russia-Ukraine and Israel-Hamas conflicts and economic sanctions on various countries. Given the Corporation's global supply chain and manufacturing operations in both Canada and the U.S., such events can significantly impact the Corporation in several ways, exposing Lassonde to various cross-border risks. The Corporation also remains attentive to the situation in Taiwan as any deterioration in this area of the world may have a significant impact on the Corporation's ability to procure certain key raw materials at acceptable terms and costs, if available at all. Political and social conditions in the markets in which the Corporation's raw materials are purchased or in which its products are sold have been and could continue to be difficult to predict.

Factors such as political instability, economic sanctions, trade conflicts (including tariffs, duties, and other trade restrictions collectively referred to as "Tariffs"), conflicts, and changes in government policies and diplomatic relations in regions where Lassonde operates or sources materials can potentially disrupt supply chains and operations. These disruptions may lead to delays, increased costs, currency value fluctuations, and inventory shortages. Additionally, changes in trade and logistics regulations can necessitate costly and time-consuming adjustments. Geopolitical tensions also heighten the risk of cyberattacks targeting critical infrastructure and sensitive data of the Corporation, its suppliers, or customers. Ultimately, these geopolitical dynamics often result in additional expenses, delays, and inefficiencies, impacting financial stability and planning, and requiring companies to adapt quickly.

More specifically, changes in foreign trade and investment laws, including trade agreements like the Canada-United States-Mexico Agreement and new or increased tariffs, could negatively impact the Corporation's supply chain. The imposition of new or increased tariffs by the U.S. and of countermeasures from trade partners could increase the cost of imported materials (including the cost of certain capital expenditures). In March 2025, the U.S. administration announced its intent to impose a 25% tariff on all imports from Canada, which is relevant to Lassonde. As a result, products manufactured in Canada, could become more expensive, potentially harming Lassonde's Financial Performance. The future actions of the U.S. and other governments regarding international trade agreements, Tariffs, tax policies, export controls, sanctions, and investment restrictions remain uncertain. Depending on their effective date, duration, amount, scope, and nature, Tariffs along with any countermeasures from affected countries (such as Canada) and any mitigating actions available to the Corporation, could increase product and operational costs. These changes could affect raw material prices, provoke countermeasures, and allow competitors not subject to these changes to gain market presence, impacting Lassonde's Financial Performance. It may be difficult for Lassonde to raise product prices enough to offset Tariff impacts, which could reduce profit margins. Higher prices might also decrease product demand, negatively affecting sales. Ultimately, the unpredictability of future export restrictions, Tariffs, and trade relations could further impact Lassonde's Financial Performance. If price increases or other mitigation measures are insufficient to offset higher costs adequately or promptly, and/or if they result in decreased sales volume, the threat, potential or actual imposition, and increases in the rate or scope of such Tariffs (and any countermeasures) could adversely impact Lassonde's Financial Performance. The long-term impact of these measures on Lassonde's Financial Performance is unpredictable but could be significant, potentially increasing the likelihood and intensity of these and other risks discussed herein.

21.2 Lassonde's activities could be affected by macroeconomic factors and conditions which, consequently, may adversely impact its Financial Performance.

Deterioration of general macroeconomic conditions, as a result or not of the evolving geopolitical situation, could have a negative effect on Lassonde's business due to impacts on its suppliers, customers, and operating costs. Many factors beyond Lassonde's control, including a general decline in economic conditions, a prolonged recessionary period or financial or operational difficulties affecting some of its suppliers, could adversely affect the ability of its suppliers and Lassonde to sell products on favourable terms. Furthermore, in periods of uncertain or adverse economic conditions, consumers may buy less of Lassonde's branded products, buy more value or private label products or may forgo certain purchases altogether. Accordingly, the Corporation might not be able to pass its increased costs on to its customers. In addition, the Corporation's customers may seek to reduce their inventories in response to those economic conditions. These collective macroeconomic trends, the duration and severity of which are uncertain, could rapidly change the retail landscape. Although Management has made estimates and assumptions based upon current information, actual results could materially differ given the uncertainty of these factors and may require future changes to such estimates and assumptions.

Further, Lassonde's operations are and could continue to be affected by the economic context should unemployment, interest rates, or inflation reach levels that influence consumer trends and consequently would have an impact on its sales volume and profitability. To the extent that price increases, when possible, are not sufficient to offset higher costs adequately or promptly, or if they result in significant decreases in sales volume, the Corporation's Financial Performance could be negatively affected.

21.3 Rising and fluctuating input, energy and transportation costs as well as other costs could materially and adversely affect Lassonde's business and Financial Performance if it is unable to control these increases or to raise its selling prices to offset the impacts of such cost fluctuations.

Lassonde purchases and uses a large volume of agricultural and other raw materials, ingredients, containers, and packaging (collectively referred to as "inputs" or "raw materials"). These constitute about two-thirds of the Corporation's cost of sales. Key raw materials include Apples and Oranges (which together account for approximately one quarter of the cost of sales) as well as cranberries and other fruit and vegetable concentrates, sweeteners, and flavours. The Corporation also extensively uses PET resin, multilayer carton packaging, corrugated cartons, and film for packaging. In 2024, approximately 80% of the raw materials used by the Canadian operations were imported. Most of these imports came from Brazil, the U.S., China and Mexico, which together accounted for around 80% of the total imports used by the Canadian operations. Specifically, Brazil contributed a significant portion, followed closely by the U.S. and, to a lesser extent, China and Mexico. During the same period, approximately 40% of the raw materials used by the U.S. operations were imported. The primary sources of these imports were Turkey, Brazil, Argentina and China, which collectively represented roughly 70% of the total imports used by the U.S. operations. Among these, Turkey was the largest contributor followed by Brazil and, to a lesser extent, Argentina and China. Costs for inputs, labour, other conversion costs (including energy), transportation (which the Corporation directly or indirectly pays), and warehousing can fluctuate, sometimes significantly. Factors such as demand, global competition, currency, Tariffs, conflicts, weather and speculation can drive these changes. Additionally, some supply contracts contain price adjustment mechanisms based on the suppliers' costs. To the extent that price increases, when possible, are not sufficient to offset higher costs adequately or promptly, and/or if they result in significant decreases in sales volume, the Corporation's Financial Performance could be negatively affected. Refer to Section 22 for more details on Lassonde's exposure to commodity costs.

21.4 Lassonde is exposed to the variation in foreign exchange rates which could materially and adversely affect its business and Financial Performance.

Lassonde is sensitive to movements in currency exchange rates because: (i) a significant portion of the purchases for its Canadian operations (including certain capital expenditures) are made in foreign currencies (mainly U.S. dollars) while its products are sold in Canadian dollars, creating a net exposure to the U.S. dollar in 2024; and (ii) a portion of its assets, liabilities, sales, and expenses must be translated into Canadian dollars for reporting purposes or converted into Canadian dollars to service Canadian dollar-denominated obligations, including to pay dividends to its shareholders. Any favourable or unfavourable impacts to the Corporation's Financial Performance from the fluctuations in foreign currency exchange rates are likely to be inconsistent year over year. The Corporation's efforts to mitigate its exposure to exchange rate fluctuations, especially when they are sudden, may not be successful. In addition, when this exposure is managed via a derivative instrument, the Corporation may still incur material losses from such transactions, including being exposed to a counterparty credit risk. Refer to Section 22 for further information on Lassonde's exposure to foreign exchange rates.

21.5 If Lassonde is unable to manage its supply chain efficiently, including its dependence on certain suppliers, and its production capabilities to ensure that its products are available to satisfy customer orders, its business and Financial Performance could be significantly affected.

The success of Lassonde depends, in large part, on maintaining strong sourcing and manufacturing networks and efficient distribution channels. Factors that are difficult to predict or beyond its control could interrupt or disrupt its operations or those of its suppliers, including its co-packers and logistics service providers or other business partners. The impact would be greater if the Corporation's main production sites or those of one of its main suppliers and/or co-packers were affected and if the Corporation was unable to find alternative suppliers or replace the lost production capacity promptly. The Corporation’s suppliers may decide whether, and to what extent, they provide for Lassonde’s requirements; some of them may even terminate their arrangements unilaterally or with short notice. If the Corporation's suppliers are unable or unwilling to meet its needs, it could experience stock-outs or substantial cost increases. The Corporation's suppliers may not be able to meet its needs for many reasons, including the operational risks (such as those described herein) they themselves face. Some of these risks may be greater when the supplier or its plant is in a country or a region where there are more risks, or which is less developed. The inability to identify alternative sources of supply or to replace lost capacity at major co-packers could result in delays in delivery or adversely affect the Corporation's ability to deliver products to its customers. Finally, a change of supplier may result in long delays, changes in quality and/or specifications, and be costly.

The Corporation, like several of its competitors, buys a substantial portion of its Oranges from a single supplier and obtains a large portion of its multilayer carton packaging supplies mainly from a single supplier. It also has a limited number of suppliers for certain strategic raw materials critical to its operations. Chinese companies meet a significant portion of the global Apples whereas Brazilian companies hold the same position with respect to Oranges. Consequently, and even though the Corporation does not exclusively source from these countries, any major geopolitical or climate disruption involving China or Brazil or disputes with suppliers about the cost or performance of goods and services provided, or about their inability to deliver such goods and services in a timely manner, is a risk to the Corporation.

As a result of recent challenges in the global supply chain, Lassonde must continuously manage its inventory level and product mix based on forecasted demand or it risks having insufficient product to meet consumer demand or, alternatively, having too much inventory on hand, which requires financing and warehousing spaces or may reach expiration dates and become unsaleable. In addition, to ensure a continuous supply of raw materials, some of the Corporation's inventory purchase obligations include long-term purchase commitments or minimum quantities. The timing of these deliveries may not always coincide with the period in which the Corporation requires these products to meet customer demand, which could result in increased or fluctuating inventory levels and/or increased raw material costs.

Lassonde relies on a North American plant network to serve its customer base across the continent. In 2024 (and in 2023), approximately 12% of the Corporation's sales were attributed to products made in its Canadian plants and sold in the U.S. market. Conversely, approximately 1% of the Corporation's sales for 2023 and 2024 were attributed to products made in its U.S. plants and sold in the Canadian market. Any disruption in Lassonde’s ability to efficiently leverage this North American network, including any disruption due to Tariffs, could have a negative and potentially significant impact on the Corporation’s Financial Performance.

Although the Corporation has a business continuity plan, the plan may not address all the issues the Corporation may encounter in the event of unanticipated issues. A material or extended disruption of its operations may cause the Corporation to lose its customers’ or business partners’ confidence or suffer damage to its reputation, and long-term consumer demand for its products could decline.

21.6 Lassonde’s multi-year strategy may fail to deliver anticipated results, which could materially and adversely affect its business and Financial Performance.

Lassonde’s success depends, among other things, on its ability to evolve and grow, and, as changes in its business environments occur, the Corporation may adjust its strategic business plans, from time to time, to meet these changes. The rollout and execution of the Strategy described in *Section 4 - "Multi-Year Strategy"* of this MD&A, requires a significant effort from Management and operational resources, which may divert Management’s attention from existing core businesses. In addition, events and circumstances, such as delays and unexpected costs, may occur and prevent the Corporation from realizing all, some or any of the benefits expected from its planned timetable or investments, and there can be no assurance that any benefits derived will be sufficient to offset the expenses and costs that it expects to incur in implementing the Strategy.

In the recent Tariffs context, Lassonde is evaluating various mitigating measures that might necessitate adjustments to its business strategy or operations to stay competitive in Canada and the U.S. However, there is no assurance that these measures, if implemented, will fully or partially offset the potential negative financial impacts of Tariffs. Any changes to Lassonde's business strategy or operations to adapt to these changes could be time-consuming and costly, and some competitors might be better positioned to handle or respond to these changes. In addition, given that developments are ongoing with respect to these Tariffs and other measures, the impacts of any mitigating strategies are uncertain.

Acquisitions have always been a key aspect of Lassonde’s growth strategy. The Corporation’s ability to consummate and effectively integrate any future acquisitions may be limited by its ability to identify strategically appropriate acquisition targets, to structure suitable acquisitions, considering related tax and financial impacts, Management's available resources, compliance with applicable regulations and, to the extent necessary, its ability to obtain financing at satisfactory terms. Acquisitions and other material transactions may expose the Corporation to additional risks, and the Corporation may find itself facing unforeseen obligations, including in connection with the integration or the management of the acquired businesses. Lassonde may also experience delays in extending its internal control over financial reporting (“ICFR”) to newly acquired businesses, which may increase the risk of failure to prevent misstatements in its financial reports and timely release of its consolidated financial statements.

21.7 Lassonde's operations could be disrupted if its information technology systems fail to perform adequately or are breached. This could materially and adversely affect its business and its Financial Performance as well as the timeliness in which it reports its results and/or the accuracy thereof.

In the normal course of business, the Corporation relies on information technology systems, including its enterprise resource planning ("ERP") software programs, to collect, process, transmit, and store information about all aspects of its operations, to manage its supply chain, to operate its plants and to perform the financial accounting of its business activities. Lassonde's information technology systems may be vulnerable to a variety of interruptions as a result, for example, of updating the Corporation's enterprise platform or due to events beyond its control, including, but not limited to, network or power outages, software malfunction or deficiencies, equipment failures or constraints or telecommunications interruptions, fire, flood, natural disasters, terrorist attacks, human error, the unintentional or malicious actions of employees or contractors, viruses, cybersecurity attacks, unauthorized access to sensitive financial, personal and commercial information and other security issues. Security, backup, and disaster recovery measures may not be adequate or implemented properly to prevent such disruptions or failures.

Lassonde invests in technology security initiatives, information technology risk management, and disaster recovery plans. However, these initiatives may require significant additional work and expenses and may not be successful. Due to the constantly evolving and complex nature of security threats, it cannot predict the form and impact of any future incident, and the cost related to implementing, maintaining, and enhancing protective measures to guard against increasingly complex and sophisticated cyber threats could increase significantly.

Lassonde relies on external technology partners for several types of information systems and business processing services, including hosting, collecting, storing, and transmitting data. If any of these third parties, including cloud and software service providers, that provide or sell services do not perform their services effectively, the Corporation's operations could be impacted, or it may have to incur additional costs to supplement the deficiencies of such service providers.

If the Corporation does not allocate and effectively manage the resources necessary to continue building and maintaining its information technology infrastructure (whether internally or externally managed), or if it fails to timely identify or appropriately respond to cyber-attacks or other cyber incidents, its business can be adversely affected, which can, among other things, hinder production, delay or distort certain decisions, cause financial losses and compromise confidential information.

Lassonde continues to upgrade or migrate its ERP as well as certain other key systems and has begun to roll out these systems in certain areas of the business. The design and implementation of ERP have required (and will require) significant investments of personnel and financial resources. The Corporation may not be able to implement the ERP successfully without experiencing delays, increased costs, and other difficulties, including potential design defects or failures to meet validation requirements. Furthermore, if the Corporation is unable to implement the new ERP as planned, the effectiveness of its ICFR could be adversely affected and its ability to assess those controls adequately could be delayed.

21.8 Competitive pressures could limit Lassonde's ability to recover increased costs or increase prices, which would adversely affect its business and Financial Performance.

The North American juice, drink, and specialty food markets are highly competitive and rapidly changing. The Corporation competes based on price, quality, product variety, brand recognition and loyalty, and its ability to effectively distribute its products. Some of its competitors are very large and have greater scale and financial and marketing capabilities than the Corporation does to withstand changes in market conditions. Increased competition and anticipated actions by its competitors could lead to downward pressure on selling prices or contribute to higher trade spending and/or marketing costs, discounts, and/or promotional rebates used to promote products and/or a decline in the Corporation's market share. Competitive pressures could also limit Lassonde's ability to recover increased costs or increase prices. Existing products or products under development by Lassonde's competitors could prove to be more successful or less costly than its products, which could have a material adverse effect on the competitiveness of its products and its business. In addition, from a production standpoint, barriers to entry into the beverage industry are rather low as beverage is a relatively low-tech industry with a multitude of third-party manufacturing capacity. Moreover, despite the Corporation's well-established presence in its industry, certain large competitors may leverage their influence to procure raw materials or services (such as co-packing) at reduced costs, potentially securing a significant portion of the market's supply for these resources.

21.9 If Lassonde is unable to hire and retain a skilled and diverse workforce, maintain harmonious labour relations or plan for the succession of key employees, it could materially and adversely impact its business and Financial Performance.

Lassonde's success depends in part on the quality of the human resources that it can hire, train, develop, and retain as well as on the adequacy of its plans for the succession for critical positions and for employees nearing retirement. While the Corporation has historically experienced some level of ordinary course turnover of employees, the North American operating context over the last few years resulted in increased labour shortages and turnover. The scarcity of labour in North America is likely to have a continued impact on business performance, in terms of operational efficiency, ability to meet demand, compensation, and the cost of employee benefits. The Corporation competes with other companies to attract and hire skilled employees, and its own employees are sought after by other companies in the same situation. This context could cause the Corporation to lose talented employees, and unplanned turnover could deplete its institutional knowledge, erode its competitiveness and result in increased costs due to increased competition for employees.

In addition, failure to maintain a safe and inclusive environment or promote the well-being of its employees could affect Lassonde's reputation and result in lower performance by them and an inability to retain employees. The Corporation could also fail to attract and develop personnel with key emerging competencies that are needed to continue to develop in a constantly changing world.

Lassonde is subject to health and safety risks and to the related laws and regulations. Serious injuries to an employee or the death of an employee could have a serious impact on Lassonde's reputation, result in litigation and lead to compliance-related and other costs.

Although Lassonde believes it has good relationships with its employees, a significant portion of its 2,900 full-time equivalent employees is covered by collective bargaining agreements. Strikes or work stoppages or other related business interruptions could occur if the Corporation is unable to renew these (or enter new) agreements on satisfactory terms, which could impair the manufacturing of its products. The terms and conditions of existing, renegotiated, or new collective bargaining agreements could also affect its ability to implement future operational changes to enhance its efficiency or to adapt to changing business needs or strategy. Two collective bargaining agreements related to two Canadian plants of the Corporation are expiring in 2025.

Labour shortages and increased employee turnover rates have and could continue to lead to increased costs, such as increased overtime to meet demand and increased wage rates or bonuses to attract and retain employees and could continue to negatively affect its ability to efficiently operate its plants and thus operate at optimal capacity. Increase in employee costs could cause the Corporation's Financial Performance to decrease if it is unable to control or pass resulting cost increases along to its customers.

Finally, the Corporation has also been negatively affected and could continue to be negatively affected by labour-related issues or constraints experienced by its suppliers, including its co-packers and freight providers.

21.10 If Lassonde is unable to revitalize the performance of its U.S. beverage subsidiaries, its operations and its Financial Performance could be materially and adversely affected.

All efforts aimed at revitalizing the Corporation's U.S. beverage subsidiaries, including the recently announced construction of a new plant in New Jersey, the infusion of additional capital and the restoration of demand for its products, may face challenges. These initiatives might not be completed within the expected time frame, could result in higher-than-expected costs, or may fall short of achieving the projected cost savings. Furthermore, the demand build-back plan may not yield the anticipated benefits in terms of increased gross profit and absorption of fixed costs.

21.11 Failure to realize benefits from Lassonde's productivity initiatives can adversely affect its Financial Performance.

The Corporation's Strategy and its future growth are significantly dependent on its continuous efforts to improve operational efficiencies. By focusing on these enhancements, the Corporation aims to establish a foundation for sustainable long-term growth. This involves optimizing processes to facilitate better decision-making and more streamlined operations.

The success of these initiatives is not guaranteed. Challenges such as technological integration, employee resistance, cost overruns, and supply chain disruptions could impede these efforts and affect the Corporation's anticipated outcomes. If the Corporation encounters one or more of these challenges while executing its productivity initiatives or fails to achieve the expected cost savings, it may not fully realize the projected benefits. Such setbacks could negatively impact the Corporation's overall Financial Performance, potentially hindering its growth objectives and strategic goals.

21.12 Changes to tax laws and policies (and the interpretation thereof), and to foreign trade and investment laws, policies and agreements, mainly in Canada and in the U.S. could negatively affect Lassonde's tax rate, tax cost, and cash payments, and could materially and adversely affect Lassonde's Financial Performance.

The Corporation is subject to income taxes and non-income-based taxes (together referred to as "Tax(es)") mainly in Canada, the U.S., and certain foreign jurisdictions. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. If tax authorities in any jurisdiction change applicable tax laws, the Corporation's overall Taxes could be impacted and fluctuations in the effective tax rate may result in volatility in its financial results. To comply with these changes, the Corporation may incur significant expenses. Adverse changes in tax laws in any of its jurisdictions could materially affect Lassonde's deferred tax positions, its income tax provision or any other Tax expenses. Furthermore, governmental tax authorities are increasingly scrutinizing the tax positions of companies. Although the Corporation believes its tax estimates are reasonable, if a taxing authority disagrees with the positions taken, it could face additional tax liabilities, including interest and penalties. In addition, the Corporation's effective tax rate in any given financial statement period may increase or decrease based on the geographic mix of quarterly and year-to-date results in the various jurisdictions in which the Corporation operates, the amount and source of taxable income, changes to tax laws and tax rates, changes to existing accounting rules and revisions to the assumptions and estimates the Corporation considers in determining tax assets and liabilities.

Finally, the Corporation must comply with transfer pricing and tax regulations to ensure accurate income reporting and taxation. Despite believing it follows all rules, there is a risk of audits that could result in additional taxes. If audits are unfavourable, the Corporation may be challenged to offset foreign tax assessments with credits. Due to the complexity and frequent changes in tax laws, the Corporation cannot guarantee future use of foreign tax credits.

21.13 Climate change, and natural disasters and other environmental issues could adversely affect Lassonde's supply chain and operations, which could have a material adverse effect on its Financial Performance.

Unseasonable or unusual weather, natural disasters or long-term climate changes could add volatility to the Corporation's input costs and influence the availability of raw materials, energy and fuel, as well as the Corporation's production capacity and the demand for its products.

Water is the main ingredient in substantially all Lassonde's products. Climate change may cause water scarcity and a deterioration of water quality in regions where the Corporation operates or sources raw materials. Increasing competition for water among domestic, agricultural, and manufacturing users is intensifying in these areas. As water becomes scarcer or its quality declines, the Corporation may incur increased production costs or face manufacturing constraints. Additionally, despite widespread water availability, limitations of water purification and waste treatment infrastructure may lead to increased costs or constraints on operational efficiency.

Concerns about climate change may lead consumers to prefer sustainably grown and produced products. Additionally, there is a growing focus among some consumers to buy local food products to reduce the carbon footprint associated with their long-distance transportation. This could result in a decrease in the demand for food products and raw materials that Lassonde imports from other countries or transports from remote growing and processing locations.

Consumers are also increasingly aware of sustainability, with particular attention to the recyclability of product packaging, reducing consumption of single-use plastics and non-recyclable materials, and the environmental impact of manufacturing operations. In addition, several of the Corporation's customers have announced their intention to transition to recyclable, compostable, or reusable packaging. These changing preferences could require the Corporation to use specially sourced raw materials that may be more difficult to source or result in higher costs or additional capital investments that it may not be able to pass on to customers. If the Corporation doesn't meet customer and consumer demands, its sales and, as a result, its Financial Performance could suffer.

The Corporation has identified several significant climate-related and natural disaster risks. These include damage from extreme weather events, such as Hurricane Helene in September 2024, which caused severe flooding and infrastructure damage in North Carolina, affecting one of Lassonde's plants. Long-term climate shifts, like sea-level rise, chronic heat waves, and droughts, also pose risks. For instance, the 2024 California drought increased water and irrigation costs, while the 2024 European heatwave damaged crops and raised cooling costs. These events create volatility in the availability and quality of the Corporation's key agricultural commodities, such as apples, oranges, cranberries, tomatoes, and other fruits and vegetables.

As a result, these climate-related and natural disaster events could have significant impacts on the Corporation, including reduced production output, increased costs, and capital investments. Additionally, the Corporation expects to incur further costs related to sustainability initiatives, such as higher fuel and energy prices from carbon pricing policies, due diligence, audits, and reporting activities.

21.14 Consumer preferences change from time to time, and Lassonde's failure to timely anticipate or react to these changes could result in reduced demand for its products, which could materially and adversely affect its business and Financial Performance.

Demand for Lassonde's products depends in part on its ability to innovate, anticipate and effectively respond to shifts in consumer trends and preferences. The Corporation must also distinguish between short-term fads and long-term trends in such preferences and behaviours. The Corporation's business can be adversely affected when it doesn't accurately predict long-term changes in consumer preferences or trends in the types of products in demand or when it fails to introduce new or improved versions of products to meet changing consumer preferences. Lassonde's ability to continue serving customers in all markets in which it operates will also depend on the quality and prices of its products, its service level, and its value proposition. Consumers may not buy the Corporation's branded products if they perceive only a minimal difference between the quality or value of its products and those of retailers' private label products or other brands. Finally, consumers may not buy the Corporation's products on either side of the Canada/U.S. border in reaction to the trade conflict.

21.15 Customer Concentration and increased retailer power or the loss of a key customer could materially and significantly impact Lassonde's business and Financial Performance.

Lassonde benefits from close commercial relationships with several key customers. In 2024, 40.2% (40.6% in 2023) of the Corporation's sales were carried out with its three largest customers, the largest representing 16.1% (15.7% in 2023) of its sales. The Corporation's customers typically make purchase decisions based on a combination of price, product quality, and customer service performance. Also, they do not typically enter written contracts with fixed purchase commitments, and the contracts that they do enter into can generally be terminated at will. Therefore, there can be no assurance that the Corporation's customers will continue to buy its products in the same mix or quantities or on the same terms as in the past. The loss of one or more of these customers, a material disruption of the relationship with these customers, or a significant deterioration of the commercial terms applicable to these customers, could have a material impact on the Corporation's profitability.

Most of the Corporation's sales are to the food retail and wholesale segment. This market is highly concentrated in Canada, whereas in the U.S., the level of market concentration is lower. However, the level of concentration (through consolidation or formation of buying groups) of customers continues in all the Corporation's market segments. Such concentration produces larger retail customers that may seek to leverage their position to improve their profitability by demanding lower pricing, longer payment terms, increased promotional programs, or by removing the Corporation's products, reducing the shelf space allotted to its products or requiring specifically tailored products. In addition, larger retailers have the scale to invest in data analytics and to develop supply chains whereby they can operate with reduced inventories or to develop and produce their own retailer brands; in this regard, the Corporation notes the increased focus by retailers to rebalance inventory levels considering continued inflationary pressures. Additionally, with more scale, information, and resources, they can threaten to expand their private label if they don't obtain the deals they want. Finally, and more specifically for the Corporation's private label retail offering, if the combined entity resulting from a consolidation or similar transaction is not an existing customer of the Corporation, the Corporation may lose a significant portion of its business with such customer upon completion of the transaction. All these factors give customers significant bargaining power that could limit the Corporation's ability to raise its prices to offset inflationary pressures.

21.16 Product recalls or other issues with respect to product quality and safety can result in expensive recall costs, severely damage Lassonde's reputation and could materially and adversely affect its business and Financial Performance.

Lassonde sells food products for human consumption, which carries several risks. These include product contamination or spoilage, tampering after the original manufacture, and other forms of food adulteration. A product that has been actually or allegedly affected in any of these circumstances could cause a voluntary or mandatory recall due to a substantial product hazard, a need to change a product's labelling, or other consumer safety concerns. It could also potentially result in the destruction of product inventory, negative publicity, temporary plant closings, lost sales due to any unavailability of the product for a period, substantial cost of compliance or remediation, and potentially significant claims arising from bodily injury, illness, or death caused by the products. Even if liability claims against the Corporation are not successful or only partially successful, they could be time-consuming and costly and may require Management to spend time defending the claims rather than operating the business.

Although Lassonde believes it has good internal processes, training, and food safety programs, they may not be fully effective in preventing contamination of food products that could lead to foodborne illnesses. A failure in its control processes may result in contamination of products, resulting in a breach of existing food safety legislation and potentially cause illness among consumers or employees. The Corporation also relies on suppliers and co-packers, which increases the risk that foodborne illness incidents could occur outside of its direct control.

Lassonde's (and its co-packers') operations are subject to regulations by government food inspection agencies in Canada and the U.S.. Such regulations are subject to changes from time to time, which could impact how it manages its production and sale of products. The Corporation's plants and products are subject to periodic inspection by regulatory authorities. It also imposes greater responsibility upon the different parties throughout the food chain to design and implement effective hazard analysis and preventive control programs in food safety programs throughout the supply chain.

Instances of foodborne illnesses, whether real or perceived, and whether arising from the Corporation's operations or the result of its actions or omissions, could cause negative publicity about Lassonde or its products, which could adversely affect Financial Performance. In addition, a recall or withdrawal may cause the Corporation to lose future revenues or to have its relationships with one or more significant customers interrupted, and the impact of the recall or withdrawal could cause its customers or consumers to no longer be willing to continue to purchase affected or unaffected products from Lassonde or could otherwise hinder its ability to grow its business with those customers or consumers. Furthermore, publicity surrounding such claims could adversely affect its reputation and brands.

21.17 Damage to Lassonde's reputation or brand image could adversely affect its relationships with its stakeholders as well as its business and Financial Performance.

Lassonde's reputation among stakeholders, and consequently that of its brands, could be damaged because of controversial business decisions made by Management or by its business partners. In such a case, stakeholder trust in the Corporation, the perception of what its brands stand for, the Corporation's connection with customers, and subsequently its brand value, could significantly diminish even if the allegations in this regard were unfounded or if these matters were immaterial to its operations.

Lassonde recognizes that proper stewardship of ESG matters that are relevant to its business contributes positively to the Corporation's reputation. The Corporation has set various ESG-related targets and has undertaken or planned capital investments and other initiatives to measure and track them and to increase its energy efficiency and reduce its GHG emissions, waste, and water usage. There is no assurance that its environmental and sustainability initiatives will be economically viable and effective or that the anticipated environmental benefits will materialize. It is possible that the changes necessary to reduce polluting emissions or generated waste will not be feasible or that the costs of reduction will be material, either of which could have a material adverse effect on the Corporation's reputation and business.

Increased negative attention from traditional and non-traditional media and other stakeholders on the role of food marketing and ESG practices could adversely affect Lassonde's image. Damage to its reputation or brand image could adversely affect its business, including its ability to hire and retain talent. Reputational risk intersects with many of the Corporation's other risks and may therefore exacerbate these risks.

21.18 Changes made to environmental laws could adversely affect Lassonde's supply chain and operations, which could have a material adverse effect on its Financial Performance.

The Corporation's operations are subject to various laws and regulations relating to the protection of the environment. Compliance with these laws and regulations requires that the Corporation continues to incur operating and maintenance costs and capital investments, including to control potential impacts of its operations on local communities. Laws and regulations related to the use or disposal of plastics or other packaging materials can adversely affect Lassonde's activities. The Corporation relies on diverse packaging solutions to safely deliver products to its customers and consumers. Some of its products are sold in packaging designed to be recyclable. However, not all packaging is recycled, whether due to lack of infrastructure or otherwise. Several jurisdictions in which the Corporation's products are sold have imposed or are considering imposing regulations or policies intended to encourage the use of sustainable packaging, waste reduction, or increased recycling rates or to restrict the sale of products using certain packaging. These regulations vary in form and scope and include extended producer responsibility ("EPR") policies, plastic or packaging taxes, restrictions on certain products and materials, requirements for bottle caps to be attached to bottles, bans on the use of single-use plastics and requirements to charge deposit fees. Certain jurisdictions have imposed minimum recycled content requirements for beverage bottles, and similar legislation is under consideration in other jurisdictions. These laws and regulations have and could continue to increase the cost of the Corporation's products, impact demand for its products, result in negative publicity, and require it to increase capital investments to reduce the amount of plastic or other materials used in its packaging or to develop alternative packaging. Also, in Quebec, where Lassonde has a significant presence, the deposit-refund and selective collection systems are being modernized under an EPR approach, whereby the entities that sell, market, or otherwise distribute target products are responsible for managing them at the end of their useful life. This modernization will impose numerous new obligations on beverage manufacturers such as Lassonde.

The increasing concern over climate change may also result in more legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases and replenish water reserves. Such laws and regulations may have a significant effect on the food processing industry, requiring firms such as Lassonde to incur material capital investments and additional operating costs, including with respect to energy, packaging, and recycling. Increasing regulation over carbon taxes could also substantially increase its product supply chain, manufacturing, and distribution costs.

Under environmental laws and regulations, the Corporation may be liable for the costs of investigation, removal, or remediation of certain hazardous or toxic substances, as well as related costs of investigation and damage to natural resources, at various properties, including its current and former properties and the former properties of its predecessors, as well as off-site waste handling or disposal sites that it or its predecessors have used. These costs could be substantial.

21.19 Lassonde is exposed to various other financial risks that could materially and adversely affect its business and Financial Performance.

Interest rates

Interest rate risk is the Corporation's exposure to increases or decreases in financial instrument values caused by fluctuations in interest rates. The Corporation is exposed to cash flow risk due to interest rate fluctuations in its floating-rate interest-bearing financial obligations and is exposed to fair value risk from its fixed-rate financial obligations. In addition, upon the refinancing of a debt instrument, depending on the availability of funds in the market and lender perception of the Corporation's risk, the margin that is added to the reference rate, such as CORRA, SOFR, and prime rates, could vary and directly influence the interest rate payable by the Corporation. Refer to Section 22 for further information on Lassonde's exposure to interest rates.

Liquidity and credit

Liquidity risk refers to the possibility of the Corporation not being able to meet its financial obligations when they become due. To fulfill its liquidity needs, Lassonde has access to long-term and short-term capital. Its Financial Performance, interest rates, the stability of financial institutions with which it partners, the liquidity of the overall capital markets, and the state of the global economy, including the food industry, could affect its access to capital, the cost of its financing at acceptable terms, or at all, as well as its ability to pay dividends in the future. In addition, the Corporation may not be able, without continued access to capital resources, to continue to fund internal growth and/or acquire complementary businesses.

Lassonde's credit facilities contain covenants imposing certain restrictions on its business. These restrictions may affect its ability to operate its business and may limit its ability to take advantage of potential business opportunities as they arise. The credit facilities also require the Corporation to satisfy certain financial covenants, such as maintaining minimum fixed charge coverage ratios and maximum leverage ratios. The breach of any of these covenants could result in a default, which would allow the lenders to declare all outstanding debt to be due and payable, together with accrued and unpaid interest. Any default by the Corporation under any of its credit facilities could have a material adverse effect on its business and Financial Performance.

Due to the risks to which it is exposed, the Corporation may be unable to maintain a level of cash flow sufficient to permit it to repay the principal, pay a premium, if required, and pay interest on its indebtedness. If its cash flows and capital resources are insufficient to meet its debt service obligations, the Corporation could face substantial liquidity problems and could be forced to reduce or delay capital investments, dispose of material assets or operations, obtain financing from new sources or additional equity capital, or restructure or refinance its existing indebtedness. The Corporation may not be able to deploy any such alternative measures, if necessary, on commercially reasonable terms or at all, and, even if it were able to do so, those alternative actions may not allow it to meet its scheduled debt service obligations. Disruptions in the capital markets and available liquidity could also impair Lassonde's ability to fund its operations or limit its ability to expand its business. North American capital credit markets have experienced volatility, turmoil and liquidity disruptions that have led to tightened access to capital markets and other sources of funding.

Lassonde Industries, Inc.'s only significant asset is its ownership interest in its operating subsidiaries. The financial condition and operating requirements of its operating subsidiaries may limit its ability to obtain cash from its operating subsidiaries. The earnings from, or other available assets of, its operating subsidiaries may not be sufficient to pay dividends or make distributions or loans to enable the Corporation to pay any dividends on its shares or satisfy its financial obligations; the ability of the Corporation's operating subsidiaries to do so is also governed by the terms of their credit facilities and is subject to the negative covenants set forth therein.

Stock price

Lassonde's share price may be volatile. In addition, price and volume trading volatility in the stock markets can have a substantial effect on its share price, frequently for reasons other than its Financial Performance. Lassonde's share price and trading volumes could decline if one or more securities or industry analysts downgrade Lassonde's shares, issue unfavourable commentary about the Corporation, its industry, or its business, cease to cover Lassonde or fail to regularly publish reports about it, its industry, or its business. Periods of volatility in the overall market and the market price of a company's securities could be followed by securities litigation. Such litigation, if instituted against the Corporation, could result in substantial costs and divert Management's attention and resources.

The Corporation established a long-term incentive plan for executives. This plan provides awards of restricted share units ("RSU") and share appreciation rights ("SAR"), the values of which are linked to the performance of the Corporation's shares. To mitigate a portion of the effects of fluctuations in the share price on the fair value of the long-term incentive plan, the Corporation entered into total return swap agreements. The total return swaps are not subject to hedge accounting, which may result in fluctuations in the Corporation's operating results. Finally, even though this exposure is partly managed via a derivative instrument, the Corporation may still incur material losses from such transactions using such an instrument, including being exposed to a counterparty credit risk. Refer to Section 22 for further information on Lassonde's exposure to its stock price fluctuation.

Pension obligations

The Corporation has defined benefit pension plans. Contributions made to fund such plans are based on actuarial valuations, which themselves are based on assumptions and estimates about the long-term existence of the plans, including assumptions on inflation, investment return, mortality and the discount rates used to determine the liabilities of the plans. Actual results of actuarial valuations may differ from expectations. The Corporation cannot predict whether changes in markets or economic conditions, changes to pension legislation and regulations, or changes in other factors will increase its pension expenses or liabilities or its funding obligations, thereby requiring funds that would otherwise be used for other purposes. Increases in net pension liabilities or increases in future contributions could negatively affect the Corporation's Financial Performance.

Customer credit risk

Lassonde extends credit to customers in the normal course of business. The consolidated financial statements include expected credit losses, which are estimated by Management based on experience and its assessment of current economic conditions. An inability to correctly assess the impact of the current economic conditions, or any other pertinent factor on the creditworthiness of its customer base in general, or on the affairs of a specific customer may result in the write-down of amounts that would have otherwise been collectable by the Corporation and, to some extent, the write-down of inventory items that were specific to said customer. Although the Corporation's Canadian subsidiaries take out credit insurance on most of their sales made outside Canada and its U.S. subsidiaries take out credit insurance on most of their sales, there is no guarantee that damages related to credit losses will not exceed its coverage. Finally, the timing of insurance recoveries may not match the timing of the monetary loss.

21.20 The Corporation is exposed to other strategic and operational risks, including impairment in the value of assets, claims insurability, inventory, and internal controls, that could materially and adversely affect its business and Financial Performance

Impairment in the value of assets

The Corporation performs an annual impairment assessment for goodwill, and, as necessary, for other long-lived assets. If the results of such assessments were to show that the fair value of these assets were less than the carrying values, the Corporation might need to recognize a charge for impairment of goodwill or long-lived assets, and the amount of the impairment charge could be significant. Factors that could result in an impairment include, but are not limited to, (i) macroeconomic conditions, increased competition, loss of market share and/or other factors resulting in reduced demand for the Corporation's products, (ii) higher input costs, (iii) lower selling prices for the Corporation's products or increased marketing expenses because of increased competition and/or other factors outside of its control; (iv) significant disruptions to the Corporation's operations as a result of both internal and external events, (v) not achieving forecasted productivity targets or declining financial performance in comparison to projected results previously anticipated; (vi) the outcome of the Corporation's investment in a new plant in New Jersey; and (vii) changes to the applicable discount rates, which could fluctuate due to factors such as movement in risk-free interest rates, changes in general market interest rates and market beta volatility and changes to Management's assessment of forecasted risk, among others. Since several factors may influence determinations of the fair value of its goodwill, its indefinite-lived intangible assets, and its other long-lived assets, the Corporation is unable to predict whether impairments of goodwill or other indefinite-lived intangibles will occur in the future. Any such impairment would result in recognizing a non-cash charge in the Corporation's Consolidated Statements of Income, which could adversely affect its results of operations.

Inventory

The Corporation is subject to inventory risks that may adversely affect its operating results due, among other things, to changes in market input costs, changes in consumer demand, seasonality of certain products, limited product shelf life and other factors. Excess or obsolete inventory that cannot be sold profitably or increased levels of shrinkage of regular inventory could result in an inventory write-down.

Internal controls

The accuracy of Lassonde's financial reporting depends on the effectiveness of its ICFR as it can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements and may not prevent or detect misstatements because of its inherent limitations. These limitations include, among others, the possibility of human error, inadequacy or circumvention of controls and fraud. If the Corporation doesn't maintain effective ICFR or design and doesn't implement disclosure of financial information and other controls sufficient to provide reasonable assurance with respect to the fair preparation and reliability of its financial statements and other relevant disclosures, including in connection with controls executed by third parties, it might fail to detect in a timely manner any misappropriation of corporate assets or inappropriate allocation or use of funds, and may be unable to issue required financial reports or make other disclosures accurately and on a timely basis. The financial statements of the Corporation might be subject to restatement, and if it were to happen, the Corporation may be subject to additional risks and uncertainties, including, among others, the increased possibility of legal proceedings or a review by the regulatory authorities. The costs of defending against such legal proceedings or administrative actions could be significant. In addition, the Corporation could be subject to monetary judgments, penalties or other sanctions.

21.21 The Corporation is exposed to other legal and regulatory risks that could materially and adversely affect its business and Financial Performance.

Regulatory matters

The production and distribution of food products and the impact of these activities on the environment are subject to laws, regulations, rules, and policies of public authorities as well as to social, economic, and political contexts prevailing in places where Lassonde conducts its activities. Governmental regulations also affect taxes and levies, health care costs, energy usage, international trade, immigration, and other labour issues, all of which may have a direct or indirect effect on the business of the Corporation or that of its customers or suppliers. Changes in these laws or regulations, or the introduction of new laws or regulations, could increase the costs of doing business for the Corporation, its customers, or suppliers, or restrict their actions or could have an impact on consumer habits and on the Corporation's sales volumes. The impact of a change in such legislation or regulations, or in their interpretation, could depend on the Corporation's ability to comply therewith and assume the related costs. Moreover, the legislative and regulatory landscape for privacy and data protection continues to evolve in the jurisdictions where the Corporation operates, and there has been an increasing focus by governmental authorities on privacy and data protection issues with the potential to affect its business. An inability to comply with these laws and regulations or to otherwise protect personal data from unauthorized access or other processing could result in claims, inquiries or investigations, damage to Lassonde's reputation, fines, or penalties.

Additionally, some jurisdictions have implemented or may implement stricter food product labelling or warning requirements, including front-of-pack nutritional symbols. These changes could reduce the sales of Lassonde products subject to these requirements. Furthermore, Lassonde cannot predict if its products will face more stringent labeling or warning regulations in the future, which could increase costs and negatively affect its Financial Performance.

A variety of legal and regulatory restrictions as well as the Corporation's own policies and participation in industry self-regulation initiatives limit how and to whom it markets and sells its products. These restrictions may limit its brand marketing and promotion plans, particularly as social media and the communications environment continue to evolve.

Claims, litigation and insurability

In the normal course of business, the Corporation is exposed to various actions and claims as well as to the various risks related to its operations such as legal or tax claims or other regulatory enforcement actions. The Corporation operates in a North American environment with constantly evolving legal, tax and regulatory frameworks. Actions by its employees, contractors, or agents in violation of the Corporation's policies and procedures could lead to deficiencies in its internal or other controls or violations, unintentional or otherwise, of laws and regulations. Lassonde may be a defending party to various litigation claims and legal proceedings that may involve, among other things, food quality and safety, packaging, product labelling, false or misleading advertising, consumer protection, commercial matters, employment practices, health and safety practices, personal injury and property damage, tort, intellectual property, data privacy or security, competition, disclosures under securities laws, tax or insurance matters, recycling, sustainability and ESG matters. The Corporation could be subject in such litigation to civil and criminal penalties that could be material. The Corporation sets up reserves as appropriate based upon assessments and estimates in accordance with its accounting policies. Actual outcomes or losses may differ materially from assessments and estimates. Even if a claim is unsuccessful, without merit or not pursued to completion, the cost of responding to such a claim, including expenses and Management time, could adversely affect the Corporation. Any negative publicity resulting from allegations made in litigation claims or legal proceedings may also adversely affect Lassonde's reputation.

The Corporation limits its exposure to such risks by holding insurance to cover the risk of claims related to its operations when such insurance coverage is available at acceptable rates and conditions. However, some risks remain difficult or impossible to insure. While the Corporation believes that the extent of its insurance coverage is consistent with industry practice, and even though it reviews its insurance terms and limits on an annual basis, there is no guarantee that damages related to losses or claims and the related costs will be insured or will not exceed its coverage as insurance policies are subject to exclusions, deductibles and caps, and any claim made under an insurance policy may be subject to such limitations. If the Corporation were to incur substantial monetary obligations or if its business operations were interrupted for a substantial period, it could incur substantial costs and suffer losses. Additionally, in the future, insurance coverage may not be available at commercially acceptable terms and premiums, or at all. Finally, the timing of insurance recoveries may not match the timing of the monetary loss.

Intellectual property

Given that the Corporation develops, manufactures, and markets food products, it relies not only on the quality of its products but on brand recognition and the loyalty of customers and consumers. Also, as innovation is an essential aspect of the Corporation's growth strategy, its research and development teams develop new technologies, products, and process optimization methods. The Corporation therefore takes measures to maintain, protect and enforce its intellectual property, including its trademark and know-how. The Corporation may have to engage in litigation to protect its rights, which could result in significant costs. The Corporation's inability to protect its intellectual property or the costs incurred to do so may adversely affect its business.

21.22 The Corporation is exposed to other large-scale risks, such as public health threats, which could materially and adversely affect its business and Financial Performance.

Exposure to or actual impacts of a widespread disease outbreak, epidemic or pandemic such as the global COVID-19 pandemic, and related government actions seeking to contain the outbreak could have a material adverse impact on Lassonde. Such threats could disrupt the Corporation's global supply chain, the availability of labour, operations, logistics, and routes to market, or those of its suppliers or their own suppliers. Such disruptions, or the Corporation's failure to adequately respond to them, would likely increase its production or distribution costs, or cause delays in or an inability to deliver products to customers. There are no guarantees that the actions taken by the Corporation to mitigate the effects of potential public health threats such as future pandemics will be effective.

22 Financial Instruments and Financial Risk Exposure

22.1 Interest Rate Risk

Interest rate risk is the Corporation's exposure to increases or decreases in financial instrument values caused by fluctuations in interest rates. The Corporation is exposed to cash flow risk due to the interest rate fluctuations in its floating-rate interest-bearing financial obligations and is exposed to fair value risk from its fixed rate financial obligations.

In addition, upon the refinancing of a debt instrument, depending on the availability of funds in the market and lender perception of the Corporation's risk, the margin that is added to the reference rate, such as CORRA, SOFR, and prime rates, could vary and directly influence the interest rate payable by the Corporation.

The Corporation strives to maintain an appropriate combination of fixed-rate and floating-rate financial obligations in order to reduce the impact of interest rate fluctuations. To do so, and to synthetically adjust the exposure to interest rates, it uses derivative instruments in the form of interest rate swaps.

With respect to its floating-rate financial obligations, a negative impact on cash flows would occur if there were an increase in the reference rates while the impact would be positive in relation to its interest rate swaps. A decrease in these same rates would have an opposite impact of similar magnitude.

Term financing is used mainly in relation to the Corporation's long-term obligations stemming from acquisitions of non-current assets and business combinations. The revolving credit facilities are mainly used to finance the Corporation's working capital and essentially fluctuate according to seasonal factors specific to the Corporation. The Corporation may also use revolving credit facilities in addition to term financing for business combinations when it deems that it will be able to repay the revolving credit in the medium term.

According to the balances of the Corporation's floating-rate loans as at December 31, 2024, all other factors being equal, a 1% increase in the interest rate would have had an unfavourable impact of $3,038,000 on profit or loss. A 1% decrease in the interest rate would have had an impact of a similar magnitude but in the opposite direction on the Corporation's profit or loss.

22.2 Foreign Exchange Risk

Foreign exchange risk is the Corporation's exposure, caused by exchange rate fluctuations, to decreases or increases in:

- net investments in foreign operations, as they use the U.S. dollar as their functional currency;
- the value of its financial instruments, mainly cash and cash equivalents, other working capital items, derivative instruments, long-term debt and intercompany balances denominated in foreign currencies; and
- the value of transactions denominated in foreign currencies by entities that have the Canadian dollar as their functional currency. The purchases of raw materials, supplies and equipment denominated in foreign currencies made by Canadian subsidiaries and sales made by Canadian subsidiaries concluded in foreign currencies. During 2024, excluding equipment purchases, the Corporation's Canadian subsidiaries had a total net exposure of approximately US$210.0 million.

Foreign exchange risk is managed in accordance with the Corporation's foreign exchange risk management policy. The objective of this policy is to mitigate the impact of foreign exchange rate fluctuations on the Corporation's profit or loss, on certain foreign currency purchases of capital assets, and on certain debts denominated in foreign currencies. Under this policy, the Corporation must identify, by geographic segment, any potential foreign exchange risk arising from its operations. The policy also prohibits speculative foreign exchange transactions.

To mitigate foreign exchange risk, the Corporation employs various strategies, including the use of derivative instruments and natural hedge management techniques. A corporate treasury department carries out the strategy used to hedge this risk.

As at December 31, 2024, foreign exchange forward contracts used to hedge the exchange rate fluctuations related to future payments denominated in foreign currencies totalled $210.9 million according to their contractual exchange rates ($275.9 million as at December 31, 2023). Under these contracts, the Corporation is committed to purchasing foreign currencies at predetermined rates, and, when designated for this purpose, the contracts are subject to hedge accounting. As at December 31, 2024, the positive fair value of the contracts stood, on a net basis, at $10.5 million (total net negative fair value of $3.4 million as at December 31, 2023). It is presented in the Derivative Instruments item of the Corporation's Consolidated Statement of Financial Position.

According to the balances of financial instruments denominated in foreign currencies as at December 31, 2024 and according to foreign exchange forward contracts on that date, all other factors being equal, a $0.05 per unit increase in foreign currency exchange rates would have had a unfavourable impact of $3,057,000 on profit or loss and a favourable impact of $4,779,000 on other comprehensive income. A $0.05 per unit decrease in foreign currency exchange rates would have had an impact of a similar magnitude but in the opposite direction on the Corporation's profit or loss and other comprehensive income.

In addition, as of the date of this MD&A, the Corporation has hedged approximately 80% of the total net exposure to the U.S. dollar of its Canadian subsidiaries for the last nine months of 2025. It should be noted here that the Corporation also takes natural hedging into account in its overall foreign exchange risk management strategy.

22.3 Price Risk

Raw material price risk

To mitigate the effects of certain raw material price fluctuations, the Corporation employs various strategies, including the use of derivative instruments such as frozen concentrated orange juice futures. These futures are subject to hedge accounting. As at December 31, 2024, the positive fair value of these futures, on a net basis, was $0.6 million (total net negative fair value of $0.8 million as at December 31, 2023). It is presented in the Derivative Instruments item of the Corporation's Consolidated Statement of Financial Position.

According to the frozen concentrated orange juice futures as at December 31, 2024, all other factors being equal, a 10% increase in the price of frozen concentrated orange juice would have had a favourable impact of $1,699,000 on other comprehensive income. A 10% decrease in the price of frozen concentrated orange juice would have had an impact of similar magnitude but in the opposite direction on the Corporation's other comprehensive income.

In addition, as of the date of this MD&A, the Corporation has hedged approximately 70% of its frozen concentrated orange juice requirements for the last nine months of 2025.

Other price risk

To mitigate the effects of fluctuations in the share price of the Corporation's Class A shares on the fair value of the long-term incentive plan, the Corporation entered into total return swap agreements of these shares. The total return swaps are not subject to hedge accounting.

As at December 31, 2024, the positive fair value of these swaps, on a net basis, was $0.6 million (total net positive fair value of $0.1 million as at December 31, 2023). It is presented in the Derivative Instruments item of the Corporation's Consolidated Statement of Financial Position.

According to grants made under the long-term incentive plan and the total return swaps as at December 31, 2024, all other factors being equal, a 10% increase in the share price of the Corporation's Class A would have had an unfavourable impact of $396,000 on profit or loss, while a 10% decrease would have had a favourable impact of $331,000 on the Corporation's profit or loss.

More details on financial instruments and the risk management thereof are provided in Notes 12 and 27 to the Corporation's consolidated financial statements.

23 Significant Accounting Estimates and Assumptions

In preparing consolidated financial statements in accordance with IFRS Accounting Standards, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of the assets, liabilities, revenues and expenses reported in these consolidated financial statements and on the contingent liability and contingent asset information provided. These assumptions and estimates are regularly reviewed and based on past experience and other factors, including future events considered reasonable in the circumstances. The actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

The main assumptions and estimates are presented below:

Measurements of revenues from product sales

Revenues from product sales are recognized at the amount of consideration to which the Corporation expects to be entitled. This amount includes deductions for rebates or allowances that are determined, in some cases, using assumptions based on estimates prepared using the Corporation's past history and experience.

Measurements of income taxes

In preparing its consolidated financial statements, the Corporation must establish estimates of income taxes and of deferred tax assets and liabilities based on the tax laws applicable in the jurisdictions where it operates.

Assumptions and estimates are made to determine the deferred tax asset amount that can be recognized based on the likely timing and amounts of the Corporation's future taxable income and on future tax strategies. A deferred tax asset amount could be reduced if estimates of expected future taxable income and of expected benefits from tax strategies are revised downwards or if an enacted tax legislation amendment were to limit, with respect to timing or amount, the Corporation's ability to use future taxable benefits.

When assessing the impacts of tax interpretations, laws and regulations, judgment must also be applied to ensure a complete and reliable presentation of income taxes to be recovered, current income tax, and deferred tax assets and liabilities.

Measurements of right-of-use assets and lease liabilities

Future lease payments used to calculate the value of right-of-use assets and lease liabilities include payments for extension, termination or purchase options that are reasonably certain to be exercised by the Corporation. Determining the economic benefit of exercising these options requires the use of assumptions and estimates such as the expected use of the leased assets and future market conditions. Whether or not payments relating to the extension, termination or purchase options are taken into account can have a significant impact on the value of right-of-use assets and lease liabilities. To measure lease liabilities at the present value of future lease payments, the Corporation must determine its incremental borrowing rate when the implicit rate of the lease cannot be readily determined.

Measurements of defined benefit assets and liabilities

The Corporation's measurement of defined benefit plan assets and liabilities requires the use of statistical data and other parameters used to anticipate future changes. These parameters include the discount rate of the defined benefit obligation and the net interest on the net defined benefit asset or liability, the expected rate of compensation increase, the indexation rate of pensions paid, and the mortality table. If the actuarial assumptions are found to be significantly different from the actual data subsequently observed, it could lead to substantial changes to the amount of the benefit cost of the defined benefit plans recognized in profit or loss and in other comprehensive income and to the net defined benefit assets or liabilities presented in the Consolidated Statement of Financial Position.

The actuarial valuations for funding purposes were performed on December 31, 2023 and October 1 2024, depending on the plan. These actuarial valuations are based on management's best-estimate assumptions of the discount rate, expected rate of compensation increase, the indexation rate of pensions paid, and the mortality table. Changes in these assumptions could have an impact on defined benefit costs and obligations. During 2024, the Corporation withdrew a net amount of $9.8 million from its defined benefit pension plans while, during 2023, it had funded $0.3 million in its defined benefit pension plans.

Measurements of non-financial assets

When applying the future discounted cash flows model to determine the fair value of groups of the cash-generating unit ("CGU") to which goodwill is allocated, certain parameters must be used, including estimates of future cash flows, discount rates and other variables; a high degree of judgment must therefore be exercised. Impairment tests on property, plant and equipment and intangible assets are also based on assumptions. Any future deterioration of market conditions or poor operational performance could translate into an inability to recover the current carrying amounts of property, plant and equipment and intangible assets. No impairment loss was recognized in 2023 and 2024.

Purchase price allocations of businesses acquired as part of business combinations

When carrying out a business combination, the Corporation must make assumptions and estimates to determine the purchase price allocation of the acquired business. The Corporation must determine the acquisition-date fair value of the consideration transferred as well as identifiable assets acquired and liabilities assumed.

The assumptions and estimates used have an impact on the asset and liability amounts recorded in the Consolidated Statement of Financial Position on the acquisition date. In addition, the determination of estimated useful lives of the acquired property, plant and equipment, the identification of intangible assets, and the determination of their useful lives will have an impact on the Corporation's profit or loss.

Fair value measurement of financial instruments classified in Level 3

The Corporation must make assumptions and use estimates to determine the fair value of the contingent considerations payable related to a business combination. The main assumptions and estimates relate to the sales volume of certain products over the two years following the acquisition, the renewal or not of a customer agreement upon expiry thereof, and the occurrence or not of events related to labour costs and the discount rate. If the assumptions and estimates made differ significantly from subsequently observed data, the difference would have an impact on the Corporation's profit or loss and on the amount recognized in the Consolidated Statement of Financial Position.

24 Adoption of IFRS Accounting Standards

24.1 IAS 1 Presentation of Financial Statements

On January 1, 2024, the Corporation adopted the amended version of IAS 1 "Presentation of Financial Statements", which establishes a more general liability classification approach based on an analysis of existing contracts at the reporting date and clarifies the classification of borrowings and other financial liabilities that have covenants with which an entity must comply.

The adoption of the amended version of this standard had no impact on the Corporation's consolidated financial statements.

24.2 Supplier finance arrangements

On January 1, 2024, the Corporation adopted the amended versions of IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures", which add disclosure requirements and clarify existing disclosure requirements whereby qualitative and quantitative information must be provided on supplier finance arrangements.

The adoption of the amended versions of these standards had no impact on the Corporation's consolidated financial statements.

25 Future Accounting Changes

25.1 IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 "Presentation and Disclosures in Financial Statements" to replace IAS 1 "Presentation of Financial Statements".

IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance to give investors a better basis for analyzing and comparing companies, namely:

- Improved comparability in the statement of profit or loss by introducing separate income and expense categories and requiring new subtotals;
- Enhanced transparency of management-defined performance measures by requiring explanations on these measures; and

- More useful grouping of information in the financial statements by providing guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

These changes apply to annual periods beginning on or after January 1, 2027.

The Corporation is currently assessing the estimated impact of this new standard on its consolidated financial statements.

25.2 Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments

In May 2024, the IASB amended IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" to clarify the classification of financial assets and the settlement of financial liabilities using an electronic payment system. The amendments also introduce additional disclosures about investments in equity instruments designated at fair value through other comprehensive income and about financial instruments with contractual terms that could change the timing or amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event.

These amendments apply to fiscal years beginning on or after January 1, 2026.

The Corporation is currently assessing the estimated impact of these amendments on its consolidated financial statements.

26 Related Party Transactions

In the normal course of operations, the Corporation purchases apples for processing from entities controlled by a member of the Board. These purchases totalled $0.2 million in 2024 and were carried out under similar terms and conditions as purchases from arm's length producers.

Moreover, Diamond incurred trademark royalty expenses and interest on a debenture with an entity controlled by a member of the Board. These amounts represented, respectively, $0.3 million and $0.2 million in 2024. These transactions were carried out under terms and conditions similar to those with unrelated parties.

Related party transactions are presented in Note 31 to the consolidated financial statements for the year ended December 31, 2024.

27 Disclosure Controls and Procedures ("DC&P")

The Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for setting and maintaining disclosure controls and procedures, as set out in National Instrument 52-109 issued by the Canadian Securities Administrators. Assisting them in this responsibility is the Disclosure Committee, which consists of the Corporation's key management personnel. The Disclosure Committee must be kept fully informed of any significant information relating to the Corporation so that it can evaluate said information, determine its importance, and decide on timely disclosure of a press release, where applicable. Management regularly reviews disclosure controls and procedures; however, they can only provide a reasonable level of assurance because of the inherent limitations in control systems to prevent or detect all misstatements due to error or fraud.

Under the supervision of the Corporation's CEO and the CFO, management evaluated the effectiveness of the controls and procedures used to prepare disclosure documentation, including this MD&A, the Annual Information Form, and the Management Proxy Circular. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures were effective as at December 31, 2024 and, more specifically, that the design of these controls and procedures provides reasonable assurance that important information about the Corporation is evaluated, processed and reported to them in a timely manner during the preparation of disclosure documentation.

28 Internal Control Over Financial Reporting ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over financial reporting in order to provide reasonable assurance as to the reliability of the financial information and reasonable assurance that the financial statements were prepared, for financial reporting purposes, in accordance with IFRS. All internal control systems have inherent limitations and therefore internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements resulting from error or fraud.

Under the supervision of the CEO and the CFO, management evaluated the effectiveness of the Corporation's internal control over financial reporting as at December 31, 2024, based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, the CEO and the CFO concluded that the ICFR was effective as at the December 31, 2024 year-end.

During the fourth quarter of 2024, there have been no changes to the internal control over financial reporting that would have significantly affected or been likely to have significantly affected the Corporation's internal control over financial reporting.

29 Limitations on Scope of Design

Management's assessments of and conclusions on the design of DC&P and ICFR exclude the controls, policies and procedures of Summer Garden, which was acquired on August 8, 2024. The Corporation will not benefit from this exclusion for purposes of the certificates required for the quarters ended after August 8, 2025. Given the acquisition date, the following table provides meaningful summary financial information about Summer Garden.

(in millions of dollars)	**From August 8, 2024 to December 31, 2024**
	$
Sales	82.4
Profit	2.7

	As at December 31, 2024
	$
Current assets	62.1
Non-current assets	346.3
Current liabilities	14.8
Non-current liabilities	5.5

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March 27, 2025