

ANNUAL REPORT
2026



Saputo



Saputo, one of the top ten dairy processors in the world, produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products, and dairy ingredients.

Saputo is a leading cheese manufacturer and fluid milk and cream processor in Canada and a leading dairy processor in Australia. In the USA, Saputo is a leading cheese producer and extended shelf-life and cultured dairy products manufacturer. In the United Kingdom, Saputo is the leading manufacturer of branded cheese and dairy spreads. Until completion of the previously announced divestiture, Saputo remains the leading dairy processor in Argentina. In addition to its dairy portfolio, Saputo produces, markets, and distributes a range of dairy alternative products. Saputo products are sold in several countries under market-leading brands, as well as private label brands.

Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol “SAP”. Follow Saputo’s activities at **saputo.com** or via **Facebook**, **Instagram**, and **LinkedIn**.

Our Management’s Discussion and Analysis and our consolidated financial statements for the fiscal year ended March 31, 2026, form part of this Annual Report. No document shall be considered to be incorporated by reference in this Annual Report. The Company’s Management’s Discussion and Analysis for the fiscal year ended March 31, 2026, and the Company’s consolidated financial statements for the fiscal year ended March 31, 2026, have been filed on SEDAR+ under the Company’s profile at **sedarplus.ca** and are also available on Saputo’s website at **saputo.com**.

On February 12, 2026, the Company entered into a definitive agreement with Gloria Foods, the dairy and food holding company of Grupo Gloria, to sell an 80% interest in its Dairy Division (Argentina). The transaction is expected to close in the first half of fiscal 2027, subject to customary closing conditions, including applicable regulatory approvals.

Results from the Dairy Division (Argentina) are presented as discontinued operations in the Company’s consolidated financial statements with comparative information presented accordingly, and with its assets and liabilities presented as held for sale. See *“Note 6 - Assets held for sale and discontinued operations”* in the Company’s consolidated financial statements for the fiscal year ended March 31, 2026, for further information.

FINANCIAL HIGHLIGHTS

PRODUCTS SOLD IN **OVER 60 COUNTRIES**

56 PLANTS

APPROXIMATELY **19,200 EMPLOYEES**

**As at March 31, 2026*



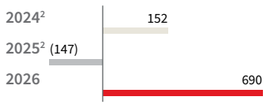
Continuing Operations

Fiscal years ended March 31
(in millions of CDN dollars)

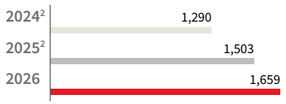
REVENUES



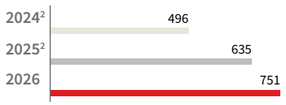
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS



ADJUSTED EBITDA[1]



ADJUSTED NET EARNINGS FROM CONTINUING OPERATIONS[1]



RETAIL

Sales are made to supermarket chains, mass-merchandisers, convenience stores, independent retailers, warehouse clubs, and specialty cheese boutiques under Saputo-owned or customer brand names. Our products are also sold to consumers via the e-commerce websites of our customers.

FOODSERVICE

Sales are made to broadline distributors, restaurants, hotels, and institutions under Saputo-owned or customer brand names.



INDUSTRIAL

Sales are made to manufacturers who use our dairy ingredients, cheeses, and other dairy products for further processing. Our products are used in the preparation of food items, nutritional products for all stages of life, and for various other applications.

1 Adjusted EBITDA is a total of segments measure, and adjusted net earnings is a non-GAAP financial measure. These financial measures do not have any standardized meaning under International Financial Reporting Standards (IFRS). Therefore, they are unlikely to be comparable to similar measures presented by other issuers. Refer to the section entitled "Non-GAAP measures" of our Management's Discussion and Analysis for the fiscal year ended March 31, 2026, which forms part of this Annual Report, for more information on these measures, including a reconciliation to net earnings being the most comparable IFRS financial measure.

2 Comparative information has been re-presented to reflect discontinued operations.

For the fiscal year ended March 31, 2026

SECTOR	# OF PLANTS	# OF EMPLOYEES	% OF TOTAL REVENUES
Canada	18	6,200	31%
USA	25	7,800	47%
International	6	2,800	15%
Europe	5	1,300	7%
Dairy Division (Argentina)	2	1,100	NA[1]



1 Results from the Dairy Division (Argentina) are presented as discontinued operations in the Company's consolidated financial statements, see *"Note 6 - Assets held for sale and discontinued operations"* for further information.

The Saputo Promise

PROTECT • SUPPORT • NOURISH

Food Quality and Safety

Our People

Business Ethics

Responsible Sourcing

Environment

Nutrition

Community

Our Approach

The Saputo Promise is an integral part of our business and a key component of our growth. As we seek to create shared value for all our stakeholders, it provides a framework that ensures we manage Environmental, Social, and Governance (ESG) risks and opportunities successfully across our operations globally.

Governance

Our Board of Directors (the "Board") is responsible for the stewardship of Saputo. As such, it oversees the management of our business to enhance the creation of long-term shareholder value while considering the interests of our various stakeholders.

To better fulfill its mandate, the Board:

- Oversees the ESG factors and risks material to our business and the deployment of appropriate measures to manage them.
- Oversees our practices, guidelines, and policies related to the Saputo Promise.

The Board delegates some of its ESG oversight responsibilities to the Audit Committee and the Corporate Governance and Human Resources Committee. The implementation of the Saputo Promise is led by a series of specific Management committees. Additional details on our ESG governance can be found in our 2026 Annual Information Form, dated June 4, 2026.

Fiscal 2026 marked the first year of our new three-year Promise plan (FY26–FY28). Building on the progress of previous plans, we sharpened our focus on key global priorities, including nutrition, environmental performance, and our people, while continuing to advance core commitments through continuous improvement across our divisions. This approach enables consistent progress across a diverse global footprint, combining clear global direction with strong divisional ownership.

IN FISCAL 2026, PROGRESS HAS BEEN MADE ACROSS OUR SEVEN PILLARS, AND WE ARE PROUD TO HIGHLIGHT THE FOLLOWING ACHIEVEMENTS:

Our People

Continued to improve our ability to retain talent with our global turnover down to

17%, compared to 18% in FY25

Improved our Total Injury Frequency Rate (TIFR) and Lost Time Injury Frequency Rate (LTIFR) by 6% compared to FY25.

Business Ethics

Continued to **advance the responsible use of AI-enabled solutions** across Saputo's operations to support productivity, decision-making, and overall business performance.

Responsible Sourcing

Impacted more than 35,000 people through our support for animal welfare partnerships and initiatives such as the **Dairyland Initiative** led by the **University of Wisconsin School of Veterinary Medicine** or our newest partnership with the **University of Melbourne** and **Dairy Australia**.

Environment

Our Scope 1 and Scope 2 GHG emissions decreased by

7% vs. FY25 and 26% vs. FY20 baseline

Maintained a 99% diversion rate for **organic waste, sludge, and brine,** reflecting continued efforts to valorize organic material and minimize landfill disposal.

Distributed **more than 1.5 million kilograms** of surplus food to food banks across our operations, resulting in an **estimated avoidance of more than 7,150 tonnes of CO_2e.**

Nutrition

Expanded protein-enhanced dairy beverages, cheese, and cultured products to meet growing consumer demand for protein.

Community

Further strengthened our You Care, We Care and Volunteer Time Off (VTO) programs and expanded The Saputo Big Cook Up.

As a result, in FY26,

14% of employees volunteered

contributing a total of

14,783 volunteer hours

Looking Ahead

As we move forward, our priorities are clear: leveraging the nutritional power of dairy to meet evolving consumer needs; delivering on our 2030 Environmental Pledges, including climate, water, packaging, and food waste commitments; and continuing to invest in our employees.



CARL COLIZZA
President and CEO
Saputo Inc.

A MESSAGE FROM OUR PRESIDENT AND CEO

Fellow shareholders,

Every year leaves its mark on a company. Some test resilience. Others reward growth. And a select few present the opportunity to shape an organization's direction, especially when disciplined, clear-eyed decisions are made in moments that truly matter.

That is the lens through which we approached the year.

In an environment characterized by ongoing volatility, evolving consumer behaviour, and a complex global backdrop, Saputo stayed focused on what we could control. We acted with purpose and conviction, advancing our strategic priorities while remaining disciplined stewards of capital. As a result, we delivered solid operating performance and generated strong operating cash flow, while reinforcing the foundations of our business. These actions were not reactive. They were intentional, grounded in long-term thinking and guided by where we believe Saputo is best positioned to win.

Over the past several years, we have been deliberately reshaping the Company, modernizing our operations, refining our portfolio, and strengthening our competitive position across global markets. Fiscal 2026 marked another meaningful step in that journey. It reinforced our core as a low-cost dairy solutions provider, sharpened our execution, and reflected decision-making that builds enduring value over time.

Our objective remains straightforward: to create sustainable value across varying market conditions by staying relevant to consumers, valued by customers, and trusted by shareholders and other stakeholders.

CONVICTION IN DAIRY'S FUTURE

Our confidence in dairy—and in Saputo's role within the industry—is stronger than ever.

Across geographies, consumers continue to prioritize nutrition, wellness, and value. Dairy is uniquely positioned to meet these needs, offering a combination of high-quality protein, functionality, and affordability that few food categories can match. These durable fundamentals continue to shape consumption patterns and reinforce dairy's relevance in modern diets.

Saputo is built to win within this landscape. Our portfolio spans everyday essentials, premium offerings, and value-added products and ingredients, enabling us to serve consumers across occasions, channels, and markets. The continued expansion of high-protein dairy across beverages, cultured products, foodservice, and nutritional applications broadens our opportunity set and supports an attractive long-term growth profile. This confidence in dairy's future is reflected in the momentum across our brands and platforms.

By staying closely connected to consumers, we are strengthening core brands, expanding into higher-value segments, and creating new occasions for growth.

Trusted leaders such as *Armstrong* continue to outperform in everyday cheese, while brands like *Frigo Cheese Heads* maintain strong category positions, with the brand building value share year over year. In the UK, momentum continues to build, with *Cathedral City* driving value and volume share gains, supported by continued investment behind the brand. In Australia, *Devondale* remains a trusted household name, with its broad portfolio across milk, butter, and cheese supporting strong everyday relevance. At the same time, innovation is broadening our reach across retail and foodservice and reinforcing dairy's relevance for today's consumers, from convenient snacking formats and bold flavour profiles to the rapid expansion of high-protein cheeses, alongside high-protein beverages.

At the core of our commercial strategy lies a simple belief: everything starts with the consumer. Understanding how their needs evolve—and how dairy can meet those needs better than other alternatives—guides how we invest, innovate, and grow our product portfolio.

REINFORCING OUR CORE

During FY26, we took decisive action to further simplify our global platform and portfolio with the announced sale of a majority interest in our Argentina business. This step reflects our commitment to allocate resources where we see the highest growth opportunities.

Across our global operations, we continued to reinforce the platforms that offer the strongest strategic fit and greatest ability to compete.

In North America, years of deliberate network optimization continued to deliver tangible gains this year, strengthening both efficiency and service performance. Investments in logistics and warehousing, including the ramp-up of our Caledonia, Wisconsin, facility, are improving efficiency across our system and reducing reliance on third-party logistics. At the same time, the consolidation of operations into higher-performing sites—most notably the transition from our Green Bay facility to our Franklin facility, both located in Wisconsin—has been strengthening scale, simplifying our network, and improving cost efficiency.

We also advanced the transformation of our ingredients platform. Targeted investments in upgraded whey protein and lactose capabilities at our Waupun, Wisconsin, facility are enhancing product quality and expanding our ability to serve higher-value applications. These investments help align our portfolio with favourable market trends and support stronger returns.

In Europe and Australia, our focus remained on completing network modernization initiatives while maintaining service continuity, including the transition of cheese packing operations to our Nuneaton, UK, facility.

Across all regions, we have reached some of the strongest service levels in our history in FY26, reflecting years of deliberate investment, operational discipline, and a customer-first mindset, supported by continued modernization of our processes and technology platforms.

RESPONSIBLE STEWARDS OF CAPITAL

In FY26, Saputo continued to execute its capital allocation strategy with discipline and consistency. Strong operating cash flow, driven by solid commercial execution, an efficient operating network, and prudent cost management, supported a balanced approach to capital deployment.

Our cash generation enabled us to return capital to shareholders. We repurchased shares opportunistically under our normal course issuer bid and increased our dividend, reflecting both our confidence in the long-term value of our business and our commitment to delivering consistent shareholder returns. Importantly, we exited FY26 with a strong balance sheet and meaningful financial flexibility, preserving the ability to act decisively should the right opportunities emerge to further strengthen Saputo's long-term competitive position.

THE SAPUTO PROMISE

Long-term success requires more than financial performance. It also relies on building a resilient business that can adapt to societal and environmental changes across different geographies.

Through our Saputo Promise, we continue to integrate responsibility into how we operate and how we grow our business. Consumers, customers, and communities increasingly expect companies to act with integrity, prioritizing the long-term well-being of society, sustainability, and responsible sourcing. These expectations align closely with our values and how we aspire to enduring value creation.

Fiscal 2026 marked the first year of our new three-year Promise plan (FY26–FY28). Building on the progress of previous plans, we sharpened our focus on key global priorities, including nutrition, environmental performance, and our people, while continuing to advance core commitments through continuous improvement across our divisions.

This approach enables consistent progress across a diverse global footprint, combining clear global direction with strong divisional ownership.

As we move forward, our priorities are clear: leveraging the nutritional power of dairy to meet evolving consumer needs; delivering on our 2030 Environmental Pledges, including climate, water, packaging, and food waste commitments; and continuing to invest in our employees.

At the centre of all of this are our people. Saputo's strength has always come from the passion, resilience, and professionalism of its teams. Their ability to adapt, execute, and lead through change allows the Company to move forward with confidence, even in uncertain environments.

We are proud of the foundation we have built and remain committed to advancing our priorities thoughtfully and transparently.

POSITIONED FOR THE NEXT CHAPTER

As we look ahead, Saputo stands as a stronger, more focused Company, with a clear strategic direction and a sharpened ambition to grow, and the readiness to invest where the consumer is.

The growth opportunity in dairy remains significant, and Saputo is well positioned to capture such growth by remaining committed to responding to evolving consumer needs today and into the future.

I am grateful for the opportunity to lead Saputo alongside such a committed team, and I thank our employees for their dedication, including our Argentina team for their longstanding contribution and commitment to Saputo over the years. I also thank our customers and partners for their trust, our Board of Directors for their guidance, and our shareholders for their continued confidence.

Together, we will continue to act decisively to strengthen our portfolio, allocate capital to the highest-return opportunities, and ensure we remain competitive in a changing market, creating a strong and differentiated Saputo, and sustainable long-term value for our stakeholders.

CARL COLIZZA

President and Chief Executive Officer
Saputo Inc.

A CLOSER LOOK AT OUR FY26 PERFORMANCE AND HIGHLIGHTS BY SECTOR



CANADA SECTOR

In fiscal 2026, the Canada Sector continued to demonstrate the resilience of its diversified portfolio of strong brands. Performance reflected sustained demand across value-added categories, continued progress on strategic capacity and automation investments, and disciplined pricing actions to offset inflation.

Growth was supported by accelerating demand in protein-enhanced, lactose-free, and filtered milk products, alongside solid momentum in yogurt, cottage cheese, cream, and everyday cheese. The Sector remained focused on executing its commercial and operational priorities while strengthening its platform for future growth.

Commercial and Financial Performance

- Structural growth in protein-enhanced, lactose-free, and filtered milk, supported by strong consumer adoption and expanded listings across retail and foodservice.
- Solid momentum across yogurt, cottage cheese, value-added milk, and cheese, reflecting portfolio breadth and relevance to evolving consumer needs.
- *Armstrong* delivered double-digit growth and market share gains, reinforcing its position as a core national growth brand.

Portfolio Strength and Brand Momentum

- Innovation remained a key growth lever, with multiple successful launches across protein beverages, premium cheeses, foodservice formats, and specialty offerings.
- Six leading Canadian brands recognized as “Most Trusted”, with several products receiving national innovation and product awards.
- Accelerated protein platform expansion, including:
  - *Armstrong* High in Protein cheese lineup (blocks, shreds, snacks)
  - *Dairyland* and *Neilson* 18g protein milk extensions (1% white, 2% chocolate)
  - New 325mL protein milk shakes delivering 26g of protein for on-the-go consumers

Operational and Strategic Progress

- Capacity expansion projects advanced across the network, strengthening the Sector’s ability to support growth in high-demand categories such as yogurt and value-added beverages.
- Automation initiatives progressed across multiple facilities, improving efficiency, throughput, and cost competitiveness.
- Supply chain and distribution investments enhanced network resilience, supporting improved service capabilities and long-term scalability.



Armstrong High in Protein Cheese

Award-winning *Armstrong* High in Protein Marble Cheddar Cheese combines a delicious taste with high protein and less fat. Proudly made in Canada, it is available in convenient formats, including cheese sticks, shreds, and blocks.



USA SECTOR

The USA Sector made solid progress in fiscal 2026, supported by broad-based volume growth, improved service levels, and stronger operational execution.

Results reflected robust demand across cream, mozzarella, snacking, and value-added beverages, combined with disciplined commercial execution and continued progress on network optimization.

Commercial Performance and Category Momentum

- Delivered volume growth across retail, foodservice, and contract manufacturing, supported by customer wins and focused commercial execution.
- Service levels improved materially, with higher order fill rates and fewer shortages despite a higher sales order base.
- Growth was led by core dairy and value-added categories, including mozzarella, cream and cream-based products, snacking formats, and value-added beverages, aligned with protein-enhanced consumption trends.

Brand and Commercial Execution

- Expanded *Frigo Cheese Heads* beyond traditional grocery into convenience, airports, vending, and other immediate-consumption channels.
- Focused marketing investment on priority brands, including F*rigo Cheese Heads, Frigo, Saputo,* and *Saputo Gold,* improving media efficiency and long-term growth alignment.
- Continued to strengthen the *Saputo* brand's positioning in foodservice, reinforcing breadth of applications and solution offerings.

Innovation and Product Highlights

- Extended *Frigo Cheese Heads* with Cheddarella, a differentiated cheddar-style string cheese targeting on-the-go snacking.
- Launched Cold Foam to expand participation in the iced coffee category.
- Introduced *Treasure Cave* blue cheese dips and spreads to capture incremental usage occasions.
- Completed a *Black Creek* brand refresh, reinforcing Wisconsin heritage and brand distinctiveness.

Operational and Strategic Progress

- Achieved the highest production volume year in the Division's history, reflecting strong demand and improved execution.
- Advanced network optimization, including consolidation of Midwestern warehousing into a single Saputo-managed distribution centre.
- Continued progress on duplicate cost reduction, first-pass quality, and inventory management initiatives, strengthening efficiency and cash generation.
- At our Waupun, Wisconsin, facility, a $180 million investment advanced whey protein and lactose capabilities, increasing WPC 80 output by approximately 35%, improving product quality, and strengthening the USA Sector's position in fast-growing, high-value protein and lactose solutions.



***Frigo Cheese Heads* Cheddarella String Cheese**

Frigo Cheese Heads Cheddarella String Cheese is a hybrid snack, combining bold cheddar flavour with the signature stringiness of mozzarella—delivering a fun, protein-rich, on-the-go cheese that brings innovation and excitement to the dairy snacking category.

EUROPE SECTOR

Amid a year of operational transition, the Europe Sector delivered a resilient performance in fiscal 2026. Results reflected strong brand momentum, disciplined commercial execution, and decisive structural actions across the portfolio.

Increased investment behind the *Cathedral City* brand, the strategic exit from certain ingredients, and network optimization initiatives strengthened the Sector's competitive positioning while improving its cost structure and cash profile. Active inventory management and improved cost control measures further supported cash flow.

Commercial and Financial Performance

— *Cathedral City* delivered share gains, supported by increased advertising and promotional investment.

Market and Cost Environment

— Higher milk supply supported volume and cash generation, managed through active inventory and pricing actions.

— Early-year pricing actions recovered prior inflation and improved overall cost control.

Operational and Structural Actions

— Completed network optimization, including the closure of our Kirkby Malzeard facility into our Nuneaton location, advancing a cheese packing centre of excellence.

— Simplified the operating model and improved efficiency at our Davidstow facility through the exit from D90 and the transition to sweet whey powder.



Cathedral City Extra Mature Cheddar Cheese

Made with 100% British milk from local farms, *Cathedral City* Extra Mature is a deliciously rich and full-flavoured cheddar made at the Davidstow Creamery in South-West England. It is one of the most popular *Cathedral City* variants, as consumers' taste for stronger cheese has developed over recent years.

INTERNATIONAL SECTOR

Dairy Division (Australia)

Despite a more volatile operating environment, the Dairy Division (Australia) delivered a solid performance in fiscal 2026. Results reflected disciplined optimization of milk utilization, strong demand for premium value-added ingredients, and continued momentum in domestic channels, including foodservice and private label.

The business remained focused on maximizing returns on milk, strengthening its domestic platform, and advancing targeted capacity and efficiency investments to support future growth. Growth was underpinned by sustained demand for high-value ingredients such as WPC 80, lactoferrin, and cream cheese, alongside solid domestic volume growth in everyday and specialty cheese. Higher milk costs and commodity price volatility were effectively managed through mix optimization, pricing discipline, and supply chain initiatives.

Commercial and Financial Performance

- Strong contribution from value-added premium ingredients, including WPC 80, lactoferrin, cream cheese, and Frozen Natural Cream Cheese (FNCC), driven by robust demand across Asia, particularly Japan, Korea, China, and Southeast Asia.
- Domestic growth accelerated, supported by private label tender wins across everyday cheese, specialty cheese, and UHT long-life milk, improving factory utilization and cost recoveries.
- Foodservice volumes were stable year over year, with continued market share expansion reflecting strong execution of the Sector's foodservice strategy.

Portfolio Strength and Brand Momentum

- Focused investment behind core Australian brands, with major advertising campaigns for *Devondale* and *Cheer* delivering strong household reach and reinforcing brand relevance across key usage occasions.
- Continued strength in specialty cheese brands, including *Mersey Valley* and *Tasmanian Heritage*, supported by targeted promotional activity during peak seasonal periods.

Operational and Strategic Progress

- Completed capacity and functionality upgrades at our Cobram facility, enabling greater conversion of whey into higher-value instant WPC 80 and improving flexibility across the whey stream.
- Advanced energy efficiency and sustainability initiatives, including the deployment of micro-turbines at our Allansford site to convert biogas into renewable electricity, reducing energy costs and emissions intensity.
- Progressed cream cheese capacity expansion at our Kiewa facility, positioning the business to support continued demand growth across retail and foodservice formats, with further volume uplift expected in fiscal 2027.



Devondale 3 Cheese Blend

Devondale has been dedicated to delivering delicious, quality dairy since 1956. Our *Devondale* 3 Cheese Blend is a versatile mix of shredded Mozzarella, Colby, and Parmesan cheese, with a delicious melt making it perfect for lasagnes, pasta bakes, and taco nights!

Dairy Division (Argentina)

Improving macroeconomic conditions provided a more supportive backdrop for the Dairy Division (Argentina) in fiscal 2026. Performance reflected higher milk intake, disciplined commercial execution, and improved raw material economics. Results benefited from increased production volumes, improved price margins, stable local pricing, and peso depreciation.

The business also advanced its working capital strategy, accelerating inventory turnover and strengthening cash generation. Performance was underpinned by solid domestic volume growth across value-added cheese categories and targeted export initiatives, while continued cost discipline strengthened profitability and financial resilience.

Commercial and Financial Performance

- Stable pricing in Argentine pesos, combined with inflation moderation and peso depreciation, resulted in a meaningful reduction in raw material costs and improved price margins.
- Improved macroeconomic conditions enabled a shift toward higher inventory rotation, generating more consistent cash flow and supporting a stronger financial position heading into fiscal 2027.

Portfolio Strength and Brand Momentum

- Domestic growth accelerated across strategic value-added product segments, including grated cheese, cut & wrap formats, cream cheese, cream, and hard cheeses, reflecting strong consumer demand and expanded coverage.
- The *La Paulina* brand continued to strengthen its market position, supported by a renewed communication campaign focused on strategic categories, driving increased household penetration and share of market.
- In exports, the launch of *"Mozzarella para Pizza"* in Brazil expanded the Division's addressable customer base in the region and enabled entry into new customer segments.

Operational and Strategic Progress

- Higher milk availability supported increased throughput across the network, improving efficiency and absorption while maintaining service levels.
- Progress continued on key operational upgrades, including packaging automation, butter blend expansion, casein line upgrades, and ongoing enhancements to soft cheese and cream cheese processing and packaging lines.
- Sustainability initiatives advanced through the expansion of biodigester capacity, enabling greater use of green energy and supporting long-term cost and emissions efficiency.



La Paulina Queso Rallado Reggianito

Crafted to deliver the rich and distinctive taste of reggianito cheese, *La Paulina* Lactose Free Grated Cheese provides consumers with a delicious and convenient alternative, bringing together indulgence and quality in everyday cooking occasions.

MANAGEMENT'S DISCUSSION & ANALYSIS

CONSOLIDATED FINANCIAL STATEMENTS

FY2026

Saputo

JUNE 4, 2026

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS 2
- INTRODUCTION 2
- CAUTION REGARDING FORWARD-LOOKING STATEMENTS 3
- BUSINESS OVERVIEW 5
- FINANCIAL HIGHLIGHTS & KEY EVENTS 6
- OPERATING SECTOR REVIEW 10
  - CANADA SECTOR 10
  - USA SECTOR 12
  - INTERNATIONAL AND EUROPE SECTORS 15
- FY27 OUTLOOK 19
- CONSOLIDATED FINANCIAL INFORMATION 20
  - CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FISCAL YEAR ENDED MARCH 31, 2026 21
- LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES 26
- CONTRACTUAL OBLIGATIONS 29
- GUARANTEES 29
- RELATED PARTY TRANSACTIONS 30
- DISCUSSION OF FACTORS IMPACTING THE COMPANY'S OPERATIONS AND RESULTS 31
  - US DAIRY COMMODITY MARKET PRICES 31
  - IMPACT OF FOREIGN CURRENCY 32
- SENSITIVITY ANALYSIS OF INTEREST RATE AND US CURRENCY FLUCTUATIONS 32
- DISCLOSURE CONTROLS AND PROCEDURES 33
- INTERNAL CONTROL OVER FINANCIAL REPORTING 33
- SELECTED QUARTERLY FINANCIAL INFORMATION 34
- SELECTED FINANCIAL INFORMATION 35
- CONSOLIDATED ANALYSIS OF EARNINGS FOR THE YEAR ENDED MARCH 31, 2025, COMPARED TO MARCH 31, 2024 36
- NON-GAAP MEASURES 51
- GLOSSARY 56

CONSOLIDATED FINANCIAL STATEMENTS 57
- NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 67

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

All dollar amounts are in millions of Canadian dollars, unless otherwise indicated.

The goal of this management's discussion and analysis (''MD&A'') is to analyze the results of, and the financial position of Saputo Inc. (''we'', ''Saputo'' or the ''Company''), for the year ended March 31, 2026. It should be read while referring to the audited consolidated financial statements of the Company for the same period and accompanying notes, which are prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook - Accounting under Part 1, which incorporates International Financial Reporting Standards ("IFRS") Accounting Standards, as issued by the International Accounting Standards Board. The information in this report is presented as at March 31, 2026, unless otherwise specified. In preparing this report, we have taken into account material elements between March 31, 2026, and June 4, 2026, the date on which this report was approved by the Company's Board of Directors. Additional information about the Company, including its Annual Report and Annual Information Form for the year ended March 31, 2026, can be obtained on SEDAR+ at www.sedarplus.ca.

All references to "fiscal 2027" are to the Company's fiscal year to end March 31, 2027, to "fiscal 2026" are to the Company's fiscal year ended March 31, 2026, to "fiscal 2025" are to the Company's fiscal year ended March 31, 2025, and to "fiscal 2024" are to the Company's fiscal year ended March 31, 2024.

USE OF NON-GAAP MEASURES

We report our financial results in accordance with GAAP and generally assess our financial performance using financial measures that are prepared using GAAP. However, this MD&A also refers to certain non-GAAP and other financial measures which do not have a standardized meaning under GAAP, including the following: adjusted EBITDA; adjusted EBITDA from continuing and discontinued operations; adjusted net earnings from continuing operations adjusted EBITDA margin; adjusted EPS basic from continuing operations; adjusted EPS diluted from continuing operations, net debt to adjusted EBITDA and adjusted net debt to adjusted EBITDA, including estimated net proceeds from sale of Dairy Division (Argentina). As these measures have no standardized meaning under GAAP, they are unlikely to be comparable to similar measures presented by other issuers. Refer to the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

We use non-GAAP measures and ratios to provide investors with supplemental metrics to assess and measure our operating performance and financial position from one period to the next. These metrics are presented as a complement to enhance the understanding of operating results but not in substitution of GAAP results. In addition, non-GAAP financial measures should not be viewed as a substitute for the related financial information prepared in accordance with GAAP.

PRESENTATION OF FINANCIAL INFORMATION

On February 12, 2026, the Company entered into a definitive agreement with Gloria Foods, the dairy and food holding company of Grupo Gloria, to sell an 80% interest in its Dairy Division (Argentina). The transaction is expected to close in the first half of fiscal 2027, subject to customary closing conditions, including applicable regulatory approvals. As a result of the definitive agreement, the results of the Dairy Division (Argentina), which were previously reported under the International Sector, have been classified as discontinued operations, with comparative information presented accordingly, and with its assets and liabilities presented as held for sale.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report contains statements which are forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to our objectives, outlook, business projects, strategies, beliefs, expectations, targets, commitments, goals, ambitions and strategic plans including our ability to achieve these targets, commitments, goals, ambitions and strategic plans, statements with respect to the pending sale of an 80% interest in our Dairy Division (Argentina), and statements other than historical facts. The words “may”, “could”, “should”, “will”, “would”, “believe”, “plan”, “expect”, “intend”, “anticipate”, “estimate”, “foresee”, “objective”, “continue”, “propose”, “aim”, “commit”, “assume”, “forecast”, “predict”, “seek”, “project”, “potential”, “goal”, “target”, or “pledge”, or the negative of these terms or variations of them, the use of conditional or future tense or words and expressions of similar nature, are intended to identify forward-looking statements. All statements other than statements of historical fact included in this report may constitute forward-looking statements within the meaning of applicable securities laws.

By their nature, forward-looking statements are subject to inherent risks and uncertainties. Actual results could significantly differ from those stated, implied, or projected in such forward-looking statements. As a result, we cannot guarantee that any forward-looking statements will materialize, and we warn readers that these forward-looking statements are not statements of historical fact or guarantees of future performance in any way. Assumptions, expectations, and estimates made in the preparation of forward-looking statements and risks and uncertainties that could cause actual results to significantly differ from current expectations are discussed in our materials filed with the Canadian securities regulatory authorities from time to time, including the “Risks and Uncertainties” section of this MD&A.

Such risks and uncertainties include the following: product liability; the availability and price variations of milk and other dairy ingredients, our ability to transfer input costs increases, if any, to our customers in competitive market conditions; supply chain strain and supplier concentration; the price fluctuation of dairy products in the countries in which we operate, as well as in international markets; continuing economic and geopolitical uncertainties; changes in international trade agreements and policies, including those that may result from tariffs, quotas, trade barriers and other similar restrictions; actual or perceived changes in the condition of the economy or economic slowdowns or recessions; changes in consumer trends; our ability to identify, attract, and retain qualified individuals; the increased competitive environment in our industry; consolidation of clientele; cyber threats and other information technology-related risks relating to business disruptions, confidentiality, data integrity business and email compromise-related fraud; changes to tariff protection on dairy; unanticipated business disruption; changes in environmental laws and regulations; the potential effects of climate change; increased focus on environmental sustainability matters; public health threats; the failure to execute our growth strategy as expected or to adequately integrate acquired businesses in a timely and efficient manner; the failure to complete capital expenditures as planned; changes in interest rates and access to capital and credit markets; and any delay or failure to close the pending sale of an 80% interest in the Company’s Dairy Division (Argentina) or the Company’s inability to realize the anticipated benefits from such sale transaction. There may be other risks and uncertainties that we are not aware of at present, or that we consider to be insignificant, that could still have a harmful impact on our business, financial state, liquidity, results, or reputation.

Forward-looking statements are based on Management’s current estimates, expectations and assumptions regarding, among other things; the projected revenues and expenses; the economic, industry, competitive, and regulatory environments in which we operate or which could affect our activities; international trade policies; our ability to identify, attract, and retain qualified and diverse individuals; our ability to attract and retain customers and consumers; the results of our sustainability efforts; the effectiveness of our environmental and sustainability initiatives; our operating costs; the pricing of our finished products on the various markets in which we carry on business; the successful execution of our growth strategy; our ability to deploy capital expenditure projects as planned; reliance on third parties; our ability to gain efficiencies and cost optimization from strategic initiatives; our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; our ability to leverage our brand value; our ability to drive revenue growth in our key product categories or platforms or add products that are in faster-growing and more profitable categories; the market supply and demand levels for our products; our warehousing, logistics, and transportation costs; our effective income tax rate; the exchange rate of the Canadian dollar to the currencies of cheese and dairy ingredients. Our financial performance goals and ambitions are set using assumptions regarding, among others: the absence of significant deterioration in macroeconomic conditions; tariffs, quotas, trade barriers and other similar restrictions; our ability to mitigate inflationary cost pressure; ingredient markets, commodity prices, foreign exchange; labour market conditions; the impact of price elasticity; our ability to increase the production capacity and productivity in our facilities; the efficiency of our network and cost optimization initiatives, and the demand growth for our products. Our ability to achieve our environmental targets, pledges, commitments, and goals (together, our “environmental targets”) is further subject to, among

others: the development, effectiveness and costs of solutions to reduce emissions in dairy production systems; the ability of the Company and our industry to develop sustainable incentive models to reduce emissions; the availability of and our ability to access and implement the technology necessary to achieve our environmental targets at reasonable and sustainable costs; the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results; the accessibility at sustainable costs of carbon and renewable energy instruments for which a market is still developing and which are subject to risk of invalidation or reversal; environmental regulation, and our ability to leverage our supplier relationships and our sustainability advocacy efforts.

Management believes that these estimates, expectations, and assumptions are reasonable as of the date hereof, and are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events, and are accordingly subject to changes after such date. Forward-looking statements are intended to provide shareholders with information regarding Saputo, including our assessment of future financial plans, and may not be appropriate for other purposes. Undue importance should not be placed on forward-looking statements, and the information contained in such forward-looking statements should not be relied upon as of any other date.

Unless otherwise indicated by Saputo, forward-looking statements in this report describe our estimates, expectations, and assumptions as of June 4, 2026, and, accordingly, are subject to change after that date. Except as required under applicable securities legislation, Saputo does not undertake to update or revise forward-looking statements, whether written or verbal, that may be made from time to time by itself or on our behalf, whether as a result of new information, future events, or otherwise. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

BUSINESS OVERVIEW

Saputo Inc. is a global dairy processor with operations in Canada, the United States, Australia and the United Kingdom. The Company produces, markets and distributes a portfolio of dairy products and ingredients, serving retail, foodservice and industrial customers across multiple geographies and product categories.

The Company operates through four reportable geographic sectors: Canada, USA, as well as International and Europe. The Dairy Division (Argentina) has been classified as discontinued operations following the announced divestiture of an 80% interest.

Saputo's financial performance reflects the combined impact of geographic diversification, product mix, and exposure to essential food categories. Results are affected by market conditions across its operating regions, including demand trends, competitive dynamics, and input cost environments.

Profitability is influenced by the relationship between selling prices and input costs, including raw milk, energy, and labour. In addition, operating performance is driven by the Company's ability to manage pricing, optimize product mix, and maintain efficiency across its manufacturing and distribution network.

Saputo is continuously investing in the modernization of its manufacturing network and operational efficiency. These investments have continued to reduce our cost structure, increasing capacity utilization and productivity across our platforms.

The Company's capital allocation framework is driven by operating cash flows and is intended to balance investment in organic growth, capital expenditures, and selective strategic initiatives with maintaining balance sheet strength and financial flexibility. This disciplined approach supports the execution of our commercial and operational priorities, enables disciplined capital investments and potential M&A, and advances the Saputo Promise—our approach to social, environmental, and economic performance, while preserving our ability to return capital to shareholders over time.

The discussion that follows should be read together with the Company's consolidated financial statements and associated notes. This overview provides contextual information on Saputo's operations and the factors influencing its results, and is complemented by the Business Drivers section, which summarizes the key variables affecting financial performance.

Business Drivers

Saputo's financial performance is influenced by a set of operating and market-based factors that affect revenues, margins, and cash flow generation. These business drivers reflect the Company's product portfolio, commercial execution, cost structure, and exposure to external market conditions.

Product mix and market diversification Revenue and margin profiles are influenced by the composition of sales across dairy categories, including cheese and other value-added products, as well as across geographic markets and market segments (retail, foodservice, and industrial). Variations in product mix, customer demand, and market segment activity affect overall sales volumes and profitability.

Pricing and input cost environment Results are affected by the relationship between selling prices and input costs, including raw milk, dairy ingredients, and other operating costs. Pricing actions, contractual structures, and market conditions influence the timing and extent to which changes in input costs are reflected in selling prices, impacting gross margins.

Operational efficiency and network utilization Results are influenced by manufacturing efficiency and plant utilization rates. The configuration and utilization of the manufacturing network influence production efficiency and the ability to meet customer demand. Changes in volumes and throughput levels across facilities impact unit costs and margin performance. Variations in these factors affect cost absorption and overall operating leverage.

Cost structure and supply chain including warehouse, transportation, logistics, labour, and selling, general, and administrative expenses, reflect the scale and complexity of operations. Variations in these costs are influenced by changes in distribution requirements, freight rates, labour availability and wage levels, and ongoing investments in commercial and administrative functions. Supply chain efficiency, network optimization, and cost discipline continue to be key factors affecting cost performance and overall profitability.

External market factors Results are affected by external conditions, including dairy commodity markets, regulatory frameworks, foreign exchange rates, and broader macroeconomic conditions. These factors may influence input costs, pricing dynamics, demand patterns, and reported financial results.

FINANCIAL HIGHLIGHTS & KEY EVENTS

Results reflected a strengthening in earnings capacity, as we achieved an adjusted EBITDA from continuing and discontinued operations[1] of $1.777 billion, representing an increase of 13.5%, as compared to last fiscal year. Results improved across all our sectors in fiscal 2026. The Canada Sector results continued to outperform previous years, remaining above historical levels. The USA Sector benefited from operational improvements stemming from our recent capital investments and is expected to gain additional benefits as these initiatives continue to scale. The Company's performance was driven by strong commercial momentum, supporting organic sales volume growth, operational efficiencies, margin expansion, and improved cash generation. We took decisive action to refine our global platform and portfolio with the announced sale of a majority interest in our Dairy Division (Argentina). This step reflects our commitment to allocate resources where we see the highest growth opportunities.

Fourth quarter and fiscal year 2026

	For the fourth quarters ended March 31		For the years ended March 31	
	2026	2025[3]	**2026**	2025[3]
CONTINUING OPERATIONS[2]				
Revenues	**4,173**	4,414	**17,551**	17,812
Adjusted EBITDA[1]	**386**	367	**1,659**	1,503
Adjusted EBITDA margin[1]	***9.2 %***	*8.3 %*	***9.5 %***	*8.4 %*
Net earnings (loss) from continuing operations[2]	**157**	87	**690**	(147)
Net earnings (loss) per share (EPS) from continuing operations[2]				
Basic	**0.39**	0.21	**1.68**	(0.35)
Diluted	**0.38**	0.21	**1.67**	(0.35)
Adjusted net earnings from continuing operations[1,2]	**169**	145	**751**	635
Adjusted EPS from continuing operations[1,2]				
Basic	**0.42**	0.34	**1.83**	1.50
Diluted	**0.41**	0.34	**1.82**	1.50
Net cash from operating activities from continuing operations[2]	**510**	340	**1,508**	1,194
Capital expenditures[2]	**127**	136	**339**	386

	For the fourth quarters ended March 31		For the years ended March 31	
	2026	2025[3]	**2026**	2025[3]
Revenues	**4,585**	4,753	**18,825**	19,061
Discontinued operations[4]	**412**	339	**1,274**	1,249
Continuing operations[2]	**4,173**	4,414	**17,551**	17,812
Adjusted EBITDA[1]	**409**	376	**1,777**	1,565
Discontinued operations[4]	**23**	9	**118**	62
Continuing operations[2]	**386**	367	**1,659**	1,503
Net Earnings (loss) [5]	**102**	74	**672**	(176)
Discontinued operations[4]	**(55)**	(13)	**(18)**	(29)
Continuing operations[2]	**157**	87	**690**	(147)

1 This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
2 Continuing operations excludes the Dairy Division (Argentina).
3 Comparative information has been re-presented to reflect discontinued operations.
4 Refers to the Dairy Division (Argentina). Refer to Note 6 to the consolidated financial statements for further information.
5 Refers to the total of continuing operations and discontinued operations.

FOURTH QUARTER FINANCIAL HIGHLIGHTS

- Revenues of $4.173 billion, down $241 million or 5.5%, driven by lower US dairy commodity market pricing[3]. However, fourth quarter revenues reflected higher sales volumes, mainly in North America, and higher selling prices in both domestic and international cheese and dairy ingredient markets, consistent with recent quarters.

- Adjusted EBITDA[1] of $386 million, up $19 million or 5.2%, with an adjusted EBITDA margin[1] of 9.2%, up from 8.3%.
    - Commercial initiatives and disciplined execution on customer fulfillment supported higher sales volumes;
    - A favourable product mix, driven by growth in value-added and dairy foods categories and core branded products;
    - Operational improvements and warehouse efficiencies, primarily driven by ongoing efficiency initiatives, and proactive cost management supported margin improvement;
    - In our domestic markets, higher selling prices implemented across key product categories to mitigate inflationary pressures preserved margin performance; and
    - Ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities were incurred in the quarter.

- Net earnings from continuing operations[4] totalled $157 million or $0.39 per share (basic) and $0.38 per share (diluted), up $70 million. The increase in net earnings was mainly due to higher adjusted EBITDA[1], as discussed above, and lower restructuring costs, partially offset by a gain on disposal of assets recorded in the same quarter last fiscal year and higher income tax expense. The increase in EPS also reflects a reduction in weighted average common shares outstanding resulting from shares purchased under our normal course issuer bid (NCIB).

- Adjusted net earnings from continuing operations[1,4] totalled $169 million or $0.42 per share[1] (basic) and $0.41 per share[1] (diluted), up $24 million or $0.08 and $0.07 per share, respectively. The increase in adjusted EPS[1] was mainly due to higher net earnings, as discussed above, and reflected a reduction in weighted average common shares outstanding resulting from shares purchased under our NCIB.

- Net earnings[6] totalled $102 million, up $28 million. The increase in net earnings was mainly due to an increase in net earnings from continuing operations[4], as discussed above, partially offset by an increase in net loss from discontinued operations[5]. Refer to the Consolidated Results section below for more information.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the “Non-GAAP Measures” section below of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.
[4] Continuing operations excludes the Dairy Division (Argentina).
[5] Refers to the Dairy Division (Argentina). Refer to Note 6 to the consolidated financial statements for further information.
[6] Refers to the total of continuing operations and discontinued operations.

FISCAL 2026 FINANCIAL HIGHLIGHTS

- Revenues of $17.551 billion, down $261 million or 1.5%, driven by lower US dairy commodity market pricing[3]. However, fiscal 2026 revenues reflected higher sales volumes, mainly in North America, and higher selling prices in both domestic and international cheese and dairy ingredient markets.

- Adjusted EBITDA[1] of $1.659 billion, up $156 million or 10.4%, with an adjusted EBITDA margin[1] of 9.5%, up from 8.4%.
    - Results improved across all our sectors in fiscal 2026.
    - Commercial initiatives and disciplined execution on customer fulfillment supported higher sales volumes and a favourable product mix, driven by growth in cheese and value-added categories and core branded products;
    - Operational improvements, primarily driven by ongoing efficiency initiatives stemming from our recent capital investments, and proactive cost management supported margin improvement;
    - In our export markets, the relation between the international cheese and dairy ingredient market prices and the cost of milk as raw material had a positive impact on our results;
    - In our domestic markets, higher selling prices implemented across key product categories to mitigate inflationary pressures preserved margin performance;
    - Ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities, were incurred in the fiscal year; and
    - Unfavourable US dairy commodity market conditions[3] compared to last fiscal year.

- Adjusted EBITDA from continuing and discontinued operations[1] reached $1.777 billion, up $212 million or 13.5%, with an adjusted EBITDA margin[1] of 9.4%, up from 8.2%. The increase is due to higher adjusted EBITDA[1] from continuing operations, as discussed above, and higher adjusted EBITDA[1] from discontinued operations, mainly due to a more favourable alignment between inflation and the devaluation of the Argentine peso, notably through lower milk costs.

- Net earnings from continuing operations[4] totalled $690 million or $1.68 per share (basic) and $1.67 per share (diluted), up $837 million. The increase in net earnings was mainly due to the absence of the non-cash goodwill and intangible assets impairment charge recorded in our Dairy Division (UK) in the third quarter of last fiscal year of $684 million ($674 million after tax), higher adjusted EBITDA[1], lower restructuring costs and depreciation and amortization, partially offset by a gain on disposal of assets recorded in last fiscal year and higher income tax expense. The increase in EPS also reflected a reduction in weighted average common shares outstanding resulting from shares purchased under our NCIB.

- Adjusted net earnings from continuing operations[1,4] totalled $751 million or $1.83 per share[1] (basic) and $1.82 per share[1] (diluted), up $116 million or $0.33 and $0.32 per share, respectively. The increase in adjusted EPS[1] was mainly due to higher net earnings, as discussed above, and reflected a reduction in weighted average common shares outstanding resulting from shares purchased under our NCIB.

- Net earnings[6] totalled $672 million, up $848 million. The increase in net earnings was mainly due to an increase in net earnings from continuing operations, as discussed above, and from a decrease in net loss from discontinued operations[5]. Refer to the Consolidated Results section below for more information.

- Net cash from operating activities from continuing operations[4] totalled $1.508 billion, up $314 million or 26.3%. The increase is mainly due to lower working capital usage and higher adjusted EBITDA[1].

- The Company returned capital to shareholders through the purchase of approximately 19.2 million common shares for a total purchase price of $679 million and the payment of dividends totalling $324 million.

- Capital expenditures[4] totalled $339 million and the balance of operating cash was directed primarily toward the reduction of net debt[2].

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable
[2] Refer to the ''Glossary'' section of this MD&A.
[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.
[4] Continuing operations excludes the Dairy Division (Argentina).
[5] Refers to the Dairy Division (Argentina). Refer to Note 6 to the consolidated financial statements for further information.
[6] Refers to the total of continuing operations and discontinued operations.

KEY EVENTS

- On February 12, 2026, the Company entered into a definitive agreement with Gloria Foods, the dairy and food holding company of Grupo Gloria, to sell an 80% interest in its Dairy Division (Argentina). The transaction is expected to close in the first half of fiscal 2027, subject to certain customary closing conditions, including applicable regulatory approvals. Upon closing, the Company expects to receive net proceeds, after tax, of approximately $557 million ($400 million USD). See Caution Regarding Forward-Looking Statements. As a result of the definitive agreement, the results of the Dairy Division (Argentina), which were previously reported under the International Sector, have been classified as discontinued operations, with comparative information presented accordingly, and with its assets and liabilities presented as held for sale.

- In December 2025, we permanently closed our Green Bay, Wisconsin, facility as part of the consolidation activities related to our previously announced network optimization initiatives in our USA Sector.

- On November 19, 2025, we renewed our NCIB to purchase up to 5% of our issued and outstanding common shares, which will end no later than November 18, 2026. This NCIB reflects our continued commitment to returning capital to shareholders, while maintaining the flexibility to allocate capital for growth opportunities.

- On July 2, 2025, the Company issued Series 12 unsecured medium term notes through a private placement for an aggregate principal amount of $400 million due July 2, 2030, bearing interest at 3.879% per annum. The proceeds from this issuance were used to repay, on July 14, 2025, the $350 million aggregate principal amount of the Company's Series 5 senior unsecured notes and the remainder was used for general corporate purposes.

- In June 2025, we announced our environmental objectives through to 2030, including our science-based targets, which have been validated by the Science-Based Targets initiative (SBTi). On August 7, 2025, we published our Climate Roadmap, which provides additional details on our action plan to achieve our science-based targets, and is available in the "Our Promise" section of the Company's website at www.saputo.com.

- On June 1, 2025, the new milk pricing formula approved for all US federal milk marketing orders in which we operate became effective. The new milk pricing formula contributed positively to our results, in line with our expectations.

- The Board of Directors approved a dividend of $0.20 per share, payable on June 25, 2026, to shareholders of record on June 16, 2026.

OPERATING SECTOR REVIEW

CANADA SECTOR

(in millions of CDN dollars)

	For the fourth quarters ended March 31		For the years ended March 31	
	2026	2025	**2026**	2025
Revenues	**1,313**	1,258	**5,423**	5,164
Adjusted EBITDA	**159**	157	**697**	647
Adjusted EBITDA margin	***12.1 %***	*12.5 %*	***12.9 %***	*12.5 %*
Depreciation and amortization	**29**	30	**115**	118

Revenues

Revenues for the **fourth quarter of fiscal 2026** totalled $1.313 billion, up $55 million or 4.4%, as compared to $1.258 billion for the same quarter last fiscal year.

Revenues increased due to higher sales volumes in our retail, foodservice, and industrial market segments. Higher sales volumes in our value-added categories generated a favourable product mix. Higher butter sales volumes, as well as volume growth in value-added beverages and cultured products driven by consumer demand for high-protein offerings, contributed positively to revenues.

Revenues also increased due to higher selling prices implemented to mitigate inflationary pressures and the higher cost of milk as raw material.

In **fiscal 2026**, revenues totalled $5.423 billion, up $259 million or 5.0%, as compared to $5.164 billion last fiscal year.

Revenues increased due to higher sales volumes in our retail, foodservice, and industrial market segments. We benefited from higher sales volumes in our cheese, milk, and dairy foods categories, as well as from favourable product mix. Higher butter sales volumes, as well as volume growth in value-added beverages and cultured products driven by consumer demand for high-protein offerings, contributed positively to revenues. Cheese volumes rose due to increases in both everyday cheese and specialty cheese categories. In our everyday cheese category, *Armstrong* became the national volume category leader, reflecting strong brand momentum and effective commercial execution.

Revenues also increased due to higher selling prices implemented to mitigate inflationary pressures and the higher cost of milk as raw material.

Adjusted EBITDA

Adjusted EBITDA for the **fourth quarter of fiscal 2026** totalled $159 million, up $2 million or 1.3%, as compared to $157 million for the same quarter last fiscal year. Adjusted EBITDA margin was 12.1%, down from 12.5%.

The Canada Sector continued to deliver a solid performance.

Higher sales volumes, a favourable product mix, and higher pricing, as described above, positively impacted results.

Enhanced manufacturing efficiencies driven by our capital investments in automation and cost-effective production capabilities supported adjusted EBITDA growth.

Ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities, were incurred in the quarter. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs .

In **fiscal 2026**, adjusted EBITDA totalled $697 million, up $50 million or 7.7%, as compared to $647 million last fiscal year. Adjusted EBITDA margin was 12.9%, up from 12.5%.

The Canada Sector results continued to outperform previous years, remaining above historical levels.

Commercial initiatives and disciplined execution on customer fulfillment supported higher sales volumes and a favourable product mix. Additionally, higher pricing, as described above, positively impacted results.

Adjusted EBITDA growth was supported by enhanced manufacturing efficiencies driven by our capital investments in automation and cost-effective production capabilities.

Ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities, were incurred in the fiscal year. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

Other elements

Depreciation and amortization for the **fourth quarter of fiscal 2026** totalled $29 million, down $1 million, as compared to $30 million for the same quarter last fiscal year. In **fiscal 2026**, **depreciation and amortization** totalled $115 million, down $3 million, as compared to $118 million last fiscal year.

USA SECTOR

(in millions of CDN dollars)

	For the fourth quarters ended March 31		For the years ended March 31	
	2026	2025	**2026**	2025
Revenues	**1,868**	2,140	**8,291**	8,755
Adjusted EBITDA	**149**	148	**672**	615
Adjusted EBITDA margin	***8.0 %***	*6.9 %*	***8.1 %***	*7.0 %*
Depreciation and amortization	**66**	75	**272**	275

Revenues

Revenues for the **fourth quarter of fiscal 2026** totalled $1.868 billion, down $272 million or 12.7%, as compared to $2.140 billion for the same quarter last fiscal year.

Revenues were negatively impacted by lower US dairy commodity market pricing[3], primarily driven by the lower average block and butter market prices[2]. However, higher selling prices implemented to mitigate inflationary pressures and higher dairy ingredient market prices contributed positively to revenues.

Revenues were positively impacted by higher sales volumes across cheese, dairy foods, and value-added dairy ingredients, and by a favourable product mix. Within these categories, growth in string cheese, export cheese, and cream represented key contributors to the volume increase.

The conversion of the US dollar to the Canadian dollar had an unfavourable impact.

In **fiscal 2026**, revenues totalled $8.291 billion, down $464 million or 5.3%, as compared to $8.755 billion last fiscal year.

Revenues were negatively impacted by lower US dairy commodity market pricing[3], primarily driven by the lower average butter and block market prices[2]. However, higher selling prices implemented to mitigate inflationary pressures and higher dairy ingredient market prices contributed positively to revenues.

Revenues were positively impacted by higher sales volumes in both our retail and foodservice market segments, and by a favourable product mix. Volume growth was supported by stronger demand from several of our largest customers, reflecting the strength of our commercial relationships, the continued relevance of our offering, and our ability to serve their evolving needs. Growth in the retail market segment was mainly driven by higher dairy foods and string cheese sales volumes, while growth in the foodservice market segment was supported by higher sales volumes to key customers and increased cheese exports. Industrial market segment sales volumes also increased, driven by demand for our value-added ingredients.

The conversion of the US dollar to the Canadian dollar had an unfavourable impact.

[2] Refer to the ‘‘Glossary’’ section of this MD&A.
[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.

Adjusted EBITDA

Adjusted EBITDA for the **fourth quarter of fiscal 2026** totalled $149 million, up $1 million or 0.7%, as compared to $148 million for the same quarter last fiscal year. Adjusted EBITDA margin was 8.0%, up from 6.9%.

Higher sales volumes and a favourable product mix, supported by our commercial initiatives, positively impacted results.

The increases in adjusted EBITDA reflected ongoing fiscal 2026 operational improvements, including efficiencies achieved from our new consolidated warehousing facility in the Midwest. However, elevated transportation and fuel prices resulted in increased logistics expenses.

Variations in US dairy commodity market conditions[3] were not a material contributor to results, as compared to the corresponding quarter last fiscal year.

Ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities, were incurred in the quarter. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

The conversion of the US dollar to the Canadian dollar had an unfavourable impact.

In **fiscal 2026**, adjusted EBITDA totalled $672 million, up $57 million or 9.3%, as compared to $615 million last fiscal year. Adjusted EBITDA margin was 8.1%, up from 7.0%.

Higher sales volumes and a favourable product mix, supported by our commercial initiatives, positively impacted results.

Adjusted EBITDA increased, reflecting operational improvements driven by ongoing efficiency initiatives stemming from our recent capital investments. These gains were supported by a reduction in duplicate operating costs in our plants, incurred during the implementation of previously announced network optimization initiatives. At the end of the third quarter of fiscal 2026, we permanently closed our Green Bay, Wisconsin, facility and completed the transfer of production into our Franklin, Wisconsin, facility. In addition, disciplined execution on customer fulfillment and proactive cost management supported margin improvement. Our results also benefited from the continued execution of our ingredients strategy, including investments to expand capacity and upgrade our production network, which have enabled us to meet demand for higher-margin, value-added dairy ingredients.

Our new consolidated warehousing facility in the Midwest was commissioned in the second quarter of fiscal 2026. It is designed to streamline our supply network and deliver long-term improvements in scale and operational leverage. In fiscal 2026, we incurred transitional implementation costs associated with this initiative. However, efficiencies achieved in the second half of the fiscal year began to mitigate the effect of these implementation costs.

US dairy commodity market conditions[3] were unfavourable, as compared to last fiscal year. This was due to the unfavourable fluctuations of US dairy commodity market prices[3] this year in comparison to those market prices last fiscal year. The new milk pricing formula, effective June 1, 2025, contributed positively to our results, in line with our expectations.

Ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities, were incurred in the fiscal year. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

The conversion of the US dollar to the Canadian dollar had an unfavourable impact.

[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.

Other elements

Depreciation and amortization for the **fourth quarter of fiscal 2026** totalled $66 million, down $9 million, as compared to $75 million for the same quarter last fiscal year. In **fiscal 2026**, **depreciation and amortization** totalled $272 million, down $3 million as compared to $275 million last fiscal year.

These fluctuations were mainly attributable to the net effect of the commissioning and decommissioning of assets in connection with our strategic capital projects.

Restructuring costs for the **fourth quarter of fiscal 2026** and **fiscal 2026** comprised a gain on disposal of assets totalling $4 million and related to the sale of a closed facility, in connection with previously announced consolidation initiatives in our USA Sector.

Restructuring costs for the fourth quarter of fiscal 2025 and in fiscal 2025 totalled $3 million and $4 million, respectively, and were mainly comprised of severance costs incurred relative to the optimization of selling, general, and administrative costs.

INTERNATIONAL AND EUROPE SECTORS

The results of the Dairy Division (Argentina) have been classified as discontinued operations and are therefore excluded from continuing operations and from the International Sector results. Comparative figures have been re-presented to reflect this classification. Refer to Note 6 to the consolidated financial statements for further information.

(in millions of CDN dollars)

	For the fourth quarters ended March 31		For the years ended March 31	
	2026	2025[2]	**2026**	2025[2]
Revenues International Sector	**702**	681	**2,570**	2,706
Revenues Europe Sector	**290**	335	**1,267**	1,187
Revenues International Sector and Europe Sector[1]	**992**	1,016	**3,837**	3,893
Adjusted EBITDA International Sector	**41**	38	**162**	135
Adjusted EBITDA margin International Sector	***5.8 %***	*5.6 %*	***6.3 %***	*5.0 %*
Adjusted EBITDA Europe Sector	**37**	24	**128**	106
Adjusted EBITDA margin Europe Sector	***12.8 %***	*7.2 %*	***10.1 %***	*8.9 %*
Adjusted EBITDA International Sector and Europe Sector[1]	**78**	62	**290**	241
Adjusted EBITDA margin International Sector and Europe Sector[1]	***7.9 %***	*6.1 %*	***7.6 %***	*6.2 %*
Depreciation and amortization International Sector	**27**	25	**104**	99
Depreciation and amortization Europe Sector	**27**	30	**107**	113
Depreciation and amortization International Sector and Europe Sector[1]	**54**	55	**211**	212

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[2] Comparative information has been re-presented to reflect discontinued operations.

INTERNATIONAL SECTOR

The International Sector consists of the Dairy Division (Australia).

Revenues

Revenues for the **fourth quarter of fiscal 2026** totalled $702 million, up $21 million or 3.1%, as compared to $681 million for the same quarter last fiscal year.

Higher international cheese and dairy ingredient market prices for our products in our export markets had a favourable impact, supported by growth in value-added ingredients.

Higher domestic sales volumes were partially offset by lower export sales volumes. The gain in domestic sales volumes was offset by unfavourable product mix.

The conversion of Australian dollars to Canadian dollars had a favourable impact.

In **fiscal 2026**, revenues totalled $2.570 billion, down $136 million or 5.0%, as compared to $2.706 billion last fiscal year.

Our sales volumes were lower mainly due to the divestitures of our two fresh milk plants and the King Island Dairy business. Export sales volumes decreased, aligning with our product mix optimization strategy.

Higher international cheese and dairy ingredient market prices for our products in our export markets had a favourable impact , supported by growth in value-added ingredients.

The conversion of Australian dollars to Canadian dollars had a favourable impact.

Adjusted EBITDA

Adjusted EBITDA for the **fourth quarter of fiscal 2026** totalled $41 million, up $3 million or 7.9%, as compared to $38 million for the same quarter last fiscal year. Adjusted EBITDA margin was 5.8%, up from 5.6%.

The favourable impact of higher international cheese and dairy ingredient market prices was partially offset by higher milk costs.

Reduced milk availability impacted efficiencies and the absorption of fixed costs. This impact was mitigated by our product mix optimization strategy.

Ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities, were incurred in the quarter. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

In **fiscal 2026**, adjusted EBITDA totalled $162 million, up $27 million or 20.0%, as compared to $135 million last fiscal year. Adjusted EBITDA margin was 6.3%, up from 5.0%.

The favourable impact of higher international cheese and dairy ingredient market prices was partially offset by higher milk costs as of July 1, 2025.

Reduced milk availability, due mostly to ongoing drought conditions in key milk-producing regions, negatively impacted efficiencies and the absorption of fixed costs. This impact was mitigated by our product mix optimization strategy.

Ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities, were incurred in the fiscal year. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

Other elements

Depreciation and amortization for the **fourth quarter of fiscal 2026** totalled $27 million, up $2 million, as compared to $25 million for the same quarter last fiscal year. In **fiscal 2026**, **depreciation and amortization** totalled $104 million, up $5 million, as compared to $99 million last fiscal year.

There were no **restructuring costs** in **fiscal 2026**. In the fourth quarter of fiscal 2025, restructuring costs totalled $2 million and were comprised of severance costs relative to the optimization of selling, general, and administrative costs. In fiscal 2025, restructuring costs totalled $6 million, which related to severance and site closure costs incurred mainly in connection with the sale of the King Island Dairy facility and the optimization of selling, general, and administrative costs.

In **the fourth quarter of fiscal 2025**, we recorded a gain on disposal of assets of $24 million from the sale of land owned by the Dairy Division (Australia). There were no disposal of assets in fiscal 2026.

EUROPE SECTOR

Revenues

Revenues for the **fourth quarter of fiscal 2026** totalled $290 million, down $45 million or 13.4%, as compared to $335 million for the same quarter last fiscal year.

Revenues decreased due to lower sales volumes of bulk cheese, as a result of lower milk intake, as well as lower dairy ingredients sales volumes, reflecting the change to our ingredient strategy. Retail market segment sales volumes in non-cheese categories were partially offset by higher branded cheese sales volumes.

Higher selling prices, implemented to mitigate inflationary pressures, partially offset the decline in revenues.

The conversion of the British pound sterling to the Canadian dollar had a favourable impact.

In **fiscal 2026**, revenues totalled $1.267 billion, up $80 million or 6.7%, as compared to $1.187 billion last fiscal year.

Revenues increased due to higher selling prices implemented to mitigate inflationary pressures and the higher cost of milk and other input costs. Retail market segment sales volumes in non-cheese categories decreased. Bulk cheese sales volumes increased, as a result of higher milk intake. Dairy ingredients sales volumes also increased at higher selling prices. Incremental advertising and promotional activity supported growth in branded cheese sales volumes. These variations in sales volumes across product categories and market segments had a limited overall impact on revenues.

The conversion of the British pound sterling to the Canadian dollar had a favourable impact.

Adjusted EBITDA

Adjusted EBITDA for the **fourth quarter of fiscal 2026** totalled $37 million, up $13 million or 54.2%, as compared to $24 million for the same quarter last fiscal year. Adjusted EBITDA margin was 12.8%, up from 7.2%.

The improved performance was mainly driven by favourable product mix, which resulted from lower bulk cheese and higher branded cheese sales volumes. The consolidation of cheese packing operations at Nuneaton and the transition of our ingredients strategy, which occurred in the second quarter of the fiscal year, delivered operational efficiencies and cost savings.

We incurred ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities to support our commercial initiatives. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

The conversion of the British pound sterling to the Canadian dollar had a favourable impact.

In **fiscal 2026**, adjusted EBITDA totalled $128 million, up $22 million or 20.8%, as compared to $106 million last fiscal year. Adjusted EBITDA margin was 10.1%, up from 8.9%.

The improved performance was mainly driven by the more favourable relation between selling prices and input costs, which supported overall margin recovery, partially offset by the negative impacts of elevated operating expenses and unfavourable product mix.

The Sector's results were impacted by a planned maintenance shutdown in the second quarter, which temporarily constrained production, as well as costs associated with the commissioning and decommissioning of assets relative to the transition of its ingredients strategy and the relocation of cheese packing operations to Nuneaton. Those initiatives began delivering operational efficiencies and cost savings in the second half of the fiscal year.

We incurred ongoing increases in wages and compensation, including higher stock-based compensation, as well as planned strategic investments in advertising and promotional activities to support our commercial initiatives. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

The conversion of the British pound sterling to the Canadian dollar had a favourable impact.

Other elements

Depreciation and amortization for the **fourth quarter of fiscal 2026** totalled $27 million, down $3 million, as compared to $30 million for the same quarter last fiscal year. In **fiscal 2026**, **depreciation and amortization** totalled $107 million, down $6 million, as compared to $113 million last fiscal year. The decreases in depreciation are attributed to the decommissioning of assets in connection with our strategic capital projects.

There were no **restructuring costs** in the **fourth quarter of fiscal 2026**. In the fourth quarter of fiscal 2025 restructuring costs totalled $68 million, and comprised a non-cash assets write-down of $63 million mainly relating to fixed assets in connection with the our decision to stop manufacturing certain functional dairy ingredient products in our Dairy Division (UK) by mid-fiscal 2026. Restructuring costs for the fourth quarter of fiscal 2025 and in fiscal 2025 also included severance and site closure costs totalling $5 million and $7 million, respectively, incurred relative to the optimization of selling, general, and administrative costs, and the relocation of cheese packing operations from one site to another in our Dairy Division (UK).

In **fiscal 2026**, restructuring costs totalled $6 million, and comprised severance costs, as well as the optimization of selling, general, and administrative costs. In fiscal 2025, **restructuring costs** totalled $70 million.

In fiscal 2025, a non-cash **goodwill and intangible assets impairment charge** of $684 million ($674 million after tax) was recorded for our Europe Sector's Dairy Division (UK).

In performing our annual goodwill impairment testing as at December 31, 2024, for our Dairy Division (UK) cash generating unit (the UK CGU), estimates of future discounted cash flows were reduced primarily due to challenging market conditions in the United Kingdom, including inflation and elevated interest rates. See Note 9 to the consolidated financial statements for additional information.

FY27 OUTLOOK

- The operating environment continues to be shaped by macroeconomic and geopolitical uncertainty, including inflationary pressures, volatile consumer sentiment, tariff uncertainty, and ongoing geopolitical conflicts, particularly in the Middle East, which continue to influence input costs, energy prices, supply chains, and end-market demand across regions.

- Higher volumes and improved product mix are anticipated in certain categories, supported by an enhanced commercial strategy increasingly centered on disciplined, category-led growth, prioritizing returns, customer quality, and long-term brand strength over undifferentiated volume expansion. This approach is supported by enhanced commercial capabilities, pricing governance, and focused investment, positioning Saputo to navigate market uncertainty while pursuing sustainable and value-accretive growth.

- Demand for protein-rich and value-added dairy products continues to exhibit solid underlying momentum, despite evolving consumption patterns and variability across markets, reinforcing the importance of portfolio and market segment diversification.

- Operating efficiencies are expected to continue to improve as recent capital investments scale, supporting productivity, cost absorption, and network optimization, while maintaining Saputo's focus on operating as a low-cost manufacturer of high-quality dairy products, through ongoing investment in technology and automation, as well as cost discipline.

- US dairy commodity markets and international pricing is expected to be influenced by timing differences between input costs and pricing mechanisms, inventory realization cycles, and market supply-demand conditions.

- Capital expenditures are expected to increase relative to FY26, reflecting disciplined investment in high-return projects focused on fast-growing dairy segments, capacity optimization and operational efficiency, with timing and returns subject to execution, and project phasing.

- Selling, general, and administrative expenses are expected to reflect higher labour costs and planned increases in advertising and promotional spending to support our brands and commercial and growth initiatives. Those increases are expected to be partially offset by ongoing administrative cost optimization, structural simplification, and efficiency initiatives.

- Saputo maintains a disciplined approach to capital allocation, with a focus on reinvesting cash flows into organic growth initiatives, capital expenditures, and disciplined M&A aligned with its strategic priorities. Capital deployment decisions are guided by cash flow generation, enabling disciplined investment in growth while maintaining balance sheet strength and capacity to return capital to shareholders over time.

- Overall, Saputo's outlook reflects a disciplined approach centered on operating efficiency, a more focused and integrated commercial strategy, and continued investment to capture the long-term opportunity in dairy. By strengthening its cost position, supporting market-leading brands and value-added innovation, and expanding its portfolio across products and market segments, the Company believes it is well positioned to navigate market uncertainty while creating sustainable value for stakeholders.

See Caution Regarding Forward-Looking Statements.

CONSOLIDATED FINANCIAL INFORMATION

The results of the Dairy Division (Argentina) have been classified as discontinued operations and are therefore excluded from continuing operations. Comparative figures have been re-presented to reflect this classification. Refer to Note 6 to the consolidated financial statements for further information.

(in millions of CDN dollars, except ratios)

	For the fourth quarters ended March 31		For the years ended March 31	
	2026	2025[3]	**2026**	2025[3]
Revenues	**4,173**	4,414	**17,551**	17,812
Operating costs excluding depreciation, amortization and restructuring costs	**3,787**	4,047	**15,892**	16,309
Adjusted EBITDA[1]	**386**	367	**1,659**	1,503
Adjusted EBITDA margin[1]	***9.2 %***	*8.3 %*	***9.5 %***	*8.4 %*
Depreciation and amortization	**149**	160	**598**	605
Goodwill and intangible assets impairment charge	**—**	—	**—**	684
(Gain) on disposal of assets	**—**	(24)	**—**	(24)
Restructuring costs	**(4)**	79	**2**	86
Financial charges	**32**	35	**136**	137
Earnings from continuing operations[2] before income taxes	**209**	**117**	**923**	**15**
Income taxes	**52**	30	**233**	162
Net earnings (loss) from continuing operations[2]	**157**	87	**690**	(147)
Net loss from discontinued operations[4]	**(55)**	(13)	**(18)**	(29)
Net earnings (loss)[5]	**102**	74	**672**	(176)
EPS from continuing operations[2]				
EPS (basic)	**0.39**	0.21	**1.68**	(0.35)
EPS (diluted)	**0.38**	0.21	**1.67**	(0.35)
Adjusted net earnings from continuing operations[1,2]	**169**	145	**751**	635
Adjusted EPS[1] (basic)	**0.42**	0.34	**1.83**	1.50
Adjusted EPS[1] (diluted)	**0.41**	0.34	**1.82**	1.50
EPS				
EPS (basic)	**0.25**	0.18	**1.64**	(0.41)
EPS (diluted)	**0.25**	0.18	**1.63**	(0.41)

1 This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

2 Continuing operations excludes the Dairy Division (Argentina).

3 Comparative information has been re-presented to reflect discontinued operations.

4 Refers to the Dairy Division (Argentina). Refer to Note 6 to the consolidated financial statements for further information.

5 Refers to the total of continuing operations and discontinued operations.

CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FISCAL YEAR ENDED MARCH 31, 2026

Revenues

Revenues for the **fourth quarter of fiscal 2026** totalled $4.173 billion, down $241 million or 5.5%, as compared to $4.414 billion for the same quarter last fiscal year.

Revenues were negatively impacted by lower US dairy commodity market pricing[3], primarily driven by the lower average block market price[2] and the lower average butter market price[2]. This was partially offset by higher domestic selling prices implemented across key product categories to mitigate inflationary pressures, higher international cheese and dairy ingredient market prices in our export markets, and higher dairy ingredient market prices in our USA Sector.

Similar to previous quarter trends, higher sales volumes, mainly driven by our Canada and USA Sectors, positively impacted revenues.

The conversion of foreign currencies to the Canadian dollar had an unfavourable impact.

In **fiscal 2026,** revenues totalled $17.551 billion, down $261 million or 1.5%, as compared to $17.812 billion last fiscal year.

Revenues were negatively impacted by lower US dairy commodity market pricing[3], primarily driven by the lower average butter market price[2] and the lower average block market price[2]. This was partially offset by higher domestic selling prices implemented across key product categories to mitigate inflationary pressures, higher international cheese and dairy ingredient market prices in our export markets, and higher dairy ingredient market prices in our USA Sector.

Higher sales volumes, mainly driven by our Canada and USA Sectors, given the impact of the divestitures in our Dairy Division (Australia), positively impacted revenues.

The conversion of foreign currencies to the Canadian dollar had a favourable impact.

[2] Refer to the ‘‘Glossary’’ section of this MD&A.
[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.

Operating costs

(in millions of CDN dollars)

	For the fourth quarters ended March 31		For the years ended March 31	
	2026	2025[1]	**2026**	2025[1]
Operating costs excluding depreciation, amortization, and restructuring costs	**$ 3,787**	$ 4,047	**$ 15,892**	$ 16,309
Add:				
Depreciation and amortization	**149**	160	**598**	605
Restructuring costs	**(4)**	79	**2**	86
Operating costs	**$ 3,932**	$ 4,286	**$ 16,492**	$ 17,000

[1] Comparative information has been re-presented to reflect discontinued operations.

Operating costs for the **fourth quarter of fiscal 2026** totalled $3.932 billion, down $354 million or 8.3%, as compared to $4.286 billion for the same quarter last fiscal year.

This decrease reflected lower spending on raw materials and consumables used, with the reduction in raw material costs mainly driven by the impact from lower US dairy commodity market prices[3]. This decrease was partially offset by the impact of ongoing increases in wages and compensation, including higher stock-based compensation of approximately $33 million, and increased investments in advertising and promotional activities. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

The lower **depreciation and amortization** was mainly attributable to the net effect of commissioning and decommissioning of assets in connection with our strategic capital projects.

Restructuring costs in the **fourth quarter of fiscal 2026** comprised a gain on disposal of assets totalling $4 million and related to the sale of a closed facility, in connection with previously announced consolidation initiatives in our USA Sector.

Restructuring costs for the fourth quarter of fiscal 2025 totalled $79 million ($60 million after tax) and comprised a non-cash assets write-down of $63 million mainly relating to fixed assets in connection with our decision to stop manufacturing certain functional dairy ingredient products in our Dairy Division (UK) by mid-fiscal 2026. This decision was made as a result of expected changes in demand for these products. Severance costs relative to this project were subsequently recorded in fiscal 2026. Restructuring costs also included severance and site closure costs totalling $17 million, incurred relative to the optimization of selling, general, and administrative costs.

In **fiscal 2026**, operating costs totalled $16.492 billion, down $508 million or 3.0%, as compared to $17.000 billion for last fiscal year.

This decrease reflected lower spending on raw materials and consumables used, with the reduction in raw material costs mainly driven by the impact from lower US dairy commodity market prices[3] and the divestitures in our Dairy Division (Australia). This decrease was partially offset by the impact of ongoing increases in wages and compensation, including higher stock-based compensation of approximately $75 million, and increased investments in advertising and promotional activities. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

The lower **depreciation and amortization** was mainly attributable to the net effect of commissioning and decommissioning of assets in connection with our strategic capital projects.

In **fiscal 2026**, **restructuring costs** totalled $2 million and comprised severance costs of $6 million in connection with our previously announced decision to stop manufacturing certain functional dairy ingredient products in our Dairy Division (UK) by mid-fiscal 2026 as well as in relation to the optimization of selling, general, and administrative costs. Restructuring costs also included a $4 million gain on disposal of assets related to the sale of a closed facility, in connection with previously announced consolidation initiatives in our USA Sector.

Restructuring costs in fiscal 2025 totalled $86 million ($65 million after tax) and comprised a non-cash assets writedown of $64 million mainly relating to fixed assets in connection with our decision to stop manufacturing certain functional dairy ingredient products in our Dairy Division (UK) as mentioned above. Restructuring costs also included severance and site closure costs totalling $22 million incurred relative to the optimization of selling, general, and administrative costs.

[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.

Adjusted EBITDA[1]

Adjusted EBITDA[1] for the **fourth quarter of fiscal 2026** totalled $386 million, up $19 million or 5.2%, as compared to $367 million for the same quarter last fiscal year. Adjusted EBITDA margin[1] was 9.2%, up from 8.3%.

Adjusted EBITDA[1] increased across all our sectors.

Commercial initiatives and disciplined execution on customer fulfillment supported higher sales volumes and a favourable product mix, driven by growth in value-added and dairy foods categories and core branded products.

Operational efficiency initiatives stemming from our capital investments, and logistics and warehouse efficiencies, supported margin improvement while mitigating rising transportation and logistics costs. Our results also benefited from the continued execution of our ingredients strategy in our USA Sector, including investments to expand capacity and upgrade our production network, which have enabled us to meet demand for higher-margin, value-added dairy ingredients.

In our export markets, the relation between the international cheese and dairy ingredient market prices and the cost of milk as raw material had a positive impact on our results. In our domestic markets, higher selling prices implemented across key product categories to mitigate inflationary pressures preserved margin performance. Variations in US dairy commodity market conditions[3] were not a material contributor to results, as compared to the same quarter last fiscal year.

Ongoing increases in wages and compensation, including higher stock-based compensation of approximately $33 million, as well as planned strategic investments in advertising and promotional activities, were incurred in the quarter. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

The effect of the conversion of foreign currencies to the Canadian dollar had an unfavourable impact.

In **fiscal 2026**, adjusted EBITDA[1] totalled $1.659 billion, up $156 million or 10.4%, as compared to $1.503 billion for last fiscal year. Adjusted EBITDA margin[1] was 9.5%, up from 8.4%.

Adjusted EBITDA[1] increased across all our sectors, reflecting sustained commercial momentum and operational efficiencies, including the continued strategic consolidation of our network, despite higher selling, general, and administrative expenses due to higher stock-based compensation and incremental advertising and promotional spending.

Commercial initiatives and disciplined execution on customer fulfillments supported higher sales volumes and a favourable product mix, driven by growth in cheese and value-added categories and core branded products. These factors were were key contributors to our increased results.

Operational improvements, primarily driven by ongoing efficiency initiatives stemming from our recent capital investments, and proactive cost management, supported margin improvement. We incurred transitional implementation costs as part of the consolidation of select warehousing and operational sites. However, efficiencies achieved in the second half of the fiscal year began to mitigate the effect of these implementation costs. Our results also benefited from the continued execution of our ingredients strategy in our USA Sector, which has enabled us to meet demand for higher-margin, value-added dairy ingredients.

In our export markets, the relation between the international cheese and dairy ingredient market prices and the cost of milk as raw material had a positive impact on our results. In our domestic markets, higher selling prices implemented across key product categories to mitigate inflationary pressures preserved margin performance. These benefits were partially offset by unfavourable US dairy commodity market conditions[3] compared to the last fiscal year.

Ongoing increases in wages and compensation, including higher stock-based compensation of approximately $75 million, as well as planned strategic investments in advertising and promotional activities, were incurred in the fiscal year. Those cost increases were mitigated to some extent by the benefits from our ongoing cost optimization measures on selling, general, and administrative costs.

The effect of the conversion of foreign currencies to the Canadian dollar had an unfavourable impact.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the “Non-GAAP Measures” section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.

Goodwill and intangible assets impairment charge

In fiscal 2025, a non-cash goodwill and intangible assets impairment charge of $684 million ($674 million after tax) was recorded for our Europe Sector's Dairy Division (UK).

In performing our annual goodwill impairment testing as at December 31, 2024, for our Dairy Division (UK) cash generating unit (the UK CGU), estimates of future discounted cash flows were reduced primarily due to challenging market conditions in the United Kingdom, including inflation and elevated interest rates. See Note 9 to the consolidated financial statements for additional information. The impairment charge also included a non-cash charge related to acquired intangible assets.

Gain on disposal of assets

In fiscal 2025, the Company recorded a gain on disposal of assets of $24 million from the sale of land owned by our Dairy Division (Australia). There were no gain on disposal of assets in fiscal 2026.

Financial charges

Financial charges for the **fourth quarter of fiscal 2026** totalled $32 million, down $3 million as compared to the same quarter last fiscal year. This decrease was mainly due to the impact of lower outstanding bank loans.

In **fiscal 2026**, financial charges totalled $136 million, down $1 million as compared to last fiscal year. This decrease was mainly due to the impacts of lower long-term debt and lower outstanding bank loans, partially offset by the conversion of foreign currencies.

Income tax expense

Income tax expense for the **fourth quarter of fiscal 2026** totalled $52 million, reflecting an effective tax rate of 24.9% as compared to 25.6% for the same quarter last fiscal year. In **fiscal 2026**, income tax expense totalled $233 million, reflecting an effective tax rate of 25.2%. In fiscal 2025, excluding the effects of the non-cash goodwill impairment charge of $684 million, the effective tax rate was 24.6%. These variations were mainly due to the geographic mix of earnings across the various jurisdictions in which we operate.

The effective tax rate varies based on the geographic mix of quarterly and year-to-date earnings across the various jurisdictions in which we operate, the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates we use for tax assets and liabilities.

Net earnings and EPS from continuing operations[2]

Net earnings from continuing operations for the **fourth quarter of fiscal 2026** totalled $157 million or $0.39 per share (basic) and $0.38 per share (diluted), up $70 million or $0.18 per share (basic) and $0.17 per share (diluted), respectively, as compared to the same quarter last fiscal year. The increase in net earnings was mainly due to higher adjusted EBITDA[1], as described above, and lower restructuring costs, partially offset by a gain on disposal of assets recorded in the same quarter last fiscal year and higher income tax expense. The increase in EPS also reflected a reduction in weighted average common shares outstanding resulting from shares purchased under our normal course issuer bid (NCIB).

In **fiscal 2026**, net earnings from continuing operations totalled $690 million or $1.68 per share (basic) and $1.67 per share (diluted), up $837 million or $2.03 per share (basic) and $2.02 (diluted), respectively, as compared to last fiscal year. The increase in net earnings was mainly due to the absence of the non-cash goodwill and intangible assets impairment charge recorded in our Dairy Division (UK) in the third quarter of last fiscal year of $684 million ($674 million after tax), higher adjusted EBITDA[1], and lower restructuring costs and depreciation and amortization, partially offset by a gain on disposal of assets recorded in last fiscal year and higher income tax expense. The increase in EPS also reflected a reduction in weighted average common shares outstanding resulting from shares purchased under our NCIB.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

[2] Continuing operations excludes the Dairy Division (Argentina).

Adjusted net earnings[1] and adjusted EPS[1] from continuing operations[2]

Adjusted net earnings from continuing operations[1] for the **fourth quarter of fiscal 2026** totalled $169 million, or $0.42 per share[1] (basic) and $0.41 per share[1] (diluted), up $24 million or $0.08 and $0.07 per share, respectively, as compared to the same quarter last fiscal year. These increases were mainly due to the increases in net earnings from continuing operations, as described above, excluding restructuring costs and the gain on disposal of assets recorded in our Dairy Division (Australia) in the fourth quarter of last fiscal year. The increase in adjusted EPS[1] also reflected a reduction in weighted average common shares outstanding resulting from shares purchased under our NCIB.

In **fiscal 2026**, adjusted net earnings from continuing operations[1] totalled $751 million, or $1.83 per share[1] (basic) and $1.82 per share[1] (diluted), up $116 million or $0.33 and $0.32 per share, respectively, as compared to last fiscal year. These increases were mainly due to the increases in net earnings from continuing operations, as described above, excluding restructuring costs, the gain on disposal of assets recorded in our Dairy Division (Australia) in the fourth quarter of last fiscal year and the non-cash goodwill and intangible assets impairment charge recorded in our Dairy Division (UK) in the third quarter of last fiscal year. The increase in adjusted EPS[1] also reflected a reduction in weighted average common shares outstanding resulting from shares purchased under our NCIB.

Net earnings (loss)[5] and EPS

Net earnings for the **fourth quarter of fiscal 2026** totalled $102 million or $0.25 per share (basic and diluted), up $28 million or $0.07 per share, as compared to the same quarter last fiscal year. The increase in net earnings was mainly due to the increase in net earnings from continuing operations, as described above, and from an increase in net loss from discontinued operations[4], mainly due to an increase in income tax expense, partially offset by a more favourable alignment between inflation and the devaluation of the Argentine peso, notably through lower milk costs, and lower financial charges in our Dairy Division (Argentina).

In **fiscal 2026**, net earnings totalled $672 million or $1.64 per share (basic) and $1.63 per share (diluted), up $848 million or $2.05 per share (basic) and $2.04 per share (diluted), respectively, as compared to last fiscal year. The increase in net earnings was mainly due to the increase in net earnings from continuing operations, as described above, and from the decrease in net loss from discontinued operations[4], mainly due to a more favourable alignment between inflation and the devaluation of the Argentine peso, notably through lower milk costs, and lower financial charges, partially offset by higher income tax expense in our Dairy Division (Argentina). Refer to Note 6 to the consolidated financial statements for further information.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[2] Continuing operations excludes the Dairy Division (Argentina).
[4] Refers to the Dairy Division (Argentina). Refer to Note 6 to the consolidated financial statements for further information.
[5] Refers to the total of continuing operations and discontinued operations.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

This section provides insight into our cash and capital management strategies and how they drive operational objectives, and also provides details on how we manage our liquidity risk to meet Saputo's financial obligations as they come due.

As we navigate through an uncertain environment, including geopolitical developments, inflationary pressures, elevated interest rates, and the related uncertainties, we remain focused on disciplined capital allocation and strong cash flow generation to support the execution of our strategic priorities, while remaining cognizant of related risks and uncertainties. Capital deployment decisions are guided by operating cash flows and are intended to balance investment in organic growth, capital expenditures, and selective strategic initiatives with maintaining balance sheet strength and financial flexibility. This disciplined approach supports the execution of our commercial and operational priorities, enables disciplined capital investments and potential M&A, and advances the Saputo Promise—our approach to social, environmental, and economic performance, while preserving our ability to return capital to shareholders over time

As at March 31, 2026, cash and cash equivalents totalled $444 million and we had $1.926 billion of available borrowing capacity under our bank credit facilities. We believe we are well positioned to face current market conditions given our well-balanced capital structure.

The Company's liquidity needs are mainly funded from cash generated by operations, bank credit facilities, and access to capital markets, including senior unsecured notes issuances. These funds are used principally towards our capital allocation strategy, as described above, and are expected to be sufficient to meet the Company's current liquidity requirements. Refer to "Interest Rate and Access to Capital and Credit Markets" in the "Risks and Uncertainties" section below.

Saputo's cash flows are summarized as follows:

(in millions of CDN dollars)

	For the fourth quarters ended March 31		For the years ended March 31	
	2026	2025	**2026**	2025
Net cash generated from operating activities from continuing operations[2]	**510**	340	**1,508**	1,194
Net cash used for investing activities from continuing operations[2]	**(114)**	(104)	**(300)**	(255)
Net cash used for financing activities from continuing operations[2]	**(402)**	(323)	**(998)**	(1,169)
(Decrease) increase in cash and cash equivalents from continuing operations[2]	**(6)**	(87)	**210**	(230)

[2] Continuing operations excludes the Dairy Division (Argentina).

Operating Activities from continuing operations[2]

Net cash generated from operating activities from continuing operations for the **fourth quarter of fiscal 2026** amounted to $510 million, as compared to $340 million for the same quarter last fiscal year. This increase of $170 million was mainly due to lower usage related to changes in non-cash operating working capital items of $147 million, a higher adjusted EBITDA[1] of $19 million inclusive of higher stock-based compensation expenses not yet paid of $33 million, and lower interest and financial charges paid of $7 million, partially offset by higher income taxes paid of $43 million.

In **fiscal 2026**, net cash generated from operating activities from continuing operations amounted to $1.508 billion, as compared to $1.194 billion for last fiscal year. This increase of $314 million was mainly due to lower usage related to changes in non-cash operating working capital items of $182 million, a higher adjusted EBITDA[1] of $156 million inclusive of higher stock-based compensation expenses not yet paid of $75 million, and lower interest and financial charges paid of $13 million, partially offset by higher income taxes paid of $113 million.

Changes in non-cash operating working capital were mainly driven by the fluctuations in accounts receivable, inventories, and accounts payable in line with the fluctuation of market prices, foreign exchange rates, and ongoing inflation, including the effects of the hyperinflationary economy in Argentina, the timing of collections of accounts receivable, and of the payments of accounts payable.

Investing Activities from continuing operations[2]

Cash used for investing activities from continuing operations for the **fourth quarter of fiscal 2026** and **fiscal 2026** amounted to $114 million and $300 million, respectively. This included cash used for additions to property, plant, and equipment for $123 million and $330 million, respectively. In the first quarter of fiscal 2026, investing activities also included $18 million in proceeds from the completion of the previously announced sale of our King Island Dairy business in our Dairy Division (Australia).

Financing Activities from continuing operations[2]

Cash used for financing activities from continuing operations for the **fourth quarter of fiscal 2026** amounted to $402 million. This was mainly attributable to the purchase of common shares under the NCIB, the repayment of outstanding indebtedness, and the payment of dividends to shareholders, partially offset by proceeds from exercise of stock options.

In **fiscal 2026**, cash used for financing activities from continuing operations amounted to $998 million. This was mainly attributable to the repayment of outstanding indebtedness, the purchase of common shares under the NCIB, and the payment of dividends to shareholders, partially offset by the proceeds from the issuance of Series 12 unsecured medium term notes and proceeds from exercise of stock options.

Liquidity

(in millions of CDN dollars, except ratio)

At March 31,	**2026[2]**	2025
Current assets	**5,226**	4,855
Current liabilities	**3,056**	3,202
Working capital[1]	**2,170**	1,653
Working capital ratio[1]	**1.71**	1.52

[1] Refer to the "Glossary" section of this MD&A.
[2] Includes assets held for sale. Refer to Note 6 to the consolidated financial statements for further information.

The working capital ratio is an indication of the Company's ability to cover short-term liabilities with short-term assets, without having excess dormant assets.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section below of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[2] Continuing operations excludes the Dairy Division (Argentina).

Capital management

Our capital management strategy requires a well-balanced financing structure to maintain the flexibility needed to support growth initiatives, pursue disciplined capital investments, and return capital to shareholders.

We continue to aim for a long-term target leverage of approximately 2.25 times net debt to adjusted EBITDA[2]. It is possible that we may deviate from our long-term target leverage to pursue strategic opportunities.

(in millions of CDN dollars, except ratio and number of shares and options)

At March 31,	**2026**	2025
Net debt[1]	**2,828**	3,337
Adjusted EBITDA[2, 3]	**1,659**	1,565
Net debt to adjusted EBITDA[2, 3]	**1.70**	2.13
Adjusted net debt to adjusted EBITDA including estimated net proceeds from sale of Dairy Division (Argentina)[2]	**1.37**	—
Number of common shares	**405,086,701**	418,335,124
Number of stock options	**16,236,673**	21,054,531

[1] Refer to the ''Glossary'' section of this MD&A and Note 24 to the consolidated financial statements.
[2] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[3] The previous year published figures for adjusted EBITDA and the net debt to adjusted EBITDA ratio are reflected. The ratio was not restated to account for discontinued operations.

As at March 31, 2026, the Company had $444 million in cash and cash equivalents and available bank credit facilities of $2.064 billion, of which $138 million were drawn. See Note 11 and Note 12 to the consolidated financial statements for additional information related to bank loans and long-term debt.

The net debt to adjusted EBITDA[2] ratio has decreased mainly due to the repayment of outstanding indebtedness, increased cash and cash equivalents and higher adjusted EBITDA[2].

Authorized share capital is comprised of an unlimited number of common shares. The common shares are voting and participating. As at May 31, 2026, 400,448,655 common shares and 15,990,538 stock options were outstanding.

Normal course issuer bid

The Company's NCIB was renewed on November 19, 2025, and will end no later than November 18, 2026. This NCIB reflects the Company's continued commitment to returning value to shareholders, while maintaining the flexibility to allocate capital for growth opportunities. During the fourth quarter of fiscal 2026 and fiscal 2026, the Company purchased 6,544,800 and 19,186,139 common shares, respectively. These purchases were settled at an average price per share of $42.22 and $35.40, for a total purchase price of $276 million and $679 million, respectively.

[2] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

CONTRACTUAL OBLIGATIONS

We manage and continually monitor the Company's commitments and contractual obligations to ensure that these can be met with funding provided by operations and capital structure optimization.

Saputo's contractual obligations consist of commitments to repay long-term debt, payments for leased premises, equipment, and rolling stock, as well as purchase obligations for capital expenditures and service agreements to which we are committed. Note 12 to the consolidated financial statements describes the Company's commitment to repay long-term debt, and Notes 8 and 22 to the consolidated financial statements describe its lease commitments.

(in millions of CDN dollars)

	March 31, 2026				March 31, 2025			
	Long-term debt	**Leases**	**Purchase obligations & other**	**Total**	Long-term debt	Leases	Purchase obligations & other	Total
Less than 1 year	**350**	**96**	**213**	**659**	465	92	189	746
1–2 years	**734**	**80**	**65**	**879**	350	86	55	491
2–3 years	**300**	**67**	**27**	**394**	734	74	4	812
3–4 years	**300**	**61**	**23**	**384**	300	61	1	362
4–5 years	**950**	**52**	**18**	**1,020**	300	56	—	356
More than 5 years	**—**	**348**	**2**	**350**	550	393	—	943
	2,634	**704**	**348**	**3,686**	2,699	762	249	3,710

Long-term debt

The Company’s long-term debt is described in Note 12 to the consolidated financial statements.

Bank term loans

In connection with the acquisition of Dairy Crest Group plc in April 2019, we entered into a credit agreement providing for a non-revolving term facility comprised of three tranches. This facility was repaid in the first quarter of fiscal 2026.

Senior notes

On July 2, 2025, the Company issued Series 12 unsecured medium term notes through a private placement for an aggregate principal amount of $400 million due July 2, 2030, bearing interest at 3.879% per annum. The net proceeds from this issuance were used to repay, on July 14, 2025, the $350 million aggregate principal amount of the Company’s Series 5 senior unsecured notes, ahead of their August 14, 2025 maturity date and for general corporate purposes. Refer to Note 12 to the consolidated financial statements for further information.

As at March 31, 2026, long-term debt included six series of senior unsecured notes outstanding for an aggregate principal amount of $2.600 billion, with annual interest rates varying from 1.42% to 5.49%, and maturities ranging from June 2026 to November 2030.

GUARANTEES

From time to time, we enter into agreements in the normal course of business, such as service arrangements and leases, and in connection with business or asset acquisitions or disposals, which by nature may provide for indemnification to third parties. These indemnification provisions may be in connection with breach of representations and warranties and for future claims for certain liabilities. The terms of these indemnification provisions vary in duration. Refer to Note 22 to the consolidated financial statements for further information.

RELATED PARTY TRANSACTIONS

In the normal course of business, we receive services from and provide goods and services to companies subject to control or significant influence through ownership by Saputo's principal shareholder. These transactions are entered into at fair value, consistent with market values for similar transactions. The services that are received consist mainly of travel, publicity, lodging, and office space rental. The goods that are provided consist mainly of dairy products. The services that are provided consist of management services. In fiscal 2026, these goods and services were of an immaterial amount. Transactions with key management personnel (Management defines key management personnel as all the executive officers who have responsibility and authority for controlling, overseeing, and planning the Company's activities, as well as the Company’s directors) are also considered related party transactions and consist of short-term employee benefits, post-employment benefits, stock-based compensation, and payments under the deferred share unit plan. Refer to Note 23 to the consolidated financial statements for further information.

DISCUSSION OF FACTORS IMPACTING THE COMPANY'S OPERATIONS AND RESULTS

US Dairy Commodity Market Prices

The following table outlines the change in key US dairy commodity market prices that affected the Company's business and financial results.

(in US dollars)								
Fiscal Years	**2026**				2025			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Average block market price[2]	**$ 1.469**	**$ 1.571**	**$ 1.712**	**$ 1.789**	$ 1.802	$ 1.814	$ 2.057	$ 1.793
Average butter market price[2]	**1.675**	**1.522**	**2.220**	**2.411**	2.417	2.603	3.093	3.029
Average whey powder market price[2]	**0.681**	**0.651**	**0.560**	**0.508**	0.603	0.613	0.506	0.401
Milk-cheese spread[2]	**(0.157)**	**(0.110)**	**(0.083)**	**(0.107)**	(0.203)	(0.270)	(0.196)	(0.127)

[2] Refer to the "Glossary" section of this MD&A.

The prices of block, butter, and whey powder reflect the market selling prices of US dairy commodities. While these market prices are generally correlated with the cost of dairy raw materials, they do fluctuate over time, which can impact both our input costs and the market pricing for our products. During a given period, factors such as product mix, pricing protocol mix, and inventory realization fluctuations influence the impact of dairy commodity market price fluctuations on our results.

Typically, in our USA Sector, a higher block market price leads to increased revenues and improved margins for our cheese products, due to the benefit on inventory realization and absorption of fixed costs. A higher milk-cheese spread[2] similarly tends to lead to improved margins in our cheese business. Conversely, a rising butter market price generally results in higher sales but puts pressure on margins for our dairy foods products due to the timing lag between established pricing and production costs on those products. For our dairy ingredients products, our performance may vary if the market prices of specialized whey products impacting our revenues do not closely correlate with the price of whey powder, which is a component used in the pricing formula for the cost of milk as raw material.

The implementation of the new milk pricing formula on June 1, 2025, by the United States Department of Agriculture (USDA) alters the comparative underlying market conditions in our USA Sector previously captured by the indicator USA Market Factors[2] and therefore our disclosure has evolved accordingly to remain relevant in discussing the drivers of business performance.

[2] Refer to the "Glossary" section of this MD&A.

Impact of foreign currency

Our financial results for the fiscal period and our financial position amounts as at March 31, 2026, as compared to those at March 31, 2025, reflect the net effect of the strengthening of the Canadian dollar versus the US dollar and the British pound sterling, and the weakening of the Canadian dollar versus the Australian dollar on financial results and financial position items of our foreign operations. The financial results of discontinued operations were favourably impacted by the strengthening of the Canadian dollar versus the Argentine peso.

The following table sets forth exchange rates expressed in Canadian dollars per currency of our respective local operations' in foreign currencies as at March 31, 2026, and March 31, 2025.

	March 31, 2026	March 31, 2025
US dollar[1]	**1.3916**	1.4387
British pound sterling[1]	**1.8404**	1.8586
Australian dollar[1]	**0.9602**	0.8987
Argentine peso[1]	**0.0010**	0.0013

[1] Based on Bank of Canada published information.

The change in foreign currency translation adjustments on our financial position recorded in other comprehensive income varied mainly due to the fluctuation of foreign currencies versus the Canadian dollar.

SENSITIVITY ANALYSIS OF INTEREST RATE AND US CURRENCY FLUCTUATIONS

The debt subject to interest rate fluctuations was $138 million as at March 31, 2026. A 1% change in the interest rate would lead to a change in net earnings of approximately $1 million. Canadian and US currency fluctuations may affect net earnings, adjusted EBITDA[1], and revenues. Appreciation of the Canadian dollar compared to the US dollar would have a negative impact on net earnings, adjusted EBITDA[1], and revenues. However, a decrease in the Canadian dollar compared to the US dollar would have a positive impact. During the fiscal year ended March 31, 2026, the average US dollar conversion was based on US$1.00 for $1.3827. A fluctuation of $0.10 of the Canadian dollar would have resulted in a change of approximately $21 million in net earnings, $49 million in adjusted EBITDA[1], and $605 million in revenues.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section below of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures. The Company's disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company is made known to Management in a timely manner to allow the information required to be disclosed under securities legislation to be recorded, processed, summarized, and reported within the time periods specified in securities legislation.

The CEO and the CFO, along with Management, after evaluating the effectiveness of the Company's disclosure controls and procedures as at March 31, 2026, have concluded that the Company's disclosure controls and procedures were effective.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The CEO and the CFO are responsible for establishing and maintaining internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and the CFO, along with Management, evaluated the effectiveness of the Company's internal control over financial reporting as at March 31, 2026, in accordance with the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, the CEO and the CFO, along with Management, have concluded that the Company's internal control over financial reporting was effective.

There were no changes to Saputo's internal control over financial reporting that occurred during the period beginning on January 1, 2026, and ended on March 31, 2026, that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

SELECTED QUARTERLY FINANCIAL INFORMATION

The results of the Dairy Division (Argentina) have been classified as discontinued operations and are therefore excluded from continuing operations and from the International Sector results. Comparative figures have been re-presented to reflect this classification. Refer to Note 6 to the consolidated financial statements for further information.

(in millions of CDN dollars, except per share amounts and ratios)

Fiscal years	2026[2]				2025[2]			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
CONTINUING OPERATIONS[3]								
Revenues	**4,173**	**4,590**	**4,432**	**4,356**	4,414	4,648	4,406	4,344
Adjusted EBITDA[1]	**386**	**466**	**410**	**397**	367	419	370	347
Adjusted EBITDA margin[1]	**9.2 %**	**10.2 %**	**9.3 %**	**9.1 %**	8.3 %	9.0 %	8.4 %	8.0 %
Net earnings (loss) from continuing operations	**157**	**209**	**167**	**157**	87	(496)	137	125
Earnings (loss) per share (EPS) from continuing operations								
Basic	**0.39**	**0.51**	**0.41**	**0.38**	0.21	(1.17)	0.32	0.30
Diluted	**0.38**	**0.51**	**0.40**	**0.38**	0.21	(1.17)	0.32	0.30
Adjusted net earnings from continuing operations[1]	**169**	**224**	**182**	**176**	145	193	157	140
Adjusted EPS from continuing operations[1]								
Basic	**0.42**	**0.55**	**0.44**	**0.42**	0.34	0.46	0.37	0.33
Diluted	**0.41**	**0.54**	**0.44**	**0.42**	0.34	0.46	0.37	0.33
CONTINUING AND DISCONTINUED OPERATIONS								
Net earnings (loss)[4]	**102**	**220**	**185**	**165**	74	(518)	126	142
EPS								
Basic	**0.25**	**0.54**	**0.45**	**0.40**	0.18	(1.22)	0.30	0.33
Diluted	**0.25**	**0.53**	**0.45**	**0.40**	0.18	(1.22)	0.30	0.33

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[2] Comparative information has been re-presented to reflect discontinued operations.
[3] Continuing operations excludes the Dairy Division (Argentina).
[4] Refers to the total of continuing operations and discontinued operations.

Quarterly financial information by sector

Fiscal years	2026[2]				2025[2]			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues								
Canada	**1,313**	**1,416**	**1,373**	**1,321**	1,258	1,359	1,294	1,253
USA	**1,868**	**2,142**	**2,153**	**2,128**	2,140	2,305	2,225	2,085
International	**702**	**696**	**582**	**590**	681	673	610	742
Europe	**290**	**336**	**324**	**317**	335	311	277	264
Total	**4,173**	**4,590**	**4,432**	**4,356**	4,414	4,648	4,406	4,344

Fiscal years	2026[2]				2025[2]			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Adjusted EBITDA								
Canada	**159**	**189**	**179**	**170**	157	175	162	153
USA	**149**	**185**	**167**	**171**	148	160	145	162
International	**41**	**56**	**39**	**26**	38	53	35	9
Europe	**37**	**36**	**25**	**30**	24	31	28	23
Total[1]	**386**	**466**	**410**	**397**	367	419	370	347

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[2] Comparative information has been re-presented to reflect discontinued operations.

SELECTED FINANCIAL INFORMATION

Years ended March 31
(in millions of CDN dollars, except per share amounts and ratios)

	2026	2025[3]	2024[3]
CONTINUING OPERATIONS[4]			
Revenues	**17,551**	17,812	16,350
Net earnings (loss) from continuing operations	**690**	(147)	152
Net earnings (loss) per share (EPS) from continuing operations:			
Basic	**1.68**	(0.35)	0.36
Diluted	**1.67**	(0.35)	0.36
CONTINUING AND DISCONTINUED OPERATIONS			
Net earnings (loss)[5]	**672**	(176)	265
Net earnings (loss) per share (EPS)			
Basic	**1.64**	(0.41)	0.63
Diluted	**1.63**	(0.41)	0.63
Dividends	**0.80**	0.76	0.74
FINANCIAL POSITION			
Total assets	**13,606**	13,913	14,260
Total non-current financial liabilities[2]	**2,720**	2,700	3,069

[2] Refer to the ''Glossary'' section of this MD&A.
[3] Comparative information has been re-presented to reflect discontinued operations.
[4] Continuing operations excludes the Dairy Division (Argentina).
[5] Refers to the total of continuing operations and discontinued operations.

CONSOLIDATED ANALYSIS OF EARNINGS FOR THE YEAR ENDED MARCH 31, 2025, COMPARED TO MARCH 31, 2024

Revenues

In **fiscal 2025**, revenues totalled $17.812 billion, up $1.462 billion or 8.9%, as compared to $16.350 billion for the prior fiscal year.

Revenues increased in all our sectors and reflected higher sales volumes and higher domestic selling prices. Higher international cheese and dairy ingredient market prices in our export markets had a positive impact.

Higher US dairy commodity market pricing[3] in our USA Sector had a positive impact of $388 million.

The conversion of foreign currencies to the Canadian dollar had a favourable impact of approximately $353 million.

Operating costs

(in millions of CDN dollars)

	For the years ended March 31	
	2025[1]	2024[1]
Operating costs excluding depreciation, amortization, and restructuring costs	**$ 16,309**	$ 15,060
Add:		
Depreciation and amortization	**605**	576
Restructuring costs	**86**	25
Operating costs	**$ 17,000**	$ 15,661

[1] Comparative information has been re-presented to reflect discontinued operations.

In **fiscal 2025**, operating costs totalled $17.000 billion, up $1.339 billion or 8.5%, as compared to $15.661 billion for the prior fiscal year.

This increase was in line with higher sales volumes and the higher cost of raw materials and consumables used impacted by higher commodity market prices, inflation, and higher labour costs, which included the effect of wage increases. This increase also included higher depreciation and amortization mainly attributable to the net effect of commissioning and decommissioning of assets in connection with our strategic capital projects, as well as higher restructuring costs. Operating costs included the favourable impacts from the optimization of selling, general, and administrative costs and from operational efficiencies.

Restructuring costs in **fiscal 2025** totalled $86 million ($65 million after tax) and comprised a non-cash assets writedown of $64 million mainly relating to fixed assets in connection with our decision to stop manufacturing certain functional dairy ingredient products in our Dairy Division (UK) as mentioned above. Restructuring costs also included severance and site closure costs totalling $22 million incurred relative to the optimization of selling, general, and administrative costs.

Restructuring costs in **fiscal 2024** totalled $25 million ($19 million after tax), mainly comprised of severance costs totalling $19 million incurred in the context of cost efficiency efforts in all our sectors and a non-cash fixed assets write-down of $4 million in connection with the closure of a facility in our USA Sector.

[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.

Adjusted EBITDA[1]

In **fiscal 2025**, Adjusted EBITDA[1] totalled $1.503 billion, up $213 million or 16.5%, as compared to $1.290 billion for the prior fiscal year.

Adjusted EBITDA increased in all our divisions.

In our Canada Sector, adjusted EBITDA was up $67 million, or 11.6%, driven by the benefits derived from operational efficiencies, higher sales volumes, favourable product mix, and lower selling, general, and administrative expenses.

In our USA Sector, adjusted EBITDA was up $94 million, or 18.0%. This growth included approximately $101 million in benefits derived from capital investments in our cheese network, operational improvements, including increased capacity utilization and productivity driving higher volumes, supply chain initiatives, cost reductions, and lower selling, general, and administrative expenses.

US dairy commodity market conditions[3] were unfavourable, negatively impacting adjusted EBITDA by $42 million. This was due to the unfavourable fluctuations of US dairy commodity market prices[3] this year in comparison to those market prices last fiscal year. Higher dairy ingredient market prices had a positive impact.

In our International Sector, adjusted EBITDA was up $21 million, or 18.4%, mainly due lower milk costs in Australia in effect since July 1, 2024.

In our Europe Sector, adjusted EBITDA was up $31 million, or 41.3%, as our Dairy Division (UK) margins were recovering from the prior year, when we were selling off high-cost excess inventory. In the first quarter, our Dairy Division (UK) exited the cycling through of remaining high-cost inventory.

In fiscal 2024, results included an inventory write-down of $30 million as a result of the decrease in certain market selling prices.

The effect of the conversion of foreign currencies to the Canadian dollar, had a total favourable impact of approximately $23 million.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the “Non-GAAP Measures” section below of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of this MD&A.

Goodwill and intangible assets impairment charge

In **fiscal 2025**, a non-cash goodwill and intangible assets impairment charge of $684 million ($674 million after tax) was recorded for our Europe Sector's Dairy Division (UK).

In performing our annual goodwill impairment testing as at December 31, 2024, for our Dairy Division (UK) cash-generating unit (the UK CGU), estimates of future discounted cash flows were reduced primarily due to ongoing challenging market conditions in the United Kingdom, including persisting inflation and elevated interest rates. While margins have been improving during fiscal 2025, these improvements have not been as rapid as initially expected, leading to a longer projected recovery period.

As a result, the estimated recoverable value of the UK CGU was determined to be lower than its carrying value and a non-cash goodwill impairment charge was recorded, representing the total value of goodwill for the UK CGU. See Note 9 to the consolidated financial statements for additional information.

The impairment charge also included a non-cash charge related to intangible assets.

In **fiscal 2024**, a non-cash impairment of intangible assets charge of $265 million was recorded.

In performing our annual goodwill impairment testing as at December 31, 2023, our Dairy Division (Australia) Cash Generating Unit (the Australia CGU) estimates of future discounted cash flows were reduced due to the increasing disconnect in the relation between international cheese and dairy ingredient prices and farm gate milk prices in a context of declining milk production in Australia.

As a result, the estimated recoverable value of the Australia CGU was determined to be lower than its carrying value and a non-cash goodwill impairment charge of $265 million (non tax-deductible) was recorded, representing the total value of the goodwill for this CGU.

Gain on disposal of assets

In **fiscal 2025**, the Company recorded a gain on disposal of assets of $24 million from the sale of land owned by our Dairy Division (Australia). There was no gain on disposal of assets during fiscal 2024.

Financial charges

In **fiscal 2025**, financial charges totalled $137 million, down $12 million as compared to the prior fiscal year. This decrease was mainly due to lower interest on long-term debt following the repayment of the Series 6 senior unsecured notes in the third quarter of fiscal 2025.

Income tax expense

Income tax expense in **fiscal 2025** totaled $162 million, as compared to $123 million in fiscal 2024.

The effective tax rates for fiscal 2025 and fiscal 2024 excluding the effects of the non-cash goodwill impairment charges of $684 million and $265 million in fiscal 2025 and fiscal 2024, respectively, would have been 25% and 23% respectively.

The effective income tax rate varies and could increase or decrease based on the geographic mix of quarterly and year-to date earnings across the various jurisdictions in which we operate, the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates we use for tax assets and liabilities.

Net (loss) earnings and EPS from continuing operations[2]

In **fiscal 2025**, net loss from continuing operations totalled $147 million or ($0.35) per share (basic and diluted), down $299 million or $0.71 per share (basic and diluted), as compared to the prior fiscal year. The decrease in net earnings from continuing operations is mainly due to a higher non-cash goodwill and intangible assets impairment charge, increased depreciation and amortization, higher restructuring costs, and increased income tax expense. These unfavourable impacts were offset by the factors which have led to a higher adjusted EBITDA[1], as described above, lower financial charges, and a gain on disposal of assets.

Adjusted net earnings[1] and adjusted EPS[1] from continuing operations[2]

In **fiscal 2025**, adjusted net earnings[1] from continuing operations totalled $635 million, or $1.50 per share (basic and diluted), up $139 million or $0.33 per share (basic and diluted), as compared to the prior fiscal year. The increase was primarily attributable to the exclusion of non-cash goodwill and intangible asset impairment charges, restructuring costs, and gain on disposal of assets from the net loss from continuing operations.

Net (loss) earnings[5]

In **fiscal 2025**, net loss totalled $176 million or ($0.41) per share (basic and diluted), down $441 million or $1.04 per share (basic and diluted) as compared to the prior fiscal year. The decrease in net earnings was due to the decrease in net earnings from continuing operations, as described above, and the decrease in net earnings from discontinued operations[4], mainly due to lower adjusted EBITDA driven by the peso devaluation not keeping pace with inflation which led to higher production costs, including higher milk costs. Reduced milk availability in Argentina further contributed to higher milk costs. The more moderate Argentine peso devaluation, as compared to the prior fiscal year, led to less profitability from US dollar denominated export sales. Higher financial charges also had a negative impact.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section below of this MD&A for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[2] Continuing operations excludes the Dairy Division (Argentina).
[4] Refers to the Dairy Division (Argentina). Refer to Note 6 to the consolidated financial statements for further information.
[5] Refers to the total of continuing operations and discontinued operations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements requires Management to make certain judgments and estimates about transactions and carrying values that are fulfilled at a future date. Judgments and estimates are subject to fluctuations due to changes in internal and/or external factors and are continuously monitored by Management. A discussion of the judgments and estimates that could have a material effect on the financial statements is provided below.

Income Taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the consolidated provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact the results for the reporting period and the respective current income tax and deferred income tax provisions in the reporting period in which such determination is made.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. As a result, a projection of taxable income is required for those years, as well as an assumption of the ultimate recovery or settlement period for temporary differences. The projection of future taxable income is based on Management's best estimates and may vary from actual taxable income. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Canadian, US, and international tax rules and regulations are subject to interpretation and require judgment on the part of the Company that may be challenged by taxation authorities. The Company believes that it has adequately provided for deferred tax obligations that may result from current facts and circumstances. Temporary differences and income tax rates could change due to fiscal budget changes and/or changes in income tax laws.

Goodwill, Intangible Assets, and Business Combinations

Goodwill, trademarks, and customer relationships have principally been recognized as a result of business combinations. The acquisition method, which also requires significant estimates and judgments, is used to account for these business combinations. As part of the allocation process in a business combination, estimated fair values are assigned to the net assets acquired, including trademarks and customer relationships. These estimates are based on forecasts of future cash flows, estimates of economic fluctuations, and an estimated discount rate. The excess of the purchase price over the estimated fair value of the net assets acquired is then assigned to goodwill. In the event that actual net assets fair values are different from estimates, the amounts allocated to the net assets, and specifically to trademarks and customer relationships, could differ from what is currently reported. This would then have a pervasive impact on the carrying value of goodwill. Differences in estimated fair values would also have an impact on the amortization of definite life intangibles.

Impairment of Assets

Significant estimates and judgments are required in testing goodwill, intangible assets, and other long-lived assets, including right-of-use assets, for impairment. Management uses estimates or exercises judgment in assessing indicators of impairment, defining a CGU, forecasting future cash flows, and in determining other key assumptions such as discount rates and earnings multipliers used for assessing fair value (less costs of disposal) or value in use. Goodwill is tested for impairment annually based on the December 31 balances and whenever there is an indication of impairment. Other long-lived assets are tested only when indicators of impairment are present.

Employee Future Benefits

The Company is the sponsor to both defined benefit and defined contribution plans, which provide pension and other post-employment benefits to its employees.

Several estimates and assumptions are required with regards to the determination of the defined benefit expense and its related obligation, such as the discount rate used in determining the carrying value of the obligation and the interest income on plan assets, the duration of the obligation, inflation, the expected health care cost trend rate, the expected mortality rate, expected salary increase, etc. Changes in a number of key assumptions can have a material impact on the calculation of the obligation. Actual results will normally differ from expectations. Remeasurements of the obligation are presented in the consolidated statements of comprehensive income.

CHANGES IN ACCOUNTING POLICIES

Please refer to Note 3 to our consolidated financial statements for the fiscal years ended March 31, 2026, and 2025, for more information regarding accounting standards, interpretations, and amendments adopted during the year and those recently issued but not yet effective, if any.

RISKS AND UNCERTAINTIES

The main risks and uncertainties Saputo is exposed to are presented below. The Board of Directors (the Board) delegated to the Audit Committee the responsibility to review and evaluate with Management and Internal Audit the risk factors inherent to Saputo, including risks related to ESG aspects such as environmental matters, climate-related risks, food quality and safety, cybersecurity, technology and information security, and modern slavery. The Board also delegated to the Corporate Governance and Human Resources Committee the responsibility to oversee the risk management measures related to human resources risks, including related ESG aspects such as business ethics, inclusion, diversity, and engagement, and health and safety. Saputo's enterprise risk management program is overseen by the Audit Committee, which has the responsibility to ensure that appropriate measures are in place to enable Management to identify and manage risks and uncertainties effectively. The Company's risk management and related procedures are reviewed regularly and at least annually.

While risk management is part of our transactional, operational, and strategic decisions, and overall management approach, risk management does not guarantee that events or circumstances, including events or circumstances related to risks and uncertainties that may not be listed below, will not occur and negatively affect our financial performance and condition.

Product Liability

Saputo's operations are subject to certain dangers and risks of liability faced by all food processors, such as the potential contamination of ingredients or products by bacteria or other external agents that may be introduced into products or packaging, product spoilage, product tampering, undeclared allergens, mislabelling, and unintentional use of defective raw materials received from third-party suppliers, any of which could result in a costly product recall, withdrawal, destruction of product inventory, lost sales, or litigation. Third-party manufacturers producing under our brands could be subject to recalls, for the same or other reasons.

Further, negative publicity, whether or not warranted, concerning food safety, or allegations of product contamination, even when false or unfounded, may damage our brand image and corporate reputation, may cause consumers to choose other products or may result in product boycott. The growing use of social and digital media further increases the speed and extent at which such negative publicity can be shared. Alleged or actual contamination could also result in government scrutiny, investigation, intervention, fines, or damages resulting in increased costs and in a negative effect on our business, financial performance, or our ability to achieve our performance targets and, depending upon the significance of the affected product, that negative effect could be material.

In order to mitigate product liability risks and safeguard our reputation as supplier of products that are safe and of the upmost quality, we maintain food quality and safety standards in our own operations and throughout our supply chain, and apply risk-based and prevention-oriented programs to support our standards, as well as internal and external risk-assessment processes to validate the effectiveness of our standards and programs. A serious breach of these standards and programs could have a material negative impact on our business, financial condition, or results.

Supply of Milk and Other Dairy Ingredients

Milk is our principal ingredient, representing up to 85% of the cost of goods sold. We process milk and other dairy ingredients into finished edible products intended for resale to a broad range of customers. These raw materials are subject to price volatility and fluctuations in availability caused by various factors. These factors include the impacts of tariffs, export controls, quotas and other trade barriers, changes in supply and demand, inflation, climate change, extreme weather, natural disasters, water availability, fires or explosions, health pandemics, outbreaks affecting livestock, such as avian influenza, and outbreaks affecting humans. Moreover, these factors could impair the Company's ability to secure a continuing supply of quality ingredients at a competitive price. The price volatility and fluctuations in availability of raw milk and other dairy ingredients can impact production costs, fulfillment rates, and capacity utilization and therefore negatively affect our results and our ability to achieve our financial, operational, and sustainability goals.

In Australia, the availability of raw milk has been declining in recent years due to a national milk production decline. In this region, we compete with other dairy processors to attract milk to our facilities, and our performance depends on our ability to adapt our business to the changing availability of raw milk. Failure to adequately manage these challenging market conditions and to maximize profitability from the milk we obtain could negatively affect our results.

To mitigate the negative impact of increase in and/or volatility in the cost of the raw milk and other dairy ingredients we use for the production of our products, we have implemented and may continue to implement initiatives to offset these cost pressures, such as price increases, but these may not be sufficient to offset higher costs and protect our margins adequately or in a timely manner. Even if such initiatives are effective, higher product prices in the context of a competitive market may result in decreases in sales volumes or market share. Further, a persistent disconnect between the cost of milk as raw material and the international cheese and dairy ingredient market prices could negatively affect our results.

Supply Chain Strain and Supplier Concentration

Various inputs that we use, including packaging materials, energy, fuel, transportation, and other supply chain inputs, are subject to fluctuations in availability, including due to transportation problems, port congestion or delays, cybersecurity incidents, geopolitical developments, military conflicts, political uncertainties, terrorist activities, labour shortages, supplier capacity constraints, extreme weather conditions, trade sanctions, and trade disputes. We and our suppliers have experienced and may continue to face supply chain and workforce disruptions in the future. Such disruptions may result in increased supply chain, packaging, and labour costs, or in an inability to secure key inputs, which could negatively impact our fulfillment rates, cause delays in delivering our products to our customers or consumers, hinder our ability to continue to offer quality products at competitive price in the different markets where we operate, or to achieve our strategic goals and targets.

Some of the inputs, including packaging materials, and services that we use for the production and distribution of our products, are available from a limited number of third-party suppliers as a result of consolidation within the industries in which these suppliers operate. We have neither operational nor financial control on these suppliers, which are essential to our business. In addition, some of our inputs, including packaging materials, are imported from a foreign country to our facilities. If imported inputs become more expensive, limited or unavailable, the Company may not be able to transition to alternative sources in time to meet the demand or may need to use inputs from alternative sources which may be of different quality and/or more expensive than those currently imported. A disruption in the global supply chain, the flow of imported inputs or an increase in the cost of those inputs could negatively impact the Company's business and financial results.

Negative events affecting our suppliers or inadequate, ineffective, or incomplete supplier management strategies, policies, or procedures, including those relating to ethical sourcing, could harm the Company's reputation and hinder our ability to satisfy customers' needs, control costs, and maintain our highest quality standards, which could harm the Company's operations and financial performance. Issues with suppliers regarding pricing or performance of the goods and services they supply or the inability of suppliers to supply the required volumes of such goods and services in a timely and cost-effective manner, could impact our financial condition and performance.

USA and International Dairy Markets

In the USA, Australia, and the United Kingdom, as well as in international markets, the prices of our products are influenced by market supply and demand forces, and may vary independently from the price of milk as a raw material. The prices are tied to numerous factors, such as the health of the economy and supply and demand levels for dairy products in the industry, global economic developments, geopolitical developments, military conflicts, imbalances between supply and demand, raising levels of inflation, supply chain issues, the effect of climate change and extreme weather, and commodity market fluctuations, all of which may affect our results. The effect of such fluctuations on our results will depend on our ability to implement mechanisms to reduce their impact, such as price initiatives, product portfolio diversity, and product and network optimization. The use of these mechanisms could lead to reduced sales volumes and margins.

Economic, Geopolitical Conditions and International Trade

Continuing economic and political uncertainties, such as decreases in disposable income, persistent inflationary pressures, stagflation, declines in consumer confidence, reduced consumer discretionary spending, resulting from actual or perceived changes in the condition of the economy or economic slowdowns or recessions in any of our major markets may slow down the demand for our products. The Company's foodservice market segment is sensitive to this risk since reduced consumer discretionary spending generally results in a decrease in the frequency and amount spent for food prepared away from home. The Company mitigates this risk through its diversified customer mix aimed at reducing concentration exposure.

The Company exports a portion of its products to customers outside of the country of manufacture and imports various inputs from other countries. To the extent that the Company is dependent on imports or exports for its business, it is subject to inherent risks associated with international trade. In addition, trade agreements between the countries where it operates could change and countries could impose tariffs, quotas, trade barriers, and other similar restrictions on the Company's international sales and the sourcing of its inputs.

Such tariffs, retaliatory actions, and possible ensuing trade disputes could result in political and economic instability, deterioration of economic relations between countries or otherwise, inflation, or global recession which could impact our profitability or our business.

Ongoing military conflicts continue to result in worldwide geopolitical and macroeconomic uncertainty. The conflicts have resulted and could continue to result in volatile commodity markets, supply chain disruptions, increased risk of cyber incidents or other disruptions, and increased costs for transportation, energy, packaging, raw materials, and other input costs.

The continuing economic uncertainties could also result in financial instability for certain suppliers, customers, or other business partners, which could limit our capacity to supply demand and further exacerbate our competition risks.

Consumer Trends

Demand for our products is subject to changes in consumer trends. Our operations are and could continue to be affected by the economic context should unemployment, interest rates, inflation, tariffs or taxes reach levels that influence consumer trends and consequently impact our sales, margins, and profitability. The current global economic environment is highly uncertain. As a result of this economic uncertainty and potential ensuing inflation or stagflation, consumers may increasingly turn to lower-priced offerings, including private label, or may forgo some purchases altogether. To the extent that price increases are not sufficient to offset higher costs adequately or in a timely manner, and/or if they result in significant decreases in sales volumes (including if inflation outpaces pricing elasticity for our products), our financial condition or operational performance may be adversely affected.

Further, increased consumer focus on environmental sustainability matters or product boycotts resulting from activism (including in relation to animal rights or the environmental impact of the production of animal milk) could reduce demand for our products. The impact of such events will depend on our ability to adapt, innovate, and develop new products which are adapted to these new consumer trends. If our product innovation efforts fail to deliver the expected benefits or if growth in demand for new products does not materialize as we expect, we may not reach our financial growth targets. Also, the increased use or prevalence of certain weight-management drugs that lower a person’s appetite and/or impact a person's preferences may impact the demand or consumption patterns for some of our products.

In addition, technology-based systems, which give consumers the ability to shop through e-commerce websites and mobile commerce applications, are significantly altering the retail landscape where we operate. Changing consumer trends may also result in sudden increases in demand for certain of our products which we may be unable to supply in full or in a timely manner. Our ability to meet customer demands and respond to shifts in demands also depends on our ability to adapt our infrastructure and operations while continuing to maintain our performance and services at levels satisfactory to our customers. If we are unable to adjust, we may be disadvantaged in key channels and with certain consumers, which could materially and adversely affect our sales, financial condition, and operating performance. Significant financial resources may be necessary to increase or adapt our production capabilities in light of these developments.

Labour Availability and Human Resources

The food industry continues to face global labour shortage challenges, which are expected to continue in the short and medium term. In addition, the broader labour market has been experiencing a shortage of qualified workers, which has further increased the competition we face for qualified employees, as well as our labour, pension, and people-related costs. These factors have impacted, and could continue to impact, our ability to meet consumer demand, which could have a material adverse effect on our results, or cash flows, and could negatively impact our ability to achieve our financial, operational, and sustainability goals. Changes in immigration laws and policies could also make it more difficult for us to attract personnel. The initiatives we have implemented to attract and retain talent may not be successful. Further, our inability to manage these factors adequately could lead to business interruption in one or more of our facilities, and sustained labour shortages or high turnover rates could negatively impact the quality and safety of our products, as well as our health and safety performance.

Although we believe we have good relationships with our employees and a significant number of our workforce is unionized, a lengthy strike or work stoppage could impact our operations and performance, as well as our corporate reputation. Our operations are also subject to health and safety risks, as well as laws and regulations in this regard. Notwithstanding Saputo's existing health and safety systems, serious injury or death of any employee could have a serious impact on Saputo's reputation, result in litigation, and require us to incur costs which may be significant.

Saputo's success depends on our ability to identify, attract, and retain qualified individuals with diverse perspectives. Saputo has undertaken or planned initiatives to foster a work environment that focuses on the overall well-being of employees, and where everyone can feel included and respected for their unique perspectives, make meaningful contributions, and bring their authentic self to work. If we fail to, or are not perceived to have such a work environment or to respect and protect the human rights of our employees, our ability to attract, develop, and retain employees could be compromised and our reputation or financial performance could be adversely affected. Failure to execute appropriate succession planning for Management and key personnel, or to hire the right individuals to fill new or existing key management positions could adversely affect our business or our financial performance.

Competition and Consolidation of Clientele

The food processing and the global dairy industries are extremely competitive. Competition is based on factors such as product availability, product quality and taste, price, brand recognition, product variety, product packaging and design, shelf space, reputation, nutritional and other claims, effective promotions, and the ability to target changing consumer preferences. Saputo competes on a national and international level with regional, national, and multinational competitors. Our performance in all countries where we do business depends on our ability to continue to offer and supply demand for quality products at competitive prices. There is no guarantee that the Company will maintain or grow its market share or that the Company's new products will achieve sales expectations. Some competitors may be more innovative, have more resources or have access to better technology. This could put the Company at a disadvantage in keeping up with the pace of innovation, including the use of information technology, operational technology, and artificial intelligence, which could affect our ability to compete effectively and negatively impact our operational and financial performance.

As the consolidation in the food industry in all the market segments we serve continues, customers tend to grow larger, which results in a decrease in the number of customers and increase in the relative importance of some customers. For fiscal 2026, none of our customers represented more than 10% of total consolidated revenues. We manage risks relative to the consolidation of clientele through the implementation of strategies to diversify our customer mix and our product offering in each of our market segments, as well as the implementation of value-added customer partnerships. Failure to maintain mutually beneficial relationships with our key customers or to resolve a significant dispute with any of our key customers, a change in the business condition (financial or otherwise) of any of our key customers, even if unrelated to us, or the loss of any of our key customers can adversely affect our business.

The Company mitigates these risks through various growth strategies, which include organic growth and strategic acquisitions, as well as continued development and optimization of our global platform, investing in customer service, using technology, leveraging our brand strength, and expanding brands to new markets.

Cybersecurity and Overall Management of Information Systems

We rely on information technology applications and systems in all areas of our operations. These applications and systems, some of which are managed by third parties, are subject to an increasing number of sophisticated and constantly evolving cyber threats. A number of our employees may work in a distributed remote environment from time to time, which increases risks of cybersecurity threats and attacks. Our exposure to these risks could continue to increase as the Company increasingly uses information technology, operational technology, and artificial intelligence tools as part of its strategy to increase operational efficiency and market competitiveness. We are mainly exposed to risks relating to business disruptions, confidentiality, data integrity, and fraud related to business information compromise. Therefore, any unavailability or failure, due to security incidents or otherwise, may impede or slow down production, delay or taint certain decisions, and result in financial losses, including as a result of remediation costs.

In addition, any unauthorized or malicious access to information systems containing proprietary, sensitive, or confidential information could compromise our data integrity or result in disclosure or loss of data which may have adverse effects on our activities, results, and reputation, including loss of revenues due to a disruption of the business, diminished competitive advantage, litigation or other legal procedures, or liability for failure to comply with privacy and information security laws.

We have implemented policies, practices, procedures, and controls, including maintenance of protective systems and technology, monitoring and testing, incident response, disaster recovery and business continuity plans, employee training, and guidelines regarding our use of artificial intelligence to protect our IT systems, to prevent unauthorized access to confidential data, and to mitigate the risk of disruption to our business. We make strategic investments in this area in order to mitigate cyber threats. We also have security and compliance processes, protocols, and standards that are applicable to our third-party service providers. Our processes include a due diligence approach that ensures that third-party services, including cloud-based services, are evaluated using industry standard security assurance approaches to assess the risks. Third-party providers must comply with security frameworks such as the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) 27001 standard, or equivalent, or provide third-party assurance on relevant control objectives. If our third-party service providers and business partners do not satisfactorily fulfill their information security commitments and responsibilities, or experience adverse events, our business could suffer.

Despite these measures to reduce the likelihood, duration, and severity of disruptions to our information technology applications and systems, and maintain ongoing investments to protect, detect, respond to, and manage cybersecurity incidents, we and other companies in the food industry have in the past been subject to cyber-attacks and other security breaches, though the incidents targeting the Company's systems historically have not had a significant impact on our business operations. The techniques that are used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time, and the sophistication of efforts by hackers to gain unauthorized access to information systems has continued to increase in recent years and may continue to do so, including due to the increased accessibility of artificial intelligence tools. We expect that we will be subject to additional cyber-attacks in the future. We and our third-party service providers may be unable to anticipate, timely identify, or appropriately respond to one or more of the rapidly evolving and increasingly sophisticated means by which hackers, cyber terrorists, and others may attempt to breach our security measures or our third-party service providers' IT systems. This may be further exacerbated by the challenged labour market for skilled workers that we want and may require for our future business needs, such as people with an expertise in cybersecurity, IT cloud-based systems, artificial intelligence and machine learning, and/or digital and analytics capabilities.

Tariff Protection on Dairy

Dairy-producing industries in Canada and the USA are partially protected from imports by tariff-rate quotas which permit a specific volume of imports at a reduced or zero tariff and impose significant tariffs for greater quantities of imports. Certain countries have been critical of Canada's dairy supply management system and could push for modifications to the administration and allocation of tariff-rate quotas and/or existing export restrictions in the context of trade negotiations with Canada. There is no guarantee that political decisions or amendments to international trade agreements will not result in changes to tariff protection in the dairy market, resulting in increased competition, in which case our performance, especially in Canada, would be dependent on our ability to adapt to any changes and continue to offer quality products at competitive prices.

Unanticipated Business Disruption

Major events, such as systems and equipment failure, supply chain disruptions, cyberattacks, geopolitical developments, military conflicts, and natural disasters, increased frequency or intensity of extreme weather conditions (including as a result of climate change), political instability, civil unrest, health pandemics, or unfavourable economic conditions could lead to unanticipated business disruptions at any or certain of our facilities. The effect would be more significant if our larger manufacturing facilities were to be affected. The failure to mitigate business disruptions in a timely manner could negatively affect our financial performance and condition, as well as our ability to achieve our financial, operational, and sustainability goals.

Environment

Saputo's business and operations are subject to environmental laws and regulations, including those relating to permitting requirements, wastewater discharges, air emissions, GHG, releases of hazardous substances, and remediation of contaminated sites. We believe that our operations are in compliance, in all material respects, with such environmental laws and regulations, except as disclosed in the Annual Information Form dated June 4, 2026, for the fiscal year ended March 31, 2026. Compliance with these laws and regulations requires that we continue to incur operating and maintenance costs and capital expenditures, including to control potential impacts of our operations on local communities. Changes in environmental laws and regulations, evolving interpretation thereof, or more vigorous regulatory enforcement policies (including as a result of increased concern over climate change, water scarcity, waste management, plastic pollution, wastewater discharges, air emissions, GHG, or release of hazardous substances) could impose additional compliance costs, capital expenditures, as well as other financial obligations, which could have a material adverse effect on our financial position and performance.

Moreover, compliance with any such changes may require us to make significant changes in our business operations and strategy, which will likely require us to devote substantial time and attention to these matters and cause us to incur additional costs.

Saputo has set environmental targets and has undertaken or planned capital expenditures and other projects to increase its energy efficiency, reduce its GHG emissions, reduce operational and packaging waste, and decrease water usage. Because of the limitations and uncertainties inherent in climate and sustainability science, climate risk analysis and reporting, we have relied upon prevailing climate change quantification guidance and made reasonable and good faith estimates and assumptions in establishing our environmental targets. There are numerous factors, many of which are beyond the Company's control, that are the subject of ongoing climate and sustainability science and that we may not foresee or be able to accurately predict, and which may impact our ability to achieve these targets, including the availability of comprehensive and high-quality GHG emissions data, the availability of technology necessary to achieve these targets, the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results, the accessibility of carbon and renewable energy instruments for which a market is still developing and which are subject to risk of invalidation or reversal, and environmental regulation. There is no assurance that our environmental and sustainability initiatives will be economically viable, effective or that the anticipated environmental benefits will materialize. Our ability to achieve our environmental targets, commitments, and goals depends on the development and performance of technology, innovation, and the future use and deployment of technology. It is possible that the changes necessary to reduce emissions or waste will not be feasible or that the costs will be material, either of which could have a material adverse effect on Saputo's reputation, operations, or financial position.

In addition, there is an increased focus on environmental sustainability matters, including emissions associated with the production of milk. Any failure to achieve our environmental targets or other environment-related goals, including goals related to climate change, or a perception (whether or not valid) of failure by the Company or the dairy industry to act responsibly with respect to the evolving environmental issues, or to effectively respond to new, or changes in, legal or regulatory requirements concerning environmental matters, or increased operating or manufacturing costs due to increased regulation or environmental causes could adversely affect our business, our reputation, and our ability to attract capital from financial institutions and investors incorporating sustainability and ESG considerations as part of their portfolio, and increase the risk of litigation. Saputo's reputation could be affected if we or other stakeholders in the dairy industry do not act, or are perceived not to act, responsibly.

Climate Change

The Company has developed a roadmap to embed climate-related risks in our risk management program and we are developing strategies and actions to address climate risks as an organization as part of the overall risk mitigations. There is no guarantee that these risk mitigation efforts will be effective.

The potential effects of climate change could have a material impact on our business and operations. Climate-related physical risks that may have an impact on Saputo include reduced milk yield due to heat stress or changing weather patterns, reduced availability of quality crop for feed, reduced availability of clean water for farming or manufacturing operations, and short interruption to upstream (milk supply) or downstream (our products) supply chain due to extreme weather events. Some of our milk suppliers are located in parts of the world which have suffered effects of climate change. Climate-related transition risks that may have an impact on Saputo include increased energy costs and increased demand for low-carbon products.

Increasing concern over climate change and its impacts may result in additional laws, regulations, rules, and policies designed to reduce or mitigate the effects of GHG emissions or the impacts of climate change on the environment. Increased legal or regulatory requirements may result in increased energy or compliance costs, and increased disclosure obligations.

Public Health Threats

An outbreak of disease, epidemic or pandemic, and the related actions by governments to attempt to contain the outbreak could have a material negative impact on the Company as it could disrupt our global supply chain, availability of labour, operations, logistics, and routes to market or those of our suppliers, their suppliers, or our distributors. These disruptions, or our failure to effectively respond to them, is likely to increase production or distribution costs, cause delays or inability to deliver products to our customers, or to complete capital projects.

There is no guarantee that the Company's actions to mitigate the effects of pandemics which may occur in the future, will be effective.

Growth Strategy

Our growth strategy may fail to deliver results and our growth may never materialize. The outcome and success of our growth strategy depend on the execution of capital expenditure projects and our commercial strategy and on several factors that may be outside of our control, including availability and cost of labour, competing operational priorities, timing and effectiveness of execution, materials and equipment availability, market conditions, competitive dynamics and evolving consumer preferences. Failure to execute capital expenditure projects or our commercial strategy may negatively impact our ability to achieve our strategic growth goals. Other risks related to our business described in this section may impact our ability to grow organically and meet our strategic growth goals and targets.

As part of pursuing our growth strategy, we may seek to refine our global footprint or optimize our portfolio through acquisitions and divestitures. These transactions may involve significant costs, require substantial management time and attention, and may not achieve the expected strategic or financial benefits. In addition, acquisitions or divestitures may result in integration challenges, separation complexities, the loss of revenue or cash flows, exposure to contingent liabilities, retained risks or ongoing contractual obligations, including transition services or indemnification commitments. Difficulties in executing these transactions could have a negative effect on our business, financial performance and condition.

Intellectual Property

As we are involved in the production, sale, and distribution of food products, we rely on brand recognition and loyalty from our clientele in addition to relying on the quality of our products. Also, as innovation forms part of Saputo’s growth strategy, our research and development teams develop new technologies, products, and process optimization methods. We, therefore, take measures to protect, maintain, and enforce our intellectual property. There is no guarantee that such measures will be effective. Any infringement to our intellectual property could damage our value and limit our ability to compete. In addition, we may have to engage in litigation in order to protect our rights, which could result in significant costs.

Financial Risk Exposures

We operate internationally and are exposed to varying degrees to foreign exchange risk relating to the currencies we use for our business. Cash flows from operations in each of the countries where we operate act, in part, as a natural hedge against the foreign exchange risks related to debt denominated in such countries' currency. The level of the financial risk exposure related to currency fluctuations will depend on our ability to maintain appropriate protection mechanisms.

The current global economic environment could result in financial instability for certain suppliers, customers, or other business partners, which could have a negative effect on our business, financial performance, financial condition, and cash flow.

Interest Rate and Access to Capital and Credit Markets

A portion of Saputo's interest-bearing debt is subject to interest rate fluctuations. The impact on our results will depend on our ability to maintain adequate protection against such interest rate fluctuations.

We may be required to access liquidity in the capital and credit markets in order to refinance, retire existing indebtedness, complete capital expenditures, or pursue acquisition opportunities. The impact of such financing transactions on our results will depend on our ability to secure liquidity in a timely manner and on terms and conditions acceptable to us. Changes in the perceived creditworthiness of the Company or the credit rating of our MTN could increase our borrowing costs. Uncertain economic conditions and disruption in financial markets could adversely affect our financial performance and the availability and cost of capital, preventing us from continuing to access preferred sources of liquidity when desired.

Shareholder Activism

In recent years, publicly-traded companies have increasingly been targeted by activist shareholders, including short sellers, relating to environmental or social issues, corporate governance, executive compensation practices, fiduciary duties of directors and officers, and strategic direction and operations, among other matters. Responding to these activists may be costly and time-consuming and may disrupt business operations, divert management and employee attention, or present other legal and business challenges that could negatively affect the Company's business and financial results. Such investor activism could result in uncertainty of the direction of the Company, and create volatility in the market price and trading volume of the Company's shares.

Pension Plans

We operate both defined benefit and defined contribution plans (collectively, the "Plans"). Contributions to fund our defined benefit Plans are based on actuarial valuations, which themselves are based on assumptions and estimates about the long-term operations of the Plans, including assumptions on inflation, mortality, and the discount rates used to determine the liabilities of the Plans. Actual results of actuarial valuations may differ from expectations. We cannot predict whether changing markets or economic conditions, changes to pension legislation and regulations, or other factors will increase our pension expenses or liabilities, or funding obligations, diverting funds we would otherwise apply to other uses. Increases in net pension liabilities or increases in future cash contributions could adversely affect our business, financial condition, results from operations, and cash flows.

Credit Risk

We grant credit to our customers in the normal course of business. Credit valuations are performed on a regular basis and the financial statements take into account an allowance for expected credit loss. We consider that our exposure to concentration of credit risk with respect to accounts receivable from customers is low due to our large and diverse customer base operating in three market segments, retail, foodservice, and industrial, and our geographic diversity. There are no accounts receivable from any individual customer that exceeded 10% of the total balance of accounts receivable as at March 31, 2026. We regularly review the allowance for expected credit loss and accounts receivable due. We update our estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of accounts receivable balances of each customer taking into consideration historic collection trends of past due accounts. Despite these mitigation strategies, our financial performance could be negatively impacted by customers failing to fulfill their obligations.

Legislative, Regulatory, and Normative Considerations

We are subject to local, provincial, state, federal, and international laws, regulations, rules, and policies prevailing in places where we conduct our activities. Consequently, the modification or change of any of these elements may have an unfavourable impact on our results and operations and may require that important expenses be made in order to adapt or comply. More specifically, the production and distribution of food products are subject to federal, state, provincial, and local laws, rules, regulations, and policies, and to international trade agreements, all of which provide a framework for our operations.

We are subject to evolving privacy and data protection laws and regulations in the jurisdictions where we do business, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. The impact of new laws and regulations, stricter enforcement or interpretations, or changes to enacted laws and regulations will depend on our ability to adapt thereto and comply therewith. We are currently in compliance in all material respects with all applicable laws and regulations and maintain all material permits and licenses in connection with our operations.

Reputation and Public Opinion

We are committed to making progress on the Saputo Promise, our approach to social, environmental, and economic performance. Maintaining a positive reputation in the eyes of our customers, consumers, suppliers, communities, governments, regulatory bodies, and the general public is important to our continued success.

Negative public opinions or shifts in opinion, negative publicity about Saputo, our brands, our products, or about the dairy industry could damage our reputation and negatively impact our sales and results. It may also diminish our ability to hire and retain the best talent, which could have an adverse impact on our overall business. Reputational risk intersects with many of the Company's other risks and may therefore exacerbate these risks.

Inventory

We are subject to inventory risks that may adversely affect our operating results due to variations in market selling prices for dairy products and ingredients, changes in consumer demand, seasonality, spoilage, limited product shelf life, changes in consumer tastes with respect to our products, and other factors. Excess or obsolete inventory which cannot be sold profitably, or increases in levels of inventory shrink could result in an inventory write-down or otherwise affect our financial performance.

Impairment Charges

We assess our goodwill and other intangible assets and long-lived assets as and when required by IFRS to determine whether they are impaired and, if they are, we record appropriate impairment charges. We have been required to record impairment charges previously and it is possible that we may be required to record significant impairment charges in the future, including as a result of adverse economic conditions, persistent inflation, stagflation, changes in market dynamics or in consumer preference, regulatory changes, trade restrictions, increased competition or adverse geopolitical events. Although they do not attract cash outflow, our results and our reputation could be materially adversely affected by such impairment charges.

Share Repurchases and Dividends

The Company has a normal course issuer bid in place which it may use to repurchase its shares for cancellation. While the Company currently expects to continue purchasing shares under the NCIB program, there can be no assurance that the Company will continue with share repurchases. The Company also pays dividends and reviews its dividend policy at least annually. The payment of dividends is at the discretion of the Board of Directors and there can be no assurance that the Company will maintain or increase its dividends in the future. Failure to continue with share repurchases and/or failure to pay or increase dividends may have a material adverse effect on the Company’s share price.

NON-GAAP MEASURES

We report our financial results in accordance with GAAP and generally assess our financial performance using financial measures that are prepared using GAAP. However, this MD&A also refers to certain non-GAAP and other financial measures which do not have a standardized meaning under GAAP, and are described in this section.

We use non-GAAP measures and ratios to provide investors with supplemental metrics to assess and measure our operating performance and financial position from one period to the next. We believe that those measures are important supplemental metrics because they eliminate items that are less indicative of our core business performance and could potentially distort the analysis of trends in our operating performance and financial position. We also use non-GAAP measures to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and forecasts, and to determine components of management compensation. We believe these non-GAAP measures, in addition to the financial measures prepared in accordance with GAAP, enable investors to evaluate the Company's operating results, underlying performance, and future prospects in a manner similar to management. These metrics are presented as a complement to enhance the understanding of operating results but not in substitution of GAAP results.

These non-GAAP measures have no standardized meaning under GAAP and are unlikely to be comparable to similar measures presented by other issuers. Our method of calculating these measures may differ from the methods used by others, and, accordingly, our definition of these non-GAAP financial measures may not be comparable to similar measures presented by other issuers. In addition, non-GAAP financial measures should not be viewed as a substitute for the related financial information prepared in accordance with GAAP. This section provides a description of the components of each non-GAAP measure used in this MD&A and the classification thereof.

NON-GAAP FINANCIAL MEASURES AND RATIOS

A non-GAAP financial measure is a financial measure that depicts the Company's financial performance, financial position, or cash flow and either excludes an amount that is included in or includes an amount that is excluded from the composition of the most directly comparable financial measures disclosed in the Company's financial statements. A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage, or similar representation and that has a non-GAAP financial measure as one or more of its components.

Below are descriptions of the non-GAAP financial measures and ratios that we use as well as reconciliations to the most comparable GAAP financial measures, as applicable.

Adjusted net earnings from continuing operations

Adjusted net earnings from continuing operations is defined as net earnings (loss) from continuing operations before the following items (when they occur): restructuring costs, amortization of intangible assets related to business acquisitions, (gain) loss on disposal of assets, and goodwill and intangible assets impairment charge, net of applicable income taxes. We believe that adjusted net earnings from continuing operations provides useful information to investors because this financial measure provides precision with regards to our ongoing operations by eliminating the impact of non-operational or non-cash items. We believe that in the context of our history of business acquisitions, adjusted net earnings from continuing operations provides a more effective measure to assess performance against the Company's peer group, including due to the application of various accounting policies in relation to the amortization of acquired intangible assets.

We also believe adjusted net earnings from continuing operations is useful to investors because it helps identify underlying trends in our business that could otherwise be masked by certain write-offs, charges, income, or recoveries that can vary from period to period. We believe that securities analysts, investors, and other interested parties also use adjusted net earnings to evaluate the performance of issuers. Excluding these items does not imply they are non-recurring. This measure does not have any standardized meanings under GAAP and is therefore unlikely to be comparable to similar measures presented by other companies.

The following table provides a reconciliation, net of applicable income taxes, of net earnings to adjusted net earnings:

	For the fourth quarters ended March 31		For the years ended March 31		
	2026	2025[3]	**2026**	2025[3]	2024[3]
Net earnings (loss) from continuing operations	**157**	87	**690**	(147)	152
Amortization of intangible assets related to business acquisitions[1]	**16**	15	**60**	60	60
Goodwill and intangible assets impairment charge[2]	**—**	—	**—**	674	265
(Gain) on disposal of assets[2]	**—**	(17)	**—**	(17)	—
Restructuring costs[2]	**(4)**	60	**1**	65	19
Adjusted net earnings from continuing operations	**169**	145	**751**	635	496

[1] Amortization of intangible assets related to business acquisitions is included in Depreciation and amortization, as presented on the consolidated income statements.
[2] Items presented on the consolidated income statements. Continuing operations excludes the Dairy Division (Argentina).
[3] Comparative information has been re-presented to reflect discontinued operations.

Adjusted EPS basic and adjusted EPS diluted from continuing operations

Adjusted EPS basic from continuing operations (adjusted net earnings from continuing operations per basic common share) and adjusted EPS diluted from continuing operations (adjusted net earnings from continuing operations per diluted common share) are non-GAAP ratios and do not have any standardized meaning under GAAP. Therefore, these measures are unlikely to be comparable to similar measures presented by other issuers. We define adjusted EPS basic from continuing operations and adjusted EPS diluted from continuing operations as adjusted net earnings from continuing operations divided by the basic and diluted weighted average number of common shares outstanding for the period. Adjusted net earnings from continuing operations is a non-GAAP financial measure. For more details on adjusted net earnings, refer to the discussion above in the adjusted net earnings section.

We use adjusted EPS basic from continuing operations and adjusted EPS diluted from continuing operations, and we believe that certain securities analysts, investors, and other interested parties use these measures, among other ones, to assess the performance of our business without the effect of restructuring costs, amortization of intangible assets related to business acquisitions, (gain) loss on disposal of assets, and goodwill and intangible assets impairment charge. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Adjusted EPS is also a component in the determination of long-term incentive compensation for management.

Adjusted EBITDA from continuing and discontinued operations

Adjusted EBITDA from continuing and discontinued operations is defined as consolidated adjusted EBITDA, as described below, plus the adjusted EBITDA from discontinued operations, which includes the Dairy Division (Argentina) as presented in Note 6 to the consolidated financial statements. A reconciliation of adjusted EBITDA from continuing and discontinued operations to the most directly comparable financial measure used by the Company, namely net earnings (loss), is provided under adjusted EBITDA and adjusted EBITDA margin below.

We believe that adjusted EBITDA from continuing and discontinued operations provides investors with useful information regarding the Company's operational and financial performance before the decision to discontinue the Dairy Division (Argentina). Including discontinued operations in adjusted EBITDA is useful for comparative purposes, as it enables investors to evaluate trends in operational performance without the variation that might result from excluding the Dairy Division (Argentina) that was part of the company’s operations for the fiscal year. This transparency is important because it helps users of the financial statements see the impact of all business activities, including those that are no longer part of the ongoing operations, to evaluate the historical performance of the Company. Adjusted EBITDA from continuing operations and discontinued operations is also a component in the determination of short-term incentive compensation for management.

Net debt to adjusted EBITDA and adjusted net debt to adjusted EBITDA, including net proceeds from the sale of the Dairy Division (Argentina)

Net debt to adjusted EBITDA is defined as net debt divided by adjusted EBITDA and is the primary measure used by the Company to monitor its financial leverage. For more details on net debt, refer to the "Glossary" section of this MD&A and Note 24 to the consolidated financial statements. For more details on adjusted EBITDA, refer to the discussion below in the adjusted EBITDA and adjusted EBITDA margin section.

Adjusted net debt to adjusted EBITDA, including net proceeds from the sale of the Dairy Division (Argentina), is calculated as net debt (less the estimated net proceeds from the sale of the Dairy Division (Argentina)) divided by adjusted EBITDA. Adjusted net debt to adjusted EBITDA, including net proceeds from the sale of the Dairy Division (Argentina) is an adjusted financial leverage measure that takes into account the estimated net sale proceeds, after tax, as an adjustment to the cash and cash equivalents components of net debt. Refer to Note 6 to the consolidated financial statements for further information.

At March 31, 2026	Net debt to adjusted EBITDA	Adjusted net debt to adjusted EBITDA
Net debt[1]	**2,828**	**2,828**
Less: estimated net sale proceeds of the Dairy Division (Argentina)[2]		**557**
Adjusted net debt		**2,271**
Adjusted EBITDA	**1,659**	**1,659**
Net debt to adjusted EBITDA / Adjusted net debt to adjusted EBITDA	**1.70**	**1.37**

[1] Refer to the ''Glossary'' section of this MD&A and Note 24 to the consolidated financial statements.
[2] Refer to Note 6 to the consolidated financial statements for further information.

TOTAL OF SEGMENTS MEASURES

A total of segments measure is a financial measure that is a subtotal or total of two or more reportable segments and is disclosed within the notes to Saputo's consolidated financial statements, but not in its primary financial statements. Consolidated adjusted EBITDA and consolidated adjusted EBITDA from continuing and discontinued operations are total of segments measures.

Consolidated adjusted EBITDA is the total of the adjusted EBITDA of our four geographic sectors. We report our business under four sectors: Canada, USA, International, and Europe. The Canada Sector consists of the Dairy Division (Canada), the USA Sector consists of the Dairy Division (USA), the International Sector consists of the Dairy Division (Australia), and the Europe Sector consists of the Dairy Division (UK). Consolidated adjusted EBITDA from continuing and discontinued operations includes consolidated adjusted EBITDA and the adjusted EBITDA from discontinued operations, which includes the Dairy Division (Argentina). We sell our products in three different market segments: retail, foodservice, and industrial.

Adjusted EBITDA and adjusted EBITDA margin

Adjusted EBITDA is defined as net earnings (loss) from continuing operations before the following items (when they occur): income taxes, financial charges, restructuring costs, (gain) loss on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization. Net earnings (loss) from continuing operations before income taxes, financial charges, restructuring costs, (gain) loss on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization is a measure which is presented on the consolidated income statements. Adjusted EBITDA margin consists of adjusted EBITDA expressed as a percentage of revenues.

We believe that adjusted EBITDA and adjusted EBITDA margin provide investors with useful information because they are common industry measures. These measures are also key metrics of the Company's operational and financial performance without the variation caused by the impacts of the elements itemized below and provide an indication of the Company's ability to seize growth opportunities in a cost-effective manner, finance its ongoing operations, and service its long-term debt. Adjusted EBITDA is the key measure of profit used by management for the purpose of assessing the performance of each sector and of the Company as a whole, and to make decisions about the allocation of resources. We believe that securities analysts, investors, and other interested parties also use adjusted EBITDA to evaluate the performance of issuers. Adjusted EBITDA is also a component in the determination of short-term incentive compensation for management.

The following tables provide a reconciliation of net earnings to adjusted EBITDA and adjusted EBITDA from continuing and discontinued operations on a consolidated basis.

Fiscal years	**2026[2]**				2025[2]			
	Continuing Operations[1]				Continuing Operations[1]			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Net earnings (loss)	**157**	**209**	**167**	**157**	87	(496)	137	125
Income taxes	**52**	**72**	**58**	**51**	30	47	43	42
Financial charges	**32**	**33**	**34**	**37**	35	30	35	37
Restructuring costs	**(4)**	**—**	**—**	**6**	79	—	7	—
(Gain) on disposal of assets	**—**	**—**	**—**	**—**	(24)	—	—	—
Goodwill and intangible assets impairment charge[1]	**—**	**—**	**—**	**—**	—	684	—	—
Depreciation and amortization	**149**	**152**	**151**	**146**	160	154	148	143
Adjusted EBITDA	**386**	**466**	**410**	**397**	367	419	370	347
Revenues	**4,173**	**4,590**	**4,432**	**4,356**	4,414	4,648	4,406	4,344
Adjusted EBITDA margin	***9.2 %***	***10.2 %***	***9.3 %***	***9.1 %***	*8.3 %*	*9.0 %*	*8.4 %*	*8.0 %*

[1] Items presented on the consolidated income statements. Continuing operations excludes the Dairy Division (Argentina).
[2] Comparative information has been re-presented to reflect discontinued operations.

							For the years ended March 31
	2026			2025[2]			2024[2]
	Continuing Operations[1]	**Discontinued Operations[3]**	**Continuing and discontinued operations**	Continuing Operations[1]	Discontinued Operations[3]	Continuing and discontinued operations	Continuing Operations[1]
Net earnings (loss)	**690**	**(18)**	**672**	(147)	(29)	(176)	152
Income taxes	**233**	**93**	**326**	162	(5)	157	123
Financial charges	**136**	**26**	**162**	137	59	196	149
(Gain) Loss on hyperinflation	**—**	**(2)**	**(2)**	—	12	12	—
Restructuring costs	**2**	**—**	**2**	86	1	87	25
(Gain) on disposal of assets	**—**	**—**	**—**	(24)	—	(24)	—
Goodwill and intangible assets impairment charge	**—**	**—**	**—**	684	—	684	265
Depreciation and amortization	**598**	**19**	**617**	605	24	629	576
Adjusted EBITDA	**1,659**	**118**	**1,777**	1,503	62	1,565	1,290
Revenues	**17,551**	**1,274**	**18,825**	17,812	1,249	19,061	16,350
Adjusted EBITDA margin	***9.5 %***	***9.3 %***	***9.4 %***	*8.4 %*	*5.0 %*	*8.2 %*	*7.9 %*

[1] Items presented on the consolidated income statements. Continuing operations excludes the Dairy Division (Argentina).
[2] Comparative information has been re-presented to reflect discontinued operations.
[3] Refers to the Dairy Division (Argentina). Refer to Note 6 to the consolidated financial statements for further information.

Revenues, adjusted EBITDA, and depreciation and amortization of International Sector and Europe Sector Subtotals are total of segments measures, as reconciled to total consolidated measures in the below tables.

	For the fourth quarter ended March 31, 2026					
			International and Europe			
	Canada	**USA**	**International**	**Europe**	**Subtotal**	**Consolidated**
Revenues	**1,313**	**1,868**	**702**	**290**	**992**	**4,173**
Adjusted EBITDA	**159**	**149**	**41**	**37**	**78**	**386**
Depreciation and amortization	**29**	**66**	**27**	**27**	**54**	**149**

	For the fourth quarter ended March 31, 2025[1]					
			International and Europe			
	Canada	USA	International	Europe	Subtotal	Consolidated
Revenues	1,258	2,140	681	335	1,016	4,414
Adjusted EBITDA	157	148	38	24	62	367
Depreciation and amortization	30	75	25	30	55	160

[1] Comparative information has been re-presented to reflect discontinued operations.

	For the year ended March 31, 2026					
			International and Europe			
	Canada	**USA**	**International**	**Europe**	**Subtotal**	**Consolidated**
Revenues	**5,423**	**8,291**	**2,570**	**1,267**	**3,837**	**17,551**
Adjusted EBITDA	**697**	**672**	**162**	**128**	**290**	**1,659**
Depreciation and amortization	**115**	**272**	**104**	**107**	**211**	**598**

	For the year ended March 31, 2025[1]					
			International and Europe			
	Canada	USA	International	Europe	Subtotal	Consolidated
Revenues	5,164	8,755	2,706	1,187	3,893	17,812
Adjusted EBITDA	647	615	135	106	241	1,503
Depreciation and amortization	118	275	99	113	212	605

[1] Comparative information has been re-presented to reflect discontinued operations.

GLOSSARY

Average Block market price means the average daily price per pound of a spot contract for cheddar cheese in 40-pound blocks traded on the Chicago Mercantile Exchange (CME) published in the Daily Dairy Report, used as the base price for cheese.

Average Butter market price means the average daily price per pound of a spot contract for Grade AA Butter traded on the CME published in the Daily Dairy Report, used as the base price for dairy food products.

Average whey powder market price means the average daily price for a pound of extra grade dry whey published on Daily Dairy Report, used as the base price for whey.

Milk-cheese spread means the difference between the average block market price and the average cost of the corresponding quantity of Class III milk in the USA market based on the milk prices published by the United States Department of Agriculture.

Net Debt means long-term debt, lease liabilities, and bank loans, including the current portion thereof, net of cash and cash equivalents. Refer to Note 24 to the consolidated financial statements for further information.

Non-current financial liabilities is composed of non-current long-term debt, lease liabilities, and derivative financial liabilities.

USA Market Factors include, for the USA Sector, the average block market price and its effect on the absorption of fixed costs and on the realization of inventories, the effect of the milk-cheese spread, the market pricing impact related to sales of dairy ingredients, as well as the impact of the average butter market price related to dairy food products.

Working capital means current assets minus current liabilities.

Working capital ratio means current assets divided by current liabilities.

CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the consolidated financial statements and the financial information presented in this annual report. This responsibility includes the selection of accounting policies and practices and making judgments and estimates necessary to prepare the consolidated financial statements in accordance with International Financial Reporting Standards.

Management has also prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with the consolidated financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that assets are safeguarded and that relevant and reliable financial information is being produced.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and is responsible for reviewing and approving the consolidated financial statements. The Board of Directors carries out this responsibility principally through its Audit Committee, which is comprised solely of independent directors. The Audit Committee meets periodically with Management and the independent auditor to discuss internal controls, auditing matters and financial reporting issues. It also reviews the annual report, the consolidated financial statements and the independent auditor's report. The Audit Committee recommends the independent auditor for appointment by the shareholders. The independent auditor have unrestricted access to the Audit Committee. The consolidated financial statements have been audited by the independent auditor KPMG LLP, whose report follows.

(signed) Carl Colizza
Carl Colizza
President and Chief Executive Officer

(signed) Maxime Therrien
Maxime Therrien, CPA
Chief Financial Officer
and Secretary

June 4, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Saputo Inc.

Opinion

We have audited the consolidated financial statements of Saputo Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at March 31, 2026 and March 31, 2025
- the consolidated income statements for the years then ended
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2026 and March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 Financial Statements"*** section of our auditor's report.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

Assessment of the accuracy of manufactured inventories costs

Description of the matter

We draw attention to notes 3 and 4 to the financial statements. The Entity reported inventories of $2,617 million, a portion of which relates to manufactured inventories. Inventories are valued at the lower of cost and net realizable value, cost being determined using the first in, first out method. The cost of manufactured inventories include expenditures incurred related to raw materials and ingredients, production or conversion costs, packaging and an appropriate share of production overheads based on normal capacity.

Why the matter is a key audit matter

We identified the assessment of the accuracy of manufactured inventories costs as a key audit matter due to the nature and increased extent of audit effort that was needed to address this matter. In addition, this matter represented an area of higher risk of misstatement given the magnitude of the inventories.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

For a sample of costs allocated to manufactured inventories:

- We tested direct raw material costs by inspecting external source documents of purchases.
- We tested actual costs of direct labor by inspecting payroll supporting documents.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report".

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis and the Annual Report filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the 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 auditor's 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 auditor's report is Toni Dilli.

/s/ KPMG LLP*

Montreal, Canada

June 4, 2026

* CPA auditor, public accountancy permit No. A123145

CONSOLIDATED INCOME STATEMENTS

(in millions of CDN dollars, except per share amounts)

Years ended March 31		**2026**		2025[1]
Revenues	**$**	**17,551**	$	17,812
Operating costs excluding depreciation, amortization, and restructuring costs (Note 5)		**15,892**		16,309
Earnings from continuing operations before income taxes, financial charges, restructuring costs, depreciation and amortization, and goodwill and intangible assets impairment charge		**1,659**		1,503
Depreciation and amortization		**598**		605
Goodwill and intangible assets impairment charge (Note 9)		**—**		684
(Gain) on disposal of assets (Note 7)		**—**		(24)
Restructuring costs (Note 15)		**2**		86
Financial charges (Note 16)		**136**		137
Earnings from continuing operations before income taxes		**923**		15
Income taxes (Note 17)		**233**		162
Net earnings (loss) from continuing operations	**$**	**690**	$	(147)
Net loss from discontinued operations (Note 6)		**(18)**		(29)
Net earnings (loss)	**$**	**672**	$	(176)
Net earnings (loss) from continuing operations per share (Note 18)				
Basic	**$**	**1.68**	$	(0.35)
Diluted	**$**	**1.67**	$	(0.35)
Net earnings (loss) per share (Note 18)				
Basic	**$**	**1.64**	$	(0.41)
Diluted	**$**	**1.63**	$	(0.41)

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of CDN dollars)

Years ended March 31	**2026**	2025[1]
Net earnings (loss) from continuing operations	**$ 690**	$ (147)
Other comprehensive (loss) income:		
Items that may be reclassified to net earnings:		
Effects of exchange differences arising from foreign currency translation	**(81)**	455
Unrealized gains (losses) on cash flow hedges (Note 20)	**23**	(32)
Reclassification of losses on cash flow hedges to net earnings	**16**	3
Income taxes relating to items that may be reclassified to net earnings	**(11)**	8
	(53)	434
Items that will not be reclassified to net earnings:		
Actuarial (loss) gain	**(3)**	10
Income taxes relating to items that will not be reclassified to net earnings	**1**	(3)
	(2)	7
Other comprehensive (loss) income from continuing operations	**(55)**	441
Total comprehensive income from continuing operations	**$ 635**	$ 294
Net loss from discontinued operations	**$ (18)**	$ (29)
Other comprehensive (loss) income from discontinued operations	**(4)**	121
Total comprehensive (loss) income from discontinued operations	**$ (22)**	$ 92
Total comprehensive income	**$ 613**	$ 386

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of CDN dollars, except common shares)

For the year ended March 31, 2026	**Share capital**		**Reserves**					
	Common Shares	**Amount**	**Currency Translation and Hyperinflation**	**Cash Flow Hedges**	**Stock Option Plan**	**Total Reserves**	**Retained Earnings**	**Total Equity**
Balance, beginning of year	**418,335,124**	**$ 2,150**	**$ 841**	**$ (13)**	**$ 201**	**$ 1,029**	**$ 3,798**	**$ 6,977**
Net earnings	**—**	**—**	**—**	**—**	**—**	**—**	**672**	**672**
Other comprehensive loss	**—**	**—**	**(85)**	**28**	**—**	**(57)**	**(2)**	**(59)**
Total comprehensive income								**613**
Dividends	**—**	**—**	**—**	**—**	**—**	**—**	**(324)**	**(324)**
Stock options	**—**	**—**	**—**	**—**	**14**	**14**	**—**	**14**
Exercise of stock options (Note 14)	**5,937,716**	**250**	**—**	**—**	**(37)**	**(37)**	**—**	**213**
Purchased for cancellation under normal course issuer bid (Note 14)	**(19,186,139)**	**(100)**	**—**	**—**	**—**	**—**	**(588)**	**(688)**
Balance, end of year	**405,086,701**	**$ 2,300**	**$ 756**	**$ 15**	**$ 178**	**$ 949**	**$ 3,556**	**$ 6,805**

For the year ended March 31, 2025	Share capital		Reserves					
	Common Shares	Amount	Foreign Currency Translation and Hyperinflation	Cash Flow Hedges	Stock Option Plan	Total Reserves	Retained Earnings	Total Equity
Balance, beginning of year	424,326,415	$ 2,180	$ 265	$ 8	$ 186	$ 459	$ 4,411	$ 7,050
Net loss	—	—	—	—	—	—	(176)	(176)
Other comprehensive income	—	—	576	(21)	—	555	7	562
Total comprehensive income								386
Dividends	—	—	—	—	—	—	(320)	(320)
Stock options	—	—	—	—	15	15	—	15
Exercise of stock options (Note 14)	32,044	1	—	—	—	—	—	1
Purchased for cancellation under normal course issuer bid (Note 14)	(6,023,335)	(31)					(124)	(155)
Balance, end of year	418,335,124	$ 2,150	$ 841	$ (13)	$ 201	$ 1,029	$ 3,798	$ 6,977

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of CDN dollars)

As at	March 31, 2026	March 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	**$ 444**	$ 257
Receivables	**1,344**	1,565
Inventories (Note 4)	**2,617**	2,927
Income taxes receivable (Note 17)	**14**	21
Prepaid expenses and other assets	**94**	85
Assets held for sale (Note 6)	**713**	—
	5,226	4,855
Property, plant and equipment (Note 7)	**4,271**	4,693
Right-of-use assets (Note 8)	**459**	503
Goodwill (Note 9)	**2,517**	2,598
Intangible assets (Note 9)	**947**	1,071
Other assets (Note 10)	**115**	115
Deferred tax assets (Note 17)	**71**	78
Total assets	**$ 13,606**	$ 13,913
LIABILITIES		
Current liabilities		
Bank loans (Note 11)	**$ 138**	$ 364
Accounts payable and accrued liabilities	**2,168**	2,269
Income taxes payable (Note 17)	**38**	39
Current portion of long-term debt (Note 12)	**350**	465
Current portion of lease liabilities (Note 8)	**64**	65
Liabilities associated with assets held for sale (Note 6)	**298**	—
	3,056	3,202
Long-term debt (Note 12)	**2,284**	2,234
Lease liabilities (Note 8)	**436**	466
Other liabilities (Note 13)	**172**	131
Deferred tax liabilities (Note 17)	**853**	903
Total liabilities	**$ 6,801**	$ 6,936
EQUITY		
Share capital (Note 14)	**2,300**	2,150
Reserves	**949**	1,029
Retained earnings	**3,556**	3,798
Total equity	**$ 6,805**	$ 6,977
Total liabilities and equity	**$ 13,606**	$ 13,913

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

On behalf of the Board,

(signed) Lino A. Saputo
Lino A. Saputo, C.M.
Executive Chair of the Board

(signed) Annalisa King
Annalisa King
Director

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of CDN dollars)

Years ended March 31	2026	2025[1]
Cash flows related to the following activities:		
Operating		
Net earnings (loss)	**$ 672**	$ (176)
Less : Net loss from discontinued operations (Note 6)	**(18)**	(29)
Net earnings (loss) from continuing operations	**690**	(147)
Adjustments for:		
Stock-based compensation	**100**	25
Financial charges (Note 16)	**136**	137
Income tax expense	**233**	162
Depreciation and amortization	**598**	605
Goodwill and intangible assets impairment charge (Note 9)	**—**	684
Restructuring costs (Note 15)	**2**	86
(Gain) on disposal of property, plant and equipment	**(2)**	(25)
Share of joint venture earnings, net of dividends received and other	**(8)**	(10)
Changes in non-cash operating working capital items (Note 19)	**141**	(41)
Cash generated from operating activities	**1,890**	1,476
Interest and financial charges paid	**(142)**	(155)
Income taxes paid	**(240)**	(127)
Net cash generated from operating activities of continuing operations	**$ 1,508**	$ 1,194
Investing		
Additions to property, plant and equipment	**(330)**	(379)
Additions to intangible assets	**(9)**	(7)
Proceeds from disposal of property, plant and equipment (Note 7)	**39**	131
Net cash used for investing activities of continuing operations	**$ (300)**	$ (255)
Financing		
Bank loans	**(83)**	(217)
Proceeds from issuance of long-term debt	**400**	—
Repayment of long-term debt	**(465)**	(400)
Repayment of lease liabilities	**(58)**	(84)
Proceeds from exercise of stock options	**212**	1
Shares purchased for cancellation under normal course issuer bid and applicable taxes (Note 14)	**(680)**	(149)
Payment of dividends	**(324)**	(320)
Net cash used in financing activities of continuing operations	**$ (998)**	$ (1,169)
Increase (decrease) in cash and cash equivalents from continuing operations	**210**	(230)
Increase (decrease) in cash and cash equivalents from discontinued operations (Note 6)	**(18)**	12
Cash and cash equivalents, beginning of year	**257**	466
Effect of exchange rate changes	**—**	9
Cash and cash equivalents, end of year	**$ 449**	$ 257

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026, and 2025.

(All dollar amounts are in millions of CDN dollars, except per share amounts or unless otherwise indicated.)

NOTE 1 CORPORATE INFORMATION

Saputo Inc. (the Company) is a publicly traded company incorporated and domiciled in Canada. The Company's shares are listed on the Toronto Stock Exchange under the symbol "SAP". The Company produces, markets, and distributes a wide array of dairy products from Canada, the United States, Australia, Argentina, and the United Kingdom. In addition to its dairy portfolio, the Company produces, markets, and distributes a range of dairy alternative products. The address of the Company's head office is 1000 de la Gauchetière Street West, Suite 2900, Montréal, Québec, Canada, H3B 4W5. The consolidated financial statements of the Company for the fiscal year ended March 31, 2026 (consolidated financial statements) comprise the financial results of the Company and its subsidiaries.

The financial statements were authorized for issuance by the Board of Directors on June 4, 2026.

NOTE 2 BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

The consolidated financial statements of the Company were prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards, as issued by the International Accounting Standards Board (IASB).

BASIS OF MEASUREMENT

The Company's consolidated financial statements were prepared on a historical cost basis except for defined benefit plan assets and liabilities as well as certain financial instruments that are measured at fair value as described in Note 3, Material accounting policies.

FUNCTIONAL AND PRESENTATION CURRENCY

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

NOTE 3 MATERIAL ACCOUNTING POLICIES

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the accounts of the Company and entities under its control. Control exists when an entity is exposed, or has rights, to variable returns from its involvement with investees and has the ability to affect those returns through its power over them. All intercompany transactions and balances have been eliminated. Investments over which the Company has effective control are consolidated.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash and short-term investments having an initial maturity of three months or less at the time of acquisition.

INVENTORIES

Finished goods, raw materials, and work in progress are valued at the lower of cost and net realizable value, cost being determined using the first in, first out method. The cost of manufactured inventories include expenditures incurred related to raw materials and ingredients, production or conversion costs, packaging and an appropriate share of production overheads based on normal capacity.

NOTE 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets or disposal groups are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated.

A discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a separate major line of business or geographical area of operations. Its results are presented separately from continuing operations as a single amount, net of tax, and comparative information is re-presented.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses and are depreciated using the straight-line method over their estimated useful lives as described below:

Buildings	15 to 40 years
Machinery, equipment and other	3 to 20 years

Where components of an item of building or machinery, equipment and other are individually significant, they are accounted for separately within the categories described above. Assets under construction are not depreciated.

For the purposes of impairment testing, property, plant and equipment are tested at the cash-generating unit (CGU) level. Write-downs, if any, are included in “depreciation and amortization” or “restructuring costs” in the consolidated income statements.

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Leases are recognized as a right-of-use asset with a corresponding lease liability at the commencement date. Each lease payment is allocated between a reduction of the liability and finance cost. The finance cost is recognized in ‘‘Financial charges’’ in the consolidated income statements over the lease period resulting in a constant periodic rate of interest on the remaining balance of the liability. The lease liability is measured at the present value of lease payments, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily available. The period over which lease payments are discounted includes renewal options.

Costs associated with short-term leases and leases of low-value assets are included in “Operating costs excluding depreciation, amortization, and restructuring costs” in the consolidated income statements.

GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the excess of the consideration transferred in a given acquisition over the fair value of the identifiable net assets acquired and is initially recorded at that value. Goodwill is subsequently carried at cost less any impairment. Refer to “Impairment Testing of Cash-Generating Units” in Note 9 for a discussion of the CGU levels at which goodwill and intangible assets are tested.

Intangible assets include trademarks, customer relationships, and software that is not an integral part of the related hardware. Intangible assets are initially recorded at their transaction fair values. Definite life intangible assets are subsequently carried at cost less accumulated amortization and impairment losses, if any. Indefinite life intangible assets, including goodwill, are not amortized and are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

When testing goodwill for impairment, the carrying values of the CGUs or group of CGUs, including goodwill, are compared with their respective recoverable amounts (higher of fair value less costs of disposal and value in use) and an impairment loss, if any, is recognized for the excess.

NOTE 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

GOODWILL AND INTANGIBLE ASSETS (CONT'D)

The Company's trademarks are considered to be definite life intangible assets and are amortized using the straight-line method over their respective estimated useful lives which vary from 15 to 25 years. Customer relationships and software are considered to be definite life intangible assets and are amortized using the straight-line method over their estimated useful lives which vary from 3 to 15 years. Trademarks, customer relationships and software are reviewed for indicators of impairment at each reporting period.

IMPAIRMENT OF OTHER LONG-LIVED ASSETS

Other long-lived assets are subject to an “indicators of impairment” test at each reporting period. In the event of an indication of impairment, the asset or group of assets (referred to as a CGU), for which identifiable cash flows that are largely independent of the cash inflows from other assets or group of assets exist, are tested for impairment. An impairment loss is recorded in “depreciation and amortization” or “restructuring costs” in the consolidated income statements when the carrying value exceeds the recoverable amount. The recoverable amount is defined as the greater of fair value less costs of disposal and value in use.

BUSINESS COMBINATIONS

The Company accounts for its business combinations using the acquisition method of accounting. Under this method, the Company allocates the purchase price to tangible and intangible assets acquired and liabilities assumed based on estimated fair values at the date of acquisition, with the excess of the purchase price amount allocated to goodwill.

Debt issuance costs directly related to the funding of business acquisitions are included in the carrying value of the debt and are amortized over the related debt term using the effective interest rate method. Acquisition costs are expensed as incurred.

EMPLOYEE FUTURE BENEFITS

The cost of defined benefit pension and other post-retirement benefits is actuarially determined annually on March 31 using the projected unit credit method and using Management’s best estimates of rates of compensation increases, retirement ages of employees, and expected health care costs. Key assumptions made when valuing the defined benefit obligation include the discount rate, duration of the plan, inflation, and mortality, amongst others. Actuarial gains or losses, the effect of an adjustment, if any, on the maximum amount recognized as an asset and the impact of the minimum funding requirements, are recorded in other comprehensive income (loss) and immediately recognized in retained earnings without subsequent reclassification to the consolidated income statements. Current service costs and past service costs are included in the consolidated income statements. Past service costs are recognized at the earlier of the date of the plan amendment or curtailment. Interest on obligations offset by interest income on plan assets are included in financial charges in the consolidated income statements. The net pension expenditure under defined contribution pension plans is generally equal to the contributions made by the employer.

REVENUE RECOGNITION

The Company recognizes revenue when control of the asset is transferred to the customer, the vast majority upon shipment of products. Revenue is measured at the amount of consideration to which the Company expects to be entitled to receive. Sales are net of a provision for variable consideration of estimated allowances and sales incentives provided to customers, such that it is highly probable that a significant reversal will not occur once the uncertainty related to the variable consideration is subsequently resolved.

NOTE 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

REVENUE RECOGNITION (CONT'D)

The value of sales incentives provided to customers are estimated using historical trends and are recognized at the time of sale as a reduction of revenue. Sales incentives include discounts, promotions, advertising allowances, and other volume-based incentives. In subsequent periods, the Company monitors the performance of customers against agreed upon obligations related to sales incentive programs and makes any adjustments to both revenue and sales incentive accruals as required.

FOREIGN CURRENCY TRANSLATION

The Company's functional currency is the Canadian dollar. Accordingly, the financial position accounts of foreign operations are translated into Canadian dollars using the exchange rates at the financial position dates and income statements accounts are translated into Canadian dollars using the average monthly exchange rates in effect during the periods. The foreign currency translation adjustment (CTA) reserve presented in the consolidated statements of comprehensive income and the consolidated statements of changes in equity, represents accumulated foreign currency gains (losses) on the Company's net investments in foreign operations.

Foreign currency accounts of the Company and its subsidiaries are translated using the exchange rates at the financial position dates for monetary assets and liabilities, and at the prevailing exchange rates at the time of transactions for income and expenses. Non-monetary items are translated at the historical exchange rates. Gains or losses resulting from this translation are included in operating costs.

FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

Non-monetary assets and liabilities of the Dairy Division (Argentina), whose functional currency is the currency of a hyperinflationary economy, are restated in accordance with International Accounting Standard (IAS) no. 29, *Financial Reporting in Hyperinflationary Economies*, using a relevant general price index to reflect the effects of inflation. The resulting gain or loss is recognized in the consolidated income statements.

The Dairy Division (Argentina) has been classified as a discontinued operation, and the related hyperinflation impact is included within the results of discontinued operations (see Note 6).

STOCK-BASED COMPENSATION

The Company offers an equity settled stock option plan to certain employees, pursuant to which options vest over a period of four to five years depending on the grant date, and expire ten years from the grant date. The fair value of each installment of an award is determined separately and recognized over the vesting period. When stock options are exercised, any consideration paid by employees and the related compensation expense recorded as a stock option plan reserve are credited to share capital.

The Company allocates deferred share units (DSU) to eligible Directors of the Company which are based on the market value of the Company's common shares. DSUs are granted on a quarterly basis, vest upon award and entitle Directors to receive a cash payment for the value of the DSUs they hold following cessation of functions as a Director of the Company. The Company recognizes an expense in its consolidated income statements and a liability in its consolidated statement of financial positions for each grant. The liability is subsequently remeasured at the fair value of common shares at each reporting period with any change in value recorded in the consolidated income statements.

The Company offers performance share units (PSU) and restricted share units (RSU) to certain employees which are based on the market value of the Company's common shares. The PSU and RSU plans are non-dilutive and are settled in cash. These awards are considered cash-settled share-based payment awards. A liability is recognized for the employment service received and is measured initially, on the grant date, at the fair value of the liability. The liability is subsequently remeasured at the fair value of common shares at each reporting period with any change in value recorded in the consolidated income statements. Compensation expense is recognized over the three-year performance cycle for PSUs and over the three-year restriction period for RSUs.

NOTE 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

INCOME TAXES

Income tax expense represents the sum of current and deferred income tax and is recognized in the consolidated income statements with the exception of items that are recognized in the consolidated statements of comprehensive income or directly in equity.

Current income taxes are determined in relation to taxable earnings for the year and incorporate any adjustments to current taxes payable in respect of previous years.

Deferred income tax assets and liabilities are determined based on temporary differences between the carrying amount of an asset or liability in the consolidated statement of financial position and its tax basis. They are measured using the enacted or substantively enacted tax rates that are expected to apply when the asset is realized, or the liability is settled. A deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be used.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are initially measured at fair value. Subsequently, financial instruments classified as fair value through profit or loss and fair value through other comprehensive income, part of a hedging relationship or not, continue to be measured at fair value on the statement of financial position at each reporting date, whereas other financial instruments are measured at amortized cost using the effective interest method.

The Company has made the following classifications:

- Cash and cash equivalents are classified as amortized cost and are subsequently measured at amortized cost.
- Receivables are classified as amortized cost and are subsequently measured at amortized cost.
- Other assets that meet the definition of a financial asset are classified as amortized cost and are subsequently measured at amortized cost.
- Bank loans, accounts payable and accrued liabilities, other liabilities, and long-term debt are classified as amortized cost and are measured at amortized cost.

The Company applies the simplified approach to recognize lifetime expected credit losses under IFRS 9. Certain derivative instruments are utilized by the Company to manage exposure to variations in interest rate payments and to manage foreign exchange rate risks, including foreign exchange forward contracts, currency swaps, and interest rate swaps. Derivatives are initially recognized at fair value at the date the derivative contracts and currency swaps are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is immediately recognized in net earnings unless the derivative is designated as a hedging instrument.

HEDGING

The Company designates certain financial instruments as cash flow hedges. At the inception of the hedging relationship, the Company designates and formally documents the relationship between the hedging instrument and the hedged item, the risk management objective, and its strategy for undertaking the hedge.

For derivatives instruments designated as cash flow hedges, the change in fair value related to the effective portion of the hedge is recognized in other comprehensive income (loss), and the accumulated amount is presented as a hedging reserve in the consolidated statement of changes in equity. Any ineffective portion is immediately recognized in net earnings. When hedging instruments have come due or are settled, the gains or losses included in other components of equity are reclassified to net earnings offsetting the losses or gains recognized on the underlying hedged items.

NOTE 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

HEDGING (CONT'D)

The Company formally assesses at inception and quarterly thereafter, the effectiveness of the hedging instruments' ability to offset variations in the cash flow risks associated with the hedged item. Where a hedging relationship is no longer effective, hedge accounting is discontinued and any subsequent change in the fair value of the hedging instrument is recognized in net earnings.

FAIR VALUE HIERARCHY

Assets and liabilities, for which fair value is measured or disclosed in the consolidated financial statements, are categorized into one of three hierarchy levels, described below, for disclosure purposes. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Each level reflects the inputs used to measure the fair values of assets and liabilities:

Level 1 - Inputs are unadjusted quoted prices of identical instruments in active markets.
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - One or more significant inputs used in a valuation technique are not based on observable market data in determining fair values of the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

USE OF ESTIMATES AND JUDGMENTS IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of the Company's consolidated financial statements requires Management to make certain judgments and estimates about transactions and carrying values that are fulfilled at a future date. Judgments and estimates are subject to fluctuations due to changes in internal and/or external factors and are continuously monitored by Management. A discussion of the judgments and estimates that could have a material effect on the consolidated financial statements is provided below.

SIGNIFICANT ESTIMATES AND JUDGMENTS

Income Taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the consolidated provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact the results for the reporting period and the respective current income tax and deferred income tax provisions in the reporting period in which such determination is made.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. As a result, a projection of taxable income is required for those years, as well as an assumption of the ultimate recovery or settlement period for temporary differences. The projection of future taxable income is based on Management's best estimates and may vary from actual taxable income. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Canadian, US, and international tax rules and regulations are subject to interpretation and require judgment on the part of the Company that may be challenged by taxation authorities. The Company believes that it has adequately provided for deferred tax obligations that may result from current facts and circumstances. Temporary differences and income tax rates could change due to fiscal budget changes and/or changes in income tax laws.

NOTE 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

Goodwill, Intangible Assets, and Business Combinations

Goodwill, trademarks, and customer relationships have principally been recognized as a result of business combinations. The acquisition method, which also requires significant estimates and judgments, is used to account for these business combinations. As part of the allocation process in a business combination, estimated fair values are assigned to the net assets acquired, including trademarks and customer relationships. These estimates are based on forecasts of future cash flows, estimates of economic fluctuations, and an estimated discount rate. The excess of the purchase price over the estimated fair value of the net assets acquired is then assigned to goodwill. In the event that actual net assets fair values are different from estimates, the amounts allocated to the net assets, and specifically to trademarks and customer relationships, could differ from what is currently reported. This would then have a pervasive impact on the carrying value of goodwill. Differences in estimated fair values would also have an impact on the amortization of definite life intangibles.

Impairment of Assets

Significant estimates and judgments are required in testing goodwill, intangible assets, and other long-lived assets, including right-of-use assets, for impairment. Management uses estimates or exercises judgment in assessing indicators of impairment, defining a CGU, forecasting future cash flows, and in determining other key assumptions such as discount rates and earnings multipliers used for assessing fair value (less costs of disposal) or value in use. Goodwill is tested for impairment annually based on the December 31 balances and whenever there is an indication of impairment. Other long-lived assets are tested only when indicators of impairment are present.

Employee Future Benefits

The Company is the sponsor to both defined benefit and defined contribution plans, which provide pension and other post-employment benefits to its employees.

Several estimates and assumptions are required with regards to the determination of the defined benefit expense and its related obligation, such as the discount rate used in determining the carrying value of the obligation and the interest income on plan assets, the duration of the obligation, inflation, the expected health care cost trend rate, the expected mortality rate, expected salary increase, etc. Changes in a number of key assumptions can have a material impact on the calculation of the obligation. Actual results will normally differ from expectations. Remeasurements of the obligation are presented in the consolidated statements of comprehensive income.

RECENT ACCOUNTING STANDARDS, INTERPRETATIONS, AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

IFRS 18, Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18 to replace IAS 1 *Presentation of Financial Statements*. IFRS 18 carries forward many requirements from IAS 1 unchanged and introduces increased disclosure of management defined performance measures as well as new principles for aggregation and disaggregation of information included in the consolidated income statement.

IFRS 18 is applicable to the Company beginning on April 1, 2027. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.

IFRS 9, Financial Instruments and IFRS 7, Financial Instruments disclosures

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the derecognition of financial assets and liabilities settled via electronic payment systems and, to clarify the classification and measurement of certain financial instruments.

These amendments are applicable to the Company beginning on April 1, 2026. The adoption of these amendments will not have a significant impact on its consolidated financial statements.

NOTE 4 INVENTORIES

		March 31, 2026		March 31, 2025
Finished goods	**$**	**1,191**	$	1,444
Work in progress		**992**		993
Raw Materials, spare parts and supplies		**434**		490
Total	**$**	**2,617**	$	2,927

The amount of inventories recognized as an expense in operating costs for the year ended March 31, 2026, is $14.044 billion ($14.565 billion for the year ended March 31, 2025).

NOTE 5 OPERATING COSTS

		For the years ended March 31		
		2026		2025[1]
Changes in inventories of finished goods and work in process	**$**	**92**	$	118
Raw materials and consumables used		**11,663**		12,230
Foreign exchange gain		**(20)**		7
Employee benefits expense		**2,417**		2,277
Selling costs		**710**		681
General and administrative costs		**1,030**		996
Operating costs excluding depreciation, amortization, and restructuring costs[2]	**$**	**15,892**	$	16,309
Add:				
Depreciation and amortization		**598**		605
Restructuring costs (Note 15)		**2**		86
Operating costs	**$**	**16,492**	$	17,000

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.
[2] Comparative figures presented in the table above were reclassified to conform with the current year's presentation.

NOTE 6 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - DAIRY DIVISION (ARGENTINA)

On February 12, 2026, the Company announced that it entered into a definitive agreement with Gloria Foods, the dairy and food holding company of Grupo Gloria, to sell an 80% interest in its Dairy Division (Argentina). The transaction is expected to close in the first half of fiscal 2027, subject to customary closing conditions, including applicable regulatory approvals. Upon closing, the Company expects to receive proceeds of approximately $652 million ($468 million USD), representing approximately $557 million after tax ($400 million USD).

The transaction includes two manufacturing facilities as well as local brands, including *La Paulina, Ricrem*, and *Molfino.* Following the closing, the business will continue to manufacture select items on behalf of Saputo.

As a result of the definitive agreement, the Dairy Division (Argentina) has been classified as a discontinued operation, with comparative information presented accordingly, and with its assets and liabilities presented as held for sale as at March 31, 2026.

The major classes of assets and liabilities of the Dairy Division (Argentina) classified as held for sales were as follow:

As at		March 31, 2026
Cash and cash equivalents	$	5
Receivables		209
Inventories		182
Property, plant and equipment		286
Other assets		31
Total assets held for sale	$	713
Bank loans	$	42
Accounts payable and accrued liabilities		153
Deferred tax liabilities[1]		80
Other liabilities		23
Total liabilities associated with assets held for sale	$	298
Net assets held for sale excluding deferred tax liabilities related to the outside basis	$	475

[1] Includes $60 million related to the outside basis difference of the Dairy Division (Argentina), recognized upon its classification as held for sale.

No impairment loss was recognized on the assets of the Dairy Division (Argentina) upon its classification as assets held for sale due to the estimated fair value of the disposal group exceeded the carrying amount of its net assets by approximately $339 million at that date.

The cumulative amounts recognized in the other comprehensive income related to the Dairy Division (Argentina) as at March 31, 2026 total $468 million, are non-cash, and will be recycled to the consolidated income statement upon the sale of the division, thereby offsetting the excess fair value referred to above.

See table below for the estimated net loss on disposal of discontinued operations, based on information as at March 31, 2026. Final amounts will be determined at closing and may differ.

Estimated fair value of the disposal group	$	814
Carrying amount of the net assets held for sale excluding deferred tax liabilities related to the outside basis		(475)
Estimated excess of fair value of the disposal group over its carrying amount	$	339
Estimated income taxes on disposal		(95)
Estimated gain on disposal of discontinued operations after income taxes	$	244
Recycling of other comprehensive income		(468)
Estimated net loss on disposal of discontinued operations	$	(224)

NOTE 6 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - DAIRY DIVISION (ARGENTINA) (CONT'D)

Subsequent to the disposal of the Dairy Division (Argentina), the Company will account for its remaining 20% interest as an investment in an associate using the equity method. Accordingly, the results of the Dairy Division (Argentina) will no longer be included in consolidated revenue; instead, the Company will recognize its share of the associate's profit or loss.

The results of discontinued operations presented in the consolidated statements of earnings are as follow:

Years ended March 31		**2026**		2025
Revenues	**$**	**1,274**	$	1,249
Operating costs excluding depreciation, amortization, and restructuring costs		**1,156**		1,187
Earnings before income taxes from discontinued operations, financial charges, loss (gain) on hyperinflation, restructuring costs, and depreciation and amortization		**118**		62
Depreciation and amortization		**19**		24
Restructuring costs		**—**		1
Loss (gain) on hyperinflation (Argentina net monetary position)		**(2)**		12
Financial charges		**26**		59
Earnings (loss) from discontinued operations before income taxes		**75**		(34)
Income taxes related to the ordinary activities of discontinued operations		**33**		(5)
Deferred taxes on outside basis difference[1]		**60**		—
Net loss from discontinued operations	**$**	**(18)**	$	(29)
Net loss per share from discontinued operations				
Basic	**$**	**(0.04)**	$	(0.06)
Diluted	**$**	**(0.04)**	$	(0.06)

[1] Outside basis difference on the Dairy Division (Argentina) classified as held for sale, expected to reverse in the foreseeable future.

The net cash flows from (used in) discontinued operations are as follows:

Years ended March 31		**2026**		2025
Net cash generated from (used in) operating activities	**$**	**102**	$	(97)
Net cash used for investing activities		**(23)**		(30)
Net cash (used in) from financing activities		**(97)**		139
Net cash flow (used in) from discontinued operations	**$**	**(18)**	$	12

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

	For the year ended March 31, 2026			
	Land	Buildings	Machinery, equipment and other	Total
Cost				
As at March 31, 2025	**$ 202**	**$ 2,171**	**$ 6,058**	**$ 8,431**
Additions	**—**	**73**	**280**	**353**
Disposals	**(18)**	**(41)**	**(80)**	**(139)**
Reclassification to assets held for sale	**(2)**	**(63)**	**(456)**	**(521)**
Foreign currency and hyperinflation	**2**	**(22)**	**(41)**	**(61)**
As at March 31, 2026	**$ 184**	**$ 2,118**	**$ 5,761**	**$ 8,063**
Accumulated depreciation and impairment charges				
As at March 31, 2025	**$ —**	**$ 780**	**$ 2,958**	**$ 3,738**
Depreciation	**—**	**88**	**338**	**426**
Disposals	**—**	**(35)**	**(75)**	**(110)**
Reclassification to assets held for sale	**—**	**(23)**	**(212)**	**(235)**
Foreign currency and hyperinflation	**—**	**(7)**	**(20)**	**(27)**
As at March 31, 2026	**$ —**	**$ 803**	**$ 2,989**	**$ 3,792**
Net book value at March 31, 2026	**$ 184**	**$ 1,315**	**$ 2,772**	**$ 4,271**

The net book value of property, plant and equipment under construction amounts to $332 million as at March 31, 2026 ($522 million as at March 31, 2025), and consists mainly of machinery and equipment.

Disposals in fiscal 2026 include the sale, completed on May 9, 2025, of the King Island Dairy business located in Australia for proceeds of $27 million (AU$30 million), with $18 million related to property, plant and equipment, corresponding approximately to their net book value less costs to sell.

Disposals in fiscal 2025 include the sale, completed on June 24, 2024, of the Company's two fresh milk processing facilities located in Australia for proceeds of $95 million (AU$105 million) resulting in a minimal gain on disposal of assets. Refer to Note 8 for information on amounts of right-of-use assets and lease liabilities. During fiscal 2025, the Company also recorded a gain on disposal of assets of $24 million ($17 million after tax) from the sale of land owned by the Dairy Division (Australia) for proceed of $29 million (AU$32 million).

	For the year ended March 31, 2025			
	Land	Buildings	Machinery, equipment and other	Total
Cost				
As at March 31, 2024	$ 212	$ 1,980	$ 5,565	$ 7,757
Additions	—	122	287	409
Disposals	(18)	(28)	(121)	(167)
Foreign currency and hyperinflation	8	97	327	432
As at March 31, 2025	$ 202	$ 2,171	$ 6,058	$ 8,431
Accumulated depreciation and impairment charges				
As at March 31, 2024	$ —	$ 676	$ 2,550	$ 3,226
Depreciation	—	84	335	419
Impairment related to restructuring (Note 15)	—	9	38	47
Disposals	—	(20)	(115)	(135)
Foreign currency and hyperinflation	—	31	150	181
As at March 31, 2025	$ —	$ 780	$ 2,958	$ 3,738
Net book value at March 31, 2025	$ 202	$ 1,391	$ 3,100	$ 4,693

NOTE 8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The following table presents changes in right-of-use assets during fiscal 2026:

	For the year ended March 31, 2026		
	Real Estate	**Equipment**	**Total**
As at March 31, 2025	**$ 433**	**$ 70**	**$ 503**
New leases / leases modifications	**13**	**25**	**38**
Reclassification to assets held for sale	**(13)**	**—**	**(13)**
Depreciation	**(46)**	**(23)**	**(69)**
Foreign currency	**(2)**	**2**	**—**
As at March 31, 2026	**$ 385**	**$ 74**	**$ 459**

The following table presents changes in right-of-use assets during fiscal 2025:

	For the year ended March 31, 2025		
	Real Estate	Equipment	Total
As at March 31, 2024	$ 366	$ 99	$ 465
New leases / leases modifications	125	21	146
Disposals	(35)	(25)	(60)
Depreciation	(44)	(23)	(67)
Impairment related to restructuring (Note 15)	—	(6)	(6)
Foreign currency and hyperinflation	21	4	25
As at March 31, 2025	$ 433	$ 70	$ 503

The following table presents changes in lease liabilities during fiscal 2026 and 2025:

	March 31, 2026	March 31, 2025
As at beginning of year	**$ 531**	$ 455
New leases / lease modifications	**38**	144
Reclassification to assets held for sale	**(9)**	—
Interest expense	**23**	20
Payments	**(86)**	(107)
Foreign currency	**3**	19
As at end of year	**$ 500**	$ 531
Current portion	**$ 64**	$ 65
Non-current portion	**$ 436**	$ 466

The disposals of right-of-use assets in fiscal 2025 include real estate and equipment sold in connection with the Company's sale of its two fresh milk processing facilities located in Australia described in Note 7. Lease liabilities for the assets sold were repaid.

The following table presents the maturity of the Company’s lease liabilities outstanding at March 31, 2026:

Less than 1 year	**$ 85**
1-2 years	**74**
2-3 years	**62**
3-4 years	**58**
4-5 years	**51**
More than 5 years	**348**
	$ 678

NOTE 9 GOODWILL AND INTANGIBLE ASSETS

GOODWILL

	March 31, 2026	March 31, 2025
As at beginning of year	**$ 2,598**	$ 3,098
Impairment charges	**—**	(662)
Reclassification to assets held for sale	**(9)**	—
Foreign currency and hyperinflation	**(72)**	162
As at end of year	**$ 2,517**	$ 2,598

Impairment testing

Goodwill impairment testing is conducted at the CGU level annually, on December 31, or at an interim date if indicators of impairment exist.

In determining whether goodwill is impaired, the Company is required to estimate the respective recoverable amounts of CGUs or groups of CGUs to which goodwill is allocated.

Management considers the following CGUs or groups of CGUs for goodwill impairment testing purposes as they represent the lowest level at which the goodwill is monitored for internal management purposes:

	March 31, 2026	March 31, 2025
Canada Sector		
Dairy Division (Canada)	**$ 401**	$ 401
USA Sector		
Dairy Division (USA)	**2,116**	2,188
International Sector		
Dairy Division (Argentina)	**—**	9
	$ 2,517	$ 2,598

Recoverable amounts for each CGU or group of CGUs were estimated using an earnings multiplier valuation model (fair value less costs of disposal). The key assumptions used in these models consist mainly of earnings multipliers of market comparables that are applied to the results of each CGU or group of CGUs tested. The inputs used in this model are Level 3 inputs in the fair value hierarchy described in Note 3.

Europe Sector's Dairy Division (UK) CGU (the UK CGU) - Fiscal 2025

In performing the goodwill impairment testing as at December 31, 2024, for the Europe Sector's UK CGU, estimates of future discounted cash flows were reduced primarily due to ongoing challenging market conditions in the United Kingdom, including persisting inflation and elevated interest rates. While margins have been improving during fiscal 2025, these improvements have not been as rapid as initially expected, leading to a longer projected recovery period. As a result, the estimated recoverable value of the UK CGU was determined to be lower than its carrying value and a non-cash goodwill impairment charge of $662 million ($657 million after tax) was recorded, representing the total value of goodwill for this CGU, bringing the UK CGU’s carrying value to its estimated recoverable amount.

The recoverable amount as at December 31, 2024, was estimated using the higher of the amount determined from a discounted cash flow (value in use) model and an earnings multiplier valuation model (fair value less costs of disposal) based on the following key assumptions: (i) discounted cash flow forecasts for the next five years based on earnings before interest, income taxes, depreciation and amortization adjusted with estimated growth rates, and a terminal value calculated as a perpetuity in the final year, (ii) pre-tax discount rate of 9.8%, (iii) terminal growth rate of 2.8% and (iv) earnings multipliers of market comparables.

The impairment charge of $684 million ($674 million after tax) also included a non-cash charge of $22 million ($17 million after tax) related to acquired intangible assets.

NOTE 9 GOODWILL AND INTANGIBLE ASSETS (CONT'D)

Remaining CGUs

For the remaining CGUs, in performing the goodwill impairment testing as at December 31, 2025, it was determined that the recoverable amounts exceeded their respective carrying values including goodwill; therefore, goodwill for these CGUs was not considered to be impaired as at March 31, 2026.

INTANGIBLE ASSETS

	For the year ended March 31, 2026			
	Definite Life Intangibles			
	Trademarks	**Customer relationships**	**Software[1] and other**	**Total Intangible Assets**
Cost				
As at March 31, 2025	**$ 1,226**	**$ 446**	**$ 535**	**$ 2,207**
Additions	**—**	**—**	**9**	**9**
Disposals	**—**	**—**	**(20)**	**(20)**
Reclassification to assets held for sale	**—**	**—**	**(31)**	**(31)**
Foreign currency	**(11)**	**(8)**	**(3)**	**(22)**
As at March 31, 2026	**$ 1,215**	**$ 438**	**$ 490**	**$ 2,143**
Accumulated amortization and impairment charges				
As at March 31, 2025	**$ 386**	**$ 330**	**$ 420**	**$ 1,136**
Amortization	**57**	**23**	**42**	**122**
Disposals	**—**	**—**	**(20)**	**(20)**
Reclassification to assets held for sale	**—**	**—**	**(31)**	**(31)**
Foreign currency	**(4)**	**(5)**	**(2)**	**(11)**
As at March 31, 2026	**$ 439**	**$ 348**	**$ 409**	**$ 1,196**
Net book value at March 31, 2026	**$ 776**	**$ 90**	**$ 81**	**$ 947**

[1] None of the software were internally generated.

	For the year ended March 31, 2025			
	Definite Life			
	Trademarks	Customer relationships	Software[1] and other	Total Intangible Assets
Cost				
As at March 31, 2024	$ 1,154	$ 423	$ 504	$ 2,081
Additions	—	—	7	7
Disposals	—	—	(3)	(3)
Foreign currency and hyperinflation	72	23	27	122
As at March 31, 2025	$ 1,226	$ 446	$ 535	$ 2,207
Accumulated amortization and impairment charges				
As at March 31, 2024	$ 290	$ 290	$ 335	$ 915
Amortization	56	24	63	143
Impairment charge	21	1	—	22
Disposals	—	—	(3)	(3)
Foreign currency and hyperinflation	19	15	25	59
As at March 31, 2025	$ 386	$ 330	$ 420	$ 1,136
Net book value at March 31, 2025	$ 840	$ 116	$ 115	$ 1,071

[1] None of the software were internally generated.

NOTE 9 GOODWILL AND INTANGIBLE ASSETS (CONT'D)

Trademarks are allocated to the following CGUs or group of CGUs:

	March 31, 2026	March 31, 2025
Canada	**$ 151**	$ 163
USA	**109**	120
International	**25**	25
Europe	**491**	532
	$ 776	$ 840

NOTE 10 OTHER ASSETS

	March 31, 2026	March 31, 2025
Joint ventures	**$ 56**	$ 45
Employee benefits (Note 21)	**19**	26
Other	**40**	44
	$ 115	$ 115

The Company holds interests in joint ventures, which are all accounted for using the equity method. The Company recognized $13 million in net earnings, representing its share of earnings in the joint ventures for the year ended March 31, 2026 ($11 million for the year ended March 31, 2025). Dividends received from the joint ventures amounted to $5 million for the year ended March 31, 2026 ($1 million for the year ended March 31, 2025).

NOTE 11 BANK LOANS

		Available for use			Amount drawn as at	
Credit Facilities	Maturity	Canadian Currency Equivalent	Base Currency (in millions)		March 31, 2026	March 31, 2025
North America-USA	December 2030[1]	$ 417	300	USD	**$ —**	$ —
North America-Canada	December 2030[1]	$ 974	700	USD	**—**	14
Australia	Yearly[2]	$ 408	425	AUD	**124**	96
Japan	Yearly[3]	$ 35	4,000	JPY	**14**	54
United Kingdom	Yearly[4]	$ 230	125	GBP	**—**	44
Argentina	Yearly[5]	$ —	—	USD	**—**	156
		$ 2,064			**$ 138**	$ 364

1 Main revolving credit facility. Bears monthly interest at rates ranging from lenders' prime rates plus a maximum of 1.00% or SOFR or SONIA or BBSY or CORRA plus a minimum of 0.80% and a maximum of 2.00% depending on the Company credit ratings. On December 15, 2025, the maturity date was extended to December 15, 2030.

2 Bears monthly interest at SOFR or Australian Bank Bill Rate plus up to 1.15% and can be drawn in AUD or USD.

3 Bears monthly interest at TIBOR plus 0.70%.

4 Bears monthly interest at rates ranging from base rate plus 0.80% or SONIA plus 0.80%.

5 Bears monthly interest at local rate and can be drawn in USD or ARS. As at March 31, 2026, the bank loans of the Dairy Division (Argentina) are classified as liabilities associated with assets held for sale (see Note 6).

As at March 31, 2026, receivables totalling $370 million ($341 million as at March 31, 2025), were sold under receivables purchase agreements. These receivables were derecognized upon sale as substantially all risks and rewards were passed to the purchaser under the terms of the agreements.

NOTE 12 LONG-TERM DEBT

	March 31, 2026	March 31, 2025
Unsecured bank term loan facility		
Obtained in April 2019 and repaid in May 2025[1]	**$ —**	$ 115
Senior unsecured notes[2]		
3.60%, issued in August 2018 and repaid in July 2025 (Series 5)	**—**	350
2.24%, issued in June 2020 and due in June 2027 (Series 7)	**700**	700
1.42%, issued in November 2020 and due in June 2026 (Series 8)	**350**	350
2.30%, issued in June 2021 and due in June 2028 (Series 9)	**300**	300
5.25%, issued in November 2022 and due in November 2029 (Series 10)	**300**	300
5.49%, issued in November 2023 and due in November 2030 (Series 11)	**550**	550
3.88%, issued in July 2025 and due in July 2030 (Series 12)	**400**	—
Other	**34**	34
Total long term debt	**$ 2,634**	$ 2,699
Current portion	**$ 350**	$ 465
Non-current portion	**$ 2,284**	$ 2,234

Principal repayments are as follows:		
Less than 1 year	**$ 350**	$ 465
1-2 years	**734**	350
2-3 years	**300**	734
3-4 years	**300**	300
4-5 years	**950**	300
More than 5 years	**—**	550
	$ 2,634	$ 2,699

[1] Bore monthly interest at lenders' prime rates plus a maximum of 1.00% or SOFR or CORRA rates plus 0.80% up to a maximum of 2.00%, depending on the Company's credit ratings. Interest was paid every one, two, three or six months, as selected by the Company.
[2] Issued under the Company's medium term note program. Interest payments are semi-annual.

NOTE 13 OTHER LIABILITIES

	March 31, 2026	March 31, 2025
Employee benefits (Note 21)	**$ 36**	$ 40
Stock-based compensation	**130**	85
Other	**6**	6
	$ 172	$ 131

NOTE 14 SHARE CAPITAL

AUTHORIZED

Authorized share capital of the Company consists of an unlimited number of common shares. Common shares are voting and participating.

NORMAL COURSE ISSUER BID (NCIB)

On November 14, 2025, the Company announced that it had received approval from the Toronto Stock Exchange to renew its NCIB, which was set to expire on November 18, 2025. Under the renewed NCIB, the Company may purchase for cancellation up to 20,498,278 common shares, representing 5% of its 409,965,571 issued and outstanding common shares as of November 7, 2025. The renewed NCIB began on November 19, 2025, and will end no later than November 18, 2026.

During fiscal 2026, the Company purchased 19,186,139 common shares at an average price per share of $35.40, for a total purchase price of approximately $679 million. An amount of $5 million was recorded in accounts payable and accrued liabilities as at March 31, 2026, for 116,000 common shares purchased on March 31, 2026 and cancelled after year-end. A total of $588 million, consisting of $579 million of excess of the purchase price over the carrying value of the shares and $9 million of applicable taxes, was recorded as a reduction of retained earnings.

During fiscal 2025, the Company purchased 6,023,335 common shares at an average price per share of $25.23, for a total purchase price of approximately $152 million. An amount of $3 million was recorded in accounts payable and accrued liabilities as at March 31, 2025, in respect of 117,621 common shares purchased on March 31, 2025 and cancelled subsequent to year-end. A total of $124 million, consisting of $121 million of excess of the purchase price over the carrying value of the shares and $3 million of applicable taxes, was recorded as a reduction of retained earnings.

In connection with the NCIB, the Company established an automatic purchase plan (APP). The APP enables Saputo to provide predetermined instructions regarding how the common shares are to be repurchased on the open market during self-imposed blackout periods and constitutes an automatic plan for purposes of applicable Canadian securities legislation.

STOCK OPTION PLAN

The Company has an equity settled stock option plan to allow for the purchase of common shares by key employees and officers of the Company. The total number of common shares which may be issued pursuant to this plan cannot exceed 45,698,394 common shares. As at March 31, 2026, 12,056,957 common shares are available for future grants under this plan. Options may be exercised at a price not less than the weighted average market price for the five trading days immediately preceding the date of grant. Options granted before April 1, 2024, vest over five years at a rate of 20% per year, whereas those granted on or after this date vest over four years at a rate of 25% per year. All options expire ten years from the grant date.

NOTE 14 SHARE CAPITAL (CONT'D)

Options issued and outstanding as at year end are as follows:

		March 31, 2026		March 31, 2025	
Granting period	Weighted average exercise price	**Number of options**	**Number of exercisable options**	Number of options	Number of exercisable options
2016	$ 35.08	**—**	**—**	1,139,457	1,139,457
2017	$ 41.40	**19,943**	**19,943**	1,836,100	1,836,100
2018	$ 46.29	**1,777,037**	**1,777,037**	1,978,623	1,978,623
2019	$ 41.02	**1,506,276**	**1,506,276**	2,453,264	2,453,264
2020	$ 45.30	**1,810,363**	**1,810,363**	2,037,025	2,037,025
2021	$ 33.35	**1,289,548**	**1,289,548**	3,085,972	2,465,534
2022	$ 37.52	**878,757**	**619,488**	1,441,715	881,554
2023	$ 29.59	**1,229,205**	**458,167**	2,124,860	864,849
2024	$ 34.90	**1,541,970**	**451,588**	2,007,183	418,048
2025	$ 26.29	**2,413,459**	**315,273**	2,950,332	—
2026	$ 25.04	**3,770,115**	**—**	—	—
		16,236,673	**8,247,683**	21,054,531	14,074,454

Changes in the number of outstanding stock options for the years ended March 31 are as follows:

	March 31, 2026		March 31, 2025	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of year	**21,054,531**	**$ 36.48**	20,315,399	$ 37.79
Granted	**3,925,715**	**$ 25.04**	3,135,791	$ 26.29
Exercised	**(5,937,716)**	**$ 35.93**	(32,044)	$ 29.59
Cancelled	**(2,805,857)**	**$ 36.39**	(2,364,615)	$ 34.37
Balance, end of year	**16,236,673**	**$ 33.93**	21,054,531	$ 36.48

The weighted average exercise price of $25.04 of the stock options granted in fiscal 2026 corresponds to the weighted average market price for the five trading days immediately preceding the date of the grant ($26.29 in fiscal 2025).

NOTE 14 SHARE CAPITAL (CONT'D)

The weighted average fair value of stock options granted in fiscal 2026 was estimated at $3.80 per option ($5.58 in fiscal 2025), using the Black-Scholes option pricing model with the following assumptions:

	Fiscal 2026 grant	Fiscal 2025 grants
Weighted average:		
Risk-free interest rate	**2.55 %**	3.56 %
Life of options	**5.6 years**	6.5 years
Volatility[1]	**20.38 %**	23.61 %
Dividend rate	**3.04 %**	2.82 %

[1] Expected volatility is based on the historic share price volatility over a period similar to the life of the options.

A compensation expense of $14 million relating to stock options was recorded in operating costs in the consolidated income statements for the year ended March 31, 2026 ($15 million for the year ended March 31, 2025).

DEFERRED SHARE UNIT PLAN FOR DIRECTORS

In accordance with the DSU plan, all eligible Directors of the Company are allocated an annual retainer payable 50% in DSUs and 50% in cash or 100% in DSUs, at the election of the Director. Until the ownership threshold is met by the Director, the Director must receive the entire compensation in DSUs. The number of DSUs granted quarterly to each Director is determined based on the market value of the Company's common shares at the date of each grant. When they cease to be a Director of the Company, a cash payment equal to the market value of the accumulated DSUs will be disbursed. The liability relating to these units is adjusted by taking the number of units outstanding multiplied by the market value of common shares at the Company's year-end. The Company includes the cost of the DSU plan in operating costs in the consolidated income statements.

	2026 Units	**2025 Units**
Balance, beginning of year	**584,529**	558,716
Annual retainer	**67,200**	87,276
Dividends reinvested	**14,071**	14,700
Payment to directors	**—**	(76,163)
Balance, end of year	**665,800**	584,529

As at March 31, 2026, an obligation related to the DSUs of $28 million was recorded in other liabilities ($15 million as at March 31, 2025) and $2 million was recorded in accounts payable and accrued liabilities (none as at March 31, 2025).

The Company enters into equity forward contracts in order to mitigate the compensation costs associated with its DSU plan. As at March 31, 2026, the Company had equity forward contracts on 100,000 common shares (100,000 as at March 31, 2025) with a notional value of $4 million ($3 million as at March 31, 2025). The net compensation expense related to the DSU plan was $12 million for the year ended March 31, 2026 ($3 million for March 31, 2025), including the effect of the equity forward contracts.

PERFORMANCE SHARE UNIT PLAN

The Company offers key employees and officers of the Company a performance share unit (PSU) plan to form part of long-term incentive compensation. The PSU plan is non-dilutive and is settled in cash only. Under the PSU plan, each performance cycle shall consist of three fiscal years of the Company. At the time of the grant of a PSU, the Company determines the performance criteria which must be met by the Company. The Corporate Governance and HR Committee has discretion to award compensation absent the achievement of the vesting criteria established.

NOTE 14 SHARE CAPITAL (CONT'D)

Following completion of a three-year performance cycle, the PSUs for which the performance criteria have been achieved will vest and the value that will be paid out is based on the price of the common shares at such time, multiplied by the number of PSUs for which the performance criteria have been achieved. The amount potentially payable to eligible employees is recognized as a payable and is revised at each reporting period. The expense is included in employee benefits in operating costs in the consolidated income statements.

	2026 Units	2025 Units
Balance, beginning of year	**3,073,026**	2,465,715
Granted[1]	**1,373,083**	1,239,907
Cancelled	**(910,799)**	(448,115)
Payment	**(442,064)**	(184,481)
Balance, end of year	**3,093,246**	3,073,026

[1] The PSUs granted in fiscal 2026 had a weighted average grant date value of $25.04 per unit ($26.32 in fiscal 2025).

As at March 31, 2026, an obligation related to the PSUs of $53 million was recorded in other liabilities ($45 million as at March 31, 2025) and $30 million was recorded in accounts payable and accrued liabilities ($15 million as at March 31, 2025).

RESTRICTED SHARE UNIT PLAN

The Company also offers a restricted share unit (RSU) plan to form part of long-term incentive compensation for key employees and officers of the Company. The RSU plan is non-dilutive and is settled in cash only. Under the RSU plan, each restriction period shall consist of three fiscal years of the Company. At the time of the grant of a RSU, the Company determines the vesting criteria which must be met by the participants. Such criteria may include, without limitation, continuing employment through all or part of the restriction period. The Corporate Governance and HR Committee has discretion to award compensation absent the achievement of the vesting criteria established. Following completion of a three-year restriction period, the RSUs for which the vesting criteria have been achieved will vest and the value that will be paid out is based on the price of the common shares at such time, multiplied by the number of RSUs for which the vesting criteria have been achieved. The amount potentially payable to eligible employees is recognized as a payable and is revised at each reporting period. The expense is included in employee benefits in operating costs in the consolidated income statements.

	2026 Units	2025 Units
Balance, beginning of year	**2,011,057**	1,398,753
Granted[1]	**1,164,054**	1,081,484
Cancelled	**(121,871)**	(52,233)
Payment	**(567,043)**	(416,947)
Balance, end of year	**2,486,197**	2,011,057

[1] The RSUs granted in fiscal 2026 had a weighted average grant date value of $25.04 per unit ($26.21 in fiscal 2025).

As at March 31, 2026, an obligation related to the RSUs of $49 million was recorded in other liabilities ($25 million as at March 31, 2025) and $25 million was recorded in accounts payable and accrued liabilities ($17 million as at March 31, 2025).

The Company enters into equity forward contracts in order to mitigate the compensation costs associated with its PSU and RSU plans. As at March 31, 2026, the Company had equity forward contracts on 1,000,000 common shares (1,000,000 as at March 31, 2025) with a notional value of $40 million ($27 million as at March 31, 2025). The net compensation expense related to PSUs and RSUs was $74 million, for the year ended March 31, 2026 ($9 million for the year ended March 31, 2025), including the effect of the equity forward contracts.

NOTE 15 RESTRUCTURING COSTS

In fiscal 2026, restructuring costs totalled $2 million ($1 million after tax). These costs consisted primarily of $6 million of severance costs related to the previously announced decision to cease manufacturing certain functional dairy ingredient products in the Dairy Division (UK) by mid-fiscal 2026, as well as initiatives to optimize selling, general, and administrative costs. These restructuring costs were partially offset by a $4 million gain on the disposal of assets associated with the sale of a closed facility, in connection with previously announced consolidation initiatives in the Dairy Division (USA).

In fiscal 2025, restructuring costs totalled $86 million ($65 million after tax) and comprised non-cash assets write-down of $64 million mainly relating to fixed assets in connection with the Company's decision to stop manufacturing certain functional dairy ingredient products in its Dairy Division (UK) as mentioned above. Restructuring costs also included severance and site closure costs totalling $22 million incurred relative to the optimization of selling, general, and administrative costs.

NOTE 16 FINANCIAL CHARGES

	For the years ended March 31	
	2026	2025[1]
Interest on long-term debt	**$ 89**	$ 99
Other finance costs, net	**24**	19
Interest on lease liabilities	**22**	18
Net interest expense (revenue) from defined benefit obligation (Note 21)	**1**	1
	$ 136	$ 137

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

NOTE 17 INCOME TAXES

Income tax expense comprises the following:

	For the years ended March 31	
	2026	2025[1]
Current tax expense	**$ 240**	$ 168
Deferred tax recovery	**(7)**	(6)
Income tax expense from continuing operations	**$ 233**	$ 162

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

RECONCILIATION OF THE EFFECTIVE TAX RATE

The Company's income tax expense differs from the one calculated by applying Canadian statutory rates for the following reasons:

	2026	2025[1]
Earnings from continuing operations before income taxes	**$ 923**	$ 15
Income taxes, calculated using Canadian statutory income tax rates of 25.7% (26.3% in 2025)	**237**	4
Adjustments resulting from the following:		
Effect of tax rates for foreign subsidiaries	**(1)**	4
Share of joint venture(s) earnings	**(4)**	(3)
Goodwill impairment charge	**—**	161
Adjustments in relation to prior years and other	**1**	(4)
Income tax expense from continuing operations at effective tax rate	**$ 233**	$ 162

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

INCOME TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME

Income tax on items recognized in other comprehensive income in 2026 and 2025 were as follows:

	2026	2025
Deferred tax (recovery) expense on actuarial losses on employee benefit obligations	**$ (1)**	$ 3
Deferred tax expense (recovery) on cash flow hedges	**11**	(8)
Total income tax expense (recovery) recognized in other comprehensive income	**$ 10**	$ (5)

CURRENT TAX ASSETS AND LIABILITIES

	2026	2025
Income taxes receivable	**$ 14**	$ 21
Income taxes payable	**(38)**	(39)
Income taxes payable (net)	**$ (24)**	$ (18)

DEFERRED TAX ASSETS AND LIABILITIES

Deferred income taxes are presented as follows on the consolidated statements of financial position, as at March 31:

	2026	2025
Deferred tax assets	**$ 71**	$ 78
Deferred tax liabilities	**(853)**	(903)
Deferred tax liabilities (net)	**$ (782)**	$ (825)

NOTE 17 INCOME TAXES (CONT'D)

The movement of deferred tax assets and liabilities were as follows for the years ended March 31:

For the year ended March 31, 2026	As at March 31, 2025	Recognized in net earnings	Recognized in Other Comprehensive Income	Reclassified to assets held for sale and related liabilities	Foreign currency and hyperinflation	As at March 31, 2026
Inventories	$ (35)	$ 12	$ —	$ 3	$ 1	$ (19)
Property, plant and equipment	(470)	(11)	—	27	9	(445)
Right-of-Use Assets	(118)	17	—	(3)	(1)	(105)
Goodwill, intangibles and other	(535)	(60)	(11)	59	11	(536)
Net assets of pensions plans	6	4	1	—	(1)	10
Accounts payable and accrued liabilities	100	8	—	(10)	1	99
Lease Liabilities	119	(14)	—	4	1	110
Tax losses carried forward	108	(5)	—	—	1	104
Net deferred tax liabilities	$ (825)	$ (49)	$ (10)	$ 80	$ 22	$ (782)

For the year ended March 31, 2025	As at March 31, 2024	Recognized in net earnings	Recognized in Other Comprehensive Income	Foreign currency and hyperinflation	As at March 31, 2025
Inventories	$ (15)	$ (18)	$ —	$ (2)	$ (35)
Property, plant and equipment	(451)	15	—	(34)	(470)
Right-of-Use Assets	(102)	(13)	—	(3)	(118)
Goodwill, intangibles and other	(518)	6	8	(31)	(535)
Net assets of pensions plans	7	2	(3)	—	6
Accounts payable and accrued liabilities	94	5	—	1	100
Lease Liabilities	100	16	—	3	119
Tax losses carried forward	102	(1)	—	7	108
Net deferred tax liabilities	$ (783)	$ 12	$ 5	$ (59)	$ (825)

As at March 31, 2026, the Company had $283 million in capital losses for which no deferred tax assets had been recognized. These capital losses can be carried forward indefinitely but can only be used against future taxable capital gains.

Recognized deferred tax assets relating to unused tax losses carried forward are supported by projections of future profitability of the Company.

PILLAR TWO LEGISLATION

The Corporation is subject to the global minimum top-up tax under Pillar Two tax legislation. For fiscal 2026 and fiscal 2025, the Corporation recognized a minimal amount of current income tax expense related to the top-up tax.

The Company applies the temporary mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 *Income taxes*, issued in May 2023.

NOTE 18 NET EARNINGS (LOSS) PER SHARE

	For the years ended March 31	
	2026	2025[1]
Net earnings (loss) from continuing operations	**$ 690**	$ (147)
Net earnings (loss)	**$ 672**	$ (176)
Weighted average number of common shares outstanding	**410,868,273**	423,578,443
Dilutive shares	**1,992,420**	—
Weighted average diluted number of common shares outstanding	**412,860,693**	423,578,443
Basic Net earnings (loss) from continuing operations per share	**$ 1.68**	$ (0.35)
Diluted Net earnings (loss) from continuing operations per share	**$ 1.67**	$ (0.35)
Basic Net earnings (loss) per share	**$ 1.64**	$ (0.41)
Diluted Net earnings (loss) per share	**$ 1.63**	$ (0.41)

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

For the year ended March 31, 2026, 5,992,376 stock options were excluded from the calculation of diluted net earnings per share because their exercise price is higher than the average market value of shares during the same period.

For the year ended March 31, 2025, 21,054,531 stock options were excluded from the calculation of the diluted net earnings (loss) per share as they would be anti-dilutive.

Shares purchased under the NCIB were excluded from the calculation of earnings per share as of the date of purchase.

NOTE 19 CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	For the years ended March 31	
	2026	2025[1]
Receivables	**$ 13**	$ (55)
Inventories	**122**	109
Prepaid expenses and other assets	**3**	(2)
Accounts payable, accrued liabilities and other	**3**	(93)
Changes in non-cash operating working capital items	**$ 141**	$ (41)

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

NOTE 20 FINANCIAL INSTRUMENTS

In the normal course of business, the Company uses various financial instruments which by their nature involve risk, including credit risk, liquidity risk, interest rate risk, foreign exchange risk, and price risk (including commodity price risk). These financial instruments are subject to normal credit conditions, financial controls, and risk management and monitoring strategies.

Occasionally, the Company may enter into derivative financial instrument transactions in order to mitigate or hedge risks in accordance with risk management strategies. The Company does not enter into these arrangements for speculative purposes.

CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and receivables. Cash equivalents consist mainly of short-term investments. The Company has deposited these cash and cash equivalents in reputable financial institutions.

The Company also offers credit to its customers in the normal course of business for trade receivables. Credit valuations are performed on a regular basis and reported results take into account expected credit losses.

Due to its large and diverse customer base and its geographic diversity, the Company has low exposure to credit risk concentration with respect to customers' receivables. There are no receivables from any individual customer that exceeded 10% of the total balance of receivables as at March 31, 2026, and March 31, 2025. No customer represented more than 10% of total consolidated revenues for the fiscal years ended March 31, 2026, and March 31, 2025.

Allowances for expected credit loss are reviewed by Management at each financial position date and the estimate of the allowance for expected credit loss is updated based on the evaluation of the recoverability of trade receivables with each customer base, taking into account historical collection trends of past due accounts and current economic conditions. The accounts receivable from our export sales benefit from payment terms that are longer than our standard payment terms applicable to domestic sales. The Company considers a financial asset in default when contractual payments are considered past due and at risk depending on the various economic and asset-specific factors, or if it becomes probable that a customer will enter bankruptcy or other insolvency proceedings.

The amount of the allowance for expected credit loss is sufficient to cover the carrying amount of receivables considered past due and at risk. The amount of the loss is recognized in the consolidated income statements within operating costs. Subsequent recoveries of amounts previously written off are credited against operating costs in the consolidated income statements. These allowances are not significant for the year ended March 31, 2026.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 24 relating to capital disclosures. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company’s operating and capital budgets, as well as any material transactions out of the normal course of business.

Contractual maturities for the significant financial liabilities as at March 31, 2026, are as follows: accounts payable and accrued liabilities, bank loans, lease liabilities and long-term debt. Items included in accounts payable and accrued liabilities are less than one year. For maturities on bank loans, lease liabilities and the long-term debt, please refer to Note 11, Note 8, and Note 12, respectively.

NOTE 20 FINANCIAL INSTRUMENTS (CONT'D)

INTEREST RATE RISK

Bank loans bear variable interest rates and thereby expose the Company to interest rate risk on cash flows associated to interest payments. As at March 31, 2026, $180 million of bank loans were exposed to interest rate fluctuations (including $42 million relating to liabilities associated with assets held for sale). An assumed 1% change in the interest rate would result in a change in net earnings of approximately $1 million. The senior notes bear interest at fixed rates and, as a result, no interest rate risk exists on these cash flows.

In May 2022, Refinitiv Benchmark Services Limited announced it would stop publishing the Canadian Dollar Offered Rate (CDOR) after June 28, 2024. As the Company was subject to this reform, during fiscal 2025, it replaced CDOR with Compounded Canadian Overnight Repo Rate Average (CORRA) for certain credit facilities and long-term debt. As a result of this reform and other past interest rate benchmark reforms, the Company amended the applicable variable interest rates referenced under relevant credit facilities and long-term debt (see Notes 11 and 12). These amendments did not have a significant impact on the Company's consolidated financial statements.

For the fiscal year ended March 31, 2026, the interest expense on long-term debt totalled $89 million ($99 million in fiscal 2025). The interest accrued as at March 31, 2026, was $29 million ($27 million as at March 31, 2025).

FOREIGN EXCHANGE RISK

The Company operates internationally and is exposed to foreign exchange risk resulting from various foreign currency transactions. Foreign exchange transaction risk arises primarily from commercial transactions that are denominated in a currency that is not the functional currency of the Company's business unit that is party to the transaction.

The Company enters into forward exchange contracts to sell US dollars and buy Australian dollars in order to mitigate market fluctuations in the USD/AUD exchange rates on receivables. As at March 31, 2026, the Company had outstanding forward exchange contracts with a notional value of US$431 million. During the fiscal year, the cash flow hedges were highly effective and accordingly, the Company recognized an unrealized gain of $39 million (net of tax of $16 million) in other comprehensive income as a result. A gain of $15 million (net of tax of $7 million) was reclassified to net earnings during fiscal 2026 related to these forward exchange contracts. These cash flow hedges were also deemed to be highly effective during fiscal 2025, and an unrealized loss of $11 million (net of tax of $5 million), was recorded in other comprehensive income. A loss of $3 million (net of tax of $1 million) was reclassified to net earnings during fiscal 2025 related to these forward exchange contracts.

The Company's largest exposure comes from the US dollar fluctuations from its USA Sector. The following table details the Company's sensitivity to a $0.10 weakening against the US dollar on net earnings and comprehensive income. For a $0.10 appreciation against the US dollar, there would be an equal and opposite impact on net earnings and comprehensive income.

		2026		2025
Change in net earnings	**$**	**21**	$	14
Change in comprehensive income	**$**	**314**	$	302

NOTE 20 FINANCIAL INSTRUMENTS (CONT'D)

COMMODITY PRICE RISK

In certain instances, the Company enters into futures contracts to hedge against fluctuations in the price of commodities. The Company applies hedge accounting for certain of these transactions. During the fiscal year, these hedges (designated as cash flow hedges) were highly effective and accordingly, an unrealized loss of $24 million (net of tax of $8 million) was recorded in other comprehensive income. A loss of $30 million (net of tax of $10 million) was reclassified to net earnings during fiscal 2026 when the related inventory was ultimately sold. These cash flow hedges were also deemed to be highly effective during fiscal 2025, and an unrealized loss of $12 million (net of tax of $4 million), was recorded in other comprehensive income. A minimal loss was reclassified to net earnings during fiscal 2025 when the related inventory was ultimately sold.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company determined that the fair value of certain of its financial assets and financial liabilities with short-term maturities approximates their carrying value. These financial instruments include cash and cash equivalents, receivables, bank loans, accounts payable, and accrued liabilities.

The table below presents the fair value and the carrying value of other financial instruments as at March 31, 2026, and March 31, 2025. Since estimates are used to determine fair value, they must not be interpreted as being realizable in the event of a settlement of the instruments.

	March 31, 2026		March 31, 2025	
	Fair value	**Carrying value**	Fair value	Carrying value
Cash flow hedges				
Equity forward contracts (Level 2)	**$ 4**	**$ 4**	$ (2)	$ (2)
Commodity derivatives (Level 2)	**(6)**	**(6)**	(12)	(12)
Foreign exchange derivatives (Level 2)	**22**	**22**	(13)	(13)
Derivatives not designated in a formal hedging relationship				
Equity forward contracts (Level 2)	**1**	**1**	(1)	(1)
Commodity derivatives (Level 2)	**2**	**2**	(3)	(3)
Foreign exchange derivatives (Level 2)	**3**	**3**	—	—
Long-term debt (Level 2)	**2,672**	**2,634**	2,728	2,699

For the years ended March 31, 2026, and 2025, there were no changes in valuation techniques and in inputs used in the fair value measurements and there were no transfers between the levels of the fair value hierarchy.

Fair values of other assets, long-term debt and derivative financial instruments are determined using discounted cash flow models based on market inputs prevailing at the financial position date. Where applicable, these models use market-based observable inputs including interest-rate-yield curves, volatility of certain prices or rates and credit spreads. If market based observable inputs are not available, judgment is used to develop assumptions used to determine fair values. The fair value estimates are significantly affected by assumptions including the amount and timing of estimated future cash flows and discount rates.

NOTE 21 EMPLOYEE POST-EMPLOYMENT BENEFIT PLANS

The Company sponsors various post-employment benefit plans. These include both defined contribution and defined benefit pension plans, and other post-employment benefit plans.

DEFINED CONTRIBUTION PLANS

The Company offers and participates in defined contribution pension plans of which more than 99% of its active employees are members. The net pension expense under these types of plans is generally equal to the contributions made by the employer and constitutes an expense for the year in which they are due. For fiscal 2026, the defined contribution expenses for the Company amounted to $111 million ($108 million in fiscal 2025). The Company expects to contribute approximately $114 million to its defined contribution plans for fiscal 2027.

DEFINED BENEFIT PLANS

In fiscal 2025, the Company decided to close its remaining defined benefit pension plans to new participants, with existing participants grandfathered in their existing plans. Under the terms of the defined benefit pension plans, pensions are based on years of service and the retirement benefits are up to 2% of the average eligible earnings of the last employment years multiplied by years of credited service.

There are no active employees in the Dairy Division (UK) Defined Benefit Pension Fund, which is a final salary scheme in the United Kingdom that was closed to future service accrual from April 1, 2010, and had been closed to new joiners from June 30, 2006. The Fund is administered by a corporate trustee which is legally separate from the Company; the directors of the corporate trustee comprise representatives of both the employer and employees as well as a professional trustee. The corporate trustee is responsible for the day to day administration of the benefits and the Investment Policy.

The registered pension plans must comply with statutory funding requirements in the jurisdiction in which they are registered. Funding valuations are required on an annual or triennial basis, depending on the jurisdiction, and employer contributions must include amortization payments for any deficit, over a period of five to 15 years. Contribution holidays are allowed and subject to certain thresholds. Other non-registered pension plans and benefits other than pension are not subject to any minimum funding requirements.

The cost of pension benefits earned by employees is actuarially determined using the projected unit credit method and using a discount rate based on high quality corporate bonds and Management's assumptions bearing on, among other things, rates of compensation increase and retirement age of employees. All of these estimates and assessments are formulated with the help of external consultants. The plan assets and benefit obligations were valued as at March 31, with the assistance of the Company's external actuaries. The Company also offers complementary retirement benefit programs, such as health insurance, life insurance, and dental plans to eligible employees and retired employees. The Company expects to make a minimal contribution to its defined benefit plans in fiscal 2027.

The principal risks associated with the Company's defined benefit pension plans are as follows:

Investment Risk

The respective present values of the defined benefit plans' obligations are calculated using a discount rate determined with reference to high-quality corporate bond yields; if assets underperform this yield, this will create a deficit.

Changes in Bond Yields

A decrease in the corporate bond yields will increase the value of the defined benefit plans' liabilities, although this will be partially offset by an increase in the value of the defined benefit plans' debt securities holdings.

Inflation Risk

A significant portion of the defined benefit plans' obligations are linked to inflation, and higher expected future inflation will lead to higher liabilities. The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in expected future inflation will also increase the deficit.

NOTE 21 EMPLOYEE POST-EMPLOYMENT BENEFIT PLANS (CONT'D)

Longevity Risk
The majority of the defined benefit plans' obligations are to provide benefits for the life of the member; increases in life expectancy of plan participants will result in an increase in liabilities.

The Company's net surplus (liability) for defined benefit plans comprises the following:

	March 31, 2026			March 31, 2025		
	Dairy Division (UK) Defined Benefit Pension Fund	**Other Plans**	**Total**	Dairy Division (UK) Defined Benefit Pension Fund	Other Plans	Total
Fair value of assets	**$ 1,188**	**$ 8**	**$ 1,196**	$ 1,225	$ 70	$ 1,295
Present value of funded obligations	**1,172**	**2**	**1,174**	1,201	65	1,266
Present value of net surplus (obligations) for funded plans	**16**	**6**	**22**	24	5	29
Present value of unfunded obligations	**—**	**(37)**	**(37)**	—	(39)	(39)
Present value of net surplus (obligations)	**16**	**(31)**	**(15)**	24	(34)	(10)
Asset ceiling test	**—**	**(2)**	**(2)**	—	(4)	(4)
Accrued pension/benefit cost	**$ 16**	**$ (33)**	**$ (17)**	$ 24	$ (38)	$ (14)

Presented in the statement of financial position as follows:

	March 31, 2026	March 31, 2025
Other assets (Note 10)	**$ 19**	$ 26
Other liabilities (Note 13)	**(36)**	(40)
Total net liability	**$ (17)**	$ (14)

The changes in the present value of the defined benefit obligations are as follows:

	March 31, 2026			March 31, 2025		
	Dairy Division (UK) Defined Benefit Pension Fund	**Other Plans**	**Total**	Dairy Division (UK) Defined Benefit Pension Fund	Other Plans	Total
Defined benefit obligation, beginning of year	**$ 1,201**	**$ 104**	**$ 1,305**	$ 1,267	$ 97	$ 1,364
Current service costs	**—**	**2**	**2**	—	3	3
Interest cost	**66**	**4**	**70**	61	5	66
Actuarial (gains) losses due to change in experience	**25**	**(2)**	**23**	(5)	1	(4)
Actuarial (gains) losses due to changes in financial assumptions	**(26)**	**(2)**	**(28)**	(155)	3	(152)
Actuarial gains due to changes in demographic assumptions	**—**	**—**	**—**	(8)	—	(8)
Exchange differences	**(12)**	**(2)**	**(14)**	119	2	121
Net transfer	**—**	**(40)**	**(40)**	—	—	—
Benefits paid	**(82)**	**(25)**	**(107)**	(78)	(7)	(85)
Defined benefit obligation, end of year	**$ 1,172**	**$ 39**	**$ 1,211**	$ 1,201	$ 104	$ 1,305

NOTE 21 EMPLOYEE POST-EMPLOYMENT BENEFIT PLANS (CONT'D)

The changes in the fair value of plan assets are as follows:

	March 31, 2026			March 31, 2025		
	Dairy Division (UK) Defined Benefit Pension Fund	**Other Plans**	**Total**	Dairy Division (UK) Defined Benefit Pension Fund	Other Plans	Total
Fair value of plan assets, beginning of year	**$ 1,225**	**$ 70**	**$ 1,295**	$ 1,282	$ 67	$ 1,349
Interest income on plan assets	**67**	**2**	**69**	62	3	65
Return on plan assets, excluding interest income	**(8)**	**(2)**	**(10)**	(158)	2	(156)
Administration costs	**(1)**	**—**	**(1)**	(2)	—	(2)
Employer contributions	**—**	**4**	**4**	—	5	5
Exchange differences	**(13)**	**(1)**	**(14)**	119	—	119
Net transfer	**—**	**(40)**	**(40)**	—	—	—
Benefits paid	**(82)**	**(25)**	**(107)**	(78)	(7)	(85)
Fair value of plan assets, end of year	**$ 1,188**	**$ 8**	**$ 1,196**	$ 1,225	$ 70	$ 1,295

For fiscal 2026, actual return on plan assets amounted to a gain of $58 million (loss of $93 million in fiscal 2025).

The fair value of plan assets, which does not include assets of the Company, consist of the following (all assets have a quoted market value in an active market with the exception of annuity contracts and properties and other and cash).

	March 31, 2026			March 31, 2025		
	Dairy Division (UK) Defined Benefit Pension Fund	**Other Plans**	**Total**	Dairy Division (UK) Defined Benefit Pension Fund	Other Plans	Total
Bonds, LDI and cash[1]	**$ 652**	**$ 7**	**$ 659**	$ 807	$ 69	$ 876
Annuity contracts	**250**	**—**	**250**	269	—	269
Properties and other	**286**	**—**	**286**	149	—	149
Equity Instruments	—	**1**	**1**	—	1	1
Total	**$ 1,188**	**$ 8**	**$ 1,196**	$ 1,225	$ 70	$ 1,295

[1] The Liability Driven Investment ('LDI') portfolio is managed by an external party. The objective is to hedge a proportion of the Fund's liabilities against changes in interest rates and inflation expectations by investing in assets that are similarly sensitive to changes in interest rates and inflation expectations. Market yields are monitored against a number of pre-set yield triggers; the level of hedging will be increased as and when triggers are met.

NOTE 21 EMPLOYEE POST-EMPLOYMENT BENEFIT PLANS (CONT'D)

The consolidated income statements include the following:

	March 31, 2026			March 31, 2025		
	Dairy Division (UK) Defined Benefit Pension Fund	**Other Plans**	**Total**	Dairy Division (UK) Defined Benefit Pension Fund	Other Plans	Total
Recognized in "Operating costs" (Note 5):						
Employer current service cost	**$ —**	**$ 2**	**$ 2**	$ —	$ 3	$ 3
Administration costs	**1**	**—**	**1**	2	—	2
	1	**2**	**3**	2	3	5
Recognized in "Financial charges" (Note 16):						
Interest costs	**66**	**4**	**70**	61	5	66
Interest income on plan assets	**(67)**	**(2)**	**(69)**	(62)	(3)	(65)
	(1)	**2**	**1**	(1)	2	1
Net defined benefits plans expense	**$ —**	**$ 4**	**$ 4**	$ 1	$ 5	$ 6

The Company recognizes actuarial gains and losses in the period in which they occur for all its defined benefit plans. These actuarial gains and losses are recognized in other comprehensive income and are presented below:

	March 31, 2026			March 31, 2025		
	Dairy Division (UK) Defined Benefit Pension Fund	**Other Plans**	**Total**	Dairy Division (UK) Defined Benefit Pension Fund	Other Plans	Total
Return on plan assets (excluding interest income)	**$ (8)**	**$ (2)**	**$ (10)**	$ (158)	$ 2	$ (156)
Actuarial gains (losses) due to change in experience	**(25)**	**2**	**(23)**	5	(1)	4
Actuarial gains due to changes in demographic assumptions	**—**	**—**	**—**	8	—	8
Actuarial gains (losses) due to changes in financial assumptions	**26**	**2**	**28**	155	(3)	152
Effect of the asset ceiling test	**—**	**2**	**2**	—	2	2
Amount recognized in other comprehensive income	**$ (7)**	**$ 4**	**$ (3)**	$ 10	$ —	$ 10

NOTE 21 EMPLOYEE POST-EMPLOYMENT BENEFIT PLANS (CONT'D)

Weighted average assumptions used in computing the benefit obligations at the financial position date are as follows:

	March 31, 2026		March 31, 2025	
	Dairy Division (UK) Defined Benefit Pension Fund	**Other Plans**	Dairy Division (UK) Defined Benefit Pension Fund	Other Plans
Discount rate	**6.10 %**	**5.18 %**	5.70 %	4.69 %
Duration of the obligation (in years)	**10.00**	**12.93**	15.00	11.93
Inflation Rate	**2.70 %**	**2.00 %**	2.50 %	2.00 %
Future salary increases	**n/a**	**3.0 %**	n/a	3.0 %
Mortality table	**S4P base tables with the following scaling factors: Non-Insured Pens (MF):106%/109% Insured Pens (M/F): 106%/109% Defs (M/F):112%/108%**	**80% of the CPM private Generational projection (with Scale MI-2017)**	S3P base tables with the following scaling factors: Non-Insured Pens (M/F): 113%/106% Insured Pens (M/F): 106%/108% Defs (M/F): 116%/106%	2014 Private Sector Canadian Pens Mortality Table, projected generationally using Scale MI-2017 or Scale B

It has been assumed that the Dairy Division (UK) Defined Benefit Pension Fund members exchange 25% of their pension for a cash lump sum at retirement using the commutation factors in force. 30% of deferred members are assumed to take a pension increase exchange option at retirement which is available under the Fund.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

The impact of an increase (decrease) of 0.1% of the discount rate would be a decrease of approximately $12 million of the amount of the obligation (increase of approximately $13 million). A one-year increase in life expectancy would increase the obligation by approximately $40 million. Specifically, for the Dairy Division (UK) Defined Benefit Pension Fund, the impact of an increase of 0.1% of the inflation rate would be an increase of approximately $8 million of the amount of the obligation. Specifically pertaining to the other plans, an increase of 1% of the percentage of future salary increases would minimally increase the amount of the obligation.

NOTE 22 COMMITMENTS AND CONTINGENCIES

COMMITMENTS

The table and paragraphs below present the future minimum payments for contractual commitments that are not recognized as liabilities for the next fiscal years.

	Leases[1]	Purchase obligations[2]	Total[3]
Less than 1 year	$ 11	$ 213	$ 224
1-2 years	6	65	71
2-3 years	5	27	32
3-4 years	3	23	26
4-5 years	1	18	19
More than 5 years	—	2	2
	$ 26	$ 348	$ 374

1 Commitments related to leases represent short-term and low-value leases that do not meet the definition of a lease under IFRS 16.
2 Purchase obligations are the contractual obligations for capital expenditures and service agreements to which the Company is committed.
3 Commitments exclude obligations related to the Dairy Division (Argentina), which is presented as a discontinued operation.

CLAIMS

The Company is a defendant to certain claims arising from the normal course of its business. The Company is also a defendant in certain claims and/or assessments from tax authorities in various jurisdictions. The Company believes that the final resolution of these claims and/or assessments will not have a material adverse effect on its consolidated income statements or consolidated statement of financial position.

INDEMNIFICATIONS

The Company from time to time offers indemnifications to third parties in the normal course of its business, in connection with business or asset acquisitions or disposals. These indemnification provisions may be in connection with breach of representations and warranties, and for future claims for certain liabilities. The terms of these indemnification provisions vary in duration. At March 31, 2026, given that the nature and amount of such indemnifications depend on future events, the Company is unable to reasonably estimate its maximum potential liability under these agreements. The Company has not made any significant indemnification payments in the past, and as at March 31, 2026, and March 31, 2025, the Company had not recorded any significant liabilities associated with these indemnifications.

LETTERS OF CREDIT

As at March 31, 2026, the Company had issued letters of credit in an aggregate amount of $76 million ($69 million as at March 31, 2025) pursuant to banking facilities authorizing the issuance of letters of credit in an aggregate amount of $106 million ($102 million as at March 31, 2025).

NOTE 23 RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions with key management personnel (short-term employee benefits, post-employment benefits, and stock-based compensation) are also considered related party transactions. Management defines key management personnel as all the executive officers who have responsibility and authority for controlling, overseeing, and planning the activities of the Company, as well as the Company's directors.

	For the years ended March 31	
	2026	2025
Directors		
Stock-based compensation	**3**	3
	$ 3	$ 3
Executive officers		
Short-term employee benefits	**$ 30**	$ 25
Post-employment benefits	**2**	4
Stock-based compensation	**41**	6
	$ 73	$ 35
	$ 76	$ 38

Outstanding accounts payable and accrued liabilities for the transactions above are the following:

	Accounts payable and accrued liabilities	
	March 31, 2026	March 31, 2025
Key management personnel		
Directors	**$ 30**	$ 15
Executive officers	**75**	45
	$ 105	$ 60

The amounts payable to the Directors consist entirely of balances payable under the Company's DSU plan. Refer to Note 14 for further details. The amounts payable to executive officers consist of short-term employee incentives, share-based awards, and post-retirement benefits.

OTHER RELATED PARTY TRANSACTIONS

The Company receives services from and provides goods and services to companies subject to control or significant influence through ownership by its principal shareholder. These transactions, which are not significant to the Company's financial position or financial results, are made in the normal course of business and are entered into and have been recorded at fair value, consistent with market values for similar transactions. The services that are received consist mainly of publicity, office space rental, travel, cleaning services and lodging. The goods and services that are provided consist mainly of dairy products and office space rental.

For fiscal 2026, the Company received $7 million in services and provided less than $1 million in goods and services to these related parties ($7 million and less than $1 million, respectively, for fiscal 2025). Outstanding accounts receivable from, and accounts payable to, these related parties were each less than $1 million as at March 31, 2026, and 2025.

NOTE 23 RELATED PARTY TRANSACTIONS (CONT'D)

SUBSIDIARIES

All the Company's subsidiaries are wholly owned. The table below summarizes the Company's significant subsidiaries which produces a wide array of dairy products, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products, and dairy ingredients.

The Dairy Division (Argentina), while wholly owned as at March 31, 2026, is classified as a discontinued operation (see Note 6).

	Percentage Owned	Location
Saputo Dairy Products Canada G.P.	100%	Canada
Saputo Cheese USA Inc.	100%	USA
Saputo Dairy Australia Pty Ltd	100%	Australia
Molfino Hermanos S.A.	100%	Argentina
Dairy Crest Ltd	100%	UK

NOTE 24 CAPITAL DISCLOSURES

The Company's capital management strategy requires a well-balanced financing structure to maintain the flexibility needed to implement growth initiatives, pursue disciplined capital investments and maximize shareholder value. This includes ensuring that there is sufficient liquidity to enable organic growth, undertake selective acquisitions and support its Saputo Promise while at the same time taking a conservative approach towards financial leverage and management of financial risk. Also, the Company aims a long-term target leverage of approximately 2.25 times net debt to net earnings from continuing operations before income taxes, financial charges, restructuring costs, (gain) on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization. From time to time, the Company may deviate from its long-term target leverage to pursue strategic opportunities. Should such a scenario arise, the Company expects to deleverage over a reasonable period of time in order to seek to maintain its investment grade ratings.

The Company's capital is composed of net debt and equity. Net debt consists of long-term debt, bank loans, and lease liabilities, net of cash and cash equivalents. The net debt amounts as at March 31, 2026, and March 31, 2025, are as follows:

		2026		2025
Long-term debt, including current portion	**$**	**2,634**	$	2,699
Bank loans		**138**		364
Lease liabilities, including current portion		**500**		531
Less: Cash and cash equivalents		**(444)**		(257)
Net debt[1]	**$**	**2,828**	$	3,337

[1] As at March 31, 2026, net debt excludes net liabilities associated with the Dairy Division (Argentina) (see Note 6).

The primary measure used by the Company to monitor its financial leverage is its ratio of net debt to net earnings from continuing operations before income taxes, financial charges, restructuring costs, (gain) on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization. The ratio as at March 31, 2026, was 1.70 (2.13 at March 31, 2025).

The Company has existing credit facilities which require a quarterly review of financial ratios and the Company is not in violation of any such ratio covenants as at March 31, 2026.

The Company is not subject to capital requirements imposed by a regulator.

NOTE 25 SEGMENTED INFORMATION

The Company reports under four geographic sectors. The Canada Sector consists of the Dairy Division Canada). The USA Sector consists of the Dairy Division (USA). The International Sector consists of the Dairy Division (Australia). The Europe Sector consists of the Dairy Division (UK). The results of the Dairy Division (Argentina) are presented as discontinued operations and are excluded from segment information (see Note 6).

These reportable sectors are managed separately as each sector represents a strategic business unit that serves different markets.

The President and Chief Executive Officer (CEO) and the Chief Financial Officer are, together, the chief operating decision maker of the Company and regularly review operations and performance by sector. They review adjusted EBITDA as the key measure of profit for the purpose of assessing performance of each sector and to make decisions about the allocation of resources.

Adjusted EBITDA is defined as net earnings from continuing operations before the following items (when they occur): income taxes, financial charges, restructuring costs, (gain) loss on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization.

NOTE 25 SEGMENTED INFORMATION (CONT'D)

INFORMATION ON REPORTABLE SECTORS WITH DISAGGREGATION OF REVENUE BY MARKET SEGMENT

	For the year ended March 31, 2026					
			International and Europe			
	Canada	USA	International	Europe	Subtotal	Consolidated
Revenues						
Retail	**$ 3,080**	**$ 3,689**	**$ 910**	**$ 1,002**	**$ 1,912**	**$ 8,681**
Foodservice	**1,866**	**3,781**	**334**	**46**	**380**	**6,027**
Industrial	**477**	**821**	**1,326**	**219**	**1,545**	**2,843**
	5,423	**8,291**	**2,570**	**1,267**	**3,837**	**17,551**
Operating costs excluding depreciation, amortization, and restructuring costs (Note 5)	**4,726**	**7,619**	**2,408**	**1,139**	**3,547**	**15,892**
Adjusted EBITDA	**697**	**672**	**162**	**128**	**290**	**1,659**
Depreciation and amortization	**115**	**272**	**104**	**107**	**211**	**598**
Restructuring costs (Note 15)	**—**	**(4)**	**—**	**6**	**6**	**2**
Financial charges (Note 16)						**136**
Earnings from continuing operations before income taxes						**$ 923**

	For the year ended March 31, 2025					
			International and Europe			
	Canada	USA	International[1]	Europe	Subtotal[1]	Consolidated[1]
Revenues						
Retail	$ 2,923	$ 3,957	$ 866	$ 919	$ 1,785	$ 8,665
Foodservice	1,802	3,975	409	40	449	6,226
Industrial	439	823	1,431	228	1,659	2,921
	5,164	8,755	2,706	1,187	3,893	17,812
Operating costs excluding depreciation, amortization, and restructuring costs (Note 5)	4,517	8,140	2,571	1,081	3,652	16,309
Adjusted EBITDA	647	615	135	106	241	1,503
Depreciation and amortization	118	275	99	113	212	605
Goodwill and intangibles assets impairment charge (Note 9)	—	—	—	684	684	684
(Gain) on disposal of assets (Note 7)	—	—	(24)	—	(24)	(24)
Restructuring costs (Note 15)	6	4	6	70	76	86
Financial charges (Note 16)						137
Earnings from continuing operations before income taxes						$ 15

[1] Comparative information has been re-presented to reflect discontinued operations. See Note 6.

NOTE 25 SEGMENTED INFORMATION (CONT'D)

GEOGRAPHIC INFORMATION

	March 31, 2026	March 31, 2025
Net book value of property, plant and equipment		
Canada	**$ 1,003**	$ 969
USA	**2,175**	2,318
Australia	**694**	711
Argentina[1]	**—**	279
United Kingdom	**399**	416
	$ 4,271	$ 4,693
Net book value of intangible assets		
Canada	**$ 170**	$ 183
USA	**188**	239
Australia	**49**	58
Argentina[1]	**—**	1
United Kingdom	**540**	590
	$ 947	$ 1,071
Net book value of right-of-use assets		
Canada	**$ 160**	$ 167
USA	**126**	135
Australia	**89**	95
Argentina[1]	**—**	14
United Kingdom	**84**	92
	$ 459	$ 503

[1] As at March 31, 2026, the assets of the Dairy Division (Argentina) are classified as held for sale and are therefore excluded from the Company's geographical segment information (see Note 6).

CORPORATE HEADQUARTERS

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ANNUAL MEETING OF SHAREHOLDERS

Friday, August 7, 2026, at 10:30 a.m.
(Eastern Time)
Hybrid meeting. In person at Lumi Experience
1250 René-Lévesque Blvd. W., Suite 3610,
Montréal, QC H3B 4W8

and via **live webcast** at
meetings.lumiconnect.com/400-010-529-783

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INVESTOR RELATIONS

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STOCK EXCHANGE

Toronto Stock Exchange

Symbol: SAP

EXTERNAL AUDITORS

KPMG LLP

Montréal, QC, Canada

DIVIDEND POLICY

Saputo Inc. declares quarterly cash dividends on common shares at $0.20 per share, representing a yearly dividend of $0.80 per share. The Board of Directors reviews our dividend policy at least once annually, based on factors such as financial condition, financial performance, and capital requirements.

