Quarterly Report 1
for the three-month periods ended March 31, 2025 and 2024

Cascades

Source of possibilities

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FORWARD-LOOKING STATEMENT

The following document is the quarterly financial report and Management's Discussion and Analysis ("MD&A") of the operating results and financial position of Cascades Inc. ("Cascades" or "the Corporation") and should be read in conjunction with the Corporation's Unaudited Condensed Interim Consolidated Financial Statements and accompanying notes for the three-month periods ended March 31, 2025 and 2024, together with the most recent Audited Consolidated Financial Statements. Information contained herein includes any significant developments as of May 7, 2025, the date on which the MD&A was approved by the Corporation's Board of Directors. For additional information, readers are referred to the Corporation's Annual Information Form ("AIF"), which is published separately. Additional information relating to the Corporation is also available on the SEDAR+ website at www.sedarplus.ca.

The financial information contained herein, including tabular amounts, is expressed in Canadian dollars, unless otherwise specified, and is prepared unless otherwise stated in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards). 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 associates.

This MD&A is intended to provide readers with information that Management believes is necessary to understand 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, economic conditions generally, decreases in demand for the Corporation's products, the cost and availability of raw materials, changes in the relative values of certain currencies, fluctuations in selling prices and adverse changes in market and industry conditions generally. 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 the applicable securities legislation. This MD&A also includes price indices, as well as variance and sensitivity analysis that are intended to provide the reader with a better understanding of the trends with respect to our business activities. This information is based on the best estimates available to the Corporation.

MANAGEMENT'S DISCUSSION & ANALYSIS
TO OUR SHAREHOLDERS

FINANCIAL SNAPSHOT

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	**Q1 2025**	Q4 2024	Q1 2024
Sales	**1,154**	1,211	1,109
Operating income	**50**	16	9
EBITDA (A)[1]	**125**	146	103
EBITDA (A) as a percentage of sales[1]	**10.8%**	12.1%	9.3%
Net earnings (loss)			
As reported	**7**	(13)	(20)
Adjusted[1]	**13**	25	—
Net earnings (loss) per common share (basic) (in Canadian dollars)			
As reported	**$0.07**	($0.13)	($0.20)
Adjusted[1]	**$0.13**	$0.25	$—
Capital expenditures, net of disposals	**36**	29	41
Dividends declared per common share (in Canadian dollars)	**$0.12**	$0.12	$0.12
FINANCIAL POSITION			
Total assets	**5,051**	5,000	4,816
Net debt[1]	**2,216**	2,096	2,020
Net debt / EBITDA (A) ratio[1]	**4.2x**	4.2x	3.8x
Equity attributable to Shareholders	**1,718**	1,724	1,727
per common share (in Canadian dollars)	**$17.01**	$17.07	$17.15
Working capital as a percentage of sales[1, 2]	**9.8%**	9.6%	9.8%
KEY INDICATORS			
Total shipments (in '000 of s.t.)[3]	**531**	563	556
US$/CAN$ - Average exchange rate	**$0.697**	$0.714	$0.742

1 *Some information represents non-IFRS Accounting Standards financial measures, other financial measures or non-IFRS Accounting Standards ratios which are not standardized under IFRS Accounting Standards and therefore might not be comparable to similar financial measures disclosed by other corporations. Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.*

2 *Percentage of sales = Average quarterly last twelve months (LTM) working capital / LTM sales.*

3 *Shipments do not take into account the elimination of business sector inter-segment shipments. Shipments include those of paper rolls, corrugated packaging and tissue papers.*

SEGMENTED SALES

(in millions of Canadian dollars) (unaudited)	**Q1 2025**	Q4 2024	Q1 2024
Packaging Products	**762**	782	709
Tissue Papers	**364**	394	367
Inter-segment sales, Corporate, Recovery and Recycling activities	**28**	35	33
Sales	**1,154**	1,211	1,109

SEGMENTED OPERATING INCOME (LOSS)

(in millions of Canadian dollars) (unaudited)	**Q1 2025**	Q4 2024	Q1 2024
Packaging Products	**60**	58	12
Tissue Papers	**24**	4	31
Corporate, Recovery and Recycling activities	**(34)**	(46)	(34)
Operating income	**50**	16	9

SEGMENTED EBITDA (A)[1]

(in millions of Canadian dollars) (unaudited)	**Q1 2025**	Q4 2024	Q1 2024
Packaging Products	**109**	132	75
Tissue Papers	**37**	45	50
Corporate, Recovery and Recycling activities	**(21)**	(31)	(22)
EBITDA (A)[1]	**125**	146	103

The main variances[2] in EBITDA (A)[1] are shown below:

(in millions of Canadian dollars) (unaudited)	**Q1 2025 vs Q4 2024**	Q1 2025 vs Q1 2024
Selling price	**9**	47
Operating costs	**(21)**	(10)
Volume and mix	**(27)**	(15)
Raw materials	**18**	—
Variances in EBITDA (A)[1]	**(21)**	22

Our first quarter performance was driven by lower volumes across our businesses as uncertainty regarding tariffs led to a deterioration in consumer and business sentiment beginning in mid-February, resulting in lower sales and profitability levels sequentially. Results were similarly impacted by usual higher seasonal energy costs, increased operational costs due to lower production, and higher transportation costs. Offsetting these factors were favourable average selling prices and raw material costs across our businesses. Broadly, the depreciation of the Canadian dollar benefited quarterly results.

/s/ Hugues Simon

HUGUES SIMON
President and Chief Executive Officer
May 7, 2025

1 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

2 For definitions of certain EBITDA (A)[1] variation categories, please refer to the "Financial Overview" section for more details.

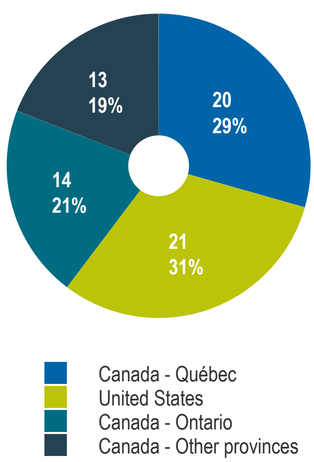
OUR BUSINESS

Cascades Inc. is a paper and packaging company that produces, converts and sells packaging and tissue products composed primarily of recycled fibres. Established in 1964 in Kingsey Falls, Québec, Canada, the Corporation was founded by the Lemaire brothers, who saw the economic and social potential of building a company focused primarily on the sustainable development principles of reusing, recovering and recycling. Sixty years later, Cascades is a multinational business with 68 operating facilities, including 18 Recovery and Recycling facilities which are part of Corporate Activities, and approximately 9,600 employees across Canada and the United States[1]. The Corporation operates two business segments:

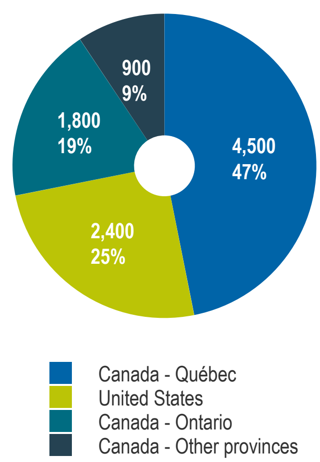
(Business segments) (unaudited)	Number of facilities[1]	Q1 2025 Sales[2] (in $M)	% of sales	Q1 2025 Operating income (in $M)	Q1 2025 EBITDA (A)[2, 3] (in $M)	Q1 2025 EBITDA (A) Margin[2, 3] (%)	% of EBITDA (A)[3]
PACKAGING PRODUCTS	40	762	67.7%	60	109	14.3%	74.7%
TISSUE PAPERS	10	364	32.3%	24	37	10.2%	25.3%

Locations of our facilities[4] and employees by geographic segment within North America:

Our facilities



Our employees



1 *Including 50% owned joint ventures managed by the Corporation.*

2 *Excluding associates and joint ventures not included in consolidated results. Refer to Note 7 of the 2024 Audited Consolidated Financial Statements for more information on associates and joint ventures.*

3 *Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.*

4 *Excluding sales offices, distribution and transportation hubs, corporate services units and head offices. Including main joint ventures.*

BUSINESS HIGHLIGHTS

BUSINESS DEVELOPMENTS

The following transactions should be taken into consideration when reviewing the overall and segmented analysis of the Corporation's 2025 and 2024 results.

ORGANIZATIONAL CHANGES

- On October 30, 2024, the Corporation announced organizational changes designed to support its strategic growth by strengthening alignment, increasing agility, improving execution and accelerating decision making within the organization. These changes involve the combination of the Containerboard and Specialty Products activities into a single operational unit. These changes were enacted on November 11, 2024. Since then, additional adjustments were made to our organizational structure and workforce. These changes resulted in a reduction of approximately 100 employees.

These changes resulted in a change of presentation of our segmented information and the table below summarizes the reconciliation of the sales and the EBITDA (A)[1] of the combined Containerboard and Specialty Products activities into a single operational unit. The information is presented for reference in the transition for the first quarter of 2025.

(in millions of Canadian dollars) (unaudited)					2023					2024
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR
Sales										
Containerboard	561	562	593	561	2,277	556	585	610	613	2,364
Specialty Products	161	164	157	160	642	160	167	169	175	671
Inter-segment sales	(7)	(9)	(7)	(8)	(31)	(7)	(7)	(6)	(6)	(26)
Packaging Products segment	715	717	743	713	2,888	709	745	773	782	3,009
EBITDA (A)[1]										
Containerboard	126	96	101	67	390	50	60	90	104	304
Specialty Products	27	24	21	19	91	25	26	27	28	106
Packaging Products segment	153	120	122	86	481	75	86	117	132	410

The table below reconciles sales and EBITDA (A)[1] according to the new presentation of Packaging Products segment:

(in millions of Canadian dollars) (unaudited)					2023					2024	**2025**
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**
Sales											
Corrugated, net of inter-segment sales	404	419	427	420	1,670	405	422	427	430	1,684	**417**
Paper rolls	201	189	207	181	778	192	201	220	223	836	**218**
Other	110	109	109	112	440	112	122	126	129	489	**127**
Packaging Products segment	715	717	743	713	2,888	709	745	773	782	3,009	**762**
EBITDA (A)[1]											
Corrugated and papers rolls	141	111	115	77	444	62	71	101	116	350	**96**
Other	12	9	7	9	37	14	15	16	16	61	**13**
Packaging Products segment	153	120	122	86	481	76	86	117	132	410	**109**

1 *Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.*

PACKAGING PRODUCTS

- On March 13, 2025, the Corporation announced the closure of its moulded pulp activities in Indiana, effective on April 11, 2025. The decision to cease operations at this plant was influenced by the current market environment, higher operating costs, and significant investment needs. This aligns with our commitment to maximize asset performance.

- On February 13, 2024, the Corporation announced an important repositioning of its Containerboard operating platform. The Trenton, Ontario corrugated medium mill was permanently closed, while the Belleville, Ontario and Newtown, Connecticut converting plants were permanently closed during the second quarter of 2024. The production from these facilities has been moved to other plants with available capacity and more modern equipment. In 2024, the Packaging Products segment received $30 million from the sale of the assets related to Newtown and Belleville as well as a land parcel in Canada.

RECOVERY AND RECYCLING ACTIVITIES

- On February 4, 2025, the Corporation announced the closure of its Recovery and Recycling site in Lachine, Québec, effective on April 11, 2025.

SIGNIFICANT FACTS

2025

- On January 15, 2025, the Corporation repaid its $175 million unsecured senior notes with its revolving credit facility. On April 12, 2024, the Corporation entered into a $175 million delayed draw unsecured term loan credit facility to manage upcoming maturities and this facility was converted into a delayed draw unsecured term loan credit facility of US$121 million on January 31, 2025. On January 31, 2025, US$25 million ($36 million) were borrowed from the facility. This facility will mature on December 31, 2026 and bears interest at a variable rate.

2024

- On December 23, 2024, the Corporation’s subsidiary, Greenpac, entered into an agreement with its lenders to extend the maturity of its existing revolving credit facility from September 2026 to December 2027. The financial conditions remained unchanged.

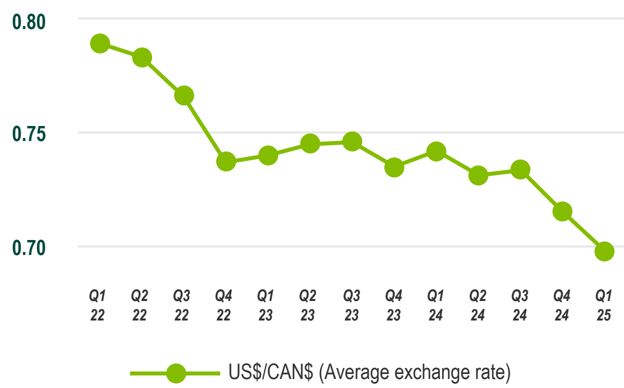
- On February 9, 2024, the Corporation entered into an agreement with its lenders to amend and extend the maturity of its existing revolving credit facility from July 2026 to July 2027. The financial conditions remained unchanged.

BUSINESS DRIVERS

Cascades' results may be impacted by fluctuations in the following areas:

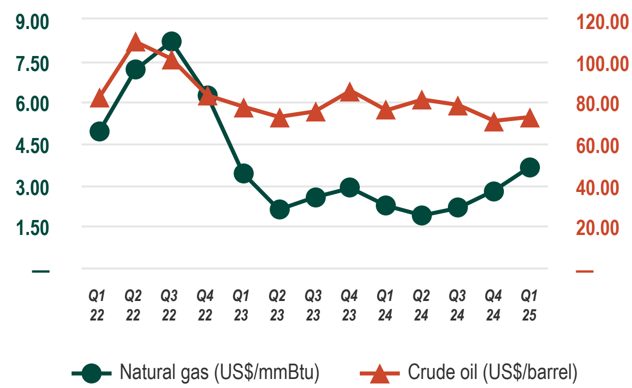
EXCHANGE RATES[1]

Sequentially, the average exchange rate of the Canadian dollar decreased by 2.4% compared to the US dollar in the first quarter of 2025. On a year-over-year basis, the average exchange rate of the Canadian dollar decreased by 6.1% compared to the US dollar.



ENERGY COSTS[1]

During the first quarter of 2025, the average price of natural gas increased by 31% sequentially and increased by 63% compared to the same period last year. In the case of crude oil, the average price was 3% higher sequentially and 4% lower year-over-year.



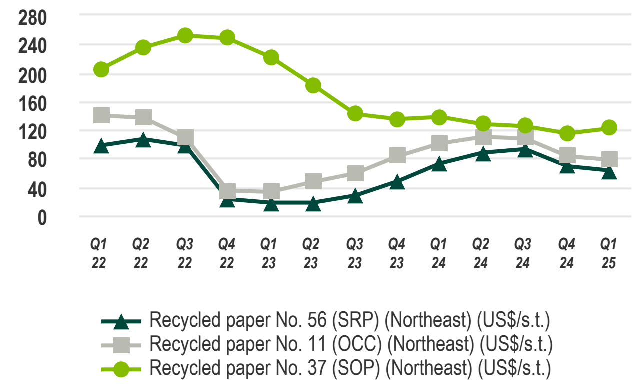
					2023					2024	**2025**
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**
US$/CAN$ (Average exchange rate)	$0.740	$0.745	$0.746	$0.735	$0.741	$0.742	$0.731	$0.733	$0.714	$0.730	**$0.697**
US$/CAN$ (End of the period exchange rate)	$0.740	$0.755	$0.737	$0.755	$0.755	$0.739	$0.731	$0.740	$0.695	$0.695	**$0.695**
Natural Gas Henry Hub (US$/mmBtu)	$3.42	$2.10	$2.55	$2.88	$2.74	$2.24	$1.89	$2.16	$2.79	$2.27	**$3.65**
Crude oil (US$/barrel)	$77.85	$72.87	$75.49	$85.54	$77.94	$76.07	$81.26	$78.66	$70.96	$76.74	**$72.79**

1 *Source: Bloomberg*

RAW MATERIALS

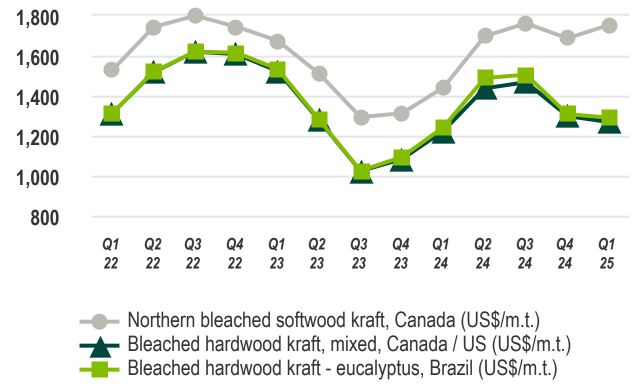
Reference prices - recycled fibre costs in North America[1]

During the first quarter of 2025, the recycled paper No. 56 (sorted residential papers, SRP) index price decreased by 9% sequentially and decreased by 14% year-over-year while the brown recycled grade paper No. 11 (old corrugated containers, OCC) index price decreased by 6% sequentially and decreased by 23% year-over-year. The white recycled paper grade No. 37 (sorted office papers, SOP) index price increased by 6% sequentially and decreased by 12% year-over-year.



Reference prices - virgin pulp in North America[1]

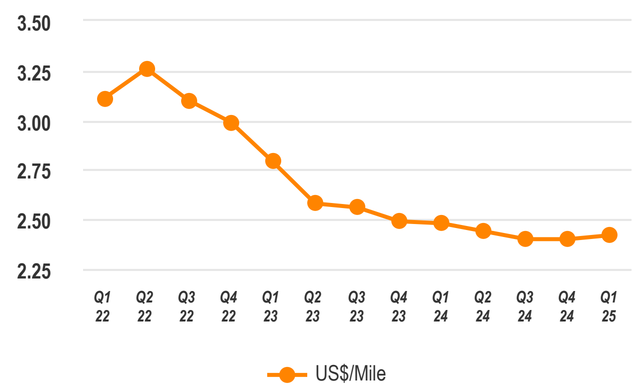
During the first quarter of 2025, the reference price for NBSK increased by 4% on a sequential basis and increased by 22% year-over-year while the reference prices for NBHK and eucalyptus decreased by 2% and 1%, respectively, on a sequential basis and increased by 4% and 4%, respectively, year-over-year.



FREIGHT

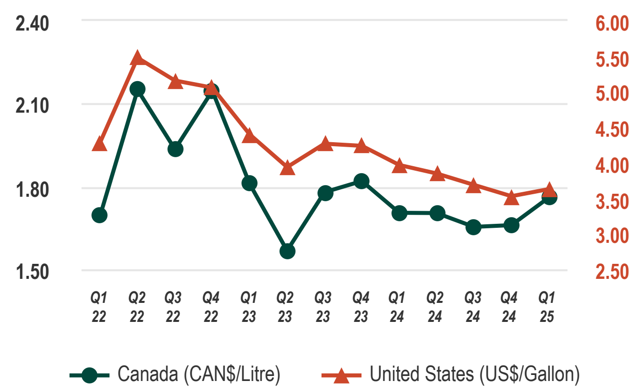
US national van rates[2]

During the first quarter of 2025, the average national van rate increased by 1% sequentially and decreased by 2% year-over-year.



Diesel[3]

During the first quarter of 2025, the average price of diesel increased by 6% in Canada and by 4% in the United States, respectively, on a sequential basis and increased by 3% in Canada and decreased by 9% in the United States, year-over-year.



					2023					2024	**2025**
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**
US national van rates (US$/Mile)	$2.79	$2.58	$2.56	$2.49	$2.61	$2.48	$2.44	$2.40	$2.40	$2.43	**$2.42**
Diesel Canada (CAN$/Litre)	$1.81	$1.57	$1.78	$1.82	$1.74	$1.70	$1.70	$1.65	$1.66	$1.68	**$1.76**
Diesel United States (US$/Gallon)	$4.40	$3.94	$4.27	$4.24	$4.21	$3.97	$3.85	$3.69	$3.53	$3.76	**$3.63**

1 Source: RISI, excluding mixed papers

2 Source: DAT Freight and analytics

3 Sources: In Canada: Canada Natural Resources. In the United States: Energy Information Administration

OPERATIONAL PERFORMANCE INDICATORS

We use several operational performance indicators to monitor our action plan and analyze the progress we are making toward achieving our long-term objectives. The total shipments, the integration rate and the manufacturing capacity utilization rate for the Packaging Products segment has been restated to conform with the current year's presentation. These indicators include the following:

					2023					2024	2025	LTM[6]
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**	
OPERATIONAL												
Total shipments (in '000 short tons (s.t.))[1]												
Packaging Products	412	427	458	428	1,725	441	444	450	442	1,777	**421**	***1,757***
Tissue Papers	124	134	134	121	513	115	122	122	121	480	**110**	***475***
Total	536	561	592	549	2,238	556	566	572	563	2,257	**531**	***2,232***
Integration rate[2]												
Packaging Products	48%	49%	49%	53%	50%	51%	50%	51%	50%	51%	**51%**	***51%***
Tissue Papers	84%	83%	87%	94%	87%	94%	94%	94%	94%	94%	**94%**	***94%***
Manufacturing capacity utilization rate[3]												
Packaging Products	92%	93%	91%	84%	90%	94%	88%	91%	88%	90%	**86%**	***88%***
Tissue Papers	81%	86%	92%	96%	91%	95%	93%	93%	98%	95%	**93%**	***94%***
FINANCIAL												
Working capital												
In millions of CAN$, at the end of the period[4]	487	514	512	318		460	474	460	406		**529**	
As a percentage of sales[4, 5]	10.6%	10.6%	10.3%	9.9%		9.8%	9.5%	9.2%	9.6%		**9.8%**	

1 Shipments do not take into account the elimination of business sector inter-segment shipments. Shipments include those of paper rolls, corrugated packaging and tissue papers.

2 Defined as: Percentage of manufacturing shipments transferred to our converting operations in all of Cascades' segments. Greenpac's firm purchase agreements with partners are included for the Packaging Products segment.

3 Defined as: Manufacturing internal and external shipments/practical capacity. Calculated according to Bear Island's capacity ramp-up plan.

4 Some information represents non-IFRS Accounting Standards financial measures, other financial measures or non-IFRS Accounting Standards ratios which are not standardized under IFRS Accounting Standards and therefore might not be comparable to similar financial measures disclosed by other corporations. Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

5 Percentage of sales = Average quarterly last twelve months (LTM) working capital / LTM sales.

6 LTM (last twelve months)

HISTORICAL MARKET PRICES OF MAIN PRODUCTS AND RAW MATERIALS

These indexes should only be used as trend indicators. They may differ from our actual selling prices and purchasing costs. (unaudited)	2023 YEAR	2024 Q1	Q2	Q3	Q4	2024 YEAR	2025 Q1	Q1 2025 vs. Q1 2024 Change	%	Q1 2025 vs. Q4 2024 Change	%
Selling prices (average)											
PACKAGING PRODUCTS											
Containerboard (US$/short ton)											
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	850	852	878	905	905	885	**932**	**80**	**9%**	**27**	**3%**
Corrugating medium 26-lb. semichemical, Eastern US (open market)	727	735	768	795	795	773	**822**	**87**	**12%**	**27**	**3%**
Specialty Products (US$/short ton)											
Uncoated recycled boxboard - bending chip,20 pt. (series B)	1,038	1,020	1,040	1,063	1,070	1,048	**1,070**	**50**	**5%**	**—**	**—%**
TISSUE PAPERS (US$/short ton)											
Parent rolls, recycled fibres (transaction)	1,222	1,194	1,188	1,180	1,150	1,178	**1,132**	**(62)**	**(5%)**	**(18)**	**(2%)**
Parent rolls, virgin fibres (transaction)	1,465	1,449	1,530	1,544	1,487	1,503	**1,459**	**10**	**1%**	**(28)**	**(2%)**
Raw material prices (average)											
RECYCLED PAPER											
North America (US$/short ton)											
Sorted residential papers, No. 56 (SRP - Northeast average)	28	73	88	93	69	80	**63**	**(10)**	**(14%)**	**(6)**	**(9%)**
Old corrugated containers, No. 11 (OCC - Northeast average)	55	101	110	108	83	100	**78**	**(23)**	**(23%)**	**(5)**	**(6%)**
Sorted office papers, No. 37 (SOP - Northeast average)	170	138	128	125	115	127	**122**	**(16)**	**(12%)**	**7**	**6%**
VIRGIN PULP (US$/metric ton)											
Northern bleached softwood kraft, Canada	1,448	1,440	1,697	1,762	1,687	1,646	**1,753**	**313**	**22%**	**66**	**4%**
Bleached hardwood kraft, mixed, Canada/US	1,227	1,223	1,437	1,467	1,298	1,356	**1,268**	**45**	**4%**	**(30)**	**(2%)**
Bleached hardwood kraft, eucalyptus, Brazil	1,233	1,242	1,488	1,505	1,308	1,386	**1,290**	**48**	**4%**	**(18)**	**(1%)**

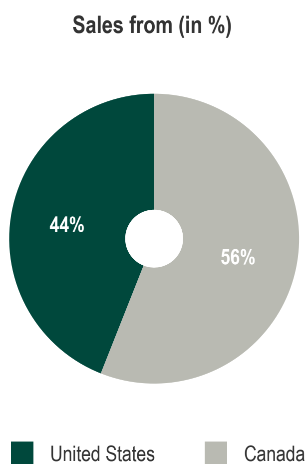
Sources: RISI and Cascades

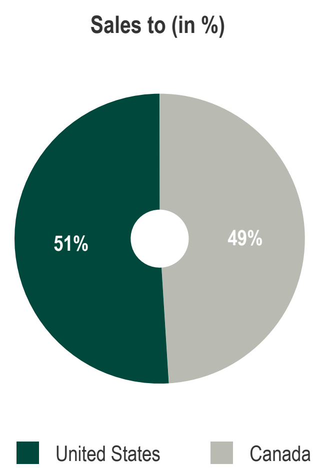
FINANCIAL OVERVIEW - 2025

SALES

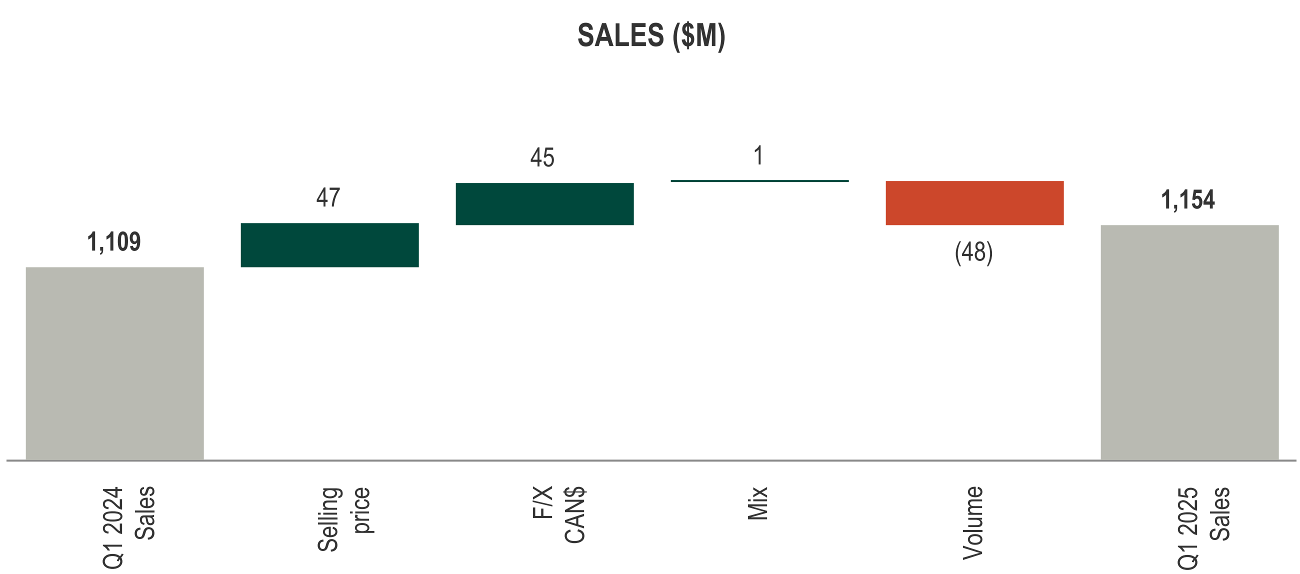
For the three-month period ended March 31, 2025, consolidated sales totaled $1,154 million, an increase of $45 million, or 4%, compared to $1,109 million in the same period of 2024. Sales levels benefited from higher selling prices in the Packaging Products segment and from a favourable foreign exchange rate in all segments. However, these benefits were offset by lower volume in the Packaging Products segment and by lower volumes and selling prices in the Tissue Papers segment.

Sales, in the first quarter of 2025, by geographic segment are as follows:
For further details, please refer to Note 9 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2025 and 2024.





The main variances in sales in the first quarter of 2025, compared to the same period of 2024, are shown below:
(in millions of Canadian dollars)



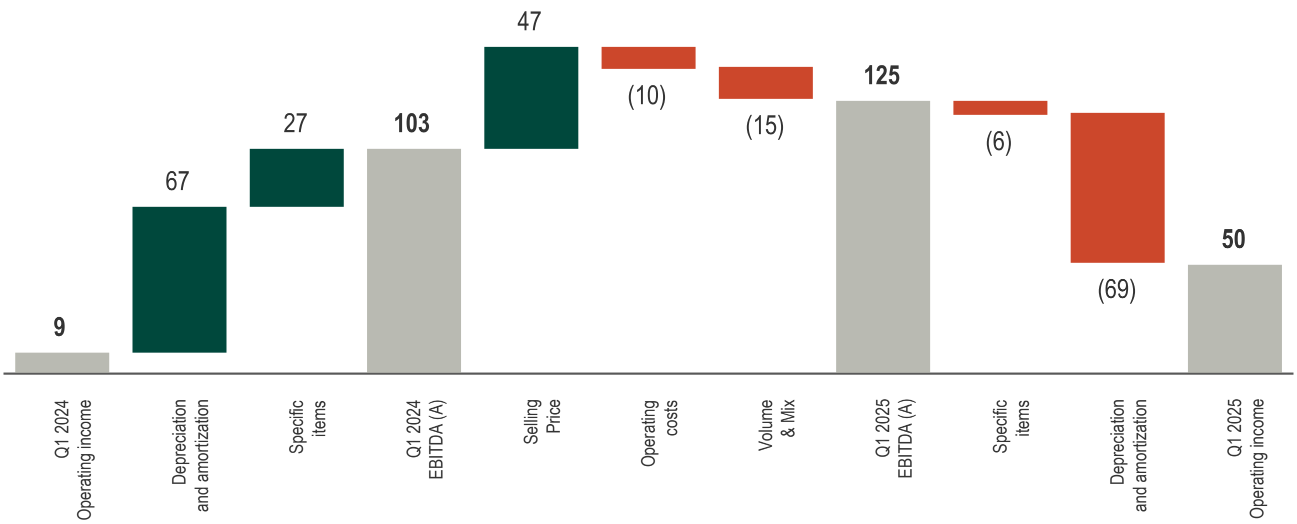
OPERATING INCOME AND EBITDA (A)[1]

For the three-month period ended March 31, 2025, the Corporation recorded an operating income of $50 million, compared to an operating income of $9 million in the same period of 2024. The operating income variance is explained by the specific items loss of $6 million in the first quarter of 2025, compared to the specific items loss of $27 million in the first quarter of 2024, in addition to a stronger operational performance. For more details on specific items please refer to the "Segmented Information" section of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2025 and 2024.

The Corporation recorded an EBITDA (A)[1] of $125 million in the first quarter of 2025, compared to $103 million in the same period of 2024. The results of the Packaging Products segment was higher, while the Tissue Papers segment contribution was lower. On a consolidated basis, the positive impact of higher selling prices was partially offset by the negative impact of lower volume combined with increased operating costs.

The main variances in operating income and in EBITDA (A)[1] in the first quarter of 2025, compared to the same period of 2024, are shown below:
(in millions of Canadian dollars)

OPERATING INCOME AND EBITDA (A) ($M)



Raw materials (EBITDA (A)[1])	*The impacts of these estimated costs are based on production costs per unit shipped externally or inter-segment, which are affected by yield, product mix changes, inbound freight costs and purchase and transfer prices. In addition to market pulp and recycled fibre, these costs include purchases of external boards and parent rolls for the converting sector, and other raw materials such as plastic and wood chips.*
F/X CAN$ (EBITDA (A)[1])	*The estimated impact of the exchange rate is based on the Corporation's Canadian export sales less purchases, denominated in US$, affected by exchange rate fluctuations and the conversion of our non-Canadian subsidiaries EBITDA (A)[1] into CAN$. It also includes the impact of exchange rate fluctuations in currencies other than the CAN$ on working capital items and cash position of the Corporation's Canadian units, as well as our hedging transactions. The F/X CAN$ is included in operating costs in the charts of EBITDA (A)[1]. It excludes indirect sensitivity (please refer to the "Sensitivity Table" section of our 2024 Annual Report for further details).*
Operating costs (EBITDA (A)[1])	*These costs include the impact of variable and fixed costs based on production costs per unit shipped externally, which are affected by downtime and efficiency.*
Recovery and Recycling activities (Sales and EBITDA (A)[1])	*While this sub-segment is integrated into the other segments of the Corporation, all variations in the results of Recovery and Recycling activities are included for the volume in the charts of sales and for raw materials in the charts of EBITDA (A)[1].*

The analysis of sales and EBITDA (A)[1] variances by segment is shown in each business segment review (please refer to "Business Segment Review" for more details).

DEPRECIATION AND AMORTIZATION

The depreciation and amortization expense increased by $2 million to $69 million in the first quarter of 2025, compared to $67 million in the same period of 2024. The increase reflected the depreciation of the Canadian dollar, which increased the depreciation cost by $2 million in the first quarter of 2025.

1 *Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.*

FINANCING EXPENSE

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31, 2025	2024
Interest on long-term debt (including lease obligations interest (2025 - $3 million for the 3-month period; 2024 - $2 million for the 3-month period))	**32**	31
Amortization of financing costs	**1**	1
Other interest and banking fees	**2**	3
Interest expense on employee future benefits	**1**	1
Unrealized loss (gain) on interest rate hedge instruments	**—**	(2)
Foreign exchange loss on long-term debt and financial instruments	**—**	1
	36	35

The financing expense was $36 million in the first quarter of 2025, compared to $35 million in the same period of 2024, an increase of $1 million.

The higher level of variable debt resulted in a variance of $1 million, including the monthly rolling receivables' monetization facility without recourse interest of $1 million in the first quarter of 2025 ($1 million in the same period of 2024). The increase also reflects the depreciation of the Canadian dollar which, increased the financing expense by $2 million in the first quarter of 2025 compared to the same quarter last year. The Corporation also recorded an unrealized loss on interest rate hedge instruments of less than a million dollars in the first quarter of 2025, compared to an unrealized gain of $2 million in the same period of 2024.

The variance was also affected by the foreign exchange loss (gain) on long-term debt and financial instruments. In the first quarter of 2025, the Corporation had an effective hedge related to a hedging item, represented by the designated portion of the US denominated Canadian long-term debt and related financial instruments, over the US net investment. In the first quarter of 2024, the Corporation recorded a loss of $1 million.

The average interest rate on our revolving credit facility decreased to 5.88% as of March 31, 2025 compared to 7.14% at the same period in 2024. As of March 31, 2025, 46% of the Corporation's total long-term debt was at a variable rate and 54% was at a fixed rate. As of March 31, 2025, the Corporation's consolidated debt denominated in US dollars totaled US$1,391 million.

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

Share of results of associates and joint ventures amounted to $3 million in the first quarters of 2025 and of 2024.

PROVISION FOR (RECOVERY OF) INCOME TAXES

In the first quarter of 2025, the Corporation recorded a provision for income taxes of $5 million, compared to a recovery of income taxes of $6 million in the same period of 2024.

Greenpac, which is a limited liability company (LLC), and its partners agreed to account for it as a disregarded entity for tax purposes. As a result, income taxes associated with Greenpac's net earnings are proportionately recorded by each partner based on its respective share in the LLC, and no income tax provision is included in Greenpac's net earnings. Therefore, even though Greenpac's results are fully consolidated in the Corporation's results, only 92% of pre-tax book income is considered for tax provision purposes.

The effective tax rate and income taxes are affected by the results of certain subsidiaries and joint ventures located in countries where the income tax rates are different from those in Canada, in particular, the United States. The normal effective tax rate is expected to be in the range of 21% to 27%. The weighted-average applicable tax rate was 24% in the first quarter of 2025.

NET EARNINGS (LOSS)

For the three-month period ended March 31, 2025, the Corporation posted net earnings of $7 million, or $0.07 per common share, compared to a net loss of $(20) million, or ($0.20) per common share, in the same period of 2024. On an adjusted basis[1], the Corporation posted net earnings of $13 million in the first quarter of 2025, or $0.13 per common share, compared to a net loss of less than a million dollars, or $0.00 per common share, in the same period of 2024.

1 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

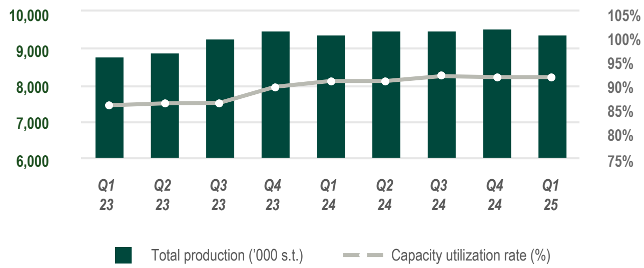
BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS

Our Industry

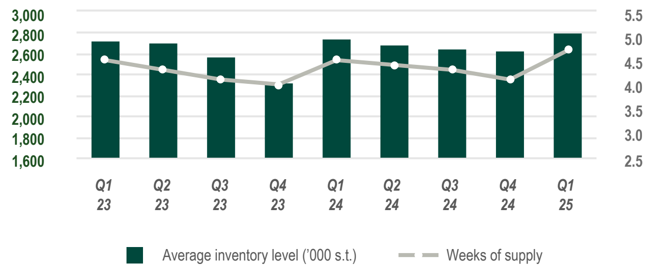
US containerboard industry production and capacity utilization rate [1]

During the first quarter of 2025, total US containerboard production amounted to 9.4 million short tons, a sequentially decrease of 2% and a stable performance year-over-year. The industry recorded an average capacity utilization rate of 92% during the quarter.



US containerboard inventories at box plants and mills [2]

The average inventory level increased by 6% sequentially and increased by 2% year-over-year during the first quarter of 2025. Inventory levels stood at approximately 2.8 million short tons at the end of March 2025, representing 4.7 weeks of supply.

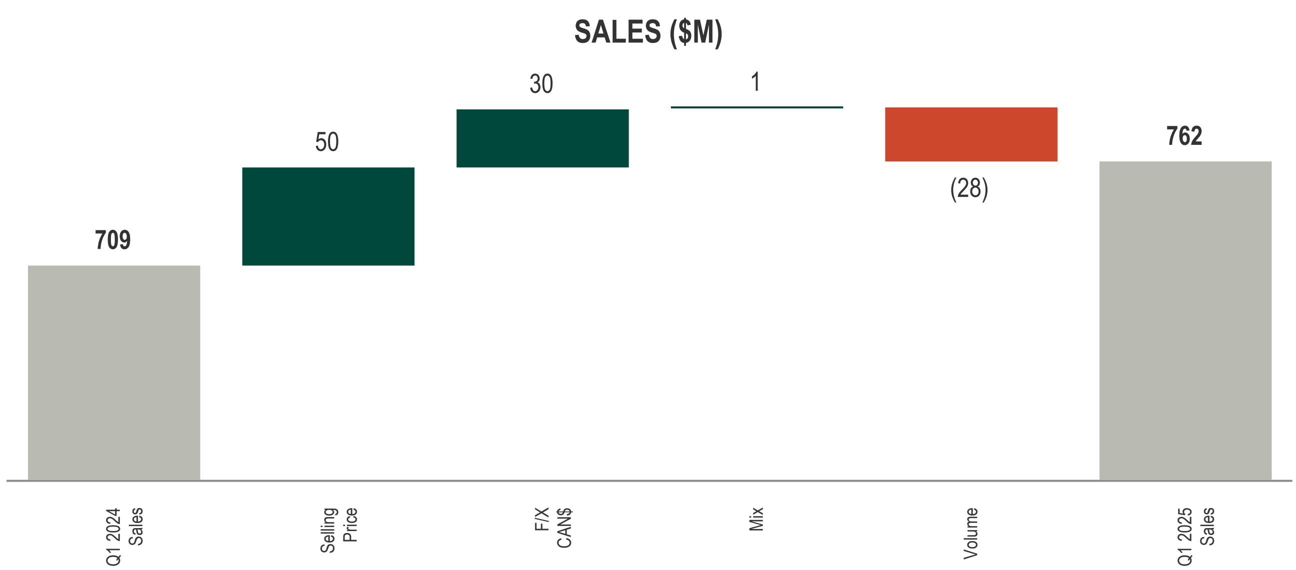


1 Source: RISI

2 Source: Fibre Box Association

Our Performance

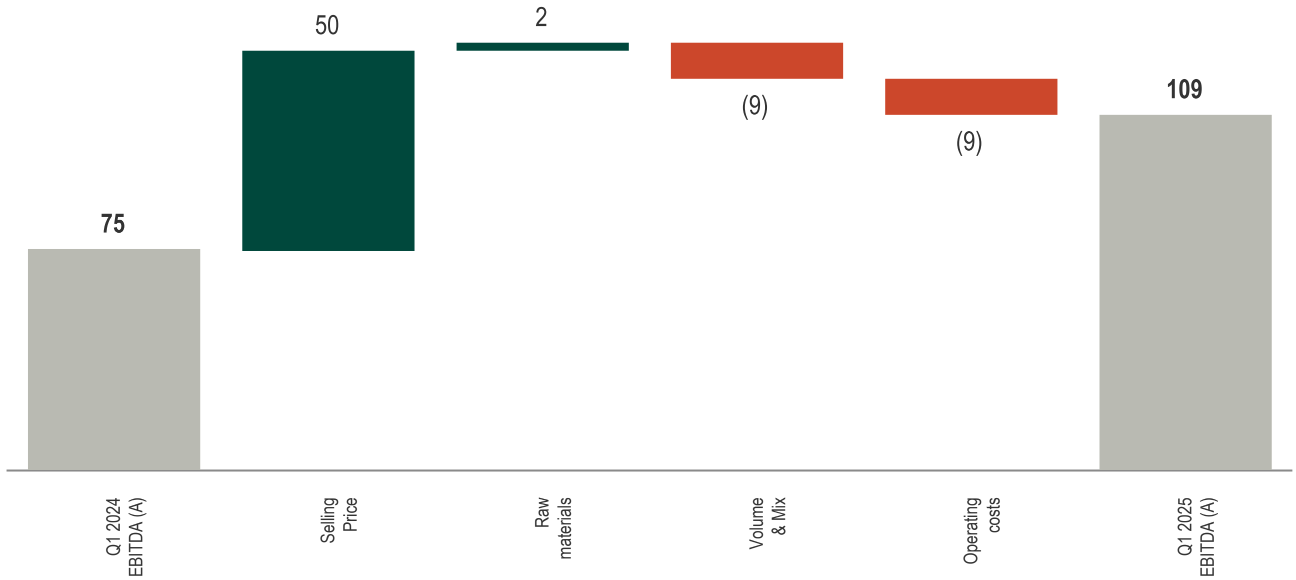
The main variances[1] in sales and EBITDA (A)[2] for the Packaging Products segment in the first quarter of 2025, compared to the same period of 2024, are shown below:
(in millions of Canadian dollars)



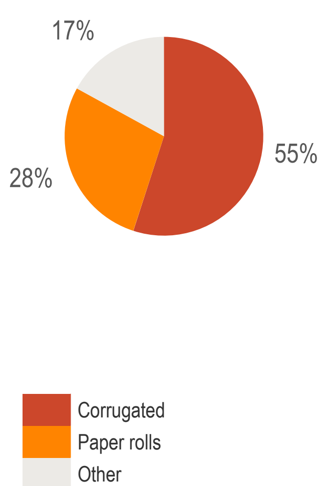
1 For definitions of certain sales and EBITDA (A)[2] variation categories, please refer to the "Financial Overview" section for more details.

2 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

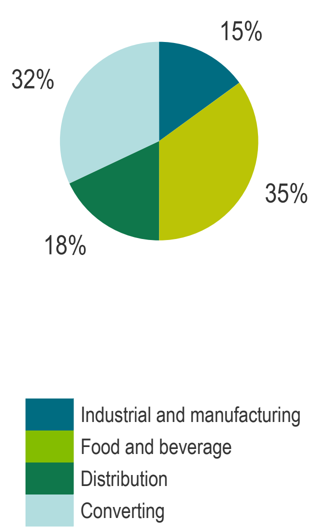
EBITDA (A) ($M)



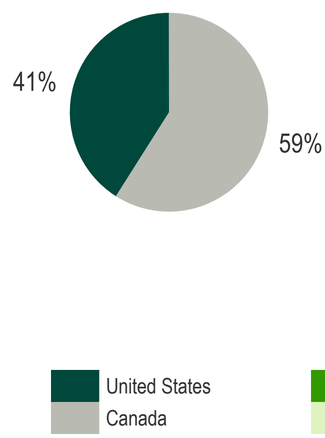
Sales by product category



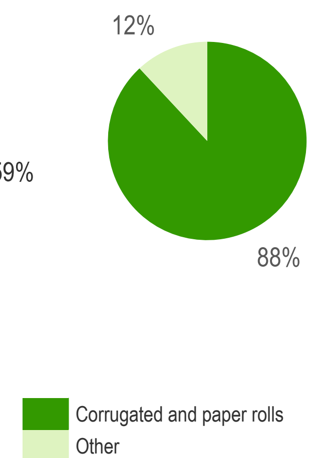
Sales by industry



Sales by country (from)



EBITDA (A) by product category



Sales by product category:

***Corrugated**: Converted linerboard and corrugating medium products*

***Paper rolls**: Linerboard, corrugated medium and uncoated recycled boxboard*

***Other**: Plastics, moulded pulp and distribution of packaging products*

Sales by industry:

***Industrial and manufacturing**: Manufacturers of durable and non-durable goods other than food and beverage*

***Food and beverage**: Food retailers, food processors and produce growers*

***Distribution**: Distributors and e-commerce retailers*

***Converting**: Paper roll converters*

Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

	Q1 2024	Q1 2025	Change in %
Corrugated and paper roll shipments[2] ('000 s.t.)	441	421	-5%
Corrugated and paper roll average Selling Price (CAN$/unit)	1,353	1,509	12%
Sales ($M)	709	762	7%
EBITDA (A)[1] ($M)	75	109	45%
% of sales	11%	14%	
Depreciation and amortization ($M)	43	46	7%
Payments for property, plant and equipment ($M)	13	15	15%

1 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

2 Shipments do not take into account the elimination of business sector inter-segment shipments.

3 Defined as: Percentage of manufacturing shipments transferred to our converting operations in all of Cascades' segments. Greenpac's firm purchase agreements with partners are included.

4 Canadian and United States Industry data weighted based on the Corporation capacity per country.

Shipments decreased by 20,000 s.t., or 5%, in the first quarter of 2025 compared to the same period of 2024.

This reflected a 12,000 s.t., or 5%, decrease in paper roll shipments compared to the same period of 2024, mainly attributable to additional planned maintenance downtime and slightly lower demand. The mill integration rate[3] remained stable at 51%. Including sales to partners, the integration rate increased by 2% to 69%, year-over-year. The manufacturing utilization rate decreased by 8% to 86%.

Shipments of corrugated products decreased by 8,000 s.t., or 4%, compared to the same period of 2024. Corrugated shipment volumes reached 3.4 billion square feet, representing a decrease of 4% year-over-year and reflecting two plant closures over the course of 2024. This compares to a 2.5% weighted[4] increase for the industry, reflecting a 4% increase in Canada and a 2% decrease in the United States.

The average selling price increased by 12% in the first quarter of 2025 compared to the same period of 2024. This reflects a 20% increase for paper rolls and an 8% increase for corrugated products, due to selling price increases implemented last year, and a favourable product mix with a slightly higher proportion of corrugated products.

Sales increased by $53 million in the first quarter of 2025 compared to the same period of 2024. This increase reflects a positive impact of $50 million from higher selling prices and $30 million from the 6% average depreciation of the Canadian dollar compared to the US dollar. These benefits were partly offset by a $28 million impact stemming from lower volume.

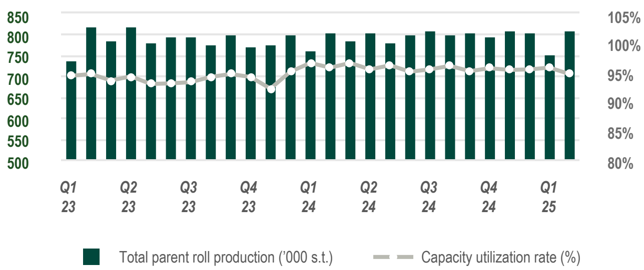
EBITDA (A)[1] increased by $34 million, or 45%, in the first quarter of 2025 compared to the same period of 2024. The increase in EBITDA (A)[1] was largely driven by a $50 million benefit from higher selling prices. Lower raw material costs also contributed $10 million to manufacturing activities but was partly offset by higher input costs of $8 million caused by the mix of product sold in our packaging distribution activities, the last of which were counterbalanced by higher selling prices. These impacts were partly offset by a negative impact of $9 million from higher operational costs, stemming from a lower operating rate, higher energy costs and repair and maintenance, as well as a lower volume impact of $9 million.

TISSUE PAPERS

Our Industry

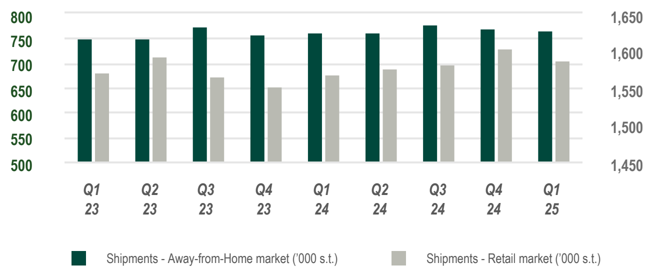
US tissue paper industry production (parent rolls) and capacity utilization rate[1]

During the first quarter of 2025, parent roll production amounted to 2.4 million tons, a sequential decrease of 2% and a stable performance compared to the same period last year. The average capacity utilization rate for the quarter stood at 95%, stable sequentially and down by 1% compared to the first quarter of 2024.



US tissue paper industry converted product shipments[1]

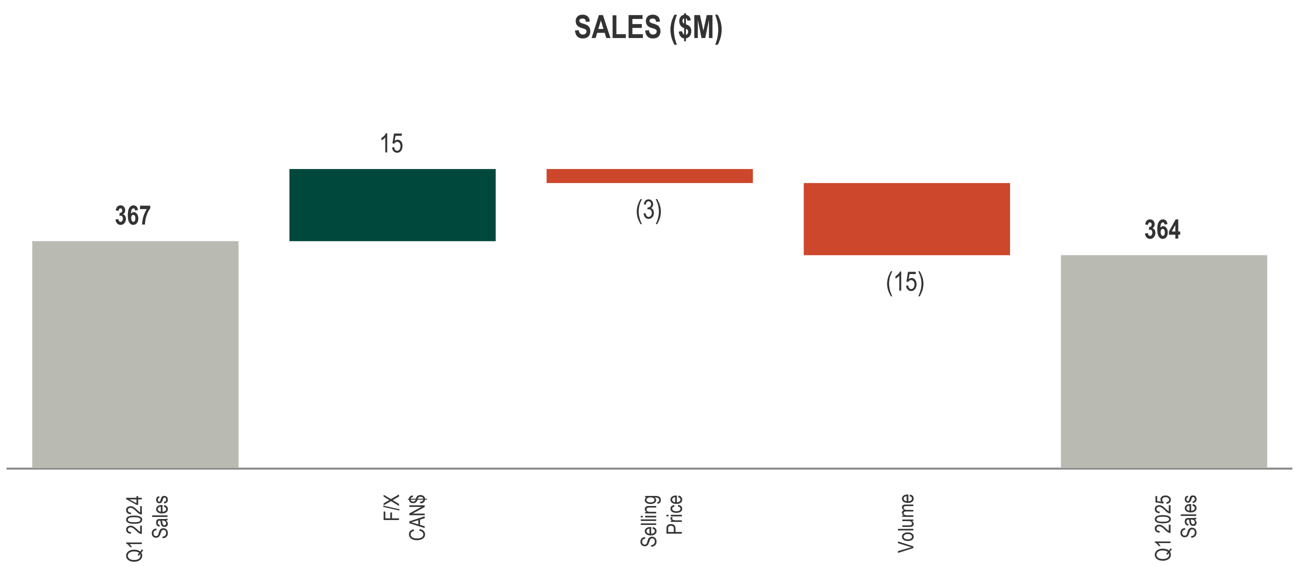
Shipments in the Away-from-Home market was stable sequentially and increased by 1% year-over-year in the first quarter of 2025. Shipments in the Retail market decreased by 1% compared to the previous quarter and increased by 1% compared to the same period of 2024.



1 *Source: RISI*

Our Performance

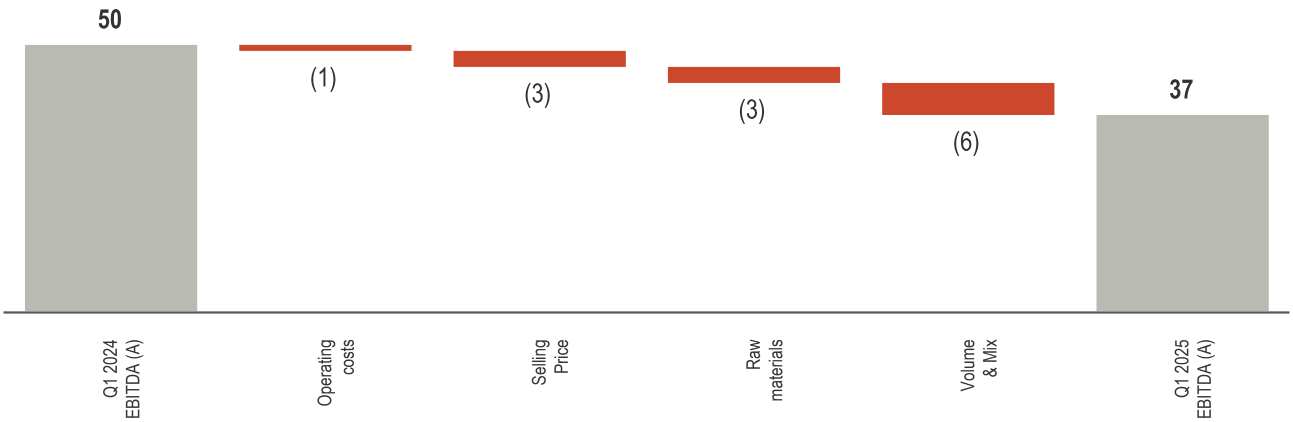
The main variances[1] in sales and EBITDA (A)[2] for the Tissue Papers segment in the first quarter of 2025, compared to the same period of 2024, are shown below:
(in millions of Canadian dollars)



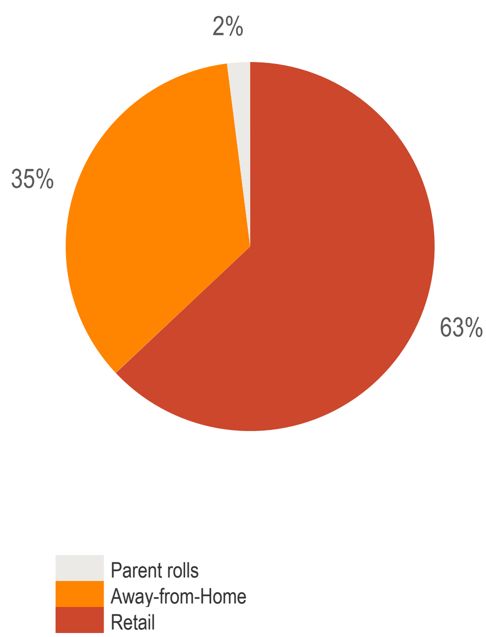
1 *For definitions of certain sales and EBITDA (A)[2] variation categories, please refer to the "Financial Overview" section for more details.*

2 *Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.*

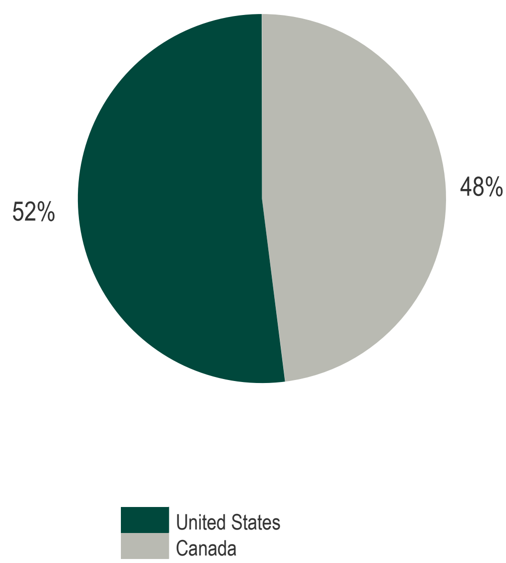
EBITDA (A) ($M)



Sales by product category



Sales by country (from)



	Q1 2024	Q1 2025	Change in %
Shipments[2] ('000 s.t.)	115	110	-4%
Average Selling Price (CAN$/unit)	3,206	3,313	3%
Sales ($M)	367	364	-1%
EBITDA (A)[1] ($M)	50	37	-26%
% of sales	14%	10%	
Depreciation and amortization ($M)	13	13	—%
Payments for property, plant and equipment ($M)	7	7	—%

1 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

2 Shipments do not take into account the elimination of business sector inter-segment shipments.

Shipments decreased by 5,000 s.t., or 4%, in the first quarter of 2025 compared to 2024.

Converted product shipments decreased by 4,000 s.t., or 4%, on a year-over-year basis. This decrease was mainly driven by lower volumes in the Consumer Products market (-5%) and in the Away-from-Home market (-3%), reflecting our customer and product realignment. Additionally, an uncertain market forced our major customers into strict inventory management. In terms of cases, shipments decreased by 0.7 million cases, or 5%, to 14.4 million cases in the first quarter of 2025. Parent roll shipments decreased by 1,000 s.t., or 6%, in the first quarter of 2025 compared to the same period of 2024, and the integration rate was stable at 94%.

The 3% increase in the average selling price was primarily due to the depreciation of the Canadian dollar compared to the US dollar. This benefit was partly offset by lower selling prices stemming from a less favourable customer and product category mix.

Sales decreased by $3 million, or 1%, in the first quarter of 2025 compared to the same period of 2024. This decrease reflects negative impacts of $15 million associated with mix and volumes. The $15 million positive impact from the depreciation of the Canadian dollar was partly offset by a $3 million impact relating to selling prices.

EBITDA (A)[1] decreased by $13 million in the first quarter of 2025 compared to the same period of 2024. This decrease reflects negative impacts of $6 million stemming from lower volumes, $3 million from lower selling prices, $3 million from higher raw material costs and $1 million from higher operating costs offset by lower transportation costs due to our network optimization.

CORPORATE, RECOVERY AND RECYCLING ACTIVITIES

Corporate, Recovery and Recycling activities recorded an EBITDA (A)[1] of $(21) million in the first quarter of 2025, compared to $(22) million in the same period of 2024. The Corporate activities had slightly higher operating costs and a favourable foreign exchange variance of $4 million in the first quarter of 2025.

STOCK-BASED COMPENSATION EXPENSE

The stock-based compensation expense recognized in Corporate activities amounted to less than a million dollars in the first quarter of 2025, compared to nil in the same period of 2024. For more details on stock-based compensation, please refer to Note 20 of the 2024 Audited Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities are shown in the following table:

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2025**	2024
Operating activities		
Net earnings (loss) attributable to Shareholders for the period	**7**	(20)
Adjustments for:		
Financing expense	**36**	35
Depreciation and amortization	**69**	67
Impairment charges	**1**	2
Other loss	**4**	3
Restructuring costs	**5**	23
Unrealized gain on derivative financial instruments	**(4)**	(1)
Provision for (recovery of) income taxes	**5**	(6)
Share of results of associates and joint ventures	**(3)**	(3)
Net earnings attributable to non-controlling interests	**5**	3
Net financing expense paid	**(49)**	(47)
Net income taxes paid	**(2)**	(5)
Dividends received	**—**	1
Provisions for charges and other liabilities	**(29)**	(20)
	45	32
Changes in non-cash working capital components	**(97)**	(70)
Cash flows from operating activities	**(52)**	(38)

Cash flows from operating activities, excluding changes in non-cash working capital components, stood at $45 million in the first quarter of 2025, compared to $32 million in the same period of 2024. This cash flow measurement is relevant to the Corporation's ability to pursue its capital expenditure program and reduce its indebtedness.

Cash flows from operating activities used $52 million in liquidity in the first quarter of 2025, compared to $38 million used in the same period of 2024. The decrease is driven by higher payments of restructuring costs and higher working capital requirements compared to 2024. The Corporation paid $49 million in financing expense in the first quarter of 2025, compared to $47 million in the same period of 2024. The Corporation also paid $2 million in income taxes in the first quarter of 2025, compared to $5 million paid in the same period of 2024. Provisions for charges and other liabilities include mainly payments for severances, restructuring costs, pensions and post-retirement benefits.

Changes in non-cash working capital components used $97 million in liquidity in the first quarter of 2025, compared to $70 million used in the same period of 2024. The increase in working capital in 2025 comes from higher inventories due to softer demand in the second half of the quarter and usual payments of prepaid expenses and contractual customer rebates. As of March 31, 2025, average quarterly LTM working capital as a percentage of LTM sales[1] stood at 9.8% compared to 9.6% as of December 31, 2024.

1 *Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.*

INVESTING ACTIVITIES

Investing activities are shown in the following table:

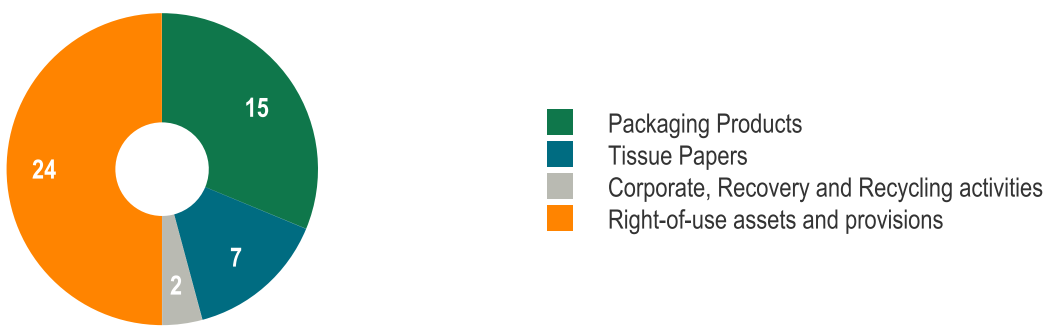
(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31, 2025	2024
Investing activities		
Payments for property, plant and equipment	**(36)**	(41)
Change in intangible and other assets	**1**	—
Cash flows from investing activities	**(35)**	(41)

Investing activities used $35 million in liquidity in the first quarter of 2025, compared to $41 million used in the same period of 2024.

PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31, 2025	2024
Total additions during the period	**48**	28
Variation of payments of acquisitions for property, plant and equipment included in “Trade and other payables”	**12**	16
Right-of-use assets acquisitions and provisions (non-cash)	**(24)**	(3)
Payments for property, plant and equipment	**36**	41

New capital expenditure projects, including right-of-use assets and provisions, by segment in the first quarter of 2025 were as follows:
(in millions of Canadian dollars)



RIGHT-OF-USE ASSETS ACQUISITIONS AND PROVISIONS

In the first quarter of 2025, lease contract additions include contracts signed during the year for new assets or for the replacement of assets, renewals or modifications of existing contracts, and reassessments related to changes in the probability of exercising renewal options. Of these investments, $8 million is allocated to buildings and $10 million to automotive equipment ($1 million and $2 million, respectively, in the same period of 2024). Also, in the first quarter of 2025, $6 million (nil in the same period of 2024) was added in provisions.

FINANCING ACTIVITIES

Financing activities are shown in the following table:

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31, 2025	2024
Financing activities		
Bank loans and advances	**(6)**	2
Change in credit facilities	**267**	77
Change in credit facilities without recourse to the Corporation	**1**	15
Repurchase of unsecured senior notes	**(175)**	—
Increase in delayed draw unsecured term loan credit facility	**36**	—
Payments of other long-term debt, including lease obligations (2025 - $18 million for the 3-month period; 2024 - $20 million for the 3-month period)	**(19)**	(21)
Issuance of common shares upon exercise of stock options	**1**	—
Dividends paid to non-controlling interests	**(3)**	(3)
Acquisition of non-controlling interests	**—**	(3)
Dividends paid to the Corporation's Shareholders	**(12)**	(12)
Cash flows from financing activities	**90**	55

Financing activities generated $90 million in total liquidity in the first quarter of 2025, compared to $55 million generated in the same period of 2024, including $12 million in dividend payments to the Corporation's Shareholders in the first quarters of 2025 and of 2024.

REPURCHASE OF UNSECURED SENIOR NOTES AND INCREASE IN DELAYED DRAW UNSECURED TERM LOAN CREDIT FACILITY

On January 15, 2025, the Corporation repaid its $175 million unsecured senior notes with its revolving credit facility and on January 31, 2025, US$25 million ($36 million) were drawn on the delayed draw unsecured term loan credit facility.

PAYMENTS OF OTHER LONG-TERM DEBT

The Corporation repaid lease obligations of $18 million in the first quarter of 2025, compared to $20 million in the same period of 2024.

ISSUANCE OF COMMON SHARES UPON EXERCISE OF STOCK OPTIONS AND REDEMPTION OF COMMON SHARES

The Corporation issued 124,626 common shares at an average price of $7.80 as a result of the exercise of stock options in the first quarter of 2025, which represents an aggregate amount of $1 million (in the same period of 2024 - less than a million dollars for 11,841 common shares issued at an average price of $9.12).

The Corporation purchased no common shares for cancellation in the first quarter of 2025 (in the same period of 2024 - nil).

DIVIDENDS PAID TO NON-CONTROLLING INTERESTS AND ACQUISITION OF NON-CONTROLLING INTERESTS

Dividends paid to non-controlling interests in Greenpac and Falcon Packaging amounted to $3 million in the first quarter of 2025 ($3 million in the same period of 2024). In the first quarter of 2024, the Corporation also increased its participation in Falcon Packaging for a contribution of $3 million.

CONSOLIDATED FINANCIAL POSITION

AS OF MARCH 31, 2025 AND DECEMBER 31, 2024 AND 2023

The Corporation's financial position and ratios are as follows:

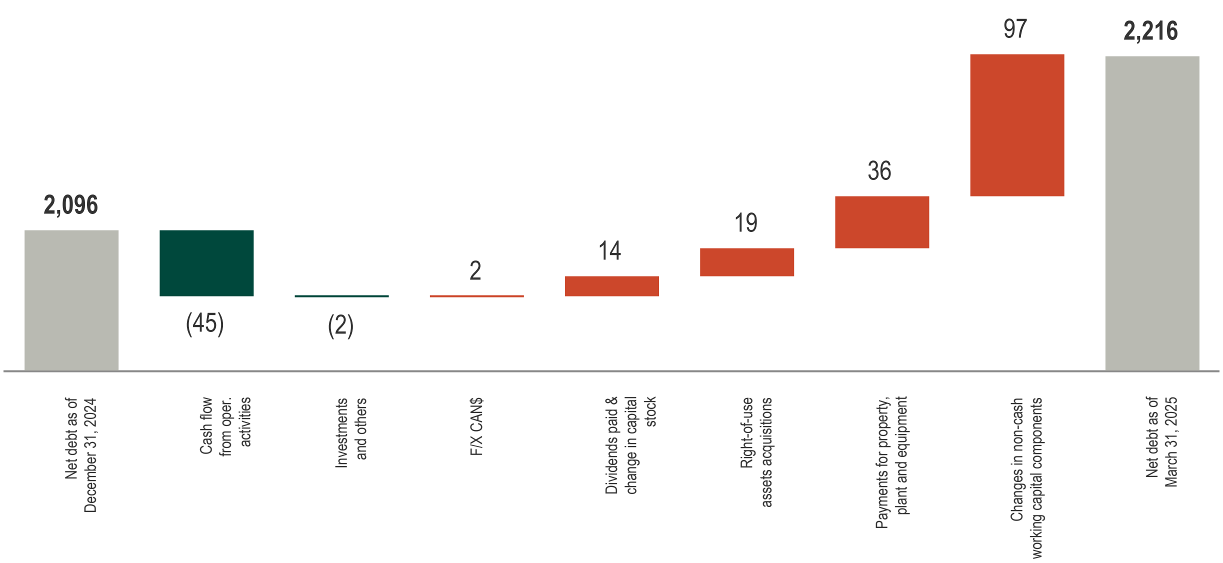
(in millions of Canadian dollars, unless otherwise noted) (unaudited)	**March 31, 2025**	December 31, 2024	December 31, 2023
Cash and cash equivalents	**29**	27	54
Total assets	**5,051**	5,000	4,772
Total debt[1]	**2,245**	2,123	1,936
Net debt[1]	**2,216**	2,096	1,882
Equity attributable to Shareholders	**1,718**	1,724	1,739
Non-controlling interests	**49**	47	42
Total equity	**1,767**	1,771	1,781
Total equity and net debt[1]	**3,983**	3,867	3,663
Ratio of net debt / (total equity and net debt)[1]	**55.6%**	54.2%	51.4%
Shareholders' equity per common share (in Canadian dollars)	**$17.01**	$17.07	$17.27

The following table reflects the Corporation's secured debt rating/corporate rating/unsecured debt rating:

Credit rating (outlook)	MOODY'S	STANDARD & POOR'S
December 31, 2024	Baa3/Ba2/Ba3 (stable)	BB+/BB-/BB- (stable)
March 31, 2025	**Baa3/Ba2/Ba3 (stable)**	**BB+/BB-/BB- (stable)**

NET DEBT[1] RECONCILIATION

The variance in the net debt[1] (total debt[1] less cash and cash equivalents) in the first quarter of 2025 are shown below, with the applicable financial ratios included:
(in millions of Canadian dollars)



501	EBITDA (A)[1] (last twelve months) ($M)	**523**
4.2x	Net debt / EBITDA (A) ratio[1]	**4.2x**

1 *Some information represents non-IFRS Accounting Standards financial measures, other financial measures or non-IFRS Accounting Standards ratios which are not standardized under IFRS Accounting Standards and therefore might not be comparable to similar financial measures disclosed by other corporations. Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.*

Liquidity available through the Corporation's credit facilities, cash and cash equivalent balance and the anticipated cash flow generated by its operating activities will provide sufficient funds to meet our financial obligations and fulfill our capital expenditure program for the next twelve months. Capital expenditures for 2025 are forecasted to be approximately $175 million, however the investments are subject to operational priorities and liquidity availability. As of March 31, 2025, the Corporation had $196 million (net of letters of credit in the amount of $12 million) available on its $750 million credit facility (excluding the credit facility of our subsidiary Greenpac). Cash and cash equivalents as of March 31, 2025 consisted of $4 million in the parent company and restricted subsidiaries (as defined in the credit agreement) and $25 million in unrestricted subsidiaries.

As of March 31, 2025, the Corporation has the unsecured senior notes of $296 million (US$206 million) coming due short term. As of March 31, 2025 the Corporation had at its disposition, in addition to the credit facility describe above, the following sources of liquidity:

- $129 million (US$90 million) available on the credit facility of its subsidiary authorized at US$150 million, that will mature on December 2027 and bears interest at a variable rate;
- $138 million (US$96 million) available on delayed draw unsecured term loan credit facility authorized at US$121 million, that will mature on December 2026 and bears interest at a variable rate.

The Corporation is currently considering various options to strengthen its financial and liquidity position.

2025 SECOND QUARTER OUTLOOK

We are expecting stronger second quarter results. The sequential improvement in packaging will reflect benefits from the implementation of previously announced price increases. We expect improved tissue performance to be driven by volume growth, with positive retail tissue trends and a pick up in Away-from-Home, along with pricing initiatives, the benefits of which are expected to mitigate higher raw material costs. Broadly, continued uncertainty in the macro-economic environment may impact future demand levels across North America and our outlook.

CAPITAL STOCK INFORMATION

STOCK MARKET TRANSACTIONS

Cascades' common shares are traded on the Toronto Stock Exchange (TSX) under the ticker symbol "CAS". From January 1, 2025 to March 31, 2025, Cascades' common share price fluctuated between $9.70 and $13.25. During the same period, 14.8 million Cascades common shares were traded on the Toronto Stock Exchange. On March 31, 2025, Cascades' common shares closed at $9.70. This compares with a closing price of $9.89 on the same closing day last year.

COMMON SHARES OUTSTANDING

As of March 31, 2025, the Corporation's issued and outstanding capital stock consisted of 101,115,633 common shares (100,991,007 as of December 31, 2024) and 3,713,343 issued and outstanding stock options (3,852,520 as of December 31, 2024). In 2025, the Corporation purchased no common shares for cancellation, while 124,626 stock options were exercised, no stock options were granted and 14,551 stock options were forfeited.

On May 7, 2025, issued and outstanding capital stock consisted of 101,115,633 common shares and 3,713,343 stock options.

NORMAL COURSE ISSUER BID PROGRAM

The Corporation has not renewed its normal course issuer bid program since its expiry on March 18, 2023.

DIVIDEND POLICY

On May 7, 2025, Cascades' Board of Directors declared a quarterly dividend of $0.12 per common share to be paid on June 5, 2025 to shareholders of record at the close of business on May 22, 2025. On May 7, 2025, the dividend yield was 5.4%.

				2023				2024	**2025**
TSX ticker symbol: CAS	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	**Q1**
Common shares outstanding (in millions)[1]	100.4	100.7	100.7	100.7	100.7	101.0	101.0	101.0	**101.1**
Closing price (in Canadian dollars)[1]	$10.99	$11.69	$12.27	$12.73	$9.89	$9.03	$10.43	$11.91	**$9.70**
Average daily volume[2]	225,154	139,265	121,774	119,877	291,595	194,531	222,776	172,779	**238,196**
Dividend yield[1]	4.4%	4.1%	3.9%	3.8%	4.9%	5.3%	4.6%	4.0%	**4.9%**

1 On the last day of the quarter

2 Average daily volume on the Toronto Stock Exchange

CASCADES' COMMON SHARE PRICE FOR THE PERIOD FROM JANUARY 1, 2023 TO MARCH 31, 2025
(in Canadian dollars)

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

For all the details for this section, please refer to the notes to the Unaudited Condensed Interim Consolidated Financial Statements.

CONTROLS AND PROCEDURES

EVALUATION OF THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation's President and Chief Executive Officer and its Vice-President and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in National Instrument 52-109, "Certification of Disclosure in Issuer's Annual and Interim Filings".

The purpose of internal controls over financial reporting (ICFR) is to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of financial statements in accordance with IFRS Accounting Standards. The President and Chief Executive Officer and the Vice-President and Chief Financial Officer certify disclosures in annual and interim filings under Regulation 52-109 using the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

During the three-month period ended March 31, 2025, there were no changes in the Corporation's ICFR that materially affected or are reasonably likely to materially affect the Corporation's ICFR.

RISK FACTORS

In the normal course of business, the Corporation is exposed to certain market risks, including risks ensuing from changes in selling prices for its principal products, raw material costs, interest rates and foreign currency exchange rates, all of which impact the Corporation's financial position, operating results and cash flows. The Corporation manages its exposure to these and other market risks through regular operating and financing activities and, on a limited basis, through the use of derivative financial instruments. The Corporation uses these derivative financial instruments as risk management tools, not for speculative investment purposes.

Pages 37 to 46 of our Annual Report for the year ended December 31, 2024 contain a discussion of the key areas of the Corporation's business risks and uncertainties and its mitigating strategies. This information on the Corporation's business risks and risk management remains substantially unchanged. Please refer to our 2024 Annual Report for further details.

SUPPLEMENTAL INFORMATION ON NON-IFRS ACCOUNTING STANDARDS MEASURES AND OTHER FINANCIAL MEASURES

SPECIFIC ITEMS

The Corporation incurs some specific items that adversely or positively affect its operating results. We believe it is useful for readers to be aware of these items as they provide additional information to measure performance, compare the Corporation's results between periods, and assess operating results and liquidity, notwithstanding these specific items. Management believes these specific items are not necessarily reflective of the Corporation's underlying business operations in measuring and comparing its performance and analyzing future trends. Our definition of specific items may differ from that of other corporations and some of these items may arise in the future and may reduce the Corporation's available cash.

They include, but are not limited to, charges for (reversals of) impairment of assets, restructuring gains or costs, loss on refinancing and repurchase of long-term debt, some deferred tax asset provisions or reversals, premiums paid on repurchase of long-term debt, gains or losses on the acquisition or sale of a business unit, gains or losses on the share of results of associates and joint ventures, unrealized gains or losses on derivative financial instruments that do not qualify for hedge accounting, unrealized gains or losses on interest rate hedge instruments and option fair value revaluation, foreign exchange gains or losses on long-term debt and financial instruments, fair value revaluation gains or losses on investments, specific items of discontinued operations and other significant items of an unusual, non-cash or non-recurring nature.

RECONCILIATION AND USES OF NON-IFRS ACCOUNTING STANDARDS MEASURES AND OTHER FINANCIAL MEASURES

To provide more information for evaluating the Corporation's performance, the financial information included in this analysis contains certain data that are not performance measures under IFRS Accounting Standards ("non-IFRS Accounting Standards 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 Accounting Standards 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. The following non-IFRS Accounting Standards measures and other financial measures are used in our financial disclosures:

Non-IFRS Accounting Standards measures

- Adjusted earnings before interest, taxes, depreciation and amortization or EBITDA (A): represents the operating income (as published in the Consolidated Statements of Earnings (Loss) of the Consolidated Financial Statements) before depreciation and amortization excluding specific items. Measure used to assess recurring operating performance and the contribution of each segment on a comparable basis.
- Adjusted net earnings: Measure used to assess the Corporation's consolidated financial performance on a comparable basis.
- Adjusted cash flow: Measure used to assess the Corporation's capacity to generate cash flows to meet financial obligations and/or discretionary items such as share repurchases, dividend increases and strategic investments.
- Free cash flow: Measure used to calculate the excess cash the Corporation generates by subtracting capital expenditures (excluding strategic projects) from the EBITDA (A).
- Working capital: Measure used to assess the short-term liquidity of the Corporation.

Other financial measures

- Total debt: Measure used to calculate all the Corporation's debt, including long-term debt and bank loans. Often put in relation to equity to calculate the debt-to-equity ratio.
- Net debt: Measure used to calculate the Corporation's total debt less cash and cash equivalents. Often put in relation to EBITDA (A) to calculate net debt to EBITDA (A) ratio.

Non-IFRS Accounting Standards ratios

- Net debt to EBITDA (A) ratio: Ratio used to assess the Corporation's ability to pay its debt and evaluate financial leverage.
- EBITDA (A) margin: Ratio used to assess operating performance and the contribution of each segment on a comparable basis calculated as a percentage of sales.
- Adjusted net earnings per common share: Ratio used to assess the Corporation's consolidated financial performance on a comparable basis.
- Ratio of net debt / (total equity and net debt): Ratio used to evaluate the Corporation's financial leverage and the risk to Shareholders.
- Working capital as a percentage of sales: Ratio used to assess the Corporation's operating liquidity performance.
- Adjusted cash flow per common share: Ratio used to assess the Corporation's financial flexibility.

- Free cash flow ratio: Ratio used to measure the liquidity and efficiency of how much more cash the Corporation generates than it uses to run the business by subtracting capital expenditures (excluding strategic projects) from the EBITDA (A) calculated as a percentage of sales.

Non-IFRS Accounting Standards measures and other financial measures are mainly derived from the consolidated financial statements, but do not have meanings prescribed by IFRS Accounting Standards. These measures have limitations as an analytical tool and should not be considered on their own or as a substitute for an analysis of our results as reported under IFRS Accounting Standards. In addition, our definitions of non-IFRS Accounting Standards measures and other financial measures may differ from those of other corporations. Any such modification or reformulation may be significant.

In the fourth quarter of 2024, the Corporation announced organizational changes designed to support its strategic growth. These changes involve the combination of the Containerboard and Specialty Products activities into a single operational unit. Since January 2025, the Corporation's operations are managed in two segments: Packaging Products and Tissue Papers. The comparative figures have been restated to conform with the current year's presentation.

The chief operating decision-maker (CODM) assesses the performance of each reportable segment based on sales and earnings before interest, taxes, depreciation and amortization, adjusted to exclude specific items (EBITDA (A)). The CODM considers EBITDA (A) to be the best performance measure of the Corporation's activities.

EBITDA (A) by business segment is reconciled to IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

	For the 3-month period ended March 31, 2025			
(in millions of Canadian dollars) (unaudited)	**Packaging Products**	**Tissue Papers**	**Corporate, Recovery and Recycling activities**	**Consolidated**
Operating income (loss)	**60**	**24**	**(34)**	**50**
Depreciation and amortization	**46**	**13**	**10**	**69**
Impairment charges	**—**	**—**	**1**	**1**
Other loss	**4**	**—**	**—**	**4**
Restructuring costs	**1**	**—**	**4**	**5**
Unrealized gain on derivative financial instruments	**(2)**	**—**	**(2)**	**(4)**
EBITDA (A)	**109**	**37**	**(21)**	**125**
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	**603**	**304**	**52**	**959**

	For the 3-month period ended March 31, 2024			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	12	31	(34)	9
Depreciation and amortization	43	13	11	67
Impairment charges	2	—	—	2
Other loss	3	—	—	3
Restructuring costs	16	6	1	23
Unrealized gain on derivative financial instruments	(1)	—	—	(1)
EBITDA (A)	75	50	(22)	103
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	589	295	51	935

The following table reconciles net earnings (loss) and net earnings (loss) per common share, as reported, with adjusted net earnings (loss) and adjusted net earnings (loss) per common share:

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	NET EARNINGS (LOSS) For the 3-month periods ended March 31,		NET EARNINGS (LOSS) PER COMMON SHARE[1] For the 3-month periods ended March 31,	
	2025	2024	**2025**	2024
As reported	**7**	(20)	**$0.07**	($0.20)
Specific items:				
Impairment charges	**1**	2	**$0.01**	$0.01
Other loss	**4**	3	**$0.03**	$0.02
Restructuring costs	**5**	23	**$0.04**	$0.18
Unrealized gain on derivative financial instruments	**(4)**	(1)	**($0.03)**	($0.01)
Unrealized gain on interest rate hedge instruments	**—**	(2)	**—**	($0.01)
Foreign exchange loss on long-term debt and financial instruments	**—**	1	**—**	$0.01
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests[1]	**—**	(6)	**$0.01**	—
	6	20	**$0.06**	$0.20
Adjusted	**13**	—	**$0.13**	—
Weighted average basic number of common shares outstanding			**100,993,811**	100,703,177

The following table reconciles cash flow from operating activities with EBITDA (A):

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31, 2025	2024
Cash flow from operating activities	**(52)**	(38)
Changes in non-cash working capital components	**97**	70
Net income taxes paid	**2**	5
Net financing expense paid	**49**	47
Provisions for charges and other liabilities, net of dividends received	**29**	19
EBITDA (A)	**125**	103

The following table reconciles cash flow from operating activities with cash flow from operating activities (excluding changes in non-cash working capital components) and adjusted cash flow from operating activities. It also reconciles adjusted cash flow from operating activities to adjusted cash flow used, which is also calculated on a per common share basis:

(in millions of Canadian dollars, except per common share amounts or as otherwise noted) (unaudited)	For the 3-month periods ended March 31, 2025	2024
Cash flow from operating activities	**(52)**	(38)
Changes in non-cash working capital components	**97**	70
Cash flow from operating activities (excluding changes in non-cash working capital components)	**45**	32
Restructuring costs paid	**17**	14
Adjusted cash flow from operating activities	**62**	46
Payments for property, plant and equipment	**(36)**	(41)
Change in intangible and other assets	**1**	—
Lease obligation payments	**(18)**	(20)
	9	(15)
Dividends paid to non-controlling interests	**(3)**	(3)
Dividends paid to the Corporation's Shareholders	**(12)**	(12)
Adjusted cash flow used	**(6)**	(30)
Adjusted cash flow used per common share (in Canadian dollars)	**($0.06)**	($0.30)
Weighted average basic number of common shares outstanding	**100,993,811**	100,703,177

1 Specific amounts per common share are calculated on an after-tax basis and are net of the portion attributable to non-controlling interests. Per common share amounts in line item "Tax effect on specific items, other tax adjustments and attributable to non-controlling interests" only include the effect of tax adjustments. Please refer to "Provision for (recovery of) income taxes" section for more details.

The following table reconciles payments for property, plant and equipment, excluding strategic projects and free cash flow. It also provides these two metrics as a percentage of sales:

(in millions of Canadian dollars) (unaudited)	March 31, 2025 (LTM)[3]	December 31, 2024	March 31, 2024 (LTM)[3]
Sales[1]	**4,746**	4,701	4,613
EBITDA (A)[1]	**523**	501	527
Payments for property, plant and equipment[1]	**156**	161	251
Less: strategic projects included above[2]	**—**	—	(105)
Payments for property, plant and equipment, excluding strategic projects	**156**	161	146
Free cash flow: EBITDA (A) less payments for property, plant and equipment, excluding strategic projects	**367**	340	381
Free cash flow / Sales	**7.7%**	7.2%	8.3%
Payments for property, plant and equipment, excluding strategic projects / Sales	**3.3%**	3.4%	3.2%

The following table reconciles working capital as reported:

(in millions of Canadian dollars) (unaudited)	March 31, 2025	December 31, 2024	December 31, 2023
Accounts receivable	**484**	469	453
Inventories	**734**	685	568
Trade and other payables	**(689)**	(748)	(703)
Working capital	**529**	406	318

The following table reconciles total debt and net debt with the ratio of net debt to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)):

(in millions of Canadian dollars, except ratios) (unaudited)	March 31, 2025	December 31, 2024	December 31, 2023
Long-term debt	**1,873**	1,871	1,869
Current portion of unsecured senior notes of $296 million to be refinanced ($175 million in 2024)	**296**	175	—
Current portion of long-term debt	**72**	67	67
Bank loans and advances	**4**	10	—
Total debt	**2,245**	2,123	1,936
Less: Cash and cash equivalents	**(29)**	(27)	(54)
Net debt as reported	**2,216**	2,096	1,882
Last twelve months EBITDA (A)	**523**	501	558
Net debt / EBITDA (A) ratio	**4.2x**	4.2x	3.4x

SPECIFIC ITEMS

The Corporation incurred the following specific items in the first quarters of 2025 and of 2024:

IMPAIRMENT CHARGES

2025

In the first quarter, the Recovery and Recycling activities recorded an impairment charge of $1 million on some equipment related to a closed recovery facility in Québec, Canada.

2024

In the first quarter, the Packaging Products segment recorded an additional impairment charge of $2 million on inventories related to the closure of a plant in Ontario, Canada.

1 *Please refer to the "Historical Financial Information" section for a complete reconciliation.*

2 *Strategic projects include the investment in the Bear Island construction project until December 31, 2023.*

3 *LTM (last twelve months)*

OTHER LOSS

2025

In the first quarter, the Packaging Products segment recorded a provision of $4 million for administration fees, compensation and expenses of the arbitrators, to the claimant in a dispute pertaining to the construction of Bear Island plant. For further details, please refer to Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2025 and 2024.

2024

In the first quarter, the Packaging Products segment recorded an additional environmental cost of $3 million related to the closure of a plant in Ontario, Canada. For further details, please refer to Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2025 and 2024.

RESTRUCTURING COSTS

2025

In the first quarter, the Packaging Products segment recorded severances totaling $1 million related to a closed plant in the United States.

In the first quarter, the Corporate activities recorded costs totaling $4 million related to organizational changes.

2024

In the first quarter, the Packaging Products segment recorded costs totaling $16 million related to closed plants in Canada and in the United States, severances and the redeployment of equipment within the network.

In the first quarter, the Tissue Papers segment recorded costs totaling $6 million related to the closures of the plants in the United States and the redeployment of equipment within the network.

In the first quarter, the Recovery and Recycling activities recorded costs totaling $1 million related to the non-renewal of a service contract in Canada.

UNREALIZED GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation is exposed to commodity price risk on steam and natural gas. The Corporation uses derivative commodity contracts to help manage its production costs. The Corporation may designate these derivatives as cash flow hedges of anticipated purchases of energy. Gains or losses from these derivative financial instruments designated as hedges are recorded in “Accumulated other comprehensive income”, net of related income taxes, and are reclassified to earnings as adjustments to “Supply chain and logistic” in the same period, as the respective hedged item affects earnings.

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2025**	2024
Packaging Products segment		
Steam contract embedded derivatives related to our Niagara Falls containerboard complex	**(2)**	(1)
Corporate activities		
Financial hedging contracts for natural gas purchases.	**(2)**	—
Unrealized gain on derivative financial instruments	**(4)**	(1)

UNREALIZED LOSS (GAIN) ON INTEREST RATE HEDGE INSTRUMENTS

The Corporation’s interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Corporation to cash flow interest rate risk. When appropriate, the Corporation analyzes its interest rate risk exposure and considers hedging. The fair value of the outstanding interest rate hedge instruments is as follows:

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2025**	2024
Unrealized loss (gain) on interest rate hedge instruments	**—**	(2)

FOREIGN EXCHANGE LOSS ON LONG-TERM DEBT AND FINANCIAL INSTRUMENTS

The foreign exchange loss on long-term debt and financial instruments is composed of foreign exchange forward contracts not designated for hedge accounting. In the first quarter of 2025, the Corporation had an effective hedge related to a hedging item, represented by the designated portion of the US denominated Canadian long-term debt and related financial instruments, over the US net investment.

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2025**	2024
Foreign exchange loss on long-term debt and financial instruments	—	1

SPECIFIC ITEMS INCLUDED IN PROVISION FOR (RECOVERY OF) INCOME TAXES

In the first quarter of 2025, the Corporation recorded $1 million in specific items related to its recovery of income taxes as a result of the expected changes to applicable effective state tax rates following the closure of a plant in the United States.

HISTORICAL FINANCIAL INFORMATION

					2023					2024	**2025**	**LTM[2]**
(in millions of Canadian dollars, unless otherwise noted) (unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**	
Sales												
Packaging Products	715	717	743	713	2,888	709	745	773	782	3,009	**762**	***3,062***
Tissue Papers	387	416	422	390	1,615	367	397	390	394	1,548	**364**	***1,545***
Inter-segment sales, Corporate, Recovery and Recycling activities	32	35	33	35	135	33	38	38	35	144	**28**	***139***
Total	1,134	1,168	1,198	1,138	4,638	1,109	1,180	1,201	1,211	4,701	**1,154**	***4,746***
Operating income (loss)	(80)	64	80	(24)	40	9	34	36	16	95	**50**	***136***
EBITDA (A)[1]												
Packaging Products	153	120	122	86	481	75	86	117	132	410	**109**	***444***
Tissue Papers	16	44	61	61	182	50	54	43	45	192	**37**	***179***
Corporate, Recovery and Recycling activities	(35)	(23)	(22)	(25)	(105)	(22)	(28)	(20)	(31)	(101)	**(21)**	***(100)***
Total	134	141	161	122	558	103	112	140	146	501	**125**	***523***
Margin (EBITDA (A) / Sales) (%)[1]	11.8%	12.1%	13.4%	10.7%	12.0%	9.3%	9.5%	11.7%	12.1%	10.7%	**10.8%**	***11.0%***
Net earnings (loss)	(75)	22	34	(57)	(76)	(20)	1	1	(13)	(31)	**7**	***(4)***
Adjusted[1]	33	26	45	5	109	—	8	27	25	60	**13**	***73***
Net earnings (loss) per common share (in Canadian dollars)												
Basic	($0.75)	$0.22	$0.34	($0.57)	($0.76)	($0.20)	$0.01	$0.01	($0.13)	($0.31)	**$0.07**	***($0.04)***
Diluted	($0.75)	$0.22	$0.34	($0.57)	($0.76)	($0.20)	$0.01	$0.01	($0.13)	($0.31)	**$0.07**	***($0.04)***
Basic, adjusted[1]	$0.32	$0.27	$0.44	$0.05	$1.08	$—	$0.08	$0.27	$0.25	$0.60	**$0.13**	***$0.73***
Cash flow from operating activities (excluding changes in non-cash working capital components)	89	117	100	91	397	32	78	76	109	295	**45**	***308***
Payments for property, plant and equipment	(140)	(104)	(59)	(47)	(350)	(41)	(40)	(35)	(45)	(161)	**(36)**	***(156)***
Net debt[1]	2,070	2,076	2,088	1,882	1,882	2,020	2,093	2,039	2,096	2,096	**2,216**	
Net debt / EBITDA (A) (LTM) ratio[1]	4.6x	4.1x	3.8x	3.4x	3.4x	3.8x	4.2x	4.3x	4.2x	4.2x	**4.2x**	

1 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

2 LTM (last twelve months)

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	NOTE	**March 31, 2025**	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		**29**	27
Accounts receivable		**484**	469
Current income tax assets		**5**	4
Inventories		**734**	685
Current portion of financial assets	7	**2**	1
		1,254	1,186
Long-term assets			
Investments in associates and joint ventures		**99**	97
Property, plant and equipment		**2,826**	2,847
Intangible assets with finite useful life		**39**	41
Financial assets	7	**3**	—
Other assets		**107**	105
Deferred income tax assets		**219**	220
Goodwill and other intangible assets with indefinite useful life		**504**	504
		5,051	5,000
Liabilities and Equity			
Current liabilities			
Bank loans and advances		**4**	10
Trade and other payables		**689**	748
Current income tax liabilities		**4**	2
Current portion of unsecured senior notes of $296 million to be refinanced ($175 million in 2024)	5	**296**	175
Current portion of long-term debt	5	**72**	67
Current portion of provisions for charges	6	**47**	42
Current portion of financial liabilities and other liabilities	7	**34**	43
		1,146	1,087
Long-term liabilities			
Long-term debt	5	**1,873**	1,871
Provisions for charges	6	**54**	58
Other liabilities		**78**	80
Deferred income tax liabilities		**133**	133
		3,284	3,229
Equity			
Capital stock	8	**617**	616
Contributed surplus		**16**	16
Retained earnings		**1,013**	1,019
Accumulated other comprehensive income		**72**	73
Equity attributable to Shareholders		**1,718**	1,724
Non-controlling interests		**49**	47
Total equity		**1,767**	1,771
		5,051	5,000

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	NOTE	For the 3-month periods ended March 31, 2025	2024
Sales	9	**1,154**	1,109
Supply chain and logistic		**679**	668
Wages and employee benefits expenses		**280**	267
Depreciation and amortization		**69**	67
Maintenance and repair		**64**	62
Other operational costs		**6**	9
Impairment charges		**1**	2
Other loss		**4**	3
Restructuring costs		**5**	23
Unrealized gain on derivative financial instruments		**(4)**	(1)
Operating income		**50**	9
Financing expense	10	**36**	35
Share of results of associates and joint ventures		**(3)**	(3)
Earnings (loss) before income taxes		**17**	(23)
Provision for (recovery of) income taxes		**5**	(6)
Net earnings (loss) including non-controlling interests for the period		**12**	(17)
Net earnings attributable to non-controlling interests		**5**	3
Net earnings (loss) attributable to Shareholders for the period		**7**	(20)
Net earnings (loss) per common share			
Basic		**$0.07**	($0.20)
Diluted		**$0.07**	($0.20)
Weighted average basic number of common shares outstanding		**100,993,811**	100,703,177
Weighted average number of diluted common shares		**101,421,656**	101,216,020

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31, 2025	2024
Net earnings (loss) including non-controlling interests for the period	**12**	(17)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in foreign currency translation of foreign subsidiaries	**(41)**	26
Change in foreign currency translation related to net investment hedging activities	**40**	(10)
Recovery of income taxes	**—**	1
	(1)	17
Items that are not released to earnings		
Actuarial gain (loss) on employee future benefits	**(1)**	7
Provision for income taxes	**—**	(2)
	(1)	5
Other comprehensive income (loss)	**(2)**	22
Comprehensive income including non-controlling interests for the period	**10**	5
Comprehensive income attributable to non-controlling interests for the period	**5**	4
Comprehensive income attributable to Shareholders for the period	**5**	1

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF EQUITY

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
							For the 3-month period ended March 31, 2025
Balance - Beginning of period	**616**	**16**	**1,019**	**73**	**1,724**	**47**	**1,771**
Comprehensive income (loss)							
Net earnings	**—**	**—**	**7**	**—**	**7**	**5**	**12**
Other comprehensive income (loss)	**—**	**—**	**(1)**	**(1)**	**(2)**	**—**	**(2)**
	—	**—**	**6**	**(1)**	**5**	**5**	**10**
Dividends	**—**	**—**	**(12)**	**—**	**(12)**	**(3)**	**(15)**
Issuance of common shares upon exercise of stock options	**1**	**—**	**—**	**—**	**1**	**—**	**1**
Balance - End of period	**617**	**16**	**1,013**	**72**	**1,718**	**49**	**1,767**

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
							For the 3-month period ended March 31, 2024
Balance - Beginning of period	613	15	1,096	15	1,739	42	1,781
Comprehensive income (loss)							
Net earnings (loss)	—	—	(20)	—	(20)	3	(17)
Other comprehensive income	—	—	5	16	21	1	22
	—	—	(15)	16	1	4	5
Dividends	—	—	(12)	—	(12)	(3)	(15)
Stock options expense	—	1	—	—	1	—	1
Acquisition of non-controlling interests	—	—	(2)	—	(2)	(1)	(3)
Balance - End of period	613	16	1,067	31	1,727	42	1,769

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars) (unaudited)	NOTE	For the 3-month periods ended March 31, 2025	2024
Operating activities			
Net earnings (loss) attributable to Shareholders for the period		**7**	(20)
Adjustments for:			
Financing expense	10	**36**	35
Depreciation and amortization		**69**	67
Impairment charges		**1**	2
Other loss		**4**	3
Restructuring costs		**5**	23
Unrealized gain on derivative financial instruments		**(4)**	(1)
Provision for (recovery of) income taxes		**5**	(6)
Share of results of associates and joint ventures		**(3)**	(3)
Net earnings attributable to non-controlling interests		**5**	3
Net financing expense paid		**(49)**	(47)
Net income taxes paid		**(2)**	(5)
Dividends received		**—**	1
Provisions for charges and other liabilities		**(29)**	(20)
		45	32
Changes in non-cash working capital components	10	**(97)**	(70)
		(52)	(38)
Investing activities			
Payments for property, plant and equipment		**(36)**	(41)
Change in intangible and other assets		**1**	—
		(35)	(41)
Financing activities			
Bank loans and advances		**(6)**	2
Change in credit facilities	5	**267**	77
Change in credit facilities without recourse to the Corporation	5	**1**	15
Repurchase of unsecured senior notes	5	**(175)**	—
Increase in delayed draw unsecured term loan credit facility	5	**36**	—
Payments of other long-term debt, including lease obligations (2025 - $18 million for the 3-month period; 2024 - $20 million for the 3-month period)	5	**(19)**	(21)
Issuance of common shares upon exercise of stock options	8	**1**	—
Dividends paid to non-controlling interests		**(3)**	(3)
Acquisition of non-controlling interests		**—**	(3)
Dividends paid to the Corporation's Shareholders		**(12)**	(12)
		90	55
Net change in cash and cash equivalents during the period		**3**	(24)
Currency translation on cash and cash equivalents		**(1)**	1
Cash and cash equivalents - Beginning of the period		**27**	54
Cash and cash equivalents - End of the period		**29**	31

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

SEGMENTED INFORMATION

In the fourth quarter of 2024, the Corporation announced organizational changes designed to support its strategic growth. These changes involve the combination of the Containerboard and Specialty Products activities into a single operational unit. Since January 2025, the Corporation's operations are managed in two segments: Packaging Products and Tissue Papers. The comparative figures have been restated to conform with the current year's presentation. The accounting policies of the reportable segments are the same as the Corporation's accounting policies described in the most recent Audited Consolidated Financial Statements for the year ended December 31, 2024.

The Corporation's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The Chief Executive Officer has authority for resource allocation and management of the Corporation's performance and is therefore the CODM. The CODM assesses the performance of each reportable segment based on sales and earnings before interest, taxes, depreciation and amortization, adjusted to exclude specific items (EBITDA (A)). The CODM considers EBITDA (A) to be the best performance measure of the Corporation's activities.

Sales for each segment are prepared on the same basis as those of the Corporation. Inter-segment operations are recorded on the same basis as sales to third parties, which are at fair market value.

EBITDA (A) does not have a standardized meaning under IFRS® Accounting Standards; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA (A) as an alternative measure to, for example, net earnings, or as a measure of operating results, which are IFRS Accounting Standards measures.

Sales by business segment are shown in the following table:

	SALES					
For the 3-month periods ended March 31 (in millions of Canadian dollars) (unaudited)	2025			2024		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	**762**	**(13)**	**749**	709	(12)	697
Tissue Papers	**364**	**—**	**364**	367	(1)	366
Corporate, Recovery and Recycling activities	**73**	**(32)**	**41**	82	(36)	46
	1,199	**(45)**	**1,154**	1,158	(49)	1,109

EBITDA (A) by business segment is reconciled to IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

	For the 3-month period ended March 31, 2025			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	**60**	**24**	**(34)**	**50**
Depreciation and amortization	**46**	**13**	**10**	**69**
Impairment charges	**—**	**—**	**1**	**1**
Other loss	**4**	**—**	**—**	**4**
Restructuring costs	**1**	**—**	**4**	**5**
Unrealized gain on derivative financial instruments	**(2)**	**—**	**(2)**	**(4)**
EBITDA (A)	**109**	**37**	**(21)**	**125**
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	**603**	**304**	**52**	**959**

(in millions of Canadian dollars) (unaudited)	For the 3-month period ended March 31, 2024 Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	12	31	(34)	9
Depreciation and amortization	43	13	11	67
Impairment charges	2	—	—	2
Other loss	3	—	—	3
Restructuring costs	16	6	1	23
Unrealized gain on derivative financial instruments	(1)	—	—	(1)
EBITDA (A)	75	50	(22)	103
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	589	295	51	935

IMPAIRMENT CHARGES

2025

In the first quarter, the Recovery and Recycling activities recorded an impairment charge of $1 million on some equipment related to a closed recovery facility in Québec, Canada.

2024

In the first quarter, the Packaging Products segment recorded an additional impairment charge of $2 million on inventories related to the closure of a plant in Ontario, Canada.

OTHER LOSS

2025

In the first quarter, the Packaging Products segment recorded a provision of $4 million for administration fees, compensation and expenses of the arbitrators, to the claimant in a dispute pertaining to the construction of Bear Island plant. For further details, please refer to Note 6.

2024

In the first quarter, the Packaging Products segment recorded an additional environmental cost of $3 million related to the closure of a plant in Ontario, Canada. For further details, please refer to Note 6.

RESTRUCTURING COSTS

2025

In the first quarter, the Packaging Products segment recorded severances totaling $1 million related to a closed plant in the United States.

In the first quarter, the Corporate activities recorded costs totaling $4 million related to organizational changes.

2024

In the first quarter, the Packaging Products segment recorded costs totaling $16 million related to closed plants in Canada and in the United States, severances and the redeployment of equipment within the network.

In the first quarter, the Tissue Papers segment recorded costs totaling $6 million related to the closures of the plants in the United States and the redeployment of equipment within the network.

In the first quarter, the Recovery and Recycling activities recorded costs totaling $1 million related to the non-renewal of a service contract in Canada.

UNREALIZED GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS

The Packaging Products segment recorded an unrealized gain of $2 million in the first quarter of 2025 and an unrealized gain of $1 million in the same period of 2024, from a steam contract embedded derivatives related to our Niagara Falls containerboard complex.

Corporate activities recorded an unrealized gain of $2 million in the first quarter of 2025 and an unrealized gain of less than a million dollars in the same period of 2024 due to the financial hedging contracts for natural gas purchases.

Payments for property, plant and equipment by business segment are shown in the following table:

	PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	
	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2025**	2024
Packaging Products	**34**	14
Tissue Papers	**8**	8
Corporate, Recovery and Recycling activities	**6**	6
Total acquisitions	**48**	28
Right-of-use assets acquisitions and provisions (non-cash)	**(24)**	(3)
	24	25
Acquisitions for property, plant and equipment included in “Trade and other payables”		
Beginning of the period	**32**	45
End of the period	**(20)**	(29)
Payments for property, plant and equipment	**36**	41

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(Tabular amounts are shown in millions of Canadian dollars, except amounts per common share and number of common shares.)

NOTE 1
GENERAL INFORMATION

Cascades Inc. and its subsidiaries (together "Cascades" or the "Corporation") produce, convert and market packaging and tissue products composed mainly of recycled fibres. Cascades Inc. is incorporated and domiciled in Québec, Canada. The address of its registered office is 404 Marie-Victorin Boulevard, Kingsey Falls. Its common shares are traded on the Toronto Stock Exchange under the ticker symbol "CAS".

The Board of Directors approved the Unaudited Condensed Interim Consolidated Financial Statements on May 7, 2025.

NOTE 2
SUMMARY OF MATERIAL ACCOUNTING POLICIES

These Unaudited Condensed Interim Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) applicable to the preparation of interim financial statements, including *IAS 34 Interim Financial Reporting*. The Unaudited Condensed Interim Consolidated Financial Statements should be read in conjunction with the Audited Consolidated Financial Statements for the year ended December 31, 2024, which were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as set forth in Part I of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting, which incorporates IFRS Accounting Standards as issued by the IASB®.

The accounting policies applied in these Unaudited Condensed Interim Consolidated Financial Statements are the same as those applied in the Audited Consolidated Financial Statements for the year ended December 31, 2024, except as discussed below.

The income taxes in the interim periods are accrued using the tax rate that would be applicable to the expected annual earnings or losses for each jurisdiction.

NOTE 3
CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

A. RECENT IFRS ACCOUNTING STANDARDS NOT YET ADOPTED

IFRS 18 Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued a new standard - *IFRS 18 Presentation and Disclosure in Financial Statements.* The new requirements introduced in *IFRS 18* will help to achieve the comparability of the financial performance of similar entities, especially related to how operating profit or loss is defined. The new disclosures required for some management-defined performance measures will also enhance transparency.

The new standard will be effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. A retrospective application is required, and so comparative information needs to be prepared under *IFRS 18*. The Corporation is currently evaluating the impact of this standard on its Consolidated Financial Statements.

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

On May 30, 2024, the IASB issued targeted amendments to *IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.* These amendments address diversity in accounting practice by making the requirements more understandable and consistent.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The Corporation is currently evaluating the impact of this standard on its Consolidated Financial Statements.

NOTE 4
CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Unaudited Condensed Interim Consolidated Financial Statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Further information on critical accounting estimates and judgments is detailed in the Audited Consolidated Financial Statements for the year ended December 31, 2024.

NOTE 5
LONG-TERM DEBT

(in millions of Canadian dollars)	NOTE	MATURITY	**March 31, 2025**	December 31, 2024
Revolving credit facility, weighted average interest rate of 5.88% as of March 31, 2025 and consists of $108 million and US$302 million (December 31, 2024 - $6 million and US$187 million)	5(b)	2027	**542**	275
5.125% Unsecured senior notes of $175 million	5(c)	2025	**—**	175
5.125% Unsecured senior notes of US$206 million		2026	**296**	296
5.375% Unsecured senior notes of US$445 million and $4 million of unamortized premium as of March 31, 2025 (December 31, 2024 - US$445 million and $4 million of unamortized premium)		2028	**644**	644
Delayed draw unsecured term loan credit facility, interest rate of 6.54% as of March 31, 2025	5(c)	2026	**36**	—
Term loan of US$260 million, interest rate of 6.42% as of March 31, 2025		2027	**374**	374
Lease obligations with recourse to the Corporation			**230**	233
Other debts with recourse to the Corporation			**16**	16
Lease obligations without recourse to the Corporation			**20**	20
Revolving credit facility without recourse to the Corporation, weighted average interest rate of 6.14% as of March 31, 2025 and consists of US$60 million (December 31, 2024 - US$59 million)	5(d)	2027	**87**	85
			2,245	2,118
Less: Unamortized financing costs			**4**	5
Total long-term debt			**2,241**	2,113
Less:				
Current portion of unsecured senior notes			**296**	175
Current portion of lease obligations with recourse to the Corporation			**61**	57
Current portion of other debts with recourse to the Corporation			**2**	2
Current portion of lease obligations without recourse to the Corporation			**9**	8
			72	67
			1,873	1,871

a. As of March 31, 2025, the long-term debt had a fair value of $2,219 million (December 31, 2024 – $2,093 million).

b. On February 9, 2024, the Corporation entered into an agreement with its lenders to amend and extend the maturity of its existing revolving credit facility from July 2026 to July 2027. The financial conditions remained unchanged.

c. On January 15, 2025, the Corporation repaid its $175 million unsecured senior notes with its revolving credit facility. On April 12, 2024, the Corporation entered into a $175 million delayed draw unsecured term loan credit facility to manage upcoming maturities and this facility was converted into a delayed draw unsecured term loan credit facility of US$121 million on January 31, 2025. On January 31, 2025, US$25 million ($36 million) were borrowed from the facility. This facility will mature on December 31, 2026 and bears interest at a variable rate.

d. On December 23, 2024, the Corporation's subsidiary, Greenpac, entered into an agreement with its lenders to extend the maturity of its existing revolving credit facility from September 2026 to December 2027. The financial conditions remained unchanged.

NOTE 6
PROVISIONS FOR CHARGES

(in millions of Canadian dollars)	March 31, 2025	December 31, 2024
Environmental restoration obligations	47	54
Environmental costs	19	18
Legal claim	21	11
Severances	3	5
Onerous contract	—	1
Others	11	11
	101	100
Long-term	54	58
Current	47	42
	101	100

ENVIRONMENTAL RESTORATION

The Corporation uses some landfill sites across its locations and settling ponds only at one containerboard mill. A provision has been recognized at fair value for the costs to be incurred for these assets. The provision, that relates to the closure of the containerboard mill announced in February 2024, was increased in the third quarter of 2024 following the discussions with the regulatory authorities regarding the disposition of sludge from the ponds and the cleanup of other residues. The change in the underlying assumptions for the estimated clean up costs led to a significant increase in total projected costs for the site restoration.

LEGAL CLAIMS

In the first quarter of 2025, the Packaging Products segment recorded a provision of $4 million for administration fees, compensation and expenses of the arbitrators, to the claimant in a dispute pertaining to the construction of Bear Island plant. An additional provision of $6 million was capitalized in “Property, plant and equipment” for the works under dispute related to the construction of the plant, bringing the total provision to $15 million.

NOTE 7
FINANCIAL INSTRUMENTS

7.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

The classification of financial instruments as of March 31, 2025 and December 31, 2024, along with the respective carrying amounts and fair values, is as follows:

		March 31, 2025		December 31, 2024	
(in millions of Canadian dollars)	NOTE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at fair value through profit or loss					
Equity investments		3	3	3	3
Derivatives		4	4	1	1
Financial assets at amortized cost					
Preferred shares	7.1 A	23	23	23	23
Financial liabilities at fair value through profit or loss					
Derivatives		(5)	(5)	(3)	(3)
Financial liabilities at amortized cost					
Long-term debt		(2,241)	(2,219)	(2,113)	(2,093)
Derivatives designated as hedge					
Asset derivatives		1	1	—	—

A. PREFERRED SHARES

In the second quarter of 2024, the Corporation acquired US$15 million ($21 million) of non-participating fixed interest bearing preferred shares of a converting paper company. The preferred shares are redeemable at the issuer’s option. The preferred shares meet the definition of a financial asset and are measured at amortized cost.

7.2 DETERMINING THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount of consideration that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

i. The fair value of cash and cash equivalents, accounts receivable, notes receivable, bank loans and advances, trade and other payables and provisions approximates their carrying amounts due to their relatively short maturities.
ii. The fair value of long-term debt and some other liabilities is based on observable market data and on the calculation of discounted cash flows. Discount rates were determined based on local government bond yields adjusted for the risks specific to each of the borrowings and the credit market liquidity conditions, and are classified as levels 1 and 3.
iii. The fair value of derivative instruments, which include forward contracts, swap agreements and embedded derivatives accounted for separately, is calculated as the present value of the estimated future cash flows using an appropriate interest rate yield curve and a forward foreign exchange rate. Assumptions are based on market conditions prevailing at each reporting date and are classified as level 2. The fair value of derivative instruments reflects the estimated amounts that the Corporation would receive or pay to settle the contracts at the reporting date.

7.3 HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table presents information about the Corporation's financial assets and financial liabilities measured at fair value on a recurring basis as of March 31, 2025 and December 31, 2024 and indicates the fair value hierarchy of the Corporation's valuation techniques to determine such fair value. Three levels of inputs that may be used to measure fair value are:

Level 1 – Quoted prices in active markets for identical assets or liabilities.
Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for almost all of the full term of the assets or liabilities.
Level 3 – Inputs that are generally unobservable and typically reflect Management's estimates of assumptions that market participants would use in pricing the asset or liability.

For commodity derivative financial instruments and foreign currency forward contracts, the Corporation classifies the fair value measurement as level 2, as they are based mainly on observable market data. The fair value of commodity derivative financial instruments is determined using expected future cash flows based on observable data and notional quantity, with the resulting value discounted using a curve that reflects the credit risk of the Corporation or the counterparty, as applicable. The fair value of foreign currency forward contracts is determined using quoted forward exchange rates at the measurement date, with the resulting value discounted back to present values using a curve that reflects the credit risk of the Corporation or the counterparty, as applicable.

				As of March 31, 2025
(in millions of Canadian dollars)	CARRYING AMOUNT	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Financial assets				
Equity investments	3	—	—	3
Derivative financial assets	5	—	5	—
	8	—	5	3
Financial liabilities				
Derivative financial liabilities	(5)	—	(5)	—
	(5)	—	(5)	—

(in millions of Canadian dollars)	CARRYING AMOUNT	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
	As of December 31, 2024			
Financial assets				
Equity investments	3	—	—	3
Derivative financial assets	1	—	1	—
	4	—	1	3
Financial liabilities				
Derivative financial liabilities	(3)	—	(3)	—
	(3)	—	(3)	—

7.4 FINANCIAL RISK MANAGEMENT

A. OTHER RISKS

MONETIZATION OF ACCOUNTS RECEIVABLE

The Corporation has in place a monthly rolling receivables' monetization facility without recourse in the amount of $86 million (US$60 million). Under this agreement the Corporation considers the receivables transferred and accounts for as a sale. The Corporation's continuing involvement in the transferred assets is limited to servicing the receivables.

In the first quarter of 2025, the Corporation had unrecognized receivables of $86 million ($86 million in the fourth quarter of 2024) related to this facility, of which the Corporation received a net amount of $1 million ($20 million in the fourth quarter of 2024) as the collection agent and recorded the same amount to the transferred assets purchaser. The Corporation recorded $1 million in interest expenses in the first quarter of 2025 ($1 million in the same period of 2024). The interest is charged monthly and paid on the settlement date.

NOTE 8
CAPITAL STOCK

REDEMPTION OF COMMON SHARES

The Corporation has not renewed its normal course issuer bid program since its expiry on March 18, 2023.

NOTE 9
SALES

Sales by country are shown in the following table:

(in millions of Canadian dollars)	For the 3-month periods ended March 31,			
	2025		2024	
Sales				
Operations located in Canada				
Within Canada	**528**	**81%**	513	82%
To the United States	**122**	**19%**	116	18%
Other countries	**1**	**—%**	1	—%
	651	**100%**	630	100%
Operations located in the United States				
Within the United States	**469**	**93%**	451	94%
To Canada	**34**	**7%**	26	6%
Other countries	**—**	**—%**	2	—%
	503	**100%**	479	100%
	1,154		1,109	
Sales from:				
Canada	**651**	**56%**	630	57%
United States	**503**	**44%**	479	43%
	1,154	**100%**	1,109	100%
Sales to:				
Canada	**562**	**49%**	539	49%
United States	**591**	**51%**	567	51%
Other countries	**1**	**—%**	3	—%
	1,154	**100%**	1,109	100%

NOTE 10
ADDITIONAL INFORMATION

A. CHANGES IN NON-CASH WORKING CAPITAL COMPONENTS ARE SHOWN AS FOLLOWS:

(in millions of Canadian dollars)	For the 3-month periods ended March 31,	
	2025	2024
Accounts receivable	**(15)**	(9)
Current income tax assets	**—**	(1)
Inventories	**(49)**	(28)
Trade and other payables	**(33)**	(32)
	(97)	(70)

B. FINANCING EXPENSE

(in millions of Canadian dollars)	For the 3-month periods ended March 31, 2025	2024
Interest on long-term debt (including lease obligations interest (2025 - $3 million for the 3-month period; 2024 - $2 million for the 3-month period))	**32**	31
Amortization of financing costs	**1**	1
Other interest and banking fees	**2**	3
Interest expense on employee future benefits	**1**	1
Unrealized loss (gain) on interest rate hedge instruments	**—**	(2)
Foreign exchange loss on long-term debt and financial instruments	**—**	1
	36	35

UNREALIZED LOSS (GAIN) ON INTEREST RATE HEDGE INSTRUMENTS

In the first quarter of 2025, the Corporation recorded an unrealized loss on interest rate hedge instruments of less than a million dollars, compared to an unrealized gain of $2 million in the same period of 2024.

FOREIGN EXCHANGE LOSS ON LONG-TERM DEBT AND FINANCIAL INSTRUMENTS

In the first quarter of 2025, the Corporation had an effective hedge related to a hedging item, represented by the designated portion of the US denominated Canadian long-term debt and related financial instruments, over the US net investment. In the first quarter of 2024, the Corporation recorded a loss of $1 million.

This report is also available on our website at: **www.cascades.com**

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