

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws. Accordingly, these securities may not be offered or sold or delivered within the United States of America or to, or for the account or benefit of, any U.S. person as that term is defined in Regulation S under the U.S. Securities Act, except in acquisitions exempt from **registration** under the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Saputo Inc. at 6869 Métropolitain Boulevard East, Montréal, Québec H1P 1X8, telephone: (514) 328-6662, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

September 4, 2019



SAPUTO INC.
\$400,039,200
10,102,000 Common Shares

This short form prospectus qualifies the distribution (the "**Offering**") of 10,102,000 common shares (the "**Offered Shares**") of Saputo Inc. ("**Saputo**" or the "**Company**") at a price of \$39.60 per Offered Share (the "**Offering Price**"). If the Over-Allotment Option (as defined herein) is exercised in full, an additional 1,515,300 common shares of the Company (the "**Over-Allotment Shares**") will be offered by the Company. The Offering is being underwritten by National Bank Financial Inc. ("**NBF**") and BMO Nesbitt Burns Inc. ("**BMO**", and collectively with NBF, the "**Co-Lead Underwriters**"), and CIBC World Markets Inc. ("**CIBC**"), Scotia Capital Inc. ("**Scotia**"), TD Securities Inc. ("**TD**"), RBC Dominion Securities Inc. ("**RBC**"), Desjardins Securities Inc. ("**Desjardins**") and Merrill Lynch Canada Inc. ("**Merrill**", and collectively with the Co-Lead Underwriters and CIBC, Scotia, TD, RBC and Desjardins, the "**Underwriters**") pursuant to an underwriting agreement dated August 26, 2019 between the Company and the Underwriters (the "**Underwriting Agreement**").

The issued and outstanding common shares of the Company (the "**Common Shares**") are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "SAP". On August 21, 2019, the trading day of the public announcement of the Offering, the closing price of the Common Shares on the TSX was \$41.70 per Common Share. On September 3, 2019, the last trading day before the filing of this short form prospectus, the closing price of the Common Shares on the TSX was \$40.18 per Common Share.

Concurrently with the announcement of the Offering, the Company entered into subscription agreements (the "**Subscription Agreements**") with each of its principal shareholders, Jolina Capital Inc. ("**Jolina**"), a holding company controlled by Mr. Emanuele (Lino) Saputo, and Placements Italcan Inc. ("**Italcan**"), a holding company controlled by Mr. Francesco Saputo, pursuant to which Jolina and Italcan, or one or more of their respective subsidiaries, will purchase, on a private placement basis (the "**Concurrent Private Placement**"), 2,525,253 and 2,500,000 Common Shares, respectively (collectively, the "**Private Placement Shares**"), at a price equal to the Offering Price. No commission or other fees will be paid to the Underwriters or any other underwriter or agent in connection with the Concurrent Private Placement. The Concurrent Private Placement will close concurrently with the Offering Closing (as defined herein), and the Concurrent Private Placement is conditional upon the Offering Closing. The Offering is not conditional upon closing of the Concurrent Private Placement.

The Offering and the Concurrent Private Placement are intended to provide the Company with further flexibility to pursue its growth strategy. Saputo currently expects to use the net proceeds of the Offering and of the Concurrent

Private Placement to repay indebtedness under the DC Acquisition Facilities and/or the MG Acquisition Facilities (as defined herein) and for general corporate purposes. See "Use of Proceeds" and "Consolidated Capitalization".

Price: \$39.60 per Offered Share

	Price to the Public⁽¹⁾	Underwriters' Fee⁽²⁾	Net Proceeds to Saputo⁽³⁾⁽⁴⁾
Per Offered Share	\$39.60	\$1.584	\$38.016
Total ⁽⁵⁾	\$400,039,200	\$16,001,568	\$384,037,632

- (1) The Offering Price of the Offered Shares offered hereunder was determined by negotiation between Saputo and the Co-Lead Underwriters, on behalf of the Underwriters.
- (2) Saputo has agreed to pay the Underwriters a fee equal to 4% of the gross proceeds of the Offering (the "**Underwriters' Fee**"), being \$1.584 per Offered Share. See "Plan of Distribution".
- (3) After deducting the Underwriters' Fee, but not the estimated expenses of the Offering of approximately \$400,000, and not taking into account the Concurrent Private Placement.
- (4) The total net proceeds to the Company of the Offering and the Concurrent Private Placement (before deducting expenses of the Offering and the Concurrent Private Placement) will be approximately \$583,037,651. If the Over-Allotment Option is exercised in full, the total net proceeds to the Company of the Offering and the Concurrent Private Placement (before deducting expenses of the Offering and the Concurrent Private Placement) will be approximately \$640,643,296.
- (5) The Underwriters have been granted an option, exercisable in whole or in part, at the sole discretion of the Underwriters, at any time up to 30 days after the Offering Closing Date (as defined herein), to purchase from the Company up to 1,515,300 Over-Allotment Shares (representing 15% of Offered Shares offered hereunder) on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to Saputo" will be approximately \$460,045,080, \$18,401,803 and \$441,643,277, respectively. This short form prospectus qualifies both the grant of the Over-Allotment Option and the distribution of the Offered Shares upon exercise of the Over-Allotment Option. A purchaser who acquires Offered Shares forming part of the Underwriters' over-allocation position acquires those Offered Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The following table sets out the number of Over-Allotment Shares that may be sold by the Company to the Underwriters pursuant to the Over-Allotment Option:

Underwriters' Position	Maximum Number of Over-Allotment Shares Available	Exercise Period	Exercise Price
Over-Allotment Option	1,515,300	At any time up to 30 days following the Offering Closing Date	\$39.60 per Over-Allotment Share

The Offered Shares, the Over-Allotment Shares and the Private Placement Shares have been conditionally approved for listing on the TSX, subject to the Company fulfilling all of the listing requirements of the TSX.

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP, and on behalf of the Underwriters by McCarthy Tétrault LLP.

In accordance with and subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions that stabilize or maintain the market price of the Offered Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Offered Shares at prices lower than stated above. See "Plan of Distribution".**

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. The Offering will be conducted under the book-based system. Upon a purchase of any Offered Share, the owner will receive only the customary confirmation from the Underwriter from whom a beneficial interest in the Offered Share is purchased and who is a participant ("**CDS Participant**") in the depository service of CDS Clearing and Depository Services Inc.

("CDS"). CDS will record the CDS Participants who hold the Offered Shares on behalf of owners who have purchased or transferred the Offered Shares in accordance with the book-based system. Beneficial owners of Offered Shares will not be able to receive physical certificates representing their ownership of Offered Shares. See "Book-Based System".

Closing of the Offering (the "**Offering Closing**") is expected to occur on September 11, 2019, or such other date as may be agreed upon by the Company and the Co-Lead Underwriters, on behalf of the Underwriters, but in any event not later than September 25, 2019 (the "**Offering Closing Date**").

NBF, BMO, CIBC, Scotia, TD, RBC, Desjardins and Merrill are affiliates or subsidiaries of financial institutions that are members of a syndicate of lenders that have made credit facilities available to the Company. Accordingly, under applicable securities laws, the Company may be considered a "connected issuer" of such Underwriters. See "Plan of Distribution - Relationship between the Company and Certain Underwriters".

The head and registered office of the Company is located at 6869 Métropolitain Boulevard East, Montréal, Québec H1P 1X8.

Investing in the Offered Shares involves certain risks. See "Risk Factors".

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GENERAL MATTERS

Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. The Company and the Underwriters have not authorized anyone to provide prospective investors with information different from that contained or incorporated by reference in this short form prospectus. The Offered Shares are being offered only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted.

This short form prospectus and the documents incorporated by reference herein contain company names, trade names, trade-marks and service marks of Saputo and their respective affiliates, all of which are the property of their respective owners. Solely for convenience, the company names, trade names, trade-marks referred to in this short form prospectus may appear without the ® or ™ symbol, but those references are not intended to indicate, in any way, that the Company or the other owner will not assert, to the fullest extent under applicable law, its rights to those company names, trade names or trade-marks.

Unless otherwise indicated, all information included in this short form prospectus assumes the completion of the Concurrent Private Placement at the same time as the Offering Closing.

Unless otherwise noted or the context otherwise indicates, the terms "**Company**" and "**Saputo**" refer to Saputo Inc. and its direct and indirect subsidiaries and predecessors or other entities controlled by them.

Unless otherwise indicated, all references to "\$" in this short form prospectus refer to Canadian dollars, all references to "£" refer to British pounds sterling, and all reference to "AU\$" refer to Australian dollars.

Unless otherwise indicated, the disclosure contained herein assumes that the Over-Allotment Option has not been exercised.

PRESENTATION OF FINANCIAL INFORMATION

The financial statements of the Company included in, or incorporated by reference into, this short form prospectus are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's fiscal year end occurs on March 31st of each calendar year.

NON-IFRS MEASURES

This short form prospectus and the documents incorporated by reference herein contain references to certain non-IFRS measures that are used by the Company as indicators of financial performance. The Company believes these measures are useful supplemental information regarding the Company's financial condition and results of operations as they provide key metrics of the Company's performance, which may assist investors in assessing their investment in the Offered Shares. These non-IFRS measures are not recognized under IFRS, do not have any standardized meaning prescribed under IFRS and may differ from similar computations as reported by other companies, and accordingly, may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

Specifically, in this short form prospectus, the Company uses "adjusted EBITDA" and "net debt to adjusted EBITDA", which are considered non-IFRS measures. "Adjusted EBITDA" is defined as earnings before interest, income taxes, depreciation, amortization, acquisition and restructuring costs, inventory revaluation resulting from a business acquisition, and gain on hyperinflation, and "net debt to adjusted EBITDA" is defined as net debt divided by the Trailing twelve months adjusted EBITDA. "Trailing twelve months adjusted EBITDA" is calculated by adding the results of adjusted EBITDA for the three-month period ended June 30, 2019 to the results of adjusted EBITDA for the year ended March 31, 2019 and subtracting the results of adjusted EBITDA for the three-month period ended June 30, 2018. Further information on those non-IFRS measures can be found in the Interim MD&A.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Underwriters, based on current provisions of the *Income Tax Act* (Canada) and the regulations thereunder, as amended, (the "**Tax Act**") in force on the date hereof and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) before the date of this prospectus (the "**Tax Proposals**"), and subject to the terms of any particular plan or accounts, the Offered Shares will, to the extent they are listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes the TSX), be qualified investments at the time of acquisition for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account (each a "**Registered Plan**") or a deferred profit sharing plan, each as defined in the Tax Act.

Notwithstanding the foregoing, the annuitant, holder or subscriber of a Registered Plan, as the case may be (each, a "**Registered Holder**"), will be subject to a penalty tax if the Offered Shares held in a Registered Plan are a "prohibited investment" for the purpose of the Tax Act. The Offered Shares will generally be a "prohibited investment" for a particular Registered Plan if a Registered Holder in respect thereof has a "significant interest" (as defined in the Tax Act) in the Company or does not deal at arm's length with the Company for the purposes of the Tax Act.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular holder. Prospective holders who intend to hold Offered Shares in a Registered Plan should consult their own tax advisors having regard to their own particular circumstances.

FORWARD-LOOKING STATEMENTS

This short form prospectus (including the documents incorporated by reference herein) 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 the Company's objectives, outlook, business projects and strategies to achieve those objectives, statements with respect to the Company's beliefs, plans and expectations, and

statements other than historical facts. The words "may", "should", "will", "would", "believe", "plan", "expect", "intend", "anticipate", "estimate", "foresee", "objective", "continue", "propose" or "target", 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 facts included in this short form prospectus (including the documents incorporated by reference herein) may constitute forward-looking statements within the meaning of applicable securities laws.

These statements are based, among other things, on Saputo's assumptions, expectations, estimates, objectives, plans, business strategy and intentions as of the date hereof regarding the projected revenues and expenses, the economic, industry, competitive and regulatory environments in which the Company operates or which could affect its activities, its ability to attract and retain customers and consumers, as well as the availability and cost of milk and other raw materials and energy supplies, its operating costs and the pricing of its finished products on the various markets in which it carries on business. Such forward-looking statements are intended to provide readers with information regarding the Company, including its assessment of future financial plans, and may not be appropriate for other purposes.

By their nature, forward-looking statements are subject to a number of inherent risks and uncertainties. Actual results could differ materially from the conclusion, forecast or projection stated in such forward-looking statements. As a result, the Company cannot guarantee that any forward-looking statements will materialize, and the Company warns readers that these forward-looking statements are not fact or guarantees of future performance in any way. Assumptions, expectations and estimates made in the preparation of forward-looking statements and risks that could cause actual results to differ materially from current expectations are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the "Risks and Uncertainties" section of the MD&A (as defined herein).

Forward-looking statements are based on Saputo's estimates, expectations and assumptions, which Saputo believes are reasonable (i) for such forward-looking statements contained in this short form prospectus, as of the date hereof, and (ii) for such forward-looking statements contained in the documents incorporated by reference herein, as of the date of such documents, unless otherwise specified in such documents, and, accordingly, are subject to changes after such date. 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.

Except as required under applicable securities legislation, Saputo does not undertake to update or revise these forward-looking statements, whether written or verbal, that may be made from time to time by itself or on its behalf, whether as a result of new information, future events or otherwise.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Saputo at 6869 Métropolitain Boulevard East, Montréal, Québec H1P 1X8, telephone: (514) 328-6662, and are also available electronically at www.sedar.com. The following documents of the Company, filed by the Company with the various securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) annual information form of the Company dated June 6, 2019;
- (b) audited consolidated financial statements of the Company as at and for the years ended March 31, 2019 and March 31, 2018, together with the notes thereto and the independent auditor's report thereon (the "**Annual Financial Statements**");
- (c) management's discussion and analysis of the Company for the year ended March 31, 2019 (the "**MD&A**");

- (d) condensed interim consolidated financial statements (unaudited) of the Company as at and for the three-month periods ended June 30, 2019 and 2018, together with the notes thereto (the "**Interim Financial Statements**");
- (e) management's discussion and analysis of the Company for the three-month period ended June 30, 2019 (the "**Interim MD&A**");
- (f) business acquisition report (the "**BAR**") of the Company dated June 14, 2019 and filed on September 4, 2019, relating to the acquisition of Dairy Crest Group plc ("**Dairy Crest**");
- (g) management proxy circular of the Company dated June 6, 2019 for the annual meeting of shareholders held on August 8, 2019; and
- (h) the "template version" of the term sheet prepared for potential investors dated August 21, 2019 and filed on SEDAR in connection with the Offering (the "**Term Sheet**").

Any documents of the type referred to above or required to be incorporated by reference herein under National Instrument 44-101 – *Short Form Prospectus Distribution*, including any material change report (excluding confidential material change reports), business acquisition report, unaudited condensed interim consolidated financial statements, consolidated annual financial statements and the auditor's report thereon, information circular and annual information form subsequently filed by the Company with the various securities commissions or similar authorities in Canada after the date of this short form prospectus and prior to the completion or withdrawal of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this short form prospectus, to the extent that a statement contained herein or in a subsequently filed document is also, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

MARKETING MATERIALS

The Term Sheet represents "marketing material" for purposes of applicable securities legislation. The Term Sheet does not form part of this short form prospectus to the extent that the content of the Term Sheet has been modified or superseded by a statement contained in this short form prospectus.

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 — *General Prospectus Requirements*) filed on SEDAR after the date of this short form prospectus and before the termination of the distribution under the Offering will be deemed to be incorporated by reference into this short form prospectus.

DESCRIPTION OF SAPUTO

Saputo 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 one of the top ten dairy processors in the world, a leading cheese manufacturer and fluid milk and cream processor in Canada, the top dairy processor in Australia and the second largest in Argentina. In the United States of America (the "U.S."), Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the largest manufacturer of branded cheese and a top manufacturer of dairy spreads. Saputo's products are sold in several countries under well-known brand names such as *Saputo*, *Alexis de Portneuf*, *Armstrong*, *Cathedral City*, *Clover*, *COON*, *Cracker Barrel*, *Dairyland*, *DairyStar*,

Devondale, Friendship Dairies, Frigo Cheese Heads, Joyya, La Paulina, Liddells, Milk2Go/Lait's Go, Montchevre, Murray Goulburn Ingredients, Neilson, Nutrilait, Scotsburn Stella, Sungold, Treasure Cave and Woolwich Goat Dairy.

During the fiscal year ended March 31, 2019, the Company operated its business through three sectors, the Canada Sector, the USA Sector and the International Sector, which represented, respectively, 29.9%, 48.2% and 21.9% of the Company's total revenues, and through five divisions. Following the acquisition of Dairy Crest completed on April 15, 2019, the financial results of Dairy Crest are presented as part of a new Europe Sector, consisting of the Dairy Division (UK). During the three-month period ended June 30, 2019, the Canada Sector, the USA Sector, the International Sector and the Europe Sector represented, respectively, 26.4%, 47.9%, 21.6% and 4.1% of the Company's total revenues.

The Company currently operates 65 manufacturing facilities (including 5 operating manufacturing facilities acquired through the acquisition of Dairy Crest) and, as at April 15, 2019, employs approximately 16,800 employees and sells its products in more than 50 countries.

CONSOLIDATED CAPITALIZATION

There has been no material change in the Company's share or loan capital on a consolidated basis since the date of the Interim Financial Statements.

As at June 30, 2019, there were 390,970,283 Common Shares issued and outstanding and, as at September 3, 2019, the last trading day before the filing of this short form prospectus, 391,050,451 Common Shares were issued and outstanding. After giving effect to the Offering and the Concurrent Private Placement, the number of issued and outstanding Common Shares will be 406,177,704 Common Shares (and 407,693,004 Common Shares if the Over-Allotment Option is exercised in full).

As at September 3, 2019 the Company's long-term debt and bank loans, including the current portion thereof, net of cash and cash equivalents (which is defined as "**net debt**") amount to approximately \$4.144 billion. After giving effect to the Offering and the Concurrent Private Placement, the Company's net debt will amount to approximately \$3.561 billion (and \$3.504 billion if the Over-Allotment Option is exercised in full). See "Use of Proceeds".

DESCRIPTION OF THE COMMON SHARES

The following is a summary of the material provisions which attach to the Common Shares and is qualified by reference to the full text of the rights, privileges, restrictions and conditions of such shares, which may be found on SEDAR under the Company's profile at www.sedar.com.

The articles of the Company provide that its authorized share capital shall be composed of an unlimited number of Common Shares, without nominal or par value.

Voting

Each Common Share entitles its holder to receive notice of and to attend all general and special meetings of shareholders of Saputo, and each such Common Share entitles its holder to one vote.

Dividends

The holders of Common Shares are, at the discretion of the board of directors of the Company (the "**Board of Directors**"), entitled to receive, out of any amounts properly applicable to the payment of dividends, any dividends declared and payable by Saputo on the Common Shares.

Dissolution

The holders of Common Shares shall be entitled to share equally in any distribution of the assets of Saputo upon the liquidation, dissolution or winding-up of Saputo or other distribution of its assets among its shareholders.

DIVIDEND POLICY

Saputo has a policy of declaring quarterly cash dividends on the Common Shares. The Company's dividend policy is reviewed from time to time, but at least once annually, by the Board of Directors and depends on Saputo's financial condition, financial performance, capital requirements and such other factors as the Board of Directors, in its sole discretion, deems relevant. Each holder of Common Shares is entitled to receive the dividends that the Board of Directors declares. Currently, there are no restrictions preventing Saputo from paying dividends.

In the fiscal years ended March 31, 2017, 2018 and 2019, Saputo declared yearly dividends on the Common Shares of \$0.60, \$0.64 and \$0.66 per Common Share, respectively. On August 8, 2019, the Company announced that it had reviewed its dividend policy and increased the quarterly dividend from \$0.165 to \$0.17 per Common Share, representing a 3.0% increase and a yearly dividend of \$0.68 per Common Share. The next quarterly dividend will be payable on September 13, 2019 to holders of Common Shares on records on September 3, 2019. Investors who acquire Offered Shares under this Offering will not receive such dividend.

BOOK-BASED SYSTEM

The Offered Shares will be issued and delivered electronically through the non-certificated inventory ("NCI") system of CDS in "book-entry" form and must be purchased or transferred through a participant in the depositary services of CDS.

Each purchaser acquiring a beneficial interest in Offered Shares will not be entitled to receive a certificate for such Offered Shares. Each purchaser acquiring a beneficial interest in Offered Shares will receive a customer confirmation of purchase from the registered dealer from whom the beneficial interest is purchased in accordance with the practices and procedures of the registered dealer. Transfers of ownership of Common Shares in Canada must be effected through a CDS Participant, which includes securities brokers and dealers, banks and trust companies. All rights of holders of Common Shares in CDS must be exercised through, and all payments or other property to which such shareholders are entitled, will be made or delivered by CDS or the CDS Participant through which the shareholder holds such Common Shares. A holder of a Common Share participating in the NCI system will generally not be entitled to a certificate or other instrument from the Company or the Company's transfer agent evidencing that person's interest in or ownership of Common Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS Participant. The ability of a beneficial owner of Common Shares to pledge such Common Shares or otherwise take action with respect to such owner's interest in such Common Shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

USE OF PROCEEDS

The net proceeds of the Offering, after deduction of the Underwriters' Fee and of the estimated expenses of the Offering, are estimated to be approximately \$383,637,632. If the Over-Allotment Option is exercised in full, the additional aggregate net proceeds to the Company are estimated to be approximately \$441,243,277 after deduction of the Underwriters' Fee in respect of the securities sold pursuant to the exercise of the Over-Allotment Option.

Saputo currently expects to use the net proceeds of the Offering and of the Concurrent Private Placement to repay indebtedness under the DC Acquisition Facilities and/or the MG Acquisition Facilities and for general corporate purposes. The DC Acquisition Facilities and the MG Acquisition Facilities were entered into in connection with the acquisition of Dairy Crest completed on April 15, 2019, and the acquisition of the activities of Murray Goulburn Co-Operative Co. Ltd. completed on April 30, 2018, respectively. See "Risk Factors" and "Forward-Looking Statements".

The Company targets a long-term leverage of approximately 2.0 times net debt to adjusted EBITDA. From time to time, the Company may deviate from its long-term leverage target to pursue acquisitions and other strategic opportunities. The Offering and the Concurrent Private Placement are part of the Company's capital management strategy of reducing its long-term leverage over a reasonable period of time to return to a long-term leverage of approximately 2.0 times net debt to adjusted EBITDA and are intended to provide the Company with further flexibility to pursue its growth strategy. The following net debt to adjusted EBITDA ratios are presented for the 12-month period ended June 30, 2019 and after giving effect to the Offering and the Concurrent Private Placement. See "Forward-Looking Statements" and "Non-IFRS Measures".

	June 30, 2019	<i>After giving effect to the Offering and the Concurrent Private Placement</i> June 30, 2019
Net debt to adjusted EBITDA	3.37	2.91
Net debt to adjusted EBITDA assuming the contribution of Dairy Crest for the 12-month period ended June 30, 2019, and excluding the impact of IFRS 16, <i>Leases</i>	3.15	2.72

PLAN OF DISTRIBUTION

General

Pursuant to the Underwriting Agreement, the Company has agreed to issue and sell and the Underwriters have agreed to purchase, as principals, on the Offering Closing Date, subject to the conditions stipulated in the Underwriting Agreement, 10,102,000 Offered Shares offered hereby at a price of \$39.60 per Offered Share for a total gross consideration of \$400,039,200, payable in cash to the Underwriters against delivery of the Offered Shares. The Offered Shares are being offered to the public in all of the provinces of Canada.

Pursuant to the Underwriting Agreement, the Company has granted the Underwriters an Over-Allotment Option to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters, in whole or in part, at the sole discretion of the Underwriters, at any time up to 30 days after the Offering Closing Date. The Over-Allotment Option entitles the Underwriters to purchase from the Company up to 1,515,300 Over-Allotment Shares at the Offering Price (being 15% of the aggregate number of Offered Shares offered hereunder). A purchaser who acquires Over-Allotment Shares forming part of the Underwriters' over-allocation position acquires those Over-Allotment Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. The Company will also pay the Underwriters' Fee in respect of Over-Allotment Shares issued and sold by the Company if the Over-Allotment Option is exercised.

The price at which the Offered Shares are being offered hereunder and the terms of the Offering were determined by negotiation between the Company and Co-Lead Underwriters, on behalf of the Underwriters. Without affecting the firm obligation of the Underwriters to purchase from the Company 10,102,000 Offered Shares at a price of \$39.60 per Offered Share in accordance with the Underwriting Agreement, after the Underwriters have made a reasonable effort to sell all of the Offered Shares offered hereby at the price specified herein, the Offering Price to the public may be decreased and further changed from time to time to an amount not greater than that set forth above. In the event that the Offering Price is decreased, the compensation received by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company for the Offered Shares. Any such reduction in the Offering Price to the public will not affect the proceeds received by the Company.

The obligations of the Underwriters under the Underwriting Agreement are joint (and not solidary nor joint and several), are subject to certain closing conditions and may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of such Offered Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Company will indemnify the Underwriters and their respective affiliates, and each of their respective directors, officers, partners, employees, agents and controlling persons against certain liabilities and expenses, including liabilities under Canadian securities legislation.

Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

Pursuant to the Underwriting Agreement, the Company will not, without the prior consent of the Co-Lead Underwriters, such consent not to be unreasonably withheld or delayed, issue or sell any equity securities of the Company or any securities or financial instruments, convertible or exchangeable into equity securities of the Company, or announce any intention to do any of the foregoing, for a period ending on the date that is 90 days after the Offering

Closing Date, other than (i) to satisfy existing instruments already issued as of the date hereof (including, for greater certainty, the Concurrent Private Placement), (ii) in connection with grants of rights under existing option plans or option agreements or other securities based compensation arrangements and equity securities of the Company issued pursuant to the exercise, settlement or conversion, as the case may be, of such rights, (iii) under any dividend reinvestment plan that may be implemented by the Company, or (iv) pursuant to any acquisition conducted by the Company following the Offering Closing Date in the course of the execution of its business strategy and in connection with the financing of any such acquisition, subject to the Co-Lead Underwriters being provided a written notice at least 24 hours in advance of any announcement relating to such acquisition. In addition, pursuant to the Underwriting Agreement, the Company shall cause each of Jolina and Italcán to enter into agreements on terms and conditions satisfactory to the Co-Lead Underwriters in which they will not, for a period ending on the date that is 90 days after the Offering Closing Date, directly or indirectly, without the prior written consent of the Co-Lead Underwriters, such consent not to be unreasonably withheld or delayed, offer, sell, negotiate or enter into any agreement to sell, grant any option to purchase, transfer, assign or otherwise dispose of any equity securities of the Company or announce any intention to bring into effect the foregoing, other than in accordance with customary exceptions.

The Offering is being made in each of the provinces of Canada and in the U.S., in an offering to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act. The Offered Shares will be offered in each of the provinces of Canada through those Underwriters or their affiliates who are registered to offer the Offered Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters.

The Offered Shares have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold within the U.S., or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) absent registration or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act, and applicable U.S. state securities laws. Accordingly, except to the extent permitted by the Underwriting Agreement, the Offered Shares may not be offered or sold within the U.S., or to, or for the account or benefit of, U.S. persons. Each Underwriter has agreed that it will not offer or sell Offered Shares within the U.S., except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Underwriting Agreement provides that the Underwriters may re-offer and re-sell the Offered Shares that they have acquired pursuant to the Underwriting Agreement within the U.S. to qualified institutional buyers (as defined in Rule 144A) in accordance with Rule 144A under the U.S. Securities Act. The Underwriting Agreement also provides that the Underwriters will offer and sell the Offered Shares outside the U.S. to persons other than U.S. persons in accordance with Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares within the U.S. by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, if such offer is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

The Offered Shares, the Over-Allotment Shares and the Private Placement Shares have been conditionally approved for listing on the TSX, subject to the Company fulfilling all of the listing requirements of the TSX.

Price Stabilization, Short Positions and Passive Market Making

Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Offered Shares ends and all stabilization arrangements relating to the Offered Shares are terminated, bid for or purchase Offered Shares. The foregoing restrictions are subject to certain exceptions including (i) a bid for or purchase of Offered Shares if the bid or purchase is made in accordance with the permitted exceptions in the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada, and (ii) a bid or purchase made for or on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation did not occur during the period of distribution.

In connection with the Offering, and subject to applicable laws, the Underwriters may effect transactions that stabilize or maintain the market price of the Offered Shares at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be interrupted or discontinued at any time. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Offered Shares while the Offering is in progress. These transactions may also include making short sales of the Offered Shares, which involve the sale by the Underwriters of a greater number of Offered Shares than they are

required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount. The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Offered Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Offered Shares available for purchase in the open market compared with the price at which they may purchase Offered Shares through the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Offered Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Offered Shares in the open market that could adversely affect investors who purchase in the Offering. An investor who acquires Offered Shares forming part of the Underwriters' over-allocation position resulting from any covered short sales or naked short sales will, in each case, acquire such Offered Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Notice to Prospective Investors in the United Kingdom

This short form prospectus does not constitute an offer document or an offer of transferable securities to the public in the United Kingdom (the "**UK**") to which Section 85 of the Financial Services and Markets Act 2000 of the UK (as amended, the "**FSMA**") applies, and should not be considered as a recommendation that any person should subscribe for or purchase any of the Offered Shares or Over-Allotment Shares. The Offered Shares and Over-Allotment Shares will not be offered or sold to any person in the UK save in the circumstances which have not resulted and will not result in an offer to the public in the UK in contravention of Subsection 85(1) of the FSMA.

This short form prospectus is not being distributed by, nor has it been approved for the purposes of Section 21 of FSMA by, a person authorized under the FSMA. This short form prospectus is being communicated only to (i) persons outside the UK; or (ii) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" falling within Subsection 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**FPO**"); (iii) high net worth companies, unincorporated associations and other bodies described in Subsection 49(2) of the FPO; or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Offered Shares or Over-Allotment Shares may otherwise lawfully be communicated or caused to be communicated (together, all such persons being referred to as the "Relevant Persons"). This short form prospectus is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this short form prospectus relates is only available to, and will be engaged in, only with the Relevant Persons. No part of this short form prospectus should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of each of the Company and the Underwriters.

Each Underwriter has represented and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Offered Shares and Over Allotment Shares in circumstances in which Subsection 21(1) of the FSMA does not apply to the Company; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offered Shares and Over-Allotment Shares in, from or otherwise involving the UK.

Notice to Prospective Investors in Hong Kong

The Offered Shares and Over-Allotment Shares may not be offered or sold in Hong Kong, by means of any document, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which

do not constitute an offer to the public within the meaning of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong) of Hong Kong (the "**C(WUMP)O**") or an invitation to induce an offer by the public to subscribe for or purchase any shares and which do not result in this document being a "prospectus" as defined in C(WUMP)O. No advertisement, invitation or document relating to the Offered Shares or Over-Allotment Shares or this document may be issued or may be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the C(WUMP)O and the SFO) other than with respect to the Offered Shares or Over-Allotment Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Relationship between the Company and Certain Underwriters

NBF, BMO, CIBC, Scotia, TD, RBC, Desjardins and Merrill are affiliates of banks that are members of the syndicates of lenders (the "**Lenders**") that have made available to the Company and its subsidiaries, as applicable, (i) the term revolving credit facility in the amount of US\$ 500 million under a second amended and restated credit agreement dated August 1, 2012, as amended from time to time (the "**Main Credit Facility**"), (ii) the non-revolving term facility in a total aggregate amount of £1.265 billion (\$2.039 billion), consisting of a 1-year tranche in an amount of £400 million (\$644.8 million), a 2-year tranche in an amount of £265 million (\$427.2 million), and a 3-year tranche in an amount of £600 million (\$967.3 million) made available to the Company under the credit agreement dated February 21, 2019 (the "**DC Acquisition Facilities**"), (iii) the non-revolving term facility in a total aggregate amount of \$1.241 billion consisting of a 1-year tranche in an amount of \$400 million, a 3-year tranche in an amount of \$300 million and a 5-year tranche in an amount of AU\$600.0 million (\$540.9 million) made available to the Company under the credit agreement dated December 21, 2017 (the "**MG Acquisition Facilities**" and, collectively with the Main Credit Facility and the DC Acquisition Facilities, the "**Credit Facilities**"). Consequently, the Company may be considered a "connected issuer" of each of the Underwriters under National Instrument 33-105 – *Underwriting Conflicts*.

As of September 3, 2019, no amounts were drawn under the Main Credit Facility, \$658.9 million were outstanding under the MG Acquisition Facilities, and \$1.961 billion was outstanding under the DC Acquisition Facilities. As of the date of this short form prospectus, the Company is in compliance in all material respects with the terms of its indebtedness to the Lenders under the Credit Facilities. Since the indebtedness under the Credit Facilities (as applicable) was incurred, the financial position of the Company has not adversely changed, except as disclosed in this short form prospectus or in the documents incorporated by reference herein. None of the Lenders under the Credit Facilities has waived any breach of any of the Credit Facilities since their execution.

None of the Lenders were involved in the decision to offer the Offered Shares or were involved in the determination of the terms of the distribution of the Offered Shares. The Underwriters will not receive any benefit in connection with the Offering other than the applicable fees as set out in this short form prospectus and payable by the Company to the Underwriters.

Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Company, for which they received or will receive customary fees.

CONCURRENT PRIVATE PLACEMENT

Concurrently with the announcement of the Offering, the Company entered into the Subscription Agreements pursuant to which Jolina and Italcán, or one of their respective subsidiaries, will purchase, on a private placement basis, 2,525,253 and 2,500,000 Private Placement Shares, respectively, at a price equal to the Offering Price. No commission or other fees will be paid to the Underwriters or any other underwriter or agent in connection with the Concurrent Private Placement. The Concurrent Private Placement will close concurrently with the Offering Closing, and the Concurrent Private Placement is conditional upon the Offering Closing and other customary conditions. The gross proceeds to the Company from the Concurrent Private Placement will be \$199,000,019.

Assuming completion of the Offering and the Concurrent Private Placement, Jolina will beneficially own, or exercise control or direction over, directly or indirectly, an aggregate of 129,585,101 Common Shares, representing approximately 31.9% of the issued and outstanding Common Shares (or approximately 31.8% of the issued and

outstanding Common Shares if the Over-Allotment Option is exercised in full), and Italcán will beneficially own, or exercise control or direction over, directly or indirectly, an aggregate of 42,500,000 Common Shares, representing approximately 10.5% of the issued and outstanding Common Shares (or approximately 10.4% of the issued and outstanding Common Shares if the Over-Allotment Option is exercised in full).

This short form prospectus does not qualify the distribution of the Private Placement Shares.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Underwriters, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who acquires Offered Shares pursuant to this Offering and who, for the purposes of the Tax Act and at all relevant times, beneficially owns Offered Shares as capital property, and deals at arm's length with, and is not affiliated with, the Company or the Underwriters (a "**Holder**"). The Offered Shares will generally be considered to be capital property for this purpose unless either the Holder holds (or will hold) such Offered Shares in the course of carrying on a business, or the Holder has acquired (or will acquire) such Offered Shares as part of one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to: (a) a Holder that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (b) a Holder, an interest in which would be a "tax shelter investment" as defined in the Tax Act; (c) a Holder that is a "specified financial institution" as defined in the Tax Act; (d) a Holder that is a corporation that has elected in the prescribed form and manner and has otherwise met the requirements to use functional currency tax reporting to report its "Canadian tax results", as set out in the Tax Act; (e) a Holder that has entered or will enter into, with respect to the Offered Shares, a "derivative forward agreement", as defined in the Tax Act, or (f) a Holder that is a corporation resident in Canada (for the purpose of the Tax Act) that is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Offered Shares, controlled by a non-resident corporation or a group of non-resident persons not dealing with each other at arm's length for the purposes of the foreign affiliate dumping rules in Section 212.3 of the Tax Act. Any such Holder to which this summary does not apply should consult its own tax advisor.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency (the "**CRA**"). The summary also takes into account the Tax Proposals and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law or in the administrative and assessing policies of the CRA, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Moreover, this summary does not address the deductibility of interest on any funds borrowed by a Holder to purchase Offered Shares. Accordingly, Holders are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Offered Shares.

Residents of Canada

The following discussion applies to Holders who, at all relevant times, are or are deemed to be residents of Canada ("**Resident Holders**") for the purposes of the Tax Act.

Certain Resident Holders whose Offered Shares might not otherwise qualify as capital property may, in certain circumstances, treat such Offered Shares as capital property by making an irrevocable election pursuant to subsection 39(4) of the Tax Act. Resident Holders contemplating making an election should consult their tax advisors for advice as to whether the election is available and advisable in their particular circumstances.

Dividends on Offered Shares

In the case of a Resident Holder who is an individual (including certain trusts), dividends received or deemed to be received on the Offered Shares will be included in computing the Resident Holder's income and will be subject to the gross-up and dividend tax credit rules that generally apply to taxable dividends received from taxable Canadian corporations. Provided that appropriate designations are made by the Company, any such dividend will be treated as an "eligible dividend" for the purposes of the Tax Act and a Resident Holder who is an individual will be entitled to an enhanced dividend tax credit in respect of such dividend. There may be limitations on the Company's ability to designate dividends and deemed dividends as eligible dividends.

Dividends received or deemed to be received on the Offered Shares by a Resident Holder that is a corporation will be required to be included in computing the corporation's income for the taxation year in which such dividends are received, but such dividends will generally be deductible in computing the corporation's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay an additional tax at a rate of 38½% on dividends received or deemed to be received on the Offered Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income for the taxation year. This additional tax may be refundable in certain circumstances. Such Resident Holder should consult its own tax advisors in this regard.

Dividends received or deemed to be received by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

Dispositions of Offered Shares

Upon a disposition or deemed disposition of Offered Shares, a capital gain (or loss) will generally be realized by a Resident Holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of the Offered Shares to the Resident Holder immediately before the disposition and any reasonable costs of disposition. The adjusted cost base of an Offered Share to a Resident Holder will be determined in accordance with the Tax Act by averaging the cost to the Resident Holder of an Offered Share with the adjusted cost base of all other Offered Shares (or other common shares) held by the Resident Holder as capital property. Such capital gain (or capital loss) will be subject to the treatment described below under "Certain Canadian Federal Income Tax Considerations – Residents of Canada - Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

One-half of a capital gain (a "taxable capital gain") must generally be included in a Resident Holder's income. One-half of a capital loss (an "allowable capital loss") must generally be deducted by a Resident Holder against taxable capital gains realized in that year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or in any subsequent year (against taxable capital gains realized in such years) to the extent and under the circumstances described in the Tax Act. If the Resident Holder is a corporation, any such capital loss realized on the sale of shares may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns shares, directly or indirectly through a partnership or a trust. Taxable capital gains realized by a Resident Holder who is an individual (including certain trusts) may give rise to alternative minimum tax depending on the Resident Holder's circumstances.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax at a rate of 10⅔% on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains, but excluding dividends or deemed dividends deductible in computing taxable income. Such additional tax may be refundable in certain circumstances. Such Resident Holder should consult their own tax advisors in this regard.

Non-Residents of Canada

The following discussion applies to Holders who, for the purposes of the Tax Act, and at all relevant times, are not (and are not deemed to be) resident in Canada, and will not use or hold (and will not be deemed to use or hold) the Offered Shares in connection with, or in the course of carrying on, a business or part of a business in Canada (a "Non-Resident Holder"). In addition, this discussion does not apply to an insurer that carries on an insurance business in Canada and elsewhere or an "authorized foreign bank" (within the meaning of the Tax Act), and such Holders should consult their tax advisors for advice having regard to their particular circumstances.

Dividends on Offered Shares

Canadian withholding tax at a rate of 25% (subject to reduction under the provisions of any applicable income tax treaty or convention) will be payable on dividends on Offered Shares paid or credited, or deemed to be paid or credited, to a Non-Resident Holder. The rate of withholding tax applicable to a dividend paid on Offered Shares to a Non-Resident Holder who is a resident of the United States for purposes of the Canada-U.S. Income Tax Convention (the "**Convention**"), beneficially owns the dividend and qualifies for the benefits of the Convention, will generally be reduced to 15%. Not all persons who are residents of the United States for purposes of the Convention will qualify for the benefits of the Convention. The rate of withholding tax on dividends is also reduced under other bilateral income tax treaties or conventions to which Canada is a signatory. Non-Resident Holders are advised to consult their tax advisors for advice having regard to their particular circumstances.

Dispositions of Offered Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition of Offered Shares unless the Offered Shares constitute "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

As long as the Offered Shares are then listed on a "designated stock exchange", which currently includes the TSX, the Offered Shares generally will not constitute taxable Canadian property of a Non-Resident Holder, unless at any time during the 60-month period preceding the disposition: (a) at least 25% or more of the issued shares of any class or series of the capital stock of the Company was owned by or belonged to any combination of (x) the Non-Resident Holder, (y) persons with whom the Non-Resident Holder did not deal at arm's length (for the purposes of the Tax Act), and (z) partnerships in which the Non-Resident Holder or a person described in (y) holds an interest directly or indirectly through one or more partnerships; and (b) more than 50% of the fair market value of the Offered Shares was derived, directly or indirectly, from a combination of (i) real or immovable property situated in Canada, (ii) "Canadian resource property" (as such term is defined in the Tax Act), (iii) "timber resource property" (as such term is defined in the Tax Act), or (iv) options in respect of, or on interests in (or for civil law, rights in), any such properties (whether or not such properties exist). Notwithstanding the foregoing, Offered Shares may also be deemed to be "taxable Canadian property" in certain circumstances. Non-Resident Holders whose Offered Shares are, or may be, taxable Canadian property should consult their tax advisors for advice having regard to their particular circumstances.

PRIOR SALES

For the 12-month period prior to the date of this short form prospectus, Saputo has issued or granted Common Shares or securities convertible into Common Shares as listed in the table set forth below:

Date	Type of Security Issued	Reason for Issuance	Number of Securities Issued	Issuance/Exercise Price per Security
April 1, 2019	Options to purchase Common Shares	Grant of options	3,319,450	\$45.30
August 24, 2018 to September 3, 2019	Common Shares	Exercise of options	2,545,701	\$43.19 (weighted average issuance price)

TRADING PRICE AND VOLUME

The Common Shares are listed for trading on the TSX under the symbol "SAP". The following table shows the monthly range of high and low prices per Common Share and the total monthly volumes traded on the TSX under the symbol "SAP" for each month of the 12-month period before the date of this short form prospectus.

Month	Price per Common Share		Total Trading Volume
	Monthly High	Monthly Low	
August 2018	\$43.83	\$39.72	7,766,259
September 2018.....	\$39.95	\$37.74	7,327,788
October 2018.....	\$40.69	\$38.05	10,075,823
November 2018.....	\$41.46	\$35.56	9,036,785
December 2018	\$41.73	\$38.80	8,821,561
January 2019	\$40.06	\$38.04	10,122,043
February 2019	\$43.88	\$38.26	8,303,868
March 2019	\$45.85	\$42.79	10,506,762
April 2019	\$46.41	\$44.90	8,114,894
May 2019	\$46.06	\$44.60	8,885,055
June 2019	\$46.26	\$38.40	12,780,323
July 2019	\$40.62	\$39.05	6,727,900
August 2019	\$42.84	\$38.80	11,756,632
September 1 to September 3, 2019.....	\$40.57	\$39.97	439,208

RISK FACTORS

Any investment in the Offered Shares offered hereby is subject to certain risks. Prospective investors should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, all the other information contained in this short form prospectus and in the documents incorporated by reference herein, including those risk factors described under the heading "Risks and Uncertainties" in the MD&A, before purchasing Offered Shares. The risks and uncertainties described in this short form prospectus and the documents incorporated by reference herein are those that Saputo currently believes to be material, but they are not the only risks it faces. If any of the following risks, or any other risks and uncertainties that Saputo has not yet identified or that it currently considers not to be material, actually occur or become material risks, Saputo's business, prospects, financial condition, results of operations and cash flows, and consequently, the price of the Offered Shares could be materially and adversely affected. In all these cases, prospective investors could lose all or part of their original investment in the Offered Shares.

Volatile Market Price

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. These broad market fluctuations may adversely affect the market price of the Common Shares.

Use of Proceeds

The Company cannot specify with certainty the allocation of the net proceeds it will receive from the Offering and the Concurrent Private Placement. Saputo's management will have broad discretion in the allocation of the net proceeds in light of the objectives described under "Use of Proceeds" and will decide to allocate such proceeds as it deems appropriate.

Payment of Dividends

Any decisions to pay dividends on the Common Shares is subject to the discretion of the Board of Directors. See "Dividend Policy". No assurance can be given as to whether Saputo will declare and pay dividends in the future, or the frequency or amount of any such dividend.

Dilutive Effects on Holders of Common Shares

The issuance of Offered Shares in connection with the Offering will have a dilutive effect on the holders of Common Shares.

Issuance of Additional Common Shares

Saputo's articles of incorporation and by-laws allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Board of Directors. As part of the Offering, Saputo is expected to issue up to 11,617,300 Offered Shares (including 1,515,300 Over-Allotment Shares issuable if the Over-Allotment Option is exercised in full by the Underwriters), and, as part of the Concurrent Private Placement, Saputo is expected to issue 5,025,253 Private Placement Shares. Except as described under the heading "Plan of Distribution", Saputo may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) or other securities exercisable for Common Shares. Saputo may also issue Common Shares to finance future acquisitions. Saputo cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect the prevailing market price for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and Saputo may experience dilution in its earnings per share.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon on behalf of the Company by Stikeman Elliott LLP and on behalf of the Underwriters by McCarthy Tétrault LLP. As at the date hereof, the partners and associates of Stikeman Elliott LLP, as a group, and the partners and associates of McCarthy Tétrault LLP, as a group, beneficially own, directly or indirectly, less than 1% of the issued and outstanding securities of the Company.

INTERESTS OF EXPERTS

The Annual Financial Statements have been audited by Deloitte LLP, independent Chartered Professional Accountants, 1190 avenue des Canadiens-de-Montréal Suite 500 Montréal QC Canada H3B 0M7. Deloitte LLP is independent within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

The audited non-statutory consolidated financial statements of Dairy Crest for the years ended March 31, 2019 and 2018 contained in the BAR and incorporated by reference in this short form prospectus have been audited by Deloitte LLP, 1 New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP has advised Saputo that it is independent of Dairy Crest in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the non-statutory consolidated financial statements of Dairy Crest in the United Kingdom.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Common Shares is Computershare Trust Company of Canada at its principal offices in Montréal and Toronto.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, securities legislation further

provides the purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province.

A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF SAPUTO INC.

September 4, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) Lino A. Saputo, Jr.
Chair of the Board of Directors and
Chief Executive Officer

(Signed) Maxime Therrien
Chief Financial Officer and Secretary

On behalf of the Board of Directors

(Signed) Anthony M. Fata
Director

(Signed) Tony Meti
Director

CERTIFICATE OF UNDERWRITERS

September 4, 2019

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

NATIONAL BANK FINANCIAL INC.

(Signed) Louis Gendron
Managing Director & Deputy Head
Corporate and Investment Banking

BMO NESBITT BURNS INC.

(Signed) Annie Lapointe
Managing Director
Investment & Corporate Banking

CIBC WORLD MARKETS INC.

(Signed) Paul St-Michel
Managing Director

SCOTIA CAPITAL INC.

(Signed) Luc Ouellet
Managing Director & Head,
Corporate and Investment Banking,
Quebec

TD SECURITIES INC.

(Signed) Abe Adham
Managing Director & Group Head –
Investment Banking, Quebec

RBC DOMINION SECURITIES INC.

(Signed) Carrie Cook
Managing Director

DESJARDINS SECURITIES INC.

(Signed) François Carrier
Managing Director,
Head of Investment Banking

MERRILL LYNCH CANADA INC.

(Signed) Gaylen Duncan
Chief Operating Officer, Managing Director
(Global Banking and Markets)