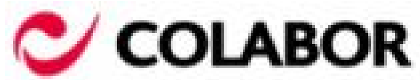

Consolidated Financial Statements
December 28, 2024
(in thousands of Canadian dollars)

Independent auditor's report

To the Shareholders of Groupe Colabor Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Groupe Colabor Inc. and its subsidiaries (together, the Company) as at December 28, 2024 and December 30, 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of earnings for the years ended December 28, 2024 and December 30, 2023;
- the consolidated statements of comprehensive income for the years ended December 28, 2024 and December 30, 2023;
- the consolidated statements of changes in equity for the years ended December 28, 2024 and December 30, 2023;
- the consolidated statements of cash flows for the years ended December 28, 2024 and December 30, 2023;
- the consolidated statements of financial position as at December 28, 2024 and December 30, 2023; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 28, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment test for goodwill and trademarks *Refer to note* 2 – *Significant accounting policies and note 14 – Impairment to the consolidated financial statements.* The carrying value of goodwill and trademarks amounts to $73.0 million and $8.5 million, respectively, as of December 28, 2024. Annually, at the year-end date, or when an adverse event occurs, management submits its cash-generating unit (CGU) to which trademarks or goodwill have been allocated to an impairment test. An impairment loss is recognized in the consolidated statements of earnings in "Impairment loss on goodwill, intangible assets and property, plant and equipment" for the amount by which the asset's or the CGU carrying amount exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value, less costs to sell and its value in use. The Company uses the fair value less costs to sell method for the impairment test of goodwill and trademarks. To determine the recoverable amount, management estimates expected future cash flows from each asset or CGU and determines a before-tax interest rate in order to calculate the present value of those cash flows. Management establishes discounted cash flows for the next five years starting from the budget of the following year. Discounted cash flow projections are based on key assumptions including the application of a sales growth rate, the ratio of earnings before taxes, interest, depreciation and amortization (EBITDA) to sales, and the discount rate.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amount, which included the following: – Tested the appropriateness of the method applied and tested the mathematical accuracy of the discounted cash flows. – Tested the underlying data used in discounted cash flows and perform sensitivity and complementarity analyses. – Evaluated the reasonableness of significant assumptions, such as the growth/reduction rates of sales and the ratio of EBITDA to sales, by considering the budget approved by the board of directors and the current and past performance of the CGU. – Professionals with specialized skill and knowledge in the field of valuations assisted us in assessing the adequacy of the discount rate used by management based on available data from comparable companies.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significance of the goodwill and trademarks and the judgments made by management in determining the recoverable amount of CGU, including the use of key assumptions used by management. As a result, we had to make significant effort to implement the audit procedures to test key assumptions and these have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management. Professionals with specialized skills and knowledge in the field of valuations assisted us in the implementation of our procedures.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sébastien Bellemare.

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
February 25, 2025

[1] CPA auditor, public accountancy permit No. A116819

COLABOR

Consolidated Statements of Earnings

For the years ended December 28, 2024 and December 30, 2023

(in thousands of Canadian dollars, except per share data)

		52 weeks	
		2024	**2023**
	Notes	**$**	**$**
Sales	4	**657,093**	659,129
Cost of goods sold		**535,257**	536,096
Gross margin		**121,836**	123,033
Operating expenses	5	**86,568**	85,770
Depreciation and amortization	11, 12, 13	**20,347**	21,355
Costs not related to current operations	6	**795**	937
Operating earnings		**14,126**	14,971
Financial expenses	7	**11,772**	6,625
Earnings before taxes		**2,354**	8,346
Income taxes	8	**739**	2,299
Net earnings from continuing operations		**1,615**	6,047
Net loss from discontinued operations		**(59)**	(455)
Net earnings		**1,556**	5,592
Basic and diluted net earnings per share from continuing operations	9	**0.02**	0.06
Basic and diluted net loss per share from discontinued operations	9	**—**	(0.01)
Basic and diluted net earnings per share	9	**0.02**	0.05

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

Consolidated Statements of Comprehensive Income

For the years ended December 28, 2024 and December 30, 2023

(in thousands of Canadian dollars)

		52 weeks	
		2024	**2023**
	Notes	**$**	**$**
Net earnings from continuing operations		**1,615**	6,047
Other comprehensive income (loss) that will be subsequently reclassified to earnings:			
Changes in fair value of interest rate swap designated as cash flow hedge	21	**(389)**	(327)
Income taxes		**103**	87
Other comprehensive loss from continuing operations		**(286)**	(240)
Comprehensive income from continuing operations		**1,329**	5,807
Net loss from discontinued operations		**(59)**	(455)
Other comprehensive income (loss) that will not be subsequently reclassified to earnings:			
Remeasurement of defined benefit pension obligation	19	**(23)**	(79)
Income taxes		**6**	21
Other comprehensive loss from discontinued operations		**(17)**	(58)
Comprehensive loss from discontinued operations		**(76)**	(513)
Comprehensive income		**1,253**	5,294

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

Consolidated Statements of Changes in Equity

For the years ended December 28, 2024 and December 30, 2023

(in thousands of Canadian dollars)

	Notes	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income	Total equity
		$	$	$	$	$
Balance as at December 31, 2023		**257,054**	**6,753**	**(155,632)**	**304**	**108,479**
Net earnings		**—**	**—**	**1,556**	**—**	**1,556**
Other comprehensive loss		**—**	**—**	**(17)**	**(286)**	**(303)**
Comprehensive income (loss)		**—**	**—**	**1,539**	**(286)**	**1,253**
Stock-based compensation	19	**—**	**112**	**—**	**—**	**112**
Stock options exercised	17	**22**	**(22)**	**—**	**—**	**—**
Balance as at December 28, 2024		**257,076**	**6,843**	**(154,093)**	**18**	**109,844**

	Notes	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income	Total equity
		$	$	$	$	$
Balance as at January 1, 2023		257,008	6,508	(161,166)	544	102,894
Net earnings		—	—	5,592	—	5,592
Other comprehensive loss		—	—	(58)	(240)	(298)
Comprehensive income (loss)		—	—	5,534	(240)	5,294
Stock-based compensation	19	—	291	—	—	291
Stock options exercised	17	46	(46)	—	—	—
Balance as at December 30, 2023		257,054	6,753	(155,632)	304	108,479

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

COLABOR

Consolidated Statements of Cash Flows

For the years ended December 28, 2024 and December 30, 2023

(in thousands of Canadian dollars)

	Notes	52 weeks 2024 $	2023 $
Cash flows from operating activities			
Net earnings from continuing operations		**1,615**	6,047
Non-cash items			
Deferred income taxes	8	**(1,082)**	1,125
Depreciation and amortization		**20,347**	21,355
Financial expenses	7	**11,772**	6,625
Other		**166**	287
		32,818	35,439
Net changes in working capital	20	**4,360**	(6,496)
		37,178	28,943
Cash flows from investing activities			
Acquisitions of property, plant and equipment	11	**(3,113)**	(17,845)
Proceeds on disposals of property, plant and equipment		**—**	33
Acquisitions of intangible assets	12	**(2,648)**	(731)
Business acquisition, net of cash acquired		**(750)**	(1,750)
Other		**(292)**	27
		(6,803)	(20,266)
Cash flows from financing activities			
Net change in the credit facility	20	**(7,250)**	12,000
Lease liability payments	20	**(8,125)**	(12,390)
Financing cost paid	20	**(356)**	(5)
Financial expenses paid	7	**(8,491)**	(6,627)
		(24,222)	(7,022)
Net change in cash and cash equivalents from continuing operations		**6,153**	1,655
Net change in cash and cash equivalents from discontinued operations		**321**	(3,380)
Bank indebtedness at the beginning		**(3,000)**	(1,275)
Cash and cash equivalents (bank indebtedness) at the end		**3,474**	(3,000)
Other information to provide on cash flows from operating activities			
Tax paid		**2,063**	583
Unpaid property, plant and equipment acquisitions		**—**	1,453

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

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	Notes	As at December 28, 2024 $	As at December 30, 2023 $
Assets			
Current assets			
Cash and cash equivalents		**3,474**	—
Trade and other receivables	10	**50,835**	48,544
Inventories		**50,423**	50,730
Pension assets	19	**—**	403
Other	21	**2,344**	1,731
		107,076	101,408
Non-current assets			
Property, plant and equipment	11	**22,359**	23,510
Intangible assets	12	**17,011**	18,498
Right-of-use assets	13	**106,416**	106,954
Goodwill	14	**73,072**	73,072
Deferred tax assets	8	**3,192**	2,118
Other	13	**1,315**	2,270
		223,365	226,422
Total assets		**330,441**	327,830
Liabilities			
Current liabilities			
Bank indebtedness		**—**	3,000
Trade and other payables	15	**50,970**	45,293
Current portion of long-term debt	16	**3,000**	3,000
Current portion of lease liabilities	13	**9,604**	6,205
Other	21	**605**	939
		64,179	58,437
Non-current liabilities			
Long-term debt	16	**48,130**	55,522
Lease liabilities	13	**107,338**	104,732
Contingent consideration	12	**407**	—
Deferred tax liabilities	8	**543**	660
		156,418	160,914
Total liabilities		**220,597**	219,351
Equity			
Equity attributable to shareholders		**109,844**	108,479
Total liabilities and equity		**330,441**	327,830

Commitments (Note 18)

Subsequent events (Note 24)

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

1 Nature of operations

Colabor Group Inc. (hereinafter the "Company") is a distributor and wholesaler of food and related products serving the hotel, restaurant and institutional markets or "HRI" in Quebec and in the Atlantic provinces, as well as the retail market.

The Company is incorporated under the *Canada Business Corporations Act*. It is a Canadian company headquartered at 1601, Rene-Descartes Street, Suite 103, Saint-Bruno-de-Montarville, Quebec, J3V 0A6. The Company's shares are listed on the Toronto Stock Exchange under the symbol GCL.

The Company's year end is on the last Saturday of December. Colabor's fiscal year is comprised of thirteen periods of four weeks each. The first three quarters are comprised of three periods each and the fourth quarter includes four periods. The Company's sales and net earnings are proportionally less significant for the first, second and third quarters and more significant for the fourth quarter since the latter generally has 33% more days of operation in comparison with the other quarters of the period. Additionally, the Company's sales are seasonal, therefore lower sales volume are generally recorded during the first quarter in comparison with the other three quarters.

2 Material accounting policies

General information

These consolidated financial statements of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS), as published by the International Accounting Standard Board (IASB). The consolidated financial statements have been prepared in accordance with the significant accounting policies described in this note, which have been applied consistently throughout the two years.

These consolidated financial statements have been approved by the Company's Board of Directors during the February 25, 2025 meeting.

Basis of measurement

These consolidated financial statements are presented at historical cost, with the exception of the pension obligation or asset that is measured at the present value of the accrued pension obligation less the fair value of the pension plan assets as well as derivative financial instruments and contingent consideration that are recorded at fair value.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries under its control.

The Company has control when it has the power to direct financial and operational policies which have a significant impact on the entity's returns. The subsidiaries are consolidated from the date the Company acquires control until the date control ends. Colabor Group Inc. owns 100% of the following subsidiaries: Les Pêcheries Norref Québec inc. ("Norref"); Transport Paul-Émile Dubé Ltd.; and Le Groupe Resto-Achats inc. ("GRA").

The consolidated financial statements include the accounts of the Company and its subsidiaries, which are all wholly-owned. All transactions and balances between the group's companies are eliminated on consolidation, including unrealized gains and losses on transactions between the group's companies.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred by the Company to obtain control of an entity is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

In a business combination, the Company recognizes identifiable assets acquired and liabilities assumed, including contingent liabilities, regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at the acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) the fair value of the consideration transferred, (b) the recognized amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest that the Company has in the acquiree, over the acquisition-date fair values of identifiable net assets acquired. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. the gain on a bargain purchase) is recognized in profit or loss immediately.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as “measurement period” adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 or IAS 37, Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Discontinued operations

A discontinued operation is a component of the Company which comprises operations and cash flows that can be clearly distinguished from the rest of the Company and which: represents a separate major line of business or geographical area of operations; is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale.

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank indebtedness, demand deposits, highly liquid investments purchased three months or less from maturity that can be converted into cash at a determined amount, outstanding deposits and outstanding cheques.

Revenue recognition

Sales of goods are the only significant source of revenue. Sales of goods in the consolidated statements of earnings are recognized by the Company when control of the goods has been transferred, being when the goods are delivered to customers and when all obligations have been fulfilled. The amounts recognized as sales of goods represent the fair values of the considerations received or receivable from third parties on the sales of goods to customers, net of goods and services taxes and less returns, rebates and discounts, at which time there are no conditions for the payment to become due other than the passage of time. In the case of direct sales to customers, the Company recognizes the product on a net basis since it doesn't control the stocks and is not exposed to their risks.

The Company recognizes customer rebates as a decrease in the selling price in the consolidated statements of earnings. These rebates are recognized when it is highly probable that they will be realized and when they can be reasonably estimated. A contract liability is recognized for the estimated rebates payable to customers.

Supplier rebates

The Company recognizes supplier rebates as a decrease in the prices of suppliers' goods and reduces the purchases of goods and the related inventory in the consolidated statements of earnings and financial position. Some exceptions apply when the cash consideration received is a reimbursement of the additional sales expenses incurred by the reseller, in which case, the rebate is recognized in accordance with the substance of the agreement as a reduction in operating expenses. Additionally, the Company recognizes as revenues the supplier rebates obtained with respect to direct sales to customers.

The Company recognizes these rebates when they are considered as probable and can be reasonably estimated. Receipt probability and estimates are determined on the basis of goods purchase forecasts and contractual terms. Assumptions are reassessed each period.

Income taxes

The income tax expenses comprise current and deferred taxes and are recognized in the consolidated statements of earnings and comprehensive income, other than taxes related to equity, which are deducted from equity. Deferred income tax related to items that have been recognized as other comprehensive income is also recognized in other items of comprehensive income.

Current income tax assets or liabilities comprise those obligations to, or claims from, tax authorities related to the current or prior reporting periods, that are not received or paid at the reporting date. Current income taxes are payable on taxable income, which differs from earnings in the financial statements. Calculation of current taxes is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax base. However, deferred taxes are not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting income. Deferred taxes on temporary differences associated with investments in subsidiaries and joint ventures are not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided that they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always recognized in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Earnings or losses per share

Basic earnings or losses per share are computed by dividing net earnings or losses attributable to the Company’s common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings or losses per share are calculated taking into account the potentially dilutive effect of common shares on earnings attributable to the Company’s common shareholders and the weighted average number of common shares outstanding. For the calculation of diluted earnings, potentially dilutive common shares are considered to have been converted into common shares at the later of the beginning of the period or the common share issuance date. Potential common shares are related to stock options.

Operating segments

Segment information is presented in accordance with IFRS 8, Operating Segments, using information that is reviewed regularly by management to determine the performance of each segment.

As at December 30, 2023, the Company had two operating segments: distribution of food products (the Distribution segment) and sales of general food-related products to distributors (the Wholesale segment). The Distribution activities include the distribution of food products and related products in hotels, restaurants and institutions ("HRI") and retail market. In that activity, the Company distributes specialized products such as meat, fish and sea food ("Specialty Distribution") as well as general food-related products ("Broadline Distribution"). The Wholesale activities include the sale of general food-related products to distributors. On December 31, 2023, the Company has aggregated these two business segments into one segment due to the operational and organizational changes, including the move to new facilities in Saint-Bruno-de-Montarville which now serve a common clientele. The Company's strategic vision is developing in a more global approach to activities. Management now evaluates the Company's operating results as a whole and make decisions on this basis, unlike previously by segment separately. In addition, separate financial information for the Wholesale segment is no longer available.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the average cost method.

The cost of inventory comprises costs of purchases and other costs incurred in bringing the inventory to its present location and condition, net of suppliers' rebates.

Net realizable value is the estimated selling price in the ordinary course of business less any applicable estimated selling expenses.

Property, plant and equipment

Property, plant and equipment are recognized at the acquisition cost less accumulated depreciation and accumulated impairment losses. Acquisition cost includes costs incurred to acquire and install the related assets.

Property, plant and equipment are depreciated on a straight-line basis on components with homogeneous useful lives to depreciate the initial cost over their estimated useful lives, taking residual values into account. The useful lives are as follows:

Equipment	From 5 to 15 years
Road vehicles	From 7 to 10 years
Computer equipment	4 years
Leasehold improvements	Initial lease term, 10 to 20 years

The useful lives, depreciation method and residual values are reviewed each year, considering the nature of the asset, its expected use and technological developments.

Assets are depreciated once they are available for use and are recognized in consolidated statements of earnings in "Depreciation and amortization."

The profit or loss on the disposal of an item of property, plant and equipment is the difference between the proceeds of disposition and the carrying amount of the asset and is recognized in results in operating expenses.

Intangible assets

Distribution software and customer relationships

The intangible assets are recognized at the acquisition cost less accumulated amortization and accumulated impairment losses.

The acquisition cost of distribution software includes costs incurred to acquire and install the related software.

All customer relationships are attributable to business combinations and satisfy the accounting criteria of intangible assets.

These intangible assets are amortized on a straight-line basis to amortize the initial cost over their estimated useful lives, taking residual values into account. The useful lives are as follows:

Distribution software	From 4 to 7 years
Customer relationships	From 5 to 20 years

The useful lives, amortization method and residual values are reviewed each year, taking the nature of the asset, its expected use and technological developments into account.

Assets are amortized once they are available for use and are recognized in the consolidated statements of earnings in "Depreciation and amortization."

Trademarks

Trademarks have indefinite useful lives considering that management does not intend to dispose of them. They are recognized using the cost model and are not amortized. They are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they are impaired.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses.

Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at the level of the cash-generating unit (CGU). Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent, for the Company, the lowest level at which management monitors goodwill.

CGUs to which goodwill has been allocated and trademarks with an indefinite useful life are tested for impairment when an adverse event occurs and at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized in the consolidated statements of earnings in "Impairment loss on goodwill, intangible assets and property, plant and equipment" for the amount by which the asset's or the CGU's carrying amount exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. To determine fair value, management estimates expected future cash flows from each asset or CGU and determines a before-tax interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget. Discount factors are determined individually for each asset or CGU and reflect their respective risk profiles as assessed by management.

Impairment losses for CGUs firstly reduce the carrying amount of any goodwill allocated to that CGU. Any remaining impairment loss is charged on a pro rata basis to the other assets in the CGU.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. On assets other than goodwill, an impairment charge is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized.

Leases

Lease for which the Company is the lessee are recognized as a right-of-use assets and a lease liabilities in the consolidated statement of financial position.

Right-of-use assets are measured at cost which includes the initial lease liability amount, adjusted for payments made at or before the lease commencement date, lease incentives, initial direct costs and restoration costs, if any. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and are depreciated over the shorter period of the lease term or useful life of the underlying asset.

The lease liability is equal to the net present value of future lease payments discounted using the implicit rate of the lease, if this rate can be determined or the Company incremental borrowing rate. The future lease payments include:

- Fixed payments and variable lease payments that are based on an index or a rate;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease if the Company expects to terminate the lease before the term.

The Company uses the practical expedient permitted for leases whose underlying assets have a low value and those whose term is less than twelve months.

Financial Instruments

a) Classification

The Company determines the classification of financial instruments at initial recognition and classifies them in the following categories for valuation purposes:

- instruments that will be subsequently measured at fair value, either at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI)
- instruments that will be measured at amortized cost.

The classification of debt instruments is derived from the Company's business model for the management of financial assets and the contractual cash flow characteristics of those assets. Assets held for the collection of contractual cash flows and for which those cash flows correspond solely to principal repayments and interest payments are measured at amortized cost. Equity instruments that are held for trading (including all equity derivative) are classified at FVTPL. As for the other equity instruments, the Company may make the irrevocable election (instrument by instrument), on the date of acquisition, to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they should be evaluated at FVTPL (such as held-for-trading instruments or derivatives) or the Company has chosen to evaluate them at FVTPL.

The following financial assets and liabilities are measured at amortized cost: cash and cash equivalent, trade and other receivables, bank indebtedness, trade and other payables and long-term debt. The interest rate swap and contingent consideration are valued at fair value.

b) Assessment

Financial instruments at amortized cost

Financial instruments at amortized cost are initially recognized at fair value, and subsequently at amortized cost, less any impairment loss.

Financial instruments at FVTPL

Financial instruments at FVTPL are initially recognized at fair value and the transaction costs are expensed in the consolidated statements of earnings. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held by the FVTPL are included in the consolidated statements of earnings in the period in which they occur. When management has elected to record a financial liability at FVTPL, changes in the Company's own credit risk will be recognized in the consolidated statements of earnings.

c) Impairment

The Company has been prospectively evaluating expected credit losses related to debt instruments recognized at amortized cost and at FVTOCI. The impairment method applied varies depending on whether or not there is a significant increase in credit risk. For customers, the Company applies the simplified method permitted by IFRS 9, which requires expected losses on lifetime to be recognized from the initial recognition of customers.

d) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights on cash flows from financial assets reach expiry, or when it transfers financial assets and substantially all risks and rewards of ownership to another entity. Gains and losses from derecognition are generally recognized in the consolidated statements of comprehensive income.

The Company applies a forward-looking expected credit loss impairment model on its trade receivable accounts. Under this model, the Company recognizes expected credit losses and expected credit loss changes at the end of each reporting period in order to reflect any change in credit risk since the initial financial assets recognition.

The Company will consider that a financial asset is impaired if it is unlikely that a specific counterpart will meet its financial obligations. Overdue receivables that are not considered bad debt are accounts that are less than 90 days overdue or that should be recovered. Receivables that are more than 90 days overdue, or considered unlikely to be recovered, are written off. To determine whether a debtor will default, the Company takes into account qualitative factors (default of a debtor, review of an amount owed to the Company at conditions that the Company would not have considered otherwise, or evidence that a debtor or issuer will go bankrupt) and quantitative data internally developed and obtained from external sources.

Financial liabilities

The Company derecognizes financial liabilities only when the resulting obligations are discharged, canceled or expired. The difference between the carrying amount of a derecognized financial liability and the consideration paid or payable, including non-monetary assets transferred or liabilities assumed, is recognized in the consolidated statements of earnings.

e) Derivative financial instruments and hedging relationship

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged. The Company has designated the interest rate swap as cash flow hedge.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives used in hedging transactions are highly effective in offsetting cash flows of the hedged items. The full fair value of a derivative financial instrument is classified as a non-current asset or liability when the remaining life of the hedged item is more than 12 months and as a current asset or liability when the remaining life of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the consolidated statement of comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of earnings. Amounts accumulated in equity are reclassified to earnings against the gain (loss) on the hedged item when the latter is realized. When a hedging instrument expires or is sold or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in accumulated other comprehensive income at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the consolidated statement of earnings. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in accumulated other comprehensive income is immediately transferred to the consolidated statement of earnings.

Financing fees

Debt related financing fees are deferred and depreciated using the effective interest rate method over the term of the corresponding borrowings. When a repayment is made on a borrowing, the corresponding financing fee is recorded in the net earnings.

Provisions, contingent liabilities and contingent assets

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amounts can be reliably estimated.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized in earnings as a financial expense.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Pension obligation and other employee benefits

The Company provides post-employment benefits through defined contribution plans. Contributions to the defined contribution plans are recognized as an expense in the period that relevant employee services are received. A defined benefit plan was also offered to a limited number of employees. The plan's wind-up, which has been authorized on January 4, 2024, has been completed on October 23, 2024. The liability or asset recognized in the consolidated statements of financial position for the defined benefit plan is the present value of the defined benefit obligation at the closing date less the fair value of plan assets. The defined benefit obligation as at December 30, 2023 is determined on the basis of settlement assumptions and settlement accounting was applied as of that date.

The remeasurement of the pension obligation, which includes actuarial variances related to the obligations and the return on plan assets in excess of interest income, is recognized in other comprehensive income and immediately in the deficit without subsequent reclassification to earnings.

Stock-based compensation

Stock option plan

The Company has an equity-settled stock option plan for some of its officers and employees. This plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of stock options are measured at their fair values unless they cannot be reasonably determined. If the Company is not able to reliably estimate the fair values of goods or services received, the values are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is measured at the grant date.

Stock-based compensation is ultimately recognized as an expense in the consolidated statements of earnings with a corresponding credit to contributed surplus. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if share options that ultimately vest are different from that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are credited to share capital as well as the corresponding stock-based compensation that was previously included in contributed surplus.

Performance share unit plan

Since July 24, 2024, the Company has a performance share units (PSUs) plan for certain officers and employees. The PSUs vest after a maximum three-year period, on the basis of established performance targets. The compensation cost of PSUs which will be paid in cash is recorded on a straight-line basis over the vesting period when it is likely that the performance conditions attached to the units will be met. The recorded liability is remeasured at each reporting period at fair value of the Company's shares, until settlement, and the changes are recognized as a financial expense.

Deferred share unit plan

Members of the Company's Board of Directors may elect to receive some or all of their annual fees in the form of deferred share units (DSUs). The accrued DSU compensation liability is measured at each closing date on the basis of the number of outstanding share units and the market price of the Company's common shares. Changes in the liability are recognized as a financial expense and the liability is included in trade and other payables.

Employee stock ownership plan

The Company has an employee stock ownership plan. Under the terms of this plan, the Company pays contributions calculated on the basis of percentages provided in the plan, in consideration of employee contributions. These contributions are recognized when employees agree to pay their share.

Standard issued but not yet in effect

Presentation and Disclosure in Financial Statements - IFRS 18

In April 2024, the IASB issued a new standard IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements. The new standard will change how companies present their results in the main body of the statement of earnings (loss) and provide information in the notes to the financial statements. In addition, IFRS 18 provides the framework for the disclosure of certain non-IFRS information, such as management's performance measures, which will be included in the audited financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. A retrospective application is required, and so comparative information needs to be prepared under IFRS 18. The Company is currently assessing the impact of the adoption of this standard on its consolidated financial statements.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB amended IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures to address diversity in accounting practice by making the requirements more understandable and consistent, including clarification of the date of recognition and derecognition of some financial assets and liabilities. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact of the adoption of this standard on its consolidated financial statements.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020, the IASB amended IAS 1, Presentation of financial statements. The classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. In October 2022, the IASB issued further amendments clarifying how to address the effects on classification and disclosure of covenants which an entity is required to comply with on or before the reporting date and covenants which an entity must comply with only after the reporting date. On December 29, 2024, the Company will apply these amendments, which are not expected to have a significant impact on its consolidated financial statements.

3 Significant estimates and judgments

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. These judgments and estimates are based on facts and information that are available to management, and are reassessed yearly at the end of each reporting period. The actual results are likely to differ from judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below:

Supplier rebates

Supplier rebates recognized are estimated on the basis that the necessary conditions for obtaining the rebates have been satisfied.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date based on the expected usage of the Company's assets. Actual results, however, may vary due to technical obsolescence, particularly for distribution software and computer hardware.

Impairment

An impairment loss is recognized for the amount by which an asset's or CGU's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or CGU and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes key assumptions about future operating results such as the growth rate, the earnings before taxes, financial expenses, depreciation and amortization ratio, and the discount rate. These key assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets in the next financial years.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Business combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated statements of financial position at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as an adjustment in the measurement period. Any other change would be recognized in the consolidated statement of earnings in the subsequent period.

4 Sales

The products from its distribution and wholesale activities are sold primarily in Quebec. Sales per product type are as follows:

	2024 **$**	**2023** **$**
Distribution		
Broadline	**419,864**	406,164
Specialized	**75,184**	77,325
Total distribution	**495,048**	483,489
Wholesale	**162,045**	175,640
Total	**657,093**	659,129

One customer accounted for 12.5% of the Company's sales in 2024 (11.7% in 2023) and 14.3% of the trade accounts receivables in 2024 (17.6% in 2023).

5 Operating expenses

	Note	2024 $	2023 $
Employee compensation	19	**59,966**	59,563
Service contracts and variable portion related to lease contracts		**3,275**	3,550
Repair and maintenance		**3,785**	4,025
Utilities		**4,038**	4,356
Other expenses		**15,504**	14,276
		86,568	85,770

6 Costs not related to current operations

The costs not related to current operations related to continuing operations mainly consist of legal and professional fees and other charges related to non-current activities as well as realized and potential acquisitions for an amount of $675 in 2024 ($81 in 2023) and moving costs of the head office and warehouse, which were located in Boucherville, to new facilities in Saint-Bruno-de-Montarville for an amount of $120 in 2024 ($856 in 2023).

7 Financial expenses and financial expenses paid

	2024 $	2023 $
Interest on credit facility	**2,855**	2,505
Interest on subordinated debt	**1,204**	1,084
Interest on lease obligations	**7,175**	2,694
Other	**538**	342
Financial expenses	**11,772**	6,625
Variation of accrued interest	**(568)**	141
Borrowing costs capitalized to property, plant and equipment	**328**	228
Interest on lease liabilities payable	**(2,716)**	—
Accretion expense on purchase price balance and contingent consideration	**(155)**	(215)
Charges related to the revaluation of share units	**44**	—
Amortization of financial expenses	**(214)**	(152)
Financial expenses paid	**8,491**	6,627

8 Income taxes

Deferred income tax assets and liabilities related to the deductible and taxable temporary differences and the unused tax losses have been recognized in the consolidated statements of financial position.

The following table presents the income tax expenses for the years ended December 28, 2024, and December 30, 2023:

	2024	**2023**
	$	**$**
Income taxes payable		
Current fiscal year	**1,826**	1,175
Prior fiscal years adjustment	**(5)**	(1)
	1,821	1,174
Deferred income tax		
Prior fiscal years adjustment	**25**	(35)
Creation and reversal of temporary differences	**(1,107)**	1,160
	(1,082)	1,125
Income taxes	**739**	2,299

The difference between the effective income tax rate and the combined federal and provincial income tax rate in Canada was attributable to the following:

	2024	**2023**
	$	**$**
Income before income taxes	**2,354**	8,346
Combined federal and provincial income tax rate	**26.50%**	26.50%
Income taxes at statutory rate	**624**	2,212
Non-tax deductible and non-taxable items	**104**	177
Adjustment of tax attributes	**20**	34
Other	**(9)**	(124)
Income taxes	**739**	2,299

The net changes in deferred income tax assets and liabilities, without giving effect to offsetting balances for the same taxing authorities, are as follows:

				2024
	Balance, beginning of year	**Net earnings**	**Other comprehensive loss**	**Balance, end of year**
	$	**$**	**$**	**$**
Deferred non-capital losses	**1,437**	**(1,318)**	**—**	**119**
Property, plant and equipment	**(823)**	**(822)**	**—**	**(1,645)**
Intangible assets	**(825)**	**1,016**	**—**	**191**
Goodwill	**939**	**(273)**	**—**	**666**
Debt issuance expenses	**19**	**(7)**	**—**	**12**
Other	**711**	**2,486**	**109**	**3,306**
Deferred income tax assets (liabilities)	**1,458**	**1,082**	**109**	**2,649**

				2023
	Balance, beginning of year	**Net earnings**	**Other comprehensive loss**	**Balance, end of year**
	$	**$**	**$**	**$**
Deferred non-capital losses	1,425	12	—	1,437
Property, plant and equipment	(183)	(640)	—	(823)
Intangible assets	(1,026)	201	—	(825)
Goodwill	939	—	—	939
Debt issuance expenses	22	(3)	—	19
Other	1,134	(531)	108	711
Deferred income tax assets (liabilities)	2,311	(961)	108	1,458

	2024	**2023**
	$	**$**
Presented in the:		
Deferred tax assets	**3,192**	2,118
Deferred tax liabilities	**(543)**	(660)
	2,649	1,458

As at December 28, 2024, the Company had capital losses amounting to $5,620 ($5,592 in 2023) for which no deferred tax asset had been recognized. Non-capital losses are expiring in 2040.

9 Net earnings per share

Earnings per share

The following table presents the basic and diluted earnings per share:

	2024	2023
	$	**$**
Net earnings from continuing operations	**1,615**	6,047
Net loss from discontinued operations	**(59)**	(455)
Net earnings	**1,556**	5,592
Weighted average number of basic outstanding shares	**101,996,099**	101,974,752
Effect of dilutive stock options	**895,457**	557,597
Weighted average number of diluted outstanding shares	**102,891,556**	102,532,349
Basic and diluted net earnings per share from continuing operations	**0.02**	0.06
Basic and diluted net loss per share from discontinued operations	**—**	(0.01)
Basic and diluted net earnings per share	**0.02**	0.05

As at December 28, 2024, 264,352 stock options (4,066,385 stock options in 2023) were not included in the calculation of diluted earnings per share because of their anti-dilutive effect.

10 Trade and other receivables

	2024	2023
	$	$
Trade receivables	**38,677**	37,379
Supplier rebate receivables	**4,081**	4,345
Other	**8,077**	6,820
	50,835	48,544

The Company has examined its trade accounts receivable to detect any indications of impairment. The accounts receivable default rate of the Company is low, less than 0.5%. The aging of trade receivables that had not been impaired was as follows:

	2024	2023
	$	$
Current	**34,435**	33,823
Overdue from 1 to 60 days	**4,088**	3,512
Overdue more than 60 days	**154**	44
	38,677	37,379

The changes in the allowance for doubtful accounts recorded for trade receivables are as follows:

	2024	2023
	$	$
Balance, beginning of year	**450**	515
Expenses for the year	**403**	147
Write-offs	**(399)**	(212)
Balance, end of year	**454**	450

The Company's maximum exposure to credit risk on the date of disclosure approaches the carrying amount for each of the above-mentioned classes of receivables.

11 Property, plant and equipment

	Equipment	Road vehicles	Computer equipment	Leasehold improvements	Total
	$	$	$	$	$
Year ended December 28, 2024					
Opening net book value	**7,057**	**1,162**	**1,946**	**13,345**	**23,510**
Acquisitions	**977**	**114**	**855**	**—**	**1,946**
Disposals	**—**	**(53)**	**—**	**(5)**	**(58)**
Depreciation	**(961)**	**(266)**	**(845)**	**(967)**	**(3,039)**
Closing net book value	**7,073**	**957**	**1,956**	**12,373**	**22,359**
As at December 28, 2024					
Cost	**19,619**	**1,711**	**4,689**	**20,027**	**46,046**
Accumulated depreciation and impairment	**(12,546)**	**(754)**	**(2,733)**	**(7,654)**	**(23,687)**
Net book value	**7,073**	**957**	**1,956**	**12,373**	**22,359**

	Equipment	Road vehicles	Computer equipment	Leasehold improvements	Total
	$	$	$	$	$
Year ended December 30, 2023					
Opening net book value	2,169	977	1,481	3,620	8,247
Acquisitions	5,626	485	1,142	12,273	19,526
Disposals	—	(29)	—	—	(29)
Depreciation	(738)	(271)	(677)	(2,548)	(4,234)
Closing net book value	7,057	1,162	1,946	13,345	23,510
As at December 30, 2023					
Cost	18,818	3,658	6,799	20,032	49,307
Accumulated depreciation and impairment	(11,761)	(2,496)	(4,853)	(6,687)	(25,797)
Net book value	7,057	1,162	1,946	13,345	23,510

12 Intangible assets

	Distribution software	Customer relationships	Trademarks	Total
	$	$	$	$
Year ended December 28, 2024				
Opening net book value	**1,804**	**8,152**	**8,542**	**18,498**
Acquisitions [(a)]	**147**	**2,856**	**—**	**3,003**
Amortization	**(466)**	**(4,024)**	**—**	**(4,490)**
Closing net book value	**1,485**	**6,984**	**8,542**	**17,011**
As at December 28, 2024				
Cost	**8,542**	**76,546**	**8,542**	**93,630**
Accumulated depreciation and impairment	**(7,057)**	**(69,562)**	**—**	**(76,619)**
Net book value	**1,485**	**6,984**	**8,542**	**17,011**

[(a)] On March 15, 2024, the Company has acquired customer contracts related to foodservice activities from Beaudry & Cadrin Inc. for an amount of $3,000, of which $2,500 was paid at the effective date and $500 will be payable in contingent consideration based on the achievement of certain income thresholds. The present value of the contingent consideration capitalized in intangible assets amounted to $355.

	Distribution software	Customer relationships	Trademarks	Total
	$	$	$	$
Year ended December 30, 2023				
Opening net book value	1,372	12,165	8,542	22,079
Acquisitions	731	—	—	731
Amortization	(299)	(4,013)	—	(4,312)
Closing net book value	1,804	8,152	8,542	18,498
As at December 30, 2023				
Cost	8,469	73,690	8,542	90,701
Accumulated depreciation and impairment	(6,665)	(65,538)	—	(72,203)
Net book value	1,804	8,152	8,542	18,498

The remaining weighted average life of the depreciable intangible assets with definite useful lives is 5.6 years.

13 Leases

i) The Company as lessee

The main right-of-use assets held under the Company's leases are buildings, road vehicles and others.

As at December 28, 2024, changes in right-of-use assets were as follows:

	Buildings	Road vehicles and others	Total
	$	$	$
Year ended December 28, 2024			
Opening net book value	**88,232**	**18,722**	**106,954**
New leases	**3,513**	**8,767**	**12,280**
Depreciation	**(7,141)**	**(5,677)**	**(12,818)**
Closing net book value	**84,604**	**21,812**	**106,416**
As at December 28, 2024			
Cost	**105,528**	**36,984**	**142,512**
Accumulated depreciation and impairment	**(20,924)**	**(15,172)**	**(36,096)**
Net book value	**84,604**	**21,812**	**106,416**

As at December 30, 2023, changes in right-of-use assets were as follows:

	Buildings	Road vehicles and others	Total
	$	$	$
Year ended December 30, 2023			
Opening net book value	28,527	9,530	38,057
New leases	68,042	13,664	81,706
Depreciation	(8,337)	(4,472)	(12,809)
Closing net book value	88,232	18,722	106,954
As at December 30, 2023			
Cost	102,015	28,890	130,905
Accumulated depreciation and impairment	(13,783)	(10,168)	(23,951)
Net book value	88,232	18,722	106,954

The Company has variable lease payments. These expenses are recorded in operating expenses and amounted to $1,458 in 2024 ($2,041 in 2023).

As at December 28, 2024, changes in lease liabilities were as follows:

	Buildings	Road vehicles and others	Total
	$	$	$
Year ended December 28, 2024			
Opening net book value	**94,978**	**15,959**	**110,937**
New leases	**3,513**	**8,767**	**12,280**
Lease payments	**(7,601)**	**(5,849)**	**(13,450)**
Interest expense on lease liabilities	**6,055**	**1,120**	**7,175**
Closing net book value [(a)]	**96,945**	**19,997**	**116,942**
Current portion	**5,207**	**4,397**	**9,604**
Non-current portion	**91,738**	**15,600**	**107,338**

[(a)] The net book value of the lease liability includes an amount of $898 in 2024 related to the asset under sublease as explained in ii) below.

As at December 30, 2023, changes in lease liabilities were as follows:

	Buildings	Road vehicles and others	Total
	$	$	$
Year ended December 30, 2023			
Opening net book value	36,312	6,145	42,457
New leases	68,042	13,664	81,706
Lease payments	(11,228)	(4,692)	(15,920)
Interest expense on lease liabilities	1,852	842	2,694
Closing net book value [(a)]	94,978	15,959	110,937
Current portion	1,987	4,218	6,205
Non-current portion	92,991	11,741	104,732

[(a)] The net book value of the lease liability includes an amount of $1,763 in 2023 related to the asset under sublease as explained in ii) below.

The weighted average incremental borrowing rate was 6.47% as at December 28, 2024 (6.26% as at December 30, 2023). The remaining weighted average life of the lease contracts as at December 28, 2024 was 14.2 years (14.8 years as at December 30, 2023).

Contractual undiscounted payments under leases defined above will be as follows for next coming years:

	$
2025	**16,849**
2026	**15,107**
2027	**14,610**
2028	**12,799**
2029	**11,760**
2030 and thereafter	**122,779**
	193,904

ii) The Company as lessor

The Company acts as an intermediate lessor for one building sublease contract.

Finance leases

In 2024, the Company recorded a finance income of $49 ($79 in 2023). Future minimum lease payments receivable relating the building subleased will be as follows:

	$
2025	**915**
2026 and thereafter	**—**
Total undiscounted lease payments receivable	**915**
Unearned finance income	**(17)**
Accounts receivable on subleases	**898**
Current portion	**898**
Non-current portion	**—**

The minimum lease payments receivable are included in Other assets on the balance sheet.

14 Goodwill

		2024		2023
	Goodwill	**Trademarks**	**Goodwill**	**Trademarks**
	$	**$**	**$**	**$**
Balance, beginning of year	**73,072**	**8,542**	73,072	8,542
Balance, end of year	**73,072**	**8,542**	73,072	8,542

As of December 31, 2023, the Company's management combined its two operating segments into a single CGU, as management now evaluates the Company's operating results as a whole and make decisions on this basis, unlike previously when results were assessed by separate segments. Goodwill and trademarks were tested for impairment prior to this change, and no impairment was recorded.

Goodwill and the trademarks are tested for impairment at each year-end using the method of fair value less costs to sell. To measure the recoverable amount of the CGU, the Company established cash flow projections for the first five years based on next year's management-approved budget. Cash flow for subsequent years are based on a 2.0% growth in line with the Consumer Price Index.

These discounted cash flow projections have been prepared by the management using both historical data and future trends expected by the Company as well as certain key assumptions:

a) In 2024, the Company used growth rates ranging from 2.0% to 20.0% (2.0% to 19.7% in 2023).

b) Earnings before taxes, financial expenses, depreciation and amortization margin which is based on the internal budget for 2025. Earnings before taxes, financial expenses, depreciation and amortization margin has been applied on forecasted revenue from 2026 to 2029, as well as the subsequent years.

c) The Company used discount rate of 15.02% (15.6% in 2023). This discount rate represents the Company's weighted average cost of capital, adjusted for the observable market data of companies operating in the same line of business as the CGU.

No impairment was recognized as of December 28, 2024.

15 Trade and other payables

	2024	2023
	$	**$**
Trade payables	**40,007**	31,100
Salaries and related compensation payables	**3,609**	2,554
Other	**7,354**	11,639
	50,970	45,293

16 Long-term debt

	2024 $	2023 $
Credit facility[(a)]		
Term loan	**19,500**	21,750
Revolving credit	**17,000**	22,000
Subordinated debts[(b)]	**15,000**	15,000
Less unamortized financing costs	**(370)**	(228)
Total debt	**51,130**	58,522
Current portion of long-term debt	**3,000**	3,000
Total long-term debt	**48,130**	55,522

[(a)] **Credit facility**

On March 18, 2024, the Company entered into an amended and restated senior secured credit facility for a total amount of $71,750 including a term loan of $21,750 and a revolving credit of $50,000, of which $5,000 in operating swingline. The amended and restated facility matures on February 18, 2028. The facility bears interest at the cost of funds, plus a margin varying between 1.75% to 2.75% depending on the Company's leverage ratios, for an effective borrowing rate of 7.44% in 2024. The credit facility is guaranteed by the assets of the Company and by those of some of its subsidiaries and provides limits on the operations and activities, particularly regarding the authorized investments as well as some ratios essentially related to consolidated adjusted EBITDA, financial expenses and total debt which were met as at December 28, 2024. The term loan is repayable quarterly, for an annual amount of $3,000. By mutual agreement, the credit facility may be increased by $35,000 and thus authorizing the repayment at maturity of the subordinated debt if the related conditions are met. As at December 28, 2024, the availability under the credit facility is $29,500.

Financing costs of $356 were incurred during the fiscal year 2024, in connection with the execution of this amended and restated credit agreement.

As at December 28, 2024, letters of credit amounting to $3,500 ($6,014 as at December 30, 2023) had been used to support the lease of one of the Company’s distribution centers (two in 2023).

[(b)] **Subordinated debts**

On February 18, 2021, the Company entered into an agreement for a $15,000 new subordinated debt, which was amended on March 15, 2022 and November 23, 2022. The subordinated debt bears interest at a rate of 7.25% to 8.25% depending on the Company's leverage ratios, payable quarterly and matures on February 18, 2026. The subordinated debt is secured by a mortgage on all present and future assets of the Company, which is subordinated to the first-ranking security on the credit facility.

17 Share-capital

Authorized

Unlimited number of participating, voting common shares without par value

Unlimited number of preferred shares that may be issued in series, whose designation, rights, restrictions and conditions related to each series shall be established at their time of issue

Issued and fully paid common shares

		2024		**2023**
	Number	**Amount**	**Number**	**Amount**
		$		**$**
Outstanding, beginning of year	**101,986,464**	**257,054**	101,954,885	257,008
Issued	**26,978**	**22**	31,579	46
Outstanding, end of year	**102,013,442**	**257,076**	101,986,464	257,054

There were no outstanding preferred shares during the periods covered.

On May 15, 2023, 31,579 common shares were issued and an amount of $46 was transferred from contributed surplus to share capital as part of conversion of stock-option.

On August 21, 2024, 26,978 common shares were issued and an amount of $22 was transferred from contributed surplus to share capital as part of conversion of stock-option.

18 Commitments

The Company has entered into service contracts mainly for maintenance, the duration of which extends over various periods up to March 2030. Future minimum payments of the Company details as follows as of December 28, 2024:

	$
Less than 1 year	**982**
From 1 to 5 years	**1,186**
Over 5 years	**1**
	2,169

19 Employee compensation

a) Employee benefit expenses

	Note	2024 $	2023 $
Salaries		**46,024**	46,063
Fringe benefit costs		**10,085**	9,723
Expenses for stock-based compensation plan		**112**	291
Pensions – defined contribution plans		**1,048**	994
Pensions – government defined contribution plans		**2,697**	2,492
	5	**59,966**	59,563

b) Stock-based compensation

Stock option plan

The Company adopted a stock option plan (hereinafter the "Option Plan") authorizing its Board of Directors to issue stock options entitling its directors, officers and employees to acquire common shares of the Company (hereinafter the "Shares"). The Company's Board of Directors implemented this plan in 2010.

The maximum number of Shares of the Company that can be issued pursuant to options awarded under the Option Plan is equivalent to 10% of the number of the Company's outstanding Shares at the time of the award, and the total number of Shares of the Company reserved to award options to a single person cannot be greater than 5% of the Shares of the Company. Since the Option Plan does not provide for a set maximum number of Shares of the Company that can be issued thereunder, it will have to be re-approved by the shareholders of the Company every three years from the date of the Annual Meeting of the Company.

The price for which the Shares of the Company may be subscribed pursuant to any option granted under the Option Plan of the Company is the market price. For the purposes of the Option Plan, "market price" means the volume weighted average trading price for the Shares of the Company during five trading days on the TSX prior to the applicable date of grant.

Unless the Board of Directors of the Company determines otherwise on the date of grant, any option granted will be vested and become exercisable by the eligible participant who has been granted an option (hereinafter an "Optionee") in four equal tranches on the first, second, third and fourth anniversaries of the date of grant, or according to a performance condition. The Optionee may then exercise any vested option at any time no later than the seventh or the tenth anniversary of the date of grant or such earlier date fixed by the Board of Directors (hereinafter the "Expiry Date") and all unexercised options shall expire and terminate and be of no further force or effect whatsoever following such Expiry Date.

If approved by the Board of Directors of the Company, in lieu of paying the applicable exercise price, an Optionee may elect to acquire the number of Shares of the Company determined by subtracting the applicable exercise price from the market price of the Shares of the Company on the date of exercise, multiplying the difference by the number of Shares of the Company in respect of which the option was otherwise being exercised and then dividing that product by such market price.

During fiscal year 2024, the Company has not granted any stock options of the Company's common shares (150,000 options granted in 2023). The weighted average fair value of the options granted has been estimated at the award date using a binomial option pricing model based on the following weighted average assumptions for options granted during the fiscal year 2023:

	2023
	Granted during the year
Weighted average fair value of the options	$0.34
Risk-free interest rate	3.59%
Expected volatility of shares	57%
Expected annual dividend	—
Expected term	5.5 years
Share price at date of grant	$0.77
Exercise price at date of grant	$0.77

A summary of the Company's stock option plan and the changes that have occurred during the years is presented in the following:

		2024		**2023**
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
		$		**$**
Outstanding, beginning of year	**4,623,982**	**0.94**	4,698,982	0.94
Granted	—	—	150,000	0.77
Exercised	**(75,000)**	**0.89**	(150,000)	0.60
Forfeiture	**(113,750)**	**1.04**	(56,250)	1.00
Expired	**(365,880)**	**1.22**	(18,750)	1.00
Outstanding, end of year	**4,069,352**	**0.92**	4,623,982	0.94
Exercisable options	**3,076,852**	**0.88**	2,838,982	0.89

Forfeited stock options have generated a reversal of $35 in 2024 ($7 in 2023) in the stock-based compensation expense.

The following table presents information related to the outstanding stock options as at December 28, 2024:

Granted date	Expiration year	Exercise price	Number of options outstanding	Number of exercisable options
		$		
December 2016	2026	1.36	264,352	264,352
May 2019	2029	0.60	150,000	150,000
August 2019	2029	0.94	30,000	30,000
November 2019	2029	0.47	1,000,000	1,000,000
March 2021	2031	1.09	100,000	75,000
March 2021	2031	1.08	150,000	112,500
May 2021	2031	1.11	300,000	225,000
June 2021	2031	1.11	30,000	22,500
August 2021	2031	1.14	1,000,000	750,000
May 2022	2032	1.00	820,000	410,000
October 2022	2032	0.89	75,000	—
May 2023	2033	0.77	150,000	37,500
			4,069,352	**3,076,852**

Performance share unit plan

During fiscal year 2024, the Company has granted 603,333 PSUs of this new plan. These PSUs will be paid in cash when vested. As at December 28, 2024, the Company had a total of 603,333 PSUs outstanding and a liability related to this plan of $112 was recorded in Trade and other payables. For 2024, the compensation cost amounted to $145 and the financial income $33.

Deferred share unit plan

During fiscal year 2024, the Company has granted 22,205 DSUs for the first time since the existence of this plan. As at December 28, 2024, a liability related to this share unit plan of $21 was recorded in Trade and other payables. For 2024, the compensation cost amounted to $24 and the financial income $3.

c) Pension obligation and employee future benefits

As at December 28, 2024, the Company contributed to group defined contribution plans.

A defined benefit pension plan was also offered to a restricted number of employees only. Pension benefits under this plan were paid when the beneficiary reaches retirement age. Since March 1, 2017, active members of the plan stopped accumulating benefits. The announcement of the closing of the sale of the majority of the assets of its Summit division resulted in the termination of employment of all remaining active members of the plan as well as a settlement. On February 26 2021, the Company approved the complete wind-up of the plan as of May 31, 2021. In December 2023, a wind-up report has been filed to the Financial Services Regulatory Authority of Ontario (“FSRA”) and on January 4, 2024, it has been approved. Consequently, this settlement resulted in an actuarial loss of $451 as well as an employer contribution of $3,285 in 2023. The full wind-up of the plan occurred on October 23, 2024.

Information about the defined benefit pension plan is as follows:

	2024 $	2023 $
Accrued benefit obligation		
Balance, beginning of year	**7,383**	6,726
Financial expenses	**48**	292
Benefits paid	**(54)**	(323)
Actuarial gains or losses	**—**	237
Benefit payments in respect of a settlement	**(7,369)**	—
Actuarial (gain) loss from a settlement	**(8)**	451
Balance, end of year	**—**	7,383

	2024 $	2023 $
Plan assets		
Fair value, beginning of year	**7,786**	4,447
Interest income	**76**	220
Actual return in excess of interest income	**(23)**	158
Employer contributions	**(415)**	3,285
Administrative expenses	**(1)**	(1)
Benefits paid	**(54)**	(323)
Benefit payments in respect of a settlement	**(7,369)**	—
Fair value, end of year	**—**	7,786
Funded status - Pension plan surplus	**—**	403

The plan assets are composed of the following for fiscal year 2023:

	Listed $	Unlisted $	Total $	2023 Total %
Cash and cash equivalents	3,316	—	3,316	42.6%
Debt instruments - Level 2				
Corporate bonds	371	—	371	4.8%
Life annuity buy-in contract - Level 3	—	4,099	4,099	52.6%
Total assets	3,687	4,099	7,786	100.0%

The pension income or expense of the defined benefit pension plan is as follows:

	2024 $	2023 $
Net interests	**(28)**	72
Administrative expenses	**1**	1
Actuarial (gain) loss from a settlement	**(8)**	451
Amount recognized in earnings from discontinued operations	**(35)**	524

The remeasurement of the pension obligation is as follows:

	2024 $	2023 $
Actuarial gains or losses		
Change in financial assumptions	—	(237)
Actual return in excess of interest income	**(23)**	158
Amount recognized in other comprehensive income	**(23)**	(79)

The significant actuarial assumptions used by the Company are as follows:

	2024	2023
Benefit costs		
Discount rate	**n/a**	5.05%
Rate of compensation increase	**n/a**	n/a
Accrued benefit obligation		
Discount rate	**n/a**	4.65%
Rate of compensation increase	**n/a**	n/a

The assumption on the mortality rate is based on the Canadian Private Sector Mortality Table (CPM2014Priv), published by the Canadian Institute of Actuaries (CIA).

20 Cash flows

Net change in working capital

The following table presents the net change in working capital between the two year-ends:

	2024 $	2023 $
Trade and other receivables	**(2,323)**	(2,798)
Inventories	**307**	(5,646)
Other assets	**(589)**	189
Trade and other payables	**7,220**	1,780
Other liabilities	**(255)**	(21)
	4,360	(6,496)

Change in liabilities from financing activities:

	Lease liabilities $	Credit facility $	Subordinated debt $	Total $
Balance as at December 30, 2023	**110,937**	**43,629**	**14,893**	**169,459**
Cash flows	**(8,125)**	**(7,250)**	**—**	**(15,375)**
Financing cost paid	**—**	**(356)**	**—**	**(356)**
Other non-cash movements	**14,130**	**164**	**50**	**14,344**
Balance as at December 28, 2024	**116,942**	**36,187**	**14,943**	**168,072**

	Lease liabilities $	Credit facility $	Subordinated debt $	Total $
Balance as at December 31, 2022	42,457	31,531	14,844	88,832
Cash flows	(12,390)	12,000	—	(390)
Refinancing cost paid	—	(5)	—	(5)
Other non-cash movements	80,870	103	49	81,022
Balance as at December 30, 2023	110,937	43,629	14,893	169,459

21 Financial instruments

A) Fair value

Fair value of cash and cash equivalent, trade and other receivables as well as trade and other payables is equivalent to the carrying amount due to their short-term maturity. Therefore, the time value of money is non-significant.

The carrying amount and fair value of the other financial instruments in the consolidated statements of financial position are as follows:

		2024		**2023**
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	$	**$**	**$**	**$**
Financial asset				
Current				
Derivative financial instrument	**24**	**24**	—	—
Non-current				
Derivative financial instrument	—	—	413	413
	24	**24**	413	413
Financial liabilities				
Current				
Contingent consideration	—	—	646	646
Non-current				
Credit facility	**36,187**	**36,500**	43,629	43,750
Subordinated debt	**14,943**	**15,000**	14,893	15,000
Contingent consideration	**407**	**407**	—	—
	51,537	**51,907**	59,168	59,396

In April 2021, the Company entered into an interest rate swap agreement with an initial nominal value of $15,000 to cover the risk of interest rate fluctuations on a portion of its credit facility beginning in March 2022 until January 31, 2025. The interest rate fixed by the swap is 1.43%. Since this interest rate swap meet the hedge accounting conditions, changes in fair value are recognized in other comprehensive income.

The fair value of the interest rate swap is calculated at the present value of the estimated future cash flows using an appropriate interest rate yield curve. Assumptions are based on market conditions prevailing at each reporting date. The fair value of derivative instrument reflects the estimated amounts that the Company would receive or pay to settle the contract at the reporting date. As at December 28, 2024, the fair value of the interest rate swap is an asset of $24 and is accounted for under Other in the current assets of the consolidated statement of financial position.

The fair value of contingent consideration was determined by discounting future cash flows at the Company's marginal borrowing rate and the current portion is accounted for under Other in the current liabilities of the consolidated statement of financial position.

The fair value of the credit facility is comparable to the carrying amount as the interest rate fluctuates with the market rate with conditions comparable to those prevailing in the market.

The fair value of subordinated debt was determined by discounting future cash flows at 7.25% (7.25% as at December 30, 2023), the current rate of subordinated debt.

Fair value measurement

When determining an asset or a liability's fair value, the Company uses observable market data as much as possible. Financial assets and liabilities measured at fair value are presented using a three-level fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements of these items. The three fair value hierarchy levels are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

As at December 28, 2024, the Company has classified the fair value measurement of the credit facility, the subordinated debt and of the interest rate swap as Level 2, and the contingent consideration as Level 3. There was no transfer between the levels during the fiscal year 2024.

B) Financial risks management

The Company is exposed to various financial risks resulting from its operating, investing and financing activities. The Company's management manages financial risks in the purpose of limiting the Company's main financial risk exposure, its financial risk management policies are detailed below. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes.

Interest rate risk

The credit facility bears interest at variable rates, and this exposes the Company to the cash flow risks resulting from interest rate fluctuations. The Company's other financial assets and liabilities do not result in any interest rate risk since they do not bear interest at variable rates. The Company manages its exposure to interest rate risk by favoring an appropriate mix of fixed and floating rate financial liabilities.

The sensitivity analysis includes items bearing interest at variable rates and indicates that a reasonably possible 1.0% fluctuation in the interest rate on current market conditions would have an impact of $226 on net earnings in 2024 ($178 in 2023).

In addition, the Company entered into an interest rate swap agreement with an initial nominal value of $15,000 with a financial institution in order to hedge the risk of fluctuations in interest rates on a portion of its credit facility beginning in March 2022 and until January 31, 2025. The Company periodically reviews the level of the debt on which the interest rates must be fixed.

Credit risk

The carrying amount on the consolidated statements of financial position of trade and other accounts receivable and other assets represents the maximum amount exposed to credit risk.

The Company's credit risk is primarily attributable to its trade accounts receivable and other assets. The credit risk related to trade accounts receivable is generally diversified. The Company requires a guarantee or letter of credit from some of its customers. As at December 28, 2024, the Company had guarantees for about 1.1% of its trade accounts receivable (1.2% as at December 30, 2023). In addition, some customers have to make prepayments or payments on delivery in order to minimize credit risks.

The Company's policy is to have each customer undergo a credit check.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and sources of financing in the form of authorized bank loans. The Company establishes budget estimates and cash flow forecasts to ensure it has the necessary funds to fulfill its obligations. These forecasts are updated on a regular basis. According to our updated forecast based on information currently available to management, the Company is expecting to be able to meet its obligations for the next 12 months by using future cash flows from operating and funds available under the credit facility in place.

Undiscounted cash flows, including capital and interest related to the Company's liabilities expire as follows:

					2024
	Carrying amount	**Maturing in less than 12 months**	**Maturing in 1 to 3 years**	**Maturing in 3 to 5 years**	**Total**
	$	**$**	**$**	**$**	**$**
Trade and other payables	**50,970**	**50,970**	**—**	**—**	**50,970**
Credit facility	**36,187**	**5,157**	**9,691**	**27,741**	**42,589**
Subordinated debt	**14,943**	**1,088**	**15,181**	**—**	**16,269**
Contingent consideration	**407**	**—**	**500**	**—**	**500**
	102,507	**57,215**	**25,372**	**27,741**	**110,328**

22 Capital management

The Company's objective when managing its capital is to safeguard its assets and its ability to continue as a going concern, while maximizing its growth and providing a return to shareholders. As was the case in 2023, the Company's capital is composed of the bank overdraft, bank borrowings, long-term debt and shareholders' equity. In addition to its conservative approach to safeguarding the statement of financial position, the Company achieves this objective through the prudent management of internally-generated capital, by optimizing the use of capital at a lower cost and using capital to finance growth initiatives.

The Company intends to maintain a flexible capital structure that is consistent with the above objectives and in order to make adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may acquire shares for cancellation in connection with a normal course issuer bid, issue new shares, raise capital through debt instruments (secured, unsecured, convertible or other) or refinance current debt through various instruments with different characteristics.

As at December 28, 2024 and December 30, 2023, the Company was in compliance with all debt covenants and was not subject to any other contractually imposed capital requirements.

23 Related party transactions

The Company's related party transactions include transactions with its key management personnel and directors. Unless otherwise indicated, none of the transactions comprise special characteristics or terms and conditions. The balances are generally paid in cash.

Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors and the Executive Committee. The compensation of key management personnel includes the following expenses:

	2024	**2023**
	$	**$**
Short-term employee benefits		
Salaries, including bonuses and special allocations	**2,553**	4,567
Directors' fees	**409**	435
Fringe benefit costs	**216**	214
Total short-term employee benefits	**3,178**	5,216
Defined contribution pension plans	**100**	114
Share-based payments	**96**	255
Total compensation	**3,374**	5,585

24 Subsequent events

On February 19, 2025, the Company announced the signature of an agreement to acquire the assets related to the food distribution activities of Alimplus Inc. ("Alimplus"), operating under the name Mayrand Plus, and all of the shares of its subsidiary Tout-Prêt Inc. for an amount of $51,500, subject to certain adjustments (the "Acquisition"). The Acquisition is subject to obtaining all required regulatory approvals. It is expected that the closing will occur during the second quarter.

The Acquisition includes the purchase by Colabor of the assets related to the food distribution activities and all of the issued and outstanding shares of Tout-Prêt, a specialist in the distribution and preparation of cut fruits and vegetables in Quebec. Colabor will also enter into a distribution agreement with the four stores of Groupe Mayrand Alimentation inc. for an initial six-year term. Alimplus is a Quebec-based company and a major private food distributor for over 40 years. With a strong presence in Quebec, Alimplus is renowned for its experienced staff and efficient service to customers in the restaurant, institutional and hotel industry. Alimplus operates three warehouses located in Drummondville, Anjou and Quebec City. These activities, in addition to the distribution agreement for the stores, will represent approximately $225,000 in annual sales.

The Company also announced the following financing agreements in connection with the Acquisition:

- An agreement to amend and restate its senior first-ranking secured credit facility (Note 16). The credit facility, as amended and restated, will extend the maturity date from February 2028 to 48 months following the effective closing date of the acquisition. It will be in the amount of $95,000, including a $50,000 revolving credit and a $45,000 term loan. It will bear interest at the cost of funds plus a margin varying between 1.75% to 3.25% depending on the Company's leverage ratios.

- An agreement to extend the current $15,000 subordinated debt (Note 16) maturing in February 2026 to 54 months following the effective closing date of the acquisition. It will bear interest at an annual rate of between 7.75% and 9.25% depending on the financial ratios.

- A new financing agreement for highly subordinated debt in the amount of $15,000 will bear interest at a cost of funds plus a margin varying between 4.0% to 6.5% depending on the Company's leverage ratios and will have a 5-year term.

The closing of the financing agreements described above are concurrent and conditional on the closing of the Acquisition.