

# PRESS RELEASE



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## Cascades Reports Results for the First Quarter of 2026

**Kingsey Falls, Québec, May 7, 2026** - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period ended March 31, 2026.

### Q1 2026 Highlights

- Sales of \$1,125 million (compared with \$1,197 million in Q4 2025 and \$1,154 million in Q1 2025);
- Operating income of \$81 million (compared with \$76 million in Q4 2025 and \$50 million in Q1 2025);
- Net earnings per common share of \$0.38 (compared with \$0.37 in Q4 2025 and \$0.07 in Q1 2025);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)<sup>1</sup>) of \$118 million (compared with \$155 million in Q4 2025 and \$125 million in Q1 2025);
- Adjusted net earnings per common share<sup>1</sup> of \$0.07 (compared with \$0.40 in Q4 2025 and \$0.13 in Q1 2025);
- Net debt<sup>1</sup> of \$1,901 million as of March 31, 2026 (compared with \$1,896 million as of December 31, 2025). Net debt to EBITDA (A) ratio<sup>1</sup> remained stable at 3.3x;
- Total capital expenditures of \$28 million in Q1 2026, compared to \$42 million in Q4 2025 and \$36 million in Q1 2025. The Corporation's 2026 forecasted capital expenditures before disposals will be in a range of \$150 million to \$175 million.
- The Company generated \$91 million in asset sale proceeds during the first quarter, bringing total proceeds to \$149 million for the 2025 - 2026 period. The Company's objective of generating \$230 million is progressing well and is expected to be achieved by the end of third quarter of 2026.

Hugues Simon, President and CEO, commented: "First quarter results came in below our initial forecast, reflecting equally weighted external and operational factors. As disclosed in our revised outlook on April 10, weather-related disruptions across the U.S., combined with heightened volatility in transportation and fuel costs, drove operating costs above plan. Additionally, recent geopolitical developments weighed on consumer confidence and spending, resulting in packaging volumes below our original assumptions. Performance was further impacted by temporary execution inefficiencies in the second half of the quarter. Despite this, net debt remained stable sequentially, and the leverage ratio was unchanged at 3.3x."

Discussing near-term outlook, Mr. Simon commented, "We expect results in the second quarter to be modestly lower sequentially. This outlook reflects a cautious packaging volume outlook amid restrained consumer spending levels, as well as continued volatility and upward pressure on input costs. The implementation of announced price increases in both segments is expected to fully offset these headwinds, with pricing actions taking effect in packaging beginning in the second quarter and during the second half of the year in tissue."

Amid the dynamic macro-economic environment we have strengthened our execution discipline to achieve our objective of generating \$100 million of profitability improvements by the end of 2026. Key drivers include ongoing cost reduction initiatives, logistics optimization, productivity efficiency enhancements and targeted pricing actions to mitigate significant cost headwinds. We expect to achieve our target of proceeds from the sale of non-core assets by the end of the third quarter, and continue to actively review our portfolio of assets to ensure strong alignment with the Company's long-term strategic objectives. Given persistent cost pressures in the first half of 2026, annual results are currently expected to be below 2025 levels; however countermeasures, including selling price initiatives, that are currently underway are projected to restore annual run rate adjusted EBITDA (A)<sup>1</sup> to a level of approximately \$600 million in the second half of the year. In this context, achieving our targeted leverage ratio of 2.5x-3.0x by year-end may be challenging, though the target remains unchanged."

<sup>1</sup> 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.

## Financial Summary

### Selected consolidated information

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

	Q1 2026	Q4 2025	Q1 2025
<b>Sales</b>	<b>1,125</b>	<b>1,197</b>	<b>1,154</b>
<b>As Reported</b>			
Operating income	81	76	50
Net earnings	39	37	7
per common share (basic)	\$0.38	\$0.37	\$0.07
<b>Adjusted<sup>1</sup></b>			
Earnings before interest, taxes, depreciation and amortization (EBITDA (A))	118	155	125
Net earnings	7	40	13
per common share (basic)	\$0.07	\$0.40	\$0.13
Margin (EBITDA (A) / Sales)	10.5%	12.9%	10.8%
<b>Net debt<sup>1</sup></b>	<b>1,901</b>	<b>1,896</b>	<b>2,216</b>
<b>Net debt / EBITDA (A) ratio<sup>1</sup></b>	<b>3.3x</b>	<b>3.3x</b>	<b>4.2x</b>

### Segmented sales

(in millions of Canadian dollars) (unaudited)

	Q1 2026	Q4 2025	Q1 2025
Packaging Products	715	757	762
Tissue Papers	380	407	364
Inter-segment sales, Corporate, Recovery and Recycling activities	30	33	28
<b>Sales</b>	<b>1,125</b>	<b>1,197</b>	<b>1,154</b>

### Segmented operating income (loss)

(in millions of Canadian dollars) (unaudited)

	Q1 2026	Q4 2025	Q1 2025
Packaging Products	88	90	60
Tissue Papers	20	14	24
Corporate, Recovery and Recycling activities	(27)	(28)	(34)
<b>Operating income</b>	<b>81</b>	<b>76</b>	<b>50</b>

### Segmented EBITDA (A)<sup>1</sup>

(in millions of Canadian dollars) (unaudited)

	Q1 2026	Q4 2025	Q1 2025
Packaging Products	103	132	109
Tissue Papers	33	42	37
Corporate, Recovery and Recycling activities	(18)	(19)	(21)
<b>EBITDA (A)<sup>1</sup></b>	<b>118</b>	<b>155</b>	<b>125</b>

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

## **Analysis of results for the three-month period ended March 31, 2026 (compared to the same period last year)**

The Corporation's first quarter sales of \$1,125 million decreased by \$29 million compared with the same period last year. This decrease reflects consolidated net benefits of \$18 million from higher selling prices and a favourable sales mix of \$21 million. However, these factors were more than offset by an unfavourable foreign exchange rate of \$33 million and by a \$35 million impact from lower volumes, mainly in the Packaging Products segment, reflecting the impact of business closures and dispositions.

The first quarter EBITDA (A)<sup>1</sup> totaled \$118 million, a decrease of \$7 million, or 6%, from the \$125 million generated in the same period last year. This decrease was driven by higher logistics, production and energy costs across the Corporation's businesses, and lower volumes in the Packaging Products segment. These impacts were partially offset by the benefits from higher selling prices and lower raw material costs.

The main specific items, before income taxes, that impacted our first quarter of 2026 operating income and/or net earnings were:

- \$8 million of impairment on a building and equipment related to a previously closed plant in the United States (operating income and net earnings);
- \$49 million of gains related to the sale of a business and some assets in Canada (operating income and net earnings);
- \$3 million of restructuring costs related to plants closure in Canada and in the United States and corporate organizational changes (operating income and net earnings);
- \$4 million loss on financial instruments (operating income and net earnings).

For the three-month period ended March 31, 2026, the Corporation posted net earnings of \$39 million, or \$0.38 per common share, compared to net earnings of \$7 million, or \$0.07 per common share, in the same period of 2025. On an adjusted basis<sup>1</sup>, the Corporation posted net earnings of \$7 million in the first quarter of 2026, or \$0.07 per common share, compared to net earnings of \$13 million, or \$0.13 per common share, in the same period of 2025.

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

## **Dividend on common shares and normal course issuer bid**

The Board of Directors of Cascades declared a quarterly dividend of \$0.12 per common share to be paid on June 4, 2026 to shareholders of record at the close of business on May 21, 2026. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). During the first quarter of 2026, Cascades purchased no common shares for cancellation.

## **2026 First Quarter Results Conference Call Details**

Management will discuss the 2026 first quarter financial results during a conference call today at 9:00 a.m. ET. The call can be accessed by dialing 1-800-990-4777 (international 1-289-819-1299). The conference call, including the investor presentation, will be broadcast live on the Cascades website ([www.cascades.com](http://www.cascades.com)) under the "Investors" section. A replay of the call will be available on the Cascades website and may also be accessed by phone until June 7, 2026 by dialing 1-888-660-6345 (international 1-289-819-1450), access code 49689 #.

*Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs approximately 8,800 women and men across a network of 61 operating facilities, including 17 Recovery and Recycling facilities which are part of Corporate Activities and joint ventures managed by the Corporation, in North America. Driven by its participative management, half a century of experience in recycling, and continuous research and development efforts, Cascades continues to provide innovative products that customers have come to rely on, while contributing to the well-being of people, communities and the entire planet. Cascades' shares trade on the Toronto Stock Exchange under the ticker symbol CAS. Certain statements in this release, including statements regarding future results and performance, are forward-looking statements based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decreases in demand for the Corporation's products, increases in raw material costs, fluctuations in selling prices and adverse changes in general market and industry conditions and other factors.*

## CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	March 31, 2026	December 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	85	48
Accounts receivable	444	426
Current income tax assets	12	12
Inventories	681	661
Current portion of financial assets	4	4
	1,226	1,151
<b>Long-term assets</b>		
Investments in associates and joint ventures	68	66
Property, plant and equipment	2,633	2,649
Intangible assets with finite useful life	30	30
Financial assets	3	5
Other assets	107	107
Deferred income tax assets	180	174
Goodwill and other intangible assets with indefinite useful life	495	491
	4,742	4,673
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Trade and other payables	685	697
Current income tax liabilities	4	4
Current portion of long-term debt	78	70
Current portion of provisions for charges	7	8
Current portion of financial liabilities and other liabilities	28	28
	802	807
<b>Long-term liabilities</b>		
Long-term debt	1,908	1,874
Provisions for charges	58	58
Financial liabilities	11	8
Other liabilities	69	74
Deferred income tax liabilities	101	97
	2,949	2,918
<b>Equity</b>		
Capital stock	619	619
Contributed surplus	18	17
Retained earnings	1,069	1,042
Accumulated other comprehensive income	51	43
<b>Equity attributable to Shareholders</b>	1,757	1,721
Non-controlling interests	36	34
<b>Total equity</b>	1,793	1,755
	4,742	4,673

## CONSOLIDATED STATEMENTS OF EARNINGS

For the 3-month periods  
ended March 31,

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	2026	2025
<b>Sales</b>	1,125	1,154
Supply chain and logistics	679	679
Wages and employee benefits expenses	266	280
Depreciation and amortization	71	69
Maintenance and repair	60	64
Other operational costs	2	6
Impairment charges	8	1
Other loss (gain)	(49)	4
Restructuring costs	3	5
Loss (gain) on derivative financial instruments	4	(4)
<b>Operating income</b>	<b>81</b>	<b>50</b>
Financing expenses	31	36
Share of results of associates and joint ventures	(2)	(3)
<b>Earnings before income taxes</b>	<b>52</b>	<b>17</b>
<b>Provision for income taxes</b>	<b>8</b>	<b>5</b>
<b>Net earnings including non-controlling interests for the period</b>	<b>44</b>	<b>12</b>
<b>Net earnings attributable to non-controlling interests</b>	<b>5</b>	<b>5</b>
<b>Net earnings attributable to Shareholders for the period</b>	<b>39</b>	<b>7</b>
<b>Net earnings per common share</b>		
Basic	\$0.38	\$0.07
Diluted	\$0.38	\$0.07
<b>Weighted average basic number of common shares outstanding</b>	<b>101,283,722</b>	<b>100,993,811</b>
<b>Weighted average number of diluted common shares</b>	<b>102,033,598</b>	<b>101,421,656</b>

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2026	2025
<b>Net earnings including non-controlling interests for the period</b>	<b>44</b>	<b>12</b>
<b>Other comprehensive income (loss)</b>		
<b>Items that may be reclassified subsequently to earnings</b>		
<b>Translation adjustments</b>		
Change in foreign currency translation of foreign subsidiaries	15	(41)
Change in foreign currency translation related to net investment hedging activities	(7)	40
<b>Recovery of income taxes</b>	1	—
	9	(1)
<b>Items that are not released to earnings</b>		
Actuarial loss on employee future benefits	—	(1)
<b>Other comprehensive income (loss)</b>	<b>9</b>	<b>(2)</b>
<b>Comprehensive income including non-controlling interests for the period</b>	<b>53</b>	<b>10</b>
<b>Comprehensive income attributable to non-controlling interests for the period</b>	<b>6</b>	<b>5</b>
<b>Comprehensive income attributable to Shareholders for the period</b>	<b>47</b>	<b>5</b>

## CONSOLIDATED STATEMENTS OF EQUITY

For the 3-month period ended March 31, 2026

(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
<b>Balance - Beginning of period</b>	619	17	1,042	43	1,721	34	1,755
Comprehensive income							
Net earnings	—	—	39	—	39	5	44
Other comprehensive income	—	—	—	8	8	1	9
Dividends	—	—	39	8	47	6	53
Stock options expense	—	1	(12)	—	(12)	(4)	(16)
<b>Balance - End of period</b>	619	18	1,069	51	1,757	36	1,793

For the 3-month period ended March 31, 2025

(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
<b>Balance - Beginning of period</b>	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)
Dividends	—	—	6	(1)	5	5	10
Issuance of common shares upon exercise of stock options	1	—	(12)	—	(12)	(3)	(15)
<b>Balance - End of period</b>	617	16	1,013	72	1,718	49	1,767

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the 3-month periods  
ended March 31,

(in millions of Canadian dollars) (unaudited)	2026	2025
<b>Operating activities</b>		
Net earnings attributable to Shareholders for the period	39	7
Adjustments for:		
Financing expenses	31	36
Depreciation and amortization	71	69
Impairment charges	8	1
Other loss (gain)	(49)	4
Restructuring costs	3	5
Loss (gain) on derivative financial instruments	4	(4)
Provision for income taxes	8	5
Share of results of associates and joint ventures	(2)	(3)
Net earnings attributable to non-controlling interests	5	5
Net financing expenses paid	(52)	(49)
Net income taxes paid	(4)	(2)
Payments, net of provisions, for charges and other liabilities, and other non-cash items	(6)	(29)
	56	45
Changes in non-cash working capital components	(38)	(97)
	18	(52)
<b>Investing activities</b>		
Payments for property, plant and equipment	(28)	(36)
Proceeds from disposals of property, plant and equipment	31	—
Change in intangible and other assets	(1)	1
Proceeds from business disposal	60	—
	62	(35)
<b>Financing activities</b>		
Bank loans and advances	—	(6)
Change in credit facilities	(2)	303
Change in credit facilities without recourse to the Corporation	(4)	1
Repurchase of unsecured senior notes	—	(175)
Payments of other long-term debt, including lease obligations (2026 - \$21 million for the 3-month period; 2025 - \$18 million for the 3-month period)	(21)	(19)
Issuance of common shares upon exercise of stock options	—	1
Dividends paid to non-controlling interests	(4)	(3)
Dividends paid to the Corporation's Shareholders	(12)	(12)
	(43)	90
<b>Net change in cash and cash equivalents during the period</b>	<b>37</b>	<b>3</b>
<b>Currency translation on cash and cash equivalents</b>	<b>—</b>	<b>(1)</b>
<b>Cash and cash equivalents - Beginning of the period</b>	<b>48</b>	<b>27</b>
<b>Cash and cash equivalents - End of the period</b>	<b>85</b>	<b>29</b>

## SEGMENTED INFORMATION

The Corporation's operations are managed in two segments: Packaging Products and Tissue Papers. 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, 2025.

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:

For the 3-month periods ended March 31 (in millions of Canadian dollars) (unaudited)	2026			2025		
	Total	Inter-segment	External	Total	Inter-segment	External
	Packaging Products	715	(6)	709	762	(13)
Tissue Papers	380	—	380	364	—	364
Corporate, Recovery and Recycling activities	62	(26)	36	73	(32)	41
	1,157	(32)	1,125	1,199	(45)	1,154

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

(in millions of Canadian dollars) (unaudited)	For the 3-month period ended March 31, 2026			
	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	88	20	(27)	81
Depreciation and amortization	49	13	9	71
Impairment charges	8	—	—	8
Other gain	(47)	—	(2)	(49)
Restructuring costs	1	—	2	3
Loss on derivative financial instruments	4	—	—	4
<b>EBITDA (A)</b>	103	33	(18)	118
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	568	327	50	945

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
<b>Operating income (loss)</b>	60	24	(34)	50
Depreciation and amortization	46	13	10	69
Impairment charges	—	—	1	1
Other loss	4	—	—	4
Restructuring costs	1	—	4	5
Gain on derivative financial instruments	(2)	—	(2)	(4)
<b>EBITDA (A)</b>	109	37	(21)	125
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	603	304	52	959

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

(in millions of Canadian dollars) (unaudited)	PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	
	For the 3-month periods ended March 31,	
	2026	2025
Packaging Products	46	34
Tissue Papers	7	8
Corporate, Recovery and Recycling activities	16	6
<b>Total acquisitions</b>	<b>69</b>	<b>48</b>
Right-of-use assets acquisitions and provisions (non-cash)	(45)	(24)
	24	24
Acquisitions for property, plant and equipment included in "Trade and other payables"		
Beginning of the period	17	32
End of the period	(13)	(20)
<b>Payments for property, plant and equipment</b>	<b>28</b>	<b>36</b>
<b>Proceeds from disposals of property, plant and equipment</b>	<b>(31)</b>	<b>—</b>
<b>Payments for property, plant and equipment net of proceeds from disposals</b>	<b>(3)</b>	<b>36</b>

## **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 and realized 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 the 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 the 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.

The Corporation's operations are managed in two segments: Packaging Products and Tissue Papers.

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)<sup>1</sup>). The CODM considers EBITDA (A)<sup>1</sup> to be the best performance measure of the Corporation's activities.

EBITDA (A)<sup>1</sup> by business segment is reconciled to the IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

	Q1 2026			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	88	20	(27)	81
Depreciation and amortization	49	13	9	71
Impairment charges	8	—	—	8
Other gain	(47)	—	(2)	(49)
Restructuring costs	1	—	2	3
Loss on derivative financial instruments	4	—	—	4
<b>EBITDA (A)<sup>1</sup></b>	<b>103</b>	<b>33</b>	<b>(18)</b>	<b>118</b>
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	568	327	50	945

	Q4 2025			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	90	14	(28)	76
Depreciation and amortization	49	16	7	72
Impairment charges	11	12	2	25
Other gain	(21)	—	—	(21)
Restructuring costs	3	—	1	4
Gain on derivative financial instruments	—	—	(1)	(1)
<b>EBITDA (A)<sup>1</sup></b>	<b>132</b>	<b>42</b>	<b>(19)</b>	<b>155</b>
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	579	342	54	975

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

(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	60	24	(34)	50
Depreciation and amortization	46	13	10	69
Impairment charges	—	—	1	1
Other loss	4	—	—	4
Restructuring costs	1	—	4	5
Gain on derivative financial instruments	(2)	—	(2)	(4)
<b>EBITDA (A)<sup>1</sup></b>	109	37	(21)	125
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	603	304	52	959

The following table reconciles net earnings and net earnings per common share, as reported, with adjusted net earnings<sup>1</sup> and adjusted net earnings per common share<sup>1</sup>:

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	NET EARNINGS			NET EARNINGS PER COMMON SHARE <sup>2</sup>		
	Q1 2026	Q4 2025	Q1 2025	Q1 2026	Q4 2025	Q1 2025
<b>As reported</b>	39	37	7	\$0.38	\$0.37	\$0.07
Specific items:						
Impairment charges	8	25	1	\$0.06	\$0.19	\$0.01
Other loss (gain)	(49)	(21)	4	(\$0.42)	(\$0.18)	\$0.03
Restructuring costs	3	4	5	\$0.02	\$0.03	\$0.04
Loss (gain) on derivative financial instruments	4	(1)	(4)	\$0.03	(\$0.01)	(\$0.03)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest <sup>2</sup>	2	(4)	—	—	—	\$0.01
	(32)	3	6	(\$0.31)	\$0.03	\$0.06
<b>Adjusted<sup>1</sup></b>	7	40	13	\$0.07	\$0.40	\$0.13
<b>Weighted average basic number of common shares outstanding</b>				101,283,722	101,261,141	100,993,811

The following table reconciles cash flow from operating activities with EBITDA (A)<sup>1</sup>:

(in millions of Canadian dollars) (unaudited)	Q1 2026	Q4 2025	Q1 2025
<b>Cash flow from operating activities</b>	18	183	(52)
Changes in non-cash working capital components	38	(33)	97
Net income taxes paid	4	1	2
Net financing expenses paid	52	16	49
Payments, net of provisions, for charges and other liabilities, and non-cash items, net of dividends received	6	(12)	29
<b>EBITDA (A)<sup>1</sup></b>	118	155	125

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

<sup>2</sup> Specific amounts per common share are calculated on an after-tax basis and are net of the portion attributable to non-controlling interests. Per 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 the "Provision for income taxes" section for more details.

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<sup>1</sup>. It also reconciles adjusted cash flow from operating activities<sup>1</sup> to adjusted cash flow generated (used)<sup>1</sup>, which is also calculated on a per common share basis:

(in millions of Canadian dollars, except per common share amounts or otherwise noted) (unaudited)	Q1 2026	Q4 2025	Q1 2025
<b>Cash flow from operating activities</b>	18	183	(52)
Changes in non-cash working capital components	38	(33)	97
<b>Cash flow from operating activities (excluding changes in non-cash working capital components)</b>	56	150	45
Restructuring costs paid	3	15	17
<b>Adjusted cash flow from operating activities<sup>1</sup></b>	59	165	62
Payments for property, plant and equipment	(28)	(42)	(36)
Change in intangible and other assets	(1)	—	1
Lease obligation payments	(21)	(19)	(18)
Dividends paid to non-controlling interests	9	104	9
Dividends paid to the Corporation's Shareholders and to non-controlling interests	(4)	(4)	(3)
	(12)	(13)	(12)
<b>Adjusted cash flow generated (used)<sup>1</sup></b>	(7)	87	(6)
<b>Adjusted cash flow generated (used) per common share<sup>1</sup></b> (in Canadian dollars)	(\$0.07)	\$0.86	(\$0.06)
<b>Weighted average basic number of common shares outstanding</b>	101,283,722	101,261,141	100,993,811

The following table reconciles total debt<sup>1</sup> and net debt<sup>1</sup> with the ratio of net debt to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A))<sup>1</sup>:

(in millions of Canadian dollars) (unaudited)	March 31, 2026	December 31, 2025	March 31, 2025
Long-term debt	1,908	1,874	1,873
Current portion of unsecured senior notes	—	—	296
Current portion of long-term debt	78	70	72
Bank loans and advances	—	—	4
<b>Total debt<sup>1</sup></b>	1,986	1,944	2,245
Less: Cash and cash equivalents	(85)	(48)	(29)
<b>Net debt<sup>1</sup> as reported</b>	1,901	1,896	2,216
Last twelve months EBITDA (A) <sup>1</sup>	569	576	523
<b>Net debt / EBITDA (A) ratio<sup>1</sup></b>	3.3x	3.3x	4.2x

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

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