

Quarterly Report 1

for the three-month periods ended
March 31, 2026 and 2025



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, 2026 and 2025, together with the most recent Audited Consolidated Financial Statements. Information contained herein includes any significant developments as of May 6, 2026, 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 the 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 general industry conditions. Cascades disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities 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 2026	Q4 2025	Q1 2025
Sales	1,125	1,197	1,154
Operating income	81	76	50
EBITDA (A) ¹	118	155	125
EBITDA (A) as a percentage of sales ¹	10.5%	12.9%	10.8%
Net earnings			
As reported	39	37	7
Adjusted ¹	7	40	13
Net earnings per common share (basic) (in Canadian dollars)			
As reported	\$0.38	\$0.37	\$0.07
Adjusted ¹	\$0.07	\$0.40	\$0.13
Capital expenditures, net of disposals	(3)	41	36
Dividends declared per common share (in Canadian dollars)	\$0.12	\$0.12	\$0.12
FINANCIAL POSITION			
Total assets	4,742	4,673	4,999
Net debt ¹	1,901	1,896	2,216
Net debt / EBITDA (A) ratio ¹	3.3x	3.3x	4.2x
Equity attributable to Shareholders	1,757	1,721	1,718
per common share (in Canadian dollars)	\$17.34	\$17.00	\$17.01
Working capital as a percentage of sales ^{1, 2}	9.4%	9.8%	9.8%
KEY INDICATORS			
Total shipments (in '000 of s.t.) ³	505	525	531
US\$/CAN\$ - Average exchange rate	\$0.729	\$0.717	\$0.697

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 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
Sales	1,125	1,197	1,154

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)
Operating income	81	76	50

SEGMENTED EBITDA (A)¹

(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)
EBITDA (A)¹	118	155	125

The main variances² in EBITDA (A)¹ are shown below:

(in millions of Canadian dollars) (unaudited)	Q1 2026 vs Q4 2025	Q1 2026 vs Q1 2025
Selling price	1	18
Operating costs	(30)	(36)
Volume and mix	(14)	(4)
Raw materials	6	15
Variances in EBITDA (A)¹	(37)	(7)

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.

/s/ Hugues Simon

HUGUES SIMON

President and Chief Executive Officer

May 6, 2026

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.

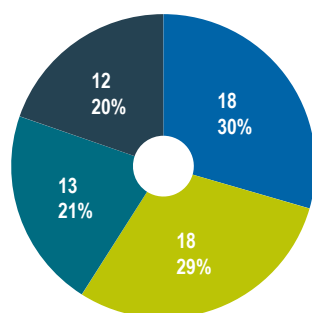
OUR BUSINESS

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 61 operating facilities^{1, 2}, including 17 Recovery and Recycling facilities which are part of Corporate Activities, and approximately 8,800 employees across Canada and the United States^{1, 2}. The Corporation operates two business segments:

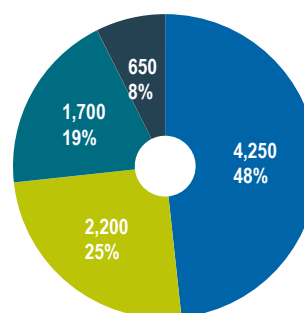
(Business segments) (unaudited)	Number of facilities ^{1, 2}	Number of employees ^{1, 2}	Q1 2026 Sales ³ (in \$M)	% of sales	Q1 2026 Operating income (in \$M)	Q1 2026 EBITDA (A) ^{3, 4} (in \$M)	Q1 2026 EBITDA (A) Margin ^{3, 4} (%)	% of EBITDA (A) ⁴
PACKAGING PRODUCTS	34	4,550	715	65.3%	88	103	14.4%	75.7%
TISSUE PAPERS	10	2,100	380	34.7%	20	33	8.7%	24.3%

Geographic locations of our facilities⁵ and employees within North America:

Our facilities



Our employees



¹ Including the Saint-Césaire facility in Québec, which had 25 employees, on April 25, 2026.

² Including 50% owned joint ventures managed by the Corporation.

³ Excluding associates and joint ventures not included in consolidated results. Refer to Note 8 of the 2025 Audited Consolidated Financial Statements for more information on associates and joint ventures.

⁴ Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

⁵ 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 2026 and 2025 results.

PACKAGING PRODUCTS

- On April 1, 2026, the Corporation announced a structuring partnership for the forestry sector in the Bas-Saint-Laurent region. Solifor has acquired Cascades' private forest lands in Kamouraska and Témiscouata, representing 10,500 hectares. The agreement will allow development of these lands to continue and help secure the long-term supply of Cascades' Cabano plant. On March 31, 2026, the parties completed the \$20 million transaction. On April 8, 2026, the Corporation received \$20 million held in trust.
- On February 5, 2026, the Corporation announced the closure of its activities in the honeycomb paperboard and partition packaging products sectors. As a result, the closure of the Berthierville honeycomb packaging plant in Québec, Canada, was effective immediately. Certain assets were sold for \$9 million generating a gain of less than one million dollars. The York, Pennsylvania, United States, facility was closed permanently on February 19, 2026. The Saint-Césaire facility in Québec, Canada, was sold on April 25, 2026 for \$1 million, resulting in less than one million dollars gain before taxes in the second quarter.
- On January 29, 2026, the Corporation announced the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada, for \$65.5 million. In the first quarter of 2026, the Corporation received and recorded, net of legal fees, preliminary working capital adjustment and the assumption of certain liabilities, an amount of \$59 million. An estimated additional \$1 million will be received for the final working capital adjustment. The gain before taxes is estimated at \$34 million subject to further closing adjustments as per the sale agreement.
- On October 8, 2025, the Corporation announced the sale of Flexible Packaging plant activities in Ontario, Canada, for \$31 million. The gain before taxes was \$21 million subject to closing adjustments as per the sale agreement. The Corporation retains ownership of the site's real estate. In the first quarter of 2026, the Corporation received and recorded a gain on disposal of \$1 million from the final working capital adjustment.
- On July 8, 2025, the Corporation announced an optimization of its packaging production platform by closing its corrugated medium manufacturing plant located in Niagara Falls, New York, United States, effective August 11, 2025.
- On March 13, 2025, the Corporation announced the closure of its moulded pulp activities in Indiana, United States, effective April 11, 2025. The decision to cease operations at this plant was influenced by the market environment, higher operating costs, and significant investment needs, and aligns with the Corporation's commitment to maximize asset performance.

TISSUE PAPERS

- In the second quarter of 2025, the Tissue Papers segment received \$23 million from the sale of assets related to the Waterford and Barnwell facilities, which were closed in prior years.

RECOVERY AND RECYCLING ACTIVITIES

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

SIGNIFICANT FACTS

2025

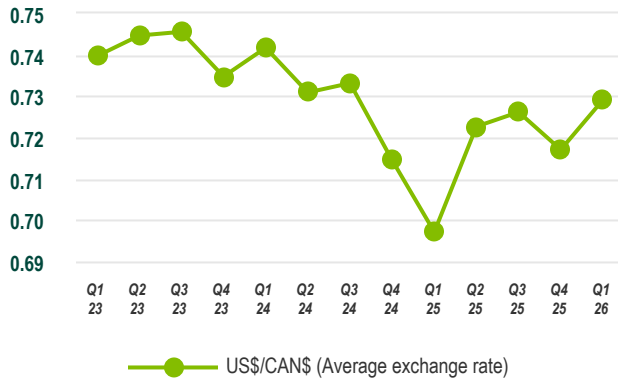
- On December 29, 2025, the Corporation repaid its US\$25 million (\$34 million) drawn from its delayed draw unsecured term loan credit facility maturing on December 31, 2026.
- On July 31, 2025, the Corporation entered into an agreement with its lenders to amend and extend the maturity of its existing revolving credit facility from July 2027 to July 2029. The financial conditions remained unchanged.
- On June 13, 2025, the Corporation's subsidiary, Greenpac, signed an amendment to its credit agreement with the banking syndicate securing its revolving credit facility, increasing the authorized limit to US\$250 million and extending the maturity from December 2027 to June 2028. The revolving credit facility bears interest at a variable rate based on the level of leverage ratio of the subsidiary. The financial conditions remained unchanged. Transaction fees amounting to less than one million dollars were capitalized in other assets.
- On May 28, 2025, the Corporation announced that it had priced its private placement in the amount of US\$400 million (\$547 million) aggregate principal at 6.75% senior notes due July 15, 2030 (the "Notes"). The Notes were issued at a price of 100% of their principal amount. The closing of the offering of the Notes occurred on June 11, 2025. The Corporation used the proceeds from the offering to redeem all of its outstanding senior notes due January 15, 2026 in the amount of US\$206 million (\$281 million) aggregate principal and to repay a portion of the borrowings outstanding under its revolving credit facility and to pay related transaction fees and expenses of \$6 million. The Corporation also wrote off \$1 million unamortized financing expenses related to these notes.
- On January 31, 2025, the \$175 million delayed draw unsecured term loan credit facility was replaced by a delayed draw unsecured term loan credit facility of US\$121 million maturing on December 31, 2026. On this date, an amount of US\$25 million (\$36 million) has been drawn from the facility.
- On January 15, 2025, the Corporation repaid its \$175 million unsecured 5.125% senior notes due in 2025 with its revolving credit facility.

BUSINESS DRIVERS

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

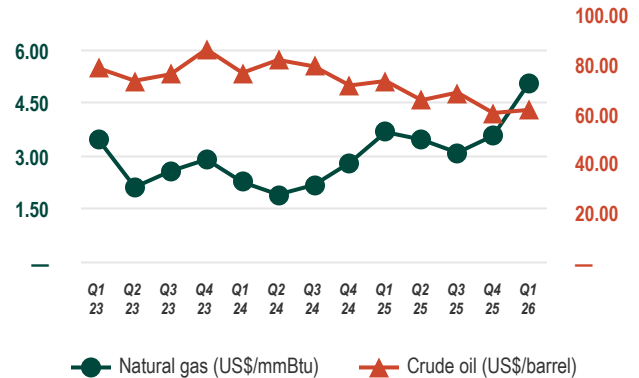
EXCHANGE RATES¹

Sequentially, the average exchange rate of the Canadian dollar increased by 2% compared to the US dollar in the first quarter of 2026. On year-over-year, the average exchange rate of the Canadian dollar increased by 5% compared to the US dollar.



ENERGY COSTS¹

During the first quarter of 2026, the average price of natural gas increased by 42% sequentially and increased by 38% compared to the same period last year. In the case of crude oil, the average price was 2% higher sequentially and 16% lower year-over-year.



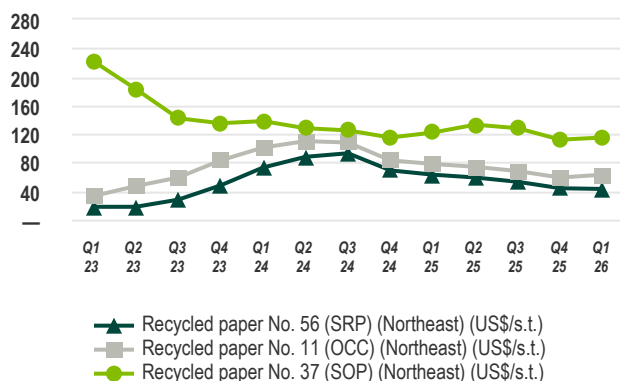
(unaudited)	2024				YEAR	2025				YEAR	2026 Q1
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		
US\$/CAN\$ (Average exchange rate)	\$0.742	\$0.731	\$0.733	\$0.714	\$0.730	\$0.697	\$0.723	\$0.726	\$0.717	\$0.716	\$0.729
US\$/CAN\$ (End of the period exchange rate)	\$0.739	\$0.731	\$0.740	\$0.695	\$0.695	\$0.695	\$0.735	\$0.719	\$0.729	\$0.729	\$0.719
Natural Gas Henry Hub (US\$/mmBtu)	\$2.24	\$1.89	\$2.16	\$2.79	\$2.27	\$3.65	\$3.44	\$3.07	\$3.55	\$3.43	\$5.04
Crude oil (US\$/barrel)	\$76.07	\$81.26	\$78.66	\$70.96	\$76.74	\$72.79	\$65.04	\$68.12	\$59.87	\$66.45	\$61.13

¹ Source: Bloomberg

RAW MATERIALS

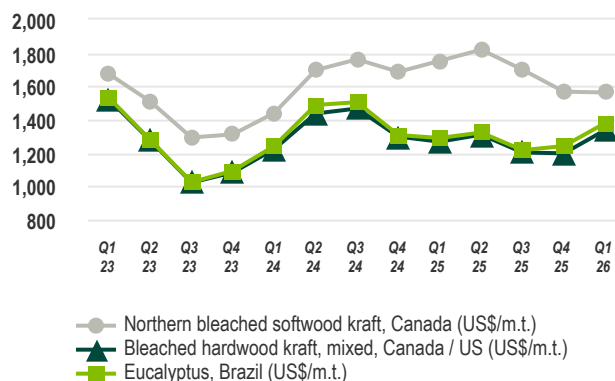
Reference prices - recycled fibre costs in North America¹

During the first quarter of 2026, the recycled paper No. 56 (sorted residential papers, SRP) index price decreased by 2% sequentially and decreased by 32% year-over-year while the brown recycled grade paper No. 11 (old corrugated containers, OCC) index price increased by 7% sequentially and decreased by 19% year-over-year. The white recycled paper grade No. 37 (sorted office papers, SOP) index price increased by 3% sequentially and decreased by 6% year-over-year.



Reference prices - virgin pulp in North America¹

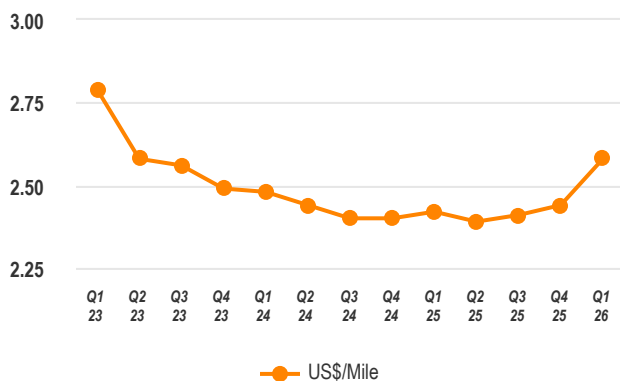
During the first quarter of 2026, the reference price for NBSK was stable sequentially and decreased by 11% year-over-year, while the reference price for NBHK and eucalyptus increased by 12% and 11%, respectively, sequentially and increased by 6% and 7%, respectively, year-over-year.



FREIGHT

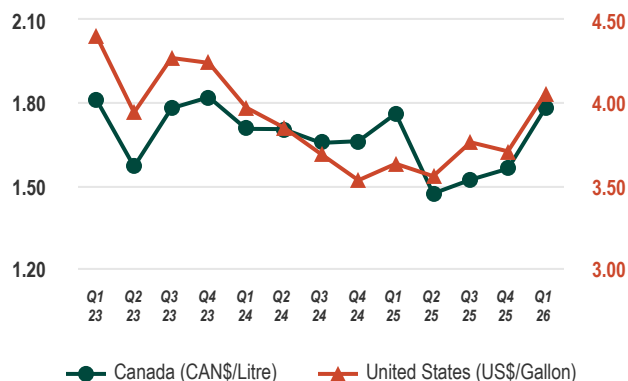
US national van rates²

During the first quarter of 2026, the average national van rate increased by 6% sequentially and increased by 7% year-over-year.



Diesel³

During the first quarter of 2026, the average price of diesel increased by 14% in Canada and by 9% in the United States, respectively, sequentially and increased by 1% in Canada and by 12% in the United States, respectively, year-over-year.



(unaudited)	2024				YEAR	2025				YEAR	2026 Q1
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		
US national van rates (US\$/Mile)	\$2.48	\$2.44	\$2.40	\$2.40	\$2.43	\$2.42	\$2.39	\$2.41	\$2.44	\$2.42	\$2.58
Diesel Canada (CAN\$/Litre)	\$1.70	\$1.70	\$1.65	\$1.66	\$1.68	\$1.76	\$1.47	\$1.52	\$1.56	\$1.58	\$1.78
Diesel United States (US\$/Gallon)	\$3.97	\$3.85	\$3.69	\$3.53	\$3.76	\$3.63	\$3.56	\$3.76	\$3.71	\$3.66	\$4.06

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. These indicators are as follows:

(unaudited)	2024					2025					2026	LTM ⁶
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	
OPERATIONAL												
Total shipments (in '000 short tons (s.t.))¹												
Packaging Products	441	444	450	442	1,777	421	424	434	403	1,682	392	1,653
Tissue Papers	115	122	122	121	480	110	120	128	122	480	113	483
Total	556	566	572	563	2,257	531	544	562	525	2,162	505	2,136
Integration rate²												
Packaging Products	51%	50%	51%	50%	51%	51%	51%	51%	54%	51%	53%	52%
Tissue Papers	94%	94%	94%	94%	94%	94%	94%	94%	97%	95%	100%	96%
Manufacturing capacity utilization rate³												
Packaging Products	94%	88%	91%	88%	90%	86%	86%	92%	88%	88%	91%	89%
Tissue Papers	95%	93%	93%	98%	95%	93%	91%	98%	96%	95%	90%	94%
FINANCIAL												
Working capital												
In millions of CAN\$, at the end of the period ⁴	460	474	460	406		529	508	449	390		440	
As a percentage of sales ^{4, 5}	9.8%	9.5%	9.2%	9.6%		9.8%	10.0%	9.9%	9.8%		9.4%	

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

	2024					2025	2026	Q1 2026 vs. Q1 2025		Q1 2026 vs. Q4 2025	
	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	Change	%	Change	%
These indexes should only be used as trend indicators. They may differ from our actual selling prices and purchasing costs. (unaudited)											
Selling prices (average)											
PACKAGING PRODUCTS (US\$/short ton)											
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	885	932	945	945	945	942	945	13	1%	—	—%
Corrugating medium 26-lb. semichemical, Eastern US (open market)	773	822	835	835	835	832	835	13	2%	—	—%
Uncoated recycled boxboard - bending chip, 20 pt. (series B)	1,048	1,070	1,093	1,110	1,110	1,096	1,110	40	4%	—	—%
TISSUE PAPERS (US\$/short ton)											
Parent rolls, recycled fibres (transaction)	1,178	1,132	1,131	1,122	1,105	1,123	1,089	(43)	(4%)	(16)	(1%)
Parent rolls, virgin fibres (transaction)	1,503	1,459	1,476	1,444	1,422	1,451	1,392	(67)	(5%)	(30)	(2%)
Raw material prices (average)											
RECYCLED PAPER											
North America (US\$/short ton)											
Sorted residential papers, No. 56 (SRP - Northeast average)	80	63	59	53	44	55	43	(20)	(32%)	(1)	(2%)
Old corrugated containers, No. 11 (OCC - Northeast average)	100	78	74	68	59	70	63	(15)	(19%)	4	7%
Sorted office papers, No. 37 (SOP - Northeast average)	127	122	133	128	112	124	115	(7)	(6%)	3	3%
VIRGIN PULP (US\$/metric ton)											
Northern bleached softwood kraft, Canada	1,646	1,753	1,820	1,700	1,568	1,710	1,563	(190)	(11%)	(5)	—%
Bleached hardwood kraft, mixed, Canada/US	1,356	1,268	1,310	1,203	1,198	1,245	1,338	70	6%	140	12%
Eucalyptus, Brazil	1,386	1,290	1,323	1,217	1,242	1,268	1,380	90	7%	138	11%

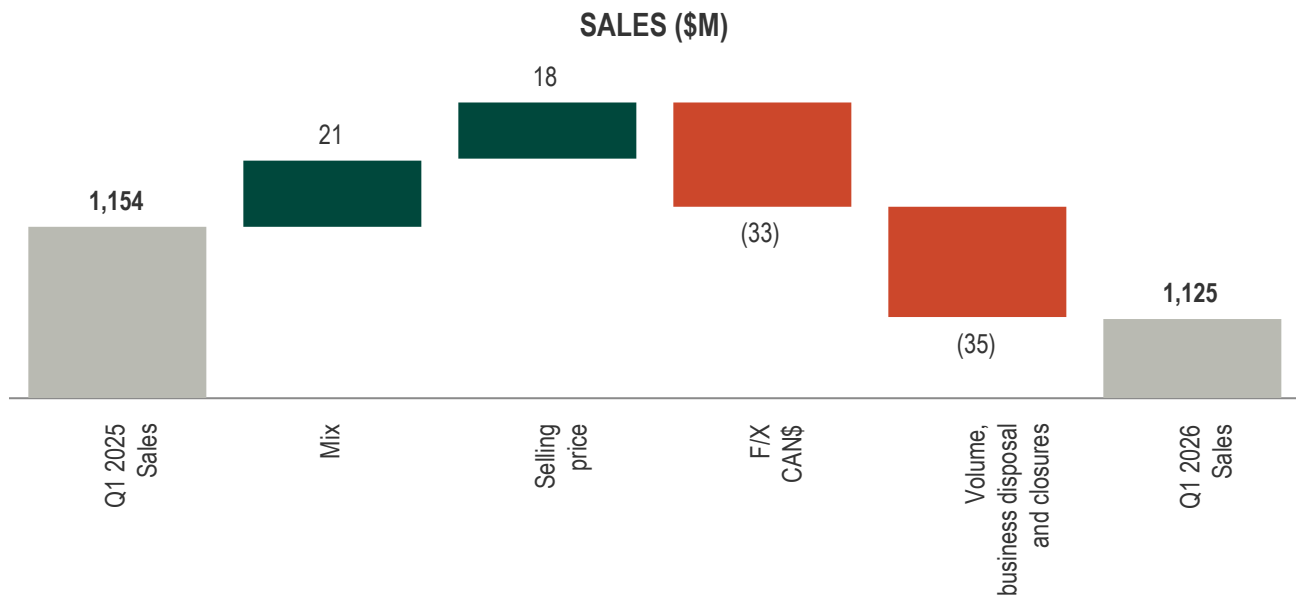
Sources: RISI and Cascades

FINANCIAL OVERVIEW - 2026

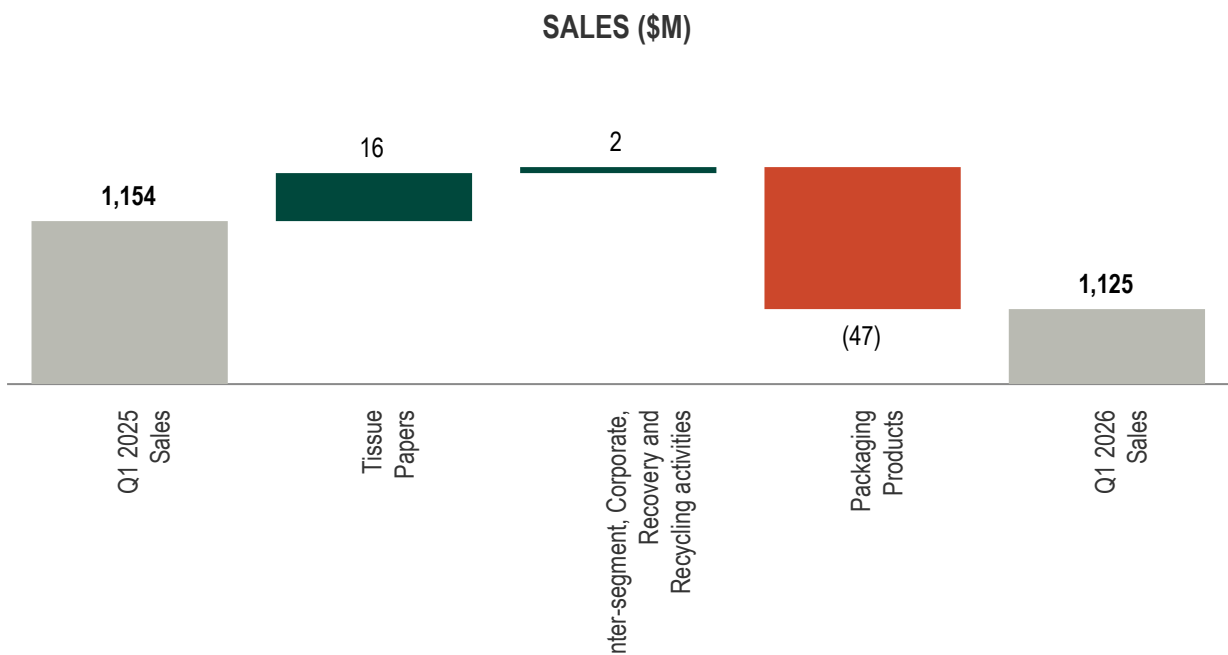
SALES

For the three-month period ended March 31, 2026, consolidated sales totaled \$1,125 million, a decrease of \$29 million, or 3%, compared to \$1,154 million in the same period of 2025. Sales levels benefited from higher volumes in the Tissue Papers segment, higher selling prices, and a favourable sales mix in all segments. These benefits were more than offset by an unfavourable foreign exchange rate in all segments and by lower volumes in the Packaging Products segment, including the impact of the sale or closure of assets in the last twelve months.

The main variances in sales in the first quarter of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)



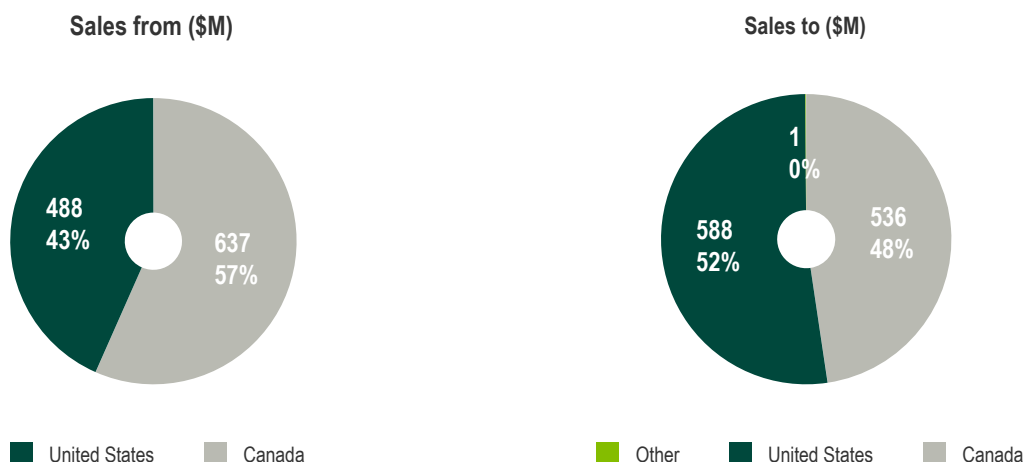
The reconciliation of sales by segment in the first quarter of 2026, compared to the same period of 2025, is shown below:
(in millions of Canadian dollars)



Sales, in the first quarter of 2026, by geographic segment were 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, 2026 and 2025.

(in millions of Canadian dollars)



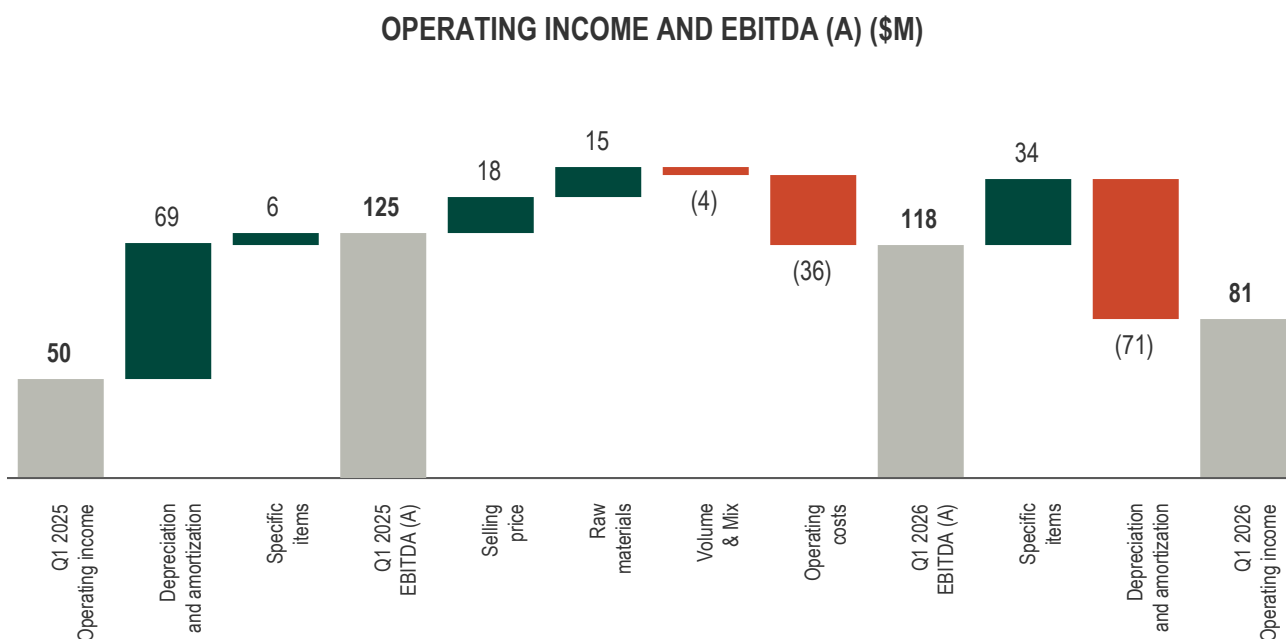
OPERATING INCOME AND EBITDA (A)¹

For the three-month period ended March 31, 2026, the Corporation recorded an operating income of \$81 million, compared to an operating income of \$50 million in the same period of 2025. The operating income variance is explained by lower operational performance and the specific items gain of \$34 million in the first quarter of 2026, compared to the specific items loss of \$6 million in the same period of 2025. 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, 2026 and 2025.

The Corporation recorded an EBITDA (A)¹ of \$118 million in the first quarter of 2026, compared to \$125 million in the same period of 2025. The EBITDA (A)¹ generated by the Packaging Products and the Tissue Papers segments decreased by \$6 million and by \$4 million, respectively, while the contribution of Corporate, Recovery and Recycling activities improved by \$3 million. On a consolidated basis, the positive impacts from higher selling prices and lower raw material costs were more than offset by the negative impacts related to lower volumes in the Packaging Products segment and higher operating costs, namely maintenance, transportation and energy.

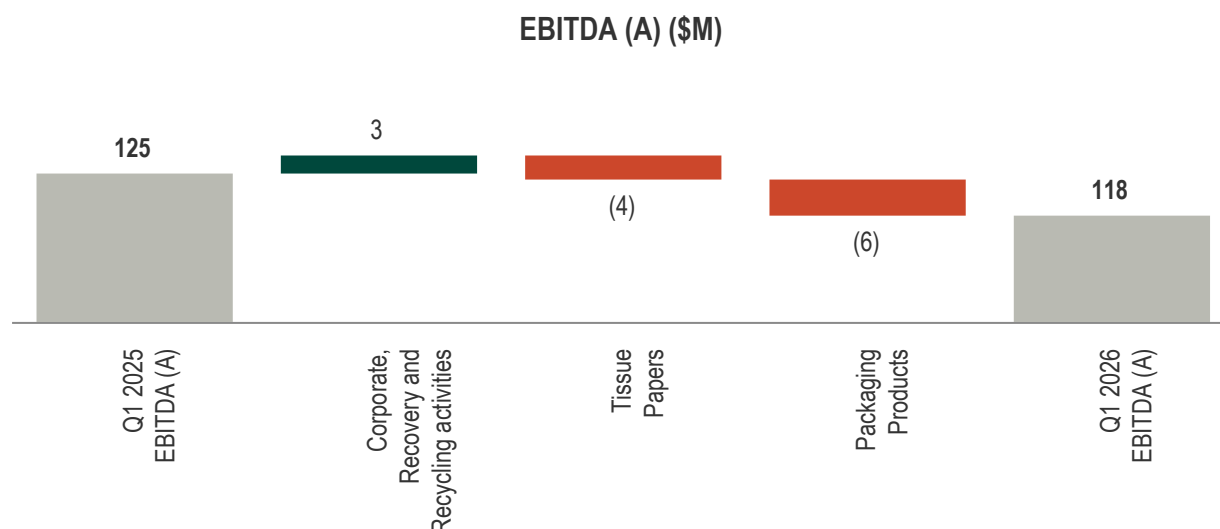
The main variances in operating income and in EBITDA (A)¹ in the first quarter of 2026, compared to the same period of 2025, are shown below:

(in millions of Canadian dollars)



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

The reconciliation of EBITDA (A)¹ by segment in the first quarter of 2026, compared to the same period of 2025, is shown below:
(in millions of Canadian dollars)



Raw materials (EBITDA (A)¹)	<i>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.</i>
F/X CAN\$ (EBITDA (A)¹)	<i>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 the 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 EBITDA (A)¹ charts. It excludes indirect sensitivity (please refer to the "Sensitivity Table" section of our 2025 Annual Report for further details).</i>
Operating costs (EBITDA (A)¹)	<i>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.</i>
Recovery and Recycling activities (Sales and EBITDA (A)¹)	<i>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 EBITDA (A)¹ charts.</i>

An 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

Depreciation and amortization increased by \$2 million to \$71 million in the first quarter of 2026, compared to \$69 million in the same period of 2025. This increase reflected the appreciation of the Canadian dollar, which decreased depreciation expenses by \$2 million in the first quarter of 2026, while the commissioning of new investments and continuous assessment and revision of the useful life of assets increased the depreciation expenses.

FINANCING EXPENSES

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2026	2025
Interest on long-term debt, including lease obligations interest (2026 - \$3 million for the 3-month period; 2025 - \$3 million for the 3-month period)	29	32
Amortization of financing expenses	1	1
Other interest and banking fees	1	2
Interest expense on employee future benefits	—	1
	31	36

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

Financing expenses were \$31 million in the first quarter of 2026, compared to \$36 million in the same period of 2025, a decrease of \$5 million.

The use of various elements of the Corporation's debt structure resulted in a variance of \$3 million for interest on long-term debt, mainly due to lower use of the revolving credit facility and the appreciation of the Canadian dollar which decreased financing expenses by \$7 million and \$1 million, respectively, in the first quarter of 2026 compared to the same period last year. This decrease was partially offset by the new senior notes issued in June 2025 at a higher interest rate which added \$5 million.

The Corporation also recorded an unrealized gain on interest rate hedge instruments of less than one million dollars in the first quarter of 2026, compared to an unrealized loss on interest rate hedge instruments of less than one million dollars in the same period of 2025.

The average interest rate on our revolving credit facilities decreased to 5.27% as of March 31, 2026 compared to 5.91% at the same period of 2025. As of March 31, 2026, 26% of the Corporation's total long-term debt was at a variable rate and 74% was at a fixed rate (26% and 74%, respectively, as of December 31, 2025). As of March 31, 2026, the Corporation's consolidated debt denominated in US dollars totaled US\$1,330 million (US\$1,332 million as of December 31, 2025).

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

Share of results of associates and joint ventures amounted to \$2 million in the first quarter of 2026, compared to \$3 million in the same period of 2025.

PROVISION FOR INCOME TAXES

In the first quarter of 2026, the Corporation recorded a provision for income taxes of \$8 million, compared to a provision for income taxes of \$5 million in the same period of 2025.

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 2026.

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 basis¹, 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.

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

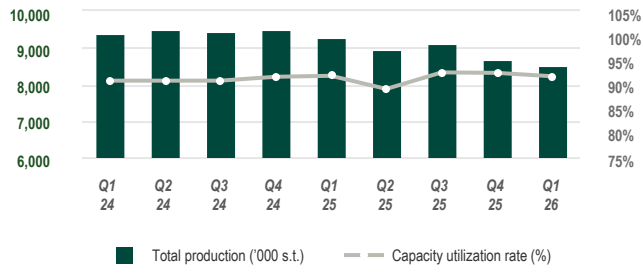
BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS

Our Industry

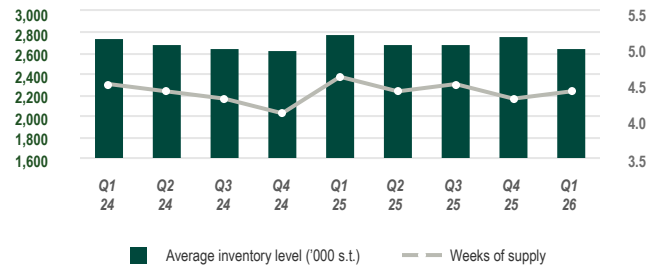
US containerboard industry production and capacity utilization rate¹

During the first quarter of 2026, total US containerboard production amounted to 8.5 million short tons, a sequential decrease of 2% and a year-over-year decrease of 8%. The industry recorded an average capacity utilization rate of 92% during the first quarter of 2026.



US containerboard inventories at box plants and mills²

During the first quarter of 2026, the average inventory level decreased by 4% sequentially and decreased by 5% year-over-year. Inventory levels stood at approximately 2.7 million short tons at the end of March 2026, representing 4.4 weeks of supply.

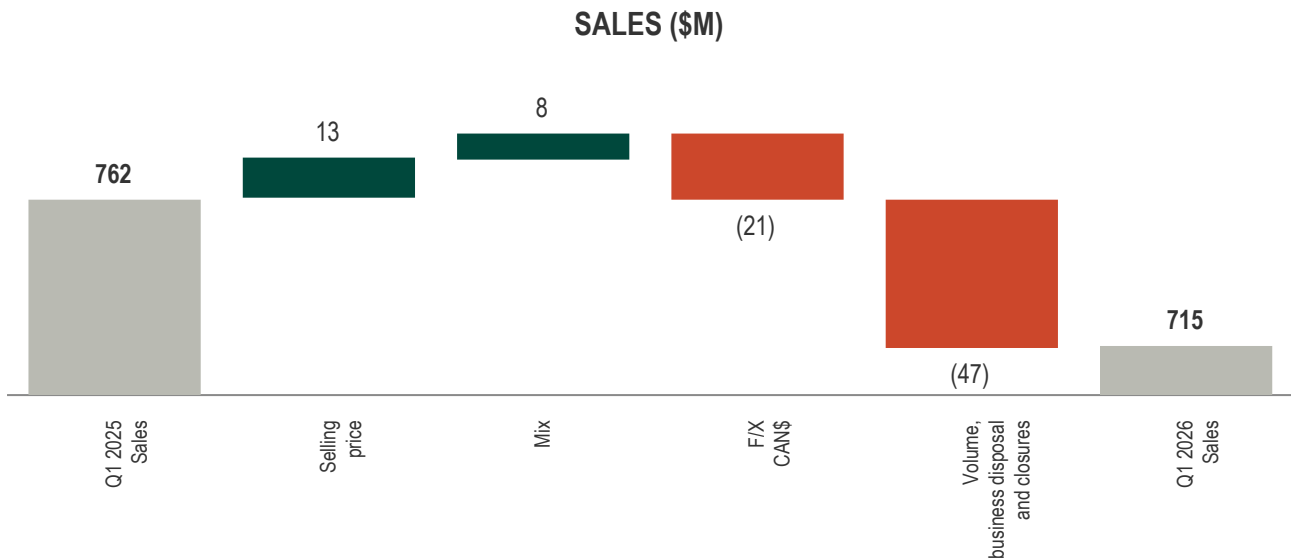


¹ Source: RISI

² Source: Fibre Box Association

Our Performance

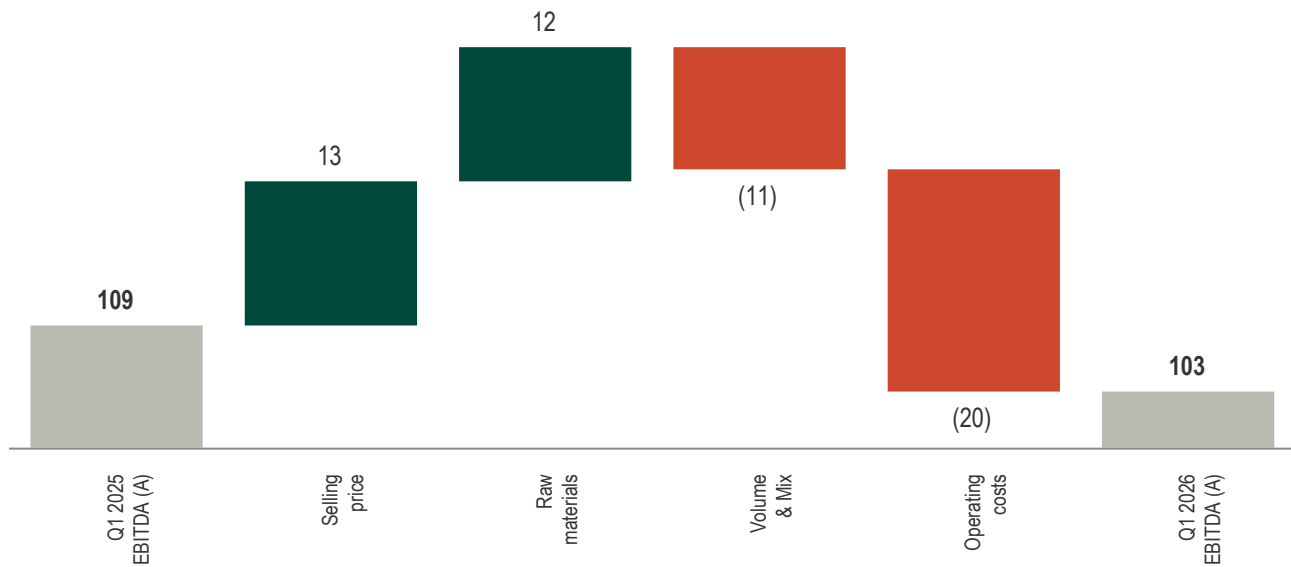
The main variances¹ in sales and EBITDA (A)² for the Packaging Products segment in the first quarter of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)



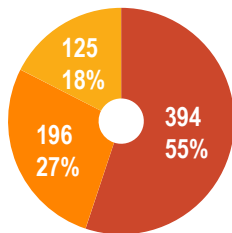
¹ For definitions of certain sales and EBITDA (A)² variation categories, please refer to the "Financial Overview" section for more details.

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

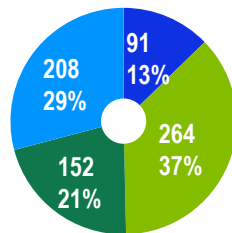
EBITDA (A) (\$M)



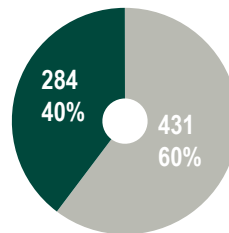
Sales by product category (\$M)



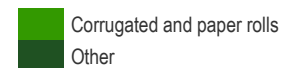
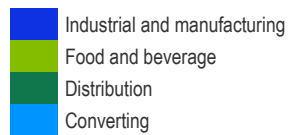
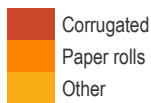
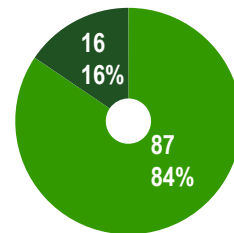
Sales by market (\$M)



Sales by country (from) (\$M)



EBITDA (A) by product category (\$M)



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 market:

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 2025	Q1 2026	Change in %
Corrugated and paper roll shipments² ('000 s.t.)		
421	392	-7%
Corrugated and paper roll average selling price		
(CAN\$/unit)		
1,509	1,503	—%
Sales (\$M)		
762	715	-6%
EBITDA (A)¹ (\$M)		
109	103	-6%
% of sales		
14%	14%	
Depreciation and amortization (\$M)		
46	49	7%
Payments for property, plant and equipment (\$M)		
15	16	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.

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 29,000 s.t., or 7%, in the first quarter of 2026 compared to the same period of 2025.

This reflected an 18,000 s.t., or 8%, decrease in paper roll shipments compared to the same period of 2025, mainly attributable to lower demand which contributed to the permanent closure of a facility during the third quarter of 2025. The mill integration rate³ increased 2% year-over-year to 53%. Including sales to partners, the integration rate slightly decreased year-over-year by 1% to 68%. The manufacturing utilization rate increased by 5% to 91%.

Shipments of corrugated products decreased by 11,000 s.t., or 6%, compared to the same period of 2025. Corrugated shipment volumes totaled 3.3 billion square feet, representing a decrease of 5% year-over-year that reflects softer demand in most of our markets and the disposal of our box plant in British Columbia in the first quarter of 2026. This compares to a 1.6% weighted⁴ decrease for the industry, reflecting a 0.9% decrease in Canada and a 3.7% decrease in the United States.

The average selling price was stable in the first quarter of 2026 compared to the same period of 2025. This reflects a 3% decrease for paper rolls, despite a 2% increase of the selling price in US dollar, and stable price for corrugated products. Selling price increases implemented during the second quarter of 2025 and a favourable product mix were offset by the appreciation of the Canadian dollar compared to the US dollar.

Sales decreased by \$47 million, or 6%, in the first quarter of 2026 compared to the same period of 2025. This reflects the lower volumes and the impact of business disposal and closures of \$47 million and \$21 million from the 5% average appreciation of the Canadian dollar compared to the US dollar. This was partially offset by the positive impacts of \$13 million from higher average selling prices and favourable product mix of \$8 million.

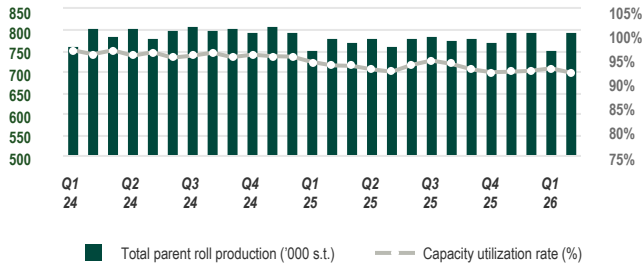
EBITDA (A)¹ decreased by \$6 million, or 6%, in the first quarter of 2026 compared to the same period of 2025. This was largely driven by a \$13 million benefit from higher average selling prices. Lower raw material costs also contributed \$9 million, and lower input costs of \$3 million in our distribution activities. Results similarly reflect a negative impact of \$20 million from higher operational costs that stem from higher logistics, energy and chemicals costs and increased repair and maintenance, as well as a lower volume impact of \$11 million.

TISSUE PAPERS

Our Industry

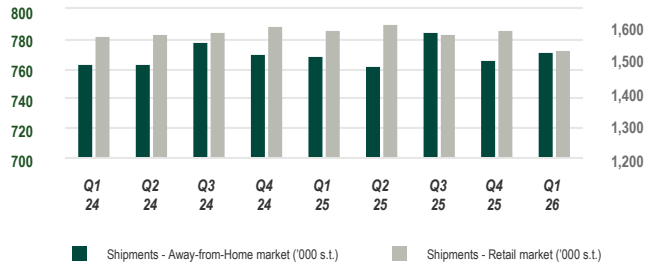
US tissue paper industry production (parent rolls) and capacity utilization rate¹

During the first quarter of 2026, parent roll production amounted to 2.3 million tons, stable sequentially and an increase of 1% compared to the same period last year. The average capacity utilization rate for the first quarter of 2026 stood at 92%, stable sequentially and down 2% compared to the same period last year.



US tissue paper industry converted product shipments¹

During the first quarter of 2026, shipments in the Away-from-Home market increased by 1% sequentially and were stable year-over-year. During the first quarter of 2026, shipments in the Retail market increased by 3% sequentially and increased by 3% year-over-year.

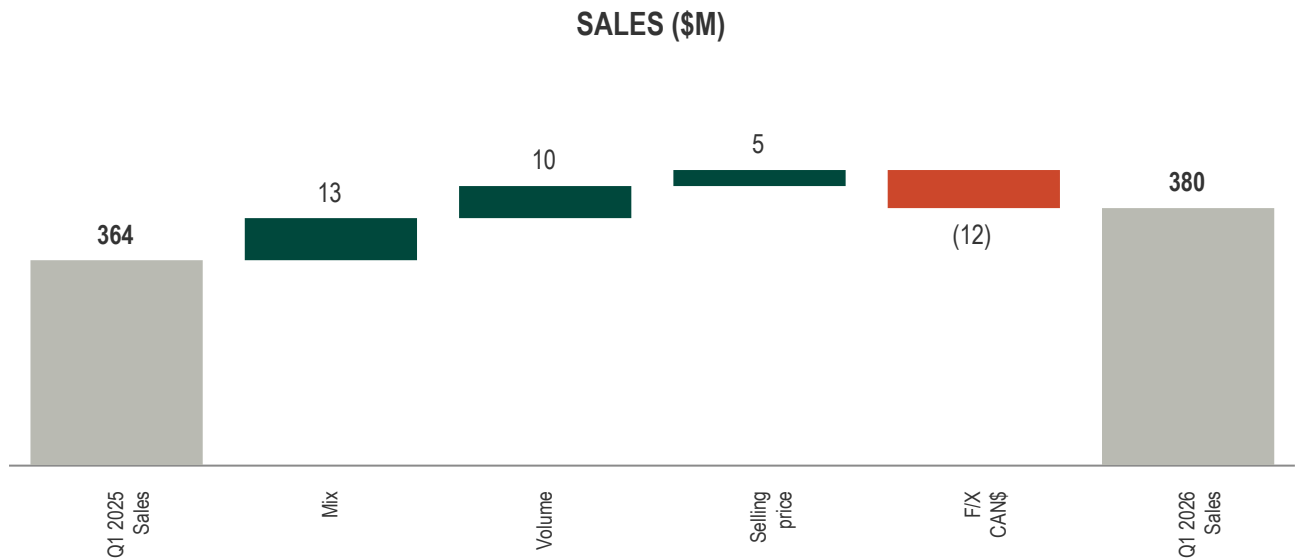


¹ Source: RISI

Our Performance

The main variances¹ in sales and EBITDA (A)² for the Tissue Papers segment in the first quarter of 2026, compared to the same period of 2025, are shown below:

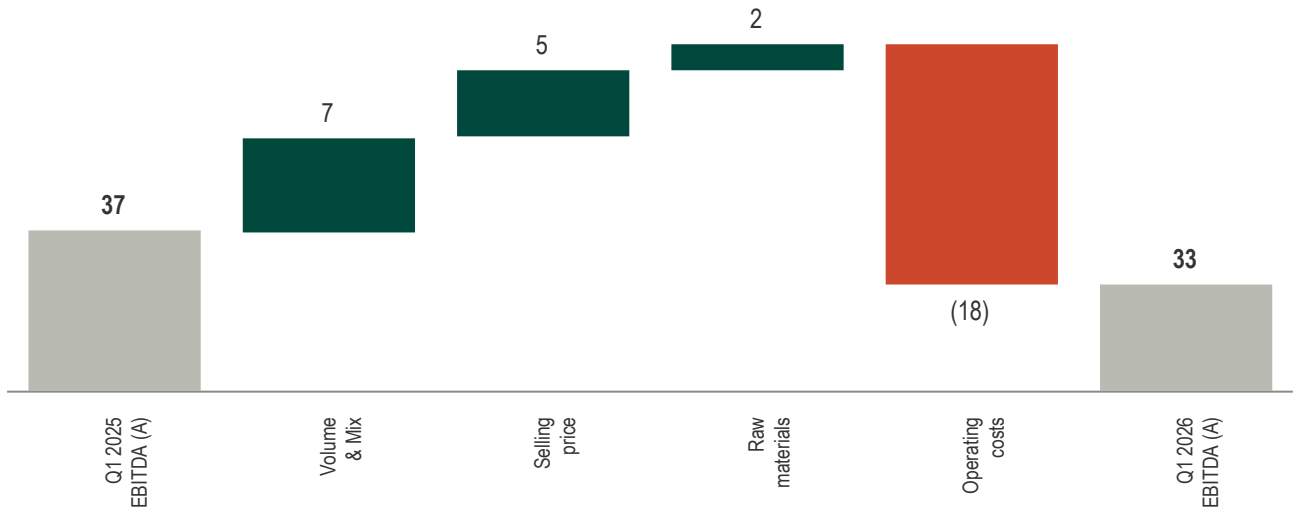
(in millions of Canadian dollars)



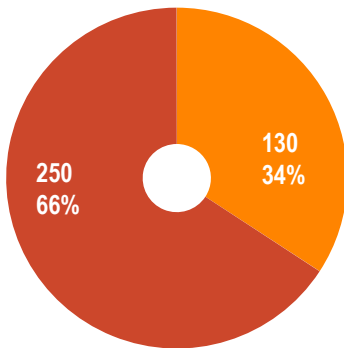
¹ For definitions of certain sales and EBITDA (A)² variation categories, please refer to the "Financial Overview" section for more details.

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)

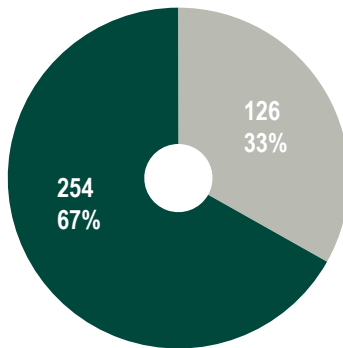


Sales by product category (\$M)



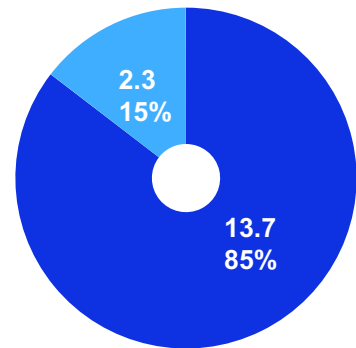
■ Away-from-Home
■ Consumer Products

Sales by country (from) (\$M)



■ United States
■ Canada

Shipments by product brand (millions of cases)



■ Private label Brand
■ Brand

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

Q1 2025	Q1 2026	Change in %
Shipments² ('000 s.t.) 110	113	3%
Average selling price (CAN\$/unit) 3,313	3,369	2%
Sales (\$M) 364	380	4%
EBITDA (A)¹ (\$M) 37 % of sales 10%	33 9%	-11%
Depreciation and amortization (\$M) 13	13	—%
Payments for property, plant and equipment (\$M) 7	5	-29%

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 increased by 3,000 s.t., or 3%, in the first quarter of 2026 compared to the same period of 2025.

Converted product shipments increased by 9,000 s.t., or 9%, on a year-over-year basis. This increase was mainly driven by higher volumes in both the Consumer Products (+11%) and in the Away-from-Home (+6%) markets, reflecting the gradual expansion of business activities with strategic customers. In terms of cases, shipments increased by 1.5 million, or 11%, to a total of 16.0 million cases in the first quarter of 2026. As the parent rolls are now fully integrated, parent roll shipments decreased by 6,000 s.t. in the first quarter of 2026 compared to the same period of 2025.

The increase in the average selling price reflected price increases in both converted markets and a more favourable product category mix. These positive impacts were partially offset by a negative impact from the appreciation of the Canadian dollar compared to the US dollar.

Sales increased by \$16 million, or 4%, in the first quarter of 2026 compared to the same period of 2025. This increase reflects benefits of \$23 million associated with mix and volumes and \$5 million from higher average selling price driven by converted product price increases. These benefits were partially offset by a negative impact of \$12 million from the appreciation of the Canadian dollar.

EBITDA (A)¹ decreased by \$4 million, or 11%, in the first quarter of 2026 compared to the same period of 2025. The decrease was primarily driven by an \$18 million increase in operating costs, reflecting inflationary pressures, elevated logistics and freight rates in a challenging market environment, incremental network costs related to adverse weather conditions, and the residual impact of an electrical outage at one facility. These unfavourable factors were partially offset by a positive volume impact of \$7 million, higher average selling prices of \$5 million, and lower raw material costs of \$2 million.

CORPORATE, RECOVERY AND RECYCLING ACTIVITIES

Corporate, Recovery and Recycling activities recorded an EBITDA (A)¹ of \$(18) million in the first quarter of 2026, compared to \$(21) million in the same period of 2025. Corporate activities recorded a \$5 million decrease in operating costs and an unfavourable foreign exchange variance of \$2 million in the first quarter of 2026.

STOCK-BASED COMPENSATION EXPENSE

The stock-based compensation expense recognized in Corporate activities amounted to \$2 million in the first quarter of 2026, compared to less than one million dollars in the same period of 2025. For more details on stock-based compensation, please refer to Note 21 of the 2025 Audited Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES

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

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2026	2025
Operating activities		
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)
Cash flows from operating activities	18	(52)

Cash flows from operating activities, excluding changes in non-cash working capital components, stood at \$56 million in the first quarter of 2026, compared to \$45 million in the same period of 2025. 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 generated \$18 million in liquidity in the first quarter of 2026, compared to \$52 million used in the same period of 2025. This increase was driven by lower payments for charges and other liabilities and lower working capital requirements compared to the same period of 2025 which were partially offset by lower operating results. Payments, net of provisions, for charges and other liabilities, and other non-cash items mainly include payments for severances, restructuring costs, pensions and post-retirement benefits. The Corporation paid \$52 million in financing expenses in the first quarter of 2026, compared to \$49 million in the same period of 2025. The Corporation also paid \$4 million in income taxes in the first quarter of 2026, compared to \$2 million paid in the same period of 2025.

Changes in non-cash working capital components used \$38 million in liquidity in the first quarter of 2026, compared to \$97 million used in the same period of 2025. The decrease in working capital usage in the first quarter of 2026, compared to the same period of 2025, was mainly explained by a decrease in the parent rolls inventory and an increase in accounts payable impacted by timing of cut-off and payment terms. As of March 31, 2026, the average quarterly LTM working capital as a percentage of LTM sales¹ stood at 9.4% compared to 9.8% as of December 31, 2025.

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:

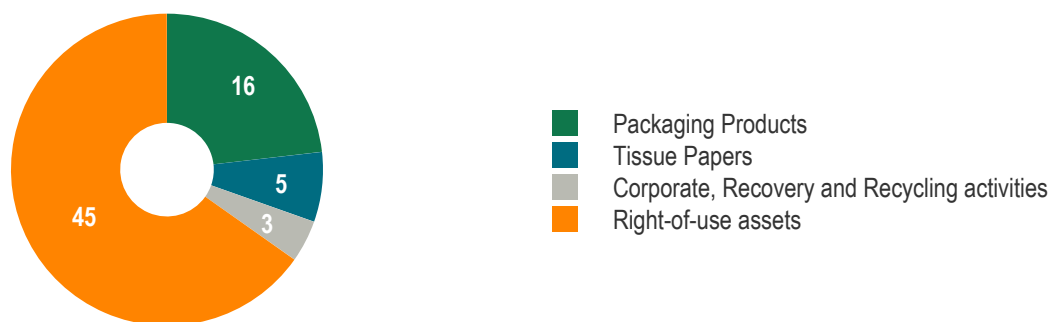
(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2026	2025
Investing activities		
Payments for property, plant and equipment	(28)	(36)
Proceeds from disposals of property, plant and equipment	31	—
Change in intangible and other assets	(1)	1
Proceeds from business disposal	60	—
Cash flows from investing activities	62	(35)

Investing activities generated \$62 million in liquidity in the first quarter of 2026, compared to \$35 million used in the same period of 2025.

PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2026	2025
Total additions during the period	69	48
Variation of payments of acquisitions for property, plant and equipment included in "Trade and other payables"	4	12
Right-of-use assets acquisitions and provisions (non-cash)	(45)	(24)
Payments for property, plant and equipment	28	36
Proceeds from disposals of property, plant and equipment	(31)	—
Payments for property, plant and equipment net of proceeds from disposals	(3)	36

New capital expenditure projects by segment, including right-of-use assets, were as follows in the first quarter of 2026:
(in millions of Canadian dollars)



No major capital projects were initiated in the first quarter of 2026. Additions relate to smaller projects and to maintenance capital expenditures.

PROCEEDS FROM DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

The main disposals of property, plant and equipment were as follows:

In the first quarter of 2026, the Packaging Products segment received \$9 million from the sale of assets related to a plant closure in Canada.

On April 8, 2026, the Packaging Products segment also received \$20 million from the sale of private forest lands. This amount was held in trust as of March 31, 2026.

In the first quarter of 2026, Corporate activities received \$2 million from the sale of other assets.

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

RIGHT-OF-USE ASSETS ACQUISITIONS AND PROVISIONS

Lease contract additions included 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. In the first quarter of 2026, of these investments, \$34 million was allocated to buildings, \$9 million to automotive equipment, and \$2 million to equipment or IT equipment (\$8 million, \$10 million and less than one million dollars, respectively, in the same period of 2025). Also, in the first quarter of 2025, \$6 million was added to provisions.

CHANGE IN INTANGIBLE AND OTHER ASSETS

In the first quarter of 2026, the Corporation invested \$1 million, compared to less than one million dollars in the same period of 2025, in its information technology system and other software developments.

PROCEEDS FROM BUSINESS DISPOSAL

In the first quarter of 2026, the Corporation received, net of legal fees, \$59 million from the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada. For further details, please refer to Note 5 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2026 and 2025.

In the first quarter of 2026, the Corporation also received \$1 million from the final working capital adjustment from the 2025 sale of its Flexible Packaging plant activities in Ontario, Canada.

FINANCING ACTIVITIES

Financing activities are shown in the following table:

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2026	2025
Financing activities		
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)
Cash flows from financing activities	(43)	90

Financing activities used \$43 million in total liquidity in the first quarter of 2026, compared to \$90 million generated in the same period of 2025, including \$12 million in dividend payments to the Corporation's Shareholders in the first quarters of 2026 and of 2025.

REPURCHASE OF UNSECURED SENIOR NOTES

On January 15, 2025, the Corporation repaid its \$175 million unsecured 5.125% senior notes due in 2025 with its revolving credit facility and on January 31, 2025, an amount of US\$25 million (\$36 million) was drawn from the delay draw unsecured term loan credit facility.

PAYMENTS OF OTHER LONG-TERM DEBT

The Corporation repaid lease obligations of \$21 million in the first quarter of 2026, compared to \$18 million in the same period of 2025.

ISSUANCE OF COMMON SHARES UPON EXERCISE OF STOCK OPTIONS

The Corporation issued 41,465 common shares at an average price of \$10.00 as a result of the exercise of stock options in the first quarter of 2026, which represents an aggregate amount of less than one million dollars (in the same period of 2025 - \$1 million for 124,626 common shares issued at an average price of \$7.80).

DIVIDENDS PAID TO NON-CONTROLLING INTERESTS

Dividends paid to non-controlling interests in Greenpac and Falcon Packaging amounted to \$4 million in the first quarter of 2026 (\$3 million in the same period of 2025).

CONSOLIDATED FINANCIAL POSITION

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND 2024

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

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	March 31, 2026	December 31, 2025	December 31, 2024
Cash and cash equivalents	85	48	27
Total assets	4,742	4,673	4,948
Total debt ¹	1,986	1,944	2,123
Net debt ¹	1,901	1,896	2,096
Equity attributable to Shareholders	1,757	1,721	1,724
Non-controlling interests	36	34	47
Total equity	1,793	1,755	1,771
Total equity and net debt ¹	3,694	3,651	3,867
Ratio of net debt / (total equity and net debt) ¹	51.5%	51.9%	54.2%
Shareholders' equity per common share (in Canadian dollars)	\$17.34	\$17.00	\$17.07

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

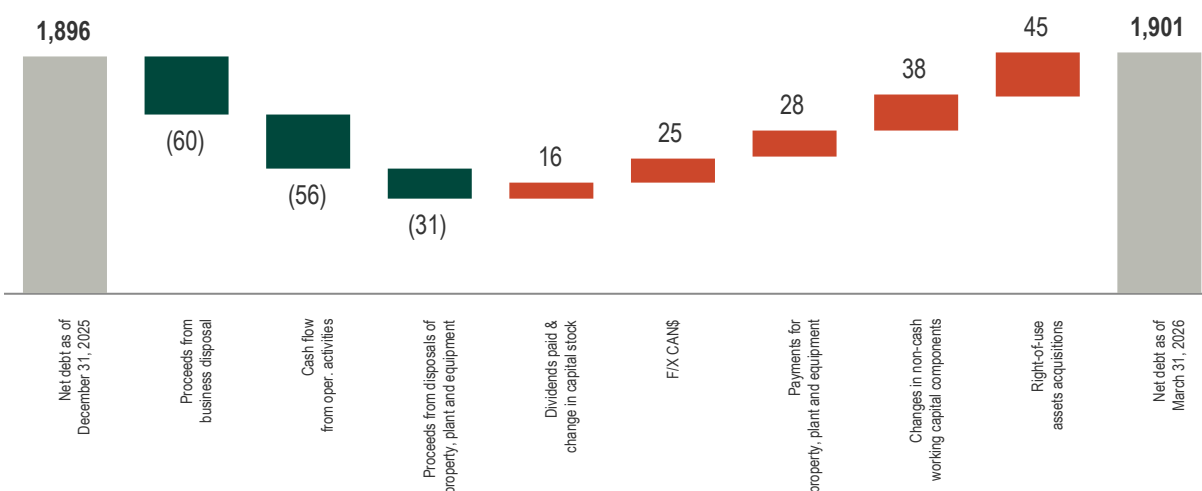
Credit rating (outlook)	MOODY'S	STANDARD & POOR'S
December 31, 2025	Baa3/Ba2/Ba3 (stable)	BB+/BB-/BB- (negative)
March 31, 2026	Baa3/Ba2/Ba3 (stable)	BB+/BB-/BB- (stable)

During the first quarter of 2026, Standard & Poor's revised the Corporation's outlook to stable from negative on deleveraging and reaffirmed all of its ratings.

NET DEBT¹ RECONCILIATION

The variance in the net debt¹ (total debt¹ less cash and cash equivalents) in the first quarter of 2026 is shown below, with the applicable financial ratios included:

(in millions of Canadian dollars)

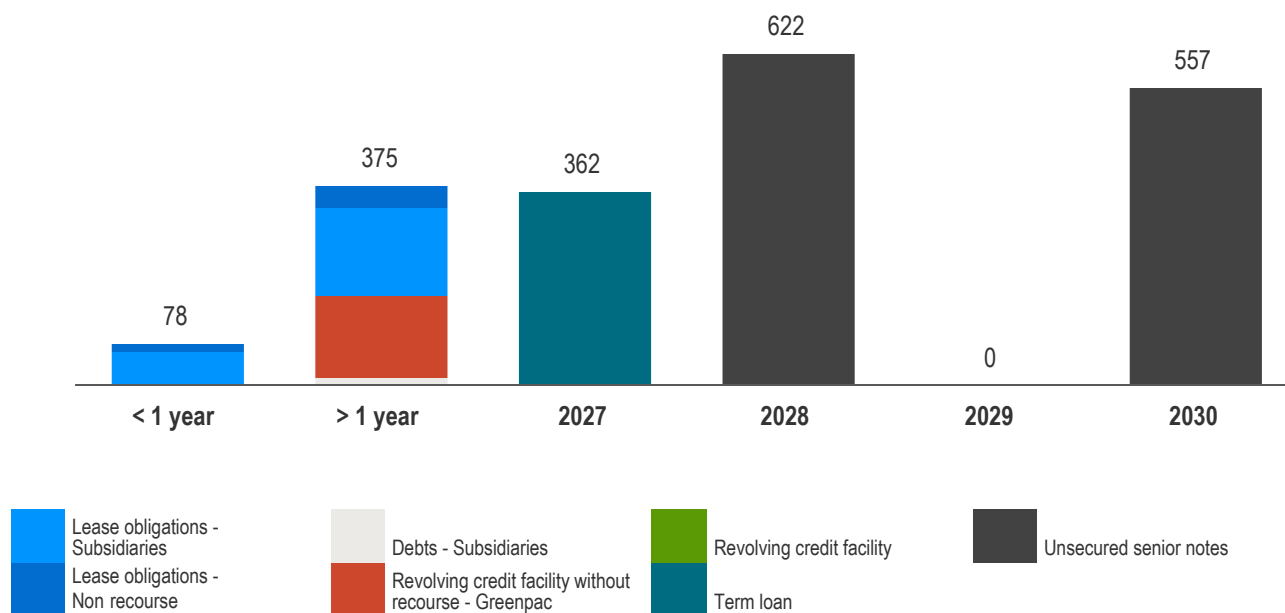


576	EBITDA (A) ¹ (last twelve months) (\$M)	569
3.3x	Net debt / EBITDA (A) ratio ¹	3.3x

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 2026 are forecasted to be in a range of \$150 million to \$175 million, however the investments are subject to operational priorities and liquidity availability. As of March 31, 2026, the Corporation had \$738 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, 2026 consisted of \$58 million in the parent company and restricted subsidiaries (as defined in the credit agreement) and \$27 million in unrestricted subsidiaries.

As of March 31, 2026, the maturities of the Corporation's long-term debt are shown in the following table (excluding cash and cash equivalents as well as unamortized financing expenses):
(in millions of Canadian dollars)



On July 31, 2025, the Corporation entered into an agreement with its lenders to amend and extend the maturity of its existing revolving credit facility from July 2027 to July 2029. The financial conditions remained unchanged.

2026 SECOND QUARTER OUTLOOK

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.

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

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, 2026 to March 31, 2026, Cascades' common share price fluctuated between \$10.74 and \$14.00. During the same period, 13.1 million Cascades common shares were traded on the Toronto Stock Exchange. On March 31, 2026, Cascades' common shares closed at \$11.81. This compared to a closing price of \$9.70 on the same closing day last year.

COMMON SHARES OUTSTANDING

As of March 31, 2026, the Corporation's issued and outstanding capital stock consisted of 101,310,210 common shares (101,268,745 as of December 31, 2025) and 4,239,627 issued and outstanding stock options (4,304,436 as of December 31, 2025). In 2026, the Corporation purchased no common shares for cancellation, while 41,465 stock options were exercised and 23,344 stock options were forfeited.

On May 6, 2026, issued and outstanding capital stock consisted of 101,314,493 common shares and 4,235,344 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 6, 2026, Cascades' Board of Directors 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. On May 6, 2026, the dividend yield was 4.4%.

TSX ticker symbol: CAS	2024				2025				2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Common shares outstanding (in millions) ¹	100.7	101.0	101.0	101.0	101.1	101.3	101.3	101.3	101.3
Closing price (in Canadian dollars) ¹	\$9.89	\$9.03	\$10.43	\$11.91	\$9.70	\$8.91	\$9.64	\$12.46	\$11.81
Average daily volume ²	291,595	194,531	222,776	172,779	238,208	287,688	159,758	189,127	211,867
Dividend yield ¹	4.9%	5.3%	4.6%	4.0%	4.9%	5.4%	5.0%	3.9%	4.1%

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, 2024 TO MARCH 31, 2026

(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 and our Annual Report for the year ended December 31, 2025.

CONTROLS AND PROCEDURES

EVALUATION OF 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 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, 2026, there were no changes in the Corporation's ICFR that materially affected or were 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 42 to 51 of our Annual Report for the year ended December 31, 2025 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 2025 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 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 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 the IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

	For the 3-month period ended March 31, 2026			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	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
EBITDA (A)	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
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
Gain on derivative financial instruments	(2)	—	(2)	(4)
EBITDA (A)	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 and adjusted net earnings per common share:

	NET EARNINGS		NET EARNINGS PER COMMON SHARE ¹	
	For the 3-month periods ended March 31,		For the 3-month periods ended March 31,	
	2026	2025	2026	2025
(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)				
As reported	39	7	\$0.38	\$0.07
Specific items:				
Impairment charges	8	1	\$0.06	\$0.01
Other loss (gain)	(49)	4	(\$0.42)	\$0.03
Restructuring costs	3	5	\$0.02	\$0.04
Loss (gain) on derivative financial instruments	4	(4)	\$0.03	(\$0.03)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests ¹	2	—	—	\$0.01
	(32)	6	(\$0.31)	\$0.06
Adjusted	7	13	\$0.07	\$0.13
Weighted average basic number of common shares outstanding			101,283,722	100,993,811

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

	For the 3-month periods ended March 31,	
	2026	2025
(in millions of Canadian dollars) (unaudited)		
Cash flow from operating activities	18	(52)
Changes in non-cash working capital components	38	97
Net income taxes paid	4	2
Net financing expenses paid	52	49
Payments, net of provisions, for charges and other liabilities, and other non-cash items, net of dividends received	6	29
EBITDA (A)	118	125

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:

	For the 3-month periods ended March 31,	
	2026	2025
(in millions of Canadian dollars, except per common share amounts or as otherwise noted) (unaudited)		
Cash flow from operating activities	18	(52)
Changes in non-cash working capital components	38	97
Cash flow from operating activities (excluding changes in non-cash working capital components)	56	45
Restructuring costs paid	3	17
Adjusted cash flow from operating activities	59	62
Payments for property, plant and equipment	(28)	(36)
Change in intangible and other assets	(1)	1
Lease obligation payments	(21)	(18)
	9	9
Dividends paid to non-controlling interests	(4)	(3)
Dividends paid to the Corporation's Shareholders	(12)	(12)
Adjusted cash flow used	(7)	(6)
Adjusted cash flow used per common share (in Canadian dollars)	(\$0.07)	(\$0.06)
Weighted average basic number of common shares outstanding	101,283,722	100,993,811

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 the "Provision for income taxes" section for more details.

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

(in millions of Canadian dollars) (unaudited)	March 31, 2026 (LTM) ²	December 31, 2025	March 31, 2025 (LTM) ²
Sales¹	4,747	4,776	4,746
EBITDA (A)¹	569	576	523
Payments for property, plant and equipment ¹	144	152	156
Free cash flow: EBITDA (A) less payments for property, plant and equipment	425	424	367
Free cash flow / Sales	9.0%	8.9%	7.7%
Payments for property, plant and equipment / Sales	3.0%	3.2%	3.3%

The following table reconciles working capital as reported:

(in millions of Canadian dollars) (unaudited)	March 31, 2026	December 31, 2025	December 31, 2024
Accounts receivable	444	426	469
Inventories	681	661	685
Trade and other payables	(685)	(697)	(748)
Working capital	440	390	406

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, 2026	December 31, 2025	December 31, 2024
Long-term debt	1,908	1,874	1,871
Current portion of unsecured senior notes	—	—	175
Current portion of long-term debt	78	70	67
Bank loans and advances	—	—	10
Total debt	1,986	1,944	2,123
Less: Cash and cash equivalents	(85)	(48)	(27)
Net debt as reported	1,901	1,896	2,096
Last twelve months EBITDA (A)	569	576	501
Net debt / EBITDA (A) ratio	3.3x	3.3x	4.2x

SPECIFIC ITEMS

The Corporation incurred the following specific items in the first quarters of 2026 and of 2025:

IMPAIRMENT CHARGES

2026

In the first quarter, the Packaging Products segment recorded an impairment of \$8 million on a building (\$7 million) and equipment (\$1 million) related to a previously closed plant in the United States. The recoverable amount of the assets is nil based on the market approach reflecting an orderly transaction between market participants.

2025

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

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

² LTM (last twelve months)

OTHER LOSS (GAIN)

2026

In the first quarter, the Packaging Products segment recorded a \$34 million gain related to the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada. For further details, please refer to Note 5 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2026 and 2025.

In the first quarter, the Packaging Products segment also recorded a \$1 million gain related to the final selling price adjustment of its Flexible Packaging plant sold in 2025.

In the first quarter, the Packaging Products segment also recorded a \$12 million gain related to the sale of private forest lands in Kamouraska and Témiscouata, Québec, Canada.

In the first quarter, Corporate activities recorded a \$2 million gain related to the sale of other assets.

2025

In the first quarter, the Packaging Products segment recorded a provision of \$4 million payable to the claimant for administration fees, compensation and expenses of the arbitrators related to a dispute pertaining to the construction of the Bear Island plant.

RESTRUCTURING COSTS

2026

In the first quarter, the Packaging Products segment recorded severances totaling \$1 million related to closed plants in Canada and in the United States.

In the first quarter, Corporate activities recorded costs totaling \$2 million related to organizational changes.

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, Corporate activities recorded costs totaling \$4 million related to organizational changes.

LOSS (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 logistics” in the same period, as the respective hedged item affects earnings.

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2026	2025
Packaging Products segment		
Steam contract embedded derivatives related to our Niagara Falls containerboard complex - unrealized	4	(2)
Corporate activities		
Financial hedging contracts for natural gas purchases and currency options - unrealized	—	(2)
Loss (gain) on derivative financial instruments	4	(4)

SPECIFIC ITEMS INCLUDED IN PROVISION FOR 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

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	2024					2025				2026	LTM ²	
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	
Sales												
Packaging Products	709	745	773	782	3,009	762	763	797	757	3,079	715	3,032
Tissue Papers	367	397	390	394	1,548	364	392	412	407	1,575	380	1,591
Inter-segment sales, Corporate, Recovery and Recycling activities	33	38	38	35	144	28	32	29	33	122	30	124
Total	1,109	1,180	1,201	1,211	4,701	1,154	1,187	1,238	1,197	4,776	1,125	4,747
Operating income	9	34	36	16	95	50	36	73	76	235	81	266
EBITDA (A)¹												
Packaging Products	75	86	117	132	410	109	119	136	132	496	103	490
Tissue Papers	50	54	43	45	192	37	38	46	42	163	33	159
Corporate, Recovery and Recycling activities	(22)	(28)	(20)	(31)	(101)	(21)	(20)	(23)	(19)	(83)	(18)	(80)
Total	103	112	140	146	501	125	137	159	155	576	118	569
Margin (EBITDA (A) / Sales) (%)¹												
Packaging Products	10.6%	11.5%	15.1%	16.9%	13.6%	14.3%	15.6%	17.1%	17.4%	16.1%	14.4%	16.2%
Tissue Papers	13.6%	13.6%	11.0%	11.4%	12.4%	10.2%	9.7%	11.2%	10.3%	10.3%	8.7%	10.0%
Total	9.3%	9.5%	11.7%	12.1%	10.7%	10.8%	11.5%	12.8%	12.9%	12.1%	10.5%	12.0%
Net earnings (loss)	(20)	1	1	(13)	(31)	7	(3)	29	37	70	39	102
Adjusted ¹	—	8	27	25	60	13	19	39	40	111	7	105
Net earnings (loss) per common share (in Canadian dollars)												
Basic	(\$0.20)	\$0.01	\$0.01	(\$0.13)	(\$0.31)	\$0.07	(\$0.03)	\$0.29	\$0.37	\$0.70	\$0.38	\$1.01
Diluted	(\$0.20)	\$0.01	\$0.01	(\$0.13)	(\$0.31)	\$0.07	(\$0.03)	\$0.29	\$0.36	\$0.69	\$0.38	\$1.00
Basic, adjusted ¹	\$—	\$0.08	\$0.27	\$0.25	\$0.60	\$0.13	\$0.19	\$0.38	\$0.40	\$1.10	\$0.07	\$1.04
Cash flow from operating activities (excluding changes in non-cash working capital components)	32	78	76	109	295	45	92	116	150	403	56	414
Payments for property, plant and equipment	(41)	(40)	(35)	(45)	(161)	(36)	(44)	(30)	(42)	(152)	(28)	(144)
Net debt¹	2,020	2,093	2,039	2,096	2,096	2,216	2,104	2,023	1,896	1,896	1,901	
Net debt / EBITDA (A) (LTM) ratio¹	3.8x	4.2x	4.3x	4.2x	4.2x	4.2x	3.8x	3.6x	3.3x	3.3x	3.3x	

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, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents	10	85	48
Accounts receivable		444	426
Current income tax assets		12	12
Inventories		681	661
Current portion of financial assets	8	4	4
		1,226	1,151
Long-term assets			
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	8	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
Liabilities and Equity			
Current liabilities			
Trade and other payables		685	697
Current income tax liabilities		4	4
Current portion of long-term debt	6	78	70
Current portion of provisions for charges	7	7	8
Current portion of financial liabilities and other liabilities	8	28	28
		802	807
Long-term liabilities			
Long-term debt	6	1,908	1,874
Provisions for charges	7	58	58
Financial liabilities	8	11	8
Other liabilities		69	74
Deferred income tax liabilities		101	97
		2,949	2,918
Equity			
Capital stock		619	619
Contributed surplus		18	17
Retained earnings		1,069	1,042
Accumulated other comprehensive income		51	43
Equity attributable to Shareholders		1,757	1,721
Non-controlling interests		36	34
Total equity		1,793	1,755
		4,742	4,673

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

CONSOLIDATED STATEMENTS OF EARNINGS

(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,	
		2026	2025
Sales	9	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)
Operating income		81	50
Financing expenses	10	31	36
Share of results of associates and joint ventures		(2)	(3)
Earnings before income taxes		52	17
Provision for income taxes		8	5
Net earnings including non-controlling interests for the period		44	12
Net earnings attributable to non-controlling interests		5	5
Net earnings attributable to Shareholders for the period		39	7
Net earnings per common share			
Basic		\$0.38	\$0.07
Diluted		\$0.38	\$0.07
Weighted average basic number of common shares outstanding		101,283,722	100,993,811
Weighted average number of diluted common shares		102,033,598	101,421,656

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

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

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

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,	
		2026	2025
Operating activities			
Net earnings attributable to Shareholders for the period		39	7
Adjustments for:			
Financing expenses	10	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	10	(38)	(97)
		18	(52)
Investing activities			
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	5	60	—
		62	(35)
Financing activities			
Bank loans and advances		—	(6)
Change in credit facilities	6	(2)	303
Change in credit facilities without recourse to the Corporation	6	(4)	1
Repurchase of unsecured senior notes	6	—	(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)	6	(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
Net change in cash and cash equivalents during the period		37	3
Currency translation on cash and cash equivalents		—	(1)
Cash and cash equivalents - Beginning of the period		48	27
Cash and cash equivalents - End of the period	10	85	29

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

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)	SALES					
	2026			2025		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	715	(6)	709	762	(13)	749
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
Operating income (loss)	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
EBITDA (A)	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
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
Gain on derivative financial instruments	(2)	—	(2)	(4)
EBITDA (A)	109	37	(21)	125
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	603	304	52	959

IMPAIRMENT CHARGES

2026

In the first quarter, the Packaging Products segment recorded an impairment of \$8 million on a building (\$7 million) and equipment (\$1 million) related to a previously closed plant in the United States. The recoverable amount of the assets is nil based on the market approach reflecting an orderly transaction between market participants.

2025

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

OTHER LOSS (GAIN)

2026

In the first quarter, the Packaging Products segment recorded a \$34 million gain related to the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada. For further details, please refer to Note 5.

In the first quarter, the Packaging Products segment also recorded a \$1 million gain related to the final selling price adjustment of its Flexible Packaging plant sold in 2025.

In the first quarter, the Packaging Products segment also recorded a \$12 million gain related to the sale of private forest lands in Kamouraska and Témiscouata, Québec, Canada.

In the first quarter, Corporate activities recorded a \$2 million gain related to the sale of other assets.

2025

In the first quarter, the Packaging Products segment recorded a provision of \$4 million payable to the claimant for administration fees, compensation and expenses of the arbitrators related to a dispute pertaining to the construction of the Bear Island plant.

RESTRUCTURING COSTS

2026

In the first quarter, the Packaging Products segment recorded severances totaling \$1 million related to closed plants in Canada and in the United States.

In the first quarter, Corporate activities recorded costs totaling \$2 million related to organizational changes.

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, Corporate activities recorded costs totaling \$4 million related to organizational changes.

GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS

The Packaging Products segment recorded an unrealized loss of \$4 million in the first quarter of 2026, compared to an unrealized gain of \$2 million in the same period of 2025, from a steam contract embedded derivatives related to our Niagara Falls containerboard complex.

Corporate activities recorded an unrealized loss of less than one million dollars in the first quarter of 2026, compared to an unrealized gain of \$2 million in the same period of 2025, due to the financial hedging contracts for natural gas purchases and currency options.

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
Total acquisitions	69	48
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)
Payments for property, plant and equipment	28	36
Proceeds from disposals of property, plant and equipment	(31)	—
Payments for property, plant and equipment net of proceeds from disposals	(3)	36

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 6, 2026.

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, 2025, 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, 2025, 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. NEW IFRS ACCOUNTING STANDARDS ADOPTED

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 was permitted. The Corporation’s evaluation of the impact of these amendments on its Consolidated Financial Statements resulted in a prospective change to its accounting policy regarding issued checks, reclassification from “Cash and cash equivalents” or “Bank loans and advances” to “Trade and other payables” that was early adopted and applied starting January 1, 2025. There was no revision of the comparative information.

B. 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.

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, 2025.

NOTE 5 BUSINESS DISPOSAL

On January 29, 2026, the Corporation announced the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada, for \$65.5 million. In the first quarter of 2026, the Corporation received and recorded, net of legal fees, preliminary working capital adjustment and the assumption of certain liabilities, an amount of \$59 million. An estimated additional \$1 million will be received for the final working capital adjustment.

Assets and liabilities of Richmond plant activities at the time of disposal were as follows:

(in millions of Canadian dollars)	BUSINESS SEGMENT: BUSINESS DISPOSAL	2026
		Packaging Products Richmond
Accounts receivable		10
Inventories		8
Property, plant and equipment		16
Total assets		34
Trade and other payables		(5)
Long-term debt		(1)
Employee future benefits		(2)
Net assets disposed of		26
Gain on disposal, before income taxes		34
Total consideration		60
Consideration received as of March 31, 2026		59
Working capital adjustment to receive		1
Total consideration		60

In the first quarter of 2026, the Corporation received and recorded a gain on disposal of \$1 million from the final working capital adjustment from the sale in 2025 of its Flexible Packaging plant activities in Ontario, Canada.

NOTE 6 LONG-TERM DEBT

(in millions of Canadian dollars)	NOTE	MATURITY	March 31, 2026	December 31, 2025
Revolving credit facility, consists of nil as of March 31, 2026 (December 31, 2025 - US\$2 million)	6(b)	2029	—	2
5.375% Unsecured senior notes of US\$445 million and \$2 million of unamortized premium as of March 31, 2026 (December 31, 2025 - US\$445 million and \$3 million of unamortized premium)		2028	622	614
6.75% Unsecured senior notes of US\$400 million	6(c)	2030	557	549
Term loan of US\$260 million, interest rate of 5.77 % as of March 31, 2026		2027	362	357
Lease obligations with recourse to the Corporation			228	207
Other debts with recourse to the Corporation			15	14
Lease obligations without recourse to the Corporation			56	53
Revolving credit facility without recourse to the Corporation, weighted average interest rate of 5.27 % as of March 31, 2026 and consists of US\$111 million (December 31, 2025 - US\$114 million)	6(d)	2028	154	156
			1,994	1,952
Less: Unamortized financing expenses			8	8
Total long-term debt			1,986	1,944
Less:				
Current portion of lease obligations with recourse to the Corporation			64	58
Current portion of other debts with recourse to the Corporation			—	—
Current portion of lease obligations without recourse to the Corporation			14	12
			78	70
			1,908	1,874

- a. As of March 31, 2026, the long-term debt had a fair value of \$1,992 million (December 31, 2025 – \$1,973 million).
- b. On July 31, 2025, the Corporation entered into an agreement with its lenders to amend and extend the maturity of its existing revolving credit facility from July 2027 to July 2029. The financial conditions remained unchanged.
- c. On May 28, 2025, the Corporation announced that it had priced its private placement in the amount of US\$400 million (\$547 million) aggregate principal at 6.75% senior notes due July 15, 2030 (the “Notes”). The Notes were issued at a price of 100% of their principal amount. The closing of the offering of the Notes occurred on June 11, 2025. The Corporation used the proceeds from the offering to redeem all of its outstanding senior notes due January 15, 2026 in the amount of US\$206 million (\$281 million) aggregate principal and to repay a portion of the borrowings outstanding under its revolving credit facility and to pay related transaction fees and expenses of \$6 million. The Corporation also wrote off \$1 million unamortized financing expenses related to these notes.

Issuance proceed was used as follows:

(in millions of Canadian dollars)	2025
Issuance of unsecured senior notes of US\$400 million	547
Transaction fees	(6)
Repurchase of unsecured senior notes of US\$206 million	(281)
Decrease of credit facility	260

- d. On June 13, 2025, the Corporation’s subsidiary, Greenpac, signed an amendment to its credit agreement with the banking syndicate securing its revolving credit facility, increasing the authorized limit to US\$250 million and extending the maturity from December 2027 to June 2028. The revolving credit facility bears interest at a variable rate based on the level of leverage ratio of the subsidiary. The financial conditions remained unchanged. Transaction fees amounting to less than one million dollars were capitalized in other assets.

NOTE 7 PROVISIONS FOR CHARGES

(in millions of Canadian dollars)	March 31, 2026	December 31, 2025
Environmental restoration obligations	33	33
Environmental costs	16	16
Legal claim	2	2
Severances	3	3
Others	11	12
	65	66
Long-term	58	58
Current	7	8
	65	66

ENVIRONMENTAL RESTORATION

The provision, that relates to the closure of the containerboard mill announced in February 2024, was utilized as scheduled with no additional costs in 2026 and has a closing balance of \$17 million as of March 31, 2026 (December 31, 2025 - \$18 million). The restoration provisions for other sites were actualized in the normal course of business.

CONTINGENT LIABILITIES

ENVIRONMENTAL CONTINGENT LIABILITIES

Newtown Creek – Superfund Site Case – Former Cascades Containerboard Packaging, New York (CCP NY)

In 2001, CCP NY purchased the shares of Star Corrugated Box Co., a containerboard converting plant located in Maspeth, New York. By purchasing shares, CCP NY presumably became the liable party for the entire “Star Corrugated” ownership period from 1924 to 2001. In 2017, CCP NY sold this asset.

In 2013, CCP NY was informed by the Newtown Creek Group (“NCG”) of potential liability with respect to the Newtown Creek Superfund Site. Newtown Creek is a tributary of the East River discharging in the New Jersey – New York Harbor Estuary. Newtown Creek includes 5 tributaries that have drained a heavily industrialized area since the 19th century which has caused surface water and sediment contamination, and the former Star Corrugated site is located in this water shed, in close proximity to one of the tributaries. The members of NCG are five major contributors of this contamination and, as is usually the case in these scenarios, they are motivated to identify other Potential Responsible Parties (“PRPs”) who may also have liability and therefore may bear some of the investigation and remediation costs. Because the United States Environmental Protection Agency (“EPA”) would require several years to define the remedy solution and related costs, NCG, the City of New York and approximately 30 other PRPs (including CCP NY) agreed in 2014 to enter into a Tolling Agreement arrangement to avoid the need to initiate legal proceedings while the NCG and EPA continue the evaluation of the Newtown Creek Superfund Site and the selection of the remedial options. In 2022, the Tolling Agreement arrangement was extended until 2028.

By November 20, 2024, EPA had notified approximately 30 other PRPs (including CCP NY) of progress for a specific sector named East Branch Area, representing about 10% of the total Newtown Creek Superfund Site. The EPA estimates that the cost for East Branch Area remediation would approximate to US\$280 million (final solution and costs are not yet determined) and the former Star Corrugated site is located in this specific area. The EPA asked several questions to PRPs to progress toward the level of each PRPs responsibility. Therefore, it is premature to establish or estimate the remediation costs for the East Branch Area or CCP NY’s share of liability for those costs and so no provision has been taken as of March 31, 2026 for this environmental liability.

ANTITRUST CLASS ACTION LAWSUIT

On July 29, 2025, a class action lawsuit was filed against the Corporation and several other North American manufacturers of containerboard in the United States District Court for the Northern District of Illinois (Chicago). The claim alleges a conspiracy to fix the prices of containerboard products in violation of Sections 1 & 3 of the Sherman Act. The action is brought on behalf of “all persons who purchased Containerboard Products directly from one or more Defendants within the United States and its territories from November 1, 2020 until the present”. The Corporation refutes all accusations. As of the reporting period, there is insufficient information to reasonably estimate the potential financial impact, if any, of this litigation.

NOTE 8 FINANCIAL INSTRUMENTS

8.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

The classification of financial instruments as of March 31, 2026 and December 31, 2025, along with the respective carrying amounts and fair values, is as follows:

(in millions of Canadian dollars)	March 31, 2026		December 31, 2025	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at fair value through profit or loss				
Equity investments	3	3	3	3
Derivatives	7	7	9	9
Financial assets at amortized cost				
Preferred shares	24	24	23	23
Financial liabilities at fair value through profit or loss				
Derivatives	(12)	(12)	(9)	(9)
Financial liabilities at amortized cost				
Long-term debt	(1,986)	(1,992)	(1,944)	(1,973)

8.2 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.

- 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.
- 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.
- 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.

8.3 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, 2026 and December 31, 2025 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.

March 31, 2026

(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	7	—	7	—
	10	—	7	3
Financial liabilities				
Derivative financial liabilities	(12)	—	(12)	—
	(12)	—	(12)	—

December 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	9	—	9	—
	12	—	9	3
Financial liabilities				
Derivative financial liabilities	(9)	—	(9)	—
	(9)	—	(9)	—

8.4 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 \$111 million (US\$80 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 2026, the Corporation had unrecognized receivables of \$111 million (\$107 million as of December 31, 2025) related to this facility, of which the Corporation received a net amount of \$6 million (\$8 million as of December 31, 2025) as the collection agent and recorded the same amount to the transferred assets purchaser. In the first quarter of 2026, the Corporation recorded \$1 million in interest expenses, compared to \$1 million in the same period of 2025. The interest is charged monthly and paid on the settlement date.

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,			
	2026		2025	
Sales				
Operations located in Canada				
Within Canada	528	83%	528	81%
To the United States	108	17%	122	19%
Other countries	1	—%	1	—%
	637	100%	651	100%
Operations located in the United States				
Within the United States	480	98%	469	93%
To Canada	8	2%	34	7%
	488	100%	503	100%
	1,125		1,154	
Sales from:				
Canada	637	57%	651	56%
United States	488	43%	503	44%
	1,125	100%	1,154	100%
Sales to:				
Canada	536	48%	562	49%
United States	588	52%	591	51%
Other countries	1	—%	1	—%
	1,125	100%	1,154	100%

NOTE 10 ADDITIONAL INFORMATION

A. CASH AND CASH EQUIVALENTS

(in millions of Canadian dollars)	March 31, 2026	December 31, 2025
Cash and cash equivalents	65	48
Restricted cash held in trust	20	—
	85	48

On April 8, 2026, the Corporation received \$20 million held in trust related to the sale of private forest lands.

B. FINANCING EXPENSES

(in millions of Canadian dollars)	For the 3-month periods ended March 31,	
	2026	2025
Interest on long-term debt, including lease obligations interest (2026 - \$3 million for the 3-month period; 2025 - \$3 million for the 3-month period)	29	32
Amortization of financing expenses	1	1
Other interest and banking fees	1	2
Interest expense on employee future benefits	—	1
	31	36

UNREALIZED LOSS (GAIN) ON INTEREST RATE HEDGE INSTRUMENTS

In the first quarter of 2026, the Corporation recorded an unrealized gain on interest rate hedge instruments of less than one million dollars, compared to an unrealized loss of less than one million dollars in the same period of 2025.

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

(in millions of Canadian dollars)	For the 3-month periods ended March 31,	
	2026	2025
Accounts receivable	(23)	(15)
Current income tax assets	(2)	—
Inventories	(27)	(49)
Trade and other payables	14	(33)
	(38)	(97)

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

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