



Interim Report

Lassonde Industries Inc.

Third Quarter Ended
September 27, 2025



Lassonde

Table of Contents

Interim Condensed Consolidated Statements of Income	3
Interim Condensed Consolidated Statements of Comprehensive Income.....	4
Interim Condensed Consolidated Statements of Financial Position	5
Interim Condensed Consolidated Statements of Shareholders' Equity	6
Interim Condensed Consolidated Statements of Cash Flows.....	7
Notes to the Interim Condensed Consolidated Financial Statements.....	8

Interim Condensed Consolidated Statements of Income

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

	Note	Third quarters ended		Nine months ended	
		Sept. 27, 2025	Sept. 28, 2024	Sept. 27, 2025	Sept. 28, 2024
		\$	\$	\$	\$
Sales		723,854	668,267	2,165,929	1,862,778
Cost of sales		526,223	488,437	1,589,416	1,357,634
Gross profit		197,631	179,830	576,513	505,144
Selling and administrative expenses		139,757	132,666	421,522	373,369
Operating profit		57,874	47,164	154,991	131,775
Financial expenses	4	9,613	7,098	28,251	15,587
Other (gains) losses	5	584	(84)	398	(2,104)
Profit before income taxes		47,677	40,150	126,342	118,292
Income taxes	6	10,667	11,082	31,174	32,734
Profit		37,010	29,068	95,168	85,558
Attributable to:					
Corporation's shareholders		36,837	29,652	95,699	87,013
Non-controlling interests		173	(584)	(531)	(1,455)
		37,010	29,068	95,168	85,558
Basic and diluted earnings per share (in \$)		5.40	4.35	14.03	12.75
Weighted average number of shares outstanding (in thousands)		6,822	6,822	6,822	6,822

Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars)

(unaudited)

	Third quarters ended		Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024	Sept. 27, 2025	Sept. 28, 2024
	\$	\$	\$	\$
Profit	37,010	29,068	95,168	85,558
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	-	(152)	-	567
Reclassification of (gains) losses on financial instruments designated as hedges	-	(133)	-	(547)
Income taxes	-	73	-	(5)
	-	(212)	-	15
Exchange difference on translating foreign operations	15,893	(11,265)	(25,380)	9,747
	15,893	(11,477)	(25,380)	9,762
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	6,702	2,299	(26,771)	19,241
Income taxes	(1,733)	(595)	6,900	(5,030)
	4,969	1,704	(19,871)	14,211
Benefit cost of the defined benefit plans				
Remeasurements of the net defined benefit asset or liability	(635)	758	(1,506)	(3,349)
Income taxes	165	(202)	392	894
	(470)	556	(1,114)	(2,455)
	4,499	2,260	(20,985)	11,756
Total other comprehensive income (loss)	20,392	(9,217)	(46,365)	21,518
Comprehensive income	57,402	19,851	48,803	107,076
Attributable to:				
Corporation's shareholders	55,585	21,492	52,431	107,065
Non-controlling interests	1,817	(1,641)	(3,628)	11
	57,402	19,851	48,803	107,076

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

	Note	As at Sept. 27, 2025 \$	As at Dec. 31, 2024 \$
Assets			
Current			
Cash and cash equivalents		8,987	28,227
Accounts receivable	8	240,638	213,527
Income tax recoverable		12,053	9,245
Inventories		491,100	472,182
Derivative instruments	7	4,533	11,740
Other current assets		32,395	36,599
		789,706	771,520
Derivative instruments	7	2,795	281
Property, plant and equipment		707,384	657,654
Intangible assets		298,352	336,297
Net defined benefit asset		4,116	6,199
Deferred tax assets		3,948	6,371
Other non-current assets		1,936	796
Goodwill		483,768	498,715
		2,292,005	2,277,833
Liabilities			
Current			
Bank overdraft		4,006	1,251
Accounts payable and accrued liabilities	9	334,811	429,583
Income tax payable		7,380	19,094
Derivative instruments	7	4,100	1,329
Other current liabilities		32,539	30,124
Current portion of long-term debt		21,247	25,077
		404,083	506,458
Derivative instruments	7	–	34
Long-term debt	10	537,277	452,413
Long-term incentive plan liabilities		15,519	11,226
Net pension plan liabilities		1,673	1,335
Deferred tax liabilities		107,658	113,689
Other non-current liabilities		21,962	26,859
		1,088,172	1,112,014
Shareholders' equity			
Equity attributable to the Corporation's shareholders		1,107,613	1,070,041
Non-controlling interests		96,220	95,778
		1,203,833	1,165,819
		2,292,005	2,277,833
On behalf of the Board of Directors,	<u>(s) Nathalie Lassonde</u> Nathalie Lassonde Executive Chair of the Board of Directors	<u>(s) Pierre Lessard</u> Pierre Lessard Chair of the Audit Committee	

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 Dec. 31, 2024	46,660	1,360	138,671	883,350	95,778	1,165,819
Profit	–	–	–	95,699	(531)	95,168
Other comprehensive income (loss)	–	–	(42,154)	(1,114)	(3,097)	(46,365)
Transfer to non-financial assets ⁱⁱ⁾	–	–	7,602	–	373	7,975
Dividends	–	–	–	(22,512)	–	(22,512)
Investment from non-controlling interests	–	–	–	–	3,748	3,748
Adjustment to non-controlling interests	–	–	–	51	(51)	–
Balance as at Sept. 27, 2025	46,660	1,360	104,119	955,474	96,220	1,203,833
Balance as at Dec. 31, 2023	46,660	1,360	73,777	800,773	73,332	995,902
Profit	–	–	–	87,013	(1,455)	85,558
Other comprehensive income (loss)	–	–	22,507	(2,455)	1,466	21,518
Transfer to non-financial assets ⁱⁱ⁾	–	–	(8,120)	–	(268)	(8,388)
Dividends	–	–	–	(20,465)	–	(20,465)
Investment from non-controlling interests	–	–	–	–	15,223	15,223
Adjustment to non-controlling interests	–	–	–	342	(342)	–
Balance as at Sept. 28, 2024	46,660	1,360	88,164	865,208	87,956	1,089,348

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 11.

Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

(unaudited)

	Note	Nine months ended	
		Sept. 27, 2025	Sept. 28, 2024
		\$	\$
Operating activities			
Profit		95,168	85,558
Adjustments:			
Income taxes	6	31,174	32,734
Net interest expense	4	27,395	14,909
Depreciation of property, plant and equipment and amortization of intangible assets		82,892	52,810
(Gains) losses on capital assets		(13)	137
Change in the fair value of financial instruments		1,701	(1,089)
Cost of the long-term incentive plan, net of payments		4,267	2,790
Cost of pension plans recognized in profit or loss, net of contributions		915	556
Unrealized foreign exchange (gains) losses		(661)	1,131
Other		62	78
		242,900	189,614
Change in non-cash operating working capital items	12	(114,770)	(695)
Net income tax paid		(43,342)	(22,671)
Net interest paid		(25,273)	(13,569)
Settlement of derivative instruments		(4,827)	5,482
		54,688	158,161
Financing activities			
Change in revolving operating credit, net of transaction costs		(241,019)	259,594
Increase in long-term debt, net of transaction costs		341,405	–
Repayment of long-term debt		(7,669)	(11,376)
Dividends paid		(22,512)	(20,465)
Investment from non-controlling interests	11	3,577	15,223
		73,782	242,976
Investing activities			
Consideration paid related to a business combination, net of acquired cash on hand	3, 7	(7,017)	(324,555)
Net acquisition of property, plant and equipment		(136,708)	(77,295)
Net acquisition of intangible assets		(5,761)	(8,344)
Acquisition of other non-current assets		–	(434)
		(149,486)	(410,628)
Change in cash and cash equivalents		(21,016)	(9,491)
Cash and cash equivalents at beginning		26,976	15,812
Effect of exchange rate changes on cash and cash equivalents		(979)	(245)
Cash and cash equivalents at end		4,981	6,076

Additional cash flow information is presented in Note 12.

Notes to the Interim Condensed Consolidated Financial Statements

Table of Contents

Note 1.	Description of the Corporation	9
Note 2.	Statement of Compliance.....	9
Note 3.	Business Combination	9
Note 4.	Financial Expenses	11
Note 5.	Other (Gains) Losses	12
Note 6.	Income Taxes.....	12
Note 7.	Financial Instruments	12
Note 8.	Accounts Receivable.....	14
Note 9.	Accounts Payable and Accrued Liabilities.....	14
Note 10.	Long-Term Debt.....	14
Note 11.	Shareholders' Equity.....	15
Note 12.	Additional Cash Flow Information	16
Note 13.	Additional Lease Information.....	17
Note 14.	Segment Information	17

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 November 6, 2025.

Note 3. Business Combination

3.1 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.

Notes to the Interim Condensed Consolidated Financial Statements

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

3.2 Recognition of the business combination at the acquisition date

	Final
	\$
Consideration transferred	
Consideration paid in cash	325,933
Contingent considerations payable	45,282
Consideration receivable ⁱ⁾	(834)
	370,381
Identifiable assets acquired	
Cash and cash equivalents	1,378
Accounts receivable	13,707
Inventories	32,588
Other current assets	1,125
Property, plant and equipment ⁱⁱ⁾	39,050
Intangible assets	153,639
	241,487
Liabilities assumed	
Accounts payable and accrued liabilities	11,950
Long-term debt ⁱⁱ⁾	3,580
	15,530
Net identifiable assets acquired	225,957
Goodwill	144,424

i) Corresponds to working capital adjustments.

ii) Includes right-of-use assets and lease liabilities totalling \$3,580,000.

3.3 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.

3.4 Costs related to the acquisition and financing

	As at Sept. 28, 2024
	\$
Acquisition costs ⁱ⁾	8,223
Costs related to the CA revolving credit ⁱⁱ⁾	522
	8,745

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.

Notes to the Interim Condensed Consolidated Financial Statements

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

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

The Corporation's consolidated profit for the third quarter ended September 28, 2024 includes \$26,660,000 in sales and a \$2,027,000 net loss 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 nine months ended September 28, 2024 would have stood at \$1,992,050,000 and \$97,543,000, respectively. The Corporation considers these pro forma figures to be approximate measurements of the combined business's financial performance over a nine-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 resulting from the final version of the recognition of the business combination at the acquisition date 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 version of the recognition of the business combination at the acquisition date on cost of sales.

Note 4. Financial Expenses

	Third quarters ended		Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024	Sept. 27, 2025	Sept. 28, 2024
	\$	\$	\$	\$
Interest on long-term debt	7,233	5,914	23,462	12,768
Interest on lease liabilities	773	623	2,415	1,847
Amortization of transaction costs	348	494	676	668
Other interest, net of interest income	983	(127)	842	(374)
Net interest expense	9,337	6,904	27,395	14,909
Bank expenses	276	194	856	678
	9,613	7,098	28,251	15,587

Notes to the Interim Condensed Consolidated Financial Statements

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

Note 5. Other (Gains) Losses

	Third quarters ended		Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024	Sept. 27, 2025	Sept. 28, 2024
	\$	\$	\$	\$
Foreign exchange (gains) losses	(823)	241	(1,090)	(1,345)
Change in the fair value of derivative instruments	708	(336)	53	(394)
Change in the fair value of the contingent considerations payable related to a business combination	972	510	1,648	510
Other	(273)	(499)	(213)	(875)
	584	(84)	398	(2,104)

Note 6. Income Taxes

	Third quarters ended		Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024	Sept. 27, 2025	Sept. 28, 2024
	\$	\$	\$	\$
Current tax	9,858	9,351	28,579	27,585
Deferred tax	809	1,731	2,595	5,149
	10,667	11,082	31,174	32,734

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 7. Financial Instruments

7.1 Classification of derivative instruments

	As at	As at
	Sept. 27, 2025	Dec. 31, 2024
	\$	\$
Assets		
Fair value through profit or loss	4,357	779
Fair value through other comprehensive income	2,971	11,242
Liabilities		
Fair value through profit or loss	925	1,031
Fair value through other comprehensive income	3,175	332

Notes to the Interim Condensed Consolidated Financial Statements

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

7.2 Fair value

During the first nine months ended September 27, 2025 and September 28, 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.

7.2.1 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 business combination, which were classified in Level 3 and measured at fair value at the end of each reporting period:

	Third quarters ended		Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024	Sept. 27, 2025	Sept. 28, 2024
	\$	\$	\$	\$
Fair value at beginning	39,291	–	47,855	–
Initial recognition	–	45,282	–	45,282
Change in fair value i) ii)	972	510	1,648	510
Settlement iii)	–	–	(7,017)	–
Exchange difference iv)	770	(806)	(1,453)	(806)
Fair value at end	41,033	44,986	41,033	44,986

- 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) The conditions for the payment of the contingent consideration payable related to labour costs were met.
- iv) Recognized in other comprehensive income as exchange difference on translating foreign operations.

As at September 27, 2025, the conditions for the payment of one of the contingent considerations payable of US\$10,000,000 related to sales volume of certain products were met. Settlement occurred in October 2025.

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

	As at Sept. 27, 2025	As at Dec. 31, 2024
	\$	\$
Other current liabilities	19,071	20,996
Other non-current liabilities	21,962	26,859
	41,033	47,855

7.2.2 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.

Notes to the Interim Condensed Consolidated Financial Statements

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

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%	3,010	(3,296)
Probability of renewal of a customer agreement	5%	257	(257)
Discount rate	1%	(231)	236

Note 8. Accounts Receivable

	As at Sept. 27, 2025	As at Dec. 31, 2024
	\$	\$
Trade accounts receivable	230,712	204,338
Discounts receivable	2,965	4,811
Other receivables	6,961	4,378
	240,638	213,527

Note 9. Accounts Payable and Accrued Liabilities

	As at Sept. 27, 2025	As at Dec. 31, 2024
	\$	\$
Trade payables and accrued expenses	232,173	321,908
Trade spending	57,801	50,368
Salaries and accrued vacation payable	44,402	56,645
Other	435	662
	334,811	429,583

Note 10. Long-Term Debt

10.1 Canadian credit facilities

In August 2025, pursuant to an option provided in the agreement, the Corporation and the syndicate of financial institutions agreed to extend the expiry date of the CA revolving credit by one year to April 2028.

Notes to the Interim Condensed Consolidated Financial Statements

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

10.2 U.S. credit facilities

In June 2025, the Corporation entered into an agreement to amend the U.S. credit facilities. As a result of this agreement, the facilities consist of a revolving operating credit ("U.S. revolving credit") of US\$250,000,000 expiring in June 2029 and a term loan ("U.S. term loan") of US\$250,000,000 maturing in June 2029. Prior to this agreement, the facilities solely consisted of a revolving operating credit of US\$160,000,000 expiring in January 2026.

10.2.1 U.S. revolving credit

Borrowings under the U.S. revolving credit bear interest at the U.S. prime rate plus 50 to 150 basis points and/or at the Secured Overnight Financing Rate ("SOFR") plus 150 to 250 basis points and/or at the Canadian Overnight Repo Rate Average ("CORRA") plus 150 to 250 basis points. The applicable interest margins vary based on a prescribed financial ratio.

10.2.2 U.S. term loan

The U.S. term loan bears interest at the U.S. prime rate plus 50 to 150 basis points and/or at SOFR plus 150 to 250 basis points. The applicable interest margins vary based on a prescribed financial ratio.

As of the second quarter of 2027, the Corporation will be required to repay, on a quarterly basis, 1.875% of the nominal amount of the U.S. term loan. The Corporation may make penalty-free prepayments at any time.

The U.S. credit facilities provide the Corporation with the option, subject to the participation of each lender, to extend, on each anniversary date, the expiry date of the U.S. revolving credit and/or the maturity date of the U.S. term loan by one year, under the same terms and conditions.

The entirety of the assets of the Corporation's main U.S. subsidiaries are pledged as collateral.

10.3 Diamond credit facilities

In August 2025, Diamond Estates Wines & Spirits Inc. ("Diamond") and its financial institution agreed to extend the expiry date of the Diamond revolving credit and the maturity date of the Diamond term credit to January 2026.

Note 11. Shareholders' Equity

11.1 Dividend per share

During the first nine months of 2025, the Corporation declared and paid dividends totalling \$3.30 per share (\$3.00 per share during the first nine months of 2024) to the holders of Class A and B shares.

11.2 Dividends paid to related parties

	Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024
	\$	\$
3346625 Canada Inc.	12,428	11,298
Key management personnel	78	73
	12,506	11,371

Notes to the Interim Condensed Consolidated Financial Statements

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

11.3 Accumulated other reserves

	Hedging reserve	Foreign currency translation reserve	Total
	\$	\$	\$
Balance as at Dec. 31, 2024	8,139	130,532	138,671
Other comprehensive income (loss)	(19,347)	(22,807)	(42,154)
Transfer to non-financial assets ⁱ⁾	7,602	–	7,602
Balance as at Sept. 27, 2025	(3,606)	107,725	104,119
Balance as at Dec. 31, 2023	(2,910)	76,687	73,777
Other comprehensive income (loss)	13,737	8,770	22,507
Transfer to non-financial assets ⁱ⁾	(8,120)	–	(8,120)
Balance as at Sept. 28, 2024	2,707	85,457	88,164

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

11.4 Non-controlling interests

11.4.1 Pappas Lassonde Holdings, Inc.

In March 2025, 3346625 Canada Inc. made, according to its proportionate equity interest, an equity investment of \$3,577,000 in Pappas Lassonde Holdings, Inc.

11.4.2 Diamond

In July 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. The Corporation adjusted the non-controlling interests to reflect the dilutive effect.

11.4.3 Summer Garden

In August 2024, 3346625 Canada Inc. invested \$14,430,000 in cash to own a 10.0% interest in the ownership structure set up for the acquisition of Summer Garden.

Note 12. Additional Cash Flow Information

12.1 Change in non-cash operating working capital items

	Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024
	\$	\$
Accounts receivable	(33,234)	(26,597)
Inventories	(27,826)	8,113
Other current assets	4,466	11,634
Accounts payable and accrued liabilities	(59,509)	5,779
Other current liabilities	1,333	376
	(114,770)	(695)

Notes to the Interim Condensed Consolidated Financial Statements

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

12.2 Non-cash transactions

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

	Nine months ended	
	Sept. 27, 2025	Sept. 28, 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	7,742	6,336
Unpaid acquisitions of intangible assets at the beginning of the period	563	287
Unpaid acquisitions of intangible assets at the end of the period	216	386
Acquisition of intangible assets through the issuance of Diamond common shares to the non-controlling interest	150	–
Net increase (decrease) in right-of-use assets	(519)	491
Net increase (decrease) in lease liabilities	(585)	881

Note 13. Additional Lease Information

	As at	As at
	Sept. 27, 2025	Dec. 31, 2024
	\$	\$
Right-of-use assets	48,061	54,597
Lease liabilities	54,515	60,239

	Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024
	\$	\$
Depreciation of right-of-use assets	5,376	4,093
Repayment of lease liabilities	4,399	3,418

Note 14. Segment Information

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

14.1 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.

	Third quarters ended		Nine months ended	
	Sept. 27, 2025	Sept. 28, 2024	Sept. 27, 2025	Sept. 28, 2024
	\$	\$	\$	\$
Canada	309,888	295,593	940,828	852,354
United States	413,239	371,655	1,221,632	1,006,157
Other	727	1,019	3,469	4,267
	723,854	668,267	2,165,929	1,862,778

Notes to the Interim Condensed Consolidated Financial Statements

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

14.2 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 Sept. 27, 2025		
	Canada	United States	Total
	\$	\$	\$
Property, plant and equipment	316,029	391,355	707,384
Intangible assets	52,327	246,025	298,352
Goodwill	18,637	465,131	483,768

	As at Dec. 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