Interim Management's Discussion & Analysis

First quarter ended April 2, 2022

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1. Basis of Presentation

The following Management's Discussion and Analysis ("MD&A") presents the results, financial position, and cash flows of Lassonde Industries Inc. ("Lassonde" or the "Corporation") and should be read in conjunction with its unaudited interim condensed consolidated financial statements ("interim consolidated financial statements") and accompanying notes. In addition to containing an analysis of the first quarter ended April 2, 2022, this MD&A reports on items deemed significant that have taken place from April 2, 2022 up to and including May 13, 2022, which is the date on which this MD&A was approved by the Corporation's Board of Directors.

The financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar. The MD&A is available on the Lassonde Industries Inc. website. Readers will also find this MD&A, the Annual Information Form, additional documents, press releases, certifications of filings for the first quarter of 2022, and more information about the Corporation on the SEDAR website at www.sedar.com.

2. Forward-Looking Statements and Use of Estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Lassonde Industries Inc. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Lassonde Industries Inc. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Uncertainties and Principal Risk Factors" section of the annual MD&A for the year ended December 31, 2021.

In preparing interim consolidated financial statements in accordance with IFRS, 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 and on the contingent liability and contingent asset information provided.

The main assumptions and estimates used by management are as follows:

- Measurements of revenues from product sales;
- Measurements of the quarterly effective tax rate;
- Measurements of right-of-use assets and lease liabilities;
- Measurements of defined benefit assets and liabilities; and
- Measurements of non-financial assets.

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

3. Corporate Profile

Lassonde Industries Inc. develops, manufactures and markets a wide range of ready-to-drink juices and drinks, fruit-based snacks in the form of bars and bites as well as frozen juice concentrates in North America. The Corporation is the largest producer of fruit juices and drinks in Canada and one of the two largest producers of store brand shelf-stable fruit juices and drinks in the United States. It is also a major producer of cranberry sauces. Furthermore, the Corporation develops, manufactures and markets specialty food products such as pasta sauces, soups as well as fondue broths and sauces. In addition, it produces apple cider and cider-based beverages and imports selected wines from several countries of origin for packaging and marketing purposes.

The Corporation is active in two market segments: the retail segment and the food service segment. Retail sales accounted for approximately 89% of total sales in 2021 and consist of (i) sales to food retailers and wholesalers such as supermarket chains, independent grocers, superstores, warehouse clubs, major pharmacy chains and (ii) online sales. Food service sales accounted for approximately 11% of total sales in 2021 and consist of sales to restaurants, hotels, hospitals, schools and wholesalers serving these institutions. On an annual basis, the Corporation's sales are geographically broken down as follows: approximately 54% of the Corporation's sales are made in the United States and 46% in Canada.

For fiscal 2021, the Corporation's national brand sales represented approximately 43% of total sales. The Corporation's national brands are sold in various packages under several proprietary trademarks, including Antico, Apple & Eve, Arte Nova, Canton, Double Vie, Dublin's Pub, Fairlee, Fruité, Grown Right, Kiju, Mont-Rouge, Northland, Oasis, Old Orchard, Old South, Orange Maison, Rougemont, Ruby Kist, Simple Drop, Sun-Rype, The Switch, Tropical Grove, as well as under trademarks for which the Corporation is a licensed user such as Allen's, Arizona, Del Monte, Graves, and Nature's Best. Sales of private label products, for their part, accounted for approximately

57% of total sales in fiscal 2021. The Corporation manufactures private label products for the vast majority of major retailers and wholesalers in North America.

The Corporation's principal operating subsidiaries are A. Lassonde Inc.; Apple & Eve, LLC; Arista Wines Inc.; Lassonde Pappas and Company, Inc.; Lassonde Specialties Inc.; and Old Orchard Brands, LLC. The Corporation produces superior quality products through the expertise of more than 2,700 people working in 17 plants across Canada and the United States. The shares of Lassonde Industries Inc. are listed on the Toronto Stock Exchange.

4. Multi-Year Strategy

In the "Outlook" section of its 2021 annual MD&A, the Corporation announced the launch of a multi-year strategy to drive long-term value, accelerate growth, as well as improve overall margins and profitability. In 2022, this strategic initiative is expected to result in related operating expenses ranging between $10 million and $15 million. In addition, the initiative is supported by overall capital expenditures targeted at approximately $100 million in 2022, which represents approximately the double of historical levels.

The first phase of the strategy, in 2022, focuses primarily on three key areas: 1) Strategic review to establish the cornerstone of the Corporation's growth plan for the coming years; 2) Revitalization of U.S. operations ("Project Eagle") to optimize and increase production capacity as well as increase the operational efficiency; and 3) Implementation of new management systems and upgrading of technology infrastructures.

During the first quarter of 2022, the Corporation started its strategic review and substantially progressed the diagnostic step of its Project Eagle. It incurred expenses of $2.4 million related to these activities.

During the first quarter of 2022, the Corporation made capital expenditures of $2.2 million in growth and optimization projects. These investments include an ongoing project aimed at improving productivity and production capacity in Canada. It also invested $1.5 million in technology projects.

5. Overall Performance

For the first quarter of 2022, the Corporation's sales totalled $509.0 million, up $42.2 million (9.1%) from $466.8 million in the same quarter of 2021. This increase was essentially due to selling price adjustments that had a favourable impact on sales of private label and national brand products as well as to an increase in the sales volume of the Corporation's national brands.

The Corporation's operating profit for the first quarter of 2022 totalled $22.4 million, down from $31.4 million in the first quarter of 2021. Excluding $2.4 million in expenses related to the multi-year strategy, operating profit was down $6.6 million. This decrease came mainly from a $10.9 million increase in transportation costs incurred to deliver products to the Corporation's clients resulting from higher tariffs and fuel surcharges, partly offset by a higher gross margin. The Canadian operations generated a higher gross margin as a result of (i) the favourable impact of selling price adjustments on the Corporation's national brand sales and (ii) a favourable foreign exchange impact that affected purchases of raw materials in foreign currencies, partly offset by an increase in the cost of inputs, including an increase in the cost of transporting them to the Corporation's plants. As for the U.S. operations, gross margin increased slightly year over year, reflecting the favourable impact of selling price adjustments, partly offset by (i) a decrease in sales volume of private label products and an unfavourable impact from this decrease on the allocation of manufacturing overhead to product costs, and by (ii) an increase in the cost of inputs, including an increase in the cost of transporting them to the Corporation's plants.

Profit attributable to the Corporation's shareholders totalled $14.8 million, resulting in basic and diluted earnings per share of $2.14 for the first quarter of 2022 compared to $20.1 million and $2.90, respectively, for the same quarter in 2021.

For the first quarter of 2022, operating activities used $20.6 million in cash, while they had generated $4.4 million in cash during the same quarter of 2021. This increase in cash outflows is mainly explained by a change in non-cash operating working capital items that used $43.9 million in cash during the first quarter of 2022 compared to $22.7 million in cash used in the same period last year.

As at April 2, 2022, the Corporation's long-term debt, including the current portion, stood at $214.9 million compared to $175.4 million at year-end 2021.

6. Quarterly Financial Information

6.1 Consolidated Income Data

(in thousands of dollars, unless otherwise indicated)	First quarters ended April 2, 2022	First quarters ended April 3, 2021
	$	$
Sales	**509,047**	466,794
Cost of sales	**373,464**	335,197
Selling and administrative expenses	**113,166**	100,224
(Gains) losses on capital assets	**(2)**	(9)
	486,628	435,412
Operating profit	**22,419**	31,382
Share in the profit or (loss) of an associate	**354**	(126)
Financial expenses	**2,170**	3,025
Other (gains) losses	**387**	509
Profit before income taxes	**20,216**	27,722
Income tax expense	**5,201**	7,268
Profit	**15,015**	20,454
Attributable to:		
Corporation's shareholders	**14,789**	20,090
Non-controlling interest	**226**	364
	15,015	20,454
Basic and diluted earnings per share *(in $)*	**2.14**	2.90
Weighted average number of shares outstanding *(in thousands)*	**6,924**	6,934

6.2 Analysis of Results for First Quarter 2022

Sales

In the first quarter of 2022, sales totalled $509.0 million, up $42.2 million (9.1%) from $466.8 million in the first quarter of 2021. This increase in sales was mainly due to the combined impact of the following items:

(i) selling price adjustments that had a $15.5 million favourable impact on the Corporation's private label sales, mainly in the United States;

(ii) selling price adjustments that had a $15.0 million favourable impact on the Corporation's national brand sales, mainly in the United States;

(iii) a $13.8 million increase in the sales volume of national brands arising almost as much in Canada as in the United States;

(iv) a net $7.1 million decrease in the sales volume of private label products resulting from a $21.0 million decrease in the United States, as certain plants experienced a slower production rate given labour-related issues. This decrease was partly offset by a $13.9 million increase in the sales volume of private label products in Canada;

(v) a favourable change in the sales mix of private label sales, generating a net increase in sales of $7.1 million;

(vi) an unfavourable change in the sales mix of national brands, resulting in a net decrease in sales of $1.3 million;

(vii) an unfavourable impact of a $0.9 million increase in slotting fees, mainly in Canada; and

(viii) a $0.1 million favourable foreign exchange impact.

Cost of sales

Cost of sales went from $335.2 million (71.8% of sales) in the first quarter of 2021 to $373.5 million (73.4% of sales) in the first quarter of 2022, up $38.3 million or 11.4%. When compared to the 9.1% increase in sales, this 11.4% increase in cost of sales essentially reflects:

(i) higher input costs, especially apple and orange concentrates as well as PET resin, including an increase in the cost of transporting them to the Corporation's plants; and

(ii) an unfavourable impact of a slower production rate in the United States on the allocation of manufacturing overhead costs to product costs.

These items were partly offset by a favourable foreign exchange impact that affected the purchases of raw materials in foreign currencies made by the Canadian subsidiaries.

Selling and administrative expenses

Selling and administrative expenses went from $100.2 million in the first quarter of 2021 to $113.2 million in the first quarter of 2022, a $13.0 million increase. Excluding $2.4 million in expenses related to the multi-year strategy, selling and administrative expenses were up $10.6 million. This increase was essentially due to a $10.9 million increase in transportation costs incurred to deliver products to the Corporation's clients resulting from higher tariffs and fuel surcharges as well as to higher warehousing costs, partly offset by a decrease of certain administrative expenses.

Operating profit

For the first quarter of 2022, the Corporation's operating profit totalled $22.4 million, down from $31.4 million in the first quarter of 2021.

Financial expenses

The Corporation's financial expenses went from $3.0 million in the first quarter of 2021 to $2.2 million in the first quarter of 2022. This decrease was essentially due to a lower interest expense on long-term debt given a lower debt level.

Other (gains) losses

"Other (gains) losses" went from a $0.5 million loss in the first quarter of 2021 to a $0.4 million loss in the first quarter of 2022. This 2022 first-quarter loss was due to $0.2 million in foreign exchange losses and to a $0.2 million loss resulting from a change in the fair value of financial instruments, whereas the 2021 first-quarter loss was mainly due to a change in the fair value of financial instruments.

Profit before income taxes

Profit before income taxes totalled $20.2 million in the first quarter of 2022, down from $27.7 million in the first quarter of 2021.

Income tax expense

Income tax expense went from $7.3 million in the first quarter of 2021 to $5.2 million in the first quarter of 2022. At 25.7%, the 2022 first-quarter effective income tax rate is lower than the 26.2% rate in the same quarter of 2021. This lower 2022 effective income tax rate is essentially explained by the impact on profit before taxes of the share in the profit or (loss) of an associate, as this share is not taxable.

Profit

The 2022 first-quarter profit totalled $15.0 million, down from $20.5 million in the first quarter of 2021.

Profit attributable to the Corporation's shareholders

Profit attributable to the Corporation's shareholders totalled $14.8 million, resulting in basic and diluted earnings per share of $2.14 for the first quarter of 2022 compared to $20.1 million and $2.90, respectively, for the same quarter in 2021.

7. Interim Results

(in thousands of dollars, unless otherwise indicated)	**Q1 2022**	**Q4 2021**	**Q3 2021**	**Q2 2021**	**Q1 2021**	**Q4 2020**	**Q3 2020**	**Q2 2020**
	$	$	$	$	$	$	$	$
Sales	**509,047**	487,513	469,263	469,292	466,794	515,065	495,207	498,207
Operating profit	**22,419**	31,637	25,408	29,932	31,382	38,907	40,018	42,658
Profit attributable to the Corporation's shareholders	**14,789**	21,825	16,832	18,764	20,090	23,538	25,333	25,998
Basic and diluted earnings per share *(in $)*	**2.14**	3.15	2.43	2.71	2.90	3.39	3.65	3.75

The Corporation's sales typically follow a seasonal pattern, starting slow in the first quarter (January, February and March), progressively improving throughout the year and finishing strong in the fourth quarter (October, November and December). 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 impact. 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 interest rates and taxes.

For a more complete explanation and analysis of quarterly results, refer to the Corporation's Management's Discussion and Analysis for each of the respective quarterly periods, which are filed on SEDAR and also available on the Corporation's website at www.lassonde.com.

8. Financial Position

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 $1.2678 CAD per USD as at December 31, 2021 to $1.2512 CAD per USD as at April 2, 2022. The following table presents the main Consolidated Statement of Financial Position items that are significantly affected by the movement in exchange rates.

			Increase (decrease)	
(in millions of dollars)	**As at April 2, 2022**	**As at Dec. 31, 2021**	**Foreign exchange impact**	**Variance, excluding foreign exchange impact**
	$	$	$	$
Accounts receivable	**179.4**	154.4	(1.4)	26.4
Inventories	**338.1**	309.7	(2.0)	30.4
Property, plant and equipment	**380.8**	384.4	(2.1)	(1.5)
Intangible assets	**197.4**	204.0	(2.3)	(4.3)
Goodwill	**304.6**	308.4	(3.8)	-
Accounts payable and accrued liabilities	**277.9**	269.1	(2.3)	11.1
Long-term debt, including the current portion	**214.9**	175.4	(2.1)	41.6
Deferred tax liabilities	**94.3**	91.4	(0.5)	3.4

8.1 Assets

As at April 2, 2022, the Corporation had total assets of $1,469.5 million versus $1,419.6 million as at December 31, 2021, a 3.5% increase arising mainly from an increase in accounts receivable and inventories, partly offset by a lower conversion rate as at April 2, 2022.

As at April 2, 2022, current assets totalled $546.0 million versus $489.7 million as at December 31, 2021. Cash and cash equivalents stood at $0.3 million as at April 2, 2022 and December 31, 2021.

Accounts receivable totalled $179.4 million as at April 2, 2022 compared to $154.4 million as at December 31, 2021. Excluding the foreign exchange impact, accounts receivable were up $26.4 million due to a $29.7 million increase in trade accounts receivable, resulting mainly from the impact of higher sales in March 2022 compared to December 2021 and from a longer collection period, partly offset by a $3.8 million decrease in discounts receivable from suppliers.

Inventories went from $309.7 million as at December 31, 2021 to $338.1 million as at April 2, 2022. Excluding the foreign exchange impact, inventories increased by $30.4 million. This increase came from (i) a $24.6 million increase in inventories of raw materials and supplies owing essentially to advanced purchases of certain raw materials, mainly apple concentrates, to secure supply or price and, to a lesser extent, to the higher cost thereof, and from (ii) a $5.8 million increase in finished goods inventories. In the normal course of operations, the Corporation is involved in apple and cranberry processing. These processing activities take place mainly from August to November. Processing the harvested fruit crops generally increases inventory levels during the last quarter of the year.

Property, plant and equipment went from $384.4 million as at December 31, 2021 to $380.8 million as at April 2, 2022. Excluding the foreign exchange impact, property, plant and equipment decreased by $1.5 million. This decrease was due to the fact that depreciation expense stood at $9.3 million while the Corporation purchased $5.8 million in property, plant and equipment and recognized a $2.0 million upward net revaluation in the value of right-of-use assets.

Intangible assets went from $204.0 million as at December 31, 2021 to $197.4 million as at April 2, 2022. Excluding the foreign exchange impact, intangible assets decreased by $4.3 million, as an amortization expense of $5.6 million was partly offset by intangible asset purchases of $1.3 million.

The Corporation’s capital expenditures fall into three categories: (i) Growth and optimization projects; (ii) Maintenance and regulatory projects; and (iii) Technology projects. During the first quarter of 2022, the Corporation invested a total amount of $7.1 million. Growth and optimization projects represented $2.2 million. Maintenance and regulatory projects totalled $3.4 million. Technology projects, for their part, represented $1.5 million.

The net defined benefit asset went from $23.0 million as at December 31, 2021 to $30.6 million as at April 2, 2022, a $7.6 million increase that was due to an $8.6 million actuarial gain, partly offset by $1.0 million in plan-related expenses.

8.2 Liabilities

Current liabilities went from $370.3 million at the end of 2021 to $373.8 million as at April 2, 2022. Bank overdraft stood at $5.4 million as at April 2, 2022 compared to $5.0 million as at December 31, 2021.

Accounts payable and accrued liabilities went from $269.1 million as at December 31, 2021 to $277.9 million as at April 2, 2022. Excluding the foreign exchange impact, accounts payable and accrued liabilities increased by $11.1 million. This increase was mainly due to (i) a $16.0 million increase in trade payables and accrued expenses explained mainly by an increase in purchases of raw materials and supplies, and to (ii) a $6.0 million increase in trade marketing costs payable, partly offset by (iii) a $10.9 million decrease in the “Salaries and accrued vacation payable” item essentially due to the payment of the 2021 performance-related salary expenses.

Long-term debt, including the current portion, was $214.9 million as at April 2, 2022 compared to $175.4 million as at December 31, 2021. Excluding the foreign exchange impact, long-term debt increased by $41.6 million. This increase was mainly due to a $39.3 million draw on the Canadian revolving credit and a $2.3 million draw on the U.S. revolving operating credit. However, the Corporation repaid $0.8 million on its Canadian term debts. Regarding the Corporation’s lease liabilities, they increased by $0.6 million given a $2.0 million revaluation of the lease liabilities while the Corporation made repayments of $1.4 million. It should also be noted that the Corporation amortized $0.2 million in financial expenses.

Deferred tax liabilities went from $91.4 million as at December 31, 2021 to $94.3 million as at April 2, 2022. Excluding the foreign exchange impact, deferred tax liabilities increased by $3.4 million. This increase stems mainly from the tax impact of recognizing an actuarial gain in comprehensive income as well as from the tax amortization of goodwill.

8.3 Shareholders’ Equity

Equity attributable to the Corporation’s shareholders totalled $812.2 million as at April 2, 2022, up $3.8 million from $808.4 million as at December 31, 2021. Accumulated other reserves decreased by $7.3 million given a $6.8 million decrease in the foreign currency translation reserve resulting mainly from a lower April 2, 2022 conversion rate applicable to closing balances denominated in U.S. dollars compared to that of December 31, 2021 and from a $0.5 million decrease in the hedging reserve. Retained earnings rose $11.4 million to total $714.6 million at the end of the first quarter of 2022. This increase essentially reflects $14.8 million in profit attributable to the Corporation’s shareholders for the first quarter of 2022 and the recognition of a $6.3 million actuarial gain, net of tax, in other comprehensive income, less $6.1 million in dividends paid and the $3.6 million excess of the purchase price of repurchased Class A shares over the stated capital.

9. Analysis of the Consolidated Cash Flows

9.1 Summary of Consolidated Cash Flows

(in thousands of dollars)	First quarters ended April 2, 2022	April 3, 2021
	$	$
Operating activities	**(20,585)**	4,386
Financing activities	**29,354**	3,055
Investing activities	**(9,106)**	(12,641)
Increase (decrease) in cash and cash equivalents	**(337)**	(5,200)
Cash and cash equivalents at beginning	**(4,723)**	6,803
Impact of exchange rate changes on cash and cash equivalents	**-**	40
Cash and cash equivalents at end	**(5,060)**	1,643

9.2 Cash flows related to operating activities

For the first quarter of 2022, cash flows used by operating activities totalled $20.6 million, whereas these activities had generated $4.4 million during the first quarter of 2021. This increase in cash outflows was essentially due to a change in non-cash operating working capital items that used $43.9 million in cash during the first quarter of 2022 compared to $22.7 million in cash used in the same period last year, for a $21.2 million increase in cash outflows. This fluctuation in the change in working capital was due to the combined impact of the following items:

a) an increase in inventories that used $30.4 million during the first quarter of 2022 compared to $6.1 million used in the same quarter of 2021;

b) an increase in accounts payable and accrued liabilities that generated $13.5 million during the first quarter of 2022 compared to $2.6 million used during the first quarter of 2021; and

c) an increase in accounts receivable that used $26.4 million during the first quarter of 2022 compared to $13.4 million in cash used during the first quarter of 2021.

An $8.7 million decrease in earnings before interest, taxes, depreciation and amortization also contributed to the downward change in operating cash flows, while a $6.6 million decrease in the funding of the defined benefit pension plans has limited this downward change.

9.3 Cash flows related to financing activities

For the first quarter of 2022, financing activities generated $29.4 million in cash, whereas these activities had generated $3.1 million during the first quarter of 2021. This increase in cash inflows was due to a $41.5 million inflow from revolving operating credit during the first quarter of 2022 compared to a $14.3 million inflow from revolving operating credit in the first quarter of 2021 and to a $4.6 million decrease in long-term debt repayments, partly offset by $3.9 million in share repurchases in 2022 and by a $1.6 million increase in dividends paid on Class A and B shares.

9.4 Cash flows related to investing activities

For the first quarter of 2022, investing activities used $9.1 million in cash compared to $12.6 million used in the first quarter of 2021. This downward change came essentially from a $2.7 million decrease in cash outflows to acquire property, plant and equipment and a $0.9 million decrease in cash outflows to acquire intangible assets.

10. Financial Measures Not in Accordance With IFRS

Working capital and the working capital ratio, the shareholders' equity to total assets financial measure, and the adjusted earnings before interest, taxes, depreciation and amortization financial measure 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. Comparing them to similar financial measures or ratios presented by other issuers may not be possible.

10.1 Working Capital and Working Capital Ratio

The Corporation uses working capital as a financial measure to assess whether it has sufficient current assets to cover current liabilities. Working capital is equal to current assets minus current liabilities, whereas the working capital ratio is obtained by dividing current assets by current liabilities.

(in thousands of dollars, except the working capital ratio)	**As at April 2, 2022**	**As at Dec. 31, 2021**
	$	$
Current assets	**545,970**	489,749
Current liabilities	**373,767**	370,338
Working capital	**172,203**	119,411
Working capital ratio	**1.46:1**	1.32:1

It should be noted that the U.S. subsidiaries' term loan is maturing in 2022, thereby increasing current liabilities by $75.1 million as at April 2, 2022 and by $76.1 million as at December 31, 2021. The Corporation intends to use its U.S. revolving operating credit, revised upward during the second quarter of 2021, to repay any outstanding balance at maturity. Excluding this item, the Corporation's working capital would have totalled $247.3 million as at April 2, 2022, translating into a ratio of 1.83.1 and $195.5 million at the end of fiscal 2021, translating into a ratio of 1.66:1.

10.2 Shareholders' Equity to Total Assets

The Corporation uses the shareholders' equity to total assets financial measure to determine the shareholders' investment as a proportion of the Corporation's total assets. To calculate the shareholders' equity to total assets ratio, the shareholders' equity presented on the Consolidated Statement of Financial Position is divided by total assets.

(in thousands of dollars, unless otherwise indicated)	**As at April 2, 2022**	**As at Dec. 31, 2021**
	$	$
Shareholders' equity	**868,785**	865,507
Total assets	**1,469,536**	1,419,595
Shareholders' equity / total assets ratio *(in %)*	**59.1**	61.0

10.3 Earnings Before Interest, Taxes, Depreciation and Amortization

Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a financial measure used by the Corporation and investors to assess its capacity to generate future cash flows from operating activities and pay financial expenses. EBITDA consists of operating profit, the "depreciation of property, plant and equipment and amortization of intangible assets" shown in the Consolidated Statement of Cash Flows, and "(Gains) losses on capital assets," if applicable.

	First quarters ended	
(in thousands of dollars)	**April 2, 2022**	**April 3, 2021**
	$	$
Operating profit	**22,419**	31,382
Depreciation of property, plant and equipment and amortization of intangible assets	**14,916**	15,236
(Gains) losses on capital assets	**(2)**	(9)
EBITDA	**37,333**	46,609

Depreciation and amortization expense went from $15.2 million in the first quarter of 2021 to $14.9 million in the first quarter of 2022. This $0.3 million decrease is mainly explained by the end of the amortization of certain intangible assets during the third quarter of 2021.

(in thousands of dollars)	**Q1 2022**	**Q4 2021**	**Q3 2021**	**Q2 2021**	**Q1 2021**	**Q4 2020**	**Q3 2020**	**Q2 2020**
	$	$	$	$	$	$	$	$
EBITDA	**37,333**	45,845	40,523	44,844	46,609	56,837	55,966	58,521

10.4 Net Debt to EBITDA

Net Debt to EBITDA is a financial measure used by the Corporation to assess its ability to pay off its existing debt and to define its available borrowing capacity. To calculate the Net Debt to EBITDA ratio, the net debt is divided by the sum of EBITDA for the last four quarters. Net debt represents long-term debt, including the current portion, less “Cash and cash equivalents” item, as presented in the Corporation’s Consolidated Statement of Financial Position.

(in thousands of dollars, except the net debt to EBITDA ratio)	**As at April 2, 2022**	**As at Dec. 31, 2021**
	$	$
Current portion of long-term debt	**83,955**	84,387
Long-term debt	**130,911**	91,045
Less: Cash and cash equivalents	**314**	305
Net debt	**214,552**	175,127
Sum of EBITDA for the last four quarters	**168,545**	177,821
Net Debt to EBITDA ratio	**1.27**	0.98

11. Off-Consolidated-Statement-of-Financial-Position Arrangements

As at April 2, 2022, the Corporation had letters of credit outstanding totalling $0.4 million.

Commitments are presented in Note 30 to the audited consolidated financial statements for the year ended December 31, 2021.

12. Share Information

As at April 2, 2022, the issued and outstanding capital stock of the Corporation consisted of 3,153,900 Class A subordinate voting shares and 3,752,620 Class B multiple voting shares.

The Corporation has re-established its share repurchase program through the Toronto Stock Exchange (“TSX”) in accordance with its policies and regulations. Consequently, the Corporation is allowed to repurchase in cash, by way of a normal course issuer bid, between December 23, 2021 and December 22, 2022 up to 80,000 of its Class A subordinate voting shares. The purchases are made at market prices, without exceeding the price limit set by the Corporation’s management.

As of December 20, 2021, the average daily trading volume of the Class A subordinate voting shares over the last six completed calendar months was 2,744 shares ("ADTV"). Accordingly, pursuant to the TSX rules and policies, the Corporation is entitled on any trading day to purchase up to 1,000 Class A subordinate voting shares. In addition to this daily repurchase limit of 1,000 shares, the Corporation may also, once a week, purchase a block of shares not owned by an insider (i) having a purchase price of $200,000 or more, or (ii) of at least 5,000 shares having a purchase price of at least $50,000, or (iii) of at least 20 board lots of shares which total 150% or more of the ADTV, the whole in accordance with the TSX rules.

During the first quarter ended April 2, 2022, the Corporation repurchased for cancellation 26,500 Class A subordinate voting shares at an average price of $148.11 per share for a cash consideration of $3,925,000 of which $351,000 was applied against capital stock, $3,570,000 against retained earnings, and $4,000 against contributed surplus.

Since the end of the first quarter of 2022 and until May 10, 2022, the Corporation repurchased 17,500 Class A subordinate voting shares for a consideration of $2,429,000.

13. Dividends

In accordance with the Corporation's dividend policy, the Board of Directors today declared a quarterly dividend of $0.70 per share, payable on June 15, 2022 to all registered holders of Class A and Class B shares on May 26, 2022. On an annualized basis, this dividend represents approximately 25% of the 2021 profit attributable to the Corporation's shareholders. This dividend is an eligible dividend.

14. Subsequent Event

In May 2022, the U.S. credit facilities were amended to extend the term loan maturity date by seven months to December 2022.

15. Adoption of IFRS Standards

15.1 IAS 16 Property, Plant and Equipment

On January 1, 2022, the Corporation adopted the amended version of IAS 16 "Property, Plant and Equipment," which applies to fiscal years beginning on or after January 1, 2022.

The adoption of this amended standard had no impact on the Corporation's consolidated financial statements.

16. Accounting Policies and Future Accounting Changes

The interim consolidated financial statements were prepared using the same accounting policies as those described in Note 2 to the consolidated financial statements for the year ended December 31, 2021. The future accounting changes are presented in Note 5 to the consolidated financial statements for the year ended December 31, 2021. The interim consolidated financial statements do not include all of the notes required in the annual consolidated financial statements.

17. Disclosure Controls and Procedures ("DC&P")

The Corporation's Chief Executive Officer and Chief Financial Officer 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 cannot provide an absolute level of assurance because of the inherent limitations in control systems to prevent or detect all misstatements due to error or fraud.

The Corporation's Chief Executive Officer and Chief Financial Officer have concluded that the design of the disclosure controls and procedures as at April 2, 2022 provides reasonable assurance that significant information relevant to the Corporation, including that of its consolidated subsidiaries, is reported to them during the preparation of disclosure documents.

18. 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 controls over financial reporting can only provide reasonable assurance and may not prevent or detect misstatements due to error or fraud.

Under the supervision of the Chief Executive Officer and the Chief Financial Officer, the Corporation has conducted an evaluation of the design of the Corporation's internal control over financial reporting as at April 2, 2022, based on the framework issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission.

During the first quarter of 2022, 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.

19. Outlook

According to industry data, sales volume for the Canadian fruit juice and drink market increased during the first quarter of 2022 when compared to the first quarter of 2021, whereas sales volume for the U.S. fruit juice and drink market decreased. Lassonde's sales were up 9.1% in the first quarter of 2022 compared to the same quarter of 2021, mainly due to selling price adjustments. However, its U.S. operations continue to endure labour-related challenges in addition to those related to supply that the Corporation as a whole continues to address. These challenges are still impacting the Corporation's ability to fully meet customer demand. Despite selling price adjustments that successfully offset significant increases in input costs, Lassonde's profitability decreased in the first quarter of 2022 due to recent inflationary pressure that is strongly affecting transportation costs.

As mentioned above, in the first quarter of 2022, Lassonde launched a multi-year strategy to drive long-term value, accelerate growth, as well as improve overall margins and profitability. During the last nine months of 2022, Lassonde plans to progress the work undertaken to deploy its strategic review, the revitalization of its U.S. operations and the upgrade of its technology infrastructures. It also plans to start implementing new demand planning and transportation management systems in the United States.

Based on industry projections, sales volumes for the fruit juice and drink markets in Canada and the U.S. are expected to slightly decrease in 2022. Despite this anticipated decrease, Lassonde expects to maintain moderate sales growth in 2022. In the second quarter of 2022, profitability will still be under pressure as the Corporation will continue to address ongoing supply chain issues, labour challenges, and continued inflationary pressures, which are particularly affecting packaging, orange concentrate and transportation costs. Early transformation initiatives in the U.S. and the run-rate effect of selling price adjustments are expected to deliver benefits in the second half of the year, which should offset a softer first-half performance.

In preparing this outlook, the Corporation made assumptions that do not consider extraordinary events or circumstances beyond its control. These assumptions are based on current macroeconomic, geopolitical and competitive environments, but it should be noted that conditions are highly volatile and rapidly evolving. For more information, please consult the "Uncertainties and Principal Risk Factors" section of the 2021 annual MD&A.

May 13, 2022