

Interim Report

Lassonde Industries Inc.

Second Quarter Ended June 27, 2026



Lassonde

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Interim Condensed Consolidated Statements of Income

Second quarter ended June 27, 2026

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

	Note	Second quarters ended		First six months ended	
		June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
		\$	\$	\$	\$
Sales		737,687	742,421	1,401,732	1,442,075
Cost of sales		510,137	546,713	985,884	1,063,193
Gross profit		227,550	195,708	415,848	378,882
Selling and administrative expenses		157,382	141,297	293,708	281,765
Impairment of assets	4	30,200	—	30,200	—
Operating profit		39,968	54,411	91,940	97,117
Financial expenses	5	7,732	10,115	15,713	18,638
Other (gains) losses	6	(407)	(1,903)	(4,684)	(186)
Profit before income taxes		32,643	46,199	80,911	78,665
Income taxes	7	7,677	11,801	19,170	20,507
Profit		24,966	34,398	61,741	58,158
Attributable to:					
Corporation's shareholders		26,948	34,335	63,683	58,862
Non-controlling interests		(1,982)	63	(1,942)	(704)
		24,966	34,398	61,741	58,158
Basic and diluted earnings per share (in \$)		3.95	5.03	9.33	8.63
Weighted average number of shares outstanding (in thousands)		6,822	6,822	6,822	6,822

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

Interim Condensed Consolidated Statements of Comprehensive Income

Second quarter ended June 27, 2026

(in thousands of Canadian dollars) (unaudited)

	Second quarters ended		First six months ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	\$	\$	\$	\$
Profit	24,966	34,398	61,741	58,158
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	228	—	860	—
Reclassification of (gains) losses on financial instruments designated as hedges	(73)	—	(135)	—
Income taxes	(39)	—	(182)	—
	116	—	543	—
Exchange difference on translating foreign operations	18,703	(36,689)	29,030	(41,273)
	18,819	(36,689)	29,573	(41,273)
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	2,952	(6,111)	3,133	(33,473)
Income taxes	(773)	1,597	(830)	8,633
	2,179	(4,514)	2,303	(24,840)
Benefit cost of the defined benefit pension plans				
Remeasurements of the net defined benefit asset or liability	348	(675)	(384)	(871)
Income taxes	(91)	176	99	227
	257	(499)	(285)	(644)
	2,436	(5,013)	2,018	(25,484)
Total other comprehensive income (loss)	21,255	(41,702)	31,591	(66,757)
Comprehensive income (loss)	46,221	(7,304)	93,332	(8,599)
Attributable to:				
Corporation's shareholders	46,394	(3,755)	92,486	(3,154)
Non-controlling interests	(173)	(3,549)	846	(5,445)
	46,221	(7,304)	93,332	(8,599)

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

Interim Condensed Consolidated Statements of Financial Position*Second quarter ended June 27, 2026**(in thousands of Canadian dollars) (unaudited)*

	Note	As at June 27, 2026 \$	As at Dec. 31, 2025 \$
Assets			
Current			
Cash and cash equivalents		6,984	7,960
Accounts receivable	9	236,047	207,534
Income tax recoverable		6,508	7,632
Inventories		476,302	465,026
Derivative instruments		5,075	4,026
Other current assets		38,364	42,340
		769,280	734,518
Derivative instruments		3,317	3,171
Right-of-use assets		43,598	46,074
Property, plant and equipment		754,172	700,953
Intangible assets	4	239,234	282,852
Net defined benefit asset		1,536	2,300
Deferred tax assets		6,117	5,455
Other non-current assets		1,516	1,697
Goodwill		491,942	475,927
		2,310,712	2,252,947
Liabilities			
Current			
Bank overdraft		—	814
Accounts payable and accrued liabilities	10	380,437	353,277
Income tax payable		6,613	6,777
Derivative instruments		600	3,333
Other current liabilities		34,957	34,312
Current portion of lease liabilities		4,786	5,072
Current portion of long-term debt	11	14,002	16,914
		441,395	420,499
Derivative instruments		1,561	746
Lease liabilities		45,929	47,597
Long-term debt	11	393,733	427,657
Long-term incentive plan liabilities		10,054	14,405
Net pension plan liabilities		2,025	1,859
Deferred tax liabilities		101,348	103,349
		996,045	1,016,112
Shareholders' equity			
Equity attributable to the Corporation's shareholders		1,218,017	1,141,243
Non-controlling interests		96,650	95,592
		1,314,667	1,236,835
		2,310,712	2,252,947

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

Interim Condensed Consolidated Statements of Shareholders' Equity

Second quarter ended June 27, 2026

(in thousands of Canadian dollars) (unaudited)

	Equity attributable to the Corporation's shareholders						Total shareholders' equity
	Share capital	Contributed surplus	Hedging reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	\$
Balance as at Dec. 31, 2025	46,660	1,360	(1,904)	94,765	1,000,362	95,592	1,236,835
Profit	—	—	—	—	63,683	(1,942)	61,741
Other comprehensive income (loss)	—	—	2,891	26,197	(285)	2,788	31,591
Transfer to non-financial assets ⁱ⁾	—	—	1,232	—	—	80	1,312
Dividends	—	—	—	—	(17,055)	—	(17,055)
Investment	—	—	—	—	—	243	243
Adjustment	—	—	—	—	111	(111)	—
Balance as at June 27, 2026	46,660	1,360	2,219	120,962	1,046,816	96,650	1,314,667
Balance as at Dec. 31, 2024	46,660	1,360	8,139	130,532	883,350	95,778	1,165,819
Profit	—	—	—	—	58,862	(704)	58,158
Other comprehensive income (loss)	—	—	(24,224)	(37,148)	(644)	(4,741)	(66,757)
Transfer to non-financial assets ⁱ⁾	—	—	3,740	—	—	225	3,965
Dividends	—	—	—	—	(15,008)	—	(15,008)
Investment	—	—	—	—	—	3,598	3,598
Adjustment	—	—	—	—	(23)	23	—
Balance as at June 28, 2025	46,660	1,360	(12,345)	93,384	926,537	94,179	1,149,775

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

Second quarter ended June 27, 2026

(in thousands of Canadian dollars) (unaudited)

	Note	First six months ended	
		June 27, 2026	June 28, 2025
		\$	\$
Operating activities			
Profit		61,741	58,158
Adjustments:			
Income taxes	7	19,170	20,507
Net interest expense	5	15,037	18,058
Depreciation of right-of-use assets and property, plant and equipment and amortization of intangible assets		55,250	55,355
(Gains) losses on leases and capital assets		285	(81)
Impairment of assets	4	30,200	–
Change in the fair value of financial instruments		556	(60)
Cost of the long-term incentive plan		3,656	3,891
Cost of pension plans		601	565
Unrealized foreign exchange (gains) losses		(1,736)	(1,081)
Other		42	42
		184,802	155,354
Change in non-cash operating working capital items	13	1,785	(165,834)
Net income tax paid		(23,916)	(28,471)
Net interest paid		(11,768)	(16,932)
Settlement of derivative instruments		2,599	(5,453)
Long-term incentive plan payments		(4,387)	(1,817)
Contributions to pension plans		(55)	–
		149,060	(63,153)
Financing activities			
Change in revolving operating credit, net of transaction costs		(48,394)	(143,008)
Increase in long-term debt, net of transaction costs		(166)	341,478
Repayment of lease liabilities		(2,728)	(2,956)
Repayment of long-term debt		(135)	(135)
Dividends paid		(17,055)	(15,008)
Investment from non-controlling interests	12	–	3,577
		(68,478)	183,948
Investing activities			
Consideration paid related to a business combination	8	–	(7,017)
Net acquisition of property, plant and equipment		(80,200)	(102,937)
Net acquisition of intangible assets		(881)	(4,113)
		(81,081)	(114,067)
Change in cash and cash equivalents		(499)	6,728
Cash and cash equivalents at beginning		7,146	26,976
Effect of exchange rate changes on cash and cash equivalents		337	(1,027)
Cash and cash equivalents at end		6,984	32,677

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

Notes to the Interim Condensed Consolidated Financial Statements

Second quarter ended June 27, 2026

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

Note 1. Description of the Corporation

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

Lassonde Industries Inc. and its subsidiaries (collectively, "the Corporation") is a leader in the food and beverages industry in North America. The Corporation develops, manufactures, and markets a wide range of national brand and private label products. 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 August 6, 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. Impairment of Assets

During the second quarter ended June 27, 2026, the Corporation recognized impairment losses totalling \$30,200,000, primarily attributable to an intangible asset. Indicators of impairment were identified for a customer relationship due to contractual changes. Accordingly, an impairment test was performed by comparing the carrying amount of the intangible asset to its recoverable amount. The recoverable amount was determined based on fair value less disposal costs estimated using a discounted future cash flow model that applied a discount rate of 12% per year.

Notes to the Interim Condensed Consolidated Financial Statements

Second quarter ended June 27, 2026

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

Note 5. Financial Expenses

	Second quarters ended		First six months ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	\$	\$	\$	\$
Interest on lease liabilities	715	793	1,452	1,642
Interest on long-term debt	6,429	8,777	12,950	16,229
Amortization of transaction costs	381	235	763	328
Other interest, net of interest income	(169)	(8)	(128)	(141)
Net interest expense	7,356	9,797	15,037	18,058
Bank expenses	376	318	676	580
	7,732	10,115	15,713	18,638

Note 6. Other (Gains) Losses

	Second quarters ended		First six months ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	\$	\$	\$	\$
Foreign exchange (gains) losses	(757)	(1,497)	(1,755)	(267)
Change in the fair value of derivative instruments	(83)	(520)	(626)	(655)
Change in the fair value of the contingent considerations payable related to a business combination	117	41	1,182	676
Other ⁱ⁾	316	73	(3,485)	60
	(407)	(1,903)	(4,684)	(186)

- i) The first six months ended June 27, 2026 includes an amount of \$4,137,000, which represents a gain related to the settlement of insurance claims.

Note 7. Income Taxes

	Second quarters ended		First six months ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	\$	\$	\$	\$
Current tax	14,019	11,243	25,050	18,721
Deferred tax	(6,342)	558	(5,880)	1,786
	7,677	11,801	19,170	20,507

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.

Notes to the Interim Condensed Consolidated Financial Statements

Second quarter ended June 27, 2026

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

Note 8. Financial Instruments

8.1 Classification of derivative instruments

	As at June 27, 2026	As at Dec. 31, 2025
	\$	\$
Assets		
Fair value through profit or loss	2,783	3,286
Fair value through other comprehensive income	5,609	3,911
Liabilities		
Fair value through profit or loss	1,116	1,334
Fair value through other comprehensive income	1,045	2,745

8.2 Fair value

During the first six months ended June 27, 2026 and June 28, 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.

8.2.1 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.

	Second quarters ended		First six months ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	\$	\$	\$	\$
Fair value at beginning	19,713	48,215	18,407	47,855
Change in fair value ⁱ⁾	117	41	1,182	676
Settlement ⁱⁱ⁾	—	(7,017)	—	(7,017)
Exchange difference ⁱⁱⁱ⁾	443	(1,948)	684	(2,223)
Fair value at end	20,273	39,291	20,273	39,291

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

ⁱⁱ⁾ The conditions for the payment of the contingent consideration payable related to labour costs were met during the second quarter ended June 28, 2025.

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

As at June 27, 2026 and December 31, 2025, contingent considerations payable were recognized in other current liabilities in the Interim Condensed Consolidated Statement of Financial Position.

Notes to the Interim Condensed Consolidated Financial Statements

Second quarter ended June 27, 2026

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

8.2.2 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 June 27, 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	a decrease in assumption
		\$	\$
Sales volume of certain products	5%	–	–
Probability of renewal of a customer agreement	5%	312	(312)
Discount rate	1%	(65)	66

Note 9. Accounts Receivable

	As at June 27, 2026	As at Dec. 31, 2025
	\$	\$
Trade accounts receivable	229,017	199,259
Discounts receivable	2,479	4,135
Other receivables	4,551	4,140
	236,047	207,534

Note 10. Accounts Payable and Accrued Liabilities

	As at June 27, 2026	As at Dec. 31, 2025
	\$	\$
Trade payables and accrued expenses	268,963	251,544
Trade spending	64,492	53,204
Salaries and accrued vacation payable	46,767	48,303
Other	215	226
	380,437	353,277

Note 11. Long-Term Debt

11.1 Canadian credit facilities

In June 2026, pursuant to an option provided in the agreement, the Corporation and the syndicate of financial institutions agreed to extend the expiry date of the Canadian revolving operating credit ("CA revolving credit") by one year to April 2029, and to reduce the authorized amount of the CA revolving credit from \$475,000,000 to \$300,000,000.

Notes to the Interim Condensed Consolidated Financial Statements

Second quarter ended June 27, 2026

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

11.2 Diamond credit facilities

In July 2026, the Diamond Estates Wines & Spirits Inc. ("Diamond") credit facilities were amended to extend the maturity to October 2026.

Note 12. Shareholders' Equity

12.1 Dividend per share

During the first six months of 2026, the Corporation declared and paid dividends totalling \$2.50 per share (\$2.20 per share during the first six months of 2025) to the holders of Class A and B shares.

12.2 Dividends paid to related parties

	First six months ended	
	June 27, 2026	June 28, 2025
	\$	\$
3346625 Canada Inc.	9,415	8,285
Key management personnel	53	54
	9,468	8,339

12.3 Share repurchase

On August 6, 2026, the Corporation announced, subject to approval by the Toronto Stock Exchange, that it intends to launch a normal course issuer bid to purchase for cancellation up to 200,000 Class A subordinate voting shares of its capital, representing approximately 6.52% of the 3,069,000 issued and outstanding subordinate voting shares on this date.

12.4 Non-controlling interests

12.4.1 Pappas Lassonde Holdings, Inc.

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

Note 13. Additional Cash Flow Information

13.1 Change in non-cash operating working capital items

	First six months ended	
	June 27, 2026	June 28, 2025
	\$	\$
Accounts receivable	(25,700)	(61,320)
Inventories	(2,482)	(48,509)
Other current assets	3,718	2,919
Accounts payable and accrued liabilities	28,994	(62,018)
Other current liabilities	(2,745)	3,094
	1,785	(165,834)

Notes to the Interim Condensed Consolidated Financial Statements

Second quarter ended June 27, 2026

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

13.2 Transactions with no cash impact on financing and investing activities

	First six months ended	
	June 27, 2026	June 28, 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	20,742	4,789
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	21	259
Net increase (decrease) in right-of-use assets	153	(519)
Net increase (decrease) in lease liabilities	153	(585)

Note 14. Segment Information

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

14.1 Sales by geographic segment

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

	Second quarters ended		First six months ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	\$	\$	\$	\$
Canada	318,636	340,490	596,723	630,940
United States	418,190	400,075	803,119	808,393
Other	861	1,856	1,890	2,742
	737,687	742,421	1,401,732	1,442,075

14.2 Certain non-current assets and goodwill by geographic segment

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

	As at June 27, 2026		
	Canada	United States	Total
	\$	\$	\$
Right-of-use assets	29,101	14,497	43,598
Property, plant and equipment	289,763	464,409	754,172
Intangible assets	48,367	190,867	239,234
Goodwill	18,637	473,305	491,942

Notes to the Interim Condensed Consolidated Financial Statements

Second quarter ended June 27, 2026

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

	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