



April 2, 2025

Notice to Reader

On March 27, 2025, Lassonde Industries Inc. filed its consolidated annual audited financial statements for the fiscal year ended December 31, 2024 on SEDAR+ (the “**Original Filing**”). These consolidated annual audited financial statements are being re-filed solely to correct a manifest error in the table in Note 24.7.2 (Summarized financial information) in the “Operating profit” line item for the year ended December 31, 2024. The table in Note 24.7.2 presents certain financial information of subsidiaries subject to non-controlling interests. The Original Filing indicated that the operating profit of such subsidiaries for that period was \$155,587,000, while it should have been \$21,707,000.

Except as described above, there are no other changes to the Original Filing.

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Consolidated Financial Statement Report

Lassonde Industries Inc.

Year Ended
December 31, 2024



Lassonde

Table of Contents

Independent Auditor's Report	3
Consolidated Statements of Income	7
Consolidated Statements of Comprehensive Income.....	8
Consolidated Statements of Financial Position	9
Consolidated Statements of Shareholders' Equity	10
Consolidated Statements of Cash Flows	11
Notes to the Consolidated Financial Statements.....	12

Independent Auditor's Report

To the Shareholders of Lassonde Industries Inc.

Opinion

We have audited the consolidated financial statements of Lassonde Industries Inc. (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Business Combination – Intangible Assets and Contingent Consideration - Refer to Notes 3 and 6 to the consolidated financial statements

Key Audit Matter Description

On August 8, 2024, a 90%-owned U.S. subsidiary of the Corporation completed the acquisition of The Zidian Group. The Corporation recognized the assets acquired and the liabilities assumed at fair value, including intangible assets for trademarks and customer relationships ("intangible assets"). The transaction includes contingent consideration arrangements ("contingent considerations") which are based on the acquired entity attaining specified levels of financial targets and other conditions. In determining the fair value of the intangible assets and contingent considerations, management was required to make assumptions around projected cash flows, discount rates, royalty rates and contract renewal probabilities.

The estimates and assumptions to determine the fair value of the contingent considerations based on the acquired entity attaining specified levels of financial targets are projected revenues and discount rates. The estimates and assumptions to determine the fair value of intangible assets which are the most subjective are projected revenues and discount rates (for all intangible assets), royalty rates (for the trademarks intangible assets) and earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins and contract renewal probabilities (for the customer relationships intangible assets) (collectively, "significant assumptions"). This required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

Independent Auditor's Report (continued)

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the significant assumptions used to determine the fair value of the intangible assets and contingent considerations included the following, among others:

- Evaluated the reasonableness of projected revenues and EBITDA margins by considering:
 - Historical results of the acquired business;
 - Industry reports that are publicly available;
 - Underlying management analyses detailing growth plans; and
 - Actual results of the acquired business post-acquisition;

Evaluated the reasonableness of contract renewal probabilities by gaining an understanding of the nature of current customer relationships;

With the assistance of fair value specialists, evaluated the reasonableness of the royalty and discount rates by testing the source information underlying their determination and developing a range of independent estimates and comparing those to the royalty and discount rates selected by management.

Inventories – Evaluation of sufficiency of audit evidence over the existence of inventories – Refer to Note 2.6 and Note 14 to the financial statements

Key Audit Matter Description

Inventories include production inventories, which are comprised of raw materials and supplies, and finished goods. The balances are geographically dispersed across Canada and the United States and in many manufacturing operations and third-party locations (collectively “locations”). The processes used to account for the existence of inventories rely on various perpetual inventory systems which include different information technology (IT) systems. To validate the accuracy of the inventory records, the Corporation performs a combination of annual physical inventory counts which take place before, at/or near year-end and of cyclical physical inventory counts throughout the year.

Given the importance of inventories to the Corporation's operations and the performance of audit procedures over a large number of geographically dispersed locations, evaluating the sufficiency of audit evidence over the existence of inventories required an increased extent of audit effort to determine the nature, extent and timing of the physical inventory count procedures to be performed.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures over the existence of inventories included the following, among others:

- Analyzed the locations with inventories to determine where to attend the Corporation's physical inventory counts;
- Evaluated the effectiveness of certain internal controls over the Corporation's inventory cycle count process at select locations;
- For locations selected for physical inventory counts:
 - Physically observed management's count procedures over inventory and performed independent sample count procedures;
 - Investigated any variations from our independent sample count procedures and considered the impact in the context of the inventory balance as a whole;

Independent Auditor's Report (continued)

- For annual physical inventory counts which took place at a date other than year-end, tested inventories activity in the intervening period between the count date and the year-end date;
- For a sample of third-party locations, sent confirmations, reviewed the reconciliation prepared by management and investigated any variances;
- Evaluated the overall sufficiency of audit evidence obtained over the existence of inventories.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

Independent Auditor's Report (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is David Pain.

/ s / Deloitte LLP ⁽¹⁾

March 27, 2025

Montréal, Québec

⁽¹⁾ CPA auditor, public accountancy permit No. A129221

Consolidated Statements of Income

(in thousands of Canadian dollars unless otherwise indicated)
(audited)

	Note	Years ended	
		Dec. 31, 2024	Dec. 31, 2023
		\$	\$
Sales	7	2,600,891	2,314,949
Cost of sales		1,902,805	1,727,231
Gross profit		698,086	587,718
Selling and administrative expenses		523,338	452,314
Operating profit		174,748	135,404
Share in the profit or (loss) of an associate		–	(2,884)
Financial expenses	9	24,390	16,755
Other (gains) losses	10	(4,210)	(5,742)
Profit before income taxes		154,568	121,507
Income taxes	11	41,176	33,248
Profit		113,392	88,259
Attributable to:			
Corporation's shareholders		114,124	87,531
Non-controlling interests	24	(732)	728
		113,392	88,259
Basic and diluted earnings per share (in \$)		16.73	12.83
Weighted average number of shares outstanding (in thousands)	24	6,822	6,822

Additional information on income is presented in Note 8.

Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars)

(audited)

	Note	Years ended	
		Dec. 31, 2024	Dec. 31, 2023
		\$	\$
Profit		113,392	88,259
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Net change in the cash flow hedge of financial assets and liabilities			
Gains (losses) on financial instruments designated as hedges	12	598	428
Reclassification of (gains) losses on financial instruments designated as hedges	12	(597)	(1,263)
Income taxes	11	(1)	213
		–	(622)
Exchange difference on translating foreign operations		59,839	(14,570)
		59,839	(15,192)
Items that will not be reclassified subsequently to profit or loss:			
Net change in the cash flow hedge of non-financial assets			
Gains (losses) on financial instruments designated as hedges	12	34,372	(908)
Income taxes	11	(8,947)	266
		25,425	(642)
Benefit cost of the defined benefit plans			
Remeasurements of the net defined benefit asset or liability	26	(5,489)	(9,247)
Income taxes	11	1,447	2,448
		(4,042)	(6,799)
		21,383	(7,441)
Total other comprehensive income (loss)		81,222	(22,633)
Comprehensive income		194,614	65,626
Attributable to:			
Corporation's shareholders		188,769	66,234
Non-controlling interests	24	5,845	(608)
		194,614	65,626

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

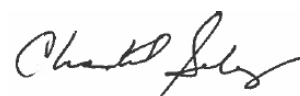
(audited)

	Note	As at Dec. 31, 2024 \$	As at Dec. 31, 2023 \$
Assets			
Current			
Cash and cash equivalents		28,227	19,842
Accounts receivable	13	213,527	188,321
Income tax recoverable		9,245	4,206
Inventories	14	472,182	386,619
Derivative instruments		11,740	173
Other current assets	15	36,599	37,479
		771,520	636,640
Derivative instruments		281	74
Property, plant and equipment	16	657,654	500,821
Intangible assets	17	336,297	184,560
Net defined benefit asset	26	6,199	21,957
Deferred tax assets	11	6,371	–
Other non-current assets		796	757
Goodwill	18	498,715	320,895
		2,277,833	1,665,704
Liabilities			
Current			
Bank overdraft		1,251	4,030
Accounts payable and accrued liabilities	19	429,583	330,412
Income tax payable		19,094	7,066
Derivative instruments		1,329	6,425
Other current liabilities	20	30,124	5,716
Current portion of long-term debt	21	25,077	18,525
		506,458	372,174
Derivative instruments		34	–
Long-term debt	21	452,413	191,995
Long-term incentive plan liabilities		11,226	5,323
Net pension plan liabilities	26	1,335	830
Deferred tax liabilities	11	113,689	99,480
Other non-current liabilities	23	26,859	–
		1,112,014	669,802
Shareholders' equity			
Equity attributable to the Corporation's shareholders		1,070,041	922,570
Non-controlling interests		95,778	73,332
		1,165,819	995,902
		2,277,833	1,665,704

Approved by the Board of Directors



Nathalie Lassonde
Director



Chantal Bélanger
Director

Consolidated Statements of Shareholders' Equity

(in thousands of Canadian dollars)

(audited)

	Equity attributable to the Corporation's shareholders				Non-controlling interests	Total shareholders' equity
	Share capital	Contributed surplus	Accumulated other reserves ⁱ⁾	Retained earnings		
	\$	\$	\$	\$	\$	\$
Balance as at December 31, 2023	46,660	1,360	73,777	800,773	73,332	995,902
Profit	–	–	–	114,124	(732)	113,392
Other comprehensive income (loss)	–	–	78,687	(4,042)	6,577	81,222
Transfer to non-financial assets ⁱⁱ⁾	–	–	(13,793)	–	(426)	(14,219)
Dividends	–	–	–	(27,286)	–	(27,286)
Investment from non-controlling interests	–	–	–	–	16,808	16,808
Adjustment to non-controlling interests	–	–	–	(219)	219	–
Balance as at December 31, 2024	46,660	1,360	138,671	883,350	95,778	1,165,819
Balance as at December 31, 2022	46,660	1,360	94,102	735,044	60,401	937,567
Profit	–	–	–	87,531	728	88,259
Other comprehensive income (loss)	–	–	(14,498)	(6,799)	(1,336)	(22,633)
Transfer to non-financial assets ⁱⁱ⁾	–	–	(5,827)	–	(227)	(6,054)
Dividends	–	–	–	(15,003)	–	(15,003)
Business combination ⁱⁱⁱ⁾	–	–	–	–	13,766	13,766
Balance as at December 31, 2023	46,660	1,360	73,777	800,773	73,332	995,902

i) Includes the hedging reserve and the foreign currency translation reserve.

ii) Transfer of cash flow hedge (gains) losses to non-financial assets.

iii) Non-controlling interest recognized as part of a business combination.

Additional information on shareholders' equity is presented in Note 24.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

(audited)

	Note	Years ended	
		Dec. 31, 2024	Dec. 31, 2023
		\$	\$
Operating activities			
Profit		113,392	88,259
Adjustments:			
Income taxes	11	41,176	33,248
Net interest expense	9	23,490	15,987
Depreciation of property, plant and equipment and amortization of intangible assets	8	80,527	63,267
(Gains) losses on capital assets		229	(1,107)
Change in the fair value of financial instruments		(1,045)	(149)
Cost of the long-term incentive plan, net of payments		3,611	2,504
Cost of pension plans recognized in profit or loss, net of contributions		10,774	(42)
Share in the (profit) or loss of an associate		–	2,884
Unrealized foreign exchange (gains) losses		(1,035)	(994)
Gain on business combination	6	–	(1,905)
Other		90	49
		271,209	202,001
Change in non-cash operating working capital items	25	13,658	46,694
Net income tax paid		(32,830)	(10,598)
Net interest paid		(23,154)	(15,163)
Settlements of derivative instruments		4,992	1,923
		233,875	224,857
Financing activities			
Change in revolving operating credit, net of transaction costs		241,373	(67,789)
Increase in long-term debt, net of transaction costs		2,500	–
Repayment of long-term debt		(14,498)	(8,877)
Dividends paid		(27,286)	(15,003)
Investment from non-controlling interests	24	15,223	–
		217,312	(91,669)
Investing activities			
Consideration paid on business combinations, net of acquired cash on hand	6	(324,555)	(9,000)
Net acquisition of property, plant and equipment		(105,988)	(95,881)
Acquisition of intangible assets		(9,866)	(10,511)
Acquisition of other non-current assets		(434)	–
		(440,843)	(115,392)
Change in cash and cash equivalents		10,344	17,796
Cash and cash equivalents at beginning		15,812	(1,710)
Effect of exchange rate changes on cash and cash equivalents		820	(274)
Cash and cash equivalents at end	25	26,976	15,812

Additional cash flow information is presented in Note 25.

Notes to the Consolidated Financial Statements

Table of Contents

Note 1.	Description of the Corporation	13
Note 2.	Material Accounting Policy Information.....	13
Note 3.	Accounting Judgments and Sources of Estimation Uncertainty.....	19
Note 4.	Adoption of IFRS Accounting Standards.....	21
Note 5.	Future Accounting Changes.....	21
Note 6.	Business Combinations.....	22
Note 7.	Sales.....	26
Note 8.	Additional Information on Profit.....	26
Note 9.	Financial Expenses	27
Note 10.	Other (Gains) Losses	27
Note 11.	Income Taxes.....	28
Note 12.	Financial Instruments	30
Note 13.	Accounts Receivable.....	36
Note 14.	Inventories.....	36
Note 15.	Other Current Assets.....	36
Note 16.	Property, Plant and Equipment.....	37
Note 17.	Intangible Assets.....	39
Note 18.	Goodwill.....	41
Note 19.	Accounts Payable and Accrued Liabilities.....	42
Note 20.	Other Current Liabilities.....	42
Note 21.	Long-Term Debt.....	43
Note 22.	Long-Term Incentive Plan	45
Note 23.	Other Non-Current Liabilities.....	46
Note 24.	Shareholders' Equity.....	46
Note 25.	Additional Cash Flow Information	49
Note 26.	Post-Employment Benefits.....	51
Note 27.	Managing Financial Risk Arising from Financial Instruments.....	56
Note 28.	Capital Management	62
Note 29.	Commitments and Contingencies	62
Note 30.	Segment Information	63
Note 31.	Related Party Transactions.....	64
Note 32.	Interests in Other Entities	66
Note 33.	Event After the Reporting Period	66

Notes to the Consolidated Financial Statements

*(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)*

Note 1. Description of the Corporation

Lassonde Industries Inc. is incorporated under the Canada Business Corporations Act. Its Class A subordinate voting (“Class A”) shares are listed on the Toronto Stock Exchange under the ticker symbol LAS.A. The head office is located at 755 Principale Street in Rougemont, Québec, Canada.

Lassonde Industries Inc. and its subsidiaries (collectively, “the Corporation”) is a leader in the food and beverages 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. It also manufactures and markets cranberry sauces as well as selected wines, ciders and other selected alcoholic beverages.

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.

Note 2. Material Accounting Policy Information

The Corporation’s Board of Directors approved these consolidated financial statements on March 27, 2025. They have been prepared in accordance with the IFRS[®] Accounting Standards published by the International Accounting Standards Board (“IASB”).

The below-described material accounting policy information has been applied to all of the periods presented in these consolidated financial statements.

2.1 Consolidation

These consolidated financial statements include the accounts of Lassonde Industries Inc. and of its subsidiaries. All intercompany balances, revenues and expenses and cash flows are fully eliminated upon consolidation. When necessary, adjustments are made to the financial statements of the subsidiaries in order to align their accounting policies with those of Lassonde Industries Inc.

2.1.1 Subsidiaries

A subsidiary is an entity controlled by the Corporation. Control is achieved when the Corporation holds power over the entity, is exposed or has rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect the amount of returns it obtains.

2.1.2 Non-controlling interests

Non-controlling interests correspond to the proportionate share of the shareholders’ equity of the concerned subsidiaries.

2.2 Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred during a business combination is measured at the acquisition-date fair value of the assets transferred by the acquirer. For each business combination, the Corporation chooses to measure non-controlling interests at either fair value or according to the proportionate share in the acquiree’s net identifiable assets. Costs related to business combinations are recognized in profit or loss as incurred.

On the acquisition date, the identifiable assets acquired and liabilities assumed as well as identifiable contingent liabilities are accounted for at fair value on that date. The acquiree’s earnings are included in the Corporation’s consolidated profit or loss as of the acquisition date.

Goodwill is measured as the amount by which the consideration transferred and the total amount of any non-controlling interest exceeds the fair value of all the identified assets and liabilities. If, on the acquisition date, the net balance of the identifiable assets acquired and liabilities assumed exceeds the consideration transferred, this excess amount is immediately recognized in profit or loss as a gain on a business combination.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

2.3 Currencies

2.3.1 Functional and presentation currency

These consolidated financial statements are presented using the Corporation's functional currency, which is the Canadian dollar. Each entity of the Corporation determines its own functional currency, and the financial statement items of each entity are measured using that functional currency. The functional currency is the currency of the primary economic environment in which the entity operates.

2.3.2 Foreign currency translation

Monetary assets and liabilities that are denominated in a currency other than the entity's functional currency ("foreign currency") are translated using the exchange rate in effect on the reporting date, whereas non-monetary items denominated in foreign currency are translated using historical exchange rates. Revenues and expenses in foreign currency are translated at the exchange rate in effect on the transaction date, except for depreciation and amortization, which are translated using historical exchange rates. Exchange gains and losses arising from the translation of these items and transactions are recognized in profit or loss in the period in which they arise in other (gains) losses.

The assets and liabilities of a foreign operation with a functional currency different from that of the Corporation are translated using the exchange rate in effect on the reporting date. Revenues and expenses are translated using the exchange rate in effect on the transaction date. Exchange differences arising from the translation of a foreign operation are recognized in other comprehensive income.

2.4 Recognition of sales

The Corporation recognizes revenue from contracts with customers when transfer of control has occurred and in an amount equal to the consideration to which the Corporation expects to be entitled.

2.4.1 Revenues from product sales

Revenues from product sales are recognized when the Corporation has satisfied the conditions and obligations under the contract and the customer obtains control of the products. Thus, the Corporation recognizes its revenues as follows:

- ♦ When the goods are delivered to the customer and the customer accepts possession of them, if the Corporation has an obligation to deliver the goods to a location specified by the customer;
- ♦ When the goods leave the Corporation's premises through the customer's carrier, since control, in this case, is transferred to the customer when the carrier has taken possession of the goods; or
- ♦ When the manufacturing of the goods is completed, even if they are not delivered, for agreements where possession of the goods is transferred to the customer from that moment and where the Corporation's obligation is limited to the manufacturing.

The consideration corresponds to the selling price, net of trade spending consisting of rebates or allowances used to promote products and slotting fees incurred to introduce products.

2.4.2 Revenues from the rendering of services

Revenues from the rendering of services consist mainly of the delivery services provided after transfer of control of the goods has occurred. They are recognized upon delivery of the goods to the customer, separately from revenues generated by product sales. Shipping and handling fees related to those revenues are classified as selling and administrative expenses in the Consolidated Statement of Income.

2.5 Income taxes

Current tax and deferred tax are recognized in profit or loss, except when they are related to items recognized directly in shareholders' equity or in other comprehensive income.

Notes to the Consolidated Financial Statements

*(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)*

2.5.1 Current tax

Current tax is established using the enacted or substantively enacted tax rates and laws at the reporting date, as well as adjustments to the income tax payable or receivable related to previous years.

Taxable income for the period differs from the profit before income taxes item on the Consolidated Statement of Income because it excludes revenue and expense items that will be taxable or deductible in other fiscal years as well as items that are neither taxable nor deductible and includes revenue and expense items of previous fiscal years that are taxable or deductible during this fiscal year.

Management periodically reassesses the positions adopted in tax returns in instances where tax regulations leave room for interpretation.

2.5.2 Deferred tax

Deferred tax is recognized on the temporary differences, arising from items that are treated differently for tax and accounting purposes, between the carrying amounts of the assets and liabilities presented in the Consolidated Statement of Financial Position and the corresponding tax bases used for tax purposes.

Deferred tax is measured on an undiscounted basis and calculated using the enacted or substantively enacted tax rates and laws at the reporting date that will be in effect when the differences are expected to reverse. The deferred tax assets are recognized to the extent that they are likely to be realized. Unrecognized deferred tax assets are remeasured at each reporting date.

Deferred tax assets and liabilities for which there is a right of set-off according to a same taxation authority are presented on a net basis in the Consolidated Statement of Financial Position, and this applies to a same taxable entity or to different taxable entities that intend either to settle current tax liabilities and assets on a net basis or to realize the assets and settle liabilities simultaneously.

2.6 Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of inventories is determined on a first-in, first-out basis. It includes acquisition costs net of discounts, processing costs, and other costs incurred to bring inventories to their present location and condition. The cost of finished goods includes a prorata share of production overhead based on normal production capacity. Inventories also include, coming from the hedging reserve item, foreign exchange gains and losses on derivative instruments used to hedge exchange rate fluctuations arising from inventories purchased in foreign currencies and to hedge price fluctuations arising from raw materials purchases.

2.7 Property, plant and equipment

2.7.1 Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the costs directly attributable to the acquisition of property, plant and equipment incurred up until the time it is in the condition necessary to be operated in the manner intended by management. Government grants received or receivable to acquire property, plant and equipment are recognized as a reduction to the cost. When an item of property, plant and equipment is made up of components that have differing useful lives, cost is allocated among the different components that are depreciated separately. A gain or loss on the disposal or retirement of an item of property, plant and equipment, which is the difference between the proceeds from the disposal and the carrying amount of the asset, is recognized in profit or loss in selling and administrative expenses.

2.7.2 Right-of-use assets

At inception of a contract, the Corporation assesses whether the contract is, or contains, a lease, that is, a lease if it conveys the right to control the use of an identified asset.

All leases are recognized in the Consolidated Statement of Financial Position through the recognition of a right-of-use asset and a lease liability, except for leases with a term of 12 months or less and leases for which the underlying asset is of low value, which are recognized in profit or loss on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Lease liabilities are initially measured at the present value of future lease payments using the implicit rates of the leases, if they can be readily determined, or the Corporation's incremental borrowing rate. Future lease payments include fixed payments, variable payments that depend on an index or rate, initially measured using the index or rate in effect on the start date and extension, termination or purchase options that are reasonably certain to be exercised by the Corporation. When lease payments include amounts relating to non-rental components, they are included in the calculation of lease liabilities. Lease liabilities are reported in the long-term debt item of the Consolidated Statement of Financial Position.

The initial measurement of right-of-use assets corresponds to lease liabilities, plus any rent payments made on or before the start date and initial costs. They are then measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated over either the lease terms or the estimated useful life of the underlying assets, whichever is shorter. Right-of-use assets are reported in the property, plant and equipment item of the Consolidated Statement of Financial Position.

Lease payments that have not been included in lease liabilities are recognized in the profit or loss of the period to which they relate.

If leases are modified, lease liabilities are remeasured and a corresponding adjustment is made to right-of-use assets. Gains or losses on lease modifications are reported in the selling and administrative expenses item of the Consolidated Statement of Income.

2.8 Government grants

Government grants are recognized only when the Corporation has reasonable assurance that it meets the conditions and will receive the grants. Government grants related to assets, including tax credits for investment and innovation, are recognized in the Consolidated Statement of Financial Position as a deduction from the carrying amount of the related asset. They are then recognized in profit or loss over the estimated useful life of the depreciable asset that the grants were used to acquire, as a deduction from the depreciation expense.

2.9 Intangible assets

Intangible assets consist of identifiable intangible assets acquired in a business combination and of intangible assets acquired separately.

2.9.1 Identifiable intangible assets acquired in a business combination

Identifiable intangible assets acquired in a business combination are recognized separately from goodwill if they meet the definition of intangible assets and if their fair value can be measured reliably. The cost of these intangible assets equals their acquisition-date fair value. After initial recognition, these intangible assets are recognized at cost less accumulated amortization, if they are amortizable, and less accumulated impairment losses.

2.9.2 Intangible assets acquired separately

Intangible assets acquired separately are recognized at cost less accumulated amortization, if they are amortizable, and less accumulated impairment losses.

2.10 Impairment of non-financial assets

2.10.1 Property, plant and equipment and intangible assets

On each reporting date, the Corporation reviews the carrying amounts of property, plant and equipment and of intangible assets for indications that these assets have lost value. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the amount of any impairment loss. If the recoverable amount of the individual asset cannot be estimated, the Corporation estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less disposal costs and value in use. To measure value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the estimated recoverable amount of an asset or of a CGU is less than its carrying amount, the carrying amount of the asset or of the CGU is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss in selling and administrative expenses.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

2.10.2 Goodwill

Goodwill is tested for impairment annually or more frequently whenever events or circumstances indicate that it may have lost value.

Goodwill is allocated to the Corporation's subsidiaries, i.e., the CGUs, that benefit from the synergies of the business combination. The Corporation looks for impairment by determining whether the carrying amount of the CGU to which the goodwill is related exceeds its recoverable amount. If impairment is identified, the impairment loss is initially attributed to goodwill and any excess amount is attributed proportionally to the carrying amount of the other CGU's assets.

Any impairment of goodwill is recognized in profit or loss in the period in which it is identified in the selling and administrative expenses. Goodwill impairment losses are not reversed in subsequent periods.

2.11 Assets held for sale

Assets are classified as held for sale if their carrying value is recovered primarily through a sale transaction rather than through continued use and if the sale is considered highly probable. Assets held for sale are valued at the lower of their carrying amount or their fair value less costs to sell.

2.12 Provisions

Provisions are liabilities of uncertain timing and/or amount. Provisions are recognized when the Corporation has a present obligation, legal or constructive, as a result of a past event, if it is more likely than not that the Corporation will be required to settle the obligation, and if a reliable estimate of the obligation amount can be made.

The amount recognized as a provision represents the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to the obligation. If the effect of the time value of money is material, the provisions are measured at their present value, and the increase in the provision due to the passage of time is recognized in financial expenses.

2.13 Defined benefit plans

On each annual reporting date, independent actuaries extrapolate the most recent full actuarial valuation data to measure, for accounting purposes, the present value of the defined benefit obligation and the fair value of the pension plan assets.

The present values of the defined benefit obligation, the current service cost and, if applicable, the past service cost are actuarially determined using the projected unit credit method based on management's best-estimate assumptions on the discount rate, the expected rate of compensation increase, the indexation rate of pensions paid and the mortality table.

Management chooses the discount rate based on a review of the current market interest rates on investment-grade fixed-rate corporate bonds, which are rates adjusted to reflect the duration of the expected future cash outflows of retirement benefit payments.

The net defined benefit asset or liability recognized in the Consolidated Statement of Financial Position corresponds to the fair value of the defined benefit plan assets net of the present value of the defined benefit obligation. Any asset resulting from this calculation is limited to the present value of the economic benefits available in the form of refunds from the plans or in the form of reductions in future contributions to the plans.

The cost components of the defined benefit plans are recognized as follows:

- ♦ Current service cost is recognized in profit or loss;
- ♦ Net interest on the net defined benefit asset or liability is recognized in profit or loss; and
- ♦ Remeasurements of the net defined benefit asset or liability are recognized in other comprehensive income. They are recognized in retained earnings in the Consolidated Statement of Shareholders' Equity and comprise:
 - Actuarial gains and losses arising from experience adjustments and from changes in financial and demographic assumptions; and
 - The return on defined benefit plan assets, excluding amounts included in interest income.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

2.14 Financial instruments

2.14.1 Financial instrument classification

On initial recognition, all financial instruments are measured at fair value. Financial assets are subsequently classified as measured at amortized cost, at fair value through profit or loss, or at fair value through other comprehensive income. The Corporation classifies its financial assets according to the business model used to manage these financial assets and to the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost or at fair value through profit or loss.

2.14.2 Impairment of financial assets classified at amortized cost

On initial recognition and at each reporting date, the Corporation measures expected credit losses for financial assets classified at amortized cost. These expected credit losses are measured using a historical credit loss experience matrix and are adjusted to reflect receivable-specific factors, general economic conditions, and an assessment of both the current and projected direction of economic conditions at the reporting date. The net change in expected credit losses on financial assets classified at amortized cost is recognized in profit or loss.

2.14.3 Derivative instruments

The Corporation uses certain derivative instruments to:

- ◆ Eliminate or reduce the risks related to interest rate fluctuations that affect interest expense;
- ◆ Eliminate or reduce the risks related to exchange rate fluctuations that have an influence on its purchases of raw materials and supplies, its acquisitions of property, plant and equipment, and its long-term debt;
- ◆ Reduce the risk of fluctuations in certain raw materials and supply prices; and
- ◆ Reduce the risk of fluctuations to the fair market value of Class A shares related to the long-term incentive plan.

Management is responsible for establishing levels of acceptable risk and does not use derivative instruments for speculative purposes. The Corporation uses these financial instruments solely for purposes of hedging highly probable future transactions and existing commitments or obligations.

Gains and losses arising from periodic remeasurements of derivative instruments that are economic hedges but that do not qualify for hedge accounting are recognized in profit or loss. They are presented on a net basis with the items subject to economic hedges.

Gains and losses arising from periodic remeasurements of other derivative instruments are recognized in profit or loss in other (gains) losses as change in the fair value of derivative instruments.

2.14.4 Hedge accounting

Documentation

The Corporation uses hedge accounting when it meets the rules for compliance with hedge accounting standards. The Corporation formally documents all relationships between hedging instruments and hedged items as well as its risk management objectives and its strategy for undertaking various hedge transactions. This process includes linking all hedging instruments to specific assets or liabilities in the Consolidated Statement of Financial Position or to specific future transactions. The Corporation also systematically determines, at the inception of the hedge and thereafter whether the financial instruments designated as hedges meet the effectiveness requirements.

Cash flow hedge

The Corporation uses hedge accounting to hedge the price risk and the foreign exchange risk of certain purchases of raw materials and supplies, to hedge the foreign exchange risk of certain acquisitions of property, plant and equipment, and to hedge the interest rate risk of certain floating-rate loans.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

When the anticipated transactions comprising hedged items lead to the recognition of financial assets or liabilities, the change in fair value related to the effective portion of the hedge is recognized in other comprehensive income, and the accumulated amount is presented as a hedging reserve in the Consolidated Statement of Shareholders' Equity. The amounts accumulated in other comprehensive income are reclassified to profit or loss in the period in which the underlying hedged item has an impact on profit or loss. Any ineffective portion is immediately recognized in profit or loss as other (gains) losses.

When anticipated transactions comprising hedged items lead to the recognition of non-financial assets (for example, inventories), the change in fair value relative to the effective portion of the cash flow hedge is recognized in comprehensive income as other comprehensive income that will not be subsequently reclassified to profit or loss, and the accumulated amount is presented as a hedging reserve in the Consolidated Statement of Shareholders' Equity. The amount included in the accumulated hedging reserve is transferred directly from shareholders' equity to the initial carrying amount of the hedged non-financial assets upon acquisition.

When the hedging relationship no longer satisfies hedge accounting rules or when the hedging instrument reaches maturity or is sold, terminated, or exercised, the Corporation ceases to prospectively apply hedge accounting to this relationship or instrument. If the hedged item is a financial asset or liability, accumulated gains or losses remain in the hedging reserve and are reclassified in profit or loss in the same period in which the underlying hedged item is recognized in profit or loss. In the case where the hedged item is a non-financial asset, the accumulated gains or losses remain in the hedging reserve and are transferred from equity to the initial carrying amount of the hedged non-financial assets upon acquisition. Furthermore, when the Corporation considers that the future transaction will not be realized, the cumulative gains or losses recognized in the hedging reserve are immediately reclassified in profit or loss as other (gains) losses.

Note 3. Accounting Judgments and Sources of Estimation Uncertainty

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:

3.1 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.

3.2 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.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

3.3 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.

3.4 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 assets or liabilities, 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.

Refer to Note 26 to learn more about the assumptions used.

3.5 Measurements of non-financial assets

When applying the future discounted cash flows model to determine the fair value of groups of CGUs 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.

Refer to Note 18 to learn more about the goodwill impairment test.

3.6 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.

Refer to Note 6 to learn more about the assumptions and estimates used.

3.7 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.

Refer to Notes 6 and 12 to learn more about the assumptions and estimates used.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 4. Adoption of IFRS Accounting Standards

4.1 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.

4.2 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.

Note 5. Future Accounting Changes

5.1 IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024, the 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 and 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.

5.2 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.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 6. Business Combinations

6.1 Summer Garden

6.1.1 Description of the business combination

On August 8, 2024, a 90.0%-owned U.S. subsidiary of the Corporation 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, Summer Garden develops, manufactures and markets a wide range of sauces and condiments, including tomato and cream-based pasta sauces, BBQ sauces, dipping sauces and dressings.

Through this business combination, the Corporation is increasing its presence in the specialty food segment in the United States, is expanding its product offering, including national brand products, and is strengthening its presence in the North American market.

6.1.2 Initial recognition of the business combination

The Corporation has finalized the initial recognition of the business combination and has retroactively adjusted the fair value of the consideration transferred and the net identifiable assets acquired to reflect new information obtained about the facts and circumstances prevailing at the acquisition date which, if known, would have affected the amounts recognized at that date.

	Final	Preliminary
	\$	\$
Consideration transferred		
Consideration paid in cash	325,933	325,933
Contingent considerations payable	45,282	45,282
Consideration receivable ⁱ⁾	(834)	–
	370,381	371,215
Identifiable assets acquired		
Cash and cash equivalents	1,378	1,378
Accounts receivable	13,707	14,214
Inventories	32,588	32,647
Other current assets	1,125	1,141
Property, plant and equipment ⁱⁱ⁾	39,050	40,158
Intangible assets	153,639	145,401
	241,487	234,939
Liabilities assumed		
Accounts payable and accrued liabilities	11,950	11,299
Other current liabilities	–	115
Long-term debt ⁱⁱ⁾	3,580	5,006
	15,530	16,420
Net identifiable assets acquired	225,957	218,519
Goodwill	144,424	152,696

i) Corresponds to working capital adjustments.

ii) Includes right-of-use assets and lease liabilities totalling \$3,580,000 (\$5,006,000 according to the preliminary assessment).

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

6.1.3 Source of funds

The transaction was financed by the revolving operating credit of the Canadian credit facilities ("CA revolving credit"), by an investment from a non-controlling interest, and by cash.

6.1.4 Determination of fair value

The fair value of the consideration transferred, and the net identifiable assets acquired was determined based on the Corporation's assumptions and estimates.

Contingent considerations payable

The agreement signed with the sellers contains contingent considerations for a total maximum amount of US\$45,000,000 that may be payable in various instalments over the two years following the transaction should certain financial targets be achieved and other conditions met. The acquisition-date fair value of the contingent considerations was assessed using an estimate of the probability of the financial objectives being achieved and the other conditions being met. These amounts are reported in other current liabilities and other non-current liabilities. Subsequent changes in 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.

Accounts receivable

Receivables were recognized at fair value, which does not differ significantly from their gross contractual value and expected receipts.

Inventories

Raw materials and supplies are measured at fair value. Finished goods inventories are measured at their net realizable value, which corresponds to the estimated selling price less the estimated costs necessary to make the sale.

Property, plant and equipment

A combination of the direct and indirect methods of the cost approach and of the market approach was used to estimate the fair value of property, plant and equipment.

Intangible assets

The relief-from-royalty method was used to value Summer Garden's trademarks and trade name. The multi-period excess earnings, replacement costs, and lost profits methods were used to derive the value of client relationships. These valuation methods are all primarily based on expected discounted cash flows according to available information, such as Summer Garden's historical and projected revenue and profit before interest, income taxes and depreciation and amortization, the likelihood of certain customer agreements being renewed, the discount rates, and certain other relevant assumptions.

	Estimated useful lives	Final fair value	Preliminary fair value
		\$	\$
Technologies and software	3 years	129	–
Trademarks and trade name	20 years	33,396	33,395
Client relationships	5 to 10 years	120,114	112,006
		153,639	145,401

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

6.1.5 Goodwill arising from the business combination

The goodwill arising from the business combination mainly reflects the fact that the business combination will help the Corporation to achieve economies of scale through the consolidated group's superior purchasing power and to benefit from a pooling of logistics, distribution capabilities, and sales network.

The goodwill recognized as part of this business combination is deductible on a straight-line basis for tax purposes over 15 years.

6.1.6 Costs related to the acquisition and financing

	As at Dec. 31, 2024
	\$
Acquisition costs ⁱ⁾	10,062
Costs related to the CA revolving credit ⁱⁱ⁾	527
	10,589

i) Recognized in selling and administrative expenses.

ii) Recognized in other non-current assets and amortized on a straight-line basis over the term of the agreement.

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

The Corporation's consolidated profit for the year ended December 31, 2024 includes \$82,389,000 in sales and a \$2,716,000 profit generated by Summer Garden's business operations in the United States and Canada.

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 \$2,730,163,000 and \$125,377,000, 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.

6.2 Diamond

On November 14, 2023, the Corporation acquired an additional economic interest of 20,000,000 newly issued common shares in Diamond Estates Wines & Spirits Inc. ("Diamond") for total consideration of \$9,000,000.

Before this transaction, the Corporation had an economic interest of 19.2% in Diamond. Under an investor rights agreement, the Corporation had the right to appoint two of the eight directors to Diamond's board of directors. The Corporation concluded that it exercises significant influence over Diamond and used the equity method to account for this investment. For the purposes of applying the equity method, the Corporation used the most recent published consolidated financial statements of the associate at the Corporation's period-end date, adjusted as needed to take into account significant items occurring after that date.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

As a result of this transaction, the Corporation had an economic interest of 52.9% in Diamond and has the right to appoint four of the seven directors to Diamond's board of directors. The Corporation concluded that it exercises control over this entity and has been consolidating it since the acquisition date.

Diamond specializes in the production, marketing and distribution of wines and alcoholic beverages, and its shares are listed on the TSX Venture Exchange under the ticker symbol DWS.V. Its head office is located in Niagara-on-the-Lake, Ontario, Canada.

For consolidation purposes, the Corporation uses Diamond's most recent published consolidated financial statements at the Corporation's period-end date, adjusted as needed to include significant items occurring after that date.

Through this business combination, the Corporation strengthened its presence in the Canadian wine and apple cider market and can offer a broader range of products.

The allocation of the acquisition-date fair value of the assets acquired and liabilities assumed as well as the gain on a business combination is as follows:

	Final
	\$
Current assets acquired	32,278
Non-current assets acquired	30,795
	<u>63,073</u>
Current liabilities assumed	22,837
Non-current liabilities assumed	11,009
	<u>33,846</u>
Net identifiable assets acquired ⁱ⁾	29,227
Less:	
Consideration transferred	9,000
Investment held before the transaction	4,556
Non-controlling interest ⁱⁱ⁾	13,766
Gain on a business combination ⁱⁱⁱ⁾	1,905

- i) The acquisition-date fair value of assets acquired and liabilities assumed was determined using the Corporation's assumptions and estimates which are based, in certain cases, on recent expert valuations.
- ii) The non-controlling interest was measured according to the proportionate share of the net identifiable assets acquired.
- iii) The gain on a business combination was recognized in profit or loss in other (gains) losses and was mainly attributable to the fair value of certain property, plant and equipment.

The Corporation's consolidated profit for the year ended December 31, 2023 includes \$3,815,000 in sales and a \$1,173,000 net loss generated by Diamond's operations. An amount of \$621,000 of the net loss is attributable to the Corporation's shareholders and an amount of \$552,000 is attributable to the non-controlling interest. The Corporation's consolidated profit for the year ended December 31, 2023 also includes a \$2,884,000 loss related to the Corporation's share in Diamond during the period when this investment was recognized using the equity method.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 7. Sales

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Revenues from product sales	2,570,126	2,291,417
Revenues from the rendering of services	28,692	22,439
Other revenues	2,073	1,093
	2,600,891	2,314,949

Note 8. Additional Information on Profit

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Cost of inventories expensed	1,902,805	1,727,231
Write-down of inventories included in cost of sales	16,421	19,658
Depreciation of property, plant and equipment included in cost of sales	38,604	31,829
Depreciation of property, plant and equipment included in selling and administrative expenses	9,217	7,496
Amortization of intangible assets included in selling and administrative expenses	32,706	23,942
Expense related to short-term leases or leases of low-value assets	3,244	4,324
Expense related to variable lease payments not included in the lease liabilities ⁱ⁾	1,360	846
Employee benefits expense ⁱⁱ⁾	373,203	333,430
Scientific research and experimental development expense	781	910
Scientific research and experimental development tax credits	(273)	(318)

i) The Corporation has agreements with one of its suppliers to provide onsite manufacturing and supply of PET bottles at two of the Corporation's facilities. The Corporation determined that each of these agreements contains a lease. Payments are calculated based on costs incurred and on the number of plastic bottles manufactured by the supplier and are adjusted annually based on factors specified in the agreements. The agreements do not include fixed payments.

ii) Includes the impact of total return swaps on Class A shares on the cost of the long-term incentive plan.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 9. Financial Expenses

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Interest on long-term debt	20,340	13,726
Interest on lease liabilities	2,622	1,741
Amortization of transaction costs	825	715
Other interest, net of interest income	(297)	(195)
Net interest expense	23,490	15,987
Bank expenses	900	768
	24,390	16,755

Note 10. Other (Gains) Losses

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Foreign exchange (gains) losses	(3,011)	(636)
Change in the fair value of derivative instruments	(1,008)	80
Gain on a business combination	–	(1,905)
Change in the fair value of the contingent considerations payable related to a business combination	408	–
Other ⁱ⁾	(599)	(3,281)
	(4,210)	(5,742)

- i) The year ended December 31, 2023 included an amount of \$2,681,000 that represents a gain related to the settlement of an insurance claim resulting from property damage to a building in the United States.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 11. Income Taxes

11.1 Reconciliation between income taxes and profit before income taxes

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Profit before income taxes	154,568	121,507
Combined statutory tax rate	26.5%	26.5%
Income taxes according to the statutory rate	40,961	32,199
Adjustments:		
Variance in the tax rate resulting from the different tax rates of subsidiaries	378	108
Tax impact on non-deductible or non-taxable items	305	977
Tax adjustment related to previous years	(345)	34
Other	(123)	(70)
	41,176	33,248

11.2 Income taxes recognized in profit or loss

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Current tax		
Current tax expense for the year	41,480	26,470
Tax adjustment related to previous years	(1,052)	(854)
	40,428	25,616
Deferred tax		
Deferred tax expense (recovery) for the year	41	6,744
Tax adjustment related to previous years	707	888
	748	7,632
	41,176	33,248

11.3 Deferred tax

As at December 31, 2024, the Corporation had unused capital losses totalling \$8,416,000 (\$8,813,000 as at December 31, 2023) for which no tax benefit had been recognized. The capital losses can be carried forward indefinitely and can be used only when the capital gains are realized by the entities that have the carried forward capital losses.

As at December 31, 2024, the Corporation had unused non-capital losses totalling \$39,175,000 (\$43,548,000 as at December 31, 2023) for which no tax benefit had been recognized. The non-capital losses can be carried forward over a period of 20 years and can be used only when taxable income is realized by the entity that has unused non-capital losses. They expire between 2029 and 2044.

No deferred tax liability was recognized on the temporary differences related to the retained earnings of foreign subsidiaries, since the Corporation is not in a position to determine the timing of their reversal and it is probable that they will not reverse in a foreseeable future. The amount of the temporary differences was \$228,027,000 as at December 31, 2024 (\$226,012,000 as at December 31, 2023) for a potential deferred tax liability of \$11,401,000 (\$11,301,000 in 2023).

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

11.4 Reconciliation of deferred tax (assets) liabilities

The following tables present the reconciliation of deferred tax (assets) liabilities recognized in the Consolidated Statement of Financial Position by temporary difference category:

	Deferred tax expense (recovery)					Balance as at Dec. 31, 2024
	Balance as at Dec. 31, 2023	Recognized in profit or loss	Related to other comprehensive income	Recognized in equity ⁱ⁾	Exchange difference	
	\$	\$	\$	\$	\$	\$
Derivative instruments	(1,129)	134	8,948	(4,980)	16	2,989
Property, plant and equipment	73,545	7,290	–	–	2,013	82,848
Intangible assets and goodwill	56,356	5,750	–	–	6,029	68,135
Accounts payable and accrued liabilities	(7,940)	(473)	–	–	(782)	(9,195)
Defined benefit pension plans	4,422	(4,669)	(1,447)	–	(28)	(1,722)
Long-term debt	(13,818)	(2,843)	–	–	(763)	(17,424)
Unused tax losses	(9,938)	(3,526)	–	–	(1,576)	(15,040)
Other	(2,018)	(915)	–	–	(340)	(3,273)
	99,480	748	7,501	(4,980)	4,569	107,318

i) Deferred tax expense (recovery) recognized in shareholders' equity through the transfer of cash flow hedge (gains) losses to non-financial assets.

	Deferred tax expense (recovery)					Balance as at Dec. 31, 2023
	Balance as at Dec. 31, 2022	Recognized in profit or loss	Related to other comprehensive income	Recognized in equity ⁱ⁾	Exchange difference	
	\$	\$	\$	\$	\$	\$
Derivative instruments	1,582	(138)	(479)	(2,108)	14	(1,129)
Property, plant and equipment	65,217	8,773	–	–	(445)	73,545
Intangible assets and goodwill	50,943	6,740	–	–	(1,327)	56,356
Accounts payable and accrued liabilities	(5,180)	(2,942)	–	–	182	(7,940)
Defined benefit pension plans	7,997	(1,123)	(2,448)	–	(4)	4,422
Long-term debt	(9,796)	(4,165)	–	–	143	(13,818)
Unused tax losses	(11,550)	1,367	–	–	245	(9,938)
Other	(1,155)	(880)	–	–	17	(2,018)
	98,058	7,632	(2,927)	(2,108)	(1,175)	99,480

i) Deferred tax expense (recovery) recognized in shareholders' equity through the transfer of cash flow hedge (gains) losses to non-financial assets.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 12. Financial Instruments

12.1 Classification

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Financial assets		
Amortized cost		
Cash and cash equivalents	28,227	19,842
Accounts receivable	213,527	188,321
Fair value through profit or loss		
Derivative instruments ⁱ⁾	779	141
Fair value through other comprehensive income		
Derivative instruments ⁱ⁾	11,242	106
Financial liabilities		
Amortized cost		
Bank overdraft	1,251	4,030
Accounts payable and accrued liabilities	429,583	330,412
Long-term debt ⁱⁱ⁾	477,490	210,520
Fair value through profit or loss		
Derivative instruments ⁱ⁾	1,031	2,270
Contingent considerations payable related to a business combination	47,855	–
Fair value through other comprehensive income		
Derivative instruments ⁱ⁾	332	4,155

i) Includes current and non-current derivative instruments.

ii) Includes the current portion of long-term debt.

12.2 Fair value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is established based on market information available at the date of the Consolidated Statement of Financial Position. In the absence of an active market for a financial instrument, the Corporation uses the valuation methods described below to determine the fair value of the instrument.

To make the assumptions required for certain valuation models, the Corporation relies mainly on external, readily observable market inputs, when available. Assumptions or inputs that are not based on observable market data are used in the absence of external data. These assumptions or factors represent management's best estimates of the ones that would be used by market participants for these instruments. The credit risk of the counterparty and the Corporation's own credit risk have been taken into account in estimating the fair value of all financial assets and financial liabilities, including derivative instruments.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

The following valuation assumptions and/or methods were used to estimate the fair value of financial instruments:

- The fair values of cash and cash equivalents, accounts receivable, bank overdraft and accounts payable and accrued liabilities are approximately equal to their carrying values due to their short-term maturities;
- The fair value of long-term debt is determined using the discounted cash flow method and calculated using current interest rates for instruments with similar terms and remaining maturities that the Corporation could have obtained on the market at the measurement date;
- The fair value of derivative instruments is determined using valuation techniques and calculated as the present value of estimated future cash flows using an appropriate exchange rate and interest rate yield curve as well as quoted contract prices on futures exchanges and market data. Assumptions are based on market conditions prevailing on the reporting date. The derivative instruments reflect the estimated amounts that the Corporation would receive or pay to transfer the contracts in an orderly transaction between market participants at each reporting date; and
- The fair value of contingent considerations payable related to a business combination is determined using valuation techniques and calculated by discounting the anticipated payments determined based on the expected 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.

The carrying values of all of the Corporation's financial instruments approximate their fair values, except for the following:

	As at December 31, 2024		As at December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Long-term debt ⁱ⁾	477,490	474,591	210,520	208,666

i) Includes the current portion of long-term debt.

Financial instruments are classified using a fair value hierarchy that categorizes the inputs used in fair value measurement techniques into three levels. This hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. Adjustments to arrive at measurements based on fair value, such as disposal costs when measuring fair value less disposal costs, shall not be taken into account when determining the level of the fair value hierarchy within which a fair value measurement is categorized.

All financial instruments measured at fair value in the Consolidated Statement of Financial Position were classified according to a hierarchy comprising three levels:

- Level 1: Valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- Level 2: Valuation based on inputs that are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable; and inputs that are derived mainly from or corroborated by observable market data using correlation or other forms of relationship; and
- Level 3: Valuation techniques based on a significant portion of inputs not observable in the market.

The Corporation's policy is to recognize transfers between the different hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the years ended December 31, 2024 and 2023, all of the Corporation's financial instruments, including derivative instruments, were classified as Level 2, except for the contingent considerations payable related to a business combination, which were classified as Level 3. No financial instruments were transferred between levels 1, 2 and 3.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

12.2.1 Change in the fair value of financial instruments classified in Level 3

The following table presents the change in fair value of the contingent considerations payable related to a business combination, which were classified in Level 3 and measured at fair value at the end of each reporting period:

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Fair value at beginning	–	–
Initial recognition	45,282	–
Change in fair value ^{i) ii)}	408	–
Exchange difference ⁱⁱⁱ⁾	2,165	–
Fair value at end	47,855	–

- i) Includes the impact of revisions made to key assumptions and the impact of the passage of time.
- ii) Recognized in profit or loss as other (gains) losses.
- iii) Recognized in other comprehensive income as exchange difference on translating foreign operations.

12.2.2 Sensitivity analysis of the Level 3 inputs

The fair value measurement of the contingent considerations payable related to the Summer Garden business combination is based on a significant portion of inputs not observable in the market. The factors that mostly influence this valuation are the Corporation's expectations regarding 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.

The sensitivity analyses of the fair value of the contingent considerations payable related to the Summer Garden business combination were calculated using reasonably possible changes to each key assumption without considering simultaneous changes to several of these key assumptions. A change in one assumption could trigger a change in another assumption, which could amplify or mitigate the impact of the change in these assumptions on the fair value. The actual impacts of changes in assumptions on the fair value of the contingent considerations payable may differ from the estimated impacts below.

Assumption	Change in assumption	Impact on fair value given	
		an increase in assumption	a decrease in assumption
		\$	\$
Sales volume of certain products	5%	2,982	(3,265)
Probability of renewal of a customer agreement	5%	255	(255)
Probability of occurrence of events related to labour costs	5%	–	(356)
Discount rate	1%	(529)	542

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

12.3 Hedge accounting

12.3.1 Financial instruments designated in a hedging relationship

	As at December 31, 2024			
	Notional	Value recognized as an asset	Value recognized as a liability	Change in value used to calculate hedge ineffectiveness
			\$	\$
Cash flow hedges				
Foreign exchange risk				
Foreign exchange forward contracts	US\$119,000,000 €11,037,300	8,971	(88)	8,883
Price risk				
Frozen concentrated orange juice futures	3,330,000 lbs sol. ⁱ⁾	883	(244)	639

i) Frozen concentrated orange juice is measured in pounds solid ("lbs sol.").

	As at December 31, 2023			
	Notional	Value recognized as an asset	Value recognized as a liability	Change in value used to calculate hedge ineffectiveness
			\$	\$
Cash flow hedges				
Interest rate risk				
Interest rate swaps	US\$100,000,000	18	(21)	(3)
Foreign exchange risk				
Foreign exchange forward contracts	US\$147,000,000 €4,995,000	88	(2,923)	(2,835)
Price risk				
Frozen concentrated orange juice futures	3,180,000 lbs sol.	–	(841)	(841)

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

12.3.2 Hedged items

	As at December 31, 2024	
	Change in value used to calculate hedge ineffectiveness	Hedging reserve balance
	\$	\$
Cash flow hedges		
Foreign exchange risk		
Cash outflows related to purchases of raw materials in foreign currencies	8,935	6,506
Cash outflows related to purchases of property, plant and equipment in foreign currencies	(35)	(30)
Price risk		
Cash outflows related to purchases of frozen concentrated orange juice	636	1,722

As at December 31, 2024, a negative balance of \$59,000 in the hedging reserve relates to foreign currency translation differences for expired hedging relationships.

	As at December 31, 2023	
	Change in value used to calculate hedge ineffectiveness	Hedging reserve balance
	\$	\$
Cash flow hedges		
Interest rate risk		
Cash outflows related to interest payments	(1)	(4)
Foreign exchange risk		
Cash outflows related to purchases of raw materials in foreign currencies	(2,835)	(1,997)
Price risk		
Cash outflows related to purchases of frozen concentrated orange juice	(828)	(712)

As at December 31, 2023, a negative balance of \$197,000 in the hedging reserve relates to foreign currency translation differences for expired hedging relationships.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

12.3.3 Hedging gains and losses

	Year ended December 31, 2024		
	Gains (losses) in other comprehensive income	Reclassification of (gains) losses in profit or loss	Transfer to non-financial assets ⁱ⁾
	\$	\$	\$
Cash flow hedges			
Interest rate risk			
Interest rate swaps	598	(597)	–
Foreign exchange risk			
Foreign exchange forward contracts	17,232	–	(5,545)
Price risk			
Frozen concentrated orange juice futures	17,140	–	(13,654)

i) Transfer of cash flow hedge (gains) losses to non-financial assets.

	Year ended December 31, 2023		
	Gains (losses) in other comprehensive income	Reclassification of (gains) losses in profit or loss	Transfer to non-financial assets ⁱ⁾
	\$	\$	\$
Cash flow hedges			
Interest rate risk			
Interest rate swaps	428	(1,263)	–
Foreign exchange risk			
Foreign exchange forward contracts	(2,874)	–	(5,141)
Price risk			
Frozen concentrated orange juice futures	1,966	–	(3,021)

i) Transfer of cash flow hedge (gains) losses to non-financial assets.

No hedge ineffectiveness was recorded during the years ended December 31, 2024 and 2023.

12.4 Offsetting

The Corporation has entered into International Swaps & Derivatives Association, Inc. enforceable master netting agreements with most of the counterparties with which it carries out derivative transactions. These master netting agreements make it possible to fully offset derivative instruments when one of the parties to the agreement defaults on its obligations, for each of the transactions covered in the agreement and in effect on the default date. Since the legally enforceable right to offset depends on future events such as the default, insolvency, or bankruptcy of the counterparty, these master agreements do not meet the criteria for offsetting in the Consolidated Statement of Financial Position.

As at December 31, 2024 and 2023, derivative instruments were presented without offsetting. The fair values of derivative instrument assets and liabilities subject to enforceable master netting agreements were, respectively, \$12,021,000 and \$332,000 as at December 31, 2024 (\$247,000 and \$4,385,000, respectively, as at December 31, 2023).

In addition, as at December 31, 2024, a cash guarantee of \$403,000 (\$2,203,000 as at December 31, 2023) was deposited with the issuer of certain derivative instruments. These amounts were presented without offsetting.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 13. Accounts Receivable

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Trade accounts receivable	204,338	180,226
Discounts receivable	4,811	4,709
Other receivables	4,378	3,386
	213,527	188,321

Note 14. Inventories

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Raw materials and supplies	266,048	224,963
Finished goods	206,134	161,656
	472,182	386,619

Note 15. Other Current Assets

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Sales taxes receivable	11,016	7,961
Tax credits receivable	3,280	3,139
Prepaid expenses	18,380	17,516
Assets held for sale ⁱ⁾	3,923	8,863
	36,599	37,479

- i) The Corporation has classified certain wine properties and related operating assets acquired as part of the business combination with Diamond as assets held for sale. The Corporation intends to sell these assets within one year of the end of the financial year. An active sale process has been initiated. Assets are recorded at the lower of book value and fair value less costs to sell.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 16. Property, Plant and Equipment

Property, plant and equipment include owned assets and right-of-use assets.

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Owned assets	603,057	457,081
Right-of-use assets	54,597	43,740
	657,654	500,821

16.1 Owned assets

16.1.1 Depreciation

Categories	Depreciation methods	Estimated useful lives or rates
Land and buildings		
Land	—	—
Parking	Declining balance	10 to 20%
Buildings	Declining balance and straight-line	3% and 15 to 40 years
Leasehold improvements	Straight-line	Lease term
Machinery and equipment		
Machinery and equipment	Straight-line	3 to 40 years
Laboratory equipment	Straight-line	5 to 10 years
Other		
Office furniture	Straight-line	5 to 15 years
Automotive equipment	Straight-line	5 to 15 years
Computer equipment	Straight-line	3 to 5 years

Depreciation methods, estimated useful lives, rates, and residual values are reviewed at the end of each year, with the effect of any changes in estimates accounted for on a prospective basis.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

16.1.2 Reconciliation table

	Land and buildings	Machinery and equipment	Other	Total
	\$	\$	\$	\$
Cost				
Balance as at December 31, 2023	243,912	625,816	47,700	917,428
Acquisitions	77,022	49,038	5,603	131,663
Acquisitions through a business combination	14,689	20,382	399	35,470
Disposals	(3,051)	(11,875)	(553)	(15,479)
Exchange difference	11,012	22,029	1,515	34,556
Balance as at December 31, 2024	343,584	705,390	54,664	1,103,638
Accumulated depreciation and impairment losses				
Balance as at December 31, 2023	(69,165)	(352,126)	(39,056)	(460,347)
Depreciation	(8,661)	(30,259)	(3,154)	(42,074)
Disposals	2,486	11,546	306	14,338
Exchange difference	(2,528)	(8,955)	(1,015)	(12,498)
Balance as at December 31, 2024	(77,868)	(379,794)	(42,919)	(500,581)
Net carrying value as at December 31, 2024	265,716	325,596	11,745	603,057
Cost				
Balance as at December 31, 2022	212,079	547,721	42,794	802,594
Acquisitions	15,901	81,595	5,907	103,403
Acquisitions through a business combination	21,016	4,780	257	26,053
Disposals	(2,626)	(3,177)	(889)	(6,692)
Exchange difference	(2,458)	(5,103)	(369)	(7,930)
Balance as at December 31, 2023	243,912	625,816	47,700	917,428
Accumulated depreciation and impairment losses				
Balance as at December 31, 2022	(65,617)	(332,122)	(37,447)	(435,186)
Depreciation	(6,190)	(25,354)	(2,216)	(33,760)
Disposals	2,013	3,089	342	5,444
Exchange difference	629	2,261	265	3,155
Balance as at December 31, 2023	(69,165)	(352,126)	(39,056)	(460,347)
Net carrying value as at December 31, 2023	174,747	273,690	8,644	457,081

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

16.1.3 Additional information

	Land and buildings	Machinery and equipment	Other	Total
	\$	\$	\$	\$
As at December 31, 2024				
Property, plant and equipment in progress included in the cost	23,615	23,973	2,254	49,842
As at December 31, 2023				
Property, plant and equipment in progress included in the cost	4,295	54,238	1,558	60,091

16.2 Right-of-use assets

16.2.1 Reconciliation table

	Land and buildings	Machinery and equipment	Other	Total
	\$	\$	\$	\$
Net carrying value as at December 31, 2023	41,621	854	1,265	43,740
Additions	10,334	10	1,890	12,234
Additions through a business combination	1,407	289	1,884	3,580
Reductions	(486)	–	(138)	(624)
Depreciation	(4,753)	(125)	(869)	(5,747)
Exchange difference	1,291	9	114	1,414
Net carrying value as at December 31, 2024	49,414	1,037	4,146	54,597
Net carrying value as at December 31, 2022	31,451	10	1,100	32,561
Additions	14,839	–	823	15,662
Additions through a business combination	544	860	27	1,431
Reductions	(34)	–	(55)	(89)
Depreciation	(4,925)	(15)	(625)	(5,565)
Exchange difference	(254)	(1)	(5)	(260)
Net carrying value as at December 31, 2023	41,621	854	1,265	43,740

Note 17. Intangible Assets

17.1 Amortization

Categories	Amortization methods	Estimated useful lives
Technologies and software	Straight-line	3 to 15 years
Trademarks and trade name	Straight-line	20 years
Customer relationships	Straight-line	5 to 15 years
Certifications	Straight-line	10 years

The amortization method and estimated useful lives are reviewed at the end of each year, with the effect of any changes in estimates accounted for on a prospective basis.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

17.2 Reconciliation table

	Technologies and software	Trademarks and trade name	Customer relationships	Certifications	Total
	\$	\$	\$	\$	\$
Cost					
Balance as at December 31, 2023	51,487	153,654	223,207	13,224	441,572
Acquisitions	10,835	–	1,720	–	12,555
Acquisitions through business a combination	129	33,396	120,114	–	153,639
Disposals	(17)	(397)	(135)	–	(549)
Exchange difference	1,509	13,618	23,910	1,163	40,200
Balance as at December 31, 2024	63,943	200,271	368,816	14,387	647,417
Accumulated amortization and impairment losses					
Balance as at December 31, 2023	(20,851)	(78,544)	(144,393)	(13,224)	(257,012)
Amortization	(2,299)	(7,537)	(22,870)	–	(32,706)
Disposals	14	283	60	–	357
Exchange difference	(1,265)	(6,597)	(12,734)	(1,163)	(21,759)
Balance as at December 31, 2024	(24,401)	(92,395)	(179,937)	(14,387)	(311,120)
Net carrying value as at December 31, 2024	39,542	107,876	188,879	–	336,297
Cost					
Balance as at December 31, 2022	41,392	154,023	227,974	13,542	436,931
Acquisitions	10,328	–	–	–	10,328
Acquisitions through a business combination	158	2,925	227	–	3,310
Exchange difference	(391)	(3,294)	(4,994)	(318)	(8,997)
Balance as at December 31, 2023	51,487	153,654	223,207	13,224	441,572
Accumulated amortization and impairment losses					
Balance as at December 31, 2022	(19,575)	(72,134)	(133,286)	(13,542)	(238,537)
Amortization	(1,602)	(8,059)	(14,281)	–	(23,942)
Exchange difference	326	1,649	3,174	318	5,467
Balance as at December 31, 2023	(20,851)	(78,544)	(144,393)	(13,224)	(257,012)
Net carrying value as at December 31, 2023	30,636	75,110	78,814	–	184,560

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 18. Goodwill

18.1 Reconciliation table

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Balance at beginning	320,895	328,162
Acquisitions through a business combination	144,424	–
Exchange difference	33,396	(7,267)
Balance at end	498,715	320,895

18.2 Goodwill impairment test

The Corporation performed annual goodwill impairment tests on its CGUs as at December 31, 2024 in accordance with the policies described in Note 2.10.2. The recoverable values of all the CGUs were determined based on value-in-use calculations that used detailed five-year forecasts as well as extrapolations of expected cash flows for the residual useful lives. The recoverable values of all the CGUs exceeded their carrying amounts. Accordingly, no goodwill impairment loss was recognized for the years ended December 31, 2024 and 2023.

The Corporation has not changed the valuation method used for goodwill impairment testing since the test conducted during the year ended December 31, 2023.

18.3 Goodwill allocation

Goodwill was allocated to the following CGUs:

	As at	As at
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Lassonde Pappas and Company, Inc. ("LPC")	274,613	252,416
A. Lassonde Inc. ("ALI")	70,765	66,383
Lassonde Specialties Inc. ("LSI")	20,074	2,096
Summer Garden	133,263	–
	498,715	320,895

Management's main assumptions about projected cash flows when determining value in use are as follows:

- The Corporation bases its growth and profitability assumptions on the budget approved by management and the Board of Directors and according to the growth projects identified by management. Growth in the Corporation's operating profit also takes into account the nature of the industry in which it operates as well as market growth projections and maturity. At the end of the five-year projection, the Corporation evaluates the CGU's terminal value; and
- The discount rate is based on pre-tax rates that reflect the current market assessments, taking the time value of money and the risks specific to the CGU into account. The discount rate used by the Corporation is based on the weighted average cost of capital calculated using the capital assets pricing model and published data from such sources as the Bank of Canada, the U.S. Federal Reserve System, and firms specializing in business valuation information. When combined with management's judgment, this information is used, among other purposes, to establish the equity risk premium, industry premium, size premium, and specific risks premium.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

For the CGUs, management's main assumptions are as follows:

	LPC	ALI	LSI	Summer Garden
	%	%	%	%
Discount rate	11.9	13.1	15.1	11.9
Projected average growth in cash flows	45.0	4.8	6.6	8.3

Note 19. Accounts Payable and Accrued Liabilities

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Trade payables and accrued expenses	321,908	219,208
Trade spending	50,368	58,797
Salaries and accrued vacation payable	56,645	51,922
Other	662	485
	429,583	330,412

Note 20. Other Current Liabilities

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Contingent considerations payable related to a business combination	20,996	–
Current portion of long-term incentive plan liabilities	1,740	685
Liabilities related to assets held for sale	941	1,262
Other	6,447	3,769
	30,124	5,716

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 21. Long-Term Debt

	Note	As at Dec. 31, 2024 \$	As at Dec. 31, 2023 \$
Canadian credit facilities			
Revolving credit, floating rate, expiring in April 2027	21.1.1	264,695	52,904
Term credit, fixed rate, repaid in July 2024		–	4,806
U.S. credit facilities			
Revolving credit, floating rate, expiring in January 2026	21.1.2	133,674	81,433
Diamond credit facilities			
Revolving credit, floating rate, expiring in January 2025	21.1.3	9,637	11,274
Term credit, floating rate, repayable on demand		2,847	7,861
Demand credit, floating rate, repayable on demand		2,500	–
Debentures payable			
Convertible debentures payable, fixed rate, expiring in November 2025	21.1.4	3,898	4,411
Lease liabilities			
Leases, expiring from February 2025 to October 2044	21.1.5	60,239	47,831
		477,490	210,520
Current portion of long-term debt		(25,077)	(18,525)
		452,413	191,995

21.1 Other terms and conditions

21.1.1 Canadian credit facilities

The Canadian credit facilities 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 \$250,000,000 to \$475,000,000 and to authorize its use to finance the business combination in the United States. This agreement came into effect upon the closing of the Summer Garden acquisition on August 8, 2024. Prior to this amendment, the Canadian credit facilities also included a term credit facility ("CA term credit"), which was repaid in July 2024.

CA revolving credit

The CA revolving credit is used to finance current operations and may also be used, under certain conditions, to finance potential acquisitions. The CA revolving credit bears interest at the Canadian or U.S. prime rate, depending on the currency of the borrowing, plus 0 to 100 basis points for open-end borrowings, and/or bears interest at the Secured Overnight Financing Rate ("SOFR") and/or at the Canadian Overnight Repo Rate Average ("CORRA"), plus 115 to 225 basis points, upon use of these types of term borrowings. Interest margins and fee rates for the credit instruments available under the CA revolving credit vary based on a prescribed financial ratio.

The CA revolving credit provides the Corporation with the option, subject to the participation of each lender, to raise borrowing capacity by an amount not exceeding \$50,000,000 and to extend, on each annual anniversary date, the expiry date of this facility by one year, under the same terms and conditions.

CA term credit

The CA term credit was fully repaid in July 2024. As at December 31, 2023, the CA term credit bore interest at 3.20% and 5.80%.

The Canadian credit facilities contain certain conditions and restrictive covenants, including an obligation to comply with certain prescribed financial ratios. The Corporation was in compliance with all of its financial ratios as at December 31, 2024 and 2023.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

21.1.2 U.S. credit facilities

The U.S. credit facilities were provided by a syndicate of financial institutions to support the Corporation's U.S. operations. The credit facilities comprise a revolving operating credit ("U.S. revolving credit") for an authorized amount of US\$160,000,000.

The U.S. revolving credit bears interest at the base rate plus 25 to 100 basis points and/or at SOFR plus 125 to 200 basis points. Interest margins vary based on a prescribed financial ratio.

The credit facilities contain certain conditions and restrictive covenants, including an obligation to maintain certain prescribed financial ratios. The Corporation was in compliance with all of its financial ratios as at December 31, 2024 and 2023. The entirety of the assets of LPC and its subsidiaries are pledged as collateral, namely \$1,127,484,000 as of December 31, 2024 (\$938,113,000 as of December 31, 2023).

21.1.3 Diamond credit facilities

In November 2024, the Diamond credit facilities were amended to provide a demand credit ("Diamond demand credit") of \$2,500,000 and to revise the authorized amount of the term credit ("Diamond term credit") from \$8,763,000 to \$2,982,000. The credit facilities also comprise a revolving operating credit ("Diamond revolving credit") for an authorized amount of \$11,400,000.

Diamond revolving credit

The Diamond revolving credit is used to finance Diamond's current operations and may also be used, under certain conditions, to finance its growth. The Diamond revolving credit bears interest at the Canadian prime rate plus 240 basis points.

Diamond term credit

The Diamond term credit bears interest at the Canadian prime rate plus 265 basis points. The principal on the Diamond term credit is repayable in quarterly payments of \$135,000. The Diamond term credit matured in May 2024 and is now repayable on demand.

Diamond demand credit

The Diamond demand credit bears interest at the Canadian prime rate plus 315 basis points. The Diamond demand credit is repayable at the earlier of the lender demanding repayment of Diamond's credit facilities, the receipt of a grant receivable or its maturity in July 2025. The demand credit is guaranteed by Lassonde Industries Inc.

The credit facilities contain certain conditions and restrictive covenants, including an obligation to maintain certain prescribed financial ratios. As at December 31, 2024 and 2023, the fixed-charge coverage ratio was not met. Diamond is in discussions with its financial institution for a refinancing. The entirety of the assets of Diamond and its subsidiaries are pledged as collateral, namely \$57,527,000 as of December 31, 2024 (\$62,421,000 as of December 31, 2023).

21.1.4 Debentures payable

The unsecured debentures were issued by Diamond as part of a private placement. The debentures bear interest at 10.00%, are convertible into Diamond common shares at a conversion price of \$0.30 per share and were due in November 2024.

In November 2024, the debentures were converted into new unsecured debentures convertible at the option of the holder and due in November 2025. The debentures bear interest at 10.00% and are convertible into Diamond common shares at a conversion price of \$0.24 per share.

21.1.5 Lease liabilities

The Corporation is party to lease agreements for the leasing of administrative offices, production and storage facilities, production and distribution equipment, automotive equipment, computer equipment, and office equipment.

The minimum leasing periods expire at various dates between February 2025 and December 2035. Certain leases have one or more renewal options. When measuring lease liabilities, the Corporation included some of these renewal options based on the economic benefit of exercising them. The maximum leasing periods extend until October 2044. Some of these leases have indefinite lives; they are renewed automatically until one of the parties terminates the lease.

Some of the leases also include the additional rent payments that are tied to the operating expenses of the leased properties and that are not included in the lease liabilities.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

21.2 Principal payments

	2025	2026	2027	2028	2029	2030 and thereafter
	\$	\$	\$	\$	\$	\$
Credit facilities	14,984	133,674	264,695	–	–	–
Debentures payable	3,898	–	–	–	–	–
Lease liabilities	6,195	5,467	4,550	3,823	3,875	36,329
	25,077	139,141	269,245	3,823	3,875	36,329

Note 22. Long-Term Incentive Plan

The long-term incentive plan provides certain executives of the Corporation with awards of restricted share units (“RSU”) and share appreciation rights (“SAR”), the values of which are linked to the performance of Class A shares.

The initial value and the subsequent revaluation of RSUs and SARs are recognized in profit or loss as a compensation expense over their vesting periods.

A compensation expense of \$4,430,000 was recognized during the year ended December 31, 2024 (\$2,624,000 in 2023) related to the long-term incentive plan. This expense was calculated with an expected attrition rate of 2.8% over the vesting period of the RSUs and SARs. It also includes changes in the fair value of total return swaps on Class A shares that are not subject to hedge accounting.

22.1 Restricted share units

The RSUs vest on the third anniversary of the grant date, subject to continuous service. Each RSU, upon vesting, entitles the participant to receive a cash amount (net of applicable withholding tax) equal to the volume-weighted average trading price of a Class A share over the last five trading days (“determined fair market value”) on that date. Dividend equivalents credited to the participant are deemed to be reinvested in additional RSUs on an annual basis.

At each reporting date, the fair value of RSUs on the Consolidated Statement of Financial Position is equal to the determined fair market value of Class A shares on that date.

The following table presents the change in outstanding RSUs:

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	(in units)	(in units)
Outstanding at beginning	48,986.2	15,775.7
Granted	16,301.2	34,992.5
Dividend equivalents	1,477.9	681.5
Paid	(5,698.2)	(901.1)
Cancelled	(137.1)	(1,562.4)
Outstanding at end	60,930.0	48,986.2

22.2 Share appreciation rights

The SARs vest progressively in three equal instalments on each of the first, second and third anniversaries of the grant date, subject to continuous service. SARs can be exercised as of the fifth anniversary of the grant date until the earliest of the following: the eighth anniversary of the grant date or on the participant’s 65th birthday. Each SAR, upon vesting, entitles the participant to receive a cash amount (net of applicable withholding tax) equal to the amount by which the determined fair market value of Class A shares exceeds the exercise price of the SAR. The exercise price of the SAR is equal to the determined fair market value of Class A share at the grant date of the SAR.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

At each reporting date, the fair value of SARs on the Consolidated Statement of Financial Position is determined using the binomial valuation model and is calculated using the present value of estimated projected cash flows. Assumptions are based on market conditions prevailing on the reporting date for the risk-free interest rate and for the volume-weighted average trading price of Class A share over the last five trading days before the reporting date. Assumptions are also based on the assessment made by the Corporation's management on the expected dividend rate, expected volatility, and expected attrition rate.

The following table presents the change in outstanding SARs:

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	(in units)	(in units)
Outstanding at beginning	83,071.7	47,097.8
Granted	27,628.2	38,954.7
Cancelled	–	(2,980.8)
Outstanding at end	110,699.9	83,071.7

As at December 31, 2024, a total of 47,374.1 SARs were vested by the participants (21,252.0 SARs as at December 31, 2023).

At the grant date, the weighted average fair value of granted SARs and the weighted average assumptions used to value them are as follows:

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
Weighted average fair value of granted SARs during the year	\$39.73	\$26.69
Assumptions:		
Expected dividend yield	2.3%	1.5%
Expected volatility ⁱ⁾	25.8%	24.4%
Risk-free interest rate	3.0%	3.0%

i) Expected volatility is based on the historical volatility of Class A shares for a period equivalent to the expected term of the SARs.

Note 23. Other Non-Current Liabilities

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Contingent considerations payable related to a business combination	26,859	–
	26,859	–

Note 24. Shareholders' Equity

24.1 Authorized share capital

An unlimited number of Class A subordinate voting shares, 1 vote per share, without par value

An unlimited number of Class B multiple voting shares, 10 votes per share, without par value

An unlimited number of first and second rank preferred shares, non-voting, issuable in one or several series, the attributes of which are determined by the directors before their issuance. First preferred shares rank prior to second preferred shares with respect to the payment of dividends and reimbursement of capital, without par value.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

24.2 Share capital issued and paid

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Class A shares	40,674	40,674
Class B shares	5,986	5,986
	46,660	46,660

24.3 Number of shares outstanding

	As at Dec. 31, 2024	As at Dec. 31, 2023
	(in units)	(in units)
Class A shares	3,069,000	3,069,000
Class B shares	3,752,620	3,752,620
	6,821,620	6,821,620

24.4 Dividend per share

The dividends paid are approved by the Corporation's Board of Directors. A dividend amount is set for each class of share.

During the year ended December 31, 2024, the Corporation declared and paid dividends totalling \$4.00 per share (\$2.20 per share in 2023) to the holders of Class A and B shares.

On February 12, 2025, the Corporation declared a dividend of \$1.10 per share to the holders of Class A and B shares registered on February 24, 2025. The dividend totalling \$7,504,000 was payable on March 14, 2025.

24.5 Earnings per share

For the years ended December 31, 2024 and 2023, there were no dilutive items.

24.6 Accumulated other reserves

	Hedging reserve	Foreign currency translation reserve	Total
	\$	\$	\$
Balance as at December 31, 2023	(2,910)	76,687	73,777
Other comprehensive income (loss)	24,842	53,845	78,687
Transfer to non-financial assets ⁱ⁾	(13,793)	–	(13,793)
Balance as at December 31, 2024	8,139	130,532	138,671
Balance as at December 31, 2022	4,305	89,797	94,102
Other comprehensive income (loss)	(1,388)	(13,110)	(14,498)
Transfer to non-financial assets ⁱ⁾	(5,827)	–	(5,827)
Balance as at December 31, 2023	(2,910)	76,687	73,777

ⁱ⁾ Transfer of cash flow hedge (gains) losses to non-financial assets.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

24.7 Non-controlling interests

24.7.1 Description of non-controlling interests

Pappas Lassonde Holdings, Inc.

3346625 Canada Inc. owns a 10.0% interest in Pappas Lassonde Holdings, Inc. ("PLH"). PLH is the parent company of the following main U.S. subsidiaries: Lassonde Pappas and Company, Inc.; Apple & Eve, LLC; Old Orchard Brands, LLC; Sun-Rype Concentrates, Inc.; and Sun-Rype Products (USA), Inc.

Summer Garden

3346625 Canada Inc. owns a 10.0% interest in the ownership structure set up for the acquisition of Summer Garden after an investment of \$14,430,000 in cash in August 2024. This investment, measured as the proportionate share of the net identifiable assets, was recognized in the Corporation's equity as a non-controlling interest.

Diamond

As at December 31, 2024, 3346625 Canada Inc. owns a 3.2% interest in Diamond and third parties own a 46.8% interest, for a total non-controlling interest of 50.0% (respectively, 1.3%, 45.8% and 47.1%, as at December 31, 2023).

During the year ended December 31, 2024, as part of a private placement by Diamond, the non-controlling interests invested \$793,000 in cash in Diamond while the Corporation invested \$1,500,000. Diamond also issued common shares to a third party for the acquisition of intangible assets. After these transactions and other transactions on Diamond's share capital, the Corporation adjusted the non-controlling interests to reflect the dilutive effect.

24.7.2 Summarized financial information

The following table presents certain financial information of subsidiaries subject to non-controlling interests. They include Diamond as of November 14, 2023 and Summer Garden as of August 8, 2024.

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Sales	1,291,434	1,097,034
Operating profit	21,707	27,158
Profit (loss)	17	11,629
Profit (loss) attributable to the non-controlling interests	(732)	728
Comprehensive income (loss)	65,785	(1,735)
Comprehensive income (loss) attributable to the non-controlling interests	5,845	(608)
	As at	As at
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Current assets	451,033	300,971
Non-current assets	1,146,757	699,585
Current liabilities	311,634	179,606
Non-current liabilities	446,062	190,630
Shareholders' equity	840,094	630,320
Shareholders' equity attributable to the non-controlling interests	95,778	73,332

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 25. Additional Cash Flow Information

25.1 Change in non-cash operating working capital items

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Accounts receivable	1,425	(15,113)
Inventories	(35,050)	43,213
Other current assets	2,631	444
Accounts payable and accrued liabilities	42,411	20,460
Other current liabilities	2,241	(2,310)
	13,658	46,694

25.2 Cash and cash equivalents

In the Consolidated Statements of Cash Flows, cash and cash equivalents include the following items:

	As at	As at
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Cash	27,824	17,639
Cash equivalents ⁱ⁾	403	2,203
Bank overdraft	(1,251)	(4,030)
	26,976	15,812

i) Cash equivalents consist of a guarantee deposited with the issuer of certain derivative instruments.

25.3 Non-cash transactions

The following table presents the transactions that had no cash impact on financing and investing activities:

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Unpaid acquisitions of property, plant and equipment at the beginning of the year	8,838	5,270
Unpaid acquisitions of property, plant and equipment at the end of the year	34,578	8,838
Lease incentives recognized in acquisitions of property, plant and equipment	–	1,309
Investment and innovation tax credits recognized against property, plant and equipment acquisitions, net of credits received	(162)	(316)
Unpaid acquisitions of intangible assets at the beginning of the year	287	470
Unpaid acquisitions of intangible assets at the end of the year	563	287
Acquisition of intangible assets through the issuance of Diamond common shares to the non-controlling interest	1,300	–
Net increase (decrease) in right-of-use assets	11,610	15,573
Net increase (decrease) in lease liabilities	11,984	16,637

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

25.4 Change in liabilities and assets arising from financing activities

	Long-term debt ⁱ⁾	Transaction costs ⁱⁱ⁾
	\$	\$
Balance as at December 31, 2023	210,520	832
Change arising from financing activities		
Change in revolving operating credit, net of transaction costs	241,976	603
Increase in long-term debt, net of transaction costs	2,500	–
Repayment of long-term debt	(14,498)	–
Change arising from non-cash transactions		
Amortization of transaction costs	3	(822)
Net increase (decrease) in lease liabilities	11,984	–
Net increase in long-term debt through a business combination	3,580	–
Exchange difference	22,074	17
Other	(649)	–
Balance as at December 31, 2024	477,490	630
Balance as at December 31, 2022	249,395	721
Change arising from financing activities		
Change in revolving operating credit, net of transaction costs	(66,966)	823
Repayment of long-term debt	(8,877)	–
Change arising from non-cash transactions		
Amortization of transaction costs	4	(711)
Net increase (decrease) in lease liabilities	16,637	–
Net increase in long-term debt through a business combination	23,704	–
Exchange difference	(3,377)	(1)
Balance as at December 31, 2023	210,520	832

i) Includes the current portion of long-term debt.

ii) Transaction costs directly attributable to arranging a revolving operating credit facility.

25.5 Cash outflows related to leases

During the year ended December 31, 2024, the Corporation paid an amount of \$11,892,000 in relation to leases, including an amount of \$4,181,000 that is included in the repayment of long-term debt and an amount of \$2,622,000 that is included in interest paid (\$12,145,000, \$4,614,000 and \$1,741,000, respectively, in 2023).

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 26. Post-Employment Benefits

The post-employment benefits include the following items:

	Note	Years ended	
		Dec. 31, 2024	Dec. 31, 2023
		\$	\$
Defined benefit plans	26.2	6,199	21,957
Net defined benefit asset		6,199	21,957
Defined contribution plan administered by the Corporation	26.1	1,009	597
Defined benefit plans	26.2	326	233
Net pension plan liabilities		1,335	830

26.1 Defined contribution plans

Defined contribution plans include the pension plans offered by the Corporation and state plans, namely, pension plans established by governments. The Corporation's defined contribution pension plans, except for the defined contribution supplemental executive retirement plan ("DC SERP"), are contributory plans whereby the Corporation makes a contribution that varies with the rules specific to each plan.

The Corporation recognizes the contributions made under defined contribution plans in profit or loss as compensation expense in the period in which the employees rendered the services entitling them to the contributions.

26.1.1 Defined contribution plans administered by third parties

The assets of the defined contribution plans offered by the Corporation are held by trustees on behalf of the employees. The contributions paid by the Corporation to the pension fund become the immediate property of the employees. The assets of the state plans are under the responsibility of the government.

No liability is recorded in the Consolidated Statement of Financial Position for these defined contribution plans.

26.1.2 Defined contribution plans administered by the Corporation

The DC SERP is a non-contributory plan under which the Corporation grants additional contributions to certain executives of the Corporation. The contributions are credited to an unfunded notional account and presented as a liability in the Corporation's Consolidated Statement of Financial Position. Investment income is credited to the notional account at a rate equal to the rate of return of a balanced fund that takes into account the member's age. The contributions and the investment income of this plan vest after one year of service.

The pension cost of these defined contribution plans is as follows:

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Plans offered by the Corporation	10,965	9,279
State plans ⁱ⁾	15,152	13,538
	26,117	22,817

ⁱ⁾ Includes the Quebec Pension Plan, the Canada Pension Plan, and U.S. Social Security.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

26.2 Defined benefit plans

26.2.1 Description of the plans

The main defined benefit pension plan of the Corporation is the defined benefit supplemental executive retirement plan ("DB SERP"). It provides for an annual annuity payment based on a percentage of the final salary of the executive multiplied by the vested credited years of service with the Corporation less the deemed annuity of the basic defined contribution plan. Final salary is equal to the average annual salary of the last three years preceding retirement and includes the average of the three highest bonuses paid in the last five years preceding retirement. During retirement, the annuity payable under the plan will be indexed annually based on 50% of the increase in the consumer price index. This annual indexing is subject to a maximum of 3.0%. Upon a plan member's retirement, the plan guarantees payment of an annuity for a minimum of 120 months.

The other defined benefit pension plan provides partially indexed retirement benefits that are calculated based on years of service and final salary.

The Corporation maintained a third defined benefit pension plan, until its termination in 2024, which provided non-indexed retirement benefits calculated based on years of service and career salary.

All defined benefit plans have been closed to new members.

26.2.2 Governance of the DB SERP

The DB SERP is administered by the Corporation under the supervision of the compensation committee. Management establishes the actuarial assumptions to be used in calculating the present value of the plan obligation, defines the investment strategy for plan assets, and ensures that the investment managers' activities are in line with their mandates.

The plan assets are held by the trustee and invested by the investment managers in accordance with the investment policy approved by the Corporation's management. Management's responsibility is to oversee asset management to ensure the payment of benefits and minimize the Corporation's required pension fund contributions.

The DB SERP must also comply with the *Income Tax Act*, which requires that 50% of the plan contributions and 50% of the income generated by the plan assets be remitted to the Canada Revenue Agency ("CRA"), which holds the amounts received in a refundable tax account on which the plan cannot earn a return. Amounts held in this account are refunded to the plan when pension benefits are paid to the plan members.

Each year, the Corporation receives an actuarial valuation of the DB SERP as at September 30 to determine its funding. If necessary, the Corporation must fund the DB SERP's total net defined benefit liability. The funding thus established is payable in two equal instalments, i.e., in December of the year of the actuarial valuation and in January of the following year.

26.2.3 Exposure to actuarial risk

Investment risk

The investment strategy of the plans is to diversify the nature of the returns on assets. Given the long-term nature of the defined benefit obligation, a portion of the assets has been invested in equity securities to maximize return. The Corporation sets investment goals, both in terms of asset mix percentage and target return, which it monitors monthly and adjusts as needed. In addition, a portion of the DB SERP's assets is held by the CRA and is fully guaranteed.

Interest rate risk

A decrease in the interest rate on fixed-rate bonds, which would reduce the discount rate used, would increase the present value of the defined benefit obligation. However, this increase would be partly offset by an increase in the value of plan investments in debt securities.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Inflation, salary and longevity risk

The present value of the defined benefit obligation is calculated using management's best estimate of the following actuarial assumptions for each identified risk:

Risk	Assumption	Change in assumption	Potential impact ⁱ⁾
Salary	Expected rate of compensation increase of plan members	Increase in the expected rate of compensation increase of plan members	Increase
Inflation	Indexation rate of pensions paid to retired plan members	Increase in the indexation rate of pensions paid, up to the annual ceiling of 3.0%	Increase
Longevity	Plan members mortality rates	Increase in the life expectancy of plan members	Increase

i) Potential impact on the defined benefit obligation.

26.2.4 Change in the present value of the defined benefit obligation

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Balance at beginning	67,526	63,338
Current service cost	1,443	1,438
Settlement cost	40	–
Interest cost	3,154	3,285
Benefits paid	(6,386)	(4,089)
Actuarial gains and losses arising from experience adjustments	298	278
Actuarial gains and losses arising from changes in financial assumptions	368	3,276
Balance at end	66,443	67,526

As at December 31, 2024, the weighted average duration of the defined benefit obligation was 11.6 years (11.8 years as at December 31, 2023).

26.2.5 Change in the fair value of plan assets

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Balance at beginning	89,250	93,950
Employer net contributions (net withdrawals)	(9,811)	264
Benefits paid	(6,386)	(4,089)
Administrative expenses	(45)	(13)
Interest income	4,131	4,831
Return on defined benefit plan assets, except amounts included in interest income	(4,823)	(5,693)
Balance at end	72,316	89,250

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

26.2.6 Net defined benefit asset (liability)

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Net defined benefit asset (liability) at beginning	21,724	30,612
Employer net contributions (net withdrawals)	(9,811)	264
Benefit cost recognized in profit or loss	(551)	95
Benefit cost recognized in other comprehensive income	(5,489)	(9,247)
Net defined benefit asset (liability) at end	5,873	21,724

26.2.7 Benefit cost

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Benefit cost recognized in profit or loss ⁱ⁾		
Current service cost	1,443	1,438
Settlement cost	40	–
Net interest	(977)	(1,546)
Administrative expenses	45	13
	551	(95)
Benefit cost recognized in other comprehensive income		
Actuarial gains and losses	666	3,554
Return on defined benefit plan assets, except amounts included in interest income	4,823	5,693
	5,489	9,247
	6,040	9,152

i) Recognized in selling and administrative expenses.

26.2.8 Composition of pension plan assets

The following table presents the components of the pension plan assets at fair value:

	As at	As at
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Assets quoted in an active market		
Fixed income	27,295	43,065
Shares ⁱ⁾	6,624	9,980
Cash and treasury bills	519	174
	34,438	53,219
Assets not quoted in an active market		
Deposits in trust ⁱⁱ⁾	37,878	36,031
	37,878	36,031
	72,316	89,250

i) No Lassonde Industries Inc. securities are held as assets in the Corporation's pension plans.

ii) Deposits in trust prescribed by the CRA for funded supplemental employee retirement plans are non-interest-bearing.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

26.2.9 Expected contributions

During 2025, the Corporation does not expect to contribute to its defined benefit pension plans.

26.2.10 Actuarial assumptions

The key actuarial assumptions used by the Corporation are as follows:

	As at Dec. 31, 2024	As at Dec. 31, 2023
Defined benefit obligation		
Discount rate	4.8%	4.8%
Expected rate of compensation increase	5.0%	5.0%
Indexation rate of pensions paid	1.0%	1.0%
Mortality table	CPM 2014 ⁱ⁾	CPM 2014 ⁱ⁾
Benefit cost		
Discount rate	4.8%	5.3%
Expected rate of compensation increase	5.0%	5.0%
Indexation rate of pensions paid	1.0%	1.0%
Mortality table	CPM 2014 ⁱ⁾	CPM 2014 ⁱ⁾

ⁱ⁾ Private sector table with improved mortality according to the CPM B scale.

26.2.11 Sensitivity analysis

The sensitivity analyses of the defined benefit obligation were calculated based on reasonably possible changes to each key actuarial assumption without considering simultaneous changes to several key actuarial assumptions. A change in one actuarial assumption could trigger a change in another actuarial assumption, which could amplify or mitigate the impact of the change in these assumptions on the present value of the defined benefit obligation. The actual results of items subject to assumptions may differ.

Assumption	Change in assumption	As at December 31, 2024	
		Impact ⁱ⁾ of increase in assumption \$	Impact ⁱ⁾ of decrease in assumption \$
Discount rate	0.50%	(3,534)	3,877
Expected rate of compensation increase	0.50%	345	(338)
Indexation rate of pensions paid	0.25%	502	(481)
Mortality table: Life expectancy of members	1 year	1,764	(1,690)

ⁱ⁾ Impact on the defined benefit obligation.

26.2.12 Measurement date

The DB SERP is subject to a full actuarial valuation each year. The most recent full actuarial valuation for pension plan funding purposes was conducted as at October 1, 2024.

The other plan is subject to full actuarial valuations every three years. The most recent full actuarial valuations for pension plan funding purposes were conducted as at December 31, 2023.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 27. Managing Financial Risk Arising from Financial Instruments

In the normal course of business, the Corporation is exposed to a range of financial risks arising from financial instruments: credit risk, liquidity risk and market risk (including interest rate risk, foreign exchange risk, and price risk). The Corporation's overall financial risk management program aims to minimize the negative effects of these risks on its profit or loss. The Corporation uses derivative instruments to hedge certain risks.

Risk management is conducted by the corporate treasury department and Management Committee in compliance with policies approved by the Board of Directors. They identify, assess and hedge the financial risks in close cooperation with the business units. The Board of Directors provides the guidelines for the overall risk management of specific risks, namely, credit risk, interest rate risk, foreign exchange risk, price risk, the use of derivative instruments, and investments of excess cash.

The following analyses provide a measure of the Corporation's financial risks arising from financial instruments as at December 31, 2024 and 2023.

27.1 Credit risk

Credit risk is the risk of a counterparty failing to meet its commitments. The Corporation's credit risk comes mainly from cash and cash equivalents, accounts receivable and derivative instrument assets. As at December 31, 2024 and 2023, cash and cash equivalents and derivative instrument assets were held in reputable financial institutions, and management deemed the risk of loss to be negligible. The credit risk of accounts receivable is the potential inability of customers to meet their obligations. Accounts receivable amounts are presented on the Consolidated Statement of Financial Position, net of the expected credit losses that are estimated by the Corporation's management based on past experience and its assessment of current economic conditions. The Corporation may also be exposed to credit risk when it has significant discounts receivable from certain suppliers.

The three largest customers accounted for 42.2% of the trade accounts receivable balance as at December 31, 2024 (42.8% as at December 31, 2023) and for 40.2% of the Corporation's sales for the year ended December 31, 2024 (40.6% of sales for the year ended December 31, 2023). Each of these three customers accounted for more than 10% of the Corporation's sales for the year ended December 31, 2024, i.e., for 16.1%, 12.4%, and 11.7%, respectively (15.7%, 12.8%, and 12.1%, respectively, of sales for the year ended December 31, 2023).

The Corporation regularly examines and reviews the financial position of existing customers and applies rigorous procedures to assess the creditworthiness of new customers. It sets specific credit limits per customer and regularly reviews those limits. The Corporation manages credit risk as follows:

- Credit limits and terms of credit are established and examined by internal and external credit specialists based on information collected from relevant sources of information and on the Corporation's experience with its customers;
- The Corporation's Canadian subsidiaries take out credit insurance on the majority of their sales made outside Canada; and
- The Corporation's U.S. subsidiaries take out credit insurance on the majority of their sales.

As at December 31, 2024, 94.4% of trade accounts receivable were aged less than 61 days (92.3% as at December 31, 2023). The tables below show the Corporation's trade accounts receivable aging net of the expected credit losses:

	As at December 31, 2024				Total
	0 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	
	\$	\$	\$	\$	\$
Trade accounts receivable					
Current	177,638	11,175	–	–	188,813
Past due	–	4,002	2,759	8,764	15,525
	177,638	15,177	2,759	8,764	204,338

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

	As at December 31, 2023				Total
	0 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	
	\$	\$	\$	\$	\$
Trade accounts receivable					
Current	155,101	10,190	–	–	165,291
Past due	–	1,048	3,373	10,514	14,935
	155,101	11,238	3,373	10,514	180,226

The Corporation considers trade accounts receivable to be past due when they exceed 30 to 60 days, depending on the credit conditions applicable to the customer. The Corporation assesses expected credit losses at each reporting period. Non-compliance with payment deadlines and financial difficulties are the main factors considered when identifying high-risk receivables. The Corporation recognizes an expected credit loss or writes off the trade account receivable when management believes that the expected recoverable amount is lower than the actual amount of the trade account receivable. As at December 31, 2024 and 2023, the expected credit losses were insignificant.

As at December 31, 2024 and 2023, the Corporation's maximum exposure to credit risk corresponds to the carrying amount of the cash and cash equivalents, the accounts receivable and, the positive fair value of the derivative instruments presented on the Consolidated Statement of Financial Position.

27.2 Liquidity risk

Liquidity risk refers to the possibility of the Corporation not being able to meet its financial obligations when they become due. The Corporation has contractual obligations, fiscal obligations as well as financial liabilities, including derivative instrument liabilities, and is therefore exposed to liquidity risk. Such risk can result, for example, from a market disruption or a lack of liquidity.

The Corporation manages this risk by maintaining detailed financial forecasts as well as long-term operating and strategic plans. Managing consolidated liquidity requires constant monitoring of projected cash inflows and outflows using forecasts of the Corporation's consolidated financial position to ensure an adequate and effective use of cash resources. Liquidity adequacy is established by geographic segment based on historical volatility and seasonal requirements as well as on planned investments and the long-term debt maturity profile. Implementations of new credit facilities and borrowing agreements and issuances or repurchases of shares are handled by the corporate treasury department. Day-to-day management is conducted within geographic segments.

As at December 31, 2024, the Corporation had a CA revolving credit, a U.S. revolving credit, and a Diamond revolving credit to ensure that sufficient funds are available to meet its financial requirements, and for which the available amount may not exceed, respectively, \$475,000,000, US\$160,000,000 and \$11,400,000. The terms and conditions related to these revolving credit facilities are described in Note 21.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

The following table presents a maturity analysis, up to the contractual due dates, of the Corporation's financial liabilities according to projected contractual cash flows. The contractual cash flows correspond to the undiscounted amounts. All contractual amounts denominated in foreign currencies are converted into Canadian dollars using the exchange rate in effect on the reporting date.

	2025	2026	2027	2028	2029	2030 and thereafter
	\$	\$	\$	\$	\$	\$
Bank overdraft	1,251	–	–	–	–	–
Accounts payable and accrued liabilities	429,583	–	–	–	–	–
Derivative instruments	1,329	34	–	–	–	–
Contingent considerations payable related to a business combination	21,583	29,042	–	–	–	–
Liabilities related to assets held for sale	941	–	–	–	–	–
Long-term debt	25,077	139,141	269,245	3,823	3,875	36,329
Interest payments ⁱ⁾	26,994	17,998	6,309	2,308	2,089	11,937
	506,758	186,215	275,554	6,131	5,964	48,266

i) When future interest cash flows are not fixed, they are calculated using interest rates prevailing at the end of the reporting period.

27.3 Market risk

Market risk is the Corporation's exposure to decreases or increases in financial instrument values caused by fluctuations in market prices, whether due to factors specific to the financial instruments or their issuer, or by factors affecting all financial instruments of that category that are traded on the market. The Corporation is primarily exposed to interest rate risk, foreign exchange risk, and price risk.

27.3.1 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.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

To mitigate the impact of future fluctuations in interest rates, applicable to the CA revolving credit and to the U.S. revolving credit, on the cash flows, the Corporation had interest rate swap agreements. These swaps were subject to hedge accounting.

The following table presents a summary of the Corporation's interest rate swaps:

	As at December 31, 2023			
	Maturity	Fixed / floating rate	Notional amount	Fair value
				\$
Interest rate swap – Fixed-rate payer	Dec. 2024	4.79% / 1-month Term SOFR	US\$20,000,000 ⁱ⁾	(6)
Interest rate swap – Fixed-rate payer	Dec. 2024	4.82% / 1-month Term SOFR	US\$20,000,000 ⁱ⁾	(15)
Interest rate swap – Fixed-rate payer	Dec. 2024	4.68% / 1-month Term SOFR	US\$30,000,000	10
Interest rate swap – Fixed-rate payer	Dec. 2024	4.68% / 1-month Term SOFR	US\$30,000,000	8

i) The notional amount of the interest rate swap reflects a decrease of US\$10,000,000 compared to the initial notional amount, as planned in the agreement, and will gradually decrease to reach US\$15,000,000 at maturity.

Sensitivity analysis for interest rate risk

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.

27.3.2 Foreign exchange risk

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

- ♦ Net investments in its 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 entities; and
 - ♦ Sales made by Canadian entities concluded in foreign currencies.

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.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

The following table presents a summary of financial instruments denominated in currencies other than the functional currencies of the entities:

	As at Dec. 31, 2024	As at Dec. 31, 2023
	\$	\$
Financial assets		
Cash and cash equivalents	3,266	4,832
Accounts receivable	38,373	31,496
Derivative instruments	510	–
Financial liabilities		
Accounts payable and accrued liabilities	73,082	31,478
Derivative instruments	180	–
Long-term debt	201,446	52,904
Long-term incentive plan liabilities	1,758	–

- i) Includes the current portion of long-term debt.
- ii) Includes the current portion of long-term incentive plan liabilities.

The following tables present a summary of the Corporation's foreign exchange forward contracts. When designated for this purpose, foreign exchange forward contracts are hedged.

As at December 31, 2024				
	Maturity	Rate	Total contractual amount	Total net fair value
				\$
Forward contracts – US\$/C\$ purchase	1 to 10 months	C\$1.33 to 1.42	US\$143,000,000	10,574
Forward contracts – €/C\$ purchase	1 to 12 months	C\$1.50	€5,565,000	(54)
Forward contracts – €/US\$ purchase	15 to 24 months	US\$1.06 to 1.08	€5,472,300	(34)
As at December 31, 2023				
	Maturity	Rate	Total contractual amount	Total net fair value
				\$
Forward contracts – US\$/C\$ purchase	1 to 12 months	C\$1.31 to 1.38	US\$201,000,000	(3,362)
Forward contracts – €/C\$ purchase	1 to 12 months	C\$1.48	€4,995,000	(73)

Sensitivity analysis for foreign exchange risk

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 an 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 profit or loss and on other comprehensive income.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

27.3.3 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 contracts are subject to hedge accounting.

The following tables present a summary of the Corporation's frozen concentrated orange juice futures:

As at December 31, 2024			
Maturity	Fixed price in US\$ / lbs sol.	Total quantity	Total net fair value \$
Futures	3 to 5 months	4.38 to 4.95	3,330,000 lbs sol. 639
As at December 31, 2023			
Maturity	Fixed price in US\$ / lbs sol.	Total quantity	Total net fair value \$
Futures	3 to 13 months	2.98 to 3.50	3,180,000 lbs sol. (841)

Sensitivity analysis for raw material price risk

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.

Other price risk

To mitigate the effects of fluctuations in the share price of 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.

The following tables present a summary of the Corporation's total return swaps:

As at December 31, 2024			
Maturity	Fixed price in C\$ / share	Total quantity	Total net fair value \$
Total return swaps	Dec. 2025	176.80	36,345 shares 283
Total return swaps	Dec. 2027	177.30	43,116 shares ⁱ⁾ 281
As at December 31, 2023			
Maturity	Fixed price in C\$ / share	Total quantity	Total net fair value \$
Total return swaps	Dec. 2024 and Dec. 2025	138.03	68,444 shares 141

ⁱ⁾ Total quantity as per contract is 83,616 shares.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Sensitivity analysis for other price risk

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 Class A shares 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.

Note 28. Capital Management

The Corporation's capital is defined as shareholders' equity as presented in the Corporation's Consolidated Statement of Financial Position plus total debt. Total debt is defined as long-term debt and the current portion of long-term debt.

The Corporation's main objectives for managing capital are as follows:

- Manage capital so as not to exceed, all other factors being equal, a percentage of the Corporation's total debt to capital (debt-to-capital ratio) of 55% while keeping the Corporation's capital cost competitive with its peers;
- Maintain financial flexibility so that business opportunities may be seized when they arise; and
- Support the Corporation's growth while maintaining a shareholder return level by paying a dividend that reflects financial results, capital requirements, free cash flow, and the Corporation's outlook regarding its activities and, if applicable, other relevant factors. The declaration and payment of dividends on the Corporation's common shares as well as their amount are the prerogative of the Corporation's Board of Directors.

The Corporation manages its capital structure and can adjust it in light of changes in economic conditions. Share repurchases and issuances and long-term debt usage are the main tools that the Corporation may use to adjust its capital level and manage the relationship between shareholders' equity and debt levels.

The Corporation monitors its capital using the debt-to-capital ratio. As at December 31, 2024, the debt-to-capital ratio was 29.1% (17.4% as at December 31, 2023).

The objectives, policies and procedures used to manage capital have not changed since the previous year.

Note 29. Commitments and Contingencies

29.1 Commitments

	2025	2026	2027	2028	2029	2030 and thereafter
	\$	\$	\$	\$	\$	\$
Service and marketing agreements	7,948	1,968	1,137	1,068	1,068	7,962
Commitments to purchase raw materials ⁱ⁾	356,566	4,129	–	–	–	–
Commitments to purchase property, plant and equipment	64,279	89,409	–	–	–	–
Commitments to purchase intangible assets	1,527	–	–	–	–	–
	430,320	95,506	1,137	1,068	1,068	7,962

i) Certain raw materials purchase commitments were established using market prices as at December 31, 2024. They are therefore subject to future fluctuations.

29.2 Letters of credit

As at December 31, 2024, the Corporation had letters of credit outstanding totalling \$1,472,000 (\$1,308,000 as at December 31, 2023).

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

29.3 Proceedings and claims

In the normal course of business, the Corporation is exposed to various proceedings and claims. The Corporation assesses the validity of these proceedings and claims. Provisions are made whenever a penalty seems probable and the amount can be reliably estimated. Management believes that any settlement arising from these claims will not have a significant effect on the Corporation's consolidated financial position or on profit or loss.

Note 30. Segment Information

The business segments are determined based on the Corporation's internal reporting and management structure. The results of the operating segments are regularly reviewed by the Corporation's Management Committee to make decisions on resources to be allocated to the segment and to assess its performance, and for which separate financial information is available.

The Corporation has determined that it has only one reportable operating segment. This single operating segment generates revenues from the sale of a wide range of products, including ready-to-drink beverages, fruit-based snacks, frozen juice concentrates and specialty food products as well as from rendering services related to the sale of these products. The Corporation manages its business segment as a single strategic operating unit.

Sales are attributed to the geographic segment based on the location where the Corporation has transferred control of the goods to the customer. The geographic segment of non-current assets and goodwill is based on the location of the assets.

30.1 Sales by geographic segment

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Canada	1,165,853	1,064,349
United States	1,429,160	1,246,975
Other	5,878	3,625
	2,600,891	2,314,949

30.2 Certain non-current assets and goodwill by geographic segment

	As at December 31, 2024		
	Canada	United States	Total
	\$	\$	\$
Property, plant and equipment	311,316	346,338	657,654
Intangible assets	49,867	286,430	336,297
Goodwill	18,637	480,078	498,715

	As at December 31, 2023		
	Canada	United States	Total
	\$	\$	\$
Property, plant and equipment	277,876	222,945	500,821
Intangible assets	40,956	143,604	184,560
Goodwill	18,637	302,258	320,895

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 31. Related Party Transactions

As at December 31, 2024 and 2023, the Corporation was controlled by 3346625 Canada Inc., an entity controlled by Mr. Pierre-Paul Lassonde, a member of the Corporation's Board. As at December 31, 2024 and 2023, this entity held 0.4% of Class A subordinate voting shares, 100.0% of its Class B multiple voting shares, and 92.5% of its voting rights.

The entire non-controlling interest of PLH and Summer Garden, as well as a part of the non-controlling interest of Diamond is also owned by 3346625 Canada Inc. transactions and balances related to non-controlling interests are described in Note 24.7.

All of the transactions between related parties are carried out under market terms and conditions.

31.1 Transactions and balances between related parties

	Year ended December 31, 2024			Total
	3346625 Canada Inc.	Key management personnel ⁱ⁾	Other related parties ⁱⁱ⁾	
	\$	\$	\$	\$
Transactions				
Dividends paid	15,064	97	–	15,161
Employee benefits expense ⁱⁱⁱ⁾	–	16,662	190	16,852
Professional fees expense	–	18	–	18
Short-term lease expense	–	–	23	23
Interest expense	285	–	–	285
Trademark royalty expense	239	–	–	239
Purchase of inventories	–	–	187	187
Employee benefits chargebacks	247	54	27	328
Account balances				
Accounts receivable	4	–	8	12
Accounts payable and accrued liabilities	849	18	–	867
Debentures payable	2,850	–	–	2,850

i) Key management personnel include the members of the Board of Directors and of the Management Committee.

ii) Other related parties include close family members of the key management personnel and entities controlled by the key management personnel.

iii) Excludes the impact of total return swaps on Class A shares on the cost of the long-term incentive plan.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

	Year ended December 31, 2023				Total
	3346625 Canada Inc.	Key management personnel ⁱ⁾	Associate ⁱⁱ⁾	Other related parties ⁱⁱⁱ⁾	
	\$	\$	\$	\$	\$
Transactions					
Dividends paid	8,286	52	–	–	8,338
Employee benefits expense ^{iv)}	–	12,909	–	563	13,472
Professional fees expense	–	18	–	–	18
Short-term lease expense	–	–	–	23	23
Interest expense	45	–	–	–	45
Purchase of inventories	–	–	–	115	115
Commission income	–	–	225	–	225
Employee benefits chargebacks	216	48	–	25	289
Account balances					
Accounts receivable	4	–	–	8	12
Accounts payable and accrued liabilities	–	18	–	–	18
Debentures payable	3,180	–	–	–	3,180

i) Key management personnel include the members of the Board of Directors and of the Management Committee.

ii) Includes transactions up to November 14, 2023, when Diamond became a subsidiary rather than an associate.

iii) Other related parties include close family members of the key management personnel and entities controlled by the key management personnel.

iv) Excludes the impact of total return swaps on Class A shares on the cost of the long-term incentive plan.

31.2 Compensation of key management personnel

The following table presents the compensation of the key management personnel recognized in profit or loss:

	Years ended	
	Dec. 31, 2024	Dec. 31, 2023
	\$	\$
Short-term employee benefits	9,343	8,053
Directors' fees	1,225	1,012
Share-based payment for long-term employee benefits ⁱ⁾	4,715	2,892
Post-employment benefits	1,379	952
	16,662	12,909

i) Excludes the impact of total return swaps on Class A shares on the cost of the long-term incentive plan.

Notes to the Consolidated Financial Statements

(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)
(audited)

Note 32. Interests in Other Entities

The following table presents the Corporation's main subsidiaries as at December 31, 2024 and 2023:

	Consolidation method	Country	% of ownership	
			2024	2023
Subsidiaries				
A. Lassonde Inc.	Fully consolidated	Canada	100.0%	100.0%
Lassonde Specialties Inc.	Fully consolidated	Canada	100.0%	100.0%
Lassonde Pappas and Company, Inc.	Fully consolidated	United States	90.0%	90.0%
Apple & Eve, LLC	Fully consolidated	United States	90.0%	90.0%
Old Orchard Brands, LLC	Fully consolidated	United States	90.0%	90.0%
Sun-Rype Concentrates, Inc.	Fully consolidated	United States	90.0%	90.0%
Sun-Rype Products (USA), Inc.	Fully consolidated	United States	90.0%	90.0%
Zidian Manufacturing, LLC ⁱ⁾	Fully consolidated	United States	90.0%	–
Diamond Estates Wines & Spirits Inc.	Fully consolidated	Canada	50.0%	52.9%

i) Zidian Manufacturing, LLC does business as Summer Garden Food Manufacturing.

The following table presents a summary of the other instruments held by the Corporation in connection with its participation in Diamond:

	As at Dec. 31, 2024 (in units)	As at Dec. 31, 2023 (in units)
Warrants at an exercise price of \$2.20 per share, expired in October 2024	–	1,123,959
Stock options at an exercise price of \$2.00 per share, expired in September 2024	–	40,000
Stock options at an exercise price of \$1.40 per share, expiring in September 2025	40,000	40,000
Deferred share units	498,913	277,338

Note 33. Event After the Reporting Period

33.1 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.