Cascades

2022 – 2024 Strategic Plan Update

As of May 11, 2023.

This supplementary information should be read in conjunction with the Corporation's Management Discussion & Analysis dated December 31, 2022 and March 31, 2023.

FORWARD-LOOKING STATEMENT

The following document should be read in conjunction with the Corporation's Audited Consolidated Financial Statements and accompanying notes and Management's Discussion and Analysis ("MD&A") of the operating results and financial position of Cascades Inc. ("Cascades" or the "Corporation") for the years ended December 31, 2022 and 2021 and for the three-month periods ended March 31, 2023 and 2022. Information contained herein includes any significant developments as of May 10, 2023. For additional information, readers are referred to the Corporation's Annual Information Form ("AIF"), which is published separately and available on the SEDAR website at www.sedar.com.

The financial information contained herein, including tabular amounts, is expressed in Canadian dollars, unless otherwise specified, and is prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise specified. Unless otherwise specified or if required by context, the terms "we", "our" and "us" refer to Cascades Inc. and all of its subsidiaries, joint ventures and affiliates.

This presentation is intended to provide readers with information that Management believes is necessary for a better understanding of Cascades' current results and to assess the Corporation's future prospects. Consequently, certain statements herein, including statements regarding future results and performance, are forward-looking statements within the meaning of securities legislation, based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decreases in demand for the Corporation's products, prices and availability of raw materials, changes in relative values of certain currencies, fluctuations in selling prices and adverse changes in general market and industry conditions. Cascades disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities regulations. These items are based on the best estimates available to the Corporation.

To provide more information for evaluating the Corporation's performance, the financial information included in this presentation contains certain data that are not performance measures under IFRS ("non-IFRS measures"), which are also calculated on an adjusted basis to exclude specific items. We believe that providing certain key performance and capital measures, as well as non-IFRS measures, is useful to both Management and investors, as they provide additional information to measure the performance and financial position of the Corporation. This also increases the transparency and clarity of the financial information. Supplemental information on non-IFRS measures and other financial measures are available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on the SEDAR website at www.sedar.com.

2024 STRATEGIC PLAN UPDATE

When taking into consideration all of the contributing factors discussed below, management expects sales, operating income and EBITDA (A) to increase from the year 2022 levels.:

- Annualization of selling price changes in 2022 and in the first quarter of 2023 in all business segments.
- Annualization of raw materials price variations that occurred in 2022 and in the first quarter of 2023.
- Annualization of general production and selling and administrative cost increases due to inflationary pressure in the last twelve months. Normalized inflation assumptions used in 2024.
- Reduction of the spread between selling prices and raw materials in our packaging segments in 2024.
- Achieving the expected production performance of the Bear Island recycled containerboard manufacturing facility, which started production in early May 2023.
- Achieving sales and volume growth targets in our Containerboard and Specialty Products segments through active commercial and innovation-related initiatives.
- Annualization of the impacts of the capacity reduction announced in our Tissue segment.
- Improvement of production efficiencies of our assets, resulting in additional volume and lower production cost per unit.
- Continued positive customer demand to our products offering.
- The absence of adverse disruptions to our operations or customer demand resulting from weather events or economic or geopolitical conditions.
- Exchange rate at 1.30 CAN$/US$. Depreciation expense to slightly increase by approximately $10M, mainly due to the start-up of the Bear Island facility net of recent impairment recorded in the first quarter of 2023.

In addition, Management expects free cash flow and financial leverage to improve from the year 2022 levels due to the following factors:

- Capital expenditures, excluding strategic projects limited to a maximum of 4% of revenue; $150M in 2023 and $175M in 2024.
- No investments for strategic projects or acquisitions, except for the completion of the Bear Island project in 2023 in the amount of approximately $175M. No significant assets disposals.
- Interest rate gradually decreasing from current levels to the end of 2024. No change in effective income tax rate.
- Interest and income taxes payments estimated at approximately $150M in 2023 and 2024.
- No significant change in our working capital levels (in % of sales).
- No change in our dividend policy. Dividends paid to our non-controlling interests is estimated at $15M-$20M in both 2023 and 2024. No assumptions of common share repurchase or issuance.

RISKS AND UNCERTAINTIES

The results of this strategic 2024 plan update can be substantially different as a result of risks, uncertainties and other factors, many of which are beyond our control, including, but not limited to:

- Disruptions in the ramp-up of the Bear Island facility, preventing or causing delays in the facility reaching its full potential.
- Adverse changes in customers or demand for our products.
- Unexpected declines in the selling prices of our products or increases in raw materials costs.
- Weather events or health crises impacting production or the delivery of our products.
- Major equipment failures, labour disputes or natural disaster events.
- Changes in regulatory, economic, or geopolitical conditions affecting our commercial or production activities.

Additional risk factors about the Corporation are available on pages 36 to 45 of our 2022 Annual Report, Management Discussion & Analysis, available on the SEDAR website at www.sedar.com.

2022 – 2024 STRATEGIC PLAN

In February 2022, having made significant progress on its previous 5-year strategic plan (2017 – 2021), Cascades introduced a new 3-year strategic update for the 2022 through 2024 period ("Updated Strategic Plan"), setting the stage for further value creation for the Company's customers, shareholders, employees and all other stakeholders.

The strategic priorities laid out in the comprehensive plan are focused on bolstering the competitiveness of Cascades' three business segments: Containerboard, Specialty Products and Tissue Papers, positioning the Company as the go-to firm of choice across all industry stakeholders.

Throughout 2022, the Company's operations encountered strong headwinds across our operations in the form of $470 million of cost inflation. These conditions, coupled with the lingering effects that the pandemic and economic and geo-political events had on logistics, the supply chain as well as talent recruitment and retention, impacted the Company's ability to meet objectives set for the fiscal year 2022, and delayed a return to profitability levels in the Tissue Papers segment specifically.

In the subsequent sections, the Company discusses the performance of its business operations in 2022 given this context, and its longer-term 2024 objectives. Our focus remains squarely on driving revenues, profitability levels and efficiency across our business platforms. To this end, our 2024 objectives remain largely unchanged. What has changed – most notably for our Tissue Papers business – is the path we are taking to get there.

2022 CONSOLIDATED TARGETS

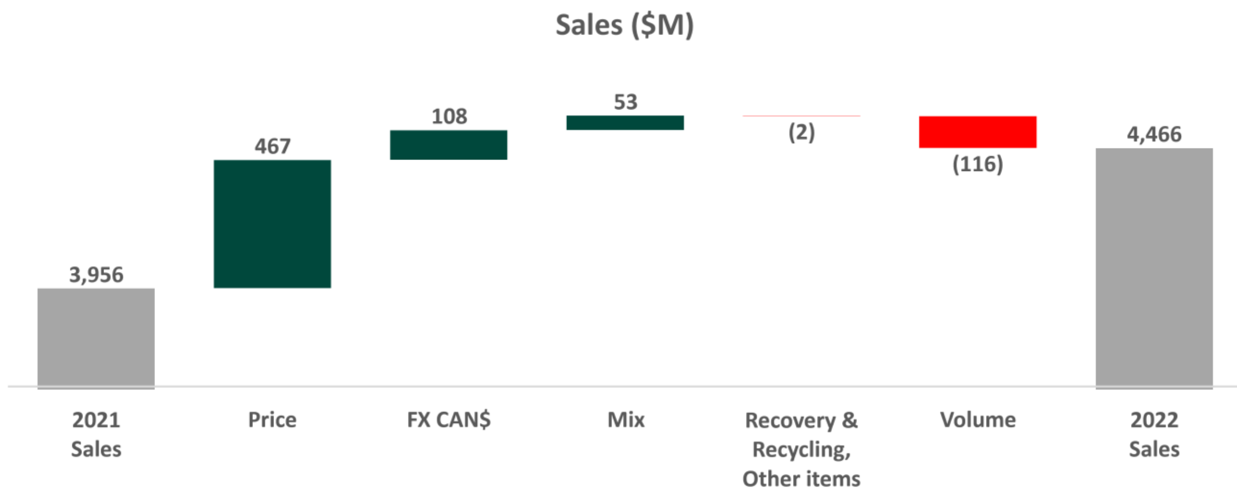
Underpinning the longer-term 2024 priorities, Cascades outlined the following consolidated targets for **2022**:

1	2	3	4
11% - 13%	**$415 M**	**Maintain**	**2.5x – 3.0x**
EBITDA (A)[1] Margin	Capital expenditures ($275M for Bear Island)	Dividend & NCIB (Review after 2022)	Net debt/EBITDA (A)[1]

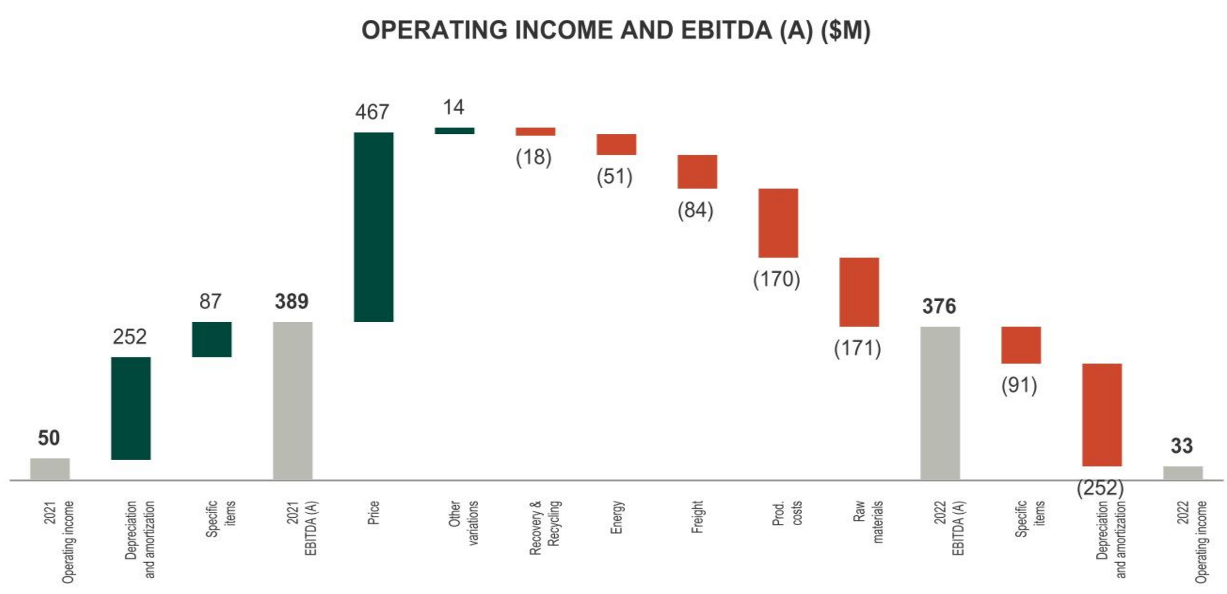
1 Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

1. EBITDA (A)[1] MARGIN: 11% - 13%

Consolidated sales increased by $510 million or 13% in 2022 from 2021 levels. This was driven by selling price initiatives, and favourable sales mix and exchange rate, partially offset by lower volumes in all business segments.



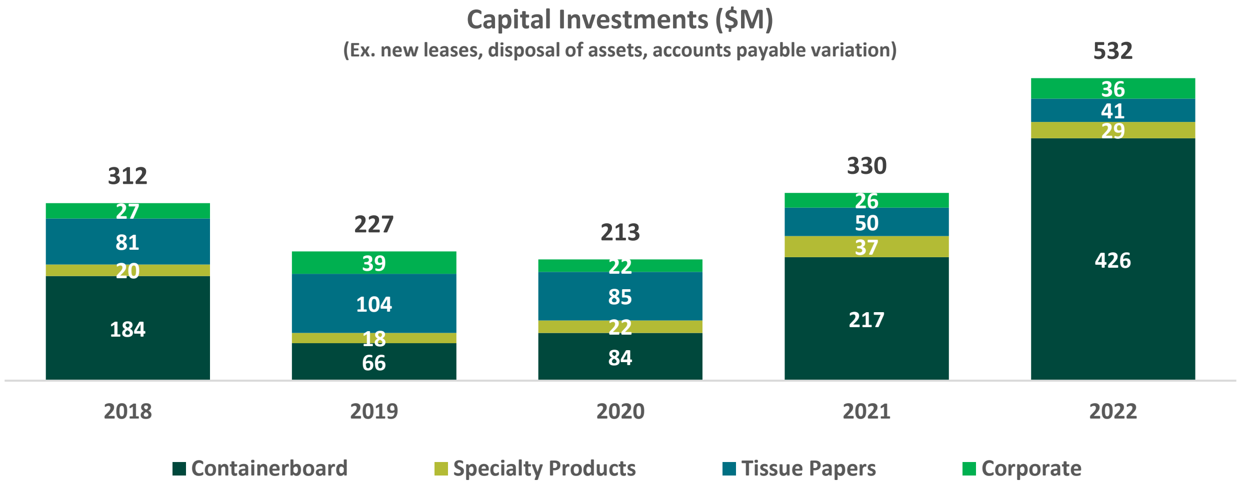
Cascades generated an Operating Income of $33 million in 2022, a decrease from $50 million recorded in the prior year. EBITDA (A) of $376 million, or 8.4% on a margin basis, was below the comparable $389 million generated in 2021, and was below the targeted margin range of 11% to 13%, largely as a result of significant inflationary pressure on costs, the effects of which were mitigated by higher selling prices in all segments.



[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

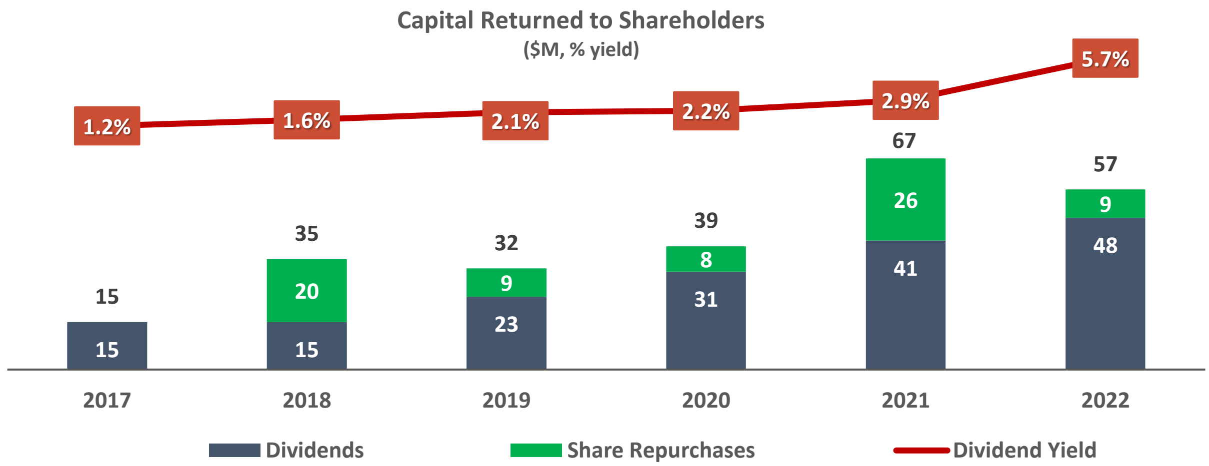
2. Capital Expenditures: $415 million

Capital expenditures, excluding leases, asset disposals and accounts payable variations, totaled $532 million in 2022 ($482 million on a net cash basis). Of this, 68%, or $364 million was invested in the Bear Island project. This exceeded the Company's original target, primarily as a result of the impact of significant inflationary pressures on the Bear Island project costs, discussed in greater detail in subsequent sections.



3. Maintain Dividend & NCIB - Capital Allocation Priorities

We maintained our dividend and our share repurchase program. In 2022 the Company returned a total of $57 million to shareholders, which included $48 million in dividends and $9 million in share repurchases.



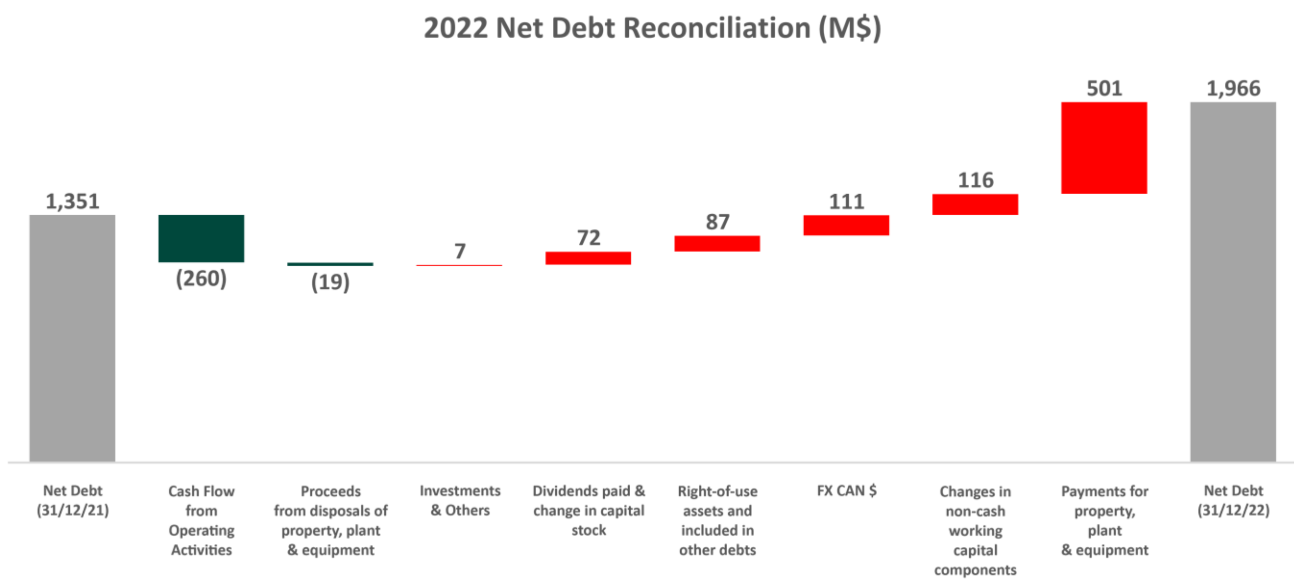
The Company expects to maintain its current dividend policy for 2023. The NCIB of up to 2% of shares outstanding in place from March 2022 – March 2023 was not renewed, with capital allocation being prioritized for debt repayment.

4. FINANCIAL LEVERAGE: 2.5X – 3.0X

The Company ended the fiscal year 2022 with a Net debt/EBITDA (A)[1] ratio of 5.2x, above the initial disclosed targeted range of 2.5x to 3.0x by the end of 2022. As discussed during quarterly conference calls, the reason for the higher than anticipated financial leverage ratio is threefold:

i) higher capital expenditure requirements for the Bear Island project
ii) lower than expected cash flow generated by our operations
iii) less favourable Canadian dollar – US dollar exchange rate.

The Company expects Net debt/EBITDA (A)[1] to gradually decrease as the Bear Island facility ramps up and begins to contribute positive cash flow, and ongoing initiatives in the Tissue Papers operations, as discussed later in this document, return this segment's profitability to normalized levels. Combined, these factors are expected to reduce the Company's financial leverage ratio.



[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

2024 CONSOLIDATED TARGETS

In February 2022, Cascades established the following consolidated targets for **2024**:

1
~ $5B
of revenue

2
13%-15%
EBITDA (A)[1] margin
~$700 M

3
4%
Capex[3] as a % of revenue
~$200M

4
9%-11%
Free Cash Flow[1,2]
~$500M

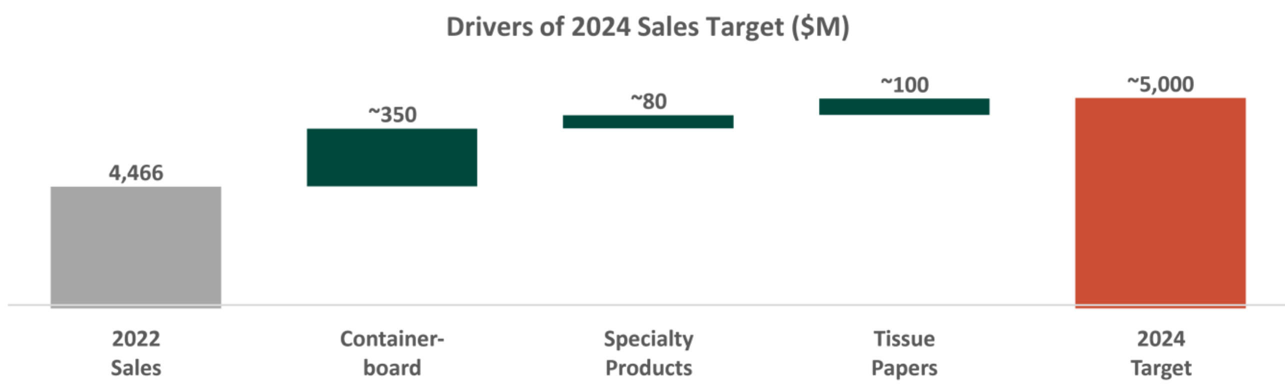
5
2.0x-2.5x
Net debt / EBITDA (A)[1]

[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com. [2] Free cash flow defined as EBITDA (A) – Capex
[3] Excluding strategic investments

1. 2024 Revenue: ~ $5 billion

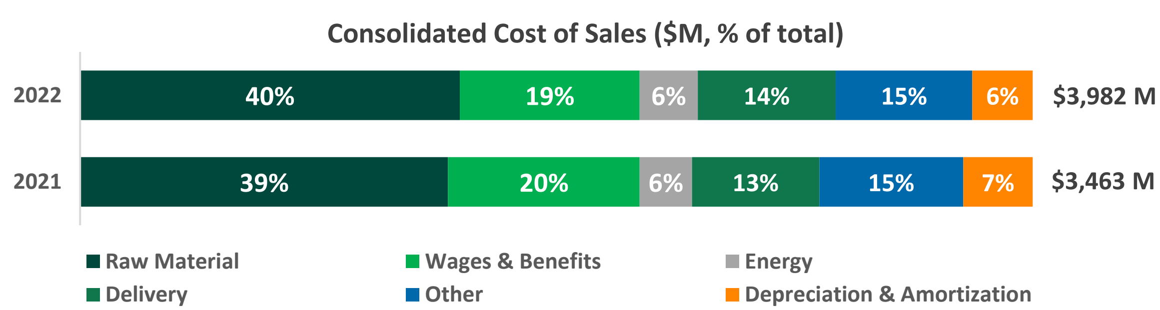
Given the expected performance of our business segments, as described in the following three sections, Cascades' objective continues to be to generate approximately $5 billion of sales in 2024.

The forecasted approximate 12% growth in revenue is expected to reflect increases in all three business segments, as outlined below. Details regarding the drivers of the increased sales in each business is provided in subsequent sections.



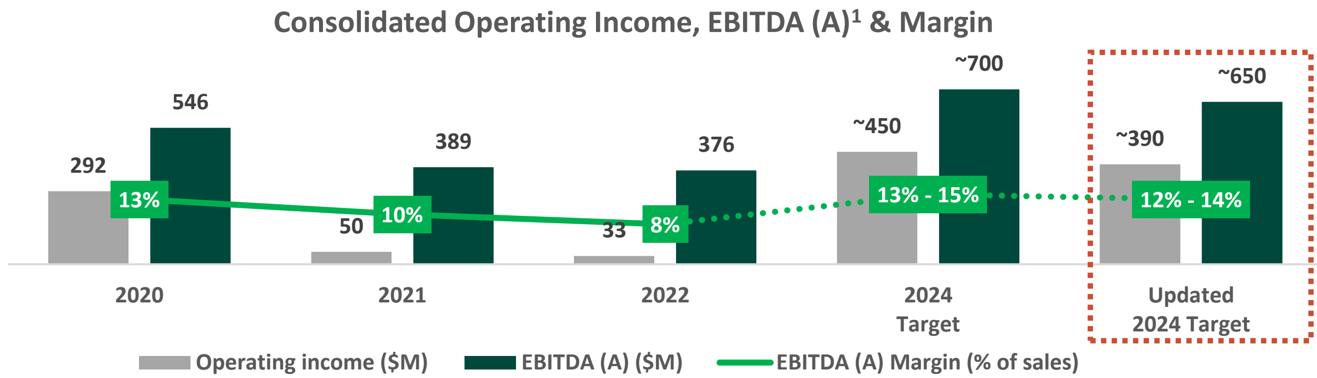
2. 2024 EBITDA (A)[1] Margin: 13% - 15%

On a consolidated basis, cost of sales increased by $519 million, or 15%, in 2022 compared to 2021. This was a key factor of the lower EBITDA (A) in 2022.

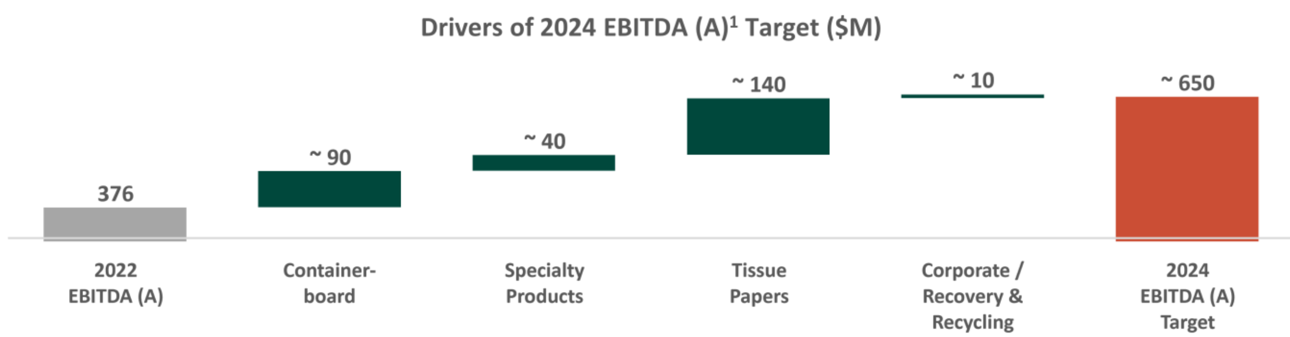


[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

The Company has revised its consolidated EBITDA (A)[1] margin target for 2024 to between 12% and 14%, from a range of 13% and 15% previously, to reflect this higher cost base. The updated target is supported by ongoing initiatives being undertaken in each of our business segments, discussed in subsequent sections.

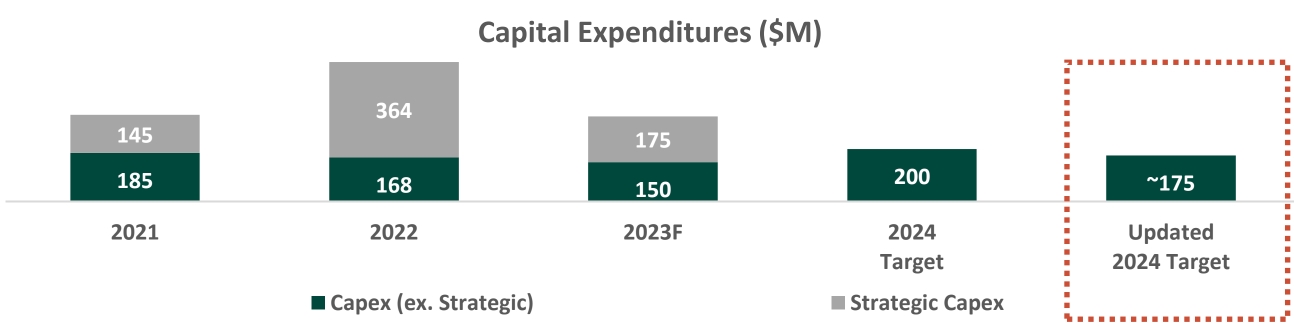


Levers to achieve the 2024 EBITDA (A)[1] target are outlined below, and will be discussed in greater detail in each of the business segment sections.



3. 2024 CAPITAL EXPENDITURES: ~ 4% OF REVENUES

For 2023, the Company will invest approximately $325 million, of which $175 million will be spent to complete the Bear Island project. Excluding this strategic investment, capital expenditures are expected to total $150 million in 2023. The 2024 capital expenditures objective remains unchanged at approximately 4% of revenue, excluding potential strategic projects.



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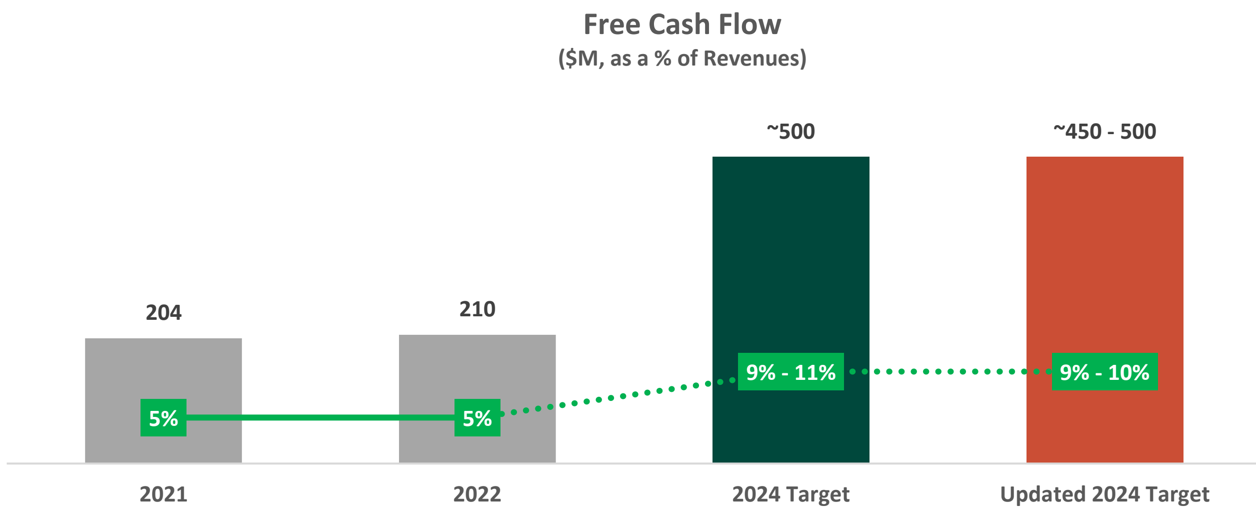
4. 2024 FREE CASH FLOW[1]: 9% - 11% OF REVENUES

Free cash flow from operations generated in the fiscal year 2022 totalled $210 million, representing 5% of consolidated revenues. For 2024, we continue to target strong free cash flow levels within our previously set range.



The following table reconciles payments for Property, Plant & Equipment ("PP&E") and Free Cash Flow annually for 2022 and 2021.

(in CAN$M)	**2022**	2021
Sales	**4,466**	3,956
EBITDA (A)[1]	**376**	389
Payments for PP&E	**501**	286
LESS: Strategic projects*	**(335)**	(101)
Payments for PP&E, ex. Strategic projects	**166**	185
Free Cash Flow ((EBITDA (A)[1] less Payments for PP&E, ex. Strategic projects))	**210**	204
Free Cash Flow / Sales	**4.7%**	5.2%
Payments for PP&E, ex. Stratetic projects / Sales	**3.7%**	4.7%

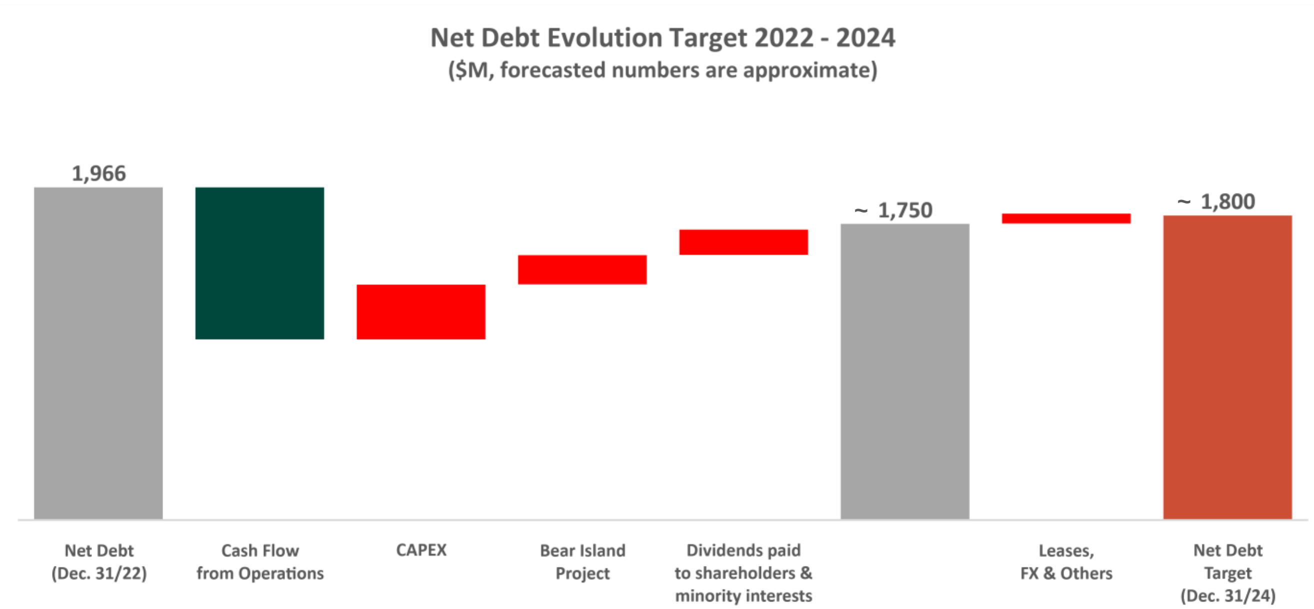
* Strategic projects include the investments in the Bear Island project.

[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

5. 2024 FINANCIAL LEVERAGE: 2.0X – 2.5X

The combination of (i) positive EBITDA (A)[1] and cash flow contributions from the Bear Island facility by year-end 2024, (ii) expected results from the comprehensive profitability initiatives in the Tissue Papers segment, (iii) improvements from our packaging businesses and (iv) lower capital investments are forecasted to benefit the Company's Net debt/EBITDA (A)[1] ratio level.

The Company continues to target this leverage ratio, but does not expect to reach it by the end of 2024 following the lower cash flow generation levels in 2022 and higher Bear Island project costs. Consequently, this objective has been slightly modified to an objective of between 2.5x and 3.0x by the end of 2024.



[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

PACKAGING PRODUCTS - CONTAINERBOARD

The February 2022 action plan for Containerboard Packaging was focused on 5 key areas:

1. Complete the Bear Island start-up
2. Increase integration with new converting capacity in the U.S.
3. Achieve 2024 Revenue of ~$2.9 B
4. Generate 2024 EBITDA (A)[1] margin of ~19% - 21%
5. Invest $325 M in Capex in 2022, including $275 M for Bear Island

1 Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

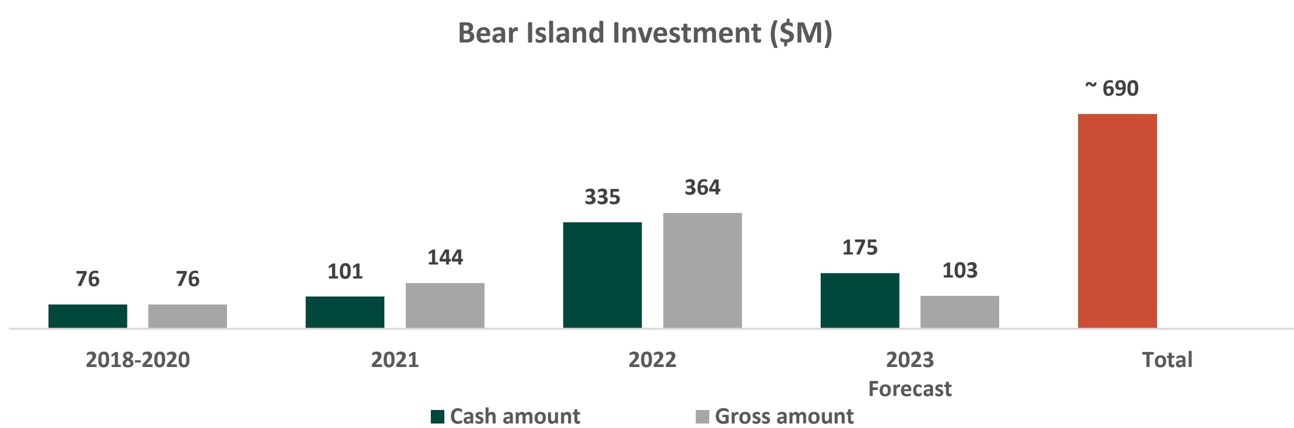
1. COMPLETE THE BEAR ISLAND START-UP

The Bear Island facility, which began operating in early May 2023, represents a significant growth opportunity to meet increasing market demand for lightweight, recycled containerboard.

- ✓ With annual capacity of 465,000 s.t., the mill is one of the largest and most modern recycled containerboard machines in North America.
- ✓ Scale, location, and equipment positions the Bear Island mill in the 1st quartile on the RISI cash cost curve.
- ✓ Product offering is complementary to that of Greenpac Mill, optimizing the flexibility of the Company's Containerboard platform.
- ✓ Excellent strategic geographic location near Richmond, VA and 100 miles South of Washington, DC.
- ✓ Fully staffed with experienced and trained workforce.

Project Cost

As of December 31, 2022, a total of $512 million has been invested in the project. The Company expects to spend $175 million in 2023 to complete the project, of which $100 million was spent in the first quarter of 2023. A total of $12 million of operational costs related to the project were incurred in 2022, up from $6 million in 2021. These were recorded in the EBITDA (A)[1] of the Containerboard business.



The total investment for the Bear Island conversion project of approximately US $525 million (CAN $690 million) is above the original estimated cost, with the difference largely a reflection of supply chain challenges and the high inflationary environment throughout 2022. This brownfield project also required adjustments to the original design plan, which impacted cost levels of construction supplies, labour, and project management.

Notwithstanding the higher investment levels required to complete the conversion, the project's projected return remains above our minimum return threshold for this kind of strategic project taking into consideration current raw material costs and selling prices.

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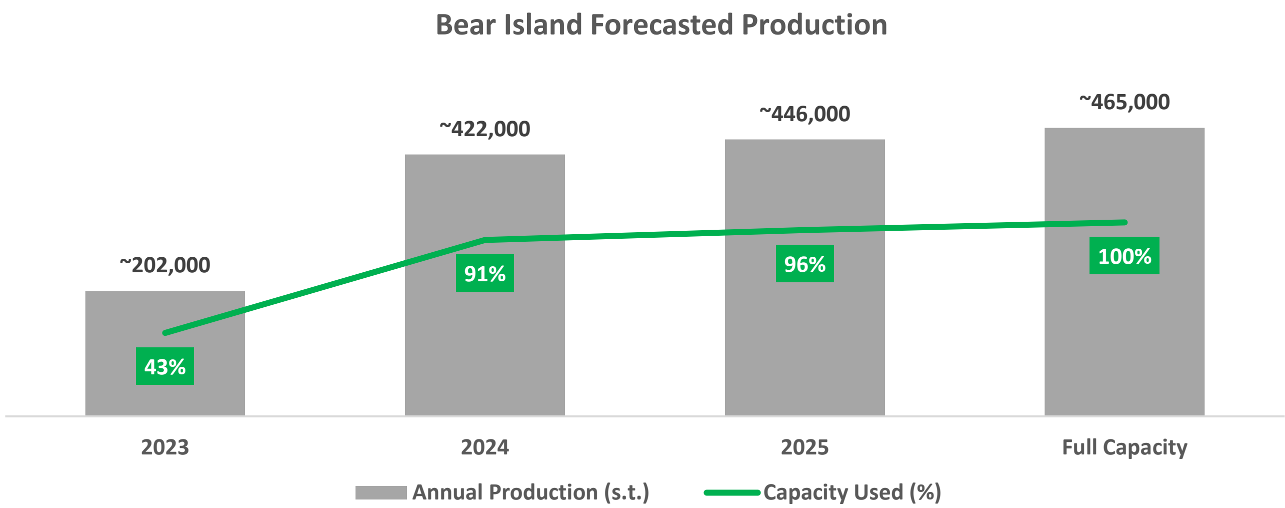
Forecasted Production

Bear Island is expected to produce approximately 202,000 short tons (s.t.) of containerboard during its initial ramp-up year in 2023, 422,000 s.t. in 2024 and 446,000 s.t. in 2025. 100% of production volume in the first 12 months and approximately 75% of production volume in the subsequent 2 years is secured through commercial agreements.



Forecasted EBITDA (A)[1]

For 2023, Bear Island is expected to generate EBITDA (A) of approximately US$10M (CAN$13M), below the originally forecasted range. This decrease reflects lower production levels in 2023 attributable to the later start-up date. These forecasts assume current selling prices, and raw material, labour, shipping, energy, and other production supply costs. At full capacity, Bear Island is expected to generate EBITDA (A) of approximately US$ 85M to US$ 90M (CAN$ 110M to CAN$ 117M), down from the previously communicated range of US$ 90M to US $100M.

2. Increase Integration with New Converting Capacity in the U.S.

The Company continues to evaluate a variety of growth opportunities to increase internal converting capacity over the mid-to-long term, taking into consideration the competitive landscape, economic and market conditions, the Company's internal production platform and the needs of our customers. These include strategic M&A, greenfield projects and organic expansion at its existing facilities, or a combination thereof.

The Company's immediate focus remains the ramp-up of the Bear Island facility and will continue to explore opportunities to increase integration over the longer-term in line with our objectives in terms of financial leverage.

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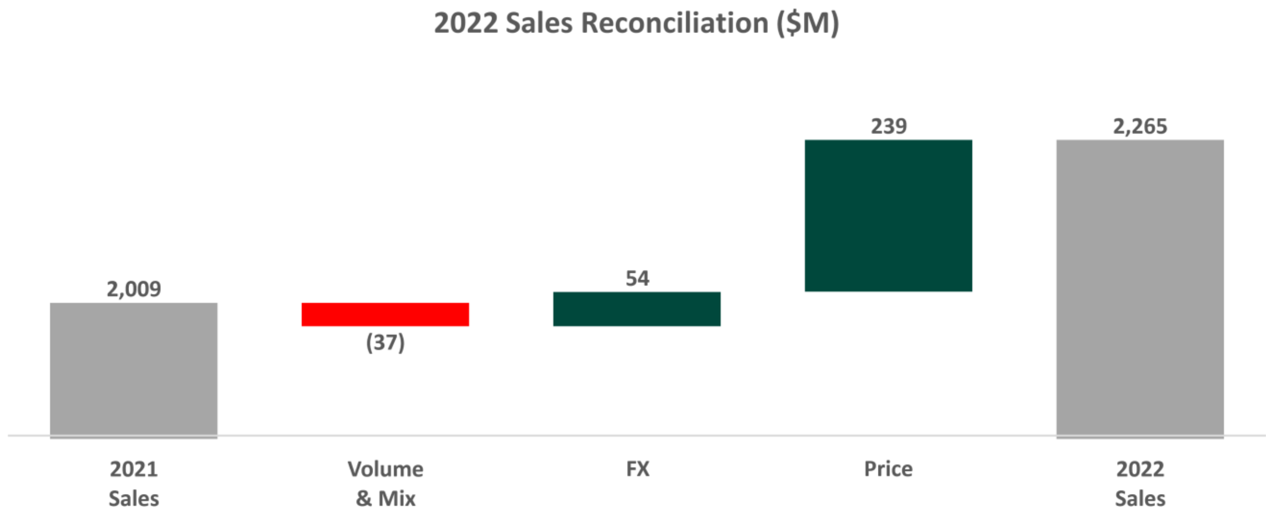
3. ACHIEVE REVENUE OF ~$2.9 BILLION IN 2024

Notwithstanding the challenging macroeconomic environment that persisted throughout 2022, we are pleased with the results of the Containerboard business segment. For the full year 2022, sales amounted to $2,265 million, a 13% increase over 2021 levels. These results reflect higher average selling prices and a more favourable exchange rate, the benefits of which offset slightly softer volume and a less favourable sales mix impact.



Sales growth in the Containerboard segment is expected to be driven by the addition of the Bear Island production and growth in targeted strategic markets for this business. Specifically, in February 2022, the Company set specific volume growth targets for the 2021-2024 period for five strategic end-markets: Distribution/E-commerce, Produce, Food processing, Consumer packaged goods, and industrial. The progress made toward achieving these targets in 2022 is outlined in the subsequent section, along with the updated 2021-2024 growth target for each strategic market and consolidated objective for the business.

In 2022, the Company's targeted sales efforts successfully grew volume in the Distribution/E-commerce market. However, volumes decreased in the remaining four target markets, reflecting market changes, economic conditions and internal revenue management decisions at the product and customer level.

(Volumes in MSF) Millions of square feet	Strategic Markets	2021 Volume	2022 Volume	2021-2024 Volume Target	2021-2022 Change	Updated 2021-2024 Target
	**Distribution / E-commerce**	2,505	3,002	**25% - 30%**	20%	**30% - 35%**
	**Produce**	526	505	**10% - 15%**	(4%)	**0% - 5%**
	**Food Processing***	6,031	5,926	**10% - 15%**	(2%)	**10% - 15%**
	**Consumer Packaged Goods**	826	764	**5% - 10%**	(8%)	**(5%) – (10%)**
	**Industrial**	2,353	2,094	**5% - 10%**	(11%)	**(5%) – (10%)**

* Includes beverage market

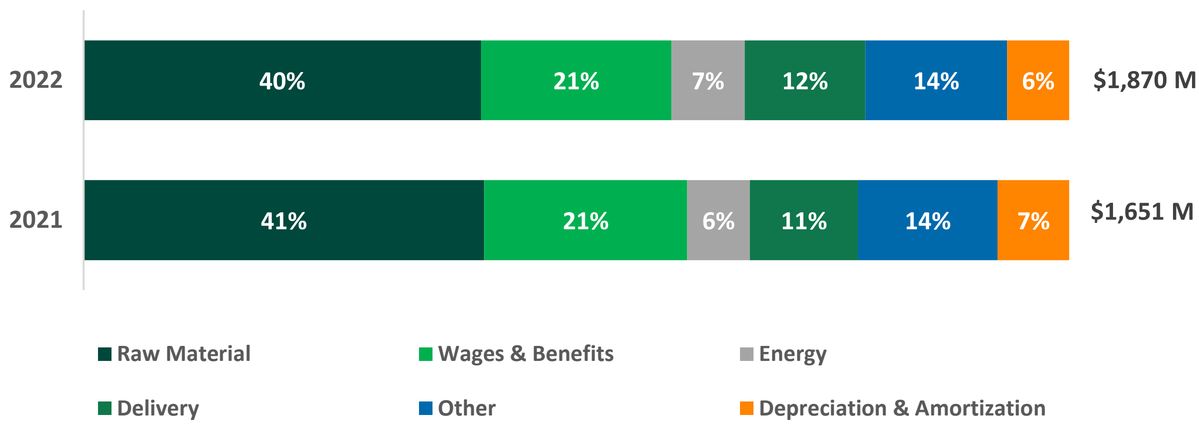
To realign with the changes seen in the market landscape and internal adjustments made to its go-to-market approach, the Company has re-balanced volume growth rates it is targeting for the 2021–2024 timeframe in the five strategic end markets. Cascades has slightly increased its volume growth target for Distribution/E-commerce, supported by new business gained over the last year and a solid pipeline of new opportunities. The Company continues to target 10% to 15% growth in the Food Processing segment but has reduced its target for Produce (4% of total volume) following analysis of the market environment. Lastly, net revenue management decisions primarily at the customer level have resulted in an expected volume decline in both the Consumer Packaged Goods (7% of total volume) and the Industrial end-markets.

To reflect these changes, the recently announced permanent closure of machine #2 at the Niagara Falls, NY facility, and delay in plans to increase converting capacity in the US, Cascades has adjusted its 2024 revenue target for Containerboard to approximately $2.6 billion, from $2.9 billion previously announced.

4. GENERATE EBITDA (A)[1] MARGIN OF ~19% - 21% IN 2024

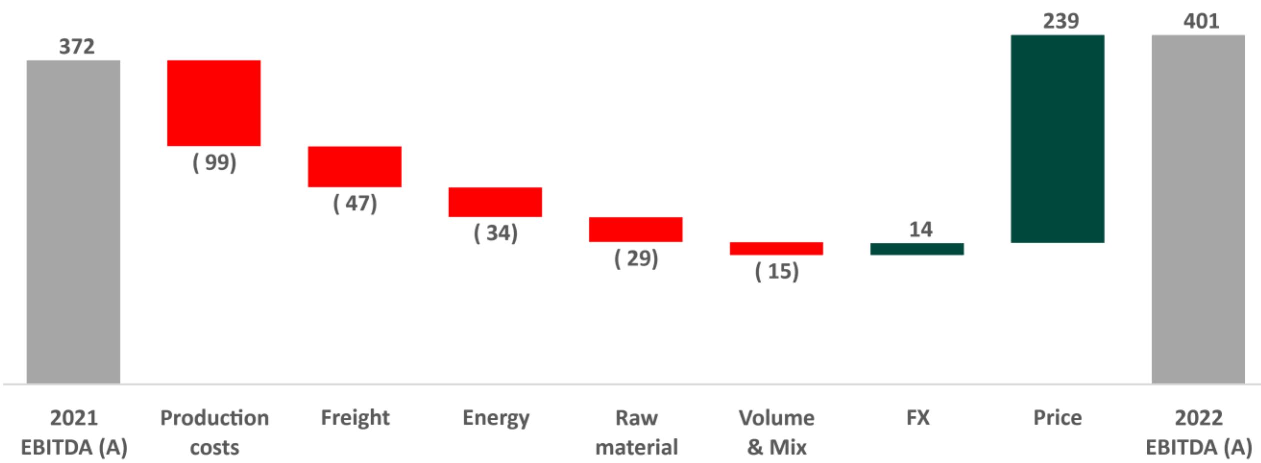
The Containerboard cost of sales increased by $220 million, or 13%, in 2022 compared to the prior year period.

Cost of Sales ($M, as a % of total)



In 2022, the Containerboard segment generated EBITDA (A)[1] of $401 million, representing 18% on a margin basis, and a $29 million, or 8%, increase from 2021. This reflects benefits from higher average selling prices and a more favourable exchange rate, offset by higher raw material, production, energy and freight costs, a less favourable volume/mix, and $12 million of operational costs related to the Bear Island project.

2022 EBITDA (A)[1] Reconciliation ($M)



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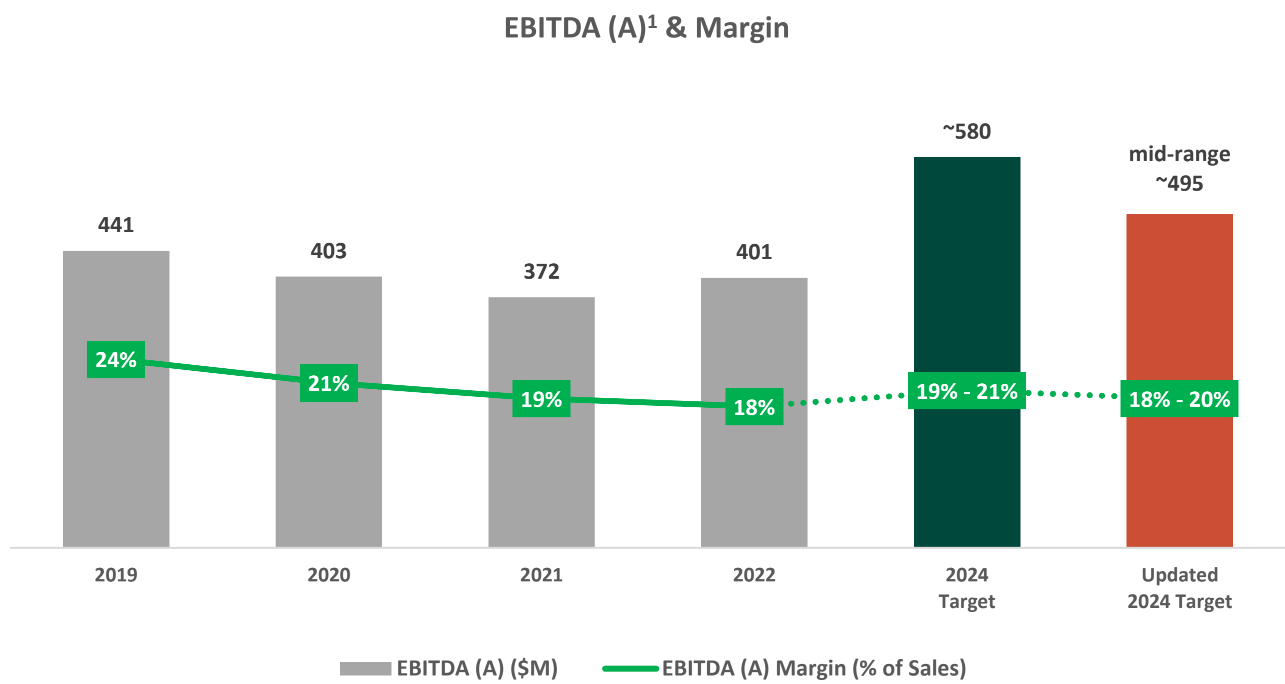
The Company has updated market pricing assumptions for this business to reflect the inflationary environment prevalent throughout 2022 and recent changes to both selling prices and raw material costs. As a result, this segment's 2024 EBITDA (A)[1] margin target has been modified to a range of 18% to 20% from 19% to 21% previously.



5. INVEST $325 MILLION IN CAPEX IN 2022

The Containerboard segment invested a total of $426 million of capital expenditures in 2022. Of this, $364 million was invested in the Bear Island project, and the remaining $62 million went toward maintenance and smaller efficiency projects. 2022 capital expenditure levels exceeded the target by $101 million due to the higher Bear Island project costs, the reasons for which are outlined in the previous Bear Island section.

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PACKAGING PRODUCTS – SPECIALTY PRODUCTS

The February 2022 action plan for Specialty Products was focused on 5 key areas:

1. Increase pace of sustainable product development & commercial launch
2. **Continue to develop & grow share in targeted markets**
3. Invest ~$40M in 2022 in technology & automation to support sales growth
4. Achieve 2024 revenue of ~$700M
5. Generate 2024 EBITDA (A)[1] margin of ~17% - 19%

1 Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

1. Increase Pace of New Sustainable Product Development and Commercial Launch

In alignment with the objective to increase the pace of development and commercial launch of new sustainable products, the Specialty Products business announced several new solutions during 2022. These included:

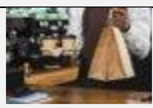
- A 100% recycled PET tray, which is also recyclable, that expands the Company's eco-friendly packaging lines, and is compatible with equipment already used by food processors and retailers
- Prequalified by How2Recycle® as widely recyclable in Canada and recyclable in limited U.S. communities
- Unique design that allows for minimal use of materials while ensuring optimal rigidity
- Rolled edges reduce the risk of tearing when using shrink-wrap, helping to prevent food waste

- The addition of the innovative technology northbox® XTEND™ to its line of isothermal packaging solutions
- Its composition creates a moisture barrier that helps keep the insulation rigid
- Keeps food fresh during longer transit times and in regions with higher temperatures, while also requiring less ice
- Made of recycled cardboard, recyclable and prequalified by How2Recycle®

The Company will continue to focus on the development and launch of addition sustainable products and solutions, an important contributing factor to one of the goals in its Sustainability Action Plan – namely, that 100% of its manufactured packaging be recyclable, compostable, or reusable by 2030.

2. CONTINUE TO DEVELOP AND GROW SHARE OF TARGETED MARKETS

The Specialty Products group is focused on developing sales in the targeted business sub-segments. In February 2022, the Company provided sales growth targets in five strategic markets. The table below outlines the growth realized in each of these markets, which varied between 10% and 23% in 2022, and the revised targeted growth rates for each market.

	Strategic Markets	2021 Sales ($M)	2022 Sales ($M)	2021-2024 Sales Growth Target	2021-2022 Sales Growth	Updated 2021-2024 Target
	Egg Packaging	190	225	10% - 15%	18%	30% -35%
	Fruits & Vegetables	30	36	120% - 135%	20%	25% - 30%
	Proteins	90	99	40% - 60%	10%	65% - 70%
	Isothermal Distribution	35	42	130% - 150%	20%	20% - 25%
	Food Services	25	29	130% - 160%	16%	75% - 80%
	Industrial & Flexible Packaging*	180	222	(35%) – (40%)	23%	10% - 15%

* Industrial and Flexible Packaging will decrease as carton tonnage is transferred to other market segments.

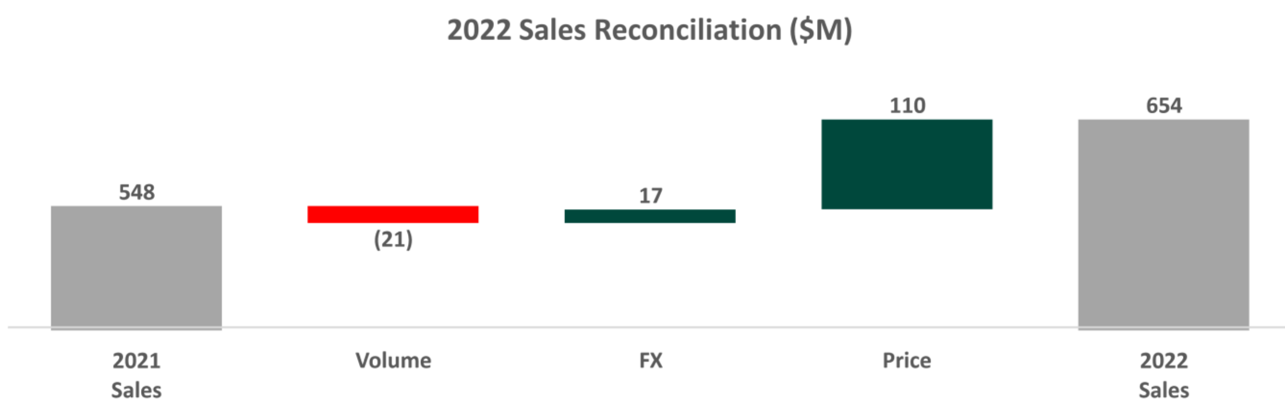
Sales in **Egg Packaging** grew 18% in 2022, reflecting strong demand and selling price initiatives. The growth target for this market has been revised upward to reflect these factors, notwithstanding a decision to delay addition of new molded pulp capacity. In 2022, the Company achieved 20% topline growth in the **Fruits & Vegetables** market, driven by benefits realized from the launch of the Cardboard tray product solution. The sales growth target has been modified following adjustments to capital allocation plans toward our Proteins market. Sales levels in the **Proteins** market grew 10% in 2022, and the targeted growth has been increased to reflect a slower than anticipated decline in demand for foam, and good growth for the Company's rigid recycled plastic trays. Notwithstanding that **Isothermal Distribution** sales increased 20% in 2022, the growth target has been lowered to reflect modifications to expected selling prices and volumes. Revenues in **Food Services** rose 16% in 2022, and the targeted growth has been lowered to reflect a delay in the development and commercialization of cardboard foodservice trays. Lastly, the Company was expecting a decrease in **Industrial & Flexible Packaging** as this tonnage would be absorbed within the other markets such as in food services. The internalization of this tonnage was slower than expected in 2022, as highlighted by the annual growth of 23% in 2022, primarily because of higher prices.

3. Invest ~$40 Million in 2022 for State-of-the-Art Technology and Automation to Support Sales Growth

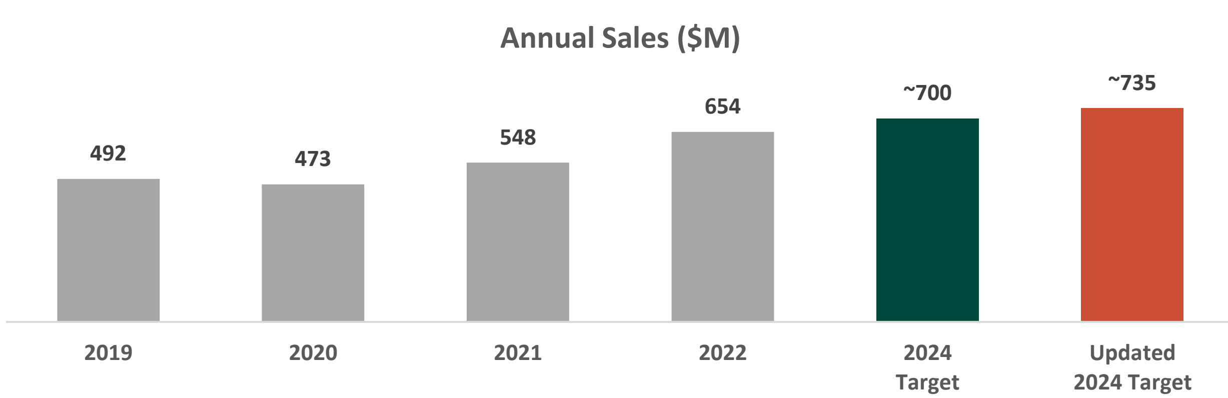
In 2022, a total of $29 million was spent on state-of-the-art technology and automation to support sales growth in the Specialty Products. These included investments to support the growing transition from foam to recycled plastics and investments in new technology in isothermal and cardboard thermoforming equipment.

4. Achieve 2024 Revenue of ~$700 Million

Sales in the Specialty Products segment increased $106 million in 2022 to $654 million. This was driven by higher average selling prices in all sub-segments and a more favourable exchange rate, the benefits of which were partially offset by slightly softer volumes in the second half of the year in all sub-segments, and softer egg packaging volumes throughout the year following the Avian flu outbreak.

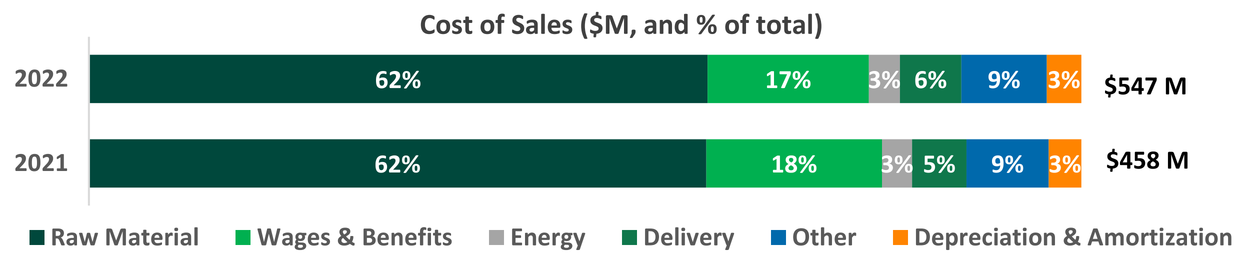


Cascades is increasing its 2024 revenue target for the Specialty Products segment from approximately $700 million to approximately $735 million. The drivers of topline growth include pricing initiatives, new sustainable product development and volume growth in the strategic markets, as detailed above.

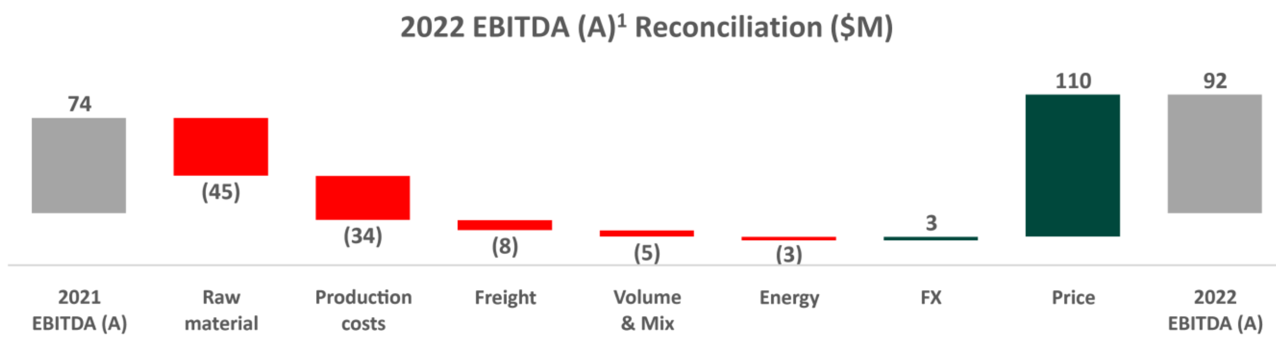


5. GENERATE 2024 EBITDA (A)[1] MARGIN OF ~17% TO 19%

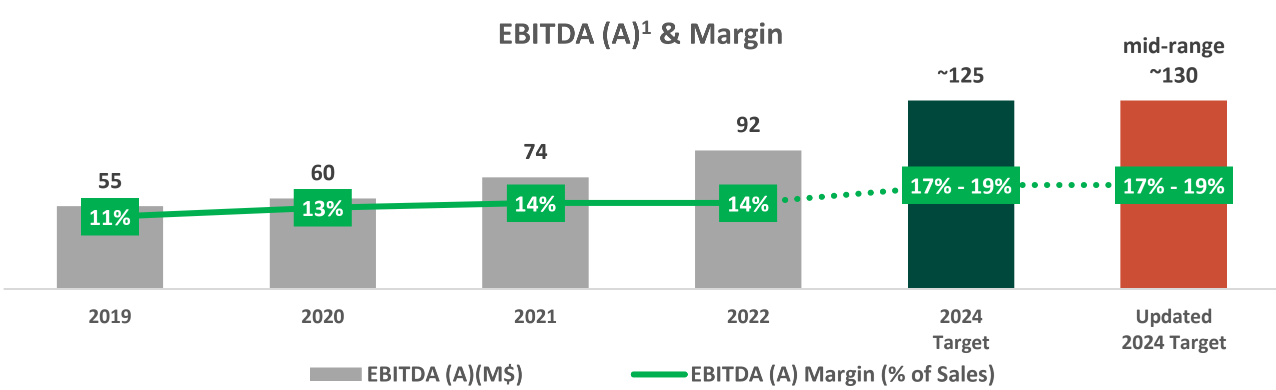
Cost of sales levels in the Specialty business increased by $89 million, or 19%, in 2022. These higher levels were largely inflation-driven.



The Specialty Products business generated EBITDA (A)[1] of $92 million, an increase of $18 million or 24% from 2021 levels. On a margin basis, this represented 14% of 2022 sales. These results were driven by higher selling prices and a more favourable exchange rate, the benefits of which fully offset the impact from higher raw material, production, freight, and energy costs, as well as an impact related to a less favourable volume/mix.



Cascades is on track to meet its 2024 EBITDA (A)[1] target of 17% to 19% for the Specialty Products segment.



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[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

TISSUE PAPERS 2022 OBJECTIVES

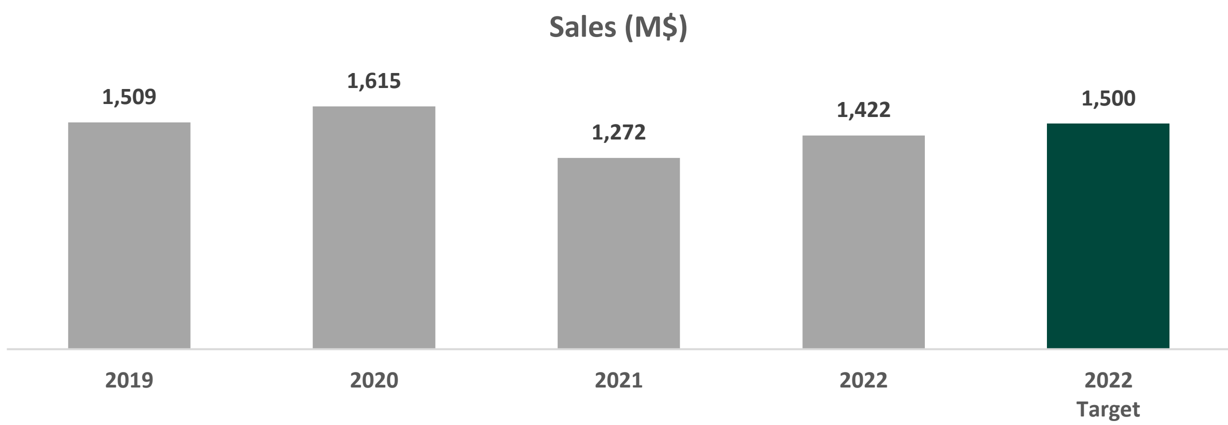
Underpinning the longer-term 2024 objectives for Tissue Papers, the Company established the following specific targets for 2022:

1. Realize ~$1.5B of revenue in 2022
2. Generate EBITDA (A)[1] of $60M - $80M
3. Attain sales of 65M – 70M cases of converted products
4. Invest $35M in Capex in 2022

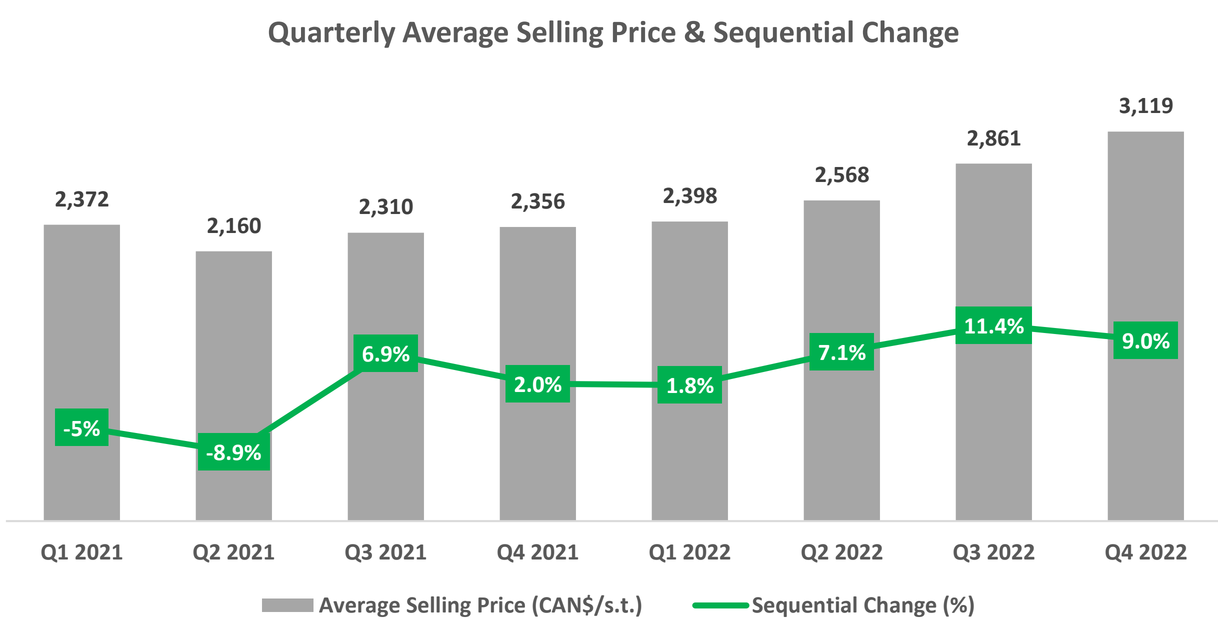
1 Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

1. REALIZE ~$1.5 BILLION IN REVENUE

The Tissue Papers segment generated $1.4 billion in revenues in 2022, a $150 million or 12% increase from the prior year, but slightly below our 2022 target of approximately $1.5 billion. Results reflect the progressive implementation of price increases and other margin initiatives during the year, the benefits of which were partially offset by softer shipment growth levels and the shutdown of the Oregon paper machine in Q4 2022 required to complete structural repairs to the building.

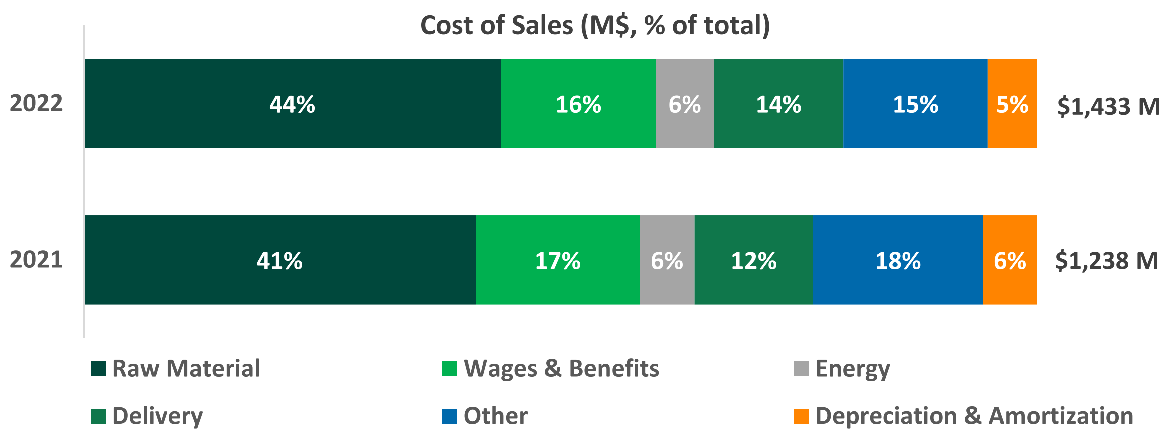


The Company has successfully increased the average selling price of its Tissue Paper products in each of the last six quarters. Combined, these sequential improvements have resulted in the average realized selling price increasing by 32% from Q4 2021 to Q4 2022.



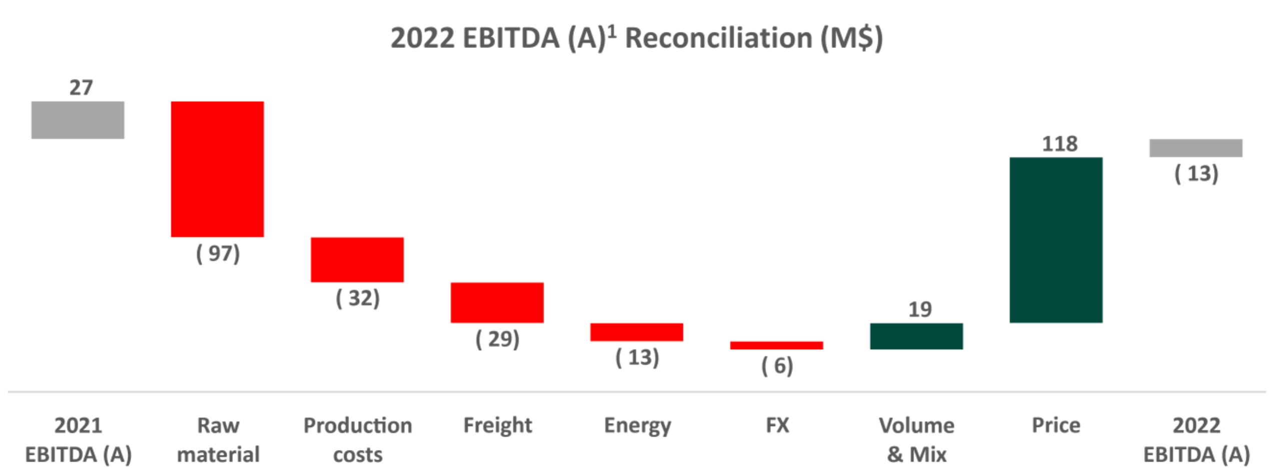
2. GENERATE EBITDA (A)[1] OF $60 - $80 MILLION

The Tissue Papers segment was faced with significant cost inflation in raw material, transportation, energy, production supplies and labour in 2022. In total, cost of goods sold for this business increased $195 million, or 16%, in 2022 compared to the prior year.



This higher cost base, combined with difficult macroeconomic and industry challenges throughout the year, resulted in significant additional headwinds for this business, the effects of which were not fully offset by benefits realized from profitability initiatives.

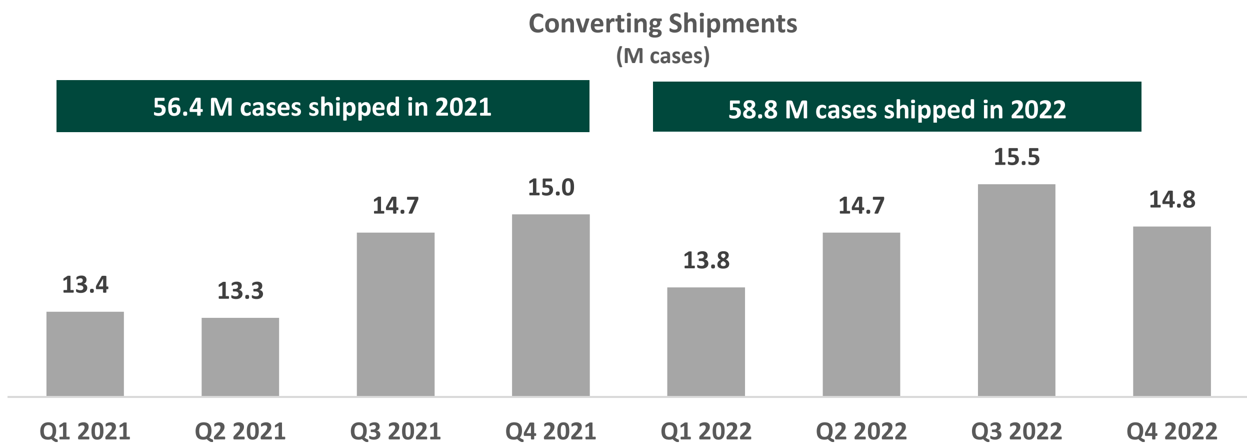
Consequently, EBITDA (A)[1] guidance for the twelve months ended December 31, 2022, was revised downward from the initially specified target of $60 to $80 million. The downward revision was driven by the environment of significant cost inflation, as highlighted by the graph below. As a result, this segment generated EBITDA (A)[1] of ($13) million in 2022.



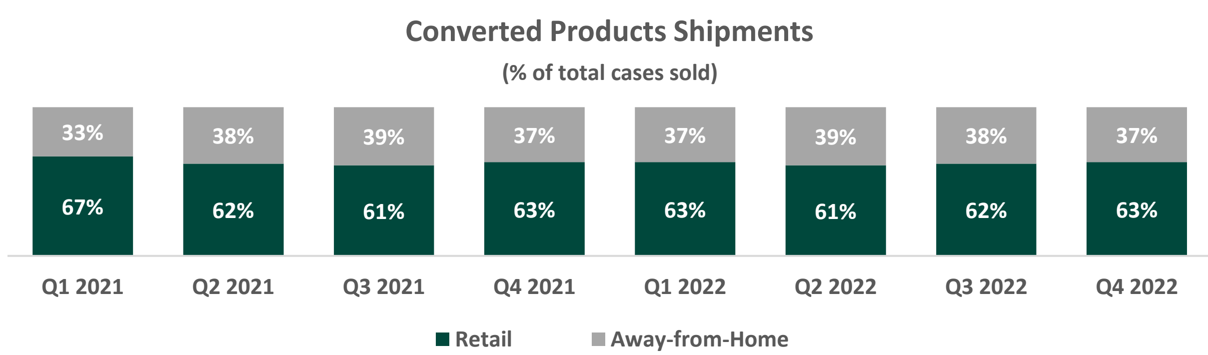
[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

3. Attain Sales of 65 - 70 Million Cases of Converted Products

In February 2022, the Company set an objective of 65 million to 70 million cases of shipped converted products for the year. A total of 58.8 million cases of converted products were shipped in 2022, which represents a 4.3% increase from 2021 levels but fell short of the targeted range as a result of softer demand for Away-from-Home tissue products, labour availability and retention constraints and production efficiency levels that were below expectations.



Of the 58.8 million cases of converted products sold in 2022, 62% were Retail tissue and 38% were Away-from-Home tissue products. As indicated below, converted product shipments vary seasonally throughout the year.



4. Invest ~$35 Million in Capital Expenditures

The Company invested $41 million in 2022 for maintenance and to improve flexibility and drive efficiencies at our converting lines. This amount slightly exceeded the Company's previously stated objective of limiting capex in the Tissue Papers segment to $35 million annually largely as a result of exchange rate fluctuations. The Company expects capital expenditures in the Tissue Papers business to be limited to ~$35 million annually through 2024.

TISSUE PAPERS 2024 OBJECTIVES

The following longer-term 2024 objectives for the Tissue Papers business were established in February 2022:

1. **Realize ~$1.7B of revenue**
2. **Generate EBITDA (A)[1] of ~$150M**
3. **Sell 75M – 80M of cases of converted products**
4. **Invest $35M in Capex**

1 Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

On April 25, 2023, the Company announced plans to reposition its Tissue Papers operating platform. While implementing a comprehensive plan for its Tissue business, the Company determined that additional actions were required to meet profitability objectives as a result of the significant challenges this business faced in 2022. The actions taken will strengthen the operational, financial and environmental performance of this business segment with the closure of assets that have been underperforming in the existing market environment.

The equipment that will progressively be closed beginning in July 2023 has a combined total rated capacity of 92,000 short tons of paper and 10 million cases of converted products annually, but produced only 56,000 s.t. and 5 million cases in 2022. A portion of this production will be absorbed by the Company’s other facilities. The announced changes are as follows:

St. Helens, OR
Manufacturing

- Closure of the Virgin paper machine with annual production capacity of 58,000 s.t.
- Operations continued at the 2nd paper machine at this site, with annual production of 50,000 s.t. of recycled tissue paper

Scappoose, OR
Converting

- Full closure of the facility housing four converting lines with annual capacity of 5 million cases of converted products
- Production: bathroom tissue, paper towels, paper hand towels

Barnwell, SC
Manufacturing + Converting

- Full closure of the facility with one paper machine with annual capacity of 34,000 s.t. of recycled paper rolls, and 5 million cases of converted products produced on three converting lines
- Production: parent rolls, paper towels, bathroom tissue, napkins

Changes to the Tissue business annual operational capacities are as follows:

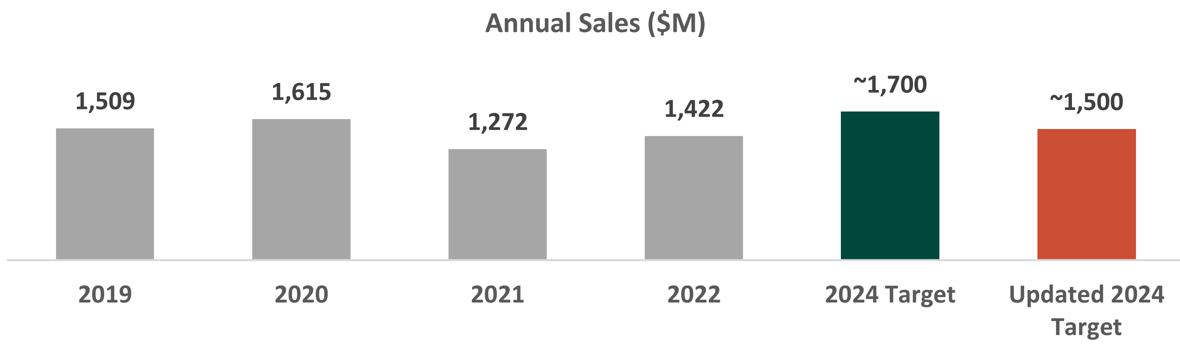
MANUFACTURING	PREVIOUS	NEW
Total Annual Capacity (s.t.)	**587,000**	**495,000**
% Recycled / Virgin	75% / 25%	75% / 25%
% Canada / US	36% / 64%	43% / 57%
CONVERTING	**PREVIOUS**	**NEW**
Total Rated Annual Capacity (M cases)	**~ 75 - 80**	**~ 65 - 70**
% Away-from-Home / Retail	38% / 62%	40% / 60%
% Canada / US	48% / 52%	53% / 47%

This repositioning will simplify operations by concentrating the majority of tissue product operating activities at core, geographically well-positioned sites that offer opportunities for future development and will further consolidate the Company’s position as a leading manufacturer of private label tissue products in the North American retail and Away-from-Home markets.

The following sections outline the benefits realized in 2022 from the initiatives set out in the 2022-2024 Strategic Plan in February 2022. The announced changes to the operational platform of the Tissue Papers business, and adjustments made to expected input cost levels and other market factors to reflect 2022 conditions, results in slight modifications to the 2024 objectives for this business, are also discussed.

1. REALIZE ~$1.7 BILLION OF REVENUE

In February 2022, the Company set an objective of generating approximately $1.7 billion of sales in the Tissue Papers business by 2024. Tissue sales increased by $150 million year-over-year in 2022 to $1.4 billion, achieving approximately 35% of the total targeted sales growth level. To reflect the capacity closures announced in April, the 2024 revenue target for this business has been modified to approximately $1.5 billion.



2. GENERATE EBITDA (A)[1] OF ~$150 MILLION

The Company set out four workstreams to drive significant EBITDA (A)[1] benefits in February 2022. Cascades executed on each of the 4 workstreams in the ensuing 10 months, realizing a total EBITDA (A)[1] benefit of approximately $135 million in 2022. These benefits were more than offset by the impact of significant inflationary pressure on raw material, transportation, energy, labour, and production supply costs which, combined, amounted to $170 million of cost headwinds for this business during the year. The initiatives undertaken in 2022 related to these workstreams are discussed below.

Workstream	Targeted EBITDA (A)[1] Benefit as at Feb. 2022	Realized in 2022
Revenue Management + Operations Excellence	$90 M - $100 M	$121 M
Logistics Optimization	$25 M - $30 M	$11 M
Cost Control	$15 M - $20 M	$5 M

[1] Please click here for supplemental information on non-IFRS measures available on pages 46 to 52 of our 2022 Annual Report, Management Discussion & Analysis, available on SEDAR at www.sedar.com.

1. Revenue Management & Operations Excellence

2022 **Revenue Management** initiatives consisted of cost-driven pricing adjustments to offset the impact of significant inflationary pressures on costs and strategic actions to optimize customer and product profitability.

The **Operations Excellence** workstream focused on increasing productivity, reinforcing overall maintenance execution, increasing proactive maintenance planning and levels at select plants, optimizing the sourcing of external jumbo rolls, and enhancing practices surrounding the hiring, training, onboarding, and retention of employees.

As a result of the partial realization of announced price increases in 2022, combined with operations excellence initiatives undertaken throughout the year, the Company achieved $121 million of annualized benefits, exceeding its original target of $90 to $100 million.

2. Logistics optimization

In 2022, the Company focused on network optimization by executing short-term production location changes, optimizing internal inventory transfers and on time deliveries, and engaging with customers to optimize logistics costs. Additional efforts were focused on filling open capacity, customer allocation removals, and mitigating the impact of parent roll availability, the latter of which put pressure on the industry during the year. In 2022, these initiatives resulted in $11 million of benefits being realized out of the total objective of $25 million to $30 million outlined in February 2022.

3. Cost control

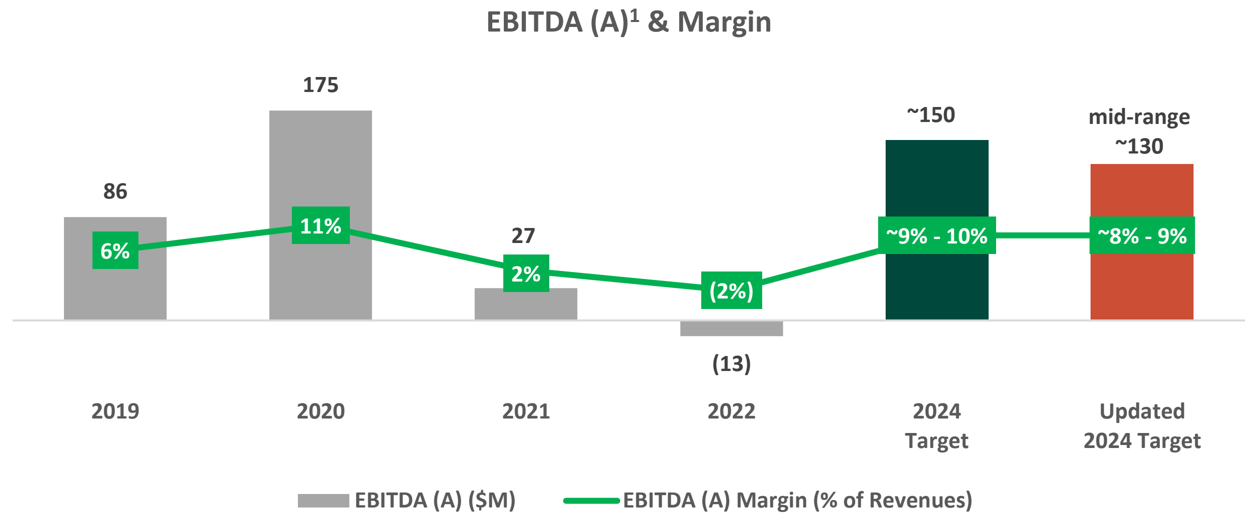
To advance the Cost Control workstream, efforts throughout 2022 were focused on cost savings at its production plants and SG&A costs beyond ongoing initiatives. The Company realized $5 million of benefits from these initiatives in 2022. These were more than offset by the inflationary environment prevalent throughout 2022.

As of March 31, 2023, the beneficial annualized run-rate from these workstreams is approximately $300 million.

Workstream	Targeted EBITDA (A)[1] Benefit at Feb. 2022	Annualized Run-Rate at Q1 2023*
Revenue Management + Operations Excellence	$90 M - $100 M	~ $275 M
Logistics Optimization	$25 M - $30 M	~ $25 M
Cost Control	$15 M - $20 M	

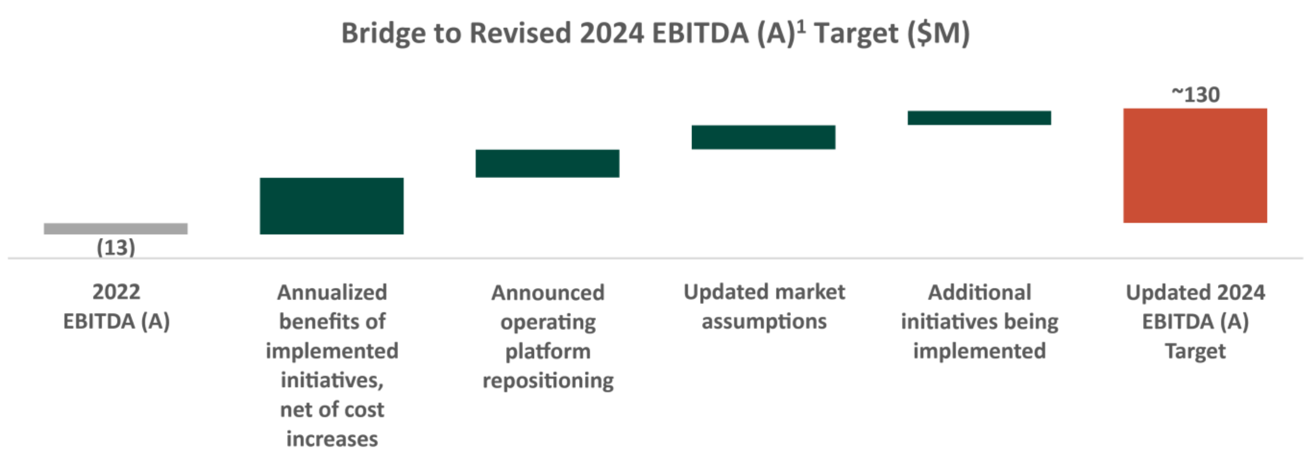
* Before any impact of production cost increases

Following announced changes to the operational capacity of this business and revisions to market condition assumptions, the Company is slightly modifying the 2024 EBITDA (A)[1] objective for the Tissue Papers segment to a range of approximately 8% - 9% of sales, or $120 to $140 million.



The revised 2024 objective is based on four primary pillars:

1. Revisions to expected market conditions to reflect current selling prices, raw material costs and other input cost levels for labour, energy, production supplies and transportation
2. Annualized benefits from efficiency, productivity, and pricing adjustment initiatives that were put in place throughout 2022
3. Operational and financial benefits accruing from the announced changes to the tissue operating platform and asset base, taking into account the lower production capacity
4. Additional benefits realized from new initiatives being implemented



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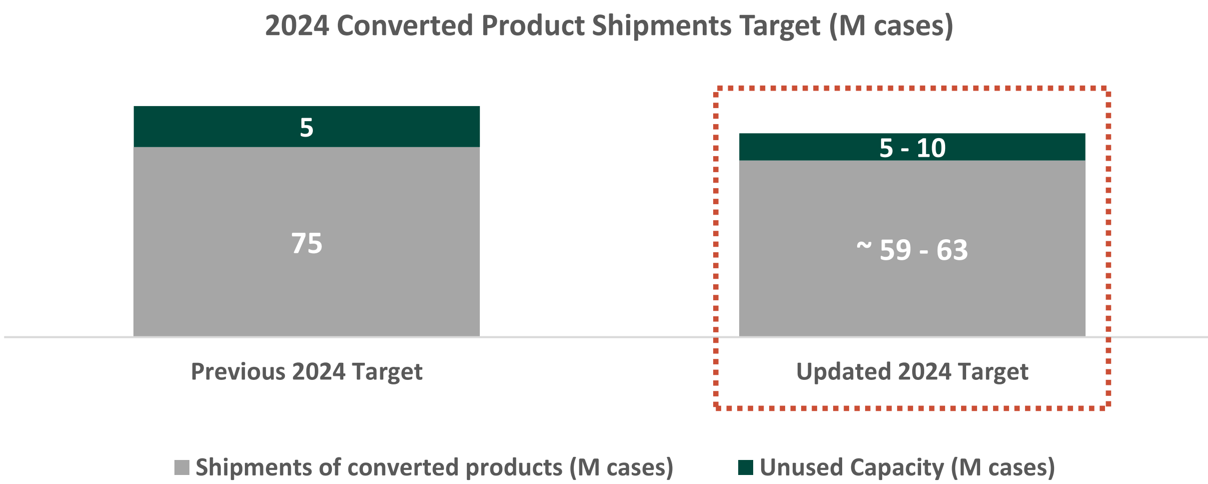
3. SELL 75 - 80 MILLION CASES OF CONVERTED PRODUCTS

In February 2022, the Company set the objective of selling 75 million to 80 million cases of converted products in 2024, out of total annual converting capacity of 80 million cases. In 2022, a total of 59 million cases of converted products were sold. The shortfall to the targeted range reflects operational inefficiencies and labour and logistics constraints. With the announced repositioning of its operational platform, the Company's annual converting capacity decreases to ~65 to 70 million cases. To reflect this change, the Company is now targeting sales of approximately ~59 to 63 million of cases of converted products in 2024.



4. INVEST ~$35 MILLION IN CAPITAL EXPENDITURES

The Company continues to expect capital expenditures in the Tissue Papers business to be limited to ~$35 million annually for 2023 and 2024, in line with the previously stated objective.

ATTRACTING, RETAINING & DEVELOPING TALENT

Cascades continues to implement a comprehensive plan as part of its ongoing efforts to attract, retain and develop talent. Specific initiatives and performance indicators have been established for each of these three pillars. These include reducing employee turnover, increasing retention, and achieving targeted mobility rate objectives.

SELECT PLAN INITIATIVES	
ATTRACT	▪ Implement new talent acquisition model ▪ Enhance and promote employer brand ▪ Reinforce succession program ▪ Deploy international recruitment strategy ▪ Increase social media presence
RETAIN	▪ Expand maturity assessment ▪ Establish innovative HR practices ▪ Implement Diversity, Equity and Inclusion engagement initiatives ▪ Increase recognition initiatives
DEVELOP	▪ Revamping of the employee onboarding experience ▪ Establish a Mentorship & Leadership program ▪ Targeted training programs

Performance indicators consist of, among others, reducing employee turnover, increasing retention, and achieving targeted mobility rate objectives.

SUSTAINABILITY ACTION PLAN 2021 - 2025

Cascades has a robust track record and an ambitious gameplan on ESG matters. Determined to drive positive change, the Company is pursuing the aggressive objectives of its fourth Sustainability Action Plan. The 15 ambitious targets, which include Science Based Targets for greenhouse gas emissions reduction, cover the period 2021-2025 and 2030. The Company will continue to update our results and progress annually.

OUR TOP PRIORITIES: 2022–2024

The updated strategic priorities laid out in this document remain centered on strengthening the competitiveness of Cascades' three business segments: Containerboard, Specialty Products and Tissue Papers. Cascades is focused on positioning the Company as the go-to provider of sustainable solutions for our industry stakeholders, laying the foundation for long-term value creation for the Company's customers, shareholders, employees, and all its other stakeholders.

To this end, the Company's top priorities remain steadfast over the mid and longer-term. Specifically, to drive profitability in the Tissue Papers business, ramp up production at the Bear Island facility, and expand our packaging business over the longer term in the U.S. with additional converting capacity. The Company is committed to delivering on these objectives while meeting the goals we have set in our Sustainability Action Plan, and attracting and retaining employees through recruitment, training, and development programs.

An integrated Company with strong assets to drive value.

Our top priorities

1. Deliver on the profitability plan in Tissue
2. Ramp up the Bear Island facility
3. Explore opportunities to grow our sustainable packaging business in the U.S. over the longer-term
4. Deliver on our Sustainability Action Plan
5. Win the talent war through recruitment, training and development

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