



Interim Report

Lassonde Industries Inc.

First Quarter Ended
March 29, 2025



Lassonde

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Interim Condensed Consolidated Statements of Income

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

	Note	First quarters ended	
		March 29, 2025	March 30, 2024
		\$	\$
Sales		699,654	569,843
Cost of sales		516,480	420,267
Gross profit		183,174	149,576
Selling and administrative expenses		140,468	115,000
Operating profit		42,706	34,576
Financial expenses	3	8,523	3,909
Other (gains) losses	4	1,717	(1,926)
Profit before income taxes		32,466	32,593
Income taxes	5	8,706	8,926
Profit		23,760	23,667
Attributable to:			
Corporation's shareholders		24,527	23,840
Non-controlling interests		(767)	(173)
		23,760	23,667
Basic and diluted earnings per share (in \$)		3.60	3.49
Weighted average number of shares outstanding (in thousands)		6,822	6,822

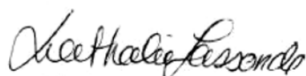

Interim Condensed Consolidated Statements of Comprehensive Income*(in thousands of Canadian dollars)**(unaudited)*

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Profit	23,760	23,667
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	-	521
Reclassification of (gains) losses on financial instruments designated as hedges	-	(185)
Income taxes	-	(88)
	-	248
Exchange difference on translating foreign operations	(4,584)	14,731
	(4,584)	14,979
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	(27,362)	11,553
Income taxes	7,036	(3,031)
	(20,326)	8,522
Benefit cost of the defined benefit plans		
Remeasurements of the net defined benefit asset or liability	(196)	(3,755)
Income taxes	51	1,002
	(145)	(2,753)
	(20,471)	5,769
Total other comprehensive income (loss)	(25,055)	20,748
Comprehensive income (loss)	(1,295)	44,415
Attributable to:		
Corporation's shareholders	601	42,852
Non-controlling interests	(1,896)	1,563
	(1,295)	44,415

Interim Condensed Consolidated Statements of Financial Position*(in thousands of Canadian dollars)
(unaudited)*

	Note	As at March 29, 2025 \$	As at Dec. 31, 2024 \$
Assets			
Current			
Cash and cash equivalents		25,443	28,227
Accounts receivable	7	241,246	213,527
Income tax recoverable		10,104	9,245
Inventories		519,773	472,182
Derivative instruments		7,639	11,740
Other current assets		40,042	36,599
		844,247	771,520
Derivative instruments		2,449	281
Property, plant and equipment		690,649	657,654
Intangible assets		324,835	336,297
Net defined benefit asset		5,810	6,199
Deferred tax assets		9,928	6,371
Other non-current assets		544	796
Goodwill		495,979	498,715
		2,374,441	2,277,833
Liabilities			
Current			
Bank overdraft		4,225	1,251
Accounts payable and accrued liabilities	8	389,402	429,583
Income tax payable		10,182	19,094
Derivative instruments		15,385	1,329
Other current liabilities		38,515	30,124
Current portion of long-term debt		173,032	25,077
		630,741	506,458
Derivative instruments		-	34
Long-term debt		439,511	452,413
Long-term incentive plan liabilities		11,630	11,226
Net pension plan liabilities		1,387	1,335
Deferred tax liabilities		110,439	113,689
Other non-current liabilities		21,942	26,859
		1,215,650	1,112,014
Shareholders' equity			
Equity attributable to the Corporation's shareholders		1,061,333	1,070,041
Non-controlling interests		97,458	95,778
		1,158,791	1,165,819
		2,374,441	2,277,833

Approved by the Board of Directors


Nathalie Lassonde
Director

Chantal Bélanger
Director

Interim Condensed Consolidated Statements of Shareholders' Equity

(in thousands of Canadian dollars)

(unaudited)

	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, 2024	46,660	1,360	138,671	883,350	95,778	1,165,819
Profit	–	–	–	24,527	(767)	23,760
Other comprehensive income (loss)	–	–	(23,781)	(145)	(1,129)	(25,055)
Transfer to non-financial assets ⁱⁱ⁾	–	–	(1,805)	–	(1)	(1,806)
Dividends	–	–	–	(7,504)	–	(7,504)
Investment from non-controlling interests	–	–	–	–	3,577	3,577
Balance as at March 29, 2025	46,660	1,360	113,085	900,228	97,458	1,158,791
Balance as at December 31, 2023	46,660	1,360	73,777	800,773	73,332	995,902
Profit	–	–	–	23,840	(173)	23,667
Other comprehensive income (loss)	–	–	21,765	(2,753)	1,736	20,748
Transfer to non-financial assets ⁱⁱ⁾	–	–	(785)	–	(9)	(794)
Dividends	–	–	–	(6,822)	–	(6,822)
Balance as at March 30, 2024	46,660	1,360	94,757	815,038	74,886	1,032,701

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

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

Additional shareholders' equity information is presented in Note 10.

Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)
(unaudited)

	Note	First quarters ended	
		March 29, 2025	March 30, 2024
		\$	\$
Operating activities			
Profit		23,760	23,667
Adjustments:			
Income taxes	5	8,706	8,926
Net interest expense	3	8,261	3,708
Depreciation of property, plant and equipment and amortization of intangible assets		27,302	16,054
(Gains) losses on capital assets		(11)	(52)
Change in the fair value of financial instruments		715	(1,626)
Cost of the long-term incentive plan, net of payments		(65)	1,108
Cost of pension plans recognized in profit or loss, net of contributions		245	135
Unrealized foreign exchange (gains) losses		238	380
Other		21	–
		69,172	52,300
Change in non-cash operating working capital items	11	(93,878)	(28,545)
Net income tax paid		(17,285)	(13,825)
Net interest paid		(6,236)	(3,297)
Settlement of derivative instruments		(11,872)	4,625
		(60,099)	11,258
Financing activities			
Change in revolving operating credit, net of transaction costs		138,909	6,524
Repayment of long-term debt		(1,540)	(1,655)
Dividends paid		(7,504)	(6,822)
Investment from non-controlling interests	10	3,577	–
		133,442	(1,953)
Investing activities			
Net acquisition of property, plant and equipment		(77,034)	(24,454)
Acquisition of intangible assets		(2,035)	(1,931)
		(79,069)	(26,385)
Change in cash and cash equivalents		(5,726)	(17,080)
Cash and cash equivalents at beginning		26,976	15,812
Effect of exchange rate changes on cash and cash equivalents		(32)	(19)
Cash and cash equivalents at end		21,218	(1,287)

Additional cash flow information is presented in Note 11.

Notes to the Interim Condensed Consolidated Financial Statements

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Notes to the Interim Condensed Consolidated Financial Statements

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

Note 1. Description of the Corporation

Lassonde Industries Inc. is incorporated under the *Canada Business Corporations Act*. Its Class A subordinate voting 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 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. Statement of Compliance

The Corporation's interim condensed consolidated financial statements have been prepared in compliance with IAS 34 *Interim Financial Reporting* and using the same accounting policies as those described in the Corporation's annual consolidated financial statements for the year ended December 31, 2024. The Corporation's annual consolidated financial statements for the year ended December 31, 2024 were prepared in compliance with IFRS[®] Accounting Standards.

These interim condensed consolidated financial statements do not include all the notes required under IFRS Accounting Standards for complete financial statements, and they should therefore be read in conjunction with the Corporation's annual consolidated financial statements for the year ended December 31, 2024. The Corporation's interim condensed consolidated financial statements and annual consolidated financial statements are available on the SEDAR+ website at www.sedarplus.ca and on the Corporation's website at www.lassonde.com.

The Board of Directors approved these interim condensed consolidated financial statements on May 8, 2025.

Note 3. Financial Expenses

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Interest on long-term debt	7,452	3,068
Interest on lease liabilities	849	631
Amortization of transaction costs	93	101
Other interest, net of interest income	(133)	(92)
Net interest expense	8,261	3,708
Bank expenses	262	201
	8,523	3,909

Notes to the Interim Condensed Consolidated Financial Statements

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

Note 4. Other (Gains) Losses

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Foreign exchange (gains) losses	1,230	(1,259)
Change in the fair value of derivative instruments	(135)	(328)
Change in the fair value of the contingent considerations payable related to a business combination	635	–
Other	(13)	(339)
	1,717	(1,926)

Note 5. Income Taxes

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Current tax	7,478	7,202
Deferred tax	1,228	1,724
	8,706	8,926

The tax rate for the quarter takes into account the geographic distribution of profit or loss before income taxes, the exchange rates applicable to profit or loss before income taxes in foreign currencies, non-deductible expenses, non-taxable income, and losses for which no tax benefit has been recognized.

Note 6. Financial Instruments

6.1 Classification of derivative instruments

	As at	As at
	March 29, 2025	Dec. 31, 2024
	\$	\$
Assets		
Fair value through profit or loss	3,145	779
Fair value through other comprehensive income	6,943	11,242
Liabilities		
Fair value through profit or loss	1,108	1,031
Fair value through other comprehensive income	14,277	332

6.2 Fair value

During the first quarters ended March 29, 2025 and March 30, 2024, all 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 Interim Condensed Consolidated Financial Statements

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6.2.1 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 the Summer Garden Food Manufacturing and certain of its affiliates (collectively, "Summer Garden") business combination, which were classified in Level 3 and measured at fair value at the end of each reporting period:

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Fair value at beginning	47,855	–
Change in fair value ^{i) ii)}	635	–
Exchange difference ⁱⁱⁱ⁾	(275)	–
Fair value at end	48,215	–

- 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.

Contingent considerations payable are recognized as follows in the interim condensed consolidated statement of financial position:

	As at	As at
	March 29, 2025	Dec. 31, 2024
	\$	\$
Other current liabilities	26,273	20,996
Other non-current liabilities	21,942	26,859
	48,215	47,855

In April 2025, the conditions were met for the payment of the contingent consideration payable of US\$5,000,000 related to labour costs.

6.2.2 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 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%	3,008	(3,292)
Probability of renewal of a customer agreement	5%	257	(257)
Discount rate	1%	(424)	434

Notes to the Interim Condensed Consolidated Financial Statements

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Note 7. Accounts Receivable

	As at March 29, 2025	As at Dec. 31, 2024
	\$	\$
Trade accounts receivable	232,952	204,338
Discounts receivable	2,414	4,811
Other receivables	5,880	4,378
	241,246	213,527

Note 8. Accounts Payable and Accrued Liabilities

	As at March 29, 2025	As at Dec. 31, 2024
	\$	\$
Trade payables and accrued expenses	273,126	321,908
Trade spending	55,117	50,368
Salaries and accrued vacation payable	60,373	56,645
Other	786	662
	389,402	429,583

Note 9. Long-Term Debt

9.1 Diamond credit facilities

As at March 29, 2025, the revolving credit and term credit of Diamond Estates Wines & Spirits Inc. ("Diamond") are due and Diamond is in discussions with its financial institution to refinance them.

Note 10. Shareholders' Equity

10.1 Dividend per share

During the first quarter of 2025, the Corporation declared and paid a dividend of \$1.10 per share (\$1.00 per share during the first quarter of 2024) to the holders of Class A and B shares.

10.2 Dividends paid to related parties

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
3346625 Canada Inc.	4,143	3,766
Key management personnel	27	24
	4,170	3,790

Notes to the Interim Condensed Consolidated Financial Statements

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

10.3 Accumulated other reserves

	Hedging reserve	Foreign currency translation reserve	Total
	\$	\$	\$
Balance as at December 31, 2024	8,139	130,532	138,671
Other comprehensive income (loss)	(19,656)	(4,125)	(23,781)
Transfer to non-financial assets ⁱ⁾	(1,805)	–	(1,805)
Balance as at March 29, 2025	(13,322)	126,407	113,085
Balance as at December 31, 2023	(2,910)	76,687	73,777
Other comprehensive income (loss)	8,510	13,255	21,765
Transfer to non-financial assets ⁱ⁾	(785)	–	(785)
Balance as at March 30, 2024	4,815	89,942	94,757

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

10.4 Non-controlling interests

10.4.1 Pappas Lassonde Holdings, Inc.

In March 2025, 3346625 Canada Inc. made, according to its proportionate equity interest, an equity investment of \$3,577,000 (US\$2,500,000) in Pappas Lassonde Holdings, Inc.. The investment was recognized as an investment from non-controlling interests in shareholders' equity.

Note 11. Additional Cash Flow Information

11.1 Change in non-cash operating working capital items

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Accounts receivable	(28,659)	(7,460)
Inventories	(49,133)	(15,794)
Other current assets	(3,369)	(5,726)
Accounts payable and accrued liabilities	(13,940)	(646)
Other current liabilities	1,223	1,081
	(93,878)	(28,545)

Notes to the Interim Condensed Consolidated Financial Statements

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

11.2 Non-cash transactions

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

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Unpaid acquisitions of property, plant and equipment at the beginning of the period	34,578	8,838
Unpaid acquisitions of property, plant and equipment at the end of the period	8,156	14,255
Unpaid acquisitions of intangible assets at the beginning of the period	563	287
Unpaid acquisitions of intangible assets at the end of the period	276	479
Net increase (decrease) in right-of-use assets	72	589
Net increase (decrease) in lease liabilities	54	552

Note 12. Additional Lease Information

	As at March 29, 2025	As at Dec. 31, 2024
	\$	\$
Right-of-use assets	52,666	54,597
Lease liabilities	58,618	60,239

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Depreciation of right-of-use assets	1,886	1,317
Repayment of lease liabilities	1,540	1,078

Note 13. Segment Information

The Corporation has determined that it has only one reportable operating segment.

13.1 Sales by geographic segment

Sales are attributed to the geographic segment based on the location where the Corporation has transferred control of the goods to the customer.

	First quarters ended	
	March 29, 2025	March 30, 2024
	\$	\$
Canada	290,450	265,885
United States	408,318	302,373
Other	886	1,585
	699,654	569,843

Notes to the Interim Condensed Consolidated Financial Statements

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

13.2 Certain non-current assets and goodwill by geographic segment

The geographic segment of non-current assets and goodwill is based on the location of the assets.

	As at March 29, 2025		
	Canada	United States	Total
	\$	\$	\$
Property, plant and equipment	313,959	376,690	690,649
Intangible assets	50,778	274,057	324,835
Goodwill	18,637	477,342	495,979

	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