

Consolidated Financial Statement Report

Lassonde Industries Inc.
Year Ended December 31, 2025



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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, 2025 and 2024, 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, 2025 and 2024, 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 Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. This matter was 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 this matter.

Inventories — Evaluation of sufficiency of audit evidence over the existence of inventories — Refer to Note 2.6 and Note 13 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;
 - 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.
- 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 LLP¹

March 26, 2026

Montreal, Quebec

¹ CPA auditor, public accountancy permit No. A129221

Consolidated Statements of Income

Year ended December 31, 2025

(in thousands of Canadian dollars unless otherwise indicated)

	Note	Years ended	
		Dec. 31, 2025	Dec. 31, 2024
		\$	\$
Sales	6	2,934,018	2,600,891
Cost of sales	7	2,132,482	1,902,805
Gross profit		801,536	698,086
Selling and administrative expenses	7	575,410	523,338
Operating profit		226,126	174,748
Financial expenses	8	37,884	24,390
Other (gains) losses	9	(8,329)	(4,210)
Profit before income taxes		196,571	154,568
Income taxes	10	47,195	41,176
Profit		149,376	113,392
Attributable to:			
Corporation's shareholders		149,701	114,124
Non-controlling interests	23	(325)	(732)
		149,376	113,392
Basic and diluted earnings per share (in \$)		21.94	16.73
Weighted average number of shares outstanding (in thousands)	23	6,822	6,822

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Comprehensive Income

Year ended December 31, 2025

(in thousands of Canadian dollars)

	Note	Years ended	
		Dec. 31, 2025	Dec. 31, 2024
		\$	\$
Profit		149,376	113,392
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Net change in the cash flow hedge of financial liabilities			
Gains (losses) on financial instruments designated as hedges	11	(9)	598
Reclassification of (gains) losses on financial instruments designated as hedges	11	–	(597)
Income taxes	10	2	(1)
		(7)	–
Exchange difference on translating foreign operations			
		(39,743)	59,839
		(39,750)	59,839
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	11	(31,038)	34,372
Income taxes	10	7,977	(8,947)
		(23,061)	25,425
Benefit cost of the defined benefit pension plans			
Remeasurements of the net defined benefit asset or liability	26	(3,237)	(5,489)
Income taxes	10	842	1,447
		(2,395)	(4,042)
		(25,456)	21,383
Total other comprehensive income (loss)		(65,206)	81,222
Comprehensive income		84,170	194,614
Attributable to:			
Corporation's shareholders		89,064	188,769
Non-controlling interests	23	(4,894)	5,845
		84,170	194,614

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Financial Position

Year ended December 31, 2025

(in thousands of Canadian dollars)

	Note	As at Dec. 31, 2025	As at Dec. 31, 2024
		\$	\$
Assets			
Current			
Cash and cash equivalents	24	7,960	28,227
Accounts receivable	12	207,534	213,527
Income tax recoverable		7,632	9,245
Inventories	13	465,026	472,182
Derivative instruments		4,026	11,740
Other current assets	14	42,340	36,599
		734,518	771,520
Derivative instruments		3,171	281
Right-of-use assets	15	46,074	54,597
Property, plant and equipment	16	700,953	603,057
Intangible assets	17	282,852	336,297
Net defined benefit asset	26	2,300	6,199
Deferred tax assets	10	5,455	6,371
Other non-current assets		1,697	796
Goodwill	18	475,927	498,715
		2,252,947	2,277,833
Liabilities			
Current			
Bank overdraft		814	1,251
Accounts payable and accrued liabilities	19	353,277	429,583
Income tax payable		6,777	19,094
Derivative instruments		3,333	1,329
Other current liabilities	20	34,312	30,124
Current portion of lease liabilities		5,072	6,195
Current portion of long-term debt	22	16,914	18,882
		420,499	506,458
Derivative instruments		746	34
Lease liabilities		47,597	54,044
Long-term debt	22	427,657	398,369
Long-term incentive plan liabilities		14,405	11,226
Net pension plan liabilities	26	1,859	1,335
Deferred tax liabilities	10	103,349	113,689
Other non-current liabilities	11	–	26,859
		1,016,112	1,112,014
Shareholders' equity			
Equity attributable to the Corporation's shareholders		1,141,243	1,070,041
Non-controlling interests	23	95,592	95,778
		1,236,835	1,165,819
		2,252,947	2,277,833

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board of Directors,

(s) Nathalie Lassonde

Nathalie Lassonde

Executive Chair of the Board of Directors

(s) Pierre Lessard

Pierre Lessard

Chair of the Audit Committee

Consolidated Statements of Shareholders' Equity

Year ended December 31, 2025

(in thousands of Canadian dollars)

	Equity attributable to the Corporation's shareholders						Total shareholders' equity
	Share capital (Note 23)	Contributed surplus	Hedging reserve (Note 11)	Foreign currency translation reserve	Retained earnings	Non-controlling interests (Note 23)	
	\$	\$	\$	\$	\$	\$	
Balance as at Dec. 31, 2024	46,660	1,360	8,139	130,532	883,350	95,778	1,165,819
Profit	-	-	-	-	149,701	(325)	149,376
Other comprehensive income (loss)	-	-	(22,475)	(35,767)	(2,395)	(4,569)	(65,206)
Transfer to non-financial assets ⁱ⁾	-	-	12,432	-	-	521	12,953
Dividends	-	-	-	-	(30,016)	-	(30,016)
Investment	-	-	-	-	-	3,909	3,909
Adjustment	-	-	-	-	(278)	278	-
Balance as at Dec. 31, 2025	46,660	1,360	(1,904)	94,765	1,000,362	95,592	1,236,835
Balance as at Dec. 31, 2023	46,660	1,360	(2,910)	76,687	800,773	73,332	995,902
Profit	-	-	-	-	114,124	(732)	113,392
Other comprehensive income (loss)	-	-	24,842	53,845	(4,042)	6,577	81,222
Transfer to non-financial assets ⁱ⁾	-	-	(13,793)	-	-	(426)	(14,219)
Dividends	-	-	-	-	(27,286)	-	(27,286)
Investment	-	-	-	-	-	16,808	16,808
Adjustment	-	-	-	-	(219)	219	-
Balance as at Dec. 31, 2024	46,660	1,360	8,139	130,532	883,350	95,778	1,165,819

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

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

Year ended December 31, 2025

(in thousands of Canadian dollars)

	Note	Years ended	
		Dec. 31, 2025	Dec. 31, 2024
		\$	\$
Operating activities			
Profit		149,376	113,392
Adjustments:			
Income taxes	10	47,195	41,176
Net interest expense	8	36,738	23,490
Depreciation of right-of-use assets and property, plant and equipment and amortization of intangible assets	7	111,649	80,527
(Gains) losses on leases and capital assets		209	229
Change in the fair value of financial instruments		(7,703)	(1,045)
Cost of the long-term incentive plan	25	7,666	4,430
Cost of pension plans	26	1,186	963
Unrealized foreign exchange (gains) losses		1,076	(1,035)
Other		81	90
		347,473	262,217
Change in non-cash operating working capital items	24	(70,530)	13,658
Net income tax paid		(60,697)	(32,830)
Net interest paid		(34,393)	(23,154)
Settlements of derivative instruments		(3,768)	4,992
Long-term incentive plan payments		(1,888)	(819)
Net withdrawals from pension plans		–	9,811
		176,197	233,875
Financing activities			
Change in revolving operating credit, net of transaction costs		(292,494)	241,373
Increase in long-term debt, net of transaction costs		341,341	2,500
Repayment of lease liabilities		(5,913)	(4,810)
Repayment of long-term debt		(3,947)	(9,688)
Dividends paid	23	(30,016)	(27,286)
Investment from non-controlling interests	23	3,577	15,223
		12,548	217,312
Investing activities			
Consideration paid related to a business combination, net of acquired cash on hand	5, 11	(20,198)	(324,555)
Net acquisition of property, plant and equipment		(180,456)	(105,988)
Net acquisition of intangible assets		(6,783)	(9,866)
Acquisition of other non-current assets		–	(434)
		(207,437)	(440,843)
Change in cash and cash equivalents		(18,692)	10,344
Cash and cash equivalents at beginning		26,976	15,812
Effect of exchange rate changes on cash and cash equivalents		(1,138)	820
Cash and cash equivalents at end	24	7,146	26,976

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

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. The Corporation’s products include fruit juices and drinks, pasta sauces, cranberry sauces, condiments, soups, broths, fruit-based snacks as well as alcoholic beverages such as ciders and wine. 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 26, 2026. 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 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, expenses and cash flows are fully eliminated upon consolidation. When necessary, adjustments are made to the financial statements of the subsidiaries 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.

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

2.3 Currencies

2.3.1 Functional and presentation currency

The consolidated financial statements are presented using the functional currency of Lassonde Industries Inc., which is the Canadian dollar. Each subsidiary of the Corporation determines its own functional currency, and the financial statement items of each subsidiary 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, in this case, control 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 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 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.

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

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.

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 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.

2.5.2 Deferred tax

Deferred tax is recognized on the temporary differences 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, for items that are treated differently for tax and accounting 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.

Tax assets and liabilities for which there is a legal right to offset and intent to offset within a same tax jurisdiction are presented on a net basis in the Consolidated Statement of Financial Position.

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 pro rata 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 certain raw materials purchases.

2.7 Leases

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.

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

Right-of-use assets are initially measured at cost, which includes the initial valuation of the corresponding lease liabilities, 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.

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.

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

2.8 Property, plant and equipment

Property, plant and equipment is 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, including borrowing costs incurred during construction of qualified assets. 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. 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.

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.

2.9 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 and less accumulated impairment losses.

2.9.2 Intangible assets acquired separately

Intangible assets acquired separately are recognized at cost less accumulated amortization and less accumulated impairment losses.

Amortization methods 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.

2.10 Impairment of non-financial assets

2.10.1 Right-of-use assets; property, plant and equipment; and intangible assets

On each reporting date, the Corporation reviews the carrying amounts of right-of-use assets; property, plant and equipment; and intangible assets for indications that these assets have lost value. If there is such an indication, the recoverable amount of the asset is estimated to determine the amount of any impairment loss. If the recoverable amount of an 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.

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

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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 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, considering 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.

2.13 Defined benefit pension plans

At the end of each year, 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 value of the defined benefit obligation and the current 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 pension plans are recognized as follows:

- Current service cost is recognized in profit or loss in selling and administrative expenses;
- Net interest on the net defined benefit asset or liability is recognized in profit or loss in selling and administrative expenses; 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 as well as the return on defined benefit plan assets, except for interest income.

2.14 Financial instruments

2.14.1 Financial instrument classification

At initial recognition, all financial instruments are measured at fair value. Subsequently, financial assets classified as at fair value through profit or loss and as at fair value through other comprehensive income are measured at fair value, while financial instruments classified as at amortized cost are measured at amortized cost using the effective interest rate method.

2.14.2 Impairment of financial assets classified at amortized cost

At 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.

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2.14.3 Transaction costs directly attributable to arranging financing

Transaction costs that are directly attributable to arranging financing are recognized as a reduction to the carrying value of the corresponding financial liability and amortized over the term of the financing agreement using the effective interest rate method. However, transaction costs that are directly attributable to arranging a long-term revolving operating credit facility are recognized as other non-current assets in the Consolidated Statement of Financial Position and amortized on a straight-line basis over the term of the credit facility. The current portion is presented in other current assets as prepaid expenses.

2.14.4 Derivative instruments

The Corporation uses certain derivative instruments to:

- ♦ Reduce the risks related to interest rate fluctuations that affect interest expense;
- ♦ Reduce the risks related to exchange rate fluctuations that have an influence on its purchases of raw materials, its acquisitions of property, plant and equipment, and its long-term debt;
- ♦ Reduce the risk of fluctuations in certain raw materials 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.

2.14.5 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, 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.

When the anticipated transactions comprising hedged items lead to the recognition of financial 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.

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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 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.

2.14.6 Fair value hierarchy

All financial instruments measured at fair value in the Consolidated Statement of Financial Position are classified according to a hierarchy that categorizes the inputs used in fair value measurement techniques into 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.

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. 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.

2.15 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 as a reduction of the depreciation expense. Other government grants are recorded as a reduction of related expenses or in other income. Amounts receivable are presented in other current assets in the Consolidated Statement of Financial Position.

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 history and experience.

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Year ended December 31, 2025

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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. The total 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.

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 pension plan assets and liabilities

The Corporation's measurement of defined benefit pension 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 pension plan asset or liability, the expected rate of compensation increase, the indexation rate of pensions paid, and the mortality table. If the actuarial assumptions are found to be significantly different from the actual data subsequently observed, it could lead to substantial changes to the amount of the benefit cost of the defined benefit pension plans recognized in profit or loss and in other comprehensive income and to the net defined benefit pension plan asset or liability 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 right-of-use assets; 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 non-financial 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 the 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 5 to learn more about the assumptions and estimates used.

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

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 5 and 11 to learn more about the assumptions and estimates used.

Note 4. Future Accounting Changes

4.1 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.

4.2 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 believes that these amendments will have no impact on its consolidated financial statements.

Note 5. Business Combinations

5.1 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.

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

5.2 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)
	<u>370,381</u>
Identifiable assets acquired	
Cash and cash equivalents	1,378
Accounts receivable	13,707
Inventories	32,588
Other current assets	1,125
Right-of-use assets	3,580
Property, plant and equipment	35,470
Intangible assets	153,639
	<u>241,487</u>
Liabilities assumed	
Accounts payable and accrued liabilities	11,950
Lease liabilities	3,580
	<u>15,530</u>
Net identifiable assets acquired	<u>225,957</u>
Goodwill	<u>144,424</u>

i) Corresponds to working capital adjustments. The consideration receivable was received during the fourth quarter of 2025.

5.3 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.

5.4 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.

5.4.1 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 acquisition 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.

5.4.2 Accounts receivable

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

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Year ended December 31, 2025

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

5.4.3 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.

5.4.4 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.

5.4.5 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 customer 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
		\$
Technologies and software	3 years	129
Trademarks and trade name	20 years	33,396
Customer relationships	5 to 10 years	120,114
		153,639

5.5 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.

5.6 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.

5.7 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.

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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 right-of-use assets and property, plant and equipment acquired and the amortization of intangible assets acquired based on the fair values determined during 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 6. Sales

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Revenues from product sales	2,920,963	2,570,126
Revenues from the rendering of services	7,873	28,692
Other revenues	5,182	2,073
	2,934,018	2,600,891

Note 7. Additional Information on Profit

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Cost of inventories expensed	2,132,482	1,902,805
Write-down of inventories included in cost of sales	17,385	16,421
Depreciation of right-of-use assets included in cost of sales	3,591	2,046
Depreciation of right-of-use assets included in selling and administrative expenses	3,499	3,701
Depreciation of property, plant and equipment included in cost of sales	51,474	36,558
Depreciation of property, plant and equipment included in selling and administrative expenses	6,228	5,516
Amortization of intangible assets included in selling and administrative expenses	46,857	32,706
Expense related to short-term leases or leases of low-value assets	5,538	3,244
Expense related to variable lease payments excluded from lease liabilities	1,465	1,360
Employee benefits expense	405,947	373,203

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Note 8. Financial Expenses

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Interest on lease liabilities	3,163	2,622
Interest on long-term debt	31,747	20,340
Amortization of transaction costs	1,138	825
Other interest, net of interest income	690	(297)
Net interest expense	36,738	23,490
Bank expenses	1,146	900
	37,884	24,390

Note 9. Other (Gains) Losses

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Foreign exchange (gains) losses	(21)	(3,011)
Change in the fair value of derivative instruments	(1,037)	(1,008)
Change in the fair value of the contingent considerations payable related to a business combination	(6,666)	408
Other	(605)	(599)
	(8,329)	(4,210)

Note 10. Income Taxes**10.1 Reconciliation between income taxes and profit before income taxes**

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Profit before income taxes	196,571	154,568
Combined statutory tax rate	26.5%	26.5%
Income taxes according to the statutory rate	52,091	40,961
Adjustments:		
Variance in the tax rate resulting from the different tax rates of subsidiaries	(972)	378
Tax impact on non-deductible or non-taxable items	(2,157)	305
Impact of changes in tax rates applicable to deferred tax	(577)	–
Tax adjustment related to previous years	(840)	(345)
Other	(350)	(123)
	47,195	41,176

Notes to the Consolidated Financial Statements

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

10.2 Income taxes recognized in profit or loss

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Current tax		
Current tax expense for the year	49,503	41,480
Tax adjustment related to previous years	150	(1,052)
	49,653	40,428
Deferred tax		
Deferred tax expense (recovery) for the year	(891)	41
Impact of changes in tax rates	(577)	–
Tax adjustment related to previous years	(990)	707
	(2,458)	748
	47,195	41,176

10.3 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:

	Balance as at Dec. 31, 2024	Deferred tax (expense) recovery			Exchange difference	Balance as at Dec. 31, 2025
		Recognized in profit or loss	Related to other comprehensive income	Recognized in equity ⁱ⁾		
	\$	\$	\$	\$	\$	\$
Derivative instruments	(2,989)	(636)	7,979	(4,455)	(79)	(180)
Right-of-use assets	(14,023)	2,015	–	–	173	(11,835)
Property, plant and equipment	(68,825)	(3,032)	–	–	1,064	(70,793)
Intangible assets and goodwill	(68,135)	(7,899)	–	–	3,966	(72,068)
Accounts payable and accrued liabilities	9,195	(1,402)	–	–	(317)	7,476
Long-term debt	17,424	348	–	–	(487)	17,285
Long-term incentive plan	3,071	2,402	–	–	(28)	5,445
Defined benefit pension plans	(1,349)	340	842	–	–	(167)
Unused tax losses ⁱⁱ⁾	15,040	12,147	–	–	(1,739)	25,448
Other	3,273	(1,825)	–	–	47	1,495
	(107,318)	2,458	8,821	(4,455)	2,600	(97,894)

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

ii) These unused tax losses can be carried forward indefinitely and can be used only when taxable income is realized by the concerned subsidiaries.

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	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)
Right-of-use assets	(11,044)	(2,454)	–	–	(525)	(14,023)
Property, plant and equipment	(62,501)	(4,836)	–	–	(1,488)	(68,825)
Intangible assets and goodwill	(56,356)	(5,750)	–	–	(6,029)	(68,135)
Accounts payable and accrued liabilities	7,940	473	–	–	782	9,195
Long-term debt	13,818	2,843	–	–	763	17,424
Long-term incentive plan	1,221	1,822	–	–	28	3,071
Defined benefit pension plans	(5,643)	2,847	1,447	–	–	(1,349)
Unused tax losses ⁱⁱ⁾	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.

ii) These unused tax losses can be carried forward indefinitely and can be used only when taxable income is realized by the concerned subsidiaries.

As at December 31, 2025 and 2024, no tax benefit had been recognized related to unused capital losses totalling \$8,416,000. The capital losses can be carried forward indefinitely and can be used only when capital gains are realized by the concerned subsidiaries.

As at December 31, 2025, no tax benefit had been recognized related to unused non-capital losses totalling \$43,227,000 (\$39,175,000 as at December 31, 2024). 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 concerned subsidiary. They expire between 2028 and 2045.

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 \$207,596,000 as at December 31, 2025 (\$228,027,000 as at December 31, 2024) for a potential deferred tax liability of \$10,380,000 (\$11,401,000 in 2024).

Note 11. Financial Instruments

11.1 Classification

The Corporation has made the following classifications:

- Cash and cash equivalents, accounts receivable, bank overdraft, accounts payable and accrued liabilities and long-term debt are classified as subsequently measured at amortized cost;
- Contingent considerations payable related to a business combination and derivative instruments not designated in a hedging relationship are classified as subsequently measured at fair value through profit or loss; and
- Derivative instruments designated in a hedging relationship are classified as subsequently measured at fair value through other comprehensive income.

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

The following table presents the classification of derivative instruments:

	As at Dec. 31, 2025	As at Dec. 31, 2024
	\$	\$
Assets		
Fair value through profit or loss	3,286	779
Fair value through other comprehensive income	3,911	11,242
Liabilities		
Fair value through profit or loss	1,334	1,031
Fair value through other comprehensive income	2,745	332

As at December 31, 2025 and 2024, derivative instruments were presented without offsetting.

11.2 Fair value

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 the Corporation's financial instruments approximate their fair values.

During the years ended December 31, 2025 and 2024, all the Corporation's financial instruments measured at fair value, including derivative instruments, were classified in Level 2 of the fair value hierarchy described in Note 2.14.6, except for the contingent considerations payable related to a business combination, which were classified in Level 3. No financial instruments were transferred between levels.

Notes to the Consolidated Financial Statements

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

11.2.1 Financial instruments classified in Level 3

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.

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Fair value at beginning	47,855	–
Initial recognition	–	45,282
Change in fair value ⁱ⁾	(6,666)	408
Settlements ⁱⁱ⁾	(21,010)	–
Exchange difference ⁱⁱⁱ⁾	(1,772)	2,165
Fair value at end	18,407	47,855

- i) Includes the impact of revisions made to key assumptions and the impact of the passage of time. Recognized in profit or loss as other (gains) losses.
- ii) The conditions for the payment of the contingent consideration payable related to labour costs and of one of the contingent considerations payable related to the sales volume of certain products were met during the year ended December 31, 2025.
- iii) Recognized in other comprehensive income as exchange difference on translating foreign operations.

Contingent considerations payable are recognized as follows in the Consolidated Statement of Financial Position:

	As at	As at
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Other current liabilities	18,407	20,996
Other non-current liabilities	–	26,859
	18,407	47,855

Sensitivity analysis

The sensitivity analyses of the fair value of the contingent considerations payable related to the Summer Garden business combination as at December 31, 2025 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%	–	(265)
Probability of renewal of a customer agreement	5%	255	(255)
Discount rate	1%	(103)	105

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

11.3 Cash flow hedges

11.3.1 Financial instruments designated in a hedging relationship

	As at Dec. 31, 2025			Change in value used to calculate hedge ineffectiveness
	Notional	Value recognized as an asset	Value recognized as a liability	
		\$	\$	
Interest rate risk				
Interest rate swaps	US\$50,000,000	–	(9)	(9)
Foreign exchange risk				
Foreign exchange forward contracts	US\$119,000,000 €21,637,000	1,402	(1,020)	382
Price risk				
Frozen concentrated orange juice futures	8,265,000 lbs sol. ⁱ⁾	2,508	(1,322)	1,186

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

	As at Dec. 31, 2024			Change in value used to calculate hedge ineffectiveness
	Notional	Value recognized as an asset	Value recognized as a liability	
		\$	\$	
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.	883	(244)	639

11.3.2 Hedged items

	As at Dec. 31, 2025	
	Change in value used to calculate hedge ineffectiveness	Hedging reserve balance
	\$	\$
Interest rate risk		
Cash outflows related to interest payments	(10)	(6)
Foreign exchange risk		
Cash outflows related to purchases of raw materials in foreign currencies	(454)	(435)
Cash outflows related to purchases of property, plant and equipment in foreign currencies	849	566
Price risk		
Cash outflows related to purchases of frozen concentrated orange juice	1,156	(1,970)

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

	As at Dec. 31, 2024	
	Change in value used to calculate hedge ineffectiveness	Hedging reserve balance
	\$	\$
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, 2025 and 2024, a negative balance of \$59,000 in the hedging reserve relates to foreign currency translation differences for expired hedging relationships.

11.3.3 Hedging gains and losses

	Year ended Dec. 31, 2025		
	Gains (losses) in other comprehensive income	Reclassification of (gains) losses in profit or loss	Transfer to non-financial assets ⁱ⁾
	\$	\$	\$
Interest rate risk			
Interest rate swaps	(9)	–	–
Foreign exchange risk			
Foreign exchange forward contracts	(3,657)	–	(4,816)
Price risk			
Frozen concentrated orange juice futures	(27,381)	–	22,224

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

	Year ended Dec. 31, 2024		
	Gains (losses) in other comprehensive income	Reclassification of (gains) losses in profit or loss	Transfer to non-financial assets ⁱ⁾
	\$	\$	\$
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.

No hedge ineffectiveness was recorded during the years ended December 31, 2025 and 2024.

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

Note 12. Accounts Receivable

	As at Dec. 31, 2025	As at Dec. 31, 2024
	\$	\$
Trade accounts receivable	199,259	204,338
Discounts receivable	4,135	4,811
Other receivables	4,140	4,378
	207,534	213,527

Note 13. Inventories

	As at Dec. 31, 2025	As at Dec. 31, 2024
	\$	\$
Raw materials and supplies	270,865	266,048
Finished goods	194,161	206,134
	465,026	472,182

Note 14. Other Current Assets

	As at Dec. 31, 2025	As at Dec. 31, 2024
	\$	\$
Sales taxes receivable	5,862	11,016
Tax credits receivable	8,442	3,280
Prepaid expenses	21,912	18,380
Assets held for sale ⁱ⁾	4,407	3,923
Other	1,717	–
	42,340	36,599

i) The Corporation has classified certain winery properties and related operating assets as held for sale.

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

Note 15. Right-of-Use Assets**15.1 Reconciliation table**

	Land and buildings	Machinery and equipment	Other	Total
	\$	\$	\$	\$
Net carrying value as at Dec. 31, 2024	49,414	1,037	4,146	54,597
Additions	175	9	–	184
Disposals	–	–	(703)	(703)
Depreciation	(5,976)	(212)	(902)	(7,090)
Exchange difference	(769)	(7)	(138)	(914)
Net carrying value as at Dec. 31, 2025	42,844	827	2,403	46,074
Net carrying value as at Dec. 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
Disposals	(486)	–	(138)	(624)
Depreciation	(4,753)	(125)	(869)	(5,747)
Exchange difference	1,291	9	114	1,414
Net carrying value as at Dec. 31, 2024	49,414	1,037	4,146	54,597

Note 16. Property, Plant and Equipment**16.1 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

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

16.2 Reconciliation table

	Land and buildings	Machinery and equipment	Other	Total
	\$	\$	\$	\$
Cost				
Balance as at Dec. 31, 2024	343,584	705,390	54,664	1,103,638
Acquisitions	111,453	57,127	5,200	173,780
Disposals and write-offs	(296)	(2,287)	(818)	(3,401)
Exchange difference	(11,504)	(13,720)	(977)	(26,201)
Balance as at Dec. 31, 2025	443,237	746,510	58,069	1,247,816
Accumulated depreciation				
Balance as at Dec. 31, 2024	(77,868)	(379,794)	(42,919)	(500,581)
Depreciation	(15,737)	(38,052)	(3,913)	(57,702)
Disposals and write-offs	259	2,007	817	3,083
Exchange difference	1,774	5,900	663	8,337
Balance as at Dec. 31, 2025	(91,572)	(409,939)	(45,352)	(546,863)
Net carrying value as at Dec 31, 2025	351,665	336,571	12,717	700,953

Cost				
Balance as at Dec. 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 Dec. 31, 2024	343,584	705,390	54,664	1,103,638

Accumulated depreciation				
Balance as at Dec. 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 Dec. 31, 2024	(77,868)	(379,794)	(42,919)	(500,581)

Net carrying value as at Dec. 31, 2024	265,716	325,596	11,745	603,057
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16.3 Additional information

For the year ended December 31, 2025, acquisitions of property, plant and equipment included investment and innovation tax credits of \$7,755,000 and borrowing costs of \$3,306,000, determined with a weighted average capitalization rate of 6.4%.

As at December 31, 2025, an amount of \$165,053,000 of property, plant and equipment in progress was included in cost (\$49,842,000 as at December 31, 2024).

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

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

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

17.2 Reconciliation table

	Technologies and software	Trademarks and trade name	Customer relationships	Certifications	Total
	\$	\$	\$	\$	\$
Cost					
Balance as at Dec. 31, 2024	63,943	200,271	368,816	14,387	647,417
Acquisitions	6,423	–	150	–	6,573
Disposals and write-offs	(1,179)	(2,412)	(420)	(13,851)	(17,862)
Exchange difference	(916)	(8,734)	(16,706)	(536)	(26,892)
Balance as at Dec. 31, 2025	68,271	189,125	351,840	–	609,236
Accumulated amortization					
Balance as at Dec. 31, 2024	(24,401)	(92,395)	(179,937)	(14,387)	(311,120)
Amortization	(4,430)	(9,480)	(32,947)	–	(46,857)
Disposals and write-offs	1,179	2,412	12	13,851	17,454
Exchange difference	797	4,167	8,639	536	14,139
Balance as at Dec. 31, 2025	(26,855)	(95,296)	(204,233)	–	(326,384)
Net carrying value as at Dec. 31, 2025	41,416	93,829	147,607	–	282,852
Cost					
Balance as at Dec. 31, 2023	51,487	153,654	223,207	13,224	441,572
Acquisitions	10,835	–	1,720	–	12,555
Acquisitions through a business 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 Dec. 31, 2024	63,943	200,271	368,816	14,387	647,417
Accumulated amortization					
Balance as at Dec. 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 Dec. 31, 2024	(24,401)	(92,395)	(179,937)	(14,387)	(311,120)
Net carrying value as at Dec. 31, 2024	39,542	107,876	188,879	–	336,297

Notes to the Consolidated Financial Statements

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Note 18. Goodwill

18.1 Reconciliation table

	LPC ⁱ⁾	Summer Garden	ALI ⁱⁱ⁾	LSI ⁱⁱⁱ⁾	Total
	\$	\$	\$	\$	\$
Balance as at Dec. 31, 2024	274,613	133,263	70,765	20,074	498,715
Exchange difference	(13,035)	(6,326)	(2,574)	(853)	(22,788)
Balance as at Dec. 31, 2025	261,578	126,937	68,191	19,221	475,927
Balance as at Dec. 31, 2023	252,417	–	66,382	2,096	320,895
Acquisitions through a business combination	–	127,257	–	17,167	144,424
Exchange difference	22,196	6,006	4,383	811	33,396
Balance as at Dec. 31, 2024	274,613	133,263	70,765	20,074	498,715

i) Lassonde Pappas and Company, Inc. ("LPC").

ii) A. Lassonde Inc. ("ALI").

iii) Lassonde Specialties Inc. ("LSI").

18.2 Goodwill impairment test

The Corporation performed annual goodwill impairment tests on its CGUs as at December 31, 2025 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.

No goodwill impairment loss was recognized for the years ended December 31, 2025 and 2024. The Corporation has not changed the valuation method used for goodwill impairment testing since the test conducted during the year ended December 31, 2024.

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. Growth in the Corporation's operating profit is derived from past experience and growth projects implemented by management. It 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 calculated using 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 or discount, size premium, and GCU-specific risk premium.

	LPC	Summer Garden	ALI	LSI
	%	%	%	%
Terminal growth rate	2.5	2.5	2.5	2.5
Discount rate	13.2	13.6	12.6	13.7

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

For the LPC CGU, a 1.0% increase in the discount rate would have resulted in the recoverable value being equal to the carrying amount. No reasonable possible change to the terminal growth rate would cause the carrying amount to exceed the recoverable value.

For the Summer Garden, ALI and LSI CGUs, no reasonable possible change to the terminal growth rate or the discount rate would cause the carrying amount to exceed the recoverable value.

Note 19. Accounts Payable and Accrued Liabilities

	As at Dec. 31, 2025	As at Dec. 31, 2024
	\$	\$
Trade payables and accrued expenses	251,544	321,908
Trade spending	53,204	50,368
Salaries and accrued vacation payable	48,303	56,645
Other	226	662
	353,277	429,583

Note 20. Other Current Liabilities

	As at Dec. 31, 2025	As at Dec. 31, 2024
	\$	\$
Contingent considerations payable related to a business combination	18,407	20,996
Current portion of long-term incentive plan liabilities	7,576	1,740
Liabilities related to assets held for sale	829	941
Other	7,500	6,447
	34,312	30,124

Note 21. 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 March 2026 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 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

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Note 22. Long-Term Debt

	Note	As at Dec. 31, 2025 \$	As at Dec. 31, 2024 \$
Canadian credit facilities			
Revolving credit, floating rate, expiring in April 2028	22.1	79,424	264,695
U.S. credit facilities			
Revolving credit, floating rate, expiring in June 2029	22.2	7,337	133,674
Term loan, floating rate, maturing in June 2029		340,896	–
Diamond credit facilities			
Revolving credit, floating rate, expiring in March 2026	22.3	11,303	9,637
Term loan, floating rate, maturing in March 2026		1,400	2,847
Demand loan, floating rate, matured in July 2025		–	2,500
Debentures payable			
Convertible debentures, fixed rate, expiring in November 2026	22.4	4,211	3,898
		444,571	417,251
Current portion of long-term debt		(16,914)	(18,882)
		427,657	398,369

22.1 Canadian credit facilities

The Canadian credit facilities were provided by a syndicate of financial institutions to support the Corporation's Canadian operations. The Canadian credit facilities consist of a revolving operating credit facility ("CA revolving credit") of \$475,000,000.

22.1.1 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. Borrowings under the CA revolving credit bear interest at the Canadian and/or U.S. prime rate, plus 0 to 100 basis points, and/or bear interest at SOFR and/or at CORRA, plus 115 to 225 basis points. Interest margins vary based on a prescribed financial ratio.

The Canadian credit facilities provide the Corporation with the option, subject to the participation of each lender, to raise borrowing capacity of the CA revolving credit by an amount not exceeding \$50,000,000 and to extend, on each anniversary date, its expiry date by one year, under the same terms and conditions. In August 2025, 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.

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 its financial ratios as at December 31, 2025 and 2024.

22.2 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. 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 and a term loan ("U.S. term loan") of US\$250,000,000. Prior to this agreement, the facilities consisted solely of a US\$160,000,000 revolving operating credit expiring in January 2026.

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22.2.1 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 SOFR plus 150 to 250 basis points and/or at CORRA plus 150 to 250 basis points. The applicable interest margins vary based on a prescribed financial ratio.

22.2.2 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 last business day 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 credit facilities contain certain conditions and restrictive covenants, including an obligation to maintain certain prescribed financial ratios. The Corporation was in compliance with all its financial ratios as at December 31, 2025 and 2024. As at December 31, 2025, the entirety of the assets of the Corporation's main U.S. subsidiaries is pledged as collateral, i.e., \$1,497,668,000. As at December 31, 2024, the entirety of the assets of LPC and its subsidiaries is pledged as collateral, i.e., \$1,127,484,000.

22.3 Diamond credit facilities

The Diamond Estates Wines & Spirits Inc. ("Diamond") credit facilities were provided to support the operations of this subsidiary of the Corporation. The Diamond credit facilities consist of a revolving operating credit ("Diamond revolving credit") with an authorized amount of \$11,400,000 and a term loan ("Diamond term loan") with an authorized amount of \$2,982,000. Prior to its repayment in June 2025, the Diamond credit facilities also included a demand loan ("Diamond demand loan") of \$2,500,000. In November 2025, the Diamond credit facilities were amended to extend the maturity of the credit facilities to March 2026 and to provide a temporary increase of \$3,600,000 in the authorized amount of the Diamond revolving credit.

22.3.1 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 temporary increase in the authorized amount of the Diamond revolving credit granted in November 2025 ends at the earlier of the date requested by Diamond or the new maturity date of the Diamond credit facilities. The amounts borrowed under this increase are guaranteed by Lassonde Industries Inc. The Diamond revolving credit bears interest at Canadian prime rate plus 240 basis points, except during the period the authorized amount is increased, when it bears interest at Canadian prime rate plus 265 basis points.

22.3.2 Diamond term loan

The Diamond term loan bears interest at the Canadian prime rate plus 265 basis points. The principal on the Diamond term loan is repayable in quarterly payments of \$135,000.

22.3.3 Diamond demand loan

The Diamond demand loan bore interest at the Canadian prime rate plus 315 basis points. It was repayable at the earliest of the following: the lender demanding repayment, the receipt of a grant receivable, or its maturity in July 2025. The Diamond demand loan was 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, 2025, all these ratios were met. As at December 31, 2024, the fixed-charge coverage ratio was not met. Diamond is in refinancing discussions with its financial institution. The entirety of the assets of Diamond and its subsidiaries is pledged as collateral, i.e., \$55,182,000 as at December 31, 2025 (\$57,527,000 as at December 31, 2024).

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

22.4 Debentures payable

The unsecured debentures were issued by Diamond as part of a private placement. The debentures matured in November 2025 and were converted into new debentures maturing in November 2026. They bear interest at 10.0% and are convertible and the holder's discretion into Diamond common shares at a conversion price of \$0.22 per share (\$0.24 per share prior to the conversion).

22.5 Letters of credit

As at December 31, 2025, the Corporation had letters of credit outstanding totalling \$754,000 (\$1,472,000 as at December 31, 2024).

Note 23. Shareholders' Equity

23.1 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.

23.2 Share capital issued and outstanding

	As at Dec. 31, 2025		As at Dec. 31, 2024	
	(in units)	\$	(in units)	\$
Class A	3,069,000	40,674	3,069,000	40,674
Class B	3,752,620	5,986	3,752,620	5,986
	6,821,620	46,660	6,821,620	46,660

23.3 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, 2025, the Corporation declared and paid dividends totalling \$4.40 per share (\$4.00 per share in 2024) to the holders of Class A and B shares.

On February 10, 2026, the Corporation declared a dividend of \$1.25 per share to the holders of Class A and B shares registered on February 20, 2026. The dividend totalling \$8,527,000 was paid on March 13, 2026.

23.4 Earnings per share

For the years ended December 31, 2025 and 2024, there were no dilutive items.

23.5 Non-controlling interests

23.5.1 Composition

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: LPC; Apple & Eve, LLC; Old Orchard Brands, LLC; Sun-Rype Concentrates, Inc.; and Sun-Rype Products (USA), Inc. During the year ended December 31, 2025, 3346625 Canada Inc. made, according to its proportionate equity interest, an equity investment of \$3,577,000 in PLH.

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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 shareholders' equity as a non-controlling interest.

Diamond

As at December 31, 2025, 3346625 Canada Inc. owns a 3.1% interest in Diamond and third parties own a 48.5% interest, for a total non-controlling interest of 51.6% (respectively, 3.2%, 46.8% and 50.0%, as at December 31, 2024).

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.

23.5.2 Summarized financial information

The following tables present certain financial information of subsidiaries subject to non-controlling interests. They include Summer Garden as of August 8, 2024.

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Sales	1,507,868	1,291,434
Operating profit	42,087	21,707
Profit (loss)	1,768	17
Profit (loss) attributable to the non-controlling interests	(325)	(732)
Comprehensive income (loss)	(43,918)	65,785
Comprehensive income (loss) attributable to the non-controlling interests	(4,894)	5,845
	As at	As at
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Current assets	416,880	451,033
Non-current assets	1,152,742	1,146,757
Current liabilities	254,426	311,634
Non-current liabilities	477,703	446,062
Shareholders' equity	837,493	840,094
Shareholders' equity attributable to the non-controlling interests	95,592	95,778

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Note 24. Additional Cash Flow Information**24.1 Change in non-cash operating working capital items**

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Accounts receivable	(3,474)	1,425
Inventories	(6,298)	(35,050)
Other current assets	829	2,631
Accounts payable and accrued liabilities	(62,601)	42,411
Other current liabilities	1,014	2,241
	(70,530)	13,658

24.2 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, 2025	Dec. 31, 2024
	\$	\$
Cash	6,401	27,824
Cash equivalents ⁱ⁾	1,559	403
Bank overdraft	(814)	(1,251)
	7,146	26,976

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

24.3 Non-cash transactions

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

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Unpaid acquisitions of property, plant and equipment at the beginning of the year	34,578	8,838
Unpaid acquisitions of property, plant and equipment at the end of the year	33,470	34,578
Investment and innovation tax credits included in property, plant and equipment acquisitions, net of credits received	6,481	(162)
Unpaid acquisitions of intangible assets at the beginning of the year	563	287
Unpaid acquisitions of intangible assets at the end of the year	22	563
Acquisition of intangible assets through the issuance of Diamond common shares to the non-controlling interest	150	1,300
Net increase (decrease) in right-of-use assets	(519)	11,610
Net increase (decrease) in lease liabilities	(585)	11,984

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

24.4 Change in liabilities and assets arising from financing activities

	Lease liabilities ⁱ⁾	Long-term debt ⁱⁱ⁾	Transaction costs ⁱⁱⁱ⁾
	\$	\$	\$
Balance as at Dec. 31, 2024	60,239	417,251	630
Change arising from financing activities			
Change in revolving operating credit, net of transaction costs	–	(290,103)	2,391
Increase in long-term debt, net of transaction costs	–	341,341	–
Repayment of lease liabilities	(5,913)	–	–
Repayment of long-term debt	–	(3,947)	–
Change arising from non-cash transactions			
Amortization of transaction costs	–	335	(803)
Net increase (decrease) in lease liabilities	(585)	–	–
Exchange difference	(1,072)	(20,619)	(3)
Other	–	313	–
Balance as at Dec. 31, 2025	52,669	444,571	2,215
Balance as at Dec. 31, 2023	47,831	162,689	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 lease liabilities	(4,810)	–	–
Repayment of long-term debt	–	(9,688)	–
Change arising from non-cash transactions			
Amortization of transaction costs	–	3	(822)
Net increase (decrease) in lease liabilities	11,984	–	–
Increase in lease liabilities through a business combination	3,580	–	–
Exchange difference	1,654	20,420	17
Other	–	(649)	–
Balance as at Dec. 31, 2024	60,239	417,251	630

i) Includes the current portion of lease liabilities.

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

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

24.5 Cash outflows related to leases

During the year ended December 31, 2025, the Corporation paid a total amount of \$16,283,000 in relation to leases (\$11,892,000 during the year ended December 31, 2024).

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Year ended December 31, 2025

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Note 25. 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 revaluations of the RSUs and SARs are recognized in profit or loss as a compensation expense over their vesting periods. A compensation expense of \$7,666,000 was recognized during the year ended December 31, 2025 (\$4,430,000 in 2024) 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.

25.1 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 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, 2025	Dec. 31, 2024
	(in units)	(in units)
Outstanding at beginning	60,930	48,986
Granted	15,449	16,301
Dividend equivalents	1,323	1,478
Paid	(10,082)	(5,698)
Cancelled	(2,752)	(137)
Outstanding at end	64,868	60,930

25.2 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 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 a Class A share at the grant date of the SAR.

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 shares over the last five trading days before the reporting date. Assumptions are also based on an assessment made by the Corporation's management on the expected dividend rate, expected volatility, and expected attrition rate.

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

The following table presents the change in outstanding SARs:

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	(in units)	(in units)
Outstanding at beginning	110,700	83,072
Granted	26,428	27,628
Cancelled	(4,368)	–
Outstanding at end	132,760	110,700

As at December 31, 2025, a total of 76,664 SARs were vested by the participants (47,374 SARs as at December 31, 2024).

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, 2025	Dec. 31, 2024
Weighted average fair value of granted SARs during the year	\$52.60	\$39.73
Assumptions:		
Expected dividend yield	1.9%	2.3%
Expected volatility ⁱ⁾	27.9%	25.8%
Risk-free interest rate	2.7%	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 26. Post-Employment Benefits

The post-employment benefit balances reported on the Consolidated Statement of Financial Position include the following items:

	Note	Years ended	
		Dec. 31, 2025	Dec. 31, 2024
		\$	\$
Defined benefit pension plans	26.2	2,300	6,199
Net defined benefit asset		2,300	6,199
Defined contribution pension plan administered by the Corporation	26.1	1,455	1,009
Defined benefit pension plans	26.2	404	326
Net pension plan liabilities		1,859	1,335

26.1 Defined contribution pension plans

The Corporation recognizes the contributions made under defined contribution pension plans in profit or loss as a compensation expense in the period in which the employees rendered the services entitling them to the contributions. The cost of the defined contribution pension plans was \$12,591,000 for the year ended December 31, 2025 (\$10,965,000 for the year ended December 31, 2024).

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26.1.1 Defined contribution pension plans administered by third parties

The defined contribution pension plans offered by the Corporation are contributory and involve contributions that vary with the rules specific to each plan. The assets of these pension plans are held by trustees on behalf of the employees. Contributions paid by the Corporation become the immediate property of the employees. No liability is recorded in the Consolidated Statement of Financial Position for these plans.

26.1.2 Defined contribution pension plan administered by the Corporation

The Corporation offers a defined contribution supplemental executive retirement plan to certain senior executives. The contributions allocated to participants are credited to an unfunded notional account. 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 participant's age. The contributions and the investment income of this plan vest after one year of service. The liability is presented in net pension plan liabilities in the Corporation's Consolidated Statement of Financial Position.

26.2 Defined benefit pension 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 participant's retirement, the plan guarantees payment of an annuity for a minimum of 120 months.

The DB SERP is administered by the Corporation under the supervision of the human resources and 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 mandate. 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 participants.

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, 2025. 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.

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

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

All defined benefit pension plans are closed to new participants.

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26.2.1 Change in net defined benefit asset (liability)

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Fair value of pension plan assets		
Balance at beginning	72,316	89,250
Employer net withdrawals	–	(9,811)
Benefits paid	(5,157)	(6,386)
Administrative expenses	–	(45)
Interest income	3,313	4,131
Return on defined benefit plan assets, except for interest income	(5,182)	(4,823)
Balance at end	65,290	72,316
Present value of the defined benefit obligation		
Balance at beginning	66,443	67,526
Current service cost	973	1,443
Settlement cost	–	40
Interest cost	3,080	3,154
Benefits paid	(5,157)	(6,386)
Actuarial gains and losses arising from experience adjustments	(924)	298
Actuarial gains and losses arising from changes in financial assumptions	(1,021)	368
Balance at end	63,394	66,443
Net defined benefit asset (liability)	1,896	5,873

As at December 31, 2025, the weighted average duration of the defined benefit obligation was 11.0 years (11.6 years as at December 31, 2024).

26.2.2 Composition of pension plan assets

	As at	As at
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Assets quoted in an active market		
Fixed income	22,535	27,295
Shares ⁱ⁾	5,068	6,624
Cash and treasury bills	4,195	519
Assets not quoted in an active market		
Refundable tax account held by the CRA	33,492	37,878
	65,290	72,316

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

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26.2.3 Benefit cost recognized in profit or loss

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Current service cost	973	1,443
Settlement cost	–	40
Net interest	(233)	(977)
Administrative expenses	–	45
	740	551

26.2.4 Benefit cost recognized in other comprehensive income

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Actuarial gains and losses	(1,945)	666
Return on defined benefit plan assets, except for interest income	5,182	4,823
	3,237	5,489

26.2.5 Exposure to actuarial risk

Investment risk

A return rate on plan assets lower than the discount rate used to calculate the defined benefit obligation, which would create a deficit, would increase the required contributions.

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.

Salary risk

An increase in salaries would increase benefits paid to plan participants and would increase the present value of the defined benefit obligation.

Inflation risk

An increase in inflation would increase benefits paid to participants, up to the annual indexation ceiling of 3.0%, and would increase the present value of the defined benefit obligation.

Longevity risk

An increase in the life expectancy of plan participants would increase the duration of benefits paid and would increase the present value of the defined benefit obligation.

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26.2.6 Actuarial assumptions

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

	As at Dec. 31, 2025	As at Dec. 31, 2024
Defined benefit obligation		
Discount rate	4.9%	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%	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⁾

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

Sensitivity analysis

The sensitivity analyses of the defined benefit obligation as at December 31, 2025 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	Impact on the obligation given	
		an increase in assumption	a decrease in assumption
		\$	\$
Discount rate	0.50%	(3,215)	3,514
Expected rate of compensation increase	0.50%	226	(223)
Indexation rate of pensions paid	0.25%	458	(439)
Mortality table: Life expectancy of participants	1 year	1,724	(1,651)

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 effects of these risks on its profit or loss.

Risk management is conducted by the corporate treasury department and the Management Committee. Under these policies, speculative trading is prohibited. The corporate treasury department identifies, assesses and hedges the financial risks in close collaboration 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.

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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, 2025 and 2024, cash and cash equivalents and derivative instrument assets were held in reputable financial institutions, and management deemed the risk of loss to be negligible. In addition, the Corporation has entered into International Swap and Derivatives Association Inc. enforceable master netting agreements with all of the counterparties with which it trades over-the-counter derivatives. 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. The credit risk of accounts receivable is the potential inability of customers to meet their obligations. Accounts receivable amounts are presented 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 Corporation regularly examines and reviews the financial position of existing customers and applies rigorous procedures to assess the creditworthiness of new customers. Credit limits and terms of credit are set per customer and are regularly reviewed. They 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.

The tables below show the Corporation's trade accounts receivable aging, net of the expected credit losses:

	As at Dec. 31, 2025				
	0 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	\$	\$	\$	\$	\$
Current	163,837	19,404	–	–	183,241
Past due	–	8,328	4,120	3,570	16,018
	163,837	27,732	4,120	3,570	199,259

	As at Dec. 31, 2024				
	0 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	\$	\$	\$	\$	\$
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

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, 2025 and 2024, the expected credit losses were insignificant.

The three largest customers accounted for 45.9% of the trade accounts receivable balance as at December 31, 2025 (42.2% as at December 31, 2024) and for 40.2% of the Corporation's sales for the year ended December 31, 2025 (40.2% of sales for the year ended December 31, 2024). Each of these three customers accounted for more than 10% of the Corporation's sales for the year ended December 31, 2025, i.e., for 16.5%, 12.1%, and 11.6%, respectively (16.1%, 12.4%, and 11.7%, respectively, of sales for the year ended December 31, 2024).

As at December 31, 2025 and 2024, the Corporation's maximum exposure to credit risk corresponds to the carrying amount of the cash and cash equivalents, the accounts receivable, and the derivative instrument assets presented on the Consolidated Statement of Financial Position.

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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 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. Term loans are mainly used to finance the Corporation's long-term obligations arising 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 when it deems that it will be able to repay this amount in the medium term. The revolving credit facilities are described in Note 22.

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

	2026	2027	2028	2029	2030	2031 and thereafter
	\$	\$	\$	\$	\$	\$
Bank overdraft	814	–	–	–	–	–
Accounts payable and accrued liabilities	353,277	–	–	–	–	–
Derivative instruments	3,333	9	737	–	–	–
Contingent considerations payable related to a business combination	18,407	–	–	–	–	–
Liabilities related to assets held for sale	829	–	–	–	–	–
Lease liabilities	5,072	4,299	3,677	3,789	3,978	31,854
Long-term debt	16,914	19,274	105,123	305,014	–	–
Interest payments ⁱ⁾	30,603	29,559	24,592	10,396	1,833	10,003
	429,249	53,141	134,129	319,199	5,811	41,857

i) Floating-rate interest payments are calculated using interest rates prevailing on the reporting date.

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 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.

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

The following table presents a summary of the Corporation's interest rate swaps. These swaps are designated in a hedging relationship.

	As at Dec. 31, 2025			Total net fair value
	Maturity	Fixed / floating rate	Total notional amount	
				\$
Interest rate swaps – Fixed-rate payer	Dec. 2027	3.29% / 3-month term SOFR	US\$50,000,000	(9)

Sensitivity analysis

According to the balances of the Corporation's floating-rate loans and interest rate swaps as at December 31, 2025, all other factors being equal, a 1% increase in the interest rate would have had an unfavourable impact of \$2,746,000 on profit or loss and a favourable impact of \$914,000 on other comprehensive income. 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 and other comprehensive income.

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 denominated in foreign currencies; and
- The value of transactions denominated in foreign currencies, mainly sales and purchases of raw materials and equipment.

The following table presents a summary of financial instruments denominated in foreign currencies:

	As at Dec. 31, 2025	As at Dec. 31, 2024
	\$	\$
Financial assets		
Cash and cash equivalents	5,619	3,266
Accounts receivable	38,662	38,373
Derivative instruments	1,685	510
Financial liabilities		
Accounts payable and accrued liabilities	44,258	73,082
Derivative instruments	1,113	180
Other current liabilities	840	195
Long-term debt	78,810	201,446
Long-term incentive plan liabilities	1,835	1,563

The Corporation's objective is to mitigate the impact of foreign exchange rate fluctuations on its profit or loss, on certain foreign currency purchases of capital assets, and on certain debts denominated in foreign currencies. The Corporation identifies, by geographic segment, any potential foreign exchange risk arising from its operations. To mitigate foreign exchange risk, the Corporation employs various strategies, including the use of derivative instruments and natural hedge management techniques.

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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 presented in Note 11.3.

As at Dec. 31, 2025				
	Maturity	Rate	Total contractual amount	Total net fair value
				\$
Forward contracts – US\$/C\$ purchase	1 to 10 months	C\$1.34 to 1.41	US\$208,500,000	(1,415)
Forward contracts – €/C\$ purchase	1 to 12 months	C\$1.49 to 1.62	€9,537,000	(104)
Forward contracts – €/US\$ purchase	1 to 12 months	US\$1.06 to 1.17	€12,100,000	671

As at Dec. 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)

Sensitivity analysis

According to the balances of financial instruments denominated in foreign currencies as at December 31, 2025 and according to foreign exchange forward contracts on that date, all other factors being equal, a \$0.05 per unit increase in foreign currency exchange rates would have had a favourable impact of \$989,000 on profit or loss and a favourable impact of \$5,168,000 on other comprehensive income. A \$0.05 per unit decrease in foreign currency exchange rates would have had an impact of a similar magnitude but in the opposite direction on the Corporation's profit or loss and other comprehensive income.

27.3.3 Price risk

Raw material price risk

Raw material price risk is the Corporation's exposure to an increase or decrease in its gross profit due to fluctuations in the cost of its raw materials.

To mitigate the effects of certain raw material price fluctuations, the Corporation employs various strategies, including fixed-price supply agreements, sales agreements with a variable component linked to the cost of the raw material, and derivative instruments such as frozen concentrated orange juice futures.

The following tables present a summary of the Corporation's frozen concentrated orange juice futures. These derivative instruments are subject to hedge accounting.

As at Dec. 31, 2025				
	Maturity	Fixed price	Total quantity	Total net fair value
				\$
Futures	3 to 7 months	US\$1.50 to 3.08 / lbs sol.	8,265,000 lbs sol.	1,186

As at Dec. 31, 2024				
	Maturity	Fixed price	Total quantity	Total net fair value
				\$
Futures	3 to 5 months	US\$4.38 to 4.95 / lbs sol.	3,330,000 lbs sol.	639

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Sensitivity analysis

According to the frozen concentrated orange juice futures as at December 31, 2025, all other factors being equal, a 10% increase in the price of frozen concentrated orange juice would have had a favourable impact of \$1,664,000 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.

Equity price risk

Equity price risk is the Corporation's exposure to an increase or decrease in the value of its Class A shares. The Corporation is exposed to equity price risk given that the performance of Class A shares impacts the fair value of its long-term incentive plan.

To mitigate the impacts of Class A share price fluctuations on the fair value of the long-term incentive plan, the Corporation enters into total return swaps for these shares.

The following tables present a summary of the Corporation's total return swaps. The total return swaps are not subject to hedge accounting.

As at Dec. 31, 2025				
	Maturity	Fixed price	Total quantity	Total net fair value
				\$
Total return swaps	Nov. 2027	\$181.43 / share	85,275 shares	3,171
Total return swaps	Nov. 2028	\$230.60 / share	60,236 shares	(737)
As at Dec. 31, 2024				
	Maturity	Fixed price	Total quantity	Total net fair value
				\$
Total return swaps	Dec. 2025	\$176.80 / share	36,345 shares	283
Total return swaps	Nov. 2027	\$177.30 / share	43,116 shares	281

Sensitivity analysis

According to grants made under the long-term incentive plan and the total return swaps as at December 31, 2025, all other factors being equal, a 10% increase in the Class A share price would have had an unfavourable impact of \$90,000 on profit or loss, whereas a 10% decrease would have had a favourable impact of \$13,000 on the Corporation's profit or loss.

Note 28. Capital Management

The Corporation's capital is composed of net debt and shareholders' equity. Net debt is defined as long-term debt, lease liabilities, and their current portions, net of cash and cash equivalents. The Corporation monitors its capital using the net debt to earnings before interest, taxes, depreciation, amortization and other items ("adjusted EBITDA") ratio.

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

- ♦ Manage capital so as not to exceed, all other factors being equal, a net debt to adjusted EBITDA ratio of 3.25:1, 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.

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The Corporation manages its capital structure and can adjust it in light of changes in economic conditions. Share repurchases and issuances as well as long-term debt and lease liability usage are the main tools that the Corporation may use to adjust its net debt to adjusted EBITDA ratio. The declaration and payment of dividends as well as their amount are the prerogative of the Corporation's Board of Directors.

As at December 31, 2025, the net debt to adjusted EBITDA ratio was 1.42:1 (1.63:1 as at December 31, 2024).

Note 29. Commitments and Contingencies

29.1 Commitments

	2026	2027	2028	2029	2030	2031 and thereafter
	\$	\$	\$	\$	\$	\$
Service and marketing agreements	7,855	1,546	1,408	1,076	1,076	7,012
Commitments to purchase raw materials ⁱ⁾	304,978	5,307	–	–	–	–
Commitments to purchase property, plant and equipment	178,355	–	–	–	–	–
Commitments to purchase intangible assets	834	–	–	–	–	–
	492,022	6,853	1,408	1,076	1,076	7,012

i) Certain raw materials purchase commitments were established using market prices as at December 31, 2025. They are therefore subject to future fluctuations.

29.2 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 segment, which combines the beverage and specialty food products operating segments. These operating segments were grouped together given a similarity in their economic characteristics, including similar products and manufacturing processes, as well as and similar customers and distribution methods. This single reportable segment generates its revenue from the sale of a wide range of products, including fruit drinks, sauces, soups and broths, fruit snacks, and alcoholic beverages, as well as from the rendering of services related to the sale of these products.

Sales are attributed to geographic segments 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.

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30.1 Sales by geographic segment

	Years ended	
	Dec. 31, 2025	Dec. 31, 2024
	\$	\$
Canada	1,269,524	1,165,853
United States	1,660,456	1,429,160
Other	4,038	5,878
	2,934,018	2,600,891

30.2 Certain non-current assets and goodwill by geographic segment

	As at Dec. 31, 2025		
	Canada	United States	Total
	\$	\$	\$
Right-of-use assets	30,098	15,976	46,074
Property, plant and equipment	287,719	413,234	700,953
Intangible assets	51,287	231,565	282,852
Goodwill	18,637	457,290	475,927

	As at Dec. 31, 2024		
	Canada	United States	Total
	\$	\$	\$
Right-of-use assets	33,615	20,982	54,597
Property, plant and equipment	277,701	325,356	603,057
Intangible assets	49,867	286,430	336,297
Goodwill	18,637	480,078	498,715

Note 31. Related Party Transactions

As at December 31, 2025 and 2024, 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, 2025 and 2024, this entity held 0.4% of the Class A subordinate voting shares, 100.0% of the Class B multiple voting shares, and 92.5% of the Corporation's voting rights.

The entire non-controlling interest of PLH and Summer Garden, as well as a portion 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 23.5.

31.1 Transactions and balances between related parties

In the normal course of business, the Corporation enters into transactions with related parties. These transactions include the purchase of raw materials, employment, the payment of royalties, and financing. All these transactions are carried out under market terms and conditions.

Key management personnel include the members of the Board of Directors and of the Management Committee. Other related parties include close family members of the key management personnel and entities controlled by the key management personnel.

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	Year ended Dec. 31, 2025			Total
	3346625 Canada Inc.	Key management personnel	Other related parties	
	\$	\$	\$	\$
Transactions				
Cost of sales	–	–	127	127
Selling and administrative expenses	363	21,770 ⁱ⁾	216	22,349
Financial expenses	285	–	–	285
Dividends paid	16,571	102	–	16,673
Account balances				
Accounts receivable	–	–	9	9
Accounts payable and accrued liabilities	947	17	–	964
Long-term debt	2,850	–	–	2,850

i) Includes the compensation presented in Note 31.2.

	Year ended Dec. 31, 2024			Total
	3346625 Canada Inc.	Key management personnel	Other related parties	
	\$	\$	\$	\$
Transactions				
Cost of sales	–	–	187	187
Selling and administrative expenses	239	16,680 ⁱ⁾	213	17,132
Financial expenses	285	–	–	285
Dividends paid	15,064	97	–	15,161
Account balances				
Accounts receivable	4	–	8	12
Accounts payable and accrued liabilities	849	18	–	867
Long-term debt	2,850	–	–	2,850

i) Includes the compensation presented in Note 31.2.

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, 2025	Dec. 31, 2024
	\$	\$
Short-term employee benefits	11,132	9,343
Directors' fees	1,034	1,225
Share-based payment for long-term employee benefits ⁱ⁾	8,080	4,715
Post-employment benefits	1,507	1,379
	21,753	16,662

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

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*(tabular amounts are in thousands of Canadian dollars unless otherwise indicated)***Note 32. Main Subsidiaries**

	Consolidation method	Country	% of ownership	
			2025	2024
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. ⁱ⁾	Fully consolidated	United States	90.0%	90.0%
Apple & Eve, LLC ⁱ⁾	Fully consolidated	United States	90.0%	90.0%
Old Orchard Brands, LLC ⁱ⁾	Fully consolidated	United States	90.0%	90.0%
Sun-Rype Concentrates, Inc. ⁱ⁾	Fully consolidated	United States	90.0%	90.0%
Sun-Rype Products (USA), Inc. ⁱ⁾	Fully consolidated	United States	90.0%	90.0%
Zidian Manufacturing, LLC ⁱⁱ⁾	Fully consolidated	United States	90.0%	90.0%
Diamond Estates Wines & Spirits Inc. ⁱⁱⁱ⁾	Fully consolidated	Canada	48.4%	50.0%

i) PLH is the parent company of these main subsidiaries.

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

iii) The Corporation has concluded that it exercises control over Diamond since it has the right to appoint four of the seven directors to its board of directors.