

# Interim Report

## Lassonde Industries Inc.

First Quarter Ended March 28, 2026

Lassonde

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Lassonde Industries Inc.

# Interim Condensed Consolidated Statements of Income

*First quarter ended March 28, 2026*

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

| | Note | First quarters ended March 28, 2026 | March 29, 2025 |
|---|---|---|---|
| | | **$** | $ |
| **Sales** | | **664,045** | 699,654 |
| Cost of sales | | **475,747** | 516,480 |
| Gross profit | | **188,298** | 183,174 |
| Selling and administrative expenses | | **136,326** | 140,468 |
| Operating profit | | **51,972** | 42,706 |
| Financial expenses | 4 | **7,981** | 8,523 |
| Other (gains) losses | 5 | **(4,277)** | 1,717 |
| Profit before income taxes | | **48,268** | 32,466 |
| Income taxes | 6 | **11,493** | 8,706 |
| **Profit** | | **36,775** | 23,760 |
| Attributable to: | | | |
| Corporation's shareholders | | **36,735** | 24,527 |
| Non-controlling interests | | **40** | (767) |
| | | **36,775** | 23,760 |
| **Basic and diluted earnings per share (in $)** | | **5.38** | 3.60 |
| **Weighted average number of shares outstanding (in thousands)** | | **6,822** | 6,822 |

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

# Interim Condensed Consolidated Statements of Comprehensive Income

*First quarter ended March 28, 2026*
*(in thousands of Canadian dollars) (unaudited)*

| | First quarters ended | |
|---|---|---|
| | **March 28, 2026** | **March 29, 2025** |
| | **$** | $ |
| **Profit** | **36,775** | 23,760 |
| **Other comprehensive income** | | |
| Items that will be reclassified subsequently to profit or loss: | | |
| Net change in the cash flow hedge of financial liabilities | | |
| Gains (losses) on financial instruments designated as hedges | **632** | – |
| Reclassification of (gains) losses on financial instruments designated as hedges | **(62)** | – |
| Income taxes | **(143)** | – |
| | **427** | – |
| Exchange difference on translating foreign operations | **10,327** | (4,584) |
| | **10,754** | (4,584) |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Net change in the cash flow hedge of non-financial assets | | |
| Gains (losses) on financial instruments designated as hedges | **181** | (27,362) |
| Income taxes | **(57)** | 7,036 |
| | **124** | (20,326) |
| Benefit cost of the defined benefit pension plans | | |
| Remeasurements of the net defined benefit asset or liability | **(732)** | (196) |
| Income taxes | **190** | 51 |
| | **(542)** | (145) |
| | **(418)** | (20,471) |
| **Total other comprehensive income (loss)** | **10,336** | (25,055) |
| **Comprehensive income (loss)** | **47,111** | (1,295) |
| Attributable to: | | |
| Corporation's shareholders | **46,092** | 601 |
| Non-controlling interests | **1,019** | (1,896) |
| | **47,111** | (1,295) |

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

# Interim Condensed Consolidated Statements of Financial Position

*First quarter ended March 28, 2026*
*(in thousands of Canadian dollars) (unaudited)*

| | Note | As at March 28, 2026 | As at Dec. 31, 2025 |
|---|---|---|---|
| | | **$** | $ |
| **Assets** | | | |
| Current | | | |
| Cash and cash equivalents | | **10,559** | 7,960 |
| Accounts receivable | 8 | **215,789** | 207,534 |
| Income tax recoverable | | **6,263** | 7,632 |
| Inventories | | **456,230** | 465,026 |
| Derivative instruments | | **3,924** | 4,026 |
| Other current assets | | **43,094** | 42,340 |
| | | **735,859** | 734,518 |
| Derivative instruments | | **4,670** | 3,171 |
| Right-of-use assets | | **44,812** | 46,074 |
| Property, plant and equipment | | **720,803** | 700,953 |
| Intangible assets | | **273,815** | 282,852 |
| Net defined benefit asset | | **1,378** | 2,300 |
| Deferred tax assets | | **5,926** | 5,455 |
| Other non-current assets | | **1,541** | 1,697 |
| Goodwill | | **481,566** | 475,927 |
| | | **2,270,370** | 2,252,947 |
| **Liabilities** | | | |
| Current | | | |
| Bank overdraft | | **–** | 814 |
| Accounts payable and accrued liabilities | 9 | **350,216** | 353,277 |
| Income tax payable | | **3,319** | 6,777 |
| Derivative instruments | | **596** | 3,333 |
| Other current liabilities | | **34,962** | 34,312 |
| Current portion of lease liabilities | | **4,961** | 5,072 |
| Current portion of long-term debt | | **15,149** | 16,914 |
| | | **409,203** | 420,499 |
| Derivative instruments | | **119** | 746 |
| Lease liabilities | | **46,679** | 47,597 |
| Long-term debt | | **417,996** | 427,657 |
| Long-term incentive plan liabilities | | **10,485** | 14,405 |
| Net pension plan liabilities | | **1,847** | 1,859 |
| Deferred tax liabilities | | **105,843** | 103,349 |
| | | **992,172** | 1,016,112 |
| **Shareholders' equity** | | | |
| Equity attributable to the Corporation's shareholders | | **1,181,363** | 1,141,243 |
| Non-controlling interests | | **96,835** | 95,592 |
| | | **1,278,198** | 1,236,835 |
| | | **2,270,370** | 2,252,947 |

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

# Interim Condensed Consolidated Statements of Shareholders' Equity

*First quarter ended March 28, 2026*
*(in thousands of Canadian dollars) (unaudited)*

| | Equity attributable to the Corporation's shareholders | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital | Contributed surplus | Hedging reserve | Foreign currency translation reserve | Retained earnings | Non-controlling interests | Total shareholders' equity |
| | $ | $ | $ | $ | $ | $ | $ |
| Balance as at Dec. 31, 2025 | **46,660** | **1,360** | **(1,904)** | **94,765** | **1,000,362** | **95,592** | **1,236,835** |
| Profit | **–** | **–** | **–** | **–** | **36,735** | **40** | **36,775** |
| Other comprehensive income (loss) | **–** | **–** | **580** | **9,319** | **(542)** | **979** | **10,336** |
| Transfer to non-financial assets [i] | **–** | **–** | **2,444** | **–** | **–** | **92** | **2,536** |
| Dividends | **–** | **–** | **–** | **–** | **(8,527)** | **–** | **(8,527)** |
| Investment | **–** | **–** | **–** | **–** | **–** | **243** | **243** |
| Adjustment | **–** | **–** | **–** | **–** | **111** | **(111)** | **–** |
| **Balance as at March 28, 2026** | **46,660** | **1,360** | **1,120** | **104,084** | **1,028,139** | **96,835** | **1,278,198** |
| Balance as at Dec. 31, 2024 | 46,660 | 1,360 | 8,139 | 130,532 | 883,350 | 95,778 | 1,165,819 |
| Profit | – | – | – | – | 24,527 | (767) | 23,760 |
| Other comprehensive income (loss) | – | – | (19,656) | (4,125) | (145) | (1,129) | (25,055) |
| Transfer to non-financial assets [i] | – | – | (1,805) | – | – | (1) | (1,806) |
| Dividends | – | – | – | – | (7,504) | – | (7,504) |
| Investment | – | – | – | – | – | 3,577 | 3,577 |
| Balance as at March 29, 2025 | 46,660 | 1,360 | (13,322) | 126,407 | 900,228 | 97,458 | 1,158,791 |

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

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

# Interim Condensed Consolidated Statements of Cash Flows

*First quarter ended March 28, 2026*
*(in thousands of Canadian dollars) (unaudited)*

| | Note | First quarters ended March 28, 2026 | March 29, 2025 |
|---|---|---|---|
| | | **$** | $ |
| **Operating activities** | | | |
| Profit | | **36,775** | 23,760 |
| Adjustments: | | | |
| Income taxes | 6 | **11,493** | 8,706 |
| Net interest expense | 4 | **7,681** | 8,261 |
| Depreciation of right-of-use assets and property, plant and equipment and amortization of intangible assets | | **27,680** | 27,302 |
| (Gains) losses on leases and capital assets | | **(3)** | (11) |
| Change in the fair value of financial instruments | | **522** | 715 |
| Cost of the long-term incentive plan | | **84** | 1,752 |
| Cost of pension plans | | **233** | 245 |
| Unrealized foreign exchange (gains) losses | | **(1,005)** | 238 |
| Other | | **22** | 21 |
| | | **83,482** | 70,989 |
| Change in non-cash operating working capital items | 12 | **5,281** | (93,878) |
| Net income tax paid | | **(13,073)** | (17,285) |
| Net interest paid | | **(3,614)** | (6,236) |
| Settlement of derivative instruments | | **2,950** | (11,872) |
| Long-term incentive plan payments | | **(3,703)** | (1,817) |
| Contributions to pension plans | | **(55)** | – |
| | | **71,268** | (60,099) |
| **Financing activities** | | | |
| Change in revolving operating credit, net of transaction costs | | **(14,486)** | 138,909 |
| Transaction costs related to long-term debt | | **(78)** | – |
| Repayment of lease liabilities | | **(1,411)** | (1,540) |
| Dividends paid | | **(8,527)** | (7,504) |
| Investment from non-controlling interests | 11 | **–** | 3,577 |
| | | **(24,502)** | 133,442 |
| **Investing activities** | | | |
| Net acquisition of property, plant and equipment | | **(43,468)** | (77,034) |
| Net acquisition of intangible assets | | **(71)** | (2,035) |
| | | **(43,539)** | (79,069) |
| Change in cash and cash equivalents | | **3,227** | (5,726) |
| Cash and cash equivalents at beginning | | **7,146** | 26,976 |
| Effect of exchange rate changes on cash and cash equivalents | | **186** | (32) |
| **Cash and cash equivalents at end** | | **10,559** | 21,218 |

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

## Note 1. Description of the Corporation

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

Lassonde Industries Inc. and its subsidiaries (collectively, "the Corporation") is a leader in the food and beverages industry in North America. The Corporation develops, manufactures, and markets a wide range of national brand and private label products. The Corporation's products include fruit juices and drinks, pasta sauces, cranberry sauces, condiments, soups, broths, fruit-based snacks as well as alcoholic beverages such as ciders and wine. The Corporation's national brands are sold in various packages under several proprietary trademarks as well as under trademarks for which the Corporation is a licensed user. The Corporation also manufactures private label products for the vast majority of major retailers and wholesalers in North America.

## Note 2. Statement of Compliance

The Corporation's interim condensed consolidated financial statements have been prepared in compliance with IAS 34 *Interim Financial Reporting* and using the same accounting policies as those described in the Corporation's annual consolidated financial statements for the year ended December 31, 2025. The Corporation's annual consolidated financial statements for the year ended December 31, 2025 were prepared in compliance with IFRS® Accounting Standards.

These interim condensed consolidated financial statements do not include all the notes required under IFRS Accounting Standards for complete financial statements, and they should therefore be read in conjunction with the Corporation's annual consolidated financial statements for the year ended December 31, 2025. The Corporation's interim condensed consolidated financial statements and annual consolidated financial statements are available on the SEDAR+ website at www.sedarplus.ca and on the Corporation's website at www.lassonde.com.

The Board of Directors approved these interim condensed consolidated financial statements on May 7, 2026.

## Note 3. Adoption of IFRS Standards

### 3.1 Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments

On January 1, 2026, the Corporation adopted the amended versions of IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures,* which 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.

The adoption of the amended versions of these standards had no significant impact on the Corporation's consolidated financial statements.

## Note 4. Financial Expenses

| | First quarters ended | |
|---|---|---|
| | **March 28, 2026** | **March 29, 2025** |
| | **$** | $ |
| Interest on lease liabilities | **737** | 849 |
| Interest on long-term debt | **6,521** | 7,452 |
| Amortization of transaction costs | **382** | 93 |
| Other interest, net of interest income | **41** | (133) |
| Net interest expense | **7,681** | 8,261 |
| Bank expenses | **300** | 262 |
| | **7,981** | 8,523 |

## Note 5. Other (Gains) Losses

| | First quarters ended | |
|---|---|---|
| | **March 28, 2026** | **March 29, 2025** |
| | **$** | $ |
| Foreign exchange (gains) losses | **(998)** | 1,230 |
| Change in the fair value of derivative instruments | **(543)** | (135) |
| Change in the fair value of the contingent considerations payable related to a business combination | **1,065** | 635 |
| Other [i)] | **(3,801)** | (13) |
| | **(4,277)** | 1,717 |

i) The first quarter ended March 28, 2026 includes an amount of $4,044,000, which represents a gain related to the preliminary settlement of insurance claims.

## Note 6. Income Taxes

| | First quarters ended | |
|---|---|---|
| | **March 28, 2026** | **March 29, 2025** |
| | **$** | $ |
| Current tax | **11,031** | 7,478 |
| Deferred tax | **462** | 1,228 |
| | **11,493** | 8,706 |

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

## Note 7. Financial Instruments

### 7.1 Classification of derivative instruments

| | As at March 28, 2026 | As at Dec. 31, 2025 |
|---|---|---|
| | **$** | $ |
| **Assets** | | |
| Fair value through profit or loss | **5,150** | 3,286 |
| Fair value through other comprehensive income | **3,444** | 3,911 |
| **Liabilities** | | |
| Fair value through profit or loss | **153** | 1,334 |
| Fair value through other comprehensive income | **562** | 2,745 |

### 7.2 Fair value

During the first quarters ended March 28, 2026 and March 29, 2025, all the Corporation's financial instruments measured at fair value were classified in Level 2 of the fair value hierarchy, except for the contingent considerations payable related to a business combination, which were classified in Level 3. No financial instruments were transferred between levels.

#### 7.2.1 Change in the fair value of financial instruments classified in Level 3

The fair value measurement of the contingent considerations payable related to the business combination with Summer Garden Food Manufacturing and certain of its affiliates (collectively, "Summer Garden") is based on a significant portion of inputs not observable in the market. The Corporation's expectations regarding the sales volume of certain products over the two years following the acquisition, the renewal or not of a customer agreement upon expiry thereof and the discount rate are the key assumptions used in the valuation.

| | First quarters ended | |
|---|---|---|
| | March 28, 2026 | March 29, 2025 |
| | **$** | $ |
| Fair value at beginning | **18,407** | 47,855 |
| Change in fair value [i)] | **1,065** | 635 |
| Exchange difference [ii)] | **241** | (275) |
| **Fair value at end** | **19,713** | 48,215 |

i) Includes the impact of revisions made to key assumptions and the impact of the passage of time. Recognized in profit or loss as other (gains) losses.

ii) Recognized in other comprehensive income as exchange difference on translating foreign operations.

As at March 28, 2026 and December 31, 2025, contingent considerations payable are recognized in other current liabilities in the Interim Condensed Consolidated Statement of Financial Position.

#### 7.2.2 Sensitivity analysis of the Level 3 inputs

The sensitivity analyses of the fair value of the contingent considerations payable related to the Summer Garden business combination as at March 28, 2026 were calculated using reasonably possible changes to each key assumption without considering simultaneous changes to several of these key assumptions. A change in one assumption could trigger a change in another assumption, which could amplify or mitigate the impact of the change in these assumptions on the fair value. The actual impacts of changes in assumptions on the fair value of the contingent considerations payable may differ from the estimated impacts below.

| Assumption | Change in assumption | Impact on fair value given an increase in assumption | Impact on fair value given a decrease in assumption |
|---|---|---|---|
| | | $ | $ |
| Sales volume of certain products | 5% | – | – |
| Probability of renewal of a customer agreement | 5% | 307 | (307) |
| Discount rate | 1% | (86) | 87 |

## Note 8. Accounts Receivable

| | As at March 28, 2026 | As at Dec. 31, 2025 |
|---|---|---|
| | **$** | $ |
| Trade accounts receivable | **204,373** | 199,259 |
| Discounts receivable | **3,166** | 4,135 |
| Other receivables | **8,250** | 4,140 |
| | **215,789** | 207,534 |

## Note 9. Accounts Payable and Accrued Liabilities

| | As at March 28, 2026 | As at Dec. 31, 2025 |
|---|---|---|
| | **$** | $ |
| Trade payables and accrued expenses | **232,686** | 251,544 |
| Trade spending | **59,608** | 53,204 |
| Salaries and accrued vacation payable | **57,658** | 48,303 |
| Other | **264** | 226 |
| | **350,216** | 353,277 |

## Note 10. Long-Term Debt

### 10.1 Diamond credit facilities

On March 31, 2026, Diamond Estates Wines & Spirits Inc. (“Diamond”) and its financial institution agreed to extend the expiry date of Diamond’s credit facilities from March 2026 to July 2026. Diamond is in refinancing discussions with its financial institution.

## Note 11. Shareholders' Equity

### 11.1 Dividend per share

During the first quarter of 2026, the Corporation declared and paid a dividend of $1.25 per share ($1.10 per share during the first quarter of 2025) to the holders of Class A and B shares.

### 11.2 Dividends paid to related parties

| | First quarters ended | |
|---|---|---|
| | **March 28, 2026** | **March 29, 2025** |
| | **$** | $ |
| 3346625 Canada Inc. | **4,708** | 4,143 |
| Key management personnel | **28** | 27 |
| | **4,736** | 4,170 |

### 11.3 Non-controlling interests

#### 11.3.1 Pappas Lassonde Holdings, Inc.

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

## Note 12. Additional Cash Flow Information

### 12.1 Change in non-cash operating working capital items

| | First quarters ended | |
|---|---|---|
| | **March 28, 2026** | **March 29, 2025** |
| | **$** | $ |
| Accounts receivable | **(7,665)** | (28,659) |
| Inventories | **11,726** | (49,133) |
| Other current assets | **(1,300)** | (3,369) |
| Accounts payable and accrued liabilities | **4,688** | (13,940) |
| Other current liabilities | **(2,168)** | 1,223 |
| | **5,281** | (93,878) |

### 12.2 Transactions with no cash impact on financing and investing activities

| | First quarters ended | |
|---|---|---|
| | **March 28, 2026** | **March 29, 2025** |
| | **$** | $ |
| Issuance of Diamond common shares to the non-controlling interest | **243** | – |
| Unpaid acquisitions of property, plant and equipment at the beginning of the period | **33,470** | 34,578 |
| Unpaid acquisitions of property, plant and equipment at the end of the period | **18,131** | 8,156 |
| Investment and innovation tax credits included in property, plant and equipment acquisitions, net of credits received | **(708)** | – |
| Unpaid acquisitions of intangible assets at the beginning of the period | **22** | 563 |
| Unpaid acquisitions of intangible assets at the end of the period | **141** | 276 |
| Net increase (decrease) in right-of-use assets | **153** | 72 |
| Net increase (decrease) in lease liabilities | **153** | 54 |

## Note 13. Segment Information

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

### 13.1 Sales by geographic segment

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

| | First quarters ended | |
|---|---|---|
| | **March 28, 2026** | **March 29, 2025** |
| | **$** | $ |
| Canada | **278,087** | 290,450 |
| United States | **384,929** | 408,318 |
| Other | **1,029** | 886 |
| | **664,045** | 699,654 |

### 13.2 Certain non-current assets and goodwill by geographic segment

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

| | As at March 28, 2026 | | |
|---|---|---|---|
| | **Canada** | **United States** | **Total** |
| | **$** | **$** | **$** |
| Right-of-use assets | **29,673** | **15,139** | **44,812** |
| Property, plant and equipment | **287,744** | **433,059** | **720,803** |
| Intangible assets | **50,001** | **223,814** | **273,815** |
| Goodwill | **18,637** | **462,929** | **481,566** |

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