# Annual Management's Discussion & Analysis

## Year ended December 31, 2025

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# 1 Basis of Presentation

The following Management's Discussion and Analysis ("MD&A") presents the factors that had a significant impact on the results, financial position, and cash flows of Lassonde Industries Inc. ("Lassonde" or the "Corporation"). This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements ("consolidated financial statements") and accompanying notes. In addition to containing an analysis of the fourth quarter and year ended December 31, 2025, this MD&A reports on items deemed significant that have taken place from December 31, 2025 up to and including March 26, 2026, which is the date on which this MD&A was approved by the Corporation's Board of Directors (the "Board"). The financial information in this MD&A has been prepared in accordance with IFRS® Accounting Standards ("IFRS"). Unless otherwise indicated, the reporting currency for figures is the Canadian dollar and all dollar amounts are expressed in millions, which may cause calculation discrepancies due to rounding.

The MD&A is available on the Lassonde Industries Inc. website at www.lassonde.com. Readers will also find this MD&A, the Annual Information Form for the fiscal year ended December 31, 2025, additional documents, press releases, certifications of filings, and more information about the Corporation on the SEDAR+ website at www.sedarplus.ca. Printed copies of such documents may be obtained by contacting Lassonde's Corporate Secretary's Office. The Class A subordinate voting shares of Lassonde Industries Inc. are listed for trading on the Toronto Stock Exchange under the ticker symbol LAS.A.

**This document contains financial measures not in accordance with IFRS.** Lassonde reports its financial results in accordance with IFRS and generally assesses its financial performance using financial measures or ratios that are prepared using IFRS. However, this MD&A also refers to certain measures or ratios that are not in accordance with IFRS, including the following: Earnings before interest, taxes, depreciation, and amortization ("EBITDA"); Adjusted EBITDA; Adjusted profit attributable to the Corporation's shareholders; Adjusted basic and diluted earnings per share; Operating working capital; Days operating working capital; Capital employed and sources of capital; Return on capital employed; Net debt; and Net debt to adjusted EBITDA. These measures may not be comparable to similar measures presented by other issuers. Refer to *Section 18 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable. The Corporation uses measures and ratios that are not in accordance with IFRS to provide investors with supplemental metrics to assess and measure its operating performance and financial position from one period to the next. These metrics are presented as a complement to enhance the understanding of Lassonde's financial performance but not in substitution of IFRS measures. In addition, measures that are not in accordance with IFRS should not be viewed as a substitute to the related financial information prepared in accordance with IFRS.

# 2 Forward-Looking Statements

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

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

In this report, forward-looking statements include, but are not limited to, those set forth in *Section 7 – "Outlook"* hereafter, which also presents some (but not all) of the key assumptions used in determining the forward-looking statements. Some of the forward-looking statements in this report, such as statements concerning sales, key commodity and input costs, effective tax rate, working capital and capital expenditures may be considered financial outlooks for the purposes of applicable Canadian securities regulations. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes.

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

The significant factors that could cause actual results to differ materially from the conclusions, forecasts or projections reflected in the forward-looking statements contained herein include, among other things and without limitations, risks associated with the following: deterioration of general macroeconomic or socioeconomic conditions, including ongoing conflicts, trade and industrial policy frictions among major economies and the increased use of economic sanctions (including tariffs, duties and other trade restrictions), which can lead to negative impacts on the Corporation's suppliers, customers and operating costs; the availability of raw materials and packaging and related price variations, more specifically for the Corporation's key commodities together with the effectiveness of its related hedging strategies; the ability to adapt to changes and developments affecting the Corporation's industry, including customer preferences, tastes,

and buying patterns, market conditions, retail dynamics, the potential for consumer purchasing decisions to be influenced by perceived social or political alignment in the context of trade conflicts and the activities of competitors and customers; the risk that competitors may have access to better technology, including artificial intelligence and digital marketing capabilities; disruptions in, failures of, or cybersecurity threats targeting the Corporation's information technology systems leading to business disruptions, compromised data integrity, confidentiality breaches, or business email compromise-related fraud; the successful deployment of the Corporation's multi-year strategy (the "Strategy", defined in *Section 4 – "Multi-Year Strategy"* of this MD&A), including the successful execution of its key capital projects along with the materialization of the underlying expected benefits; dependence on licensed or third-party brand arrangements that are subject to renewal, termination, or modification by the brand owner, where any adverse change could result in lost sales or additional costs; the ability to revitalize the performance of the Corporation's U.S. beverage subsidiaries; climate change and disasters causing higher operating costs and capital expenditures and reduced production output, or impacting the availability, quality or price volatility of key commodities sourced by the Corporation; the potential for work stoppages due to the non-renewal or the inability to conclude collective bargaining agreements or other reasons; the Corporation's ability to effectively integrate any acquisitions; loss of or disputes with key suppliers or supplier concentration; changes made to laws and rules that affect the Corporation's activities, particularly in matters of tax, as well as the interpretation thereof, and new positions adopted by relevant authorities; the Corporation's ability to maintain strong sourcing and manufacturing platforms and efficient distribution channels; fluctuations in the prices of inbound and outbound freight, the impact of oil prices (and derivatives thereof) on the Corporation's direct and indirect costs along with the Corporation's ability to transfer those increases through higher prices or other means, if any, to its customers in competitive market conditions and considering demand elasticity; the successful deployment of the Corporation's health and safety programs in compliance with applicable laws and regulations; serious injuries or fatalities, which could have a material impact on the Corporation's business continuity and reputation and lead to compliance-related costs; the scarcity of labour and the related impact on the hiring, training, developing, retaining and reliance of personnel together with their productivity, employment matters, compliance with employment laws across multiple jurisdictions; the increasing concentration of customers in the food industry, providing them with significant bargaining power, particularly on the Corporation's selling prices; the implementation, cost, and impact of environmental sustainability initiatives, as well as the cost of remediating environmental liabilities; failure to maintain the quality and safety of the Corporation's products, which could result in product recalls and product liability claims for misbranded, adulterated, contaminated, or spoiled food products, along with reputational damage; risks associated with the Corporation's use of artificial intelligence-enabled tools; risks related to fluctuations in interest rates, currency exchange rates, liquidity and credit, stock price and pension obligations; the incurrence of restructuring, disposal, or other related charges together with the recognition of impairment charges on goodwill or long-lived assets; the sufficiency of insurance coverage; and the implications and outcome of potential legal actions, litigation or regulatory proceedings to which the Corporation may be a party. The Corporation cautions readers that the foregoing list of factors is not exhaustive.

The Corporation's ability to achieve its sustainability priorities, targets and goals is further subject to, among other factors, its ability to access and implement all technology necessary to achieve them; the development, deployment, and performance of technology and industry-specific solutions; environmental regulation; the availability, accessibility and suitability of comprehensive and high-quality data; and changes in standards or methodologies used. The Corporation's ability to achieve its sustainability priorities, targets and goals is further subject to, among other factors, its ability to leverage its supplier relationships.

The assumptions, expectations, and estimates involved in preparing forward-looking statements and risks and uncertainties that could cause actual results to differ materially from forward-looking statements are discussed in the Corporation's materials filed with the Canadian securities regulatory authorities, including information about risk factors that can be found in *Section 19 – "Uncertainties and Principal Risk Factors"* of this MD&A. Readers should review this section in detail.

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

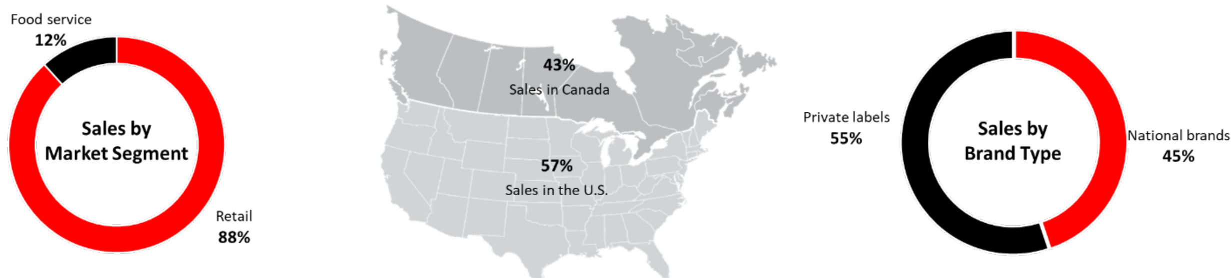
# 3 Corporate Profile

Lassonde Industries Inc. is a leader in the food and beverage industry in North America. The Corporation develops, manufactures, and markets a wide range of national brand and private label products. 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 wines. Altogether, Lassonde distributes over 3,500 unique products in approximately 200 formats across shelf-stable, chilled, and frozen categories.

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

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

**Sales Breakdowns (2025)**




**Main Beverage Brands**

**Main Specialty Food Brands**

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

## 4 Multi-Year Strategy

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

- The first pillar, **Building a growth-oriented portfolio**, reinforces the Corporation's commitment to becoming a more diversified food and beverage leader in North America by accelerating the growth of its specialty food business, strengthening its leadership position in the Canadian beverage market, and fortifying its competitive position in the U.S.
- The second pillar focuses on **Driving sustainable performance** by increasing investments in its manufacturing network, strengthening its supply chain activities, modernizing its revenue management practices, and driving efficiency across all areas of the organization. Moreover, the Corporation's sustainability roadmap is a guide to important investment decisions for the future.
- The third pillar, **Improving its capacity to act,** focuses on modernizing its operating model to accelerate innovation, improve costs and increase productivity. It is also focused on simplifying its operations, investing in new tools and technologies, including upgrading ERP systems, and on fortifying its capabilities in key areas of the business to enable the execution of its growth strategy.

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

Since the deployment of its Strategy in 2022, Lassonde has made significant strides across each of the above strategic pillars, positioning itself to better navigate the challenges and capture the opportunities of the beverage market while capitalizing on its strong foothold in the specialty food market, ensuring sustained growth and a competitive edge as a stronger, more diversified and leading North American food and beverage player.

**Highlights of key progress against the Strategy in 2025**

In 2025, Lassonde continued to execute all pillars of its Strategy.

Beverage

A key milestone during the year was the creation of a new North American Beverage Division, bringing together the Corporation's three beverage business units under a single structure and strengthening leadership with the appointment of a Beverage Division President. This new organization enhances focus, alignment, and execution around priority strategic initiatives, including portfolio strategy, innovation, revenue management, channel expansion, and manufacturing network optimization. In addition, a new Chief Marketing Officer role, supporting the three beverage business units, was established to fortify our commercial capabilities. In an effort to support its goal to expand distribution in the away-from-home channel, Lassonde also consolidated its regional food service activities under a new North America structure.

In Canada, the beverage business protected and grew its flagship portfolio while continuing to consolidate its leadership position. Progress during the year included the advancement of a three-year innovation pipeline aimed at expanding consumption occasions and reducing exposure to commodity volatility. These efforts were complemented by continued portfolio rationalization to lower complexity and improve productivity. Customer satisfaction in the Canadian beverage business strengthened during the year, while consumer trust remained strong, as reflected by *Oasis* being named Most Trusted Brand in Canada in the category for the fourth consecutive year and continued market share growth.

In the United States, the beverage business remained focused on disciplined execution. Key priorities included targeted private label customer acquisition, differentiated innovation, selective channel expansion, and pricing actions to mitigate commodity cost pressures, while continuing to advance initiatives to support the development of the branded portfolio.

Lassonde also continued to reinforce its manufacturing platform to support competitiveness and enable long-term growth. In North Carolina, the Corporation achieved targeted overall equipment effectiveness levels on its single-serve production line following its commissioning in 2024 and commissioned new aseptic juice box production lines as part of its strategy to insource production, improve cost control, and enhance supply predictability. In addition, significant progress was made on the construction of the new manufacturing facility in New Jersey, a project expected to be a key pillar of the Corporation's long-term competitiveness and success in the U.S. market. Lassonde also commissioned a new bag-in-a-box production line in Rougemont to support growth in the food service channel through a new product platform.

Specialty Food

As was the case for the Beverage Division, a significant achievement in 2025 was the establishment of a new North American Specialty Food Division, uniting the Corporation's two specialty food business units into a consolidated framework. Organizational capabilities were reinforced with the creation of a dedicated Chief Marketing Officer role to fortify leadership and alignment across specialty food marketing activities. In early 2026, leadership was also further strengthened with the appointment of a President, supporting the next phase of growth and integration.

Fiscal 2025 represented the first full year following the acquisition of Summer Garden. Integration activities with legacy Lassonde operations progressed throughout the year, alongside targeted investments to expand manufacturing capacity and improve operational efficiency. Together, these actions established the foundation of the business and enhanced its ability to support future growth.

The Corporation also continued to focus on building brand strength. A brand renewal and growth plan was developed for *G Hughes*, positioning it as a contributor to future growth within the specialty food portfolio.

Across the legacy specialty food business, portfolio management remained a priority, with continued efforts to increase diversification and expand exposure to higher-value and premium product segments, consistent with the Corporation's long-term strategic objectives.

**Development of a new long-term strategy**

As the Corporation approaches the conclusion of its current strategic plan horizon, Lassonde has initiated work to shape its next stage of growth. This work builds on the progress achieved to date and will further refine the Corporation's ambition, portfolio priorities and capital allocation framework in support of sustainable long-term value creation.

## 5 Selected Annual Information

| *(in millions of dollars, unless otherwise indicated)* | **Dec. 31, 2025** | **Years ended Dec. 31, 2024** | **Dec. 31, 2023** |
|---|---|---|---|
| | **$** | $ | $ |
| **Related to operations** | | | |
| Sales | **2,934.0** | 2,600.9 | 2,314.9 |
| Gross profit | **801.5** | 698.1 | 587.7 |
| Operating profit | **226.1** | 174.7 | 135.4 |
| Adjusted EBITDA[1] | **344.1** | 275.8 | 207.1 |
| Profit attributable to the Corporation's shareholders | **149.7** | 114.1 | 87.5 |
| Basic and diluted earnings per share ("EPS") *(in $)* | **21.94** | 16.73 | 12.83 |
| Adjusted EPS[1] [2] *(in $)* | **22.82** | 19.05 | 13.18 |
| Dividends declared per share for Class A and B shares *(in $)* | **4.40** | 4.00 | 2.20 |
| Cash flows from operating activities | **176.2** | 233.9 | 224.9 |
| **Related to financial position** | | | |
| Current assets | **734.5** | 771.5 | 636.6 |
| Current liabilities | **420.5** | 506.5 | 372.2 |
| Operating working capital[1] | **363.8** | 309.1 | 293.5 |
| Total assets | **2,252.9** | 2,277.8 | 1,665.7 |
| Long-term debt, including the current portion | **444.6** | 417.3 | 162.7 |

Refer to *Section 12 – "Analysis of Selected Annual Information"* of this MD&A for summary explanations on changes, between fiscal years 2024 and 2023, in sales, operating profit, profit attributable to the Corporation's shareholders, cash flows from operating activities, and total assets.

**Financial information related to Summer Garden**

On August 8, 2024, Lassonde completed the acquisition of The Zidian Group, which operates Summer Garden Food Manufacturing and certain of its affiliates (collectively referred to as "Summer Garden"). As of that date, Summer Garden had been consolidated into Lassonde's financial results, and the table below outlines its contribution.

| *(in millions of dollars)* | **Years ended Dec. 31, 2025** | **Dec. 31, 2024** |
|---|---|---|
| | **$** | $ |
| **Related to operations** | | |
| Sales | **205.5** | 82.4 |
| Gross profit | **78.4** | 27.6 |
| Operating profit | **13.4** | 3.5 |
| Profit before income taxes | **13.0** | 3.5 |
| Profit | **10.0** | 2.7 |
| Profit attributable to the Corporation's shareholders | **9.0** | 2.4 |
| Depreciation of property, plant and equipment and amortization of intangible assets | **25.6** | 10.3 |
| Cash flows from operating activities | **32.3** | 19.5 |

[1] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 18 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

[2] The adjusted EPS ratio is based on the adjusted profit attributable to the Corporation's shareholders, which is a financial measure not in accordance with IFRS.

# 6 Financial Highlights

**Fourth quarter ended December 31, 2025:**

- Sales of $768.1 million, up $30.0 million (4.1%) from the same quarter last year. This increase is primarily due to the favourable impact of selling price adjustments in Canada and to an increase in the U.S. sales volume.
- Gross profit of $225.0 million (29.3% of sales), up $32.1 million from the same quarter last year. This net increase results mainly from the following items:
  - a favourable impact of selling price adjustments;
  - a favourable impact of a change in the sales mix;
  - $2.2 million in start-up costs in 2024 related to key growth and optimization projects; and
  - $1.2 million in expenses in 2024 related to a production interruption at the Corporation's North Carolina plant, resulting from Hurricane Helene;

  partly offset by:

  - an increase in conversion costs, essentially in the U.S.; and
  - $1.4 million in expenses related to business optimization initiatives.
- Operating profit of $71.1 million, up $28.2 million from the same quarter last year. This net increase results mainly from the following items:
  - higher gross profit;
  - $5.1 million decrease in transportation costs incurred to deliver products to clients, resulting from a lower cost charged by carriers;
  - $2.7 million in expenses in 2024 related to the Strategy; and
  - $1.8 million in costs in 2024 related to the Summer Garden acquisition;

  partly offset by:

  - a $10.2 million increase in certain administrative expenses, driven by higher compensation costs, professional fees and the timing of certain expenses;
  - a $2.3 million increase in performance-related compensation expenses; and
  - a $1.6 million increase in finished goods warehousing costs, essentially in Canada.
- Excluding items impacting comparability, adjusted EBITDA[3] was $101.8 million (13.3% of sales), up $22.2 million (or 27.9%) from the same quarter last year.
- Profit attributable to the Corporation's shareholders of $54.0 million, resulting in EPS of $7.92, up $26.9 million (or 99.2%) from the same quarter in 2024. Excluding items impacting comparability, adjusted EPS[3] was $7.52, up 46.6% from the same quarter last year.
- Operating activities generated $121.5 million in cash compared to $75.7 million generated in the same quarter last year. This increase in cash inflows was essentially due to a change in non-cash operating working capital items, which generated $29.9 million more cash than in the same quarter of 2024 and to a higher operating profit, partly offset by a $9.8 million net withdrawal in 2024 of certain excess amounts invested in its defined benefit pension plans.

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[3] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 18 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

- Dividend of $1.10 per share, paid on December 15, 2025.

**Year ended December 31, 2025:**

- Sales of $2,934.0 million. Excluding a $28.8 million favourable foreign exchange impact and sales from Summer Garden, the Corporation's sales were up $181.2 million (7.2%) from last year, essentially due to the favourable impact of selling price adjustments, mainly in Canada, to an increase in the sales volume and to a favourable change in the mix of Canadian private label sales.

- Gross profit of $801.5 million (27.3% of sales). Excluding a $5.5 million unfavourable foreign exchange impact and gross profit from Summer Garden, gross profit was up $58.2 million from last year. This net increase results mainly from the following items:

    - a favourable impact of selling price adjustments;
    - a favourable impact of a change in the sales mix;
    - a favourable impact of an increase in sales volume;
    - $2.2 million in start-up costs in 2024 related to key growth and optimization projects; and
    - $1.2 million in expenses in 2024 related to a production interruption at the Corporation's North Carolina plant, resulting from Hurricane Helene;

  partly offset by:

    - higher cost for certain inputs, affecting particularly orange juice as well as orange, pineapple and apple concentrates;
    - an increase in conversion costs, essentially in the U.S.; and
    - $10.9 million in expenses related to business optimization initiatives, including an additional $8.0 million in accelerated depreciation of the New Jersey plant.

- Operating profit of $226.1 million. Excluding the contribution from Summer Garden, operating profit was up $41.5 million from last year. This net increase results mainly from the following items:

    - higher gross profit;
    - $10.1 million in costs in 2024 related to the Summer Garden acquisition; and
    - $4.1 million decrease in expenses related to the Strategy and the implementation of new key systems;

  partly offset by:

    - $17.5 million increase in certain administrative expenses, driven by higher compensation costs, professional fees and the timing of certain expenses;
    - $5.8 million increase in finished goods warehousing costs, essentially in Canada; and
    - $4.3 million unfavourable foreign exchange impact that affected the conversion of the selling and administrative expenses of the U.S. entities into Canadian dollars.

- Excluding items impacting comparability but including Summer Garden, adjusted EBITDA[4] was $344.1 million (11.7% of sales), up $68.2 million (or 24.7%) from last year.

- Profit attributable to the Corporation's shareholders of $149.7 million, resulting in EPS of $21.94, up 31.1% from 2024. Excluding the contribution from Summer Garden and the impact of additional financial expenses, net of taxes, related to its acquisition, profit attributable to the Corporation's shareholders was up $34.1 million (or 30.5%) year over year. Excluding items impacting comparability, adjusted EPS[4] was $22.82, up 19.8% from last year.

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[4] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 18 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

- As at December 31, 2025, the Corporation had total assets of $2,252.9 million versus $2,277.8 million as at December 31, 2024, a 1.1% decrease arising mainly from a lower foreign exchange conversion rate as at December 31, 2025 and a decrease in intangible assets, partly offset by an increase in property, plant and equipment.

- As at December 31, 2025, long-term debt, including the current portion, stood at $444.6 million. This represents a $27.3 million increase from December 31, 2024, essentially attributable to capital expenditures and working capital requirements.

- Operating activities generated $176.2 million in cash compared to $233.9 million generated last year. Excluding cash flows from Summer Garden, operating activities generated $70.6 million less than in 2024 on a comparable basis. This decrease in cash inflows was mainly due to a change in non-cash operating working capital items, which used $72.2 million more cash than in 2024, to a $27.9 million increase in net income tax paid and a $9.8 million net withdrawal in 2024 of certain excess amounts invested in its defined benefit pension plans, partly offset by a higher operating profit.

- Total dividend of $4.40 per share, paid in 2025.

# 7 Outlook

Lassonde expects that its performance in fiscal 2026 will continue to be influenced primarily by the financial health of consumers and the prevailing inflationary environment. These factors are now being assessed within a backdrop of heightened global uncertainty, including the ongoing conflict in the Middle East and its potential for broader geopolitical, energy, and supply-chain disruptions, as well as persistent uncertainty surrounding trade policy. In particular, the approaching joint review of the United States–Mexico–Canada Agreement ("USMCA") in 2026, together with the ongoing use or threat of tariffs, duties, and other trade restrictions and countermeasures (collectively referred to as "Tariffs"), creates uncertainty regarding cost structures, sourcing, and cross-border flows.

In light of this uncertainty and the rapidly evolving nature of these developments, this outlook has been prepared without reflecting any additional impacts arising from the current conflicts, Tariffs, or other trade measures as of the date of this MD&A. Management's perspectives on these matters and their potential implications for Lassonde are discussed in a separate section of this MD&A. Accordingly, the Corporation has prepared its fiscal 2026 outlook based on the following assumptions:

**Sales**

- Barring any significant external shocks and excluding foreign exchange impacts, the Corporation anticipates continued sales growth in 2026 and expects to reach its previously communicated ambition of $3 billion in sales in 2026.

- This outlook reflects a balanced contribution from pricing actions and volume expansion across its portfolio and channels and is informed by ongoing monitoring of consumer demand trends and demand elasticity in a volatile geopolitical environment.

- While evolving consumer behaviour and potential inflationary pressures on key inputs may influence purchasing patterns and cost dynamics, management will continue to prioritize disciplined pricing, portfolio optimization, and operational execution, with profitable growth and value creation taking precedence over absolute sales growth objectives.

**Key commodity and input costs**

- Based on currently observed spot prices, the Corporation anticipates some abatement in the cost of orange concentrate in 2026. However, this benefit is expected to be partly or fully offset by inflationary pressures affecting a broad range of other commodities and packaging inputs, including apple and pineapple concentrates, sweeteners, PET resin, and cartons.

- While management continues to pursue mitigation actions through sourcing, pricing, and operational initiatives, the Corporation anticipates an increase in transportation costs compared to 2025 since they remain subject to market and geopolitical conditions and may further affect the delivered costs of raw materials and packaging, as well as those of finished goods.

**Effective tax rate**

- Based on prevailing tax legislations and their interpretation, the anticipated effective tax rate for 2026 is estimated to be approximately 22.5%.

**Working capital**

- The Corporation's Days Operating Working Capital[5] is now closer to its historical levels and only incremental improvements, if any, are expected for this ratio over the course of 2026. However, this outlook might be impacted by (i) opportunistic decisions to secure inventory cost ahead of potential additional price increases from suppliers, (ii) the objective of ensuring an adequate service level, or (iii) decisions to counter new potential supply chain disruptions.

**Capital expenditures**

- The Corporation's overall capital expenditures program for 2026 is estimated to reach up to 7.0% of its sales, including an amount of approximately US$96 million for its new plant in New Jersey, as it continues to deploy capital in support of its Strategy. This estimate depends on the rate of progress of certain large capital projects and on the evolution of the macroeconomic environment.

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

The above forward-looking statements have been prepared using assumptions that reflect (i) the absence of any escalation in existing geopolitical tensions or trade-related measures, including Tariffs, and no adverse change in their current macroeconomic effects; (ii) a relatively stable exchange rate between the U.S. dollar and the Canadian dollar; and (iii) no further deterioration of recently observed consumer behaviours and market trends for the category of the Corporation's products. Additional assumptions include (iv) the effectiveness of the Corporation's selling price adjustment initiatives, with a limited impact on product demand; (v) no material disruption to the Corporation's operations (including workforce availability) or to its supply chain; (vi) the continuity of competitive dynamics observed to date and the effectiveness of the Corporation's strategy to position itself competitively in the markets in which it operates; (vii) limited additional cost increases from suppliers; and (viii) adequate availability of key raw materials and packaging inputs. The outlook further assumes the continuation of normalized throughput levels at key U.S. manufacturing facilities; expected lead times for new manufacturing equipment; and sufficient availability of contractors and consultants to support the execution of the Corporation's capital expenditure program. In preparing its outlook, the Corporation made assumptions that do not consider extraordinary events or circumstances beyond its control. The Corporation believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. For additional information, refer to *Section 2 – " Forward-Looking Statements"* of this MD&A.

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[5] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 18 – "Financial Measures Not in Accordance With IFRS*" of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

# 8 Fourth Quarter

## 8.1 Analysis of the Consolidated Results

| *(in millions of dollars, unless otherwise indicated)* | Fourth quarters ended **Dec. 31, 2025** | Dec. 31, 2024 | Δ |
|---|---|---|---|
| | **$** | $ | $ |
| **Sales** | **768.1** | 738.1 | 30.0 |
| Cost of sales | **543.1** | 545.2 | (2.1) |
| Gross profit | **225.0** | 192.9 | 32.1 |
| Selling and administrative expenses | **153.9** | 150.0 | 3.9 |
| **Operating profit** | **71.1** | 43.0 | 28.1 |
| Financial expenses | **9.6** | 8.8 | 0.8 |
| Other (gains) losses | **(8.7)** | (2.1) | (6.6) |
| Profit before income taxes | **70.2** | 36.3 | 33.9 |
| Income taxes | **16.0** | 8.4 | 7.6 |
| **Profit** | **54.2** | 27.8 | 26.4 |
| Attributable to: | | | |
| Corporation's shareholders | **54.0** | 27.1 | 26.9 |
| Non-controlling interests | **0.2** | 0.7 | (0.5) |
| | **54.2** | 27.8 | 26.4 |
| **EPS** *(in $)* | **7.92** | 3.97 | 3.95 |
| **Weighted average number of shares outstanding** *(in thousands)* | **6,822** | 6,822 | - |
| **Adjusted EBITDA**[6] | **101.8** | 79.6 | 22.2 |
| **Adjusted EPS**[6] *(in $)* | **7.52** | 5.13 | 2.39 |

An overview of the key themes affecting 2025, including its fourth quarter, is provided in *Section 10 – "Annual Financial Information"*.

### Sales

| *(in millions of dollars)* | **Private labels** | **Fourth quarters National brands** | **Total** |
|---|---|---|---|
| | $ | $ | $ |
| **Sales 2024** | **417.0** | **321.1** | **738.1** |
| Selling price adjustments impact | 12.7 | 9.9 | **22.6** |
| Volume impact | (5.6) | 12.4 | **6.8** |
| Change in the sales mix impact | (0.1) | 0.0 | **(0.1)** |
| Other impacts, net | - | 0.9 | **0.9** |
| Growth excluding foreign exchange impact | 7.1 | 23.3 | **30.4** |
| | *1.7%* | *7.3%* | ***4.1%*** |
| Foreign exchange impact | (0.2) | (0.2) | **(0.4)** |
| **Sales 2025** | **423.9** | **344.2** | **768.1** |

[6] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 18 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

The 2025 fourth-quarter sales rose $30.0 million (4.1%) compared to the same quarter of 2024. This increase is primarily driven by the favourable impact of selling price adjustments, mainly in Canada, and a higher sales volume in the U.S.

**Cost of sales**

The 2025 fourth-quarter cost of sales was down $2.1 million or 0.4% from the same quarter of 2024. This decrease in cost of sales essentially reflects:

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

(ii) $2.2 million in start-up costs in 2024 related to the key growth and optimization projects; and

(iii) $1.2 million in expenses in 2024 related to a production interruption at the Corporation's North Carolina plant;

partly offset by:

(i) an increase in U.S. conversion costs that was primarily driven by the deployment of new assets at the North Carolina plant, Tariffs and reduced absorption of fixed manufacturing expenses resulting from lower production volumes during the quarter;

(ii) a higher sales volume in the U.S., partly offset by a lower sales volume in Canada; and

(iii) $1.4 million in expenses related to business optimization initiatives.

**Gross profit**

As a result of the aforementioned factors, gross profit amounted to $225.0 million (29.3% of sales) in the fourth quarter of 2025, up 16.6% from $192.9 million (26.1% of sales) in the fourth quarter of 2024.

**Selling and administrative expenses**

The 2025 fourth-quarter selling and administrative expenses were up $3.9 million year over year. This increase was mainly due to:

(i) a $10.2 million increase in certain administrative expenses, driven by higher compensation costs, professional fees and the timing of certain expenses;

(ii) a $2.3 million increase in performance-related compensation expenses;

(iii) a $1.6 million increase in finished goods warehousing costs, essentially in Canada; and

(iv) a $0.6 million increase in amortization expense primarily resulting from the commissioning of the new Canadian ERP system;

partly offset by:

(i) a $5.1 million decrease in transportation costs incurred to deliver products to clients, resulting from a lower cost charged by carriers;

(ii) $2.7 million in costs in 2024 related to the Strategy;

(iii) $1.8 million in costs in 2024 related to the Summer Garden acquisition; and

(iv) a $0.8 million decrease in expenses related to the implementation of new key systems.

**Operating profit**

As a result of the aforementioned factors, the Corporation’s operating profit totalled $71.1 million in the fourth quarter of 2025 versus $43.0 million in the fourth quarter of 2024.

**Financial expenses**

Financial expenses for the fourth quarter of 2025 were up $0.8 million year over year. This increase came mainly from a $0.7 million increase in interest expense on long-term debt, explained by a higher debt level.

**Other (gains) losses**

The 2025 fourth-quarter other (gains) losses resulted in an $8.7 million gain that came essentially from an $8.9 million gain resulting from a favourable change in the fair value of contingent considerations payable related to the Summer Garden acquisition, reflecting revised expectations as to the achievement of certain financial objectives and a $1.0 million gain in Diamond Estates Wines & Spirits Inc. ("Diamond"), partly offset by $1.1 million in foreign exchange losses and a $0.6 million loss arising from the accretion of the fair value of contingent considerations payable related to the Summer Garden acquisition. The 2024 fourth-quarter gain was mainly due to $1.7 million in foreign exchange gains and a $0.5 million gain in Diamond.

**Profit before income taxes**

Profit before income taxes was $70.2 million in the fourth quarter of 2025, up 93.6% from $36.3 million in the same quarter last year.

**Income taxes**

The 2025 fourth-quarter effective income tax rate of 22.8% was slightly lower than the 23.3% rate in the same quarter of 2024, essentially explained by the Corporation's financing structure, partly offset by the absence of income tax expense in 2024 on Diamond's profit, as such profit reduced carried-forward tax losses for which no deferred tax asset has been recognized.

**Profit**

Profit totalled $54.2 million in the fourth quarter of 2025, up from $26.4 million in the same quarter of 2024.

**Profit attributable to the Corporation's shareholders**

Profit attributable to the Corporation's shareholders for the fourth quarter of 2025 totalled $54.0 million, resulting in EPS of $7.92, compared to $27.1 million and $3.97, respectively, for the same quarter of 2024.

## 8.2 Analysis of the Consolidated Cash Flows

| | Fourth quarters ended | |
|---|---|---|
| *(in millions of dollars)* | **Dec. 31, 2025** | **Dec. 31, 2024** |
| | **$** | $ |
| Operating activities | **121.5** | 75.7 |
| Financing activities | **(61.2)** | (25.7) |
| Investing activities | **(58.0)** | (30.2) |
| Change in cash and cash equivalents | **2.3** | 19.8 |
| Cash and cash equivalents at beginning | **5.0** | 6.1 |
| Effect of exchange rate changes on cash and cash equivalents | **(0.2)** | 1.1 |
| **Cash and cash equivalents at end** | **7.1** | 27.0 |

**Cash flows related to operating activities**

For the fourth quarter of 2025, operating activities generated $121.5 million in cash, whereas these activities had generated $75.7 million in cash during the fourth quarter of 2024. This increase in cash inflows was mainly due to a $35.8 million increase in earnings before interest, taxes, depreciation and amortization (including a $6.6 million favourable change in other (gains) losses) and a change in non-cash operating working capital items that generated $44.2 million in cash during the fourth quarter of 2025 compared to $14.4 million in cash generated in the same quarter last year, for a $29.8 million increase in cash inflows. This fluctuation in the change in working capital was due to the combined impact of the following items:

a) a change in inventories that generated $21.5 million during the fourth quarter of 2025 compared to $43.2 million used in the same quarter of 2024;

b) a change in accounts payable and accrued liabilities that used $3.1 million during the fourth quarter of 2025 compared to $36.6 million generated in the fourth quarter of 2024;

c) a change in other current assets and liabilities that used $4.0 million during the fourth quarter of 2025 compared to $7.1 million used during the same quarter of 2024; and

d) a change in accounts receivable that generated $29.8 million during the fourth quarter of 2025 compared to $28.0 million generated during the fourth quarter of 2024.

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

(i) $1.7 million in unrealized foreign exchange losses during the fourth quarter of 2025 compared to $2.2 million in unrealized foreign exchange gains during the same quarter of 2024; and

(ii) a $2.6 million increase in the cost of the long-term incentive plan.

The upward change in cash flows generated by operating activities was limited by the following items:

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

(ii) a $9.4 million unfavourable change in the change in the fair value of financial instruments; and

(iii) a $7.2 million increase in net income tax paid.

**Cash flows related to financing activities**

For the fourth quarter of 2025, financing activities used $61.2 million in cash, whereas these activities had used $25.7 million in cash during the fourth quarter of 2024. This increase in cash outflows was mainly due to a $51.5 million repayment on the revolving operating credits during the fourth quarter of 2025 compared to an $18.2 million repayment during the fourth quarter of 2024.

**Cash flows related to investing activities**

For the fourth quarter of 2025, investing activities used $58.0 million in cash compared to $30.2 million used in the fourth quarter of 2024. This upward change came from a $14.0 million settlement of one of the contingent considerations related to the Summer Garden acquisition and from a $15.1 million increase in cash outflows to acquire property, plant and equipment.

## 9 Summary of Quarterly Results

| *(in millions of dollars, unless otherwise indicated)* | **Q4 2025** | **Q3 2025** | **Q2 2025** | **Q1 2025** | **Q4 2024** | **Q3 2024** | **Q2 2024** | **Q1 2024** |
|---|---|---|---|---|---|---|---|---|
| | **$** | $ | $ | $ | $ | $ | $ | $ |
| Sales | **768.1** | 723.9 | 742.4 | 699.7 | 738.1 | 668.3 | 624.7 | 569.8 |
| Operating profit | **71.1** | 57.9 | 54.4 | 42.7 | 43.0 | 47.2 | 50.0 | 34.6 |
| Adjusted EBITDA[7] | **101.8** | 86.4 | 84.4 | 71.5 | 79.6 | 69.3 | 74.6 | 52.4 |
| Profit attributable to the Corporation's shareholders | **54.0** | 36.8 | 34.3 | 24.5 | 27.1 | 29.7 | 33.5 | 23.8 |
| EPS *(in $)* | **7.92** | 5.40 | 5.03 | 3.60 | 3.97 | 4.35 | 4.91 | 3.49 |
| Adjusted EPS[7] *(in $)* | **7.52** | 5.84 | 5.47 | 4.00 | 5.13 | 4.53 | 5.73 | 3.68 |

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

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

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

[7] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 18 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

# 10 Annual Financial Information

## 10.1 Analysis of the Consolidated Results

| *(in millions of dollars, unless otherwise indicated)* | Years ended **Dec. 31, 2025** | Dec. 31, 2024 | Δ |
|---|---|---|---|
| | **$** | $ | $ |
| **Sales** | **2,934.0** | 2,600.9 | 333.1 |
| Cost of sales | **2,132.5** | 1,902.8 | 229.7 |
| Gross profit | **801.5** | 698.1 | 103.4 |
| Selling and administrative expenses | **575.4** | 523.3 | 52.1 |
| **Operating profit** | **226.1** | 174.7 | 51.4 |
| Financial expenses | **37.9** | 24.4 | 13.5 |
| Other (gains) losses | **(8.3)** | (4.2) | (4.1) |
| Profit before income taxes | **196.6** | 154.6 | 42.0 |
| Income taxes | **47.2** | 41.2 | 6.0 |
| **Profit** | **149.4** | 113.4 | 36.0 |
| Attributable to: | | | |
| Corporation's shareholders | **149.7** | 114.1 | 35.6 |
| Non-controlling interests | **(0.3)** | (0.7) | 0.4 |
| | **149.4** | 113.4 | 36.0 |
| **EPS** *(in $)* | **21.94** | 16.73 | 5.21 |
| **Weighted average number of shares outstanding** *(in thousands)* | **6,822** | 6,822 | - |
| **Adjusted EBITDA**[8] | **344.1** | 275.8 | 68.3 |
| **Adjusted EPS**[8] *(in $)* | **22.82** | 19.05 | 3.77 |

Over fiscal 2025, Lassonde delivered strong topline growth and profit progression despite some market volume headwinds. Sales reached $2,934 million (+12.8%), supported by a combination of pricing, volume and mix, with growth moderating in the second half as the business lapped acquisition and capacity-related comparatives and as it absorbed the run rate effect of prior pricing actions. Fiscal 2025 was also a profitable growth year, with operating profit increasing 29.4% versus fiscal 2024, reflecting the resilience of the operating model and the effectiveness of commercial execution in a challenged demand environment.

During the fourth quarter of 2025, both Canadian and U.S. fruit juice and drink markets experienced a sales volume decline in the mid-single-digit range compared to the same quarter in 2024. Across North American beverage and specialty food categories for fiscal 2025, there was low-single-digit range dollar growth despite mid-single-digit range consumption declines. Lassonde's pricing strategies and favourable product mix effectively countered ongoing volume pressures. In Canada, beverage category volumes dropped by a mid-single-digit range for the year. However, Lassonde's branded beverage portfolio benefited from robust execution resulting in market share gains, particularly in the chilled and multi-serve segments. While U.S. category volumes also declined by a mid-single-digit range for fiscal 2025, Lassonde delivered growth by leveraging key investments in its single-serve platform and delivering solid pricing execution across both its branded and private label offerings.

In fiscal 2025, commodity price volatility continued to manifest in results through both spot price movements and timing lags between cost changes and pricing actions.

In particular, apple concentrate pricing pressure remained evident in fiscal 2025, with a systematic unfavourable cost variance. Orange concentrate exhibited pronounced volatility: the frozen concentrate orange juice ("FCOJ") spot price declined materially over the year, accelerating in the second half. However, the Corporation's hedging strategy produced derivative losses, resulting in an overall net

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increase in FCOJ cost versus fiscal 2024 after hedging. In addition, orange juice costs increased in fiscal 2025, driven by the pricing effect of a multi-year supply agreement initiated in the second quarter of 2024.

The Corporation remains mindful of the impact of price increases or an elevated pricing environment and continues to monitor evolving trends in consumer preferences and price sensitivity. Across fiscal 2025, the divergence between pricing driven dollar growth and weakening consumption increased the importance of disciplined revenue management and mix control, particularly given rising stock keeping units (“SKU”) complexity and mix volatility observed across quarters.

In 2023, the Corporation decided to insource a significant portion of its beverage production needs to ensure more reliable supply at lower cost. In October 2024, the Corporation announced the relocation of certain production assets from a co-packer facility to its North Carolina plant, strengthening its role as a strategic production hub in the U.S. This insourcing initiative proceeded as planned and was completed by the end of 2025; the Corporation has since been ramping up operations.

On October 1, 2024, Lassonde also unveiled an investment of approximately US$200.0 million over an estimated two-year period for the construction of a new facility in New Jersey, on a site adjacent to the Corporation’s existing plant. Lassonde incurred capital expenditures of US$13.0 million in 2024 and US$60.4 million in 2025, with the remainder expected to be incurred in 2026 (US$95.8 million) and in early 2027. Construction has been progressing and the project remains generally on budget and on schedule.

During fiscal 2025, the Corporation also continued its efforts to integrate and capture synergies within its specialty food businesses. These initiatives have enhanced capacity at the Ohio facility, and the Corporation remains focused on assessing its strategic direction to support sustained growth. The aim is to position operations closer to U.S. specialty food customers, particularly in an increasingly competitive market for retort-based products segment.

Summer Garden’s fourth-quarter results were affected by non-recurring costs related to information system recovery and restoration (included in selling and administrative expenses), as well as a certain amount of lost commercial opportunities, primarily associated with its branded products.

Lassonde’s supply chain structure is characterized by a high degree of integration across North America, a broad and international supplier footprint, and a cross-border operational model. In 2025, the Corporation experienced elevated import costs for certain ingredients and packaging materials within its U.S. operations, with some increases offset through price adjustments. Canadian manufacturing plants also faced Tariffs during brief periods, impacting certain products. The Corporation continues to actively monitor developments given that Tariffs can negatively affect suppliers, customers and operating costs. In Canada, the beverage business delivered strong results during fiscal 2025, supported by market share gains in both branded and private label products; the “Buy Canadian” sentiment was a tailwind in 2025, which partly offset broader category volume declines.

**Sales**

| *(in millions of dollars)* | **Private labels** | **National brands** | **Total** |
|---|---|---|---|
| | $ | $ | $ |
| **Sales 2024** | | | **2,600.9** |
| Sales from Summer Garden | | | **82.4** |
| **Sales 2024 (excluding Summer Garden)** | **1,453,7** | **1,064.8** | **2,518.5** |
| Selling price adjustments impact | 50.5 | 40.3 | **90.8** |
| Volume impact | 8.1 | 61.5 | **69.6** |
| Change in the sales mix impact | 19.7 | (0.5) | **19.2** |
| Other impacts, net | - | 1.6 | **1.6** |
| Growth excluding foreign exchange impact | 78.3 | 102.9 | **181.2** |
| | *5.4%* | *9.7%* | ***7.2%*** |
| Foreign exchange impact | 20.0 | 8.8 | **28.8** |
| **Sales 2025 (excluding Summer Garden)** | **1,552.0** | **1,176.5** | **2,728.5** |
| Sales from Summer Garden | | | **205.5** |
| **Sales 2025** | | | **2,934.0** |

For the year ended December 31, 2025, sales rose $333.1 million (12.8%) compared to last year. Excluding a $28.8 million favourable foreign exchange impact and sales from Summer Garden, the Corporation’s sales were up $181.2 million (7.2%) year over year. This increase is mainly attributable to the favourable impact of selling price adjustments, mainly in Canada, an increase in national brand sales volume, mainly in Canada, and, to a lesser extent, a positive shift in the mix of private label sales in Canada as well as higher private label sales volume in the U.S.

**Cost of sales**

For the year ended December 31, 2025, cost of sales was up $229.7 million or 12.1% from last year. Excluding a $34.3 million unfavourable foreign exchange impact and cost of sales from Summer Garden, cost of sales was up $123.0 million (6.7%) year over year. This increase in cost of sales essentially reflects:

(i) a higher cost for certain inputs, primarily orange juice and orange concentrates, which had benefited from a temporary procurement advantage last year, and to a lesser extent, pineapple and apple concentrates, partly offset by a decrease in the cost of PET resin;

(ii) the impact of an increase in sales volume;

(iii) an increase in U.S. conversion costs, mainly related to the deployment of new assets at the North Carolina plant and reduced absorption of fixed manufacturing expenses resulting from lower production volumes during the second half of 2025;

(iv) an additional $8.0 million accelerated depreciation expense related to business optimization; and

(v) $2.9 million in expenses related to business optimization initiatives.

partly offset by:

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

(ii) $2.2 million in start-up costs in 2024 related to the key growth and optimization projects; and

(iii) $1.2 million in expenses in 2024 related to a production interruption at the Corporation's North Carolina plant.

**Gross profit**

As a result of the aforementioned factors and excluding gross profit from Summer Garden, gross profit amounted to $723.2 million (26.5% of sales) in 2025, up 7.9% from $670.5 million (26.6% of sales) in 2024.

**Selling and administrative expenses**

The 2025 selling and administrative expenses were up $52.1 million compared to 2024. Excluding selling and administrative expenses from Summer Garden, selling and administrative expenses increased by $11.2 million. This increase was mainly due to:

(i) a $17.5 million increase in certain administrative expenses, driven by higher compensation costs, professional fees and the timing of certain expenses;

(ii) a $5.8 million increase in finished goods warehousing costs, essentially in Canada;

(iii) a $4.3 million unfavourable foreign exchange impact that affected the conversion of the selling and administrative expenses of the U.S. entities into Canadian dollars;

(iv) a $3.6 million increase in selling and marketing expenses; and

(v) a $2.2 million increase in amortization expense primarily resulting from the commissioning of the new Canadian ERP system;

partly offset by:

(i) $10.1 million in costs in 2024 related to the Summer Garden acquisition;

(ii) a $4.1 million decrease in costs related to the Strategy and to the implementation of new key systems;

(iii) a $3.3 million decrease in transportation costs incurred to deliver products to clients, essentially in the U.S.; and

(iv) a $2.3 million decrease in performance-related compensation expenses.

**Operating profit**

As a result of the aforementioned factors and excluding the contribution from Summer Garden, the Corporation’s operating profit totalled $212.7 million for 2025 versus $171.2 million for 2024.

**Financial expenses**

The 2025 financial expenses were up $13.5 million year over year. Excluding financial expenses from Summer Garden and $7.4 million in additional financial expenses related to its acquisition by the Corporation, financial expenses were up $5.8 million from last year. This increase came mainly from a $4.0 million increase in interest expense on long-term debt, explained by a higher debt level, a $0.8 million interest expense related to non-recoverable sales taxes, a $0.6 million decrease in interest income, and a $0.3 million increase in the amortization of transaction costs.

**Other (gains) losses**

The other (gains) losses for 2025 resulted in an $8.3 million gain that came essentially from an $8.9 million gain resulting from a favourable change in the fair value of contingent considerations payable related to the Summer Garden acquisition, reflecting revised expectations as to the achievement of certain financial objectives and a $1.5 million gain in Diamond, partly offset by a $2.2 million loss arising from the accretion of the fair value of contingent considerations payable related to the Summer Garden acquisition. The 2024 gain was mainly due to $3.0 million in foreign exchange gains and to a $1.5 million gain in Diamond.

**Profit before income taxes**

Excluding the contribution from Summer Garden and $7.4 million in additional financial expenses related to its acquisition, profit before income taxes totalled $190.9 million in 2025, up 26.4% from $151.1 million last year.

**Income taxes**

The effective income tax rate of 24.0% for 2025 was lower than the 26.6% rate in 2024, essentially explained by the Corporation's financing structure and a favourable change in the geographic mix of its taxable income.

**Profit**

Excluding the contribution from Summer Garden and $5.4 million in additional financial expenses, net of tax, related to its acquisition by the Corporation, profit totalled $144.7 million in 2025, up from $110.7 million last year.

**Profit attributable to the Corporation's shareholders**

Excluding the contribution from Summer Garden and the $5.1 million impact of additional financial expenses, net of tax, related to its acquisition by the Corporation, profit attributable to the Corporation's shareholders for 2025 totalled $145.8 million, resulting in EPS of $21.37, compared to $111.7 million and $16.37, respectively, for 2024.

## 10.2 Analysis of Consolidated Cash Flows

| | **Years ended** | |
|---|---|---|
| *(in millions of dollars)* | **Dec. 31, 2025** | **Dec. 31, 2024** |
| | **$** | $ |
| Operating activities | **176.2** | 233.9 |
| Financing activities | **12.5** | 217.3 |
| Investing activities | **(207.4)** | (440.8) |
| Change in cash and cash equivalents | **(18.7)** | 10.3 |
| Cash and cash equivalents at beginning | **27.0** | 15.8 |
| Effect of exchange rate changes on cash and cash equivalents | **(1.1)** | 0.8 |
| **Cash and cash equivalents at end** | **7.1** | 27.0 |

### Cash flows related to operating activities

For the year ended December 31, 2025, operating activities generated $176.2 million in cash, whereas these activities had generated $233.9 million in cash during 2024. Excluding cash flows from Summer Garden, operating activities generated $70.6 million less than last year on a comparable basis.

This decrease in cash inflows was mainly due to a change in non-cash operating working capital items that used $64.2 million in cash during 2025 compared to $8.0 million in cash generated last year, for a $72.2 million increase in cash outflows. This fluctuation in the change in working capital was due to the combined impact of the following items:

a) a change in accounts payable and accrued liabilities that used $64.3 million during 2025 compared to $42.0 million generated in 2024;

b) a change in inventories that used $7.7 million during 2025 compared to $38.5 million used last year;

c) a change in accounts receivable that generated $6.0 million during 2025 compared to $0.3 million used in 2024; and

d) a change in other current assets and liabilities that generated $1.9 million during 2025 compared to $4.8 million generated last year.

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

(i) a $27.9 million increase in net income tax paid;

(ii) an $11.0 million increase in net interest paid;

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

(iv) an $8.8 million unfavourable change in settlements of derivative instruments.

The downward change in cash flows generated by operating activities was limited by a $61.3 million increase in earnings before interest, taxes, depreciation and amortization (including a $4.2 million favourable change in other (gains) losses).

### Cash flows related to financing activities

For the year ended December 31, 2025, financing activities generated $12.5 million in cash, whereas these activities had generated $217.3 million in cash during 2024. Excluding cash flows from Summer Garden and cash flows generated in 2024 for the Summer Garden acquisition totalling $323.3 million, financing activities generated $119.8 million more than last year on a comparable basis. This increase in cash inflows was mainly due to the securing of a $343.4 million term loan, a $5.7 million decrease in long-term debt repayments and a $3.6 million investment from a non-controlling interest in the Corporation's U.S. entities. These items were partly offset by a $290.1 million repayment on the revolving operating credits during 2025 compared to a $67.5 million repayment during 2024, and by the payment of $4.2 million in fees related to the new U.S. credit agreement.

### Cash flows related to investing activities

For the year ended December 31, 2025, investing activities used $207.4 million in cash compared to $440.8 million used in 2024. Excluding cash flows from Summer Garden and cash flows used in 2024 for the Summer Garden acquisition, net of acquired cash on hand, totalling $324.6 million, investing activities used $87.9 million more than last year on a comparable basis. This upward change came essentially from a $70.8 million increase in cash outflows to acquire property, plant and equipment and from a $21.0 million total settlement of two of the contingent considerations related to the Summer Garden acquisition, partly offset by a $3.1 million decrease in cash outflows to acquire intangible assets.

## 11 Analysis of the Consolidated Financial Position

| *(in millions of dollars)* | **As at Dec. 31, 2025** | **As at Dec. 31, 2024** | **Increase (decrease)** | |
|---|---|---|---|---|
| | | | **Foreign exchange impact[9]** | **Variance, excluding foreign exchange impact** |
| | **$** | $ | $ | $ |
| **Assets** | | | | |
| Current | | | | |
| Cash and cash equivalents | **8.0** | 28.2 | (1.3) | (18.9) |
| Accounts receivable | **207.5** | 213.5 | (8.6) | 2.6 |
| Income tax recoverable | **7.6** | 9.2 | (1.0) | (0.6) |
| Inventories | **465.0** | 472.2 | (13.5) | 6.3 |
| Derivative instruments | **4.0** | 11.7 | - | (7.7) |
| Other current assets | **42.3** | 36.6 | (0.5) | 6.2 |
| | **734.5** | 771.5 | (24.9) | (12.1) |
| Derivative instruments | **3.2** | 0.3 | - | 2.9 |
| Right-of-use assets | **46.1** | 54.6 | (0.9) | (7.6) |
| Property, plant and equipment | **701.0** | 603.1 | (17.9) | 115.8 |
| Intangible assets | **282.9** | 336.3 | (12.8) | (40.6) |
| Net defined benefit asset | **2.3** | 6.2 | - | (3.9) |
| Deferred tax assets | **5.5** | 6.4 | (1.6) | 0.7 |
| Other non-current assets | **1.7** | 0.8 | - | 0.9 |
| Goodwill | **475.9** | 498.7 | (22.8) | - |
| | **2,252.9** | 2,277.8 | (80.9) | 56.0 |
| **Liabilities** | | | | |
| Current | | | | |
| Bank overdraft | **0.8** | 1.3 | (0.2) | (0.3) |
| Accounts payable and accrued liabilities | **353.3** | 429.6 | (11.6) | (64.7) |
| Income tax payable | **6.8** | 19.1 | (0.7) | (11.6) |
| Derivative instruments | **3.3** | 1.3 | 0.1 | 2.1 |
| Other current liabilities | **34.3** | 30.1 | (1.0) | 5.2 |
| Current portion of lease liabilities | **5.1** | 6.2 | (0.2) | (0.9) |
| Current portion of long-term debt | **16.9** | 18.9 | (7.5) | 5.5 |
| | **420.5** | 506.5 | (21.1) | (64.9) |
| Derivative instruments | **0.7** | 0.0 | - | 0.7 |
| Lease liabilities | **47.6** | 54.0 | (0.9) | (5.5) |
| Long-term debt | **427.7** | 398.4 | (13.1) | 42.4 |
| Long-term incentive plan liabilities | **14.4** | 11.2 | - | 3.2 |
| Net pension plan liabilities | **1.9** | 1.3 | - | 0.6 |
| Deferred tax liabilities | **103.3** | 113.7 | (4.2) | (6.2) |
| Other non-current liabilities | **-** | 26.9 | (0.8) | (26.1) |
| | **1,016.1** | 1,112.0 | (40.1) | (55.8) |
| **Shareholders' equity** | **1,236.8** | 1,165.8 | (40.8) | 111.8 |
| | **2,252.9** | 2,277.8 | (80.9) | 56.0 |

[9] When comparing Consolidated Statement of Financial Position items, readers must consider the conversion rate applicable to closing balances denominated in U.S. dollars, which went from $1.4389 CAD per USD as at December 31, 2024 to $1.3706 CAD per USD as at December 31, 2025. The table presents the main Consolidated Statement of Financial Position items that were significantly affected by the movement in exchange rates.

### 11.1 Assets

**Accounts receivable** totalled $207.5 million as at December 31, 2025 compared to $213.5 million as at December 31, 2024. Excluding the foreign exchange impact, accounts receivable were up $2.6 million, essentially explained by a $3.2 million increase in trade accounts receivable.

**Inventories** went from $472.2 million as at December 31, 2024 to $465.0 million as at December 31, 2025. Excluding the foreign exchange impact, inventories increased by $6.3 million. This increase came essentially from a $12.5 million increase in inventories of raw materials and supplies due to a higher cost and from a $6.2 million decrease in finished goods inventories explained by a lower inventory level partly offset by a higher cost.

As at December 31, 2025, the fair value of **derivative instruments recorded as current assets** was $4.0 million compared to $11.7 million as at December 31, 2024. This Statement of Financial Position item essentially reflects the favourable changes in fair value of the derivative instruments held by the Corporation to hedge fluctuations in frozen concentrated orange juice prices. It also reflects the favourable variances between the rates on the foreign exchange forward contracts held by the Corporation to cover its foreign currency requirements for up to 12 months following its reporting date and the exchange rates on that date.

**Other current assets** went from $36.6 million as at December 31, 2024 to $42.3 million as at December 31, 2025. Excluding the foreign exchange impact, other current assets were up $6.2 million, mainly explained by a $5.2 million increase in tax credits receivable and a $4.0 million increase in prepaid expenses, partly offset by a $5.2 million decrease in sales tax receivable.

**Right-of-use assets** went from $54.6 million as at December 31, 2024 to $46.1 million as at December 31, 2025. Excluding the foreign exchange impact, right-of-use assets decreased by $7.6 million. This decrease was essentially due to a $7.0 million depreciation expense and to a $0.8 million net downward revaluation of their value.

**Property, plant and equipment** ("PP&E") went from $603.1 million as at December 31, 2024 to $701.0 million as at December 31, 2025. Excluding the foreign exchange impact, PP&E increased by $115.8 million. This increase was mainly due to $173.7 million in PP&E acquisitions, partly offset by a $57.7 million depreciation expense.

**Intangible assets** went from $336.3 million as at December 31, 2024 to $282.9 million as at December 31, 2025. Excluding the foreign exchange impact, intangible assets decreased by $40.6 million, as an amortization expense of $47.1 million was partly offset by intangible asset purchases of $6.4 million.

During 2025, the Corporation invested a total amount of $180.1 million in capital expenditures, with growth and optimization projects representing $133.6 million, including $84.9 million for the construction of a new plant in New Jersey, maintenance and regulatory projects representing $36.2 million, and technology projects representing $10.3 million.

### 11.2 Liabilities

**Accounts payable and accrued liabilities** went from $429.6 million as at December 31, 2024 to $353.3 million as at December 31, 2025. Excluding the foreign exchange impact, accounts payable and accrued liabilities decreased by $64.7 million. This decrease was essentially due to (i) a $62.3 million decrease in trade payables and accrued expenses, explained mainly by the timing of supplier payments, and to (ii) a $7.4 million decrease in the "Salaries and accrued vacation payable" item essentially due to a change in the provision for performance-related compensation expenses, partly offset by a $3.5 million increase in trade spending payable.

**Other current liabilities** went from $30.1 million as at December 31, 2024 to $34.3 million as at December 31, 2025. Excluding the foreign exchange impact, other current liabilities increased by $5.2 million. This increase came mainly from a $22.0 million reclassification from other non-current liabilities to other current liabilities of contingent considerations payable related to the Summer Garden acquisition, and from a $5.7 million increase in the current portion of the long-term incentive plan liabilities. These items were partly offset by a $21.0 million total settlement of two of the contingent considerations related to the Summer Garden acquisition and by a $2.6 million net gain resulting from a favourable change in the fair value of contingent considerations payable related to the Summer Garden acquisition, reflecting, among others, revised expectations as to the achievement of certain financial objectives.

**Lease liabilities**, including the current portion, was $52.7 million as at December 31, 2025 compared to $60.2 million as at December 31, 2024. Excluding the foreign exchange impact, lease liabilities decreased by $6.4 million, explained mainly by $5.9 million in repayments and by a $0.8 million net downward revaluation of their value.

**Long-term debt**, including the current portion, was $444.6 million as at December 31, 2025 compared to $417.3 million as at December 31, 2024. Excluding the foreign exchange impact, long-term debt increased by $47.9 million. On June 25, 2025, the Corporation entered into an agreement to amend its U.S. credit facilities. As a result of this agreement, the Corporation secured a new term loan totalling $343.4 million. This new loan was used to repay the outstanding balance of the U.S. revolving operating credit and a portion of the Canadian revolving operating credit previously drawn to finance the Summer Garden acquisition. Accordingly, the Corporation repaid $118.8 million on its U.S. revolving operating credit and a net amount of $171.3 million on its Canadian revolving operating credit. Additionally, $2.1 million in transaction costs were capitalized and Diamond repaid $3.9 million of its long-term debt.

**Deferred tax liabilities** went from $113.7 million as at December 31, 2024 to $103.3 million as at December 31, 2025. Excluding the foreign exchange impact, deferred tax liabilities decreased by $6.2 million. This decrease came mainly from the tax impact of recognizing, in comprehensive income, losses on financial instruments designated as cash flow hedges, partly offset by the tax amortization of goodwill.

**Other non-current liabilities** went from $26.9 million as at December 31, 2024 to $nil as at December 31, 2025. Excluding the foreign exchange impact, other non-current liabilities decreased by $26.1 million. This decrease came from a $22.0 million reclassification from other non-current liabilities to other current liabilities of contingent considerations payable related to the Summer Garden acquisition, and from a $4.1 million net gain resulting from a favourable change in the fair value of contingent considerations payable related to the Summer Garden acquisition, reflecting, among others, revised expectations as to the achievement of certain financial objectives.

### 11.3 Shareholders' Equity

**Equity attributable to the Corporation's shareholders** totalled $1,141.2 million as at December 31, 2025, up $71.2 million from $1,070.0 million as at December 31, 2024. **Accumulated other reserves** decreased by $45.8 million given a $35.8 million decrease in the foreign currency translation reserve and given a $10.0 million decrease in the hedging reserve. **Retained earnings** rose $117.0 million to total $1,000.4 million at the end of 2025. This increase essentially reflects $149.7 million in profit attributable to the Corporation's shareholders for 2025, less $30.0 million in dividends paid and the recognition of a $2.4 million actuarial loss, net of tax, in other comprehensive income. The **non-controlling interests** went from $95.8 million as at December 31, 2024 to $95.6 million as at December 31, 2025. On March 28, 2025, the Corporation and a non-controlling interest made equity investments, in proportion to their respective interests, in the Corporation's U.S. entities. The amount invested by the non-controlling interest was $3.6 million. The non-controlling interests represent a minority interest's share in the equity of the Corporation's U.S. subsidiaries as well as the share of other minority interests in the equity of Diamond.

Various ratios related to the consolidated financial position, and the details of their calculation, are available in *Section 18 – "Financial Measures Not in Accordance With IFRS*".

### 11.4 Contractual Obligations

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

*(in millions of dollars)*

| Contractual obligations | 2026 | 2027 and 2028 | 2029 and 2030 | 2031 and thereafter |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Lease liabilities | 5.1 | 8.0 | 7.8 | 31.9 |
| Long-term debt | 16.9 | 124.4 | 305.0 | - |
| PP&E purchase commitments | 178.4 | - | - | - |
| Other purchase commitments | 313.6 | 8.3 | 2.2 | 7.0 |
| Other commitments [i] | 377.4 | 0.7 | - | - |
| **Total** | **891.4** | **141.4** | **314.9** | **38.9** |

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

## 12 Analysis of Selected Annual Information

Lassonde acquired control of Diamond on November 14, 2023, and completed the acquisition of Summer Garden on August 8, 2024 (collectively referred to as the "Acquired Entities"). Consequently, these entities have been consolidated in Lassonde since these dates. Refer to Section 7 of the 2024 annual MD&A for information related to their respective contributions.

**Sales**

The Corporation's sales went from $2,314.9 million in 2023 to $2,600.9 million in 2024. Excluding a $19.9 million favourable foreign exchange impact and sales from the Acquired Entities, the Corporation's sales were up $163.6 million (7.1%) from 2023, mainly due to the favourable impact of selling price adjustments in Canada and an increase in the U.S. sales volume for both private label and branded products, partly offset by an unfavourable change in the U.S. sales mix, mainly for private label products.

**Operating profit**

For the year ended December 31, 2024, the Corporation's operating profit had totalled $174.7 million, a $39.3 million year-over-year increase. Excluding the contribution from the Acquired Entities, operating profit was up $36.6 million from 2023. This increase was mainly explained by a higher gross margin due to selling price adjustments to offset the higher costs of certain inputs, by a decrease in the Corporation's conversion costs and by a favourable impact of an increase in sales volume, partly offset by a $19.0 million increase in finished goods warehousing costs and transportation costs incurred to deliver products to clients, essentially in the U.S., and $10.1 million in costs related to the Summer Garden acquisition.

**Profit attributable to the Corporation's shareholders**

The 2024 profit attributable to the Corporation's shareholders had totalled $114.1 million, a $26.6 million year-over-year increase that came mainly from a higher operating profit, partly offset by higher financial expenses and income taxes.

**Cash flows from operating activities**

For 2024, cash flows generated by operating activities had totalled $233.9 million, up $9.0 million from 2023. Excluding cash flows from Acquired Entities, operating activities generated $12.8 million less than in 2023 on a comparable basis. This decrease in cash inflows was mainly due to a change in non-cash operating working capital items, which generated $43.1 million less cash than in 2023, and to a $22.2 million increase in net income tax paid, partly offset by a higher operating profit and a net $9.8 million withdrawal of certain excess amounts invested in the defined benefit pension plans.

**Total assets**

Total assets grew by $612.2 million between 2023 and 2024, arising mainly from the Summer Garden assets of $408.4 million, an increase in property, plant and equipment as well as a higher foreign exchange conversion rate as at December 31, 2024.

## 13 Financing and Cash

As at December 31, 2025, the Corporation had $8.0 million in cash and cash equivalents and a $0.8 million bank overdraft compared to $28.2 million in cash and cash equivalents and a $1.3 million bank overdraft as at December 31, 2024.

The Canadian credit facilities, originally instituted in 2013, were provided by a syndicate of financial institutions to support the Corporation's Canadian operations. In June 2024, upon the signing of the Summer Garden acquisition agreement, the Corporation entered into an agreement to amend the Canadian credit facilities to raise the authorized amount of the revolving operating credit facility ("CA revolving credit") by $250.0 million to $475.0 million and to authorize its use to finance the business combination in the U.S. This agreement came into effect upon the closing of the Summer Garden acquisition on August 8, 2024 and was expiring in April 2027. Prior to this amendment, the Canadian credit facilities also included a term credit facility, which was repaid in July 2024. The CA revolving credit facility provides the Corporation with the option, subject to the participation of each lender, to raise borrowing capacity by an amount not exceeding $50.0 million and to extend, on each anniversary date, the expiry date of this CA revolving credit facility 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 U.S. credit facilities, originally instituted in 2011, were provided by a syndicate of financial institutions to support the Corporation's U.S. operations. On June 25, 2025, the Corporation entered into an agreement to amend the U.S. credit facilities, to, notably, extend the expiry date by three years and six months, increase the authorized amount of the revolving operating credit ("U.S. revolving credit") by US$90.0 million, and establish a new US$250.0 million term loan ("U.S. term loan"). As a result, the U.S. credit facilities now consist of a revolving operating credit committed for a four-year term with an authorized amount of US$250.0 million and of a US$250.0 million term loan maturing in June 2029. 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.

In November 2024, Diamond's credit facilities were amended to provide a demand credit ("Diamond demand credit") of $2.5 million, repaid in June 2025, guaranteed by Lassonde Industries Inc., and to revise the authorized amount of the term credit ("Diamond term credit") from $8.8 million to $3.0 million. The credit facilities also comprise a revolving operating credit ("Diamond revolving credit") for an authorized amount of $11.4 million. 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 $3.6 million in the authorized amount of the Diamond revolving credit.

As at December 31, 2025, the outstanding balance of the CA revolving credit was $79.4 million, that of the U.S. revolving credit was US$5.3 million and that of the Diamond revolving credit was $11.3 million, whereas, as at December 31, 2024, the outstanding balance of the CA revolving credit was $264.7 million, that of the U.S. revolving credit was US$92.9 million and that of the Diamond revolving credit was $9.6 million.

The terms and conditions of these credit facilities are presented in Note 22 to the Corporation's consolidated financial statements for the year ended December 31, 2025. The Corporation believes that it will be able to ensure its development using cash flows from operating activities and currently available bank credit.

**Capital management**

Lassonde's capital management strategy requires a well-balanced financing structure to maintain the flexibility needed to implement growth initiatives while allowing it to pursue disciplined capital investments and to maximize shareholder value. The Corporation continues to target a long-term leverage not to exceed a Net debt to adjusted EBITDA[10] ratio of approximately 3.25:1. From time to time, it may deviate from its long-term leverage target to pursue strategic opportunities.

## 14 Off-Consolidated-Statement-of-Financial-Position Arrangements

As at December 31, 2025, the Corporation had letters of credit outstanding totalling $0.8 million.

Commitments are presented in Note 29 to the Corporation's audited consolidated financial statements for the year ended December 31, 2025.

## 15 Share Information

As at December 31, 2025, the Corporation's issued and outstanding share capital consisted of 3,069,000 Class A subordinate voting shares and 3,752,620 Class B multiple voting shares.

The shares of Lassonde Industries Inc. traded at prices ranging from $170.37 to $245.68 during 2025. The closing share price for fiscal 2025 was $219.51, up 18.8% from $184.83 at the end of 2024.

## 16 Dividends

On February 10, 2026, the Board declared, in accordance with the Corporation's dividend policy, a quarterly dividend of $1.25 per share, payable on March 13, 2026 to all registered holders of Class A and Class B shares on February 20, 2026. This dividend is an eligible dividend for Canadian tax purposes.

The table below presents the current or expected dates of declaration, record and payment of dividends for fiscal 2026, all of which are subject to approval by the Board.

| Declaration date | Record date | Payment date |
|---|---|---|
| February 10, 2026 | February 20, 2026 | March 13, 2026 |
| May 7, 2026 | May 20, 2026 | June 15, 2026 |
| August 6, 2026 | August 18, 2026 | September 15, 2026 |
| November 5, 2026 | November 18, 2026 | December 15, 2026 |

## 17 Subsequent Event

As of March 26, 2026, there was no subsequent event to report.

[10] This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 18 – "Financial Measures Not in Accordance With IFRS"* of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the financial statements, as applicable.

## 18 Financial Measures Not in Accordance With IFRS

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

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

- EBITDA and Adjusted EBITDA;
- Adjusted Profit Attributable to the Corporation's Shareholders;
- Operating Working Capital;
- Adjusted accounts receivable;
- Adjusted accounts payable and accrued liabilities;
- Net Debt;
- Capital Employed; and
- Sources of Capital.

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

- EBITDA as percentage of sales and Adjusted EBITDA as percentage of sales (previously EBITDA margin and Adjusted EBITDA margin);
- Adjusted EPS;
- Operating Working Capital as percentage of sales;
- Adjusted accounts receivable as percentage of sales;
- Adjusted accounts payable and accrued liabilities as percentage of cost of sales;
- Days Operating Working Capital;
- Days of Sales Outstanding;
- Days of Payables Outstanding;
- Return on Capital Employed; and
- Net Debt to Adjusted EBITDA.

The following supplementary non-financial measure is also used in the Corporation's financial disclosures:

- Days of Inventory Outstanding.

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

### 18.1 Items Impacting the Comparability Between Periods

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

| | Fourth quarters ended | | Years ended | |
|---|---|---|---|---|
| *(in millions of dollars)* | **Dec. 31, 2025** | **Dec 31., 2024** | **Dec. 31, 2025** | **Dec. 31, 2024** |
| | **$** | $ | **$** | $ |
| Costs related to the Strategy | **-** | 2.7 | **1.0** | 4.6 |
| Implementation costs of new key systems | **0.3** | 1.1 | **1.5** | 2.0 |
| Business optimization | **1.4** | (0.2) | **3.6** | 0.3 |
| Costs related to the Summer Garden acquisition | **-** | 1.8 | **-** | 10.1 |
| Start-up costs related to key growth and optimization projects | **-** | 2.2 | **-** | 2.2 |
| Production interruption at North Carolina plant | **-** | 1.2 | **-** | 1.2 |
| Sum of items impacting comparability on EBITDA: | **1.7** | 8.8 | **6.1** | 20.4 |
| Accelerated depreciation expense related to business optimization | **3.1** | 2.6 | **10.6** | 2.6 |
| Sum of items impacting comparability on operating profit: | **4.8** | 11.4 | **16.7** | 23.0 |
| Items impacting comparability on financial expenses: | | | | |
| Interest related to non-recoverable sales taxes | **-** | - | **0.8** | - |
| Items impacting comparability on “Other (gains) losses”: | | | | |
| Gain resulting from the fair value of contingent considerations payable related to the Summer Garden acquisition | **(8.9)** | - | **(8.9)** | - |
| Tax impact of previous items | **1.1** | (3.0) | **(2.2)** | (6.0) |
| Impact on profit | **(3.0)** | 8.4 | **6.4** | 17.0 |
| Attributable to: | | | | |
| Corporation’s shareholders | **(2.7)** | 7.9 | **5.9** | 15.9 |
| Non-controlling interests | **(0.3)** | 0.5 | **0.5** | 1.1 |

### 18.2 EBITDA and Adjusted EBITDA

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

| | Fourth quarters ended | | Years ended | |
|---|---|---|---|---|
| *(in millions of dollars)* | **Dec. 31, 2025** | **Dec. 31, 2024** | **Dec. 31, 2025** | **Dec. 31, 2024** |
| | **$** | $ | **$** | $ |
| Operating profit | **71.1** | 43.0 | **226.1** | 174.7 |
| Depreciation of right-of-use assets and property, plant and equipment and amortization of intangible assets | **28.8** | 27.7 | **111.7** | 80.5 |
| (Gains) losses on leases and capital assets | **0.2** | 0.1 | **0.2** | 0.2 |
| EBITDA | **100.1** | 70.8 | **338.0** | 255.4 |
| Sum of items impacting comparability | **1.7** | 8.8 | **6.1** | 20.4 |
| Adjusted EBITDA | **101.8** | 79.6 | **344.1** | 275.8 |

For the fourth quarter, the depreciation and amortization ("D&A") expense went from $27.7 million in 2024 to $28.8 million in 2025. The $1.1 million increase is explained essentially by the amortization of the new Canadian ERP system, commissioned during the second quarter of 2025.

The annual D&A expense went from $80.5 million in 2024 to $111.7 million in 2025. Excluding a $1.1 million unfavourable foreign exchange impact and the D&A expense from Summer Garden, the D&A expense increased by $14.7 million, explained mainly by the recognition, since the fourth quarter of 2024, of an accelerated depreciation expense related to business optimization, by the amortization of the new Canadian ERP system, and by an increase in the depreciation of PP&E after capital assets were commissioned during 2024, including the new single-serve line in the North Carolina plant.

### 18.3 Adjusted Profit Attributable to the Corporation's Shareholders and Adjusted EPS

Adjusted profit attributable to the Corporation's shareholders is a financial measure and adjusted EPS (composed notably of Adjusted profit attributable to the Corporation's shareholders) is a financial ratio that are used by the Corporation to compare profit attributable to the Corporation's shareholders and EPS between periods by excluding items impacting comparability. They are calculated by adjusting them with items considered by management as impacting the comparability between periods. The most directly comparable IFRS measures are the profit attributable to the Corporation's shareholders and EPS.

| | Fourth quarters ended | | Years ended | |
|---|---|---|---|---|
| *(in millions of dollars, unless otherwise indicated)* | **Dec. 31, 2025** | **Dec. 31, 2024** | **Dec. 31, 2025** | **Dec. 31, 2024** |
| | **$** | $ | **$** | $ |
| Profit attributable to the Corporation's shareholders | **54.0** | 27.1 | **149.7** | 114.1 |
| Sum of items impacting comparability | **(2.7)** | 7.9 | **5.9** | 15.9 |
| Adjusted profit attributable to the Corporation's shareholders | **51.3** | 35.0 | **155.6** | 130.0 |
| Weighted average number of shares outstanding *(in thousands)* | **6,822** | 6,822 | **6,822** | 6,822 |
| Adjusted EPS *(in $)* | **7.52** | 5.13 | **22.82** | 19.05 |

### 18.4 Net Debt and Net Debt to Adjusted EBITDA

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

| *(in millions of dollars, except the net debt to adjusted EBITDA ratio)* | **As at Dec. 31, 2025** | As at Dec. 31, 2024 |
|---|---|---|
| | **$** | $ |
| Current portion of lease liabilities | **5.1** | 6.2 |
| Current portion of long-term debt | **16.9** | 18.9 |
| Lease liabilities | **47.6** | 54.0 |
| Long-term debt | **427.7** | 398.4 |
| Less: Cash and cash equivalents | **(8.0)** | (28.2) |
| Net debt | **489.3** | 449.3 |
| Sum of adjusted EBITDA from the last four quarters | **344.1** | 275.8 |
| Net debt to adjusted EBITDA ratio | **1.42:1** | 1.63:1 |

## 18.5 Operating Working Capital and Days Operating Working Capital

Operating working capital is a financial measure and days operating working capital is a financial ratio that are used by the Corporation to monitor the efficiency of its working capital management and the amount of capital invested in day-to-day operations. Operating working capital consists of current assets, less the "Cash and cash equivalents" item, less income tax recoverable, derivative instruments (current) and other current assets, as they are presented in the Corporation's Consolidated Statement of Financial Position and less other receivables, trade payables and accrued expenses and trade spending, as they are presented in the accompanying notes to the Corporation's consolidated financial statements. To calculate days operating working capital, operating working capital is divided by the last quarter's sales, as they are presented in *Section 8 – "Fourth Quarter"* of this MD&A, and multiplied by 91 days. Compared with prior MD&A disclosure, the calculation methodology of operating working capital has been changed to be calculated based on a comparable IFRS measure, current assets, as it is presented in the Consolidated Statement of Financial Position. The revision was made to clarify the calculation for the readers, but the result remains the same. The most directly comparable IFRS measures are current assets and current liabilities.

| *(in millions of dollars, except days operating working capital)* | **As at Dec. 31, 2025** | As at Dec. 31, 2024 |
|---|---|---|
| | **$** | $ |
| Current assets | **734.5** | 771.5 |
| Less: Cash and cash equivalents | **(8.0)** | (28.2) |
| Less: Income tax recoverable | **(7.6)** | (9.2) |
| Less: Derivative instruments (current) | **(4.0)** | (11.7) |
| Less: Other current assets | **(42.3)** | (36.6) |
| Less: Other receivables | **(4.1)** | (4.4) |
| Less: Trade payables and accrued expenses | **(251.5)** | (321.9) |
| Less: Trade spending | **(53.2)** | (50.4) |
| Operating working capital | **363.8** | 309.1 |
| Divided by: Last quarter's sales | **768.1** | 738.1 |
| Operating Working Capital as percentage of sales | **0.47** | 0.42 |
| Days operating working capital *(in days)* | **43.1** | 38.1 |

While the Corporation uses days operating working capital, as described above, to assess its overall working capital position, it also remains attentive to the following working capital indicators:

### 18.5.1 Days of Sales Outstanding

Days of sales outstanding ("DSO") is a financial ratio used by the Corporation to represent the average number of days that it takes the Corporation to collect payment for a sale. This ratio is obtained by dividing accounts receivable, as they are presented in the Corporation's Consolidated Statement of Financial Position, less discounts receivable, other receivables and trade spending, as they are presented in the accompanying notes to the Corporation's consolidated financial statements, by the last quarter's sales, as they are presented in *Section 8 – "Fourth Quarter"* of this MD&A, and multiplied by 91 days. The most directly comparable IFRS measure is accounts receivable.

| *(in millions of dollars, except DSO)* | **As at Dec. 31, 2025** | **As at Dec. 31, 2024** |
|---|---|---|
| | **$** | $ |
| Accounts receivable | **207.5** | 213.5 |
| Less: Discounts receivable | **(4.1)** | (4.8) |
| Less: Other receivables | **(4.1)** | (4.3) |
| Less: Trade spending | **(53.2)** | (50.4) |
| Adjusted accounts receivable | **146.1** | 154.0 |
| Divided by: Last quarter's sales | **768.1** | 738.1 |
| Adjusted accounts receivable as a percentage of sales | **0.19** | 0.21 |
| DSO *(in days)* | **17.3** | 19.0 |

### 18.5.2 Days of Inventory Outstanding

Days of inventory outstanding ("DIO") is a financial ratio used by the Corporation to represent the average number of days the Corporation takes to turn its inventory into sales. To calculate this ratio, inventories, as they are presented in the Consolidated Statement of Financial Position, are divided by the last quarter's cost of sales, as it is presented in *Section 8 – "Fourth* Quarter*"* of this MD&A, and multiplied by 91 days.

| *(in millions of dollars, except DIO)* | **As at Dec. 31, 2025** | **As at Dec. 31, 2024** |
|---|---|---|
| | **$** | $ |
| Inventories | **465.0** | 472.2 |
| Divided by: Last quarter's cost of sales | **543.1** | 545.2 |
| | **0.86** | 0.87 |
| DIO *(in days)* | **77.9** | 78.8 |

### 18.5.3 Days of Payables Outstanding

Days of payables outstanding ("DPO") is a financial ratio used by the Corporation to represent the average number of days the Corporation takes to pay its accounts payable and accrued liabilities. This ratio is obtained by dividing accounts payable and accrued liabilities, as they are presented in the Consolidated Statement of Financial Position, less trade spending, salaries and accrued vacation payable, other accounts payable and accrued liabilities and discounts receivable, as they are presented in the accompanying notes to the Corporation's consolidated financial statements, by the last quarter's cost of sales, as it is presented in *Section 8 – "Fourth Quarter"* of this MD&A, and multiplied by 91 days. The most directly comparable IFRS measure is accounts payable and accrued liabilities.

| *(in millions of dollars, except DPO)* | **As at Dec. 31, 2025** | **As at Dec. 31, 2024** |
|---|---|---|
| | **$** | $ |
| Accounts payable and accrued liabilities | **353.2** | 429.6 |
| Less: Trade spending | **(53.2)** | (50.4) |
| Less: Salaries and accrued vacation payable | **(48.3)** | (56.6) |
| Less: Other accounts payable and accrued liabilities | **(0.2)** | (0.7) |
| Less: Discounts receivable | **(4.1)** | (4.8) |
| Adjusted accounts payable and accrued liabilities | **247.4** | 317.1 |
| Divided by: Last quarter's cost of sales | **543.1** | 545.2 |
| Adjusted accounts payable and accrued liabilities as a percentage of cost of sales | **0.46** | 0.58 |
| DPO *(in days)* | **41.5** | 52.9 |

### 18.6 Capital Employed and Sources of Capital

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

| *(in millions of dollars)* | **As at Dec. 31, 2025** | **As at Dec. 31, 2024** |
|---|---|---|
| | **$** | $ |
| Total assets | **2,252.9** | 2,277.8 |
| Total liabilities | **1,016.1** | 1,112.0 |
| **Capital employed** | | |
| Accounts receivable | **207.5** | 213.5 |
| Income tax recoverable | **7.6** | 9.2 |
| Inventories | **465.0** | 472.2 |
| Other current assets | **42.3** | 36.6 |
| Derivative instruments asset, including the current portion | **7.2** | 12.0 |
| Right-of-use assets | **46.1** | 54.6 |
| Property, plant and equipment | **701.0** | 603.1 |
| Intangible assets | **282.9** | 336.3 |
| Net defined benefit asset | **2.3** | 6.2 |
| Deferred tax assets | **5.5** | 6.4 |
| Other non-current assets | **1.7** | 0.8 |
| Goodwill | **475.9** | 498.7 |
| Less: Accounts payable and accrued liabilities | **(353.3)** | (429.6) |
| Less: Income tax payable | **(6.8)** | (19.1) |
| Less: Other current liabilities | **(34.3)** | (30.1) |
| Less: Derivative instruments liability, including the current portion | **(4.1)** | (1.4) |
| Less: Long-term incentive plan liabilities | **(14.4)** | (11.2) |
| Less: Net pension plan liabilities | **(1.9)** | (1.3) |
| Less: Deferred tax liabilities | **(103.3)** | (113.7) |
| Less: Other non-current liabilities | **-** | (26.9) |
| | **1,726.9** | 1,616.3 |
| **Sources of capital** | | |
| Bank overdraft | **0.8** | 1.3 |
| Lease liabilities, including the current portion | **52.7** | 60.2 |
| Long-term debt, including the current portion | **444.6** | 417.3 |
| Shareholders' equity | **1,236.8** | 1,165.8 |
| Less: Cash and cash equivalents | **(8.0)** | (28.2) |
| | **1,726.9** | 1,616.3 |

### 18.7 Return on Capital Employed

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

| *(in millions of dollars, unless otherwise indicated)* | **As at Dec. 31, 2025** | **As at Dec. 31, 2024** |
|---|---|---|
| | **$** | $ |
| Sum of operating profit from the last four quarters | **226.1** | 174.7 |
| Average capital employed from the last four quarters | **1,750.6** | 1,421.0 |
| Return on capital employed ratio *(in %)* | **12.9** | 12.3 |

## 19 Uncertainties and Principal Risk Factors

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

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

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

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

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

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

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

| Strategic | | Operational | | Human Resources | | Information Technology | | Financial | |
|---|---|---|---|---|---|---|---|---|---|
| **Risk** | **Section** | **Risk** | **Section** | **Risk** | **Section** | **Risk** | **Section** | **Risk** | **Section** |
| **Geopolitical** and other global scourge | 19.1 | Rising and fluctuating input, energy and transportation and other costs | 19.4 | Leadership, retention and succession | 19.14 | Cybersecurity | 19.8 | Foreign exchange variations | 19.5 |
| Changes in the legal/regulatory and/or tax environment | 19.2<br>19.20 | Dependency on certain suppliers and/or commodities | 19.6 | Employee management and labour relations | 19.14 | Infrastructure, software and cloud services | 19.8 | Interest rates, liquidity and credit | 19.21 |
| Macro-economic factors and conditions | 19.3 | Supply chain | 19.6<br>19.21 | | | Complexity and efficiency | 19.8 | Stock price | 19.21 |
| Execution of Strategy | 19.7 | Inability to revitalize the performance of U.S. beverage subsidiaries | 19.10 | | | Advanced technology, artificial intelligence and digital innovation | 19.18 | Pension obligations | 19.21 |
| Competitive environment | 19.9 | Dependence on licensed or third-party brands | 19.11 | | | | | Customer credit | 19.21 |
| Customer concentration | 19.14 | Failure to realize benefits from productivity initiatives | 19.13 | | | | | | |
| Climate change and natural disasters | 19.15 | Product quality and safety | 19.17 | | | | | | |
| Changes in consumer preferences | 19.16 | Damage to reputation or brand image | 19.19 | | | | | | |
| **Sustainability governance** | 19.17 | Inventory obsolescence | 19.22 | | | | | | |
| **Intellectual** property | 19.23 | Impairment in value of assets | 19.22 | | | | | | |
| | | Claims, litigations and insurability | 19.23 | | | | | | |
| | | Public health threats | 19.24 | | | | | | |

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

Lassonde operates an integrated manufacturing and distribution network across North America and relies on an extensive international supplier base for a significant portion of its raw material requirements. In 2025, approximately 85% of the raw materials used in the Corporation's Canadian operations were imported, primarily from Brazil, the United States, China, Mexico, and Turkey, which collectively accounted for most of such imports. Brazil represented the largest source, followed by the United States, with China, Mexico and Turkey contributing smaller proportions. During the same period, approximately 40% of the raw materials used in the Corporation's U.S. operations were sourced internationally, principally from Turkey, Brazil, Argentina, and Costa Rica, which together represented a substantial portion of imported inputs. Turkey was the most significant source, followed by Brazil, with Argentina and Costa Rica contributing to a lesser extent.

This sourcing structure reflects the global availability of certain agricultural and packaging inputs and results in exposure to customary risks associated with cross-border trade, logistics, and international supply chains. Political, economic, or social developments in supplier regions, as well as broader geopolitical events, may from time to time affect the availability, cost, or timing of raw material deliveries, or contribute to increased transportation or operating costs, including through currency movements. Given the interconnected nature of global supply chains, disruptions in one region may have indirect effects across multiple sourcing and logistics channels, which could influence production planning, inventory management, pricing, and capital allocation decisions.

Recent tensions within the Middle East have introduced uncertainty to global markets, with effects that extend beyond the immediate region. Ongoing trade disputes between major world economies and armed conflicts, such as the Russia–Ukraine war, further contribute to instability and may pose challenges to cross-border business activities. Periods of elevated geopolitical risk may also increase the likelihood of cyberattacks targeting critical infrastructure and information systems across the Corporation's operations and those of its suppliers, logistics providers, and customers.

Any escalation or worsening of the geopolitical environment may increase the cost or limit the availability of essential raw materials. Disruptions within the supply chain can lead to delays resulting in extended lead times for raw material deliveries, impacting production schedules and inventory levels. Consequently, operating costs may rise, raw material prices may be negatively affected, competitiveness may decline, and profit margins may suffer. Lassonde may not be able to fully offset these cost increases through pricing or other actions. If prices are raised, demand may drop, which could negatively impact sales volumes and Financial Performance.

Geopolitical deterioration can also undermine consumer confidence, disrupt financial markets, and slow economic activity, potentially reducing demand for Lassonde's products. These indirect effects may intersect with existing risks, such as climate-related disruptions, supplier concentration, inventory management challenges, and uncertainty regarding trade policies, amplifying their cumulative impact.

Geopolitical effects may also interact with other risk factors discussed in this MD&A. Specifically, geopolitical events can intensify the impact of Tariffs and trade measures, increase foreign exchange volatility due to exposure to the U.S. dollar and other currencies, and raise volatility in the costs of commodities and inputs, including agricultural inputs, energy, and packaging materials. The spread of these risks through various channels can compound their financial implications and increase uncertainty related to sourcing, pricing, inventory management, and capital allocation decisions.

The Corporation actively manages these risks through supplier diversification, logistics planning, inventory strategies, and ongoing monitoring of global developments. However, there can be no assurance that future geopolitical or trade-related developments will not adversely affect the Corporation's operations or Financial Performance. The ultimate magnitude, duration, and effect on Financial Performance resulting from these geopolitical developments, whether arising directly or through secondary and tertiary effects, remain highly uncertain and could prove to be significant on Lassonde's Financial Performance.

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

The Corporation is subject to income taxes and non-income-based taxes (together referred to as "Tax(es)") in the U.S. and Canada. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. If tax authorities in any jurisdiction change applicable tax laws, the Corporation's overall Taxes could be impacted and fluctuations in the effective tax rate may result in volatility in its financial results.

In addition, alterations in foreign trade, including agreements such as the USMCA, along with the introduction or increase of Tariffs, could disrupt Lassonde's supply chain and raise the costs of imported materials and capital expenditures. Changes in trade, customs, or logistics regulations may require costly and time-consuming operational adjustments and complicate regulatory compliance.

To comply with these changes, the Corporation may incur significant expenses. Adverse changes in tax laws in any of its jurisdictions could materially affect Lassonde's deferred tax positions, its income tax provision or any other Tax expenses. Furthermore, governmental tax authorities are increasingly scrutinizing the tax positions of companies. Although the Corporation believes its tax estimates are reasonable, if a taxing authority disagrees with the positions taken, it could face additional tax liabilities, including interest and penalties. In addition, the Corporation's effective tax rate in any given financial statement period may increase or decrease based on the geographic mix of quarterly and year-to-date results in the various jurisdictions in which the Corporation operates, the amount and source of taxable income, changes to tax laws and tax rates, changes to existing accounting rules and revisions to the assumptions and estimates the Corporation considers in determining tax assets and liabilities.

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

The occurrence of any of the foregoing events could have a material adverse effect on the Corporation's business and Financial Performance.

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

Deterioration in general macroeconomic conditions, including those related to evolving geopolitical developments, could adversely affect the Corporation's business, results of operations, and Financial Performance. Factors beyond the Corporation's control, including a general economic slowdown, recessionary conditions, inflationary pressures, or financial or operational difficulties affecting suppliers or customers, could negatively impact demand for the Corporation's products and increase operating costs.

During periods of adverse or uncertain economic conditions, consumers may reduce discretionary spending, purchase fewer branded products, shift toward value or private label alternatives, or forgo certain purchases altogether. In addition, the Corporation's customers may seek to reduce their inventory levels in response to those economic conditions. These factors could adversely affect sales volumes and pricing dynamics. There can be no assurance that the Corporation will be able to fully pass, or in a timely manner, increased costs on to customers. Any inability to do so, or any reduction in demand resulting from price increases, could negatively affect margins and Financial Performance.

The Corporation's operations may also be adversely affected by changes in unemployment levels, interest rates, or inflation that influence consumer behaviour and purchasing patterns. As a result, prolonged inflationary pressures or an economic downturn could have a

disproportionate adverse impact on operating margins if the Corporation is unable to adjust pricing in a timely or sufficient manner. Inflationary pressures also increase the Corporation's capital expenditure costs.

The duration and severity of adverse macroeconomic conditions are uncertain. The occurrence of any of the foregoing events could have a material adverse effect on the Corporation's business, results of operations, and Financial Performance.

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

Lassonde purchases and uses a large volume of agricultural and other raw materials, ingredients, containers, and packaging (collectively referred to as "inputs" or "raw materials"). These constitute about two-thirds of the Corporation's cost of sales. Key raw materials include apples and apple concentrates (collectively referred to as "Apples") and orange juice and orange concentrates (collectively referred to as "Oranges"), which together account for approximately one quarter of the cost of sales, as well as cranberries and other fruit and vegetable concentrates, sweeteners, and flavours. The Corporation also extensively uses PET resin, multilayer carton packaging, corrugated cartons, and film for packaging.

The Corporation is exposed to volatility in the cost of key inputs, including raw materials, labour, energy and other conversion costs, transportation (whether incurred directly or indirectly), and warehousing. These costs may fluctuate significantly due to factors such as supply and demand conditions, global competition, currency movements, Tariffs, geopolitical conflicts, weather conditions, and market speculation. Given their relative weighting in the cost structure, sustained increases in Apple, Orange or PET resin input costs would be expected to have a more significant adverse impact on margins than other individual commodities, absent mitigating actions. Mitigation measures, where available, vary in scope and duration and are primarily intended to manage short- to medium-term volatility rather than eliminate long-term exposure. In addition, certain supply agreements include price adjustment mechanisms based on suppliers' underlying costs. To the extent that cost increases cannot be passed through to customers adequately or in a timely manner, or if such pricing actions result in material reductions in sales volumes, the Corporation's Financial Performance could be negatively affected. Refer to Section 20 for additional information regarding Lassonde's exposure to commodity cost fluctuations.

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

Lassonde is sensitive to movements in currency exchange rates because: (i) a significant portion of the purchases for its Canadian operations (including certain capital expenditures) are made in foreign currencies (mainly U.S. dollars) while its products are sold in Canadian dollars, creating a net exposure to the U.S. dollar; and (ii) a portion of its assets, liabilities, sales, and expenses must be translated into Canadian dollars for reporting purposes or converted into Canadian dollars to service Canadian dollar-denominated obligations, including to pay dividends to its shareholders. Any favourable or unfavourable impacts to the Corporation's Financial Performance from the fluctuations in foreign currency exchange rates are likely to be inconsistent year over year. The Corporation's efforts to mitigate its exposure to exchange rate fluctuations, especially when they are sudden, may not be successful. In addition, when this exposure is managed via a derivative instrument, the Corporation may still incur material losses from such transactions, including being exposed to a counterparty credit risk. Refer to Section 20 for further information on Lassonde's exposure to foreign exchange rates.

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

The Corporation's business and Financial Performance depend in part on its ability to maintain reliable sourcing, manufacturing, and distribution networks. Factors that are difficult to predict or beyond the Corporation's control, including factors described above including geopolitical developments, adverse macroeconomic conditions, trade restrictions, supplier disruptions, or logistics constraints, may adversely affect the Corporation's operations or those of its suppliers, co-packers, logistics providers, or other business partners. Any material disruption affecting the Corporation's principal production facilities or those of key suppliers or co-packers, particularly where alternative sources or replacement capacity cannot be secured on a timely basis, could result in supply shortages, delivery delays, increased costs, or an inability to meet customer demand.

The Corporation relies on a limited number of suppliers for certain strategic raw materials and packaging. A substantial portion of the Corporation's Oranges is sourced from a single supplier, and the Corporation relies primarily on a single supplier for multilayer carton packaging. In addition, the global supply of certain agricultural inputs is concentrated in specific regions, including China for Apples and Brazil for Oranges. Although the Corporation does not exclusively source from these jurisdictions, geopolitical events, climate-related disruptions, crop disease, adverse economic conditions, or disputes with suppliers regarding pricing, performance, or delivery could adversely affect the availability, cost, or timing of key inputs. There can be no assurance that suppliers will continue to meet the Corporation's requirements, as suppliers may notably reduce volumes, terminate arrangements, or be unable or unwilling to supply products on acceptable terms.

The Corporation is also exposed to inventory management risks arising from supply chain volatility and fluctuating demand. In periods of economic uncertainty or operational disruption, the Corporation must continuously manage inventory levels and product mix based on

forecasted demand. Any inability to do so could result in product shortages or excess inventory, which may require additional financing and warehousing capacity or become unsaleable due to expiration. Certain supply arrangements include long-term purchase commitments or minimum quantities, and the timing of deliveries may not align with customer demand, potentially resulting in increased or volatile inventory levels and higher raw material costs.

The Corporation relies on an integrated North American manufacturing network to serve its customer base. A significant portion of products manufactured in Canada are sold in the United States, and a portion of products manufactured in the United States are sold in Canada. Any disruption to the Corporation's ability to efficiently leverage this network, including disruptions arising from Tariffs or other geopolitical or macroeconomic developments, could increase operating costs, reduce operational flexibility, and adversely affect its Financial Performance.

The Corporation's manufacturing performance and customer service depend not only on sourcing and production activities, but also on the efficient operation of its distribution and transportation networks. The Corporation utilizes third-party transportation providers, and limitations regarding carrier capacity, labour availability, or prevailing market conditions could result in increased costs or constrain access to logistics services under favorable terms. Any disruptions to transportation or logistics processes may hinder the Corporation's ability to secure ingredients and packaging or to deliver products to customers promptly, potentially impacting service levels and customer relationships. Furthermore, cross-border logistics can be negatively impacted by customs clearance procedures, inspections, administrative requirements, or border congestion, leading to delays, higher expenses, or interruptions in the movement of raw materials and finished goods.

Although the Corporation maintains a business continuity plan, there can be no assurance that such plan will address all potential disruption scenarios. A material or prolonged interruption of operations could result in the loss of customer or business partner confidence, damage to the Corporation's reputation, and a decline in long-term demand for its products. The occurrence of any of the foregoing events could have a material adverse effect on the Corporation's business and Financial Performance.

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

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

Lassonde's growth strategy may involve changes in product mix, customer mix or distribution channels, including increased exposure to food service, private label or other channels with different margin profiles, service requirements and competitive dynamics. The Corporation may not successfully execute changes in its route-to-market strategy or achieve anticipated volumes, pricing or cost efficiencies. Misalignment between channel strategy, customer requirements and operational capabilities could result in margin dilution, increased complexity or reduced profitability, which could materially and adversely affect the Corporation's Financial Performance.

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

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

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

The Corporation relies on information technology systems, including enterprise resource planning ("ERP") systems and other integrated digital platforms, to support its operations, supply chain management, plant operations, and financial reporting. These systems may be subject to interruptions, failures, or security breaches arising from events that are difficult to predict or beyond the Corporation's control, including system upgrades, power or network outages, software or hardware failures, natural disasters, human error, malicious acts, or cyberattacks. Security, backup, and disaster recovery measures may not be sufficient or properly implemented to prevent or mitigate such incidents.

The Corporation invests in information technology security initiatives, risk management, backups and redundancy of its systems as well as disaster recovery planning. However, there can be no assurance that these measures will be effective in preventing or timely detecting system failures or cybersecurity incidents. Cybersecurity threats continue to evolve in complexity and sophistication, and the costs associated with implementing, maintaining, and enhancing information technology systems and protective measures may increase significantly over time.

The Corporation's reliance on ERP systems and other integrated digital platforms heightens these risks. A prolonged system failure or a material cybersecurity incident could disrupt production, impair supply chain operations, delay customer deliveries, and adversely affect the timeliness or accuracy of financial reporting, which could negatively impact the Corporation's operations and Financial Performance.

The Corporation also relies on third-party technology providers for certain information systems and business processing services, including data hosting, storage, transmission, and software solutions. Any failure by such third parties, including cloud or software service providers, to perform their services effectively, or any security incident affecting their systems, could disrupt the Corporation's operations or require the Corporation to incur additional costs to address deficiencies or transition to alternative providers.

If the Corporation fails to allocate and effectively manage the resources necessary to maintain and secure its information technology infrastructure, or fails to timely identify or appropriately respond to system failures or cybersecurity incidents, its business and Financial Performance could be materially adversely affected, including through operational disruptions, financial losses, reputational harm, or the unauthorized disclosure of confidential or sensitive information.

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

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

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

The Corporation has undertaken initiatives to improve the performance of its U.S. beverage subsidiaries, including the construction of a new manufacturing facility in New Jersey, additional capital investment, and actions intended to improve operating efficiency, profitability, and long-term competitiveness. These initiatives are complex and may be affected by factors that are difficult to predict or beyond the Corporation's control.

There can be no assurance that these initiatives will be completed within the expected time frames, within budget, or in a manner that achieves the anticipated operational efficiencies, cost savings, or returns on invested capital. Actual costs may exceed current estimates, and the benefits of such investments may be delayed or reduced.

In addition, the success of these initiatives depends in part on the Corporation's ability to stabilize or grow demand for its U.S. beverage products, improve volume and product mix, and achieve sufficient utilization of new and existing production capacity to absorb fixed costs. Pricing actions, changes in consumer demand, competitive dynamics, reduced marketing support, or other commercial execution

challenges may adversely affect volumes and margins. If demand does not materialize at the expected scale or pace, the Corporation may not realize the anticipated gross profit improvements or margin expansion.

Failure to successfully execute these initiatives, or to achieve the expected commercial and operational outcomes, could adversely affect the Corporation's U.S. beverage Financial Performance.

### 19.11 Dependence on licensed or third-party brands could adversely affect the Corporation's business and Financial Performance.

Certain of the Corporation's products are marketed under licensed or third-party brand arrangements. These arrangements may be subject to renewal, termination or modification by the brand owner and may impose restrictions on product formulation, marketing, distribution or geographic scope.

Any termination, non-renewal or adverse change to a licensing arrangement, or reputational issues affecting a third-party brand, could result in lost sales, inventory write-downs, customer disruption or additional costs. The Corporation may not be able to replace such brands or transition affected products on commercially acceptable terms, which could materially and adversely affect its Financial Performance.

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

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

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

### 19.13 Customer Concentration or the loss of a key customer could materially and significantly impact Lassonde's business and Financial Performance.

Lassonde benefits from close commercial relationships with several key customers. In 2025, 40.2% (40.2% in 2024) of the Corporation's sales were carried out with its three largest customers, the largest representing 16.5% (16.1% in 2024) of its sales. The Corporation's customers typically make purchase decisions based on a combination of price, product quality, and customer service performance. Also, they do not typically enter into written contracts with fixed purchase commitments, and the contracts that they do enter into can generally be terminated at will. Therefore, there can be no assurance that the Corporation's customers will continue to buy its products in the same mix or quantities or on the same terms as in the past. The loss of one or more of these customers, a material disruption of the relationship with these customers, or a significant deterioration of the commercial terms applicable to these customers, could have a material impact on the Corporation's profitability.

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

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

Lassonde's success depends in part on the quality of the human resources that it can attract, train, develop, and retain as well as on the adequacy of succession planning for critical positions and employees nearing retirement. While the Corporation has historically experienced some level of ordinary course turnover of employees, the North American environment in recent years has resulted in

increased labour shortages and turnover. The scarcity of labour in North America is likely to have a continued impact on business performance, in terms of operational efficiency, ability to meet demand, compensation, and the cost of employee benefits.

The Corporation competes with other companies to attract and hire skilled employees, and its own employees are sought after by other companies facing similar labour market conditions. This context could cause the Corporation to lose talented employees, and unplanned turnover could deplete its institutional knowledge, erode its competitiveness and increase costs due to increased competition for employees. The Corporation could also fail to attract and develop personnel with key emerging competencies necessary to adapt to evolving business requirements. In addition, failure to maintain a safe and inclusive environment or promote the well-being of its employees could affect Lassonde's reputation and result in lower performance by them and an inability to retain talent.

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

Although Lassonde believes it has good relationships with its employees, a significant portion of its 2,900 full-time equivalent employees is covered by collective bargaining agreements. A first collective bargaining agreement, related to a U.S. plant of the Corporation, is being negotiated since October 2025, while five collective bargaining agreements related to four Canadian plants and one U.S. plant of the Corporation are expiring in 2026. Strikes or work stoppages or other related business interruptions could occur if the Corporation is unable to renew existing agreements or negotiate new agreements on satisfactory terms, which could impair product manufacturing. The terms and conditions of existing, renegotiated, or new collective bargaining agreements could also affect its ability to implement future operational changes to enhance its efficiency or to adapt to changing business needs or strategy.

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

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

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

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

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

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

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

The Corporation has identified climate-related and natural disaster risks that may adversely affect its operations. In recent years, certain extreme weather events and climate conditions in regions where the Corporation or its suppliers operate have resulted in operational disruptions and cost pressures. These events underscore the potential for increased volatility in the availability, quality, and cost of key agricultural commodities, including apples, oranges, cranberries, tomatoes, and other fruits and vegetables.

While the Corporation has established sustainability-related objectives, the achievement of these objectives is subject to operational feasibility, regulatory developments, customer requirements and cost considerations, and failure to achieve them could result in increased costs or reputational impacts rather than environmental or financial benefits.

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

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

Demand for Lassonde's products depends in part on its ability to innovate, anticipate and effectively respond to shifts in consumer trends and preferences. The Corporation must also distinguish between short-term fads and long-term trends in such preferences and behaviours. The Corporation's business can be adversely affected when it does not accurately predict long-term changes in consumer preferences or trends in the types of products in demand or when it fails to introduce new or improved versions of products to meet changing consumer preferences.

Growing attention from consumers, health officials and government officials to excessive sugar intake, particularly among younger demographics, has intensified calls for reduced consumption of sweetened drinks. In addition, the growing adoption of weight-management pharmaceuticals, such as GLP-1 receptor agonists, may alter dietary patterns and reduce overall food and beverage consumption among certain consumer segments, which could further diminish demand for the Corporation's products.

Moreover, the proliferation of digital shopping tools, including online retail platforms and mobile purchasing applications, continues to reshape the commercial environment in which the Corporation operates. An inability to keep pace with these evolving distribution channels could place the Corporation at a disadvantage with certain customers and consumers, which could materially and adversely affect its sales and Financial Performance.

Finally, Lassonde's ability to continue serving customers in all markets in which it operates will also depend on the quality and prices of its products, its service level, and its value proposition. Consumers may not buy the Corporation's branded products if they perceive only a minimal difference between the quality or value of its products and those of retailers' private label products or other brands. Additionally, consumers may not buy the Corporation's products on either side of the Canada/U.S. border in reaction to the trade conflict.

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

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

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

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

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

In addition, Lassonde relies on third-party suppliers for a significant portion of its agricultural ingredients, concentrates and other inputs sourced globally. While the Corporation has processes designed to assess supplier quality and compliance, there can be no assurance that suppliers will not engage in intentional or unintentional misrepresentation, substitution, dilution, adulteration or other forms of food

fraud. Such practices may not always be detectable through routine testing or audits and could result in the use of ingredients that fail to meet contractual specifications, regulatory requirements or consumer expectations.

Any actual or alleged incident of food fraud or ingredient misrepresentation could result in product withdrawals or recalls, regulatory scrutiny, litigation, loss of customer confidence, reputational harm and increased costs, any of which could materially and adversely affect the Corporation's Financial Performance.

### 19.18 Lassonde faces risks related to the adoption of advanced technology, artificial intelligence, and digital innovation.

The Corporation operates in highly competitive markets that are increasingly influenced by technological innovation, including advances in artificial intelligence, data analytics, automation, and digital marketing capabilities. Competitors may develop or gain access to more advanced or more cost-effective technologies than those available to the Corporation, whether through internal development, third-party partnerships, or acquisitions.

Superior technological capabilities may enable competitors to improve operating efficiency, better anticipate consumer preferences, enhance customer engagement, optimize pricing and promotional strategies, accelerate product development, or increase the effectiveness of marketing and sales activities. In particular, the effective use of artificial intelligence and advanced digital tools could allow competitors to gain advantages that the Corporation may not be able to match on a timely or cost-effective basis.

While the Corporation continues to evaluate and invest in technology and digital initiatives, there can be no assurance that such investments will be sufficient to keep pace with rapid technological change, that they will be successfully implemented, or that they will deliver the expected benefits. The Corporation's ability to compete effectively may also depend on its capacity to attract, retain, and develop specialized talent and expertise in these areas.

If the Corporation is unable to maintain, enhance, or effectively deploy its technological capabilities, or if competitors achieve a sustained technological advantage, the Corporation's market position, growth prospects, operating margins, and Financial Performance could be materially adversely affected.

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

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

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

Increased negative attention from traditional and non-traditional media and other stakeholders on the role of food marketing and sustainability practices could adversely affect Lassonde's image. The growing use of social and digital media increases the speed at which information or misinformation can be shared, and negative publicity, whether accurate or not, could seriously damage the Corporation's reputation. Increasing social and political polarization can trigger organized boycotts and targeted online campaigns unrelated to product quality, and consumers may make purchasing decisions based on perceived social or political alignment. Damage to its reputation or brand image could adversely affect its business, including its ability to hire and retain talent. Reputational risk intersects with many of the Corporation's other risks and may therefore exacerbate these risks.

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

The Corporation's operations are subject to various laws and regulations relating to the protection of the environment. Compliance with these laws and regulations requires that the Corporation continues to incur operating and maintenance costs and capital investments, including to control potential impacts of its operations on local communities. Laws and regulations related to the use or disposal of plastics or other packaging materials can adversely affect Lassonde's activities. The Corporation relies on diverse packaging solutions to safely deliver products to its customers and consumers. Some of its products are sold in packaging designed to be recyclable. However, not all packaging is recycled, whether due to lack of infrastructure or otherwise. Several jurisdictions in which the Corporation's products are sold have imposed or are considering imposing regulations or policies intended to encourage the use of sustainable packaging, waste reduction, or increased recycling rates or to restrict the sale of products using certain packaging. These regulations vary in form and

scope and include extended producer responsibility policies, plastic or packaging taxes, restrictions on certain products and materials, requirements for bottle caps to be attached to bottles, bans on the use of single-use plastics and requirements to charge deposit fees. Certain jurisdictions have imposed minimum recycled content requirements for beverage bottles, and similar legislation is under consideration in other jurisdictions. These laws and regulations have and could continue to increase the cost of the Corporation's products, impact demand for its products, result in negative publicity, and require it to increase capital investments to reduce the amount of plastic or other materials used in its packaging or to develop alternative packaging.

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

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

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

#### Interest rates

Interest rate risk is the Corporation's exposure to increases or decreases in financial instrument values caused by fluctuations in interest rates. The Corporation is exposed to cash flow risk due to interest rate fluctuations in its floating-rate interest-bearing financial obligations and is exposed to fair value risk from its fixed-rate financial obligations. In addition, upon the refinancing of a debt instrument, depending on the availability of funds in the market and lender perception of the Corporation's risk, the margin that is added to the reference rate, such as CORRA, SOFR, and prime rates, could vary and directly influence the interest rate payable by the Corporation. Refer to Section 20 for further information on Lassonde's exposure to interest rates.

#### Liquidity and credit

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

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

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

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

**Stock price**

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

The Corporation has established a long-term incentive plan for executives. This plan provides awards of restricted share units ("RSU") and share appreciation rights ("SAR"), the values of which are linked to the performance of the Corporation's shares. To mitigate a portion of the effects of fluctuations in the share price on the fair value of the long-term incentive plan, the Corporation entered into total return swap agreements. The total return swaps are not subject to hedge accounting, which may result in fluctuations in the Corporation's operating results. Finally, even though this exposure is partly managed via a derivative instrument, the Corporation may still incur material losses using such an instrument, including being exposed to a counterparty credit risk. Refer to Section 20 for further information on Lassonde's exposure to its stock price fluctuation.

**Pension obligations**

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

**Customer credit risk**

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

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

**Impairment in the value of assets**

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

**Inventory**

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

### Internal controls

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

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

### Regulatory matters

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

Additionally, some jurisdictions have implemented or may implement stricter food product labelling or warning requirements, including front-of-pack nutritional symbols. For example, most recently, at the start of 2026, Canada implemented a mandatory front-of-package labeling indicator for items containing elevated levels of saturated fat, sugars, or sodium. This regulatory measure is designed to motivate buyers to curtail their intake of such substances. These changes could reduce the sales of Lassonde products subject to these requirements. Furthermore, Lassonde cannot predict if its products will face more stringent labeling or warning regulations in the future, which could increase costs and negatively affect its Financial Performance.

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

### Claims, litigation and insurability

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

The Corporation limits its exposure to such risks by holding insurance to cover the risk of claims related to its operations when such insurance coverage is available at acceptable rates and conditions. However, some risks remain difficult or impossible to insure. While the Corporation believes that the extent of its insurance coverage is consistent with industry practice, and even though it reviews its insurance terms and limits on an annual basis, there is no guarantee that damages related to losses or claims and the related costs will be insured or will not exceed its coverage as insurance policies are subject to exclusions, deductibles and caps, and any claim made

under an insurance policy may be subject to such limitations. If the Corporation were to incur substantial monetary obligations or if its business operations were interrupted for a substantial period, it could incur substantial costs and suffer losses. Additionally, in the future, insurance coverage may not be available at commercially acceptable terms and premiums, or at all. Finally, the timing of insurance recoveries may not match the timing of the monetary loss.

**Intellectual property**

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

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

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

## 20 Financial Instruments and Financial Risk Exposure

### 20.1 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.

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.

As at December 31, 2025, the Corporation had interest rate swap agreements, with a total notional amount of US$50.0 million, to cover the impact of future fluctuations in SOFR interest rates, applicable to the U.S. term loan, on the Corporation's cash flows. These swaps are designated in a hedging relationship. As at December 31, 2025, the negative fair value of the interest rate swaps stood at less than $0.1 million. It is presented in the Derivative Instruments items of the Corporation's Consolidated Statement of Financial Position.

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 $2.7 million on profit or loss and a favourable impact of $0.9 million 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.

### 20.2 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. During 2025, excluding equipment purchases, the Corporation's Canadian subsidiaries had a total net exposure of approximately US$230.0 million.

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.

As at December 31, 2025, foreign exchange forward contracts used to hedge the exchange rate fluctuations related to future payments denominated in foreign currencies totalled $295.9 million according to their contractual exchange rates ($210.9 million as at December 31, 2024). Under these contracts, the Corporation is committed to purchasing foreign currencies at predetermined rates, and, when designated for this purpose, the contracts are subject to hedge accounting. As at December 31, 2025, the negative fair value of the contracts stood, on a net basis, at $0.8 million (total net positive fair value of $10.5 million as at December 31, 2024). It is presented in the Derivative Instruments item of the Corporation’s Consolidated Statement of Financial Position.

According to the balances of financial instruments denominated in foreign currencies as at December 31, 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 $1.0 million on profit or loss and a favourable impact of $5.2 million on other comprehensive income. A $0.05 per unit decrease in foreign currency exchange rates would have had an impact of a similar magnitude but in the opposite direction on the Corporation’s profit or loss and other comprehensive income.

In addition, as of the date of this MD&A, the Corporation has hedged approximately 80% of the total net exposure to the U.S. dollar of its Canadian subsidiaries for the last nine months of 2026. It should be noted here that the Corporation also takes natural hedging into account in its overall foreign exchange risk management strategy.

### 20.3 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. These futures are subject to hedge accounting.

As at December 31, 2025, the positive fair value of these futures, on a net basis, was $1.2 million (total net positive fair value of $0.6 million as at December 31, 2024). It is presented in the Derivative Instruments item of the Corporation’s Consolidated Statement of Financial Position.

According to the frozen concentrated orange juice futures as at December 31, 2025, all other factors being equal, a 10% increase in the price of frozen concentrated orange juice would have had a favourable impact of $1.7 million 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 total return swaps are not subject to hedge accounting.

As at December 31, 2025, the positive fair value of these swaps, on a net basis, was $2.4 million (total net positive fair value of $0.6 million as at December 31, 2024). It is presented in the Derivative Instruments item of the Corporation’s Consolidated Statement of Financial Position.

According to grants made under the long-term incentive plan and the total return swaps as at December 31, 2025, all other factors being equal, a 10% increase in the share price of the Corporation’s Class A subordinate voting shares would have had an unfavourable impact of $0.1 million on profit or loss, while a 10% decrease would have had a favourable impact of less than $0.1 million on the Corporation’s profit or loss.

More details on financial instruments and the risk management thereof are provided in Notes 11 and 27 to the Corporation’s consolidated financial statements.

## 21 Significant Accounting Estimates and Assumptions

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

The main assumptions and estimates are presented below:

**Measurements of revenues from product sales**

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

**Measurements of income taxes**

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

Assumptions and estimates are made to determine the deferred tax asset amount that can be recognized based on the likely timing and amounts of the Corporation's future taxable income and on future tax strategies. 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.

**Measurements of right-of-use assets and lease liabilities**

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

**Measurements of defined benefit 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.

The actuarial valuations for funding purposes were performed on December 31, 2023 and October 1, 2025, depending on the plan. These actuarial valuations are based on management's best-estimate assumptions of the discount rate, expected rate of compensation increase, the indexation rate of pensions paid, and the mortality table. Changes in these assumptions could have an impact on defined benefit costs and obligations. During 2024, the Corporation had withdrawn a net amount of $9.8 million from its defined benefit pension plans.

**Measurements of non-financial assets**

When applying the future discounted cash flows model to determine the fair value of groups of the cash-generating unit ("CGU") to which goodwill is allocated, certain parameters must be used, including estimates of future cash flows, discount rates and other variables; a high degree of judgment must therefore be exercised. Impairment tests on 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. No impairment loss was recognized in 2024 and 2025.

**Purchase price allocations of businesses acquired as part of business combinations**

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

**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.

## 22 Future Accounting Changes

### 22.1 IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 "Presentation and Disclosures in Financial Statements" to replace IAS 1 "Presentation of Financial Statements". IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance 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.

### 22.2 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.

## 23 Related Party Transactions

In the normal course of operations, the Corporation purchases apples for processing from entities controlled by a member of the Board. These purchases totalled $0.1 million in 2025 and were carried out under similar terms and conditions as purchases from arm's length producers.

Moreover, Diamond incurred trademark royalty expenses and interest on a debenture with an entity controlled by a member of the Board. These amounts represented, respectively, $0.4 million and $0.3 million in 2025. These transactions were carried out under terms and conditions similar to those with unrelated parties.

Related party transactions are presented in Note 31 to the consolidated financial statements for the year ended December 31, 2025.

## 24 Disclosure Controls and Procedures ("DC&P")

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

Under the supervision of the Corporation's CEO and the CFO, management evaluated the effectiveness of the controls and procedures used to prepare disclosure documentation, including this MD&A, the Annual Information Form, and the Management Proxy Circular. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures were effective as at December 31, 2025 and, more specifically, that the design of these controls and procedures provides reasonable assurance that important information about the Corporation is evaluated, processed and reported to them in a timely manner during the preparation of disclosure documentation.

## 25 Internal Control Over Financial Reporting ("ICFR")

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

Under the supervision of the CEO and the CFO, management evaluated the effectiveness of the Corporation's internal control over financial reporting as at December 31, 2025, based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, the CEO and the CFO concluded that the ICFR was effective as at the December 31, 2025 year-end.

During the fourth quarter of 2025, there have been no changes to the internal control over financial reporting that would have significantly affected or been likely to have significantly affected the Corporation's internal control over financial reporting.

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March 26, 2026