

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENTS

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

	For the third quarters ended December 31		For the nine-month periods ended December 31	
	2025	2024	2025	2024
Revenues	\$ 4,888	\$ 4,994	\$ 14,240	\$ 14,308
Operating costs excluding depreciation, amortization, and restructuring costs (Note 5)	4,396	4,577	12,872	13,119
Earnings before income taxes, financial charges, (gain) loss on hyperinflation, restructuring costs, depreciation and amortization, and goodwill and intangible assets impairment charge	492	417	1,368	1,189
Depreciation and amortization	156	161	465	462
Goodwill and intangible assets impairment charge (Note 4)	—	684	—	684
Restructuring costs (Note 10)	—	—	6	7
(Gain) loss on hyperinflation (Argentina net monetary position)	—	(5)	(2)	16
Financial charges (Note 11)	38	52	125	139
Earnings (loss) before income taxes	298	(475)	774	(119)
Income taxes	78	43	204	131
Net earnings (loss)	\$ 220	\$ (518)	\$ 570	\$ (250)
Net earnings (loss) per share (Note 12)				
Basic	\$ 0.54	\$ (1.22)	\$ 1.38	\$ (0.59)
Diluted	\$ 0.53	\$ (1.22)	\$ 1.38	\$ (0.59)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of CDN dollars)
(unaudited)

	For the third quarters ended December 31		For the nine-month periods ended December 31	
	2025	2024	2025	2024
Net earnings (loss)	\$ 220	\$ (518)	\$ 570	\$ (250)
Other comprehensive (loss) income:				
<i>Items that may be reclassified to net earnings:</i>				
Effects of, exchange differences arising from foreign currency translation and, application of hyperinflation	(88)	246	(273)	495
Unrealized (losses) on cash flow hedges (Note 15)	(11)	(40)	(6)	(30)
Reclassification of losses (gains) on cash flow hedges to net earnings	13	2	24	(1)
Income taxes relating to items that may be reclassified to net earnings	(1)	11	(6)	9
	(87)	219	(261)	473
<i>Items that will not be reclassified to net earnings:</i>				
Actuarial (loss) gain	1	(13)	(3)	(14)
Income taxes relating to items that will not be reclassified to net earnings	—	4	1	4
	1	(9)	(2)	(10)
Other comprehensive (loss) income	(86)	210	(263)	463
Total comprehensive income (loss)	\$ 134	\$ (308)	\$ 307	\$ 213

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of CDN dollars, except common shares)
(unaudited)

For the nine-month period ended December 31, 2025									
	Share capital		Reserves					Retained Earnings	Total Equity
	Common Shares	Amount	Foreign Currency Translation and Hyperinflation	Cash Flow Hedges	Stock Option Plan	Total Reserves			
Balance, beginning of year	418,335,124	\$ 2,150	\$ 841	\$ (13)	\$ 201	\$ 1,029	\$ 3,798	\$ 6,977	
Net earnings	—	—	—	—	—	—	570	570	
Other comprehensive loss	—	—	(273)	12	—	(261)	(2)	(263)	
Total comprehensive income								307	
Dividends	—	—	—	—	—	—	(243)	(243)	
Stock options	—	—	—	—	10	10	—	10	
Exercise of stock options (Note 9)	1,319,616	49	—	—	(7)	(7)	—	42	
Purchased for cancellation under normal course issuer bid (Note 9)	(12,641,339)	(65)	—	—	—	—	(345)	(410)	
Balance, end of period	407,013,401	\$ 2,134	\$ 568	\$ (1)	\$ 204	\$ 771	\$ 3,778	\$ 6,683	

For the nine-month period ended December 31, 2024									
	Share capital		Reserves					Retained Earnings	Total Equity
	Common Shares	Amount	Foreign Currency Translation and Hyperinflation	Cash Flow Hedges	Stock Option Plan	Total Reserves			
Balance, beginning of year	424,326,415	\$ 2,180	\$ 265	\$ 8	\$ 186	\$ 459	\$ 4,411	\$ 7,050	
Net loss	—	—	—	—	—	—	(250)	(250)	
Other comprehensive income	—	—	495	(22)	—	473	(10)	463	
Total comprehensive income								213	
Dividends	—	—	—	—	—	—	(240)	(240)	
Stock options	—	—	—	—	12	12	—	12	
Exercise of stock options (Note 9)	32,044	1	—	—	—	—	—	1	
Purchased for cancellation under normal course issuer bid (Note 9)	(1,217,563)	(6)	—	—	—	—	(26)	(32)	
Balance, end of period	423,140,896	\$ 2,175	\$ 760	\$ (14)	\$ 198	\$ 944	\$ 3,885	\$ 7,004	

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of CDN dollars)
(unaudited)

As at	December 31, 2025	March 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	\$ 447	\$ 257
Receivables	1,410	1,565
Inventories	2,803	2,927
Income taxes receivable	3	21
Prepaid expenses and other assets	94	85
	4,757	4,855
Property, plant and equipment	4,432	4,693
Right-of-use assets	472	503
Goodwill (Note 4)	2,497	2,598
Intangible assets	972	1,071
Other assets	114	115
Deferred tax assets	75	78
Total assets	\$ 13,319	\$ 13,913
LIABILITIES		
Current liabilities		
Bank loans (Note 6)	\$ 366	\$ 364
Accounts payable and accrued liabilities	2,045	2,269
Income taxes payable	78	39
Current portion of long-term debt (Note 7)	350	465
Current portion of lease liabilities	65	65
	2,904	3,202
Long-term debt (Note 7)	2,284	2,234
Lease liabilities	444	466
Other liabilities	159	131
Deferred tax liabilities	845	903
Total liabilities	\$ 6,636	\$ 6,936
EQUITY		
Share capital (Note 9)	2,134	2,150
Reserves	771	1,029
Retained earnings	3,778	3,798
Total equity	\$ 6,683	\$ 6,977
Total liabilities and equity	\$ 13,319	\$ 13,913

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of CDN dollars)
(unaudited)

	For the third quarters ended December 31		For the nine-month periods ended December 31	
	2025	2024	2025	2024
Cash flows related to the following activities:				
Operating				
Net earnings (loss)	\$ 220	\$ (518)	\$ 570	\$ (250)
Adjustments for:				
Stock-based compensation	27	1	66	24
Financial charges (Note 11)	38	52	125	139
Income tax expense	78	43	204	131
Depreciation and amortization	156	161	465	462
Goodwill and intangible assets impairment charge (Note 4)	—	684	—	684
Restructuring costs (Note 10)	—	—	6	7
(Gain) on disposal of property, plant and equipment	(2)	—	(2)	(1)
Foreign exchange loss on debt	—	—	—	2
(Gain) loss on hyperinflation (Argentina net monetary position)	—	(5)	(2)	16
Share of joint venture earnings, net of dividends received and other	(3)	(1)	(10)	(6)
Changes in non-cash operating working capital items (Note 13)	13	50	(9)	(209)
Cash generated from operating activities	527	467	1,413	999
Interest and financial charges paid	(65)	(70)	(149)	(157)
Income taxes paid	(61)	(15)	(174)	(107)
Net cash generated from operating activities	\$ 401	\$ 382	\$ 1,090	\$ 735
Investing				
Additions to property, plant and equipment	(79)	(81)	(226)	(268)
Additions to intangible assets	(3)	(1)	(5)	(3)
Proceeds from disposal of property, plant and equipment (Note 14)	5	2	26	99
Net cash used for investing activities	\$ (77)	\$ (80)	\$ (205)	\$ (172)
Financing				
Bank loans	91	108	32	48
Proceeds from issuance of long-term debt	—	—	400	—
Repayment of long-term debt	—	(414)	(465)	(414)
Repayment of lease liabilities	(16)	(14)	(46)	(72)
Proceeds from exercise of stock options	26	—	42	1
Shares purchased for cancellation under normal course issuer bid and applicable taxes (Note 9)	(188)	(31)	(405)	(31)
Payment of dividends	(82)	(81)	(243)	(240)
Net cash used for financing activities	\$ (169)	\$ (432)	\$ (685)	\$ (708)
Increase (decrease) in cash and cash equivalents	155	(130)	200	(145)
Cash and cash equivalents, beginning of period	296	455	257	466
Effect of exchange rate changes	(4)	5	(10)	9
Cash and cash equivalents, end of period	\$ 447	\$ 330	\$ 447	\$ 330

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the third quarters and nine-month periods ended December 31, 2025, and 2024.

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

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 condensed interim consolidated financial statements of the Company for the third quarter and nine-month period ended December 31, 2025 (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 February 5, 2026.

NOTE 2 BASIS OF PRESENTATION

The financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB). Accordingly, certain disclosure requirements that are necessary in the preparation of an annual financial statement in compliance with International Financial Reporting Standards (IFRS) Accounting Standards, as issued by the IASB, have been omitted or condensed and, therefore, these financial statements should be read in conjunction with the Company's audited annual consolidated financial statements as at March 31, 2025, and 2024, and for the years then ended.

NOTE 3 MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation applied in these financial statements are the same as those applied by the Company in its audited annual consolidated financial statements as at and for the year ended March 31, 2025.

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 Company is currently evaluating the impact of the adoption of IFRS 18 on its consolidated 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 GOODWILL AND INTANGIBLE ASSETS IMPAIRMENT CHARGE

IMPAIRMENT TESTING

Goodwill impairment testing is conducted at the cash-generating unit (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 CGUs or groups of CGUs for goodwill impairment purposes as they represent the lowest level at which the goodwill is monitored for internal management purposes.

As at December 31, 2025, the Company completed its annual goodwill impairment test. In all cases, the recoverable amounts exceeded the corresponding carrying values, including goodwill. Therefore, no impairment was recognized.

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 challenging market conditions in the United Kingdom, including 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 includes a non-cash charge of \$22 million (\$17 million after tax) related to acquired intangible assets.

NOTE 5 OPERATING COSTS

	For the third quarters ended December 31		For the nine-month periods ended December 31	
	2025	2024	2025	2024
Changes in inventories of finished goods and work in process	\$ 36	\$ 25	\$ 31	\$ (10)
Raw materials and consumables used	3,243	3,501	9,601	10,035
Foreign exchange gain	—	(6)	(3)	(23)
Employee benefits expense	635	607	1,873	1,779
Selling costs	199	180	549	537
General and administrative costs	283	270	821	801
Operating costs excluding depreciation, amortization, and restructuring costs¹	\$ 4,396	\$ 4,577	\$ 12,872	\$ 13,119
Add:				
Depreciation and amortization	156	161	465	462
Restructuring costs (Note 10)	—	—	6	7
Operating costs	\$ 4,552	\$ 4,738	\$ 13,343	\$ 13,588

¹ Comparative figures presented in the table above were reclassified to conform with the current year's presentation.

NOTE 6 BANK LOANS

Credit Facilities	Maturity	Available for use		Amount drawn as at	
		Canadian Currency Equivalent	Base Currency (in millions)	December 31, 2025	March 31, 2025
North America-USA	December 2030 ¹	\$ 412	300 USD	\$ —	\$ —
North America-Canada	December 2030 ¹	\$ 961	700 USD	208	14
Australia	Yearly ²	\$ 389	425 AUD	94	96
Japan	Yearly ³	\$ 35	4,000 JPY	18	54
United Kingdom	Yearly ⁴	\$ 231	125 GBP	—	44
Argentina	Yearly ⁵	\$ 462	337 USD	46	156
		\$ 2,490		\$ 366	\$ 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 December 31, 2025, receivables totalling \$356 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 7 LONG-TERM DEBT

	December 31, 2025	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
	\$ 2,634	\$ 2,699
Current portion	(350)	(465)
	\$ 2,284	\$ 2,234
Principal repayments are as follows:		
Less than 1 year	\$ 350	\$ 465
1-2 years	700	350
2-3 years	334	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 8 NET DEBT

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 December 31, 2025, and March 31, 2025, are as follows:

	December 31, 2025		March 31, 2025
Long-term debt, including current portion	\$	2,634	\$ 2,699
Bank loans		366	364
Lease liabilities, including current portion		509	531
Less: Cash and cash equivalents		(447)	(257)
Net debt	\$	3,062	\$ 3,337

The primary measure used by the Company to monitor its financial leverage is its ratio of net debt to trailing twelve months net earnings before income taxes, financial charges, (gain) loss on hyperinflation, restructuring costs, (gain) on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization. The ratio as at December 31, 2025 was 1.76 (2.13 as at March 31, 2025).

NOTE 9 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, 2026, the Company announced that it has received approval from the Toronto Stock Exchange to renew its NCIB, which previously expired 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 the third quarter and the nine-month period ended December 31, 2025, the Company purchased 4,952,490 and 12,641,339 common shares, respectively. These purchases were settled at an average price per share of \$37.96 and \$31.86, for a total purchase price of \$188 million and \$403 million, respectively. An amount of \$4 million is recorded in accounts payable and accrued liabilities as at December 31, 2025, for 90,000 common shares purchased on or before December 31, 2025, and cancelled after quarter-end. Retained earnings include a charge of \$345 million relating to \$338 million of excess of the purchase price over the carrying value of the shares and \$7 million of applicable taxes.

During the third quarter and the nine-month period ended December 31, 2024, the Company purchased 1,217,563 common shares. These purchases were settled at an average price per share of \$25.94, for a total purchase price of \$32 million. An amount of \$1 million was recorded in accounts payable and accrued liabilities as at December 31, 2024, for 40,000 common shares purchased on or before December 31, 2024, and cancelled after quarter-end. Retained earnings included a charge of \$26 million relating to \$25 million of excess of the purchase price over the carrying value of the shares and \$1 million of applicable taxes.

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.

NOTE 9 SHARE CAPITAL (CONT'D)

STOCK OPTION PLAN

Changes in the number of outstanding stock options for the nine-month periods ended December 31 are as follows:

	December 31, 2025		December 31, 2024	
	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	(1,319,616)	\$ 31.74	(32,044)	\$ 29.59
Cancelled	(2,655,493)	\$ 36.19	(1,952,623)	\$ 34.97
Balance, end of period	21,005,137	\$ 34.67	21,466,523	\$ 36.38

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).

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.

NOTE 10 RESTRUCTURING COSTS

During the first quarter of fiscal 2026, the Company recorded severance costs totalling \$6 million (\$5 million after tax) in connection to its previously announced decision to stop manufacturing certain functional dairy ingredient products in its Dairy Division (UK) by mid-fiscal 2026, as well as in relation to the optimization of selling, general, and administrative costs. There were no restructuring costs in the second and third quarters of fiscal 2026.

During the second quarter of fiscal 2025, the Company recorded severance and site closure costs totalling \$7 million (\$5 million after tax) mainly in connection with the Company's decision to commence the final operating season of the King Island Dairy facility of the Dairy Division (Australia). The sale of the facility was completed on May 9, 2025 (see Note 14). There were no restructuring costs in the first and third quarters of fiscal 2025.

NOTE 11 FINANCIAL CHARGES

	For the third quarters ended December 31		For the nine-month periods ended December 31	
	2025	2024	2025	2024
Interest on long-term debt	\$ 23	\$ 26	\$ 67	\$ 78
Other finance costs, net	9	21	40	46
Interest on lease liabilities	6	5	18	14
Net interest revenue from defined benefit obligation	—	—	—	1
	\$ 38	\$ 52	\$ 125	\$ 139

NOTE 12 NET EARNINGS PER SHARE

	For the third quarters ended December 31		For the nine-month periods ended December 31	
	2025	2024	2025	2024
Net earnings (loss)	\$ 220	\$ (518)	\$ 570	\$ (250)
Weighted average number of common shares outstanding	409,373,692	424,064,901	412,516,715	424,245,172
Dilutive shares	2,773,910	—	1,455,716	—
Weighted average diluted number of common shares outstanding	412,147,602	424,064,901	413,972,431	424,245,172
Basic net earnings (loss) per share	\$ 0.54	\$ (1.22)	\$ 1.38	\$ (0.59)
Diluted net earnings (loss) per share	\$ 0.53	\$ (1.22)	\$ 1.38	\$ (0.59)

For the third quarter and nine-month period ended December 31, 2025, 8,834,828 and 12,908,243 options were excluded from the calculation of the diluted net earnings per share because their exercise price is higher than the average market value of shares during the same period.

For the third quarter and nine-month period ended December 31, 2024, 21,466,523 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 13 CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	For the third quarters ended December 31		For the nine-month periods ended December 31	
	2025	2024	2025	2024
Receivables	\$ 85	\$ (25)	\$ 79	\$ (87)
Inventories	38	(14)	24	(58)
Prepaid expenses and other assets	(4)	(26)	5	(30)
Accounts payable, accrued liabilities and other	(106)	115	(117)	(34)
Changes in non-cash operating working capital	\$ 13	\$ 50	\$ (9)	\$ (209)

NOTE 14 PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT 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.

NOTE 15 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 December 31, 2025, 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.

	December 31, 2025		March 31, 2025	
	Fair value	Carrying value	Fair value	Carrying value
Cash flow hedges				
Equity forward contracts (Level 2)	\$ 2	\$ 2	(2) \$	(2)
Commodity derivatives (Level 2)	(25)	(25)	(12)	(12)
Foreign exchange derivatives (Level 2)	13	13	(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)	2,682	2,634	2,728	2,699

NOTE 16 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 comprises the Dairy Division (Australia) and the Dairy Division (Argentina). The Europe Sector consists of the Dairy Division (UK).

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 before the following items (when they occur): income taxes, financial charges, (gain) loss on hyperinflation, restructuring costs, (gain) loss on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization.

The divisions within the International Sector were combined due to similarities in global market factors and production processes.

NOTE 16 SEGMENTED INFORMATION (CONT'D)

INFORMATION ON REPORTABLE SECTORS WITH DISAGGREGATION OF REVENUE BY MARKET SEGMENT

	For the third quarter ended December 31, 2025					
	Canada	USA	International and Europe		Subtotal	Consolidated
			International ¹	Europe		
Revenues						
Retail	\$ 822	\$ 1,002	\$ 373	\$ 269	\$ 642	\$ 2,466
Foodservice	466	917	112	12	124	1,507
Industrial	128	223	509	55	564	915
	1,416	2,142	994	336	1,330	4,888
Operating costs excluding depreciation, amortization, and restructuring costs (Note 5)	1,227	1,957	912	300	1,212	4,396
Adjusted EBITDA	189	185	82	36	118	492
Depreciation and amortization	29	69	32	26	58	156
(Gain) on hyperinflation (Argentina net monetary position)	—	—	—	—	—	—
Financial charges (Note 11)						38
Earnings before income taxes						\$ 298

¹ Australia accounted for \$696 million of the International Sector's revenues while Argentina accounted for \$298 million for the third quarter ended December 31, 2025.

	For the third quarter ended December 31, 2024					
	Canada	USA	International and Europe		Subtotal	Consolidated
			International ¹	Europe		
Revenues						
Retail	\$ 784	\$ 1,116	\$ 359	\$ 245	\$ 604	\$ 2,504
Foodservice	454	995	131	11	142	1,591
Industrial	121	194	529	55	584	899
	1,359	2,305	1,019	311	1,330	4,994
Operating costs excluding depreciation, amortization, and restructuring costs (Note 5)	1,184	2,145	968	280	1,248	4,577
Adjusted EBITDA	175	160	51	31	82	417
Depreciation and amortization	30	71	32	28	60	161
Goodwill and intangible assets impairment charge (Note 4)	—	—	—	684	684	684
(Gain) on hyperinflation (Argentina net monetary position)	—	—	(5)	—	(5)	(5)
Financial charges (Note 11)						52
Earnings before income taxes						\$ (475)

¹ Australia accounted for \$673 million of the International Sector's revenues while Argentina accounted for \$346 million for the third quarter ended December 31, 2024.

NOTE 16 SEGMENTED INFORMATION (CONT'D)

INFORMATION ON REPORTABLE SECTORS WITH DISAGGREGATION OF REVENUE BY MARKET SEGMENT (CONT'D)

	For the nine-month period ended December 31, 2025					
	Canada	USA	International and Europe		Subtotal	Consolidated
			International ¹	Europe		
Revenues						
Retail	\$ 2,322	\$ 2,864	\$ 1,038	\$ 756	\$ 1,794	\$ 6,980
Foodservice	1,439	2,955	290	35	325	4,719
Industrial	349	604	1,402	186	1,588	2,541
	4,110	6,423	2,730	977	3,707	14,240
Operating costs excluding depreciation, amortization, and restructuring costs (Note 5)	3,572	5,900	2,514	886	3,400	12,872
Adjusted EBITDA	538	523	216	91	307	1,368
Depreciation and amortization	86	206	93	80	173	465
Restructuring costs (Note 10)	—	—	—	6	6	6
(Gain) on hyperinflation (Argentina net monetary position)	—	—	(2)	—	(2)	(2)
Financial charges (Note 11)						125
Earnings before income taxes						\$ 774

¹ Australia accounted for \$1.868 billion of the International Sector's revenues while Argentina accounted for \$862 million for the nine-month period ended December 31, 2025.

	For the nine-month period ended December 31, 2024					
	Canada	USA	International and Europe		Subtotal	Consolidated
			International ¹	Europe		
Revenues						
Retail	\$ 2,203	\$ 3,004	\$ 1,120	\$ 685	\$ 1,805	\$ 7,012
Foodservice	1,391	3,016	359	28	387	4,794
Industrial	312	595	1,456	139	1,595	2,502
	3,906	6,615	2,935	852	3,787	14,308
Operating costs excluding depreciation, amortization, and restructuring costs (Note 5)	3,416	6,148	2,785	770	3,555	13,119
Adjusted EBITDA	490	467	150	82	232	1,189
Depreciation and amortization	88	200	91	83	174	462
Goodwill and intangibles assets impairment charge (Note 4)	—	—	—	684	684	684
Restructuring costs (Note 10)	—	1	4	2	6	7
Loss on hyperinflation (Argentina net monetary position)	—	—	16	—	16	16
Financial charges (Note 11)						139
Earnings before income taxes						\$ (119)

¹ Australia accounted for \$2.025 billion of the International Sector's revenues while Argentina accounted for \$910 million for the nine-month period ended December 31, 2024.