

Quarterly Report 2

for the three-month and six-month periods
ended June 30, 2025 and 2024



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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 and six-month periods ended June 30, 2025 and 2024, together with the most recent Audited Consolidated Financial Statements. Information contained herein includes any significant developments as of August 6, 2025, the date on which the MD&A was approved by the Corporation's Board of Directors. For additional information, readers are referred to the Corporation's Annual Information Form ("AIF"), which is published separately. Additional information relating to the Corporation is also available on the SEDAR+ website at www.sedarplus.ca.

The financial information contained herein, including tabular amounts, is expressed in Canadian dollars, unless otherwise specified, and is prepared unless otherwise stated in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards). Unless otherwise specified or if required by 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 industry conditions generally. Cascades disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under 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)			
	Q2 2025	Q1 2025	Q2 2024
Sales	1,187	1,154	1,180
Operating income	36	50	34
EBITDA (A) ¹	137	125	112
EBITDA (A) as a percentage of sales ¹	11.5%	10.8%	9.5%
Net earnings (loss)			
As reported	(3)	7	1
Adjusted ¹	19	13	8
Net earnings (loss) per common share (basic) (in Canadian dollars)			
As reported	(\$0.03)	\$0.07	\$0.01
Adjusted ¹	\$0.19	\$0.13	\$0.08
Capital expenditures, net of disposals	18	36	23
Dividends declared per common share (in Canadian dollars)	\$0.12	\$0.12	\$0.12
FINANCIAL POSITION			
Total assets	4,811	5,051	4,881
Net debt ¹	2,104	2,216	2,093
Net debt / EBITDA (A) ratio ¹	3.8x	4.2x	4.2x
Equity attributable to Shareholders	1,673	1,718	1,729
per common share (in Canadian dollars)	\$16.53	\$17.01	\$17.13
Working capital as a percentage of sales ^{1, 2}	10.0%	9.8%	9.5%
KEY INDICATORS			
Total shipments (in '000 of s.t.) ³	544	531	566
US\$/CAN\$ - Average exchange rate	\$0.723	\$0.697	\$0.731

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)	Q2 2025	Q1 2025	Q2 2024
Packaging Products	763	762	745
Tissue Papers	392	364	397
Inter-segment sales, Corporate, Recovery and Recycling activities	32	28	38
Sales	1,187	1,154	1,180

SEGMENTED OPERATING INCOME (LOSS)

(in millions of Canadian dollars) (unaudited)	Q2 2025	Q1 2025	Q2 2024
Packaging Products	46	60	34
Tissue Papers	25	24	38
Corporate, Recovery and Recycling activities	(35)	(34)	(38)
Operating income	36	50	34

SEGMENTED EBITDA (A)¹

(in millions of Canadian dollars) (unaudited)	Q2 2025	Q1 2025	Q2 2024
Packaging Products	119	109	86
Tissue Papers	38	37	54
Corporate, Recovery and Recycling activities	(20)	(21)	(28)
EBITDA (A)¹	137	125	112

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

(in millions of Canadian dollars) (unaudited)	Q2 2025 vs Q1 2025	Q2 2025 vs Q2 2024	2025 vs 2024 (six months)
Selling price	15	51	99
Operating costs	(17)	(23)	(35)
Volume and mix	13	(18)	(33)
Raw materials	1	15	16
Variances in EBITDA (A)¹	12	25	47

Second quarter performance was in line with our forecasts. On a consolidated basis, sequential improvement was underpinned by stronger volumes and selling prices, and lower transportation and energy costs. Packaging results were driven by the implementation of selling price increases and stable shipments. As expected, these were partially offset by higher operational costs per unit attributable to lower operating rates. Operational metrics at Bear Island improved sequentially, with production levels up 8%. This trend has continued into July. Our tissue segment generated stable results sequentially as benefits from improved pricing, sales volume and mix were offset by higher operational costs due to planned shutdowns and maintenance activities. These initiatives were scheduled to improve line efficiencies, support the execution of our retail tissue realignment strategy, and manage inventory in the Away-from-Home tissue market. The Corporation's net debt levels decreased by \$112 million sequentially, and leverage contracted to 3.8x from 4.2x at the end of the first quarter. Net of disposals, capital expenditures totaled \$18 million in the quarter, and \$54 million year-to-date. We now expect full year 2025 levels to be in the range of \$150 million, before disposals, down from \$175 million previously.

/s/ Hugues Simon

HUGUES SIMON

President and Chief Executive Officer

August 6, 2025

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

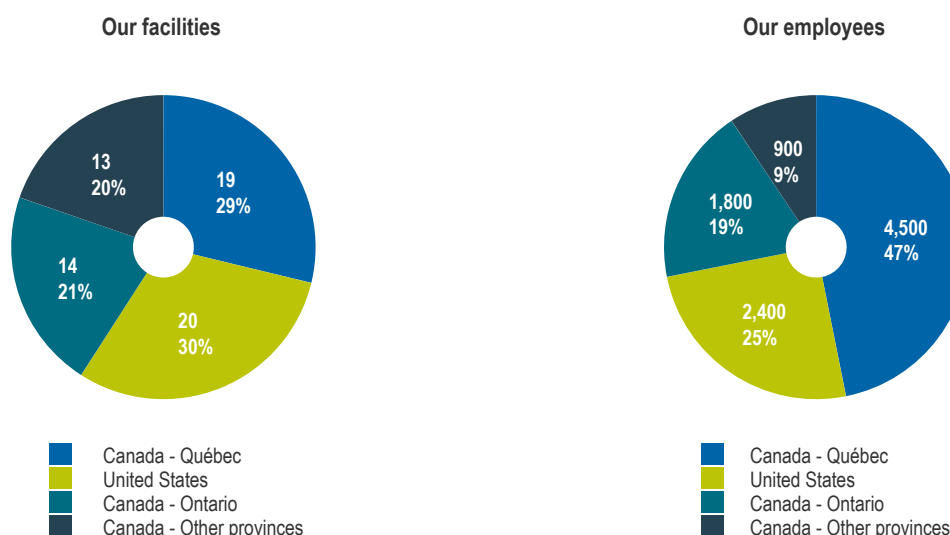
² For definitions of certain EBITDA (A)¹ variation categories, please refer to the "Financial Overview" section for more details.

OUR BUSINESS

Cascades Inc. is a paper and packaging company that produces, converts and sells packaging and tissue products composed primarily of recycled fibres. Established in 1964 in Kingsey Falls, Québec, Canada, the Corporation was founded by the Lemaire brothers, who saw the economic and social potential of building a company focused primarily on the sustainable development principles of reusing, recovering and recycling. Sixty years later, Cascades is a multinational business with 66 operating facilities, including 17 Recovery and Recycling facilities which are part of Corporate Activities, and approximately 9,600 employees across Canada and the United States¹. The Corporation operates two business segments:

(Business segments) (unaudited)	Number of facilities	Q2 2025 Sales ² (in \$M)	% of sales	Q2 2025 Operating income (in \$M)	Q2 2025 EBITDA (A) ^{2,3} (in \$M)	Q2 2025 EBITDA (A) Margin ^{2,3} (%)	% of EBITDA (A) ³
PACKAGING PRODUCTS	39	763	66.1%	46	119	15.6%	75.8%
TISSUE PAPERS	10	392	33.9%	25	38	9.7%	24.2%

Geographic locations of our facilities⁴ and employees within North America:



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

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

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

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

BUSINESS HIGHLIGHTS

BUSINESS DEVELOPMENTS

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

ORGANIZATIONAL CHANGES

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

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

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

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

(in millions of Canadian dollars) (unaudited)	2023					2024					2025		
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	YTD ²
Sales													
Corrugated, net of within-sector sales	404	419	427	420	1,670	405	422	427	430	1,684	417	427	844
Paper rolls	201	189	207	181	778	192	201	220	223	836	218	210	428
Other	110	109	109	112	440	112	122	126	129	489	127	126	253
Packaging Products segment	715	717	743	713	2,888	709	745	773	782	3,009	762	763	1,525
EBITDA (A)¹													
Corrugated and papers rolls	141	111	115	77	444	61	71	101	116	349	96	105	201
Other	12	9	7	9	37	14	15	16	16	61	13	14	27
Packaging Products segment	153	120	122	86	481	75	86	117	132	410	109	119	228

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

² YTD (year-to-date)

PACKAGING PRODUCTS

- 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, NY, United States. Production will cease no later than August 11, 2025. The estimated closure costs, including severance, are expected to total between US\$5 million and US\$10 million and will be recorded in the coming periods.
- On March 13, 2025, the Corporation announced the closure of its moulded pulp activities in Indiana, effective on April 11, 2025. The decision to cease operations at this plant was influenced by the current market environment, higher operating costs, and significant investment needs. This aligns with our commitment to maximize asset performance.
- On February 13, 2024, the Corporation announced an important repositioning of its Containerboard operating platform. The Trenton, Ontario corrugated medium mill was permanently closed, while the Belleville, Ontario and Newtown, Connecticut converting plants were permanently closed during the second quarter of 2024. The production from these facilities has been moved to other plants with available capacity and more modern equipment. In 2024, the Packaging Products segment received \$30 million from the sale of the assets related to Newtown and Belleville as well as a land parcel in Canada.

TISSUE PAPERS

- In the second quarter of 2025, the Tissue Papers segment received \$23 million from the sale of the 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, effective on April 11, 2025.

SIGNIFICANT FACTS

2025

- 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 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.
- On June 13, 2025, the Corporation's subsidiary, Greenpac, signed an amendment to the credit agreement with the banking syndicate securing the 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 a million dollars were capitalized in other assets.
- On May 28, 2025, the Corporation announced that it has 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 costs related to these notes.
- On January 15, 2025, the Corporation repaid its \$175 million unsecured senior notes with its revolving credit facility. On April 12, 2024, the Corporation entered into a \$175 million delayed draw unsecured term loan credit facility to manage upcoming maturities and this facility was converted into a delayed draw unsecured term loan credit facility of US\$121 million on January 31, 2025. On January 31, 2025, US\$25 million (\$36 million) were borrowed from the facility. This facility will mature on December 31, 2026 and bears interest at a variable rate.

2024

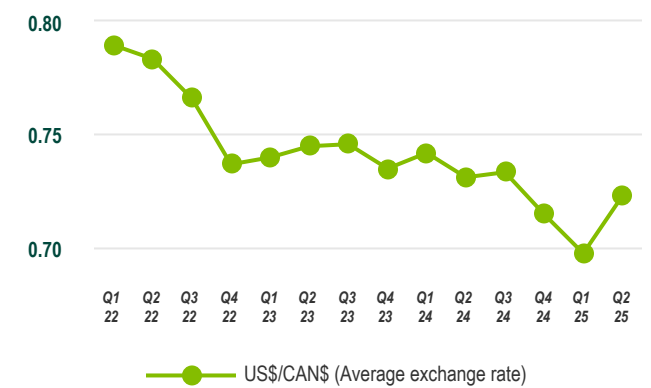
- On December 23, 2024, the Corporation's subsidiary, Greenpac, entered into an agreement with its lenders to extend the maturity of its existing revolving credit facility from September 2026 to December 2027. The financial conditions remained unchanged.
- On February 9, 2024, the Corporation entered into an agreement with its lenders to amend and extend the maturity of its existing revolving credit facility from July 2026 to July 2027. The financial conditions remained unchanged.

BUSINESS DRIVERS

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

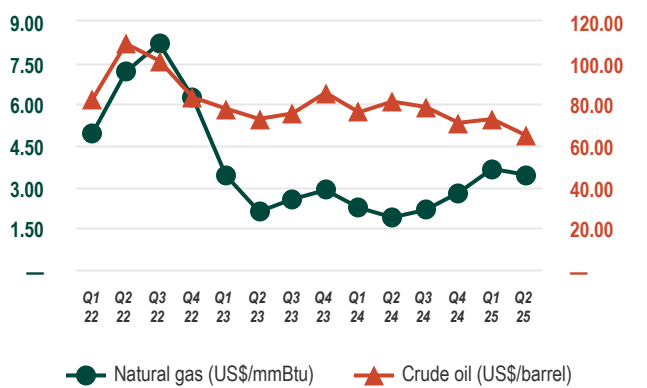
EXCHANGE RATES¹

Sequentially, the average exchange rate of the Canadian dollar increased by 3.7% compared to the US dollar in the second quarter of 2025. On a year-over-year basis, the average exchange rate of the Canadian dollar decreased by 1.1% compared to the US dollar.



ENERGY COSTS¹

During the second quarter of 2025, the average price of natural gas decreased by 6% sequentially and increased by 82% compared to the same period last year. In the case of crude oil, the average price was 11% lower sequentially and 20% lower year-over-year.



(unaudited)	2023					2024					2025		
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	YTD ²
US\$/CAN\$ (Average exchange rate)	\$0.740	\$0.745	\$0.746	\$0.735	\$0.741	\$0.742	\$0.731	\$0.733	\$0.714	\$0.730	\$0.697	\$0.723	\$0.710
US\$/CAN\$ (End of the period exchange rate)	\$0.740	\$0.755	\$0.737	\$0.755	\$0.755	\$0.739	\$0.731	\$0.740	\$0.695	\$0.695	\$0.695	\$0.735	\$0.735
Natural Gas Henry Hub (US\$/mmBtu)	\$3.42	\$2.10	\$2.55	\$2.88	\$2.74	\$2.24	\$1.89	\$2.16	\$2.79	\$2.27	\$3.65	\$3.44	\$3.55
Crude oil (US\$/barrel)	\$77.85	\$72.87	\$75.49	\$85.54	\$77.94	\$76.07	\$81.26	\$78.66	\$70.96	\$76.74	\$72.79	\$65.04	\$68.92

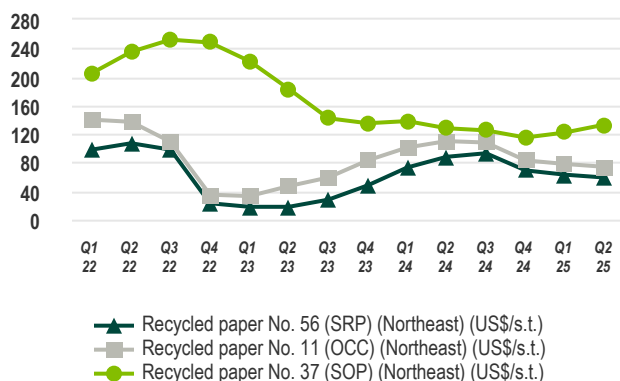
¹ Source: Bloomberg

² YTD (year-to-date)

RAW MATERIALS

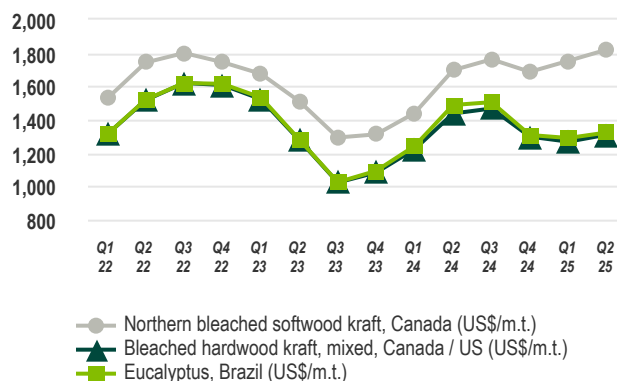
Reference prices - recycled fibre costs in North America¹

During the second quarter of 2025, the recycled paper No. 56 (sorted residential papers, SRP) index price decreased by 6% sequentially and decreased by 33% year-over-year while the brown recycled grade paper No. 11 (old corrugated containers, OCC) index price decreased by 5% sequentially and decreased by 33% year-over-year. The white recycled paper grade No. 37 (sorted office papers, SOP) index price increased by 9% sequentially and increased by 4% year-over-year.



Reference prices - virgin pulp in North America¹

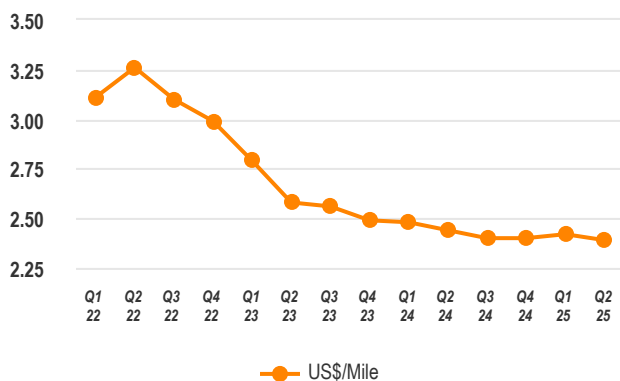
During the second quarter of 2025, the reference price for NBSK increased by 4% on a sequential basis and increased by 7% year-over-year while the reference prices for NBHK and eucalyptus increased by 4% and 2%, respectively, on a sequential basis and decreased by 9% and 11%, respectively, year-over-year.



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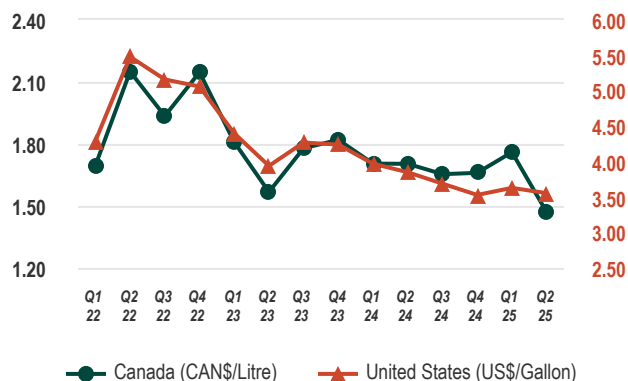
US national van rates²

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



Diesel³

During the second quarter of 2025, the average price of diesel decreased by 17% in Canada and by 2% in the United States, respectively, on a sequential basis and decreased by 14% in Canada and by 8% in the United States, respectively, year-over-year.



(unaudited)	2023					2024					2025		
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	YTD ²
US national van rates (US\$/Mile)	\$2.79	\$2.58	\$2.56	\$2.49	\$2.61	\$2.48	\$2.44	\$2.40	\$2.40	\$2.43	\$2.42	\$2.39	\$2.41
Diesel Canada (CAN\$/Litre)	\$1.81	\$1.57	\$1.78	\$1.82	\$1.74	\$1.70	\$1.70	\$1.65	\$1.66	\$1.68	\$1.76	\$1.47	\$1.62
Diesel United States (US\$/Gallon)	\$4.40	\$3.94	\$4.27	\$4.24	\$4.21	\$3.97	\$3.85	\$3.69	\$3.53	\$3.76	\$3.63	\$3.56	\$3.59

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

⁴ YTD (year-to-date)

OPERATIONAL PERFORMANCE INDICATORS

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

(unaudited)	2023					2024					2025			LTM ⁶
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	YTD ⁷	
OPERATIONAL														
Total shipments (in '000 short tons (s.t.)) ¹														
Packaging Products	412	427	458	428	1,725	441	444	450	442	1,777	421	424	845	1,737
Tissue Papers	124	134	134	121	513	115	122	122	121	480	110	120	230	473
Total	536	561	592	549	2,238	556	566	572	563	2,257	531	544	1,075	2,210
Integration rate ²														
Packaging Products	48%	49%	49%	53%	50%	51%	50%	51%	50%	51%	51%	51%	51%	51%
Tissue Papers	84%	83%	87%	94%	87%	94%	94%	94%	94%	94%	94%	94%	94%	94%
Manufacturing capacity utilization rate ³														
Packaging Products	92%	93%	91%	84%	90%	94%	88%	91%	88%	90%	86%	86%	86%	88%
Tissue Papers	81%	86%	92%	96%	89%	95%	93%	93%	98%	95%	93%	91%	92%	94%
FINANCIAL														
Working capital														
In millions of CAN\$, at the end of the period ⁴	487	514	512	318		460	474	460	406		529	508		
As a percentage of sales ^{4, 5}	10.6%	10.6%	10.3%	9.9%		9.8%	9.5%	9.2%	9.6%		9.8%	10.0%		

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)

⁷ YTD (year-to-date)

HISTORICAL MARKET PRICES OF MAIN PRODUCTS AND RAW MATERIALS

	2023	2024				2025	Q2 2025 vs. Q2 2024		Q2 2025 vs. Q1 2025			
These indexes should only be used as trend indicators. They may differ from our actual selling prices and purchasing costs. (unaudited)	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Change	%	Change	%
Selling prices (average)												
PACKAGING PRODUCTS (US\$/short ton)												
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	850	852	878	905	905	885	932	945	67	8%	13	1%
Corrugating medium 26-lb. semichemical, Eastern US (open market)	727	735	768	795	795	773	822	835	67	9%	13	2%
Uncoated recycled boxboard - bending chip,20 pt. (series B)	1,038	1,020	1,040	1,063	1,070	1,048	1,070	1,093	53	5%	23	2%
TISSUE PAPERS (US\$/short ton)												
Parent rolls, recycled fibres (transaction)	1,222	1,194	1,188	1,180	1,150	1,178	1,132	1,131	(57)	(5%)	(1)	—%
Parent rolls, virgin fibres (transaction)	1,465	1,449	1,530	1,544	1,487	1,503	1,459	1,476	(54)	(4%)	17	1%
Raw material prices (average)												
RECYCLED PAPER												
North America (US\$/short ton)												
Sorted residential papers, No. 56 (SRP - Northeast average)	28	73	88	93	69	80	63	59	(29)	(33%)	(4)	(6%)
Old corrugated containers, No. 11 (OCC - Northeast average)	55	101	110	108	83	100	78	74	(36)	(33%)	(4)	(5%)
Sorted office papers, No. 37 (SOP - Northeast average)	170	138	128	125	115	127	122	133	5	4%	11	9%
VIRGIN PULP (US\$/metric ton)												
Northern bleached softwood kraft, Canada	1,448	1,440	1,697	1,762	1,687	1,646	1,753	1,820	123	7%	67	4%
Bleached hardwood kraft, mixed, Canada/US	1,227	1,223	1,437	1,467	1,298	1,356	1,268	1,310	(127)	(9%)	42	3%
Eucalyptus, Brazil	1,233	1,242	1,488	1,505	1,308	1,386	1,290	1,323	(165)	(11%)	33	3%

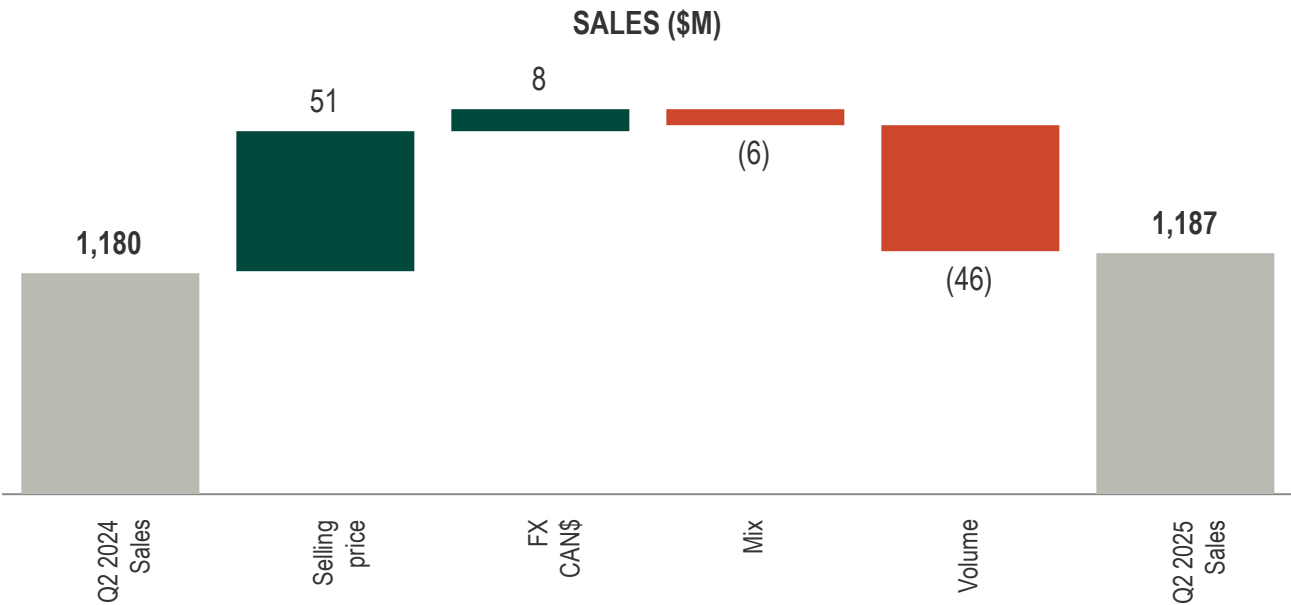
Sources: RISI and Cascades

FINANCIAL OVERVIEW - 2025

SALES

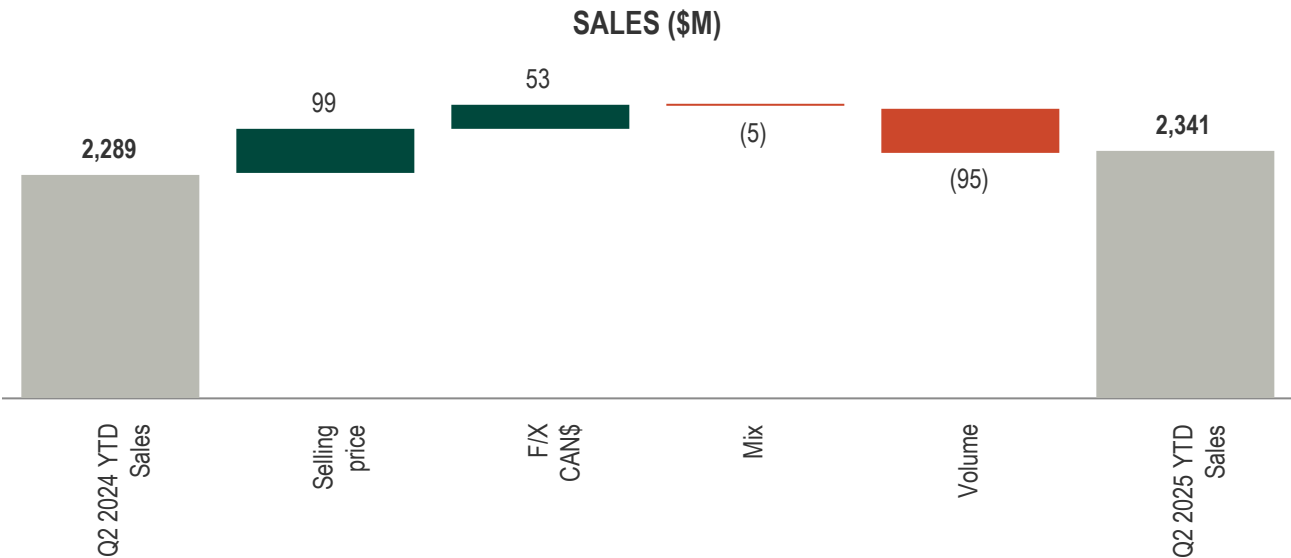
Sales of \$1,187 million increased by \$7 million, or 1%, in the second quarter of 2025 compared to \$1,180 million in the same period of 2024. Sales levels benefited from higher selling prices in the Packaging Products segment and from a favourable foreign exchange rate in all segments. However, these benefits were partially offset by lower volumes in the Packaging Products and Tissue Papers segments.

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

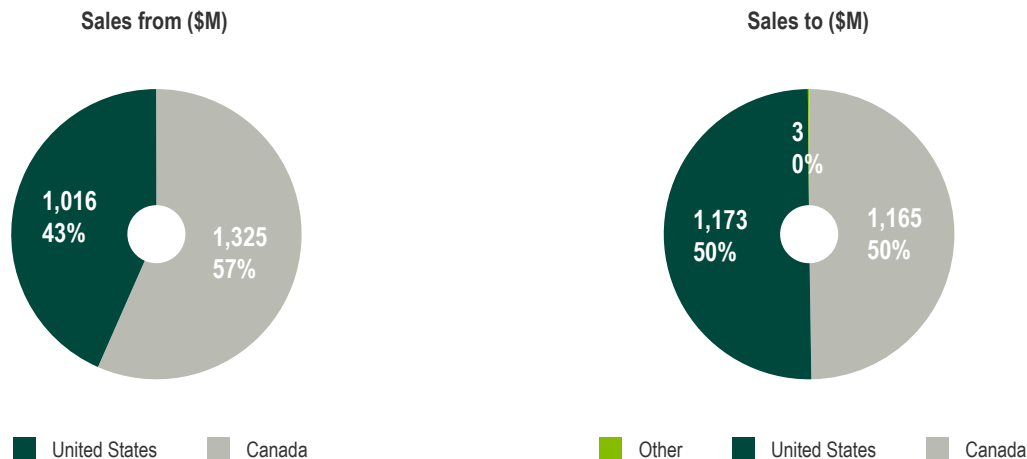


For the six-month period ended June 30, 2025, consolidated sales totaled \$2,341 million, an increase of \$52 million, or 2%, compared to \$2,289 million in the same period of 2024. Sales levels benefited from higher selling prices in the Packaging Products segment and from a favourable foreign exchange rate in all segments. However, these benefits were partially offset by lower volumes in the Packaging Products and Tissue Papers segments.

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

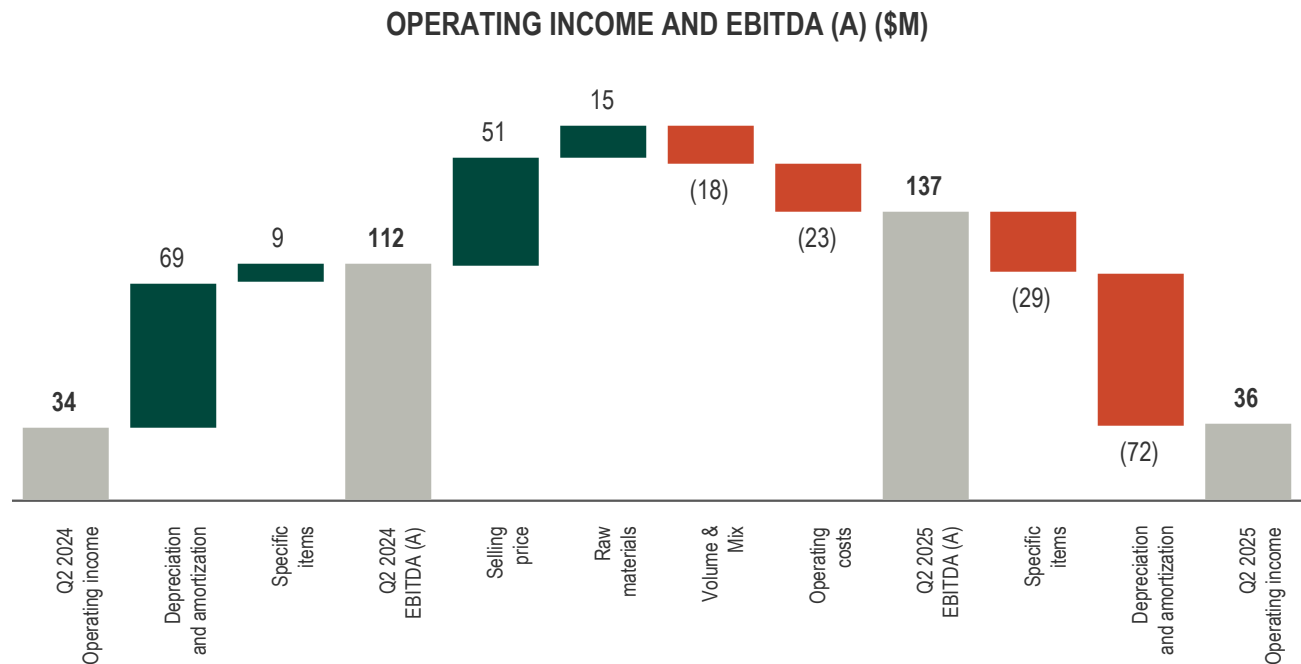


Sales, in the first half of 2025, by geographic segment are as follows:
 For further details, please refer to Note 9 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2025 and 2024.



OPERATING INCOME AND EBITDA (A)¹
 For the three-month period ended June 30, 2025, the Corporation recorded an operating income of \$36 million, compared to an operating income of \$34 million in the same period of 2024. The Corporation recorded an EBITDA (A)¹ of \$137 million in the second quarter of 2025, compared to \$112 million in the same period of 2024. The EBITDA (A)¹ of the Packaging Products segment were higher by \$33 million, while the Tissue Papers segment contribution was lower by \$16 million. On a consolidated basis, the positive impact of higher selling prices and lower raw material costs were partially offset by the negative impact of lower volumes combined with increased operating costs.

The main variances in operating income and in EBITDA (A)¹ in the second quarter of 2025, compared to the same period of 2024, 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.

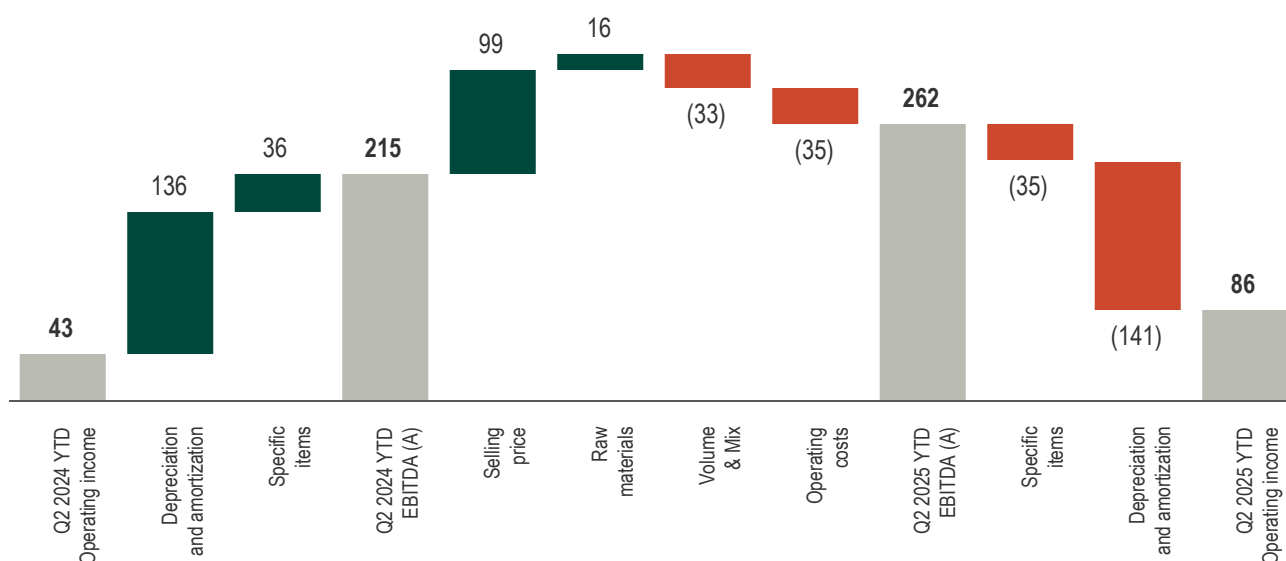
For the six-month period ended June 30, 2025, the Corporation recorded an operating income of \$86 million, compared to an operating income of \$43 million in the same period of 2024. The operating income variance is explained by stronger operational performance and the specific items loss of \$35 million in the first half of 2025, compared to the specific items loss of \$36 million in the same period of 2024. 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 and six-month periods ended June 30, 2025 and 2024.

The Corporation recorded an EBITDA (A)¹ of \$262 million in the first half of 2025, compared to \$215 million in the same period of 2024. The EBITDA (A)¹ of the Packaging Products segment were higher by \$67 million, while the Tissue Papers segment contribution was lower by \$29 million. On a consolidated basis, the positive impact of higher selling prices and lower raw material costs were partially offset by the negative impact of lower volumes combined with increased operating costs.

The main variances in operating income and in EBITDA (A)¹ in the first half of 2025, compared to the same period of 2024, are shown below:

(in millions of Canadian dollars)

OPERATING INCOME AND EBITDA (A) (\$M)



Raw materials (EBITDA (A)¹)	<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 cash position of the Corporation's Canadian units, as well as our hedging transactions. The F/X CAN\$ is included in operating costs in the charts of EBITDA (A)¹. It excludes indirect sensitivity (please refer to the "Sensitivity Table" section of our 2024 Annual Report for further details).</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 charts of EBITDA (A)¹.</i>

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

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

DEPRECIATION AND AMORTIZATION

The depreciation and amortization expense increased by \$5 million to \$141 million in the first half of 2025 (\$72 million in the second quarter), compared to \$136 million in the same period of 2024 (\$69 million in the second quarter). The increase reflected the depreciation of the Canadian dollar, which increased the depreciation cost by \$3 million in the first half of 2025 (\$1 million in the second quarter).

FINANCING EXPENSE

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Interest on long-term debt (including lease obligations interest (2025 - \$6 million for the 6-month period (\$3 million for the 3-month period); 2024 - \$5 million for the 6-month period (\$3 million for the 3-month period)))	30	32	62	63
Amortization of financing costs	1	1	2	2
Other interest and banking fees	1	2	3	5
Interest expense on employee future benefits	—	1	1	2
Loss on repurchase of long-term debt	1	—	1	—
Unrealized loss (gain) on interest rate hedge instruments	—	1	—	(1)
Foreign exchange loss on long-term debt and financial instruments	—	—	—	1
	33	37	69	72

The financing expense was \$69 million in the first half of 2025 (\$33 million in the second quarter), compared to \$72 million in the same period of 2024 (\$37 million in the second quarter), a decrease of \$3 million.

The use of various elements of the Corporation's debt structure resulted in a variance of \$1 million, including the monthly rolling receivables' monetization facility without recourse interest of \$2 million in the first half of 2025 (\$1 million in the second quarter), compared to \$2 million in the same period of 2024 (\$1 million in the second quarter). The decrease was partially offset by the depreciation of the Canadian dollar, which increased the financing expense by \$2 million in the first half of 2025 (an increase of less than a million dollars in the second quarter) compared to the same period last year.

In the second quarter of 2025, the Corporation recorded a loss of repurchase of long-term debt of \$1 million. The Corporation also recorded an unrealized loss on interest rate hedge instruments of less than a million dollars in the first half of 2025 (unrealized loss of less than a million dollars in the second quarter), compared to an unrealized gain of \$1 million in the same period of 2024 (unrealized loss of \$1 million in the second quarter).

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

The average interest rate on our revolving credit facility decreased to 5.08% as of June 30, 2025 compared to 7.14% at the same period in 2024. As of June 30, 2025, 34% of the Corporation's total long-term debt was at a variable rate and 66% was at a fixed rate (35% and 65%, respectively, as of December 31, 2024). As of June 30, 2025, the Corporation's consolidated debt denominated in US dollars totaled US\$1,378 million (US\$1,252 million as of December 31, 2024).

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

Share of results of associates and joint ventures amounted to \$6 million in the first half of 2025 (\$3 million in the second quarter), compared to \$9 million in the same period of 2024 (\$6 million in the second quarter).

PROVISION FOR (RECOVERY OF) INCOME TAXES

In the first half of 2025, the Corporation recorded a provision for income taxes of \$8 million (provision for income taxes of \$3 million in the second quarter), compared to a recovery of income taxes of \$7 million in the same period of 2024 (recovery of income taxes of \$1 million in the second quarter).

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 half of 2025.

NET EARNINGS (LOSS)

For the three-month period ended June 30, 2025, the Corporation posted a net loss of \$(3) million, or (\$0.03) per common share, compared to net earnings of \$1 million, or \$0.01 per common share, in the same period of 2024. On an adjusted basis¹, the Corporation posted net earnings of \$19 million in the second quarter of 2025, or \$0.19 per common share, compared to net earnings of \$8 million, or \$0.08 per common share, in the same period of 2024.

For the six-month period ended June 30, 2025, the Corporation posted net earnings of \$4 million, or \$0.04 per common share, compared to a net loss of \$(19) million, or (\$0.19) per common share, in the same period of 2024. On an adjusted basis¹, the Corporation posted net earnings of \$32 million in the first half of 2025, or \$0.32 per common share, compared to net earnings of \$8 million, or \$0.08 per common share, in the same period of 2024.

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

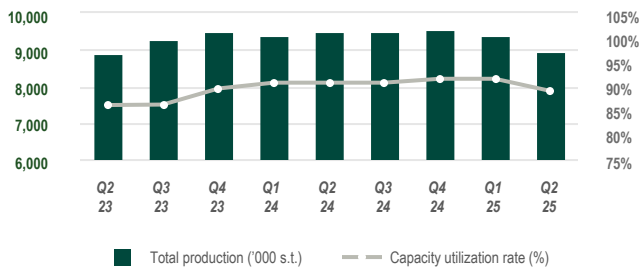
BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS

Our Industry

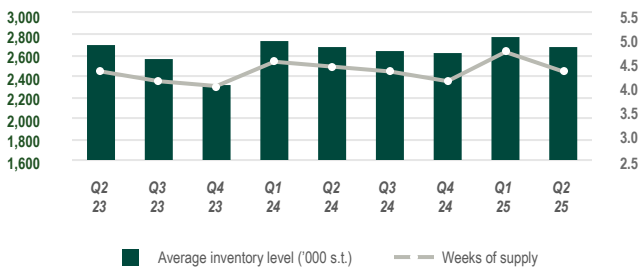
US containerboard industry production and capacity utilization rate¹

During the second quarter of 2025, total US containerboard production amounted to 8.9 million short tons, a sequential decrease of 5% and a year-over-year decrease of 6%. The industry recorded an average capacity utilization rate of 89% during the quarter.



US containerboard inventories at box plants and mills²

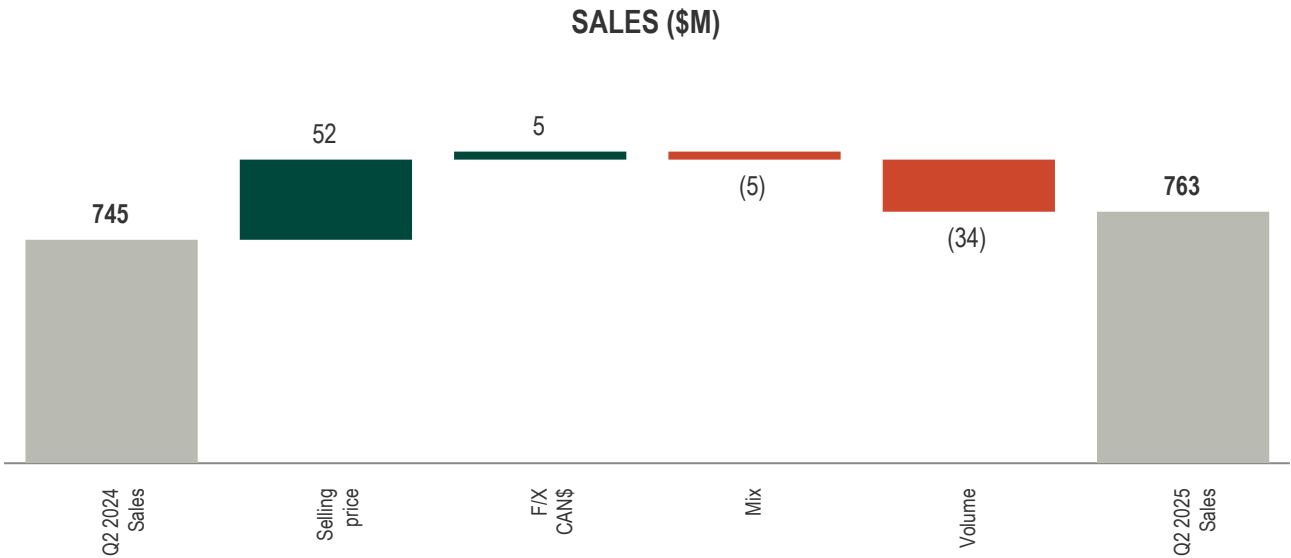
The average inventory level decreased by 3% sequentially and was stable year-over-year during the second quarter of 2025. Inventory levels stood at approximately 2.7 million short tons at the end of June 2025, representing 4.3 weeks of supply.



1 Source: RISI
2 Source: Fibre Box Association

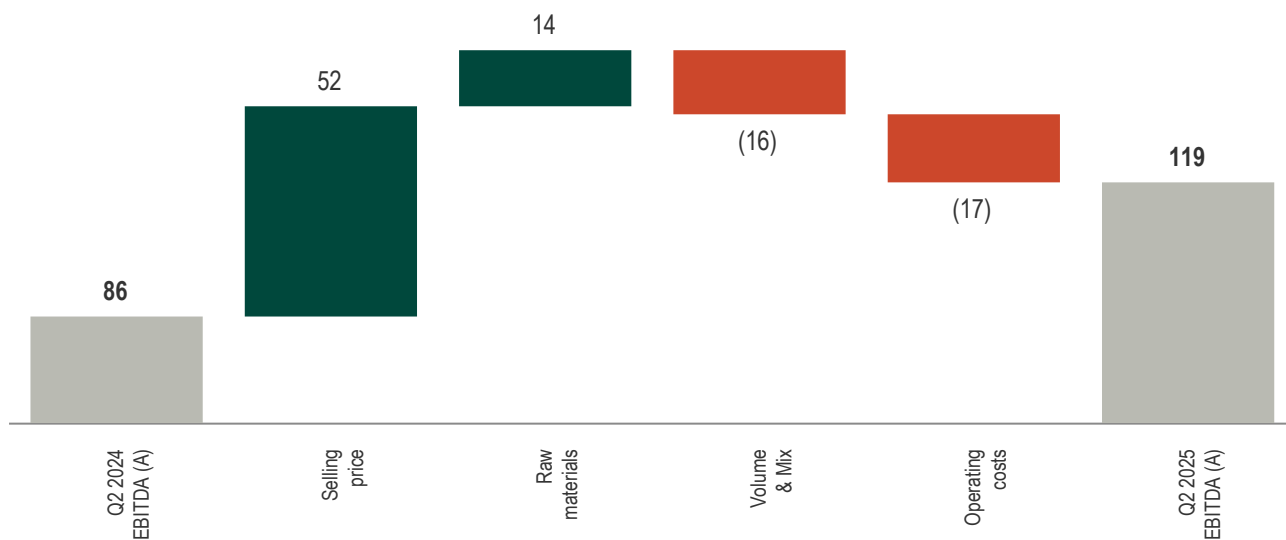
Our Performance

The main variances¹ in sales and EBITDA (A)² for the Packaging Products segment in the second quarter of 2025, compared to the same period of 2024, are shown below:
(in millions of Canadian dollars)

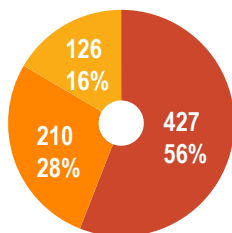


1 For definitions of certain sales and EBITDA (A)² variation categories, please refer to the "Financial Overview" section for more details.
2 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

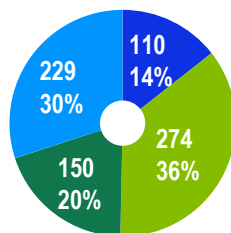
EBITDA (A) (\$M)



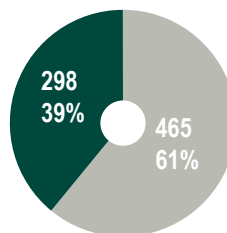
Sales by product category (\$M)



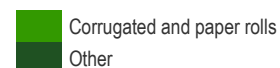
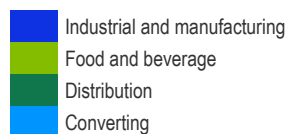
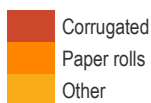
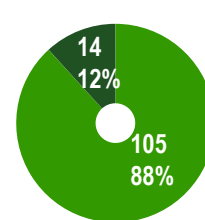
Sales by market (\$M)



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.

Q2 2024	Q2 2025	Change in %
Corrugated and paper roll shipments ² ('000 s.t.)		
444	424	-5%
Corrugated and paper roll average Selling Price (CAN\$/unit)		
1,404	1,503	7%
Sales (\$M)		
745	763	2%
EBITDA (A) ¹ (\$M)		
86	119	38%
% of sales		
12%	16%	
Depreciation and amortization (\$M)		
44	49	11%
Payments for property, plant and equipment (\$M)		
23	23	—%

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

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

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

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

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

This reflected a 6,000 s.t., or 2%, decrease in paper roll shipments compared to the same period of 2024, mainly attributable to additional unplanned maintenance downtime and lower demand. The mill integration rate³ was slightly higher at 51%. Including sales to partners, the integration rate increased year-over-year by 3% to 70%. The manufacturing utilization rate decreased by 2% to 86%.

Shipments of corrugated products decreased by 14,000 s.t., or 7%, compared to the same period of 2024. Corrugated shipment volumes reached 3.4 billion square feet, representing a decrease of 7% year-over-year, reflecting two plant closures over the course of 2024. This compares to a 4.1% weighted⁴ decrease for the industry, reflecting a 4.6% decrease in Canada and a 2.6% decrease in the United States.

The average selling price increased by 7% in the second quarter of 2025 compared to the same period of 2024. This reflects a 7% increase for paper rolls and an 8% increase for corrugated products, due to selling price increases implemented during last year and during the second quarter of 2025.

Sales increased by \$18 million, or 2%, in the second quarter of 2025 compared to the same period of 2024. This increase reflects a positive impact of \$52 million from higher average selling prices and \$5 million from the 1% average depreciation of the Canadian dollar compared to the US dollar. These benefits were partially offset by impacts from a less favourable mix of \$5 million and \$34 million from lower volumes.

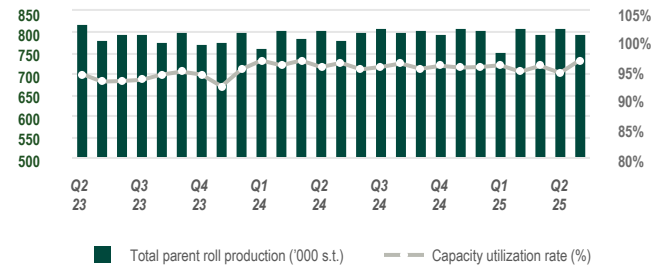
EBITDA (A)¹ increased by \$33 million, or 38%, in the second quarter of 2025 compared to the same period of 2024. This was largely driven by a \$52 million benefit from higher average selling prices. Lower raw material costs also contributed \$21 million, the benefits of which were partially offset by higher input costs of \$7 million due to the mix of products sold. Results similarly reflect a negative impact of \$17 million from higher operational costs that stem from a lower operating rate, higher energy costs and repair and maintenance, as well as a lower volume impact of \$16 million.

TISSUE PAPERS

Our Industry

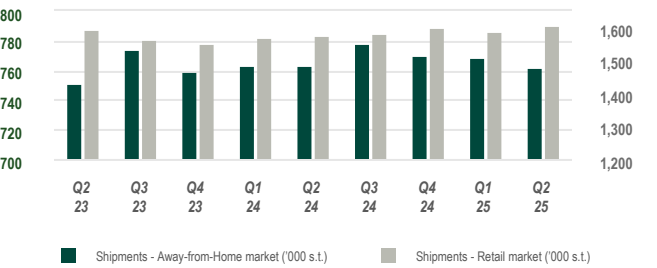
US tissue paper industry production (parent rolls) and capacity utilization rate¹

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



US tissue paper industry converted product shipments¹

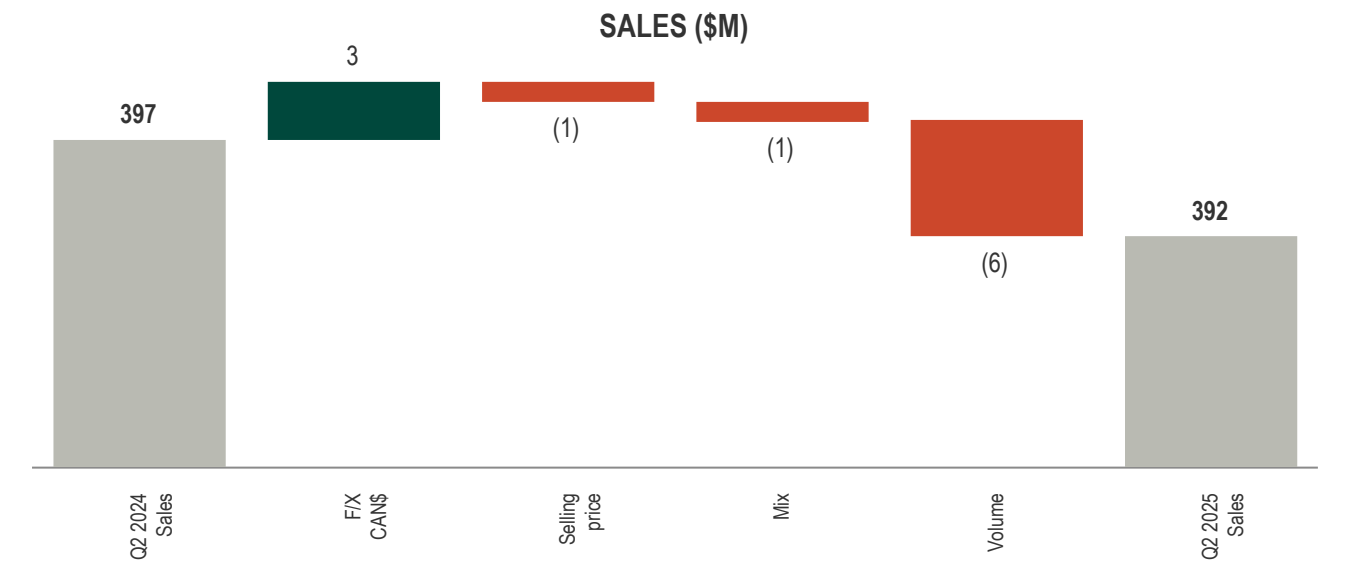
Shipments in the Away-from-Home market decreased by 1% sequentially and were stable year-over-year in the second quarter of 2025. Shipments in the Retail market increased by 1% compared to the previous quarter and increased by 2% compared to the same period of 2024.



1 Source: RISI

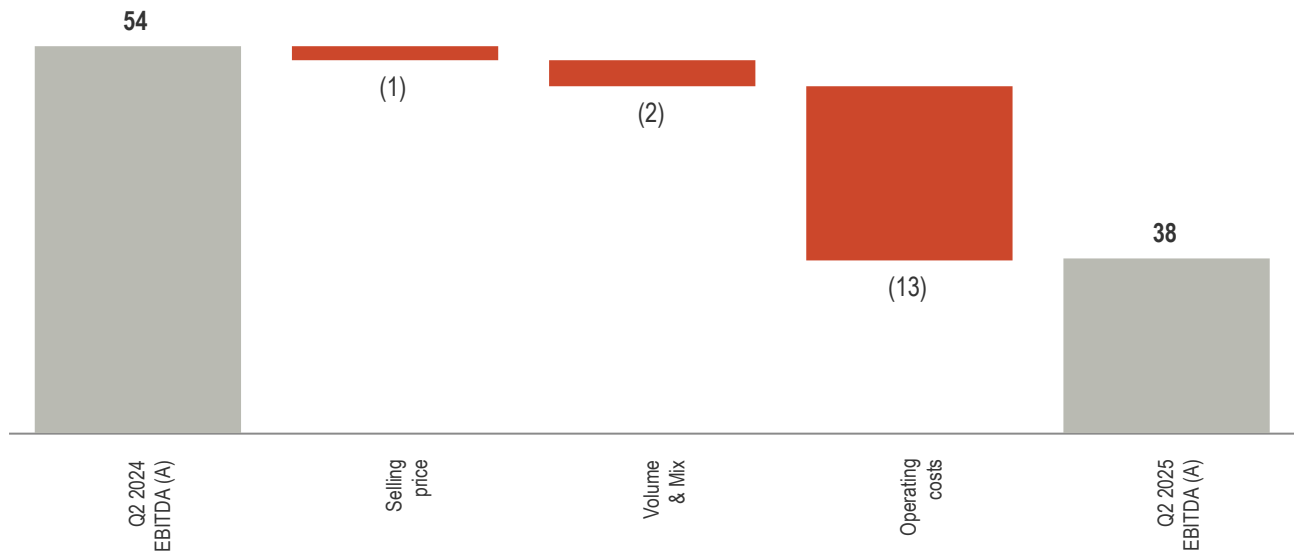
Our Performance

The main variances¹ in sales and EBITDA (A)² for the Tissue Papers segment in the second quarter of 2025, compared to the same period of 2024, are shown below:
(in millions of Canadian dollars)

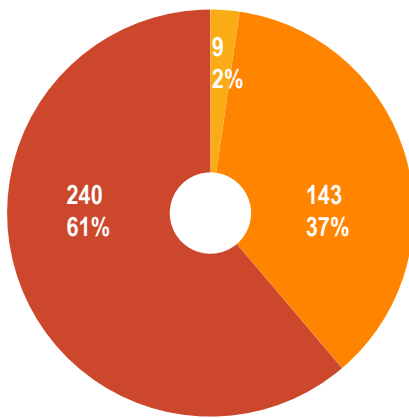


1 For definitions of certain sales and EBITDA (A)² variation categories, please refer to the "Financial Overview" section for more details.
2 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

EBITDA (A) (\$M)

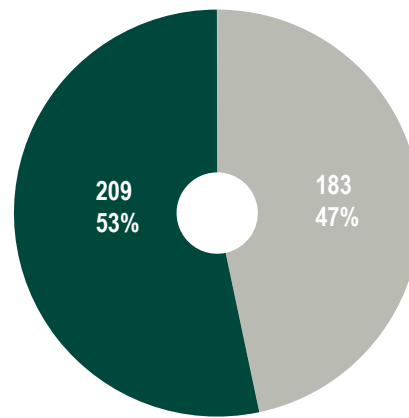


Sales by product category (\$M)



■ Parent rolls
■ Away-from-Home
■ Consumer Products

Sales by country (from) (\$M)



■ United States
■ Canada

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

Q2 2024	Q2 2025	Change in %
Shipments ² ('000 s.t.)		
122	120	-2%
Average Selling Price (CAN\$/unit)		
3,236	3,246	—%
Sales (\$M)		
397	392	-1%
EBITDA (A) ¹ (\$M)		
54	38	-30%
% of sales		
14%	10%	
Depreciation and amortization (\$M)		
13	14	8%
Payments for property, plant and equipment (\$M)		
7	13	86%

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

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

Shipments decreased by 2,000 s.t., or 2%, in the second quarter of 2025 compared to 2024.

Converted product shipments decreased by 2,000 s.t., or 2%, on a year-over-year basis. This decrease was mainly driven by lower volumes in both the Consumer Products (-1%) and in the Away-from-Home (-4%) markets, reflecting our customer and product realignment. In terms of cases, shipments decreased by 0.2 million cases, or 1%, to 15.9 million cases in the second quarter of 2025. Parent roll shipments were stable in the second quarter of 2025 compared to the same period of 2024 as was the integration rate at 94%.

The average selling price remained stable, as favourable impacts from the depreciation of the Canadian dollar compared to the US dollar and price increases in both converted markets were offset by lower selling prices that resulted from a less favourable customer and product category mix.

Sales decreased by \$5 million, or 1%, in the second quarter of 2025 compared to the same period of 2024. This decrease reflects negative impacts of \$7 million associated with mix and volumes. The \$3 million favourable impact from the depreciation of the Canadian dollar was partially offset by a \$1 million negative impact associated with average selling prices.

EBITDA (A)¹ decreased by \$16 million, or 30%, in the second quarter of 2025 compared to the same period of 2024. This decrease reflects negative impacts of \$2 million stemming from lower volumes, \$1 million from lower average selling prices, and \$13 million from higher operating costs partially offset by lower transportation costs due to our network optimization. Operating costs were higher due to planned shutdowns and maintenance activities. These initiatives were scheduled to improve line efficiencies, support the execution of our retail tissue realignment strategy, and manage inventory in the Away-from-Home tissue market.

CORPORATE, RECOVERY AND RECYCLING ACTIVITIES

Corporate, Recovery and Recycling activities recorded an EBITDA (A)¹ of \$(41) million in the first half of 2025 (\$(20) million in the second quarter), compared to \$(50) million in the same period of 2024 (\$(28) million in the second quarter). Corporate activities recorded a decrease in operating costs and a favourable foreign exchange variance of \$5 million in the first half of 2025 (\$1 million in the second quarter). Following the change of the Corporation's Chief Executive Officer in June 2024, a one-time compensation expense of \$5 million was recorded in the results of the second quarter of 2024.

STOCK-BASED COMPENSATION EXPENSE

The stock-based compensation expense recognized in Corporate activities amounted to \$1 million in the first half of 2025 (\$1 million in the second quarter), compared to \$3 million in the same period of 2024 (\$3 million in the second quarter). For more details on stock-based compensation, please refer to Note 20 of the 2024 Audited Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES

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

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Operating activities				
Net earnings (loss) attributable to Shareholders for the period	(3)	1	4	(19)
Adjustments for:				
Financing expense	33	37	69	72
Depreciation and amortization	72	69	141	136
Impairment charges	23	—	24	2
Other loss (gain)	1	—	5	3
Restructuring costs	1	10	6	33
Unrealized loss (gain) on derivative financial instruments	4	(1)	—	(2)
Provision for (recovery of) income taxes	3	(1)	8	(7)
Share of results of associates and joint ventures	(3)	(6)	(6)	(9)
Net earnings attributable to non-controlling interests	6	3	11	6
Net financing expense paid	(25)	(18)	(74)	(65)
Net income taxes received (paid)	(5)	2	(7)	(3)
Dividends received	7	8	7	9
Payments, net of provisions, for charges and other liabilities	(22)	(26)	(51)	(46)
	92	78	137	110
Changes in non-cash working capital components	(25)	(24)	(122)	(94)
Cash flows from operating activities	67	54	15	16

Cash flows from operating activities, excluding changes in non-cash working capital components, stood at \$137 million in the first half of 2025 (\$92 million in the second quarter), compared to \$110 million in the same period of 2024 (\$78 million in the second quarter). 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 \$15 million in liquidity in the first half of 2025 (\$67 million generated in the second quarter), compared to \$16 million generated in the same period of 2024 (\$54 million generated in the second quarter). The decrease is driven by higher payments for charges and other liabilities and higher working capital requirements compared to 2024. The Corporation paid \$74 million in financing expense in the first half of 2025 (\$25 million in the second quarter), compared to \$65 million in the same period of 2024 (\$18 million in the second quarter). The Corporation also paid \$7 million in income taxes in the first half of 2025 (\$5 million paid in the second quarter), compared to \$3 million paid in the same period of 2024 (\$2 million received in the second quarter). Payments, net of provisions, for charges and other liabilities include mainly payments for severances, restructuring costs, pensions and post-retirement benefits.

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

Changes in non-cash working capital components used \$122 million in liquidity in the first half of 2025 (\$25 million used in the second quarter), compared to \$94 million used in the same period of 2024 (\$24 million used in the second quarter). The increase in working capital in 2025 and use of liquidity, comes from higher accounts receivable as a result of recent selling price increases, decrease in trade payables outstanding balances from the prior period and the increase in inventories from slower demand in packaging and in the tissue Away-from-Home market. As of June 30, 2025, the average quarterly LTM working capital as a percentage of LTM sales¹ stood at 10.0% compared to 9.6% as of December 31, 2024.

INVESTING ACTIVITIES

Investing activities are shown in the following table:

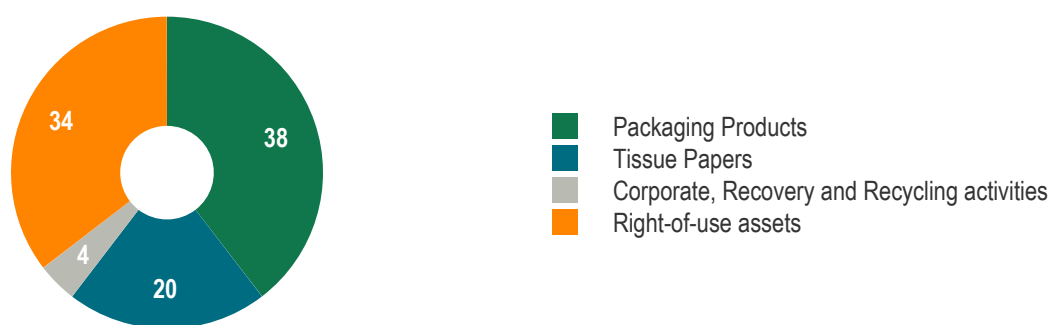
(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Investing activities				
Payments for property, plant and equipment (Note 6)	(44)	(40)	(80)	(81)
Proceeds from disposals of property, plant and equipment	26	17	26	17
Change in intangible and other assets	—	(20)	1	(20)
Cash flows from investing activities	(18)	(43)	(53)	(84)

Investing activities used \$53 million in liquidity in the first half of 2025 (\$18 million used in the second quarter), compared to \$84 million used in the same period of 2024 (\$43 million used in the second quarter).

PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Total additions during the period	48	88	96	116
Variation of payments of acquisitions for property, plant and equipment included in "Trade and other payables"	6	3	18	19
Right-of-use assets acquisitions (non-cash)	(10)	(51)	(34)	(54)
Payments for property, plant and equipment (Note 6)	44	40	80	81
Proceeds from disposals of property, plant and equipment	(26)	(17)	(26)	(17)
Payments for property, plant and equipment net of proceeds from disposals	18	23	54	64

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



No major capital projects were initiated in the first half of 2025. Additions relate to smaller projects and to maintenance capital expenditures.

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

In the Packaging Products segment, a legal claim of \$15 million was paid in the second quarter of 2025. The claim pertains to the construction of the Bear Island plant that was capitalized in "Property, plant and equipment" for the works under dispute. For further details, please refer to Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2025 and 2024.

PROCEEDS FROM DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

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

In the second quarter of 2025, the Tissue Papers segment received \$23 million from the sale of the assets related to previously closed plants in the United States.

In the second quarter of 2024, the Packaging Products segment received \$15 million from the sale of the assets related to a previously closed plant in the United States.

RIGHT-OF-USE ASSETS ACQUISITIONS

In the first half of 2025, lease contract additions include contracts signed during the year for new assets or for the replacement of assets, renewals or modifications of existing contracts, and reassessments related to changes in the probability of exercising renewal options. Of these investments, \$19 million is allocated to buildings, \$15 million to automotive equipment, and less than a million dollars to equipment or IT equipment (\$42 million, \$10 million and \$2 million, respectively, in the same period of 2024).

CHANGE IN INTANGIBLE AND OTHER ASSETS

In the second quarter of 2024, the Corporation acquired US\$15 million (\$21 million) of non-participating fixed interest bearing preferred shares of a converting paper company. The preferred shares are redeemable at the issuer's option and the interest payable starting in May 2027. The preferred shares meet the definition of a financial asset and are measured at amortized cost. For further details, please refer to Note 10 of the 2024 Audited Consolidated Financial Statements.

FINANCING ACTIVITIES

Financing activities are shown in the following table:

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Financing activities				
Bank loans and advances	(1)	1	(7)	3
Change in credit facilities	(375)	8	(108)	85
Change in credit facilities without recourse to the Corporation	120	3	121	18
Issuance of unsecured senior notes, net of related expenses	541	—	541	—
Repurchase of unsecured senior notes	(281)	—	(456)	—
Increase in delayed draw unsecured term loan credit facility	—	—	36	—
Payments of other long-term debt, including lease obligations (2025 - \$39 million for the 6-month period (\$21 million for the 3-month period); 2024 - \$35 million for the 6-month period (\$15 million for the 3-month period))	(21)	(16)	(40)	(37)
Issuance of common shares upon exercise of stock options	1	2	2	2
Dividends paid to non-controlling interests	(24)	(5)	(27)	(8)
Acquisition of non-controlling interests	—	—	—	(3)
Dividends paid to the Corporation's Shareholders	(12)	(12)	(24)	(24)
Cash flows from financing activities	(52)	(19)	38	36

Financing activities generated \$38 million in total liquidity in the first half of 2025 (\$52 million used in the second quarter), compared to \$36 million generated in the same period of 2024 (\$19 million used in the second quarter), including \$24 million in dividend payments to the Corporation's Shareholders in the first halves of 2025 and of 2024.

CHANGE IN CREDIT FACILITIES WITHOUT RECOURSE TO THE CORPORATION

On June 13, 2025, the Corporation's subsidiary, Greenpac, signed an amendment to the credit agreement with the banking syndicate securing the 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 a million dollars were capitalized in other assets. After the closing, Greenpac increased its drawing under this facility to pay a dividend of US\$100 million (\$137 million) to its shareholders, including Cascades Inc. for an amount of US\$86 million (\$118 million).

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

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

On May 28, 2025, the Corporation announced that it has 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 costs related to these notes.

Issuance proceed was used as follows:

(in millions of Canadian dollars) (unaudited)	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

PAYMENTS OF OTHER LONG-TERM DEBT

The Corporation repaid lease obligations of \$39 million in the first half of 2025 (\$21 million in the second quarter), compared to \$35 million in the same period of 2024 (\$15 million in the second quarter).

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

The Corporation issued 266,269 common shares at an average price of \$7.73 as a result of the exercise of stock options in the first half of 2025, which represents an aggregate amount of \$2 million (in the same period of 2024 - \$2 million for 292,670 common shares issued at an average price of \$6.22).

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

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

Dividends paid to non-controlling interests in Greenpac and Falcon Packaging amounted to \$27 million in the first half of 2025 (\$8 million in the same period of 2024). In the first half of 2024, the Corporation also increased its participation in Falcon Packaging for a contribution of \$3 million.

CONSOLIDATED FINANCIAL POSITION

AS OF JUNE 30, 2025 AND DECEMBER 31, 2024 AND 2023

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

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	June 30, 2025	December 31, 2024	December 31, 2023
Cash and cash equivalents	26	27	54
Total assets	4,811	5,000	4,772
Total debt ¹	2,130	2,123	1,936
Net debt ¹	2,104	2,096	1,882
Equity attributable to Shareholders	1,673	1,724	1,739
Non-controlling interests	29	47	42
Total equity	1,702	1,771	1,781
Total equity and net debt ¹	3,806	3,867	3,663
Ratio of net debt / (total equity and net debt) ¹	55.3%	54.2%	51.4%
Shareholders' equity per common share (in Canadian dollars)	\$16.53	\$17.07	\$17.27

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.

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

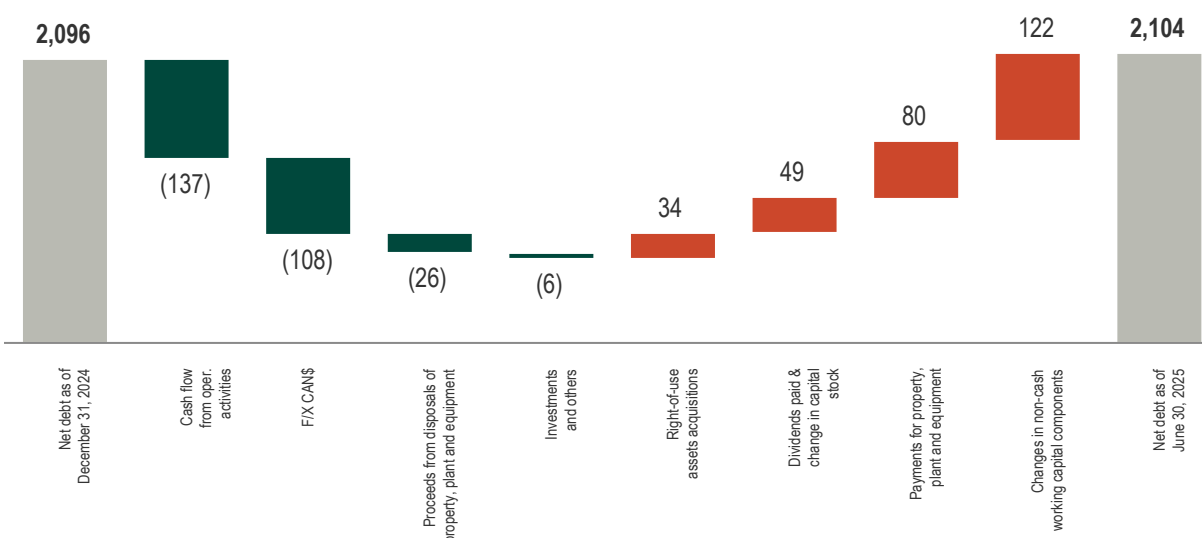
Credit rating (outlook)	MOODY'S	STANDARD & POOR'S
December 31, 2024	Baa3/Ba2/Ba3 (stable)	BB+/BB-/BB- (stable)
June 30, 2025	Baa3/Ba2/Ba3 (stable)	BB+/BB-/BB- (negative)

During the second quarter of 2025, Standard & Poor's revised the Corporation's outlook to negative from stable on weaker credit metrics amid macroeconomic uncertainty 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 half of 2025 are shown below, with the applicable financial ratios included:

(in millions of Canadian dollars)



501	EBITDA (A) ¹ (last twelve months) (\$M)	548
4.2x	Net debt / EBITDA (A) ratio ¹	3.8x

Liquidity available through the Corporation's credit facilities, cash and cash equivalent balance and the anticipated cash flow generated by its operating activities will provide sufficient funds to meet our financial obligations and fulfill our capital expenditure program for the next twelve months. Capital expenditures for 2025 are forecasted to be approximately \$150 million, however the investments are subject to operational priorities and liquidity availability. As of June 30, 2025, the Corporation had \$595 million (net of letters of credit in the amount of \$11 million) available on its \$750 million credit facility (excluding the credit facility of our subsidiary Greenpac). Cash and cash equivalents as of June 30, 2025 consisted of \$4 million in the parent company and restricted subsidiaries (as defined in the credit agreement) and \$22 million in unrestricted subsidiaries.

2025 THIRD QUARTER OUTLOOK

We are anticipating third quarter performance to be slightly higher sequentially. We remain cautious in packaging, where results are expected to be largely stable as benefits from continued favourable pricing and raw material trends are forecasted to be offset by constrained demand levels. We expect a stronger tissue performance in the third quarter, driven by volume growth and largely stable raw material costs and selling prices. Continued uncertainty in the macro-economic environment may impact future demand levels across North America and our outlook.

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, 2025 to June 30, 2025, Cascades’ common share price fluctuated between \$8.35 and \$13.25. During the same period, 32.9 million Cascades common shares were traded on the Toronto Stock Exchange. On June 30, 2025, Cascades’ common shares closed at \$8.91. This compares with a closing price of \$9.03 on the same closing day last year.

COMMON SHARES OUTSTANDING

As of June 30, 2025, the Corporation’s issued and outstanding capital stock consisted of 101,257,276 common shares (100,991,007 as of December 31, 2024) and 4,315,905 issued and outstanding stock options (3,852,520 as of December 31, 2024). In 2025, the Corporation purchased no common shares for cancellation, while 266,269 stock options were exercised, 744,205 stock options were granted and 14,551 stock options were forfeited.

On August 6, 2025, issued and outstanding capital stock consisted of 101,257,276 common shares and 4,315,905 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 August 6, 2025, Cascades’ Board of Directors declared a quarterly dividend of \$0.12 per common share to be paid on September 4, 2025 to shareholders of record at the close of business on August 21, 2025. On August 6, 2025, the dividend yield was 5.3%.

TSX ticker symbol: CAS	2023				2024				2025	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Common shares outstanding (in millions) ¹	100.4	100.7	100.7	100.7	100.7	101.0	101.0	101.0	101.1	101.3
Closing price (in Canadian dollars) ¹	\$10.99	\$11.69	\$12.27	\$12.73	\$9.89	\$9.03	\$10.43	\$11.91	\$9.70	\$8.91
Average daily volume ²	225,154	139,265	121,774	119,877	291,595	194,531	222,776	172,779	238,196	287,706
Dividend yield ¹	4.4%	4.1%	3.9%	3.8%	4.9%	5.3%	4.6%	4.0%	4.9%	5.4%

1 On the last day of the quarter

2 Average daily volume on the Toronto Stock Exchange

CASCADES’ COMMON SHARE PRICE FOR THE PERIOD FROM JANUARY 1, 2023 TO JUNE 30, 2025

(in Canadian dollars)



SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

CONTROLS AND PROCEDURES

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

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

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

During the three-month period ended June 30, 2025, there were no changes in the Corporation's ICFR that materially affected or are reasonably likely to materially affect the Corporation's ICFR.

RISK FACTORS

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

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

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

SPECIFIC ITEMS

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

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

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

To provide more information for evaluating the Corporation's performance, the financial information included in this analysis contains certain data that are not performance measures under IFRS Accounting Standards ("non-IFRS Accounting Standards measures"), which are also calculated on an adjusted basis to exclude specific items. We believe that providing certain key performance and capital measures, as well as non-IFRS Accounting Standards measures, is useful to both Management and investors, as they provide additional information to measure the performance and financial position of the Corporation. This also increases the transparency and clarity of the financial information. The following non-IFRS Accounting Standards measures and other financial measures are used in our financial disclosures:

Non-IFRS Accounting Standards measures

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

Other financial measures

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

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

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

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

For the 3-month period ended June 30, 2025				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	46	25	(35)	36
Depreciation and amortization	49	14	9	72
Impairment charges	23	—	—	23
Other loss (gain)	2	(1)	—	1
Restructuring costs	—	—	1	1
Unrealized loss (gain) on derivative financial instruments	(1)	—	5	4
EBITDA (A)	119	38	(20)	137
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	594	331	52	977

For the 3-month period ended June 30, 2024				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	34	38	(38)	34
Depreciation and amortization	44	13	12	69
Restructuring costs	7	3	—	10
Unrealized loss (gain) on derivative financial instruments	1	—	(2)	(1)
EBITDA (A)	86	54	(28)	112
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	617	322	58	997

	For the 6-month period ended June 30, 2025			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	106	49	(69)	86
Depreciation and amortization	95	27	19	141
Impairment charges	23	—	1	24
Other loss (gain)	6	(1)	—	5
Restructuring costs	1	—	5	6
Unrealized loss (gain) on derivative financial instruments	(3)	—	3	—
EBITDA (A)	228	75	(41)	262
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,197	635	104	1,936

	For the 6-month period ended June 30, 2024			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	46	69	(72)	43
Depreciation and amortization	87	26	23	136
Impairment charges	2	—	—	2
Other loss	3	—	—	3
Restructuring costs	23	9	1	33
Unrealized gain on derivative financial instruments	—	—	(2)	(2)
EBITDA (A)	161	104	(50)	215
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,206	617	109	1,932

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

	NET EARNINGS (LOSS)				NET EARNINGS (LOSS) PER COMMON SHARE ¹			
	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,		For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	2025	2024	2025	2024	2025	2024	2025	2024
As reported	(3)	1	4	(19)	(\$0.03)	\$0.01	\$0.04	(\$0.19)
Specific items:								
Impairment charges	23	—	24	2	\$0.17	—	\$0.18	\$0.01
Other loss (gain)	1	—	5	3	\$0.01	—	\$0.04	\$0.02
Restructuring costs	1	10	6	33	—	\$0.07	\$0.04	\$0.25
Unrealized loss (gain) on derivative financial instruments	4	(1)	—	(2)	\$0.03	(\$0.01)	—	(\$0.02)
Loss on repurchase of long-term debt	1	—	1	—	\$0.01	—	\$0.01	—
Unrealized loss (gain) on interest rate hedge instruments	—	1	—	(1)	—	\$0.01	—	—
Foreign exchange loss on long-term debt and financial instruments	—	—	—	1	—	—	—	\$0.01
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests	(8)	(3)	(8)	(9)	—	—	\$0.01	—
	22	7	28	27	\$0.22	\$0.07	\$0.28	\$0.27
Adjusted	19	8	32	8	\$0.19	\$0.08	\$0.32	\$0.08
Weighted average basic number of common shares outstanding					101,152,145	100,781,388	101,073,415	100,742,283

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 (recovery of) income taxes" section for more details.

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

	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
(in millions of Canadian dollars) (unaudited)				
Cash flow from operating activities	67	54	15	16
Changes in non-cash working capital components	25	24	122	94
Net income taxes paid (received)	5	(2)	7	3
Net financing expense paid	25	18	74	65
Payments, net of provisions, for charges and other liabilities, net of dividends received	15	18	44	37
EBITDA (A)	137	112	262	215

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 generated (used), which is also calculated on a per common share basis:

	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
(in millions of Canadian dollars, except per common share amounts or as otherwise noted) (unaudited)				
Cash flow from operating activities	67	54	15	16
Changes in non-cash working capital components	25	24	122	94
Cash flow from operating activities (excluding changes in non-cash working capital components)	92	78	137	110
Restructuring costs paid	9	17	26	31
Adjusted cash flow from operating activities	101	95	163	141
Payments for property, plant and equipment	(44)	(40)	(80)	(81)
Change in intangible and other assets	—	(20)	1	(20)
Lease obligation payments	(21)	(15)	(39)	(35)
Proceeds from disposals of property, plant and equipment	26	17	26	17
Dividends paid to non-controlling interests	62	37	71	22
Dividends paid to the Corporation's Shareholders	(24)	(5)	(27)	(8)
	(12)	(12)	(24)	(24)
Adjusted cash flow generated (used)	26	20	20	(10)
Adjusted cash flow generated (used) per common share (in Canadian dollars)	\$0.26	\$0.20	\$0.20	(\$0.10)
Weighted average basic number of common shares outstanding	101,152,145	100,781,388	101,073,415	100,742,283

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

	June 30, 2025 (LTM) ³	December 31, 2024	June 30, 2024 (LTM) ³
(in millions of Canadian dollars) (unaudited)			
Sales¹	4,753	4,701	4,625
EBITDA (A)¹	548	501	498
Payments for property, plant and equipment ¹	160	161	187
Less: strategic projects included above ²	—	—	(38)
Payments for property, plant and equipment, excluding strategic projects	160	161	149
Free cash flow: EBITDA (A) less payments for property, plant and equipment, excluding strategic projects	388	340	349
Free cash flow / Sales	8.2%	7.2%	7.5%
Payments for property, plant and equipment, excluding strategic projects / Sales	3.4%	3.4%	3.2%

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

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

³ LTM (last twelve months)

The following table reconciles working capital as reported:

(in millions of Canadian dollars) (unaudited)	June 30, 2025	December 31, 2024	December 31, 2023
Accounts receivable	472	469	453
Inventories	685	685	568
Trade and other payables	(649)	(748)	(703)
Working capital	508	406	318

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

(in millions of Canadian dollars, except ratios) (unaudited)	June 30, 2025	December 31, 2024	December 31, 2023
Long-term debt	2,057	1,871	1,869
Current portion of unsecured senior notes	—	175	—
Current portion of long-term debt	70	67	67
Bank loans and advances	3	10	—
Total debt	2,130	2,123	1,936
Less: Cash and cash equivalents	(26)	(27)	(54)
Net debt as reported	2,104	2,096	1,882
Last twelve months EBITDA (A)	548	501	558
Net debt / EBITDA (A) ratio	3.8x	4.2x	3.4x

SPECIFIC ITEMS

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

IMPAIRMENT CHARGES

2025

In the second quarter, the Packaging Products segment recorded an impairment charge of \$17 million on spare parts and \$6 million on equipment related to network optimization in the United States. The recoverable amount of the assets is nil based on the market approach reflecting an orderly transaction between market participants.

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

2024

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

OTHER LOSS (GAIN)

2025

In the first half, the Packaging Products segment recorded a provision of \$6 million (\$2 million in the second quarter) 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. For further details, please refer to Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2025 and 2024.

In the second quarter, the Tissue Papers segment recorded a \$1 million gain from the sale of some assets related to previously closed plants in the United States.

2024

In the first half, the Packaging Products segment recorded an additional environmental cost of \$4 million (\$1 million in the second quarter) related to the closure of a plant in Ontario, Canada. For further details, please refer to Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2025 and 2024.

In the second quarter, the Packaging Products segment also recorded a \$1 million gain from the sale of some assets related to a previously closed plant in the United States.

RESTRUCTURING COSTS

2025

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

In the first half, Corporate activities recorded costs totaling \$5 million (\$1 million in the second quarter) related to organizational changes.

2024

In the first half, the Packaging Products segment recorded costs totaling \$23 million (\$7 million in the second quarter) related to closed plants in Canada and in the United States, severances and the redeployment of equipment within the network.

In the first half, the Tissue Papers segment recorded costs totaling \$9 million (\$3 million in the second quarter) related to the closures of the plants in the United States and the redeployment of equipment within the network.

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

UNREALIZED 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 logistic" in the same period, as the respective hedged item affects earnings.

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Packaging Products segment				
Steam contract embedded derivatives related to our Niagara Falls containerboard complex	(1)	1	(3)	—
Corporate activities				
Financial hedging contracts for natural gas purchases.	5	(2)	3	(2)
Unrealized loss (gain) on derivative financial instruments	4	(1)	—	(2)

LOSS ON REPURCHASE OF LONG-TERM DEBT

In the second quarter of 2025, the Corporation redeemed US\$206 million (\$281 million) of its 2026 unsecured senior notes and wrote off \$1 million of unamortized financing costs related to these notes.

UNREALIZED LOSS (GAIN) ON INTEREST RATE HEDGE INSTRUMENTS

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

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Unrealized loss (gain) on interest rate hedge instruments	—	1	—	(1)

FOREIGN EXCHANGE LOSS ON LONG-TERM DEBT AND FINANCIAL INSTRUMENTS

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

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Foreign exchange loss on long-term debt and financial instruments	—	—	—	1

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

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

HISTORICAL FINANCIAL INFORMATION

	2023					2024					2025			LTM ²
(in millions of Canadian dollars, unless otherwise noted) (unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	YTD ³	
Sales														
Packaging Products	715	717	743	713	2,888	709	745	773	782	3,009	762	763	1,525	3,080
Tissue Papers	387	416	422	390	1,615	367	397	390	394	1,548	364	392	756	1,540
Inter-segment sales, Corporate, Recovery and Recycling activities	32	35	33	35	135	33	38	38	35	144	28	32	60	133
Total	1,134	1,168	1,198	1,138	4,638	1,109	1,180	1,201	1,211	4,701	1,154	1,187	2,341	4,753
Operating income (loss)	(80)	64	80	(24)	40	9	34	36	16	95	50	36	86	138
EBITDA (A)¹														
Packaging Products	153	120	122	86	481	75	86	117	132	410	109	119	228	477
Tissue Papers	16	44	61	61	182	50	54	43	45	192	37	38	75	163
Corporate, Recovery and Recycling activities	(35)	(23)	(22)	(25)	(105)	(22)	(28)	(20)	(31)	(101)	(21)	(20)	(41)	(92)
Total	134	141	161	122	558	103	112	140	146	501	125	137	262	548
Margin (EBITDA (A) / Sales) (%)¹	11.8%	12.1%	13.4%	10.7%	12.0%	9.3%	9.5%	11.7%	12.1%	10.7%	10.8%	11.5%	11.2%	11.5%
Net earnings (loss)	(75)	22	34	(57)	(76)	(20)	1	1	(13)	(31)	7	(3)	4	(8)
Adjusted ¹	33	26	45	5	109	—	8	27	25	60	13	19	32	84
Net earnings (loss) per common share (in Canadian dollars)														
Basic	(\$0.75)	\$0.22	\$0.34	(\$0.57)	(\$0.76)	(\$0.20)	\$0.01	\$0.01	(\$0.13)	(\$0.31)	\$0.07	(\$0.03)	\$0.04	(\$0.08)
Diluted	(\$0.75)	\$0.22	\$0.34	(\$0.57)	(\$0.76)	(\$0.20)	\$0.01	\$0.01	(\$0.13)	(\$0.31)	\$0.07	(\$0.03)	\$0.04	(\$0.08)
Basic, adjusted ¹	\$0.32	\$0.27	\$0.44	\$0.05	\$1.08	\$—	\$0.08	\$0.27	\$0.25	\$0.60	\$0.13	\$0.19	\$0.32	\$0.84
Cash flow from operating activities (excluding changes in non-cash working capital components)	89	117	100	91	397	32	78	76	109	295	45	92	137	322
Payments for property, plant and equipment	(140)	(104)	(59)	(47)	(350)	(41)	(40)	(35)	(45)	(161)	(36)	(44)	(80)	(160)
Net debt¹	2,070	2,076	2,088	1,882	1,882	2,020	2,093	2,039	2,096	2,096	2,216	2,104	2,104	
Net debt / EBITDA (A) (LTM) ratio¹	4.6x	4.1x	3.8x	3.4x	3.4x	3.8x	4.2x	4.3x	4.2x	4.2x	4.2x	3.8x	3.8x	

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)

³ YTD (year-to-date)

APPENDIX

INFORMATION FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

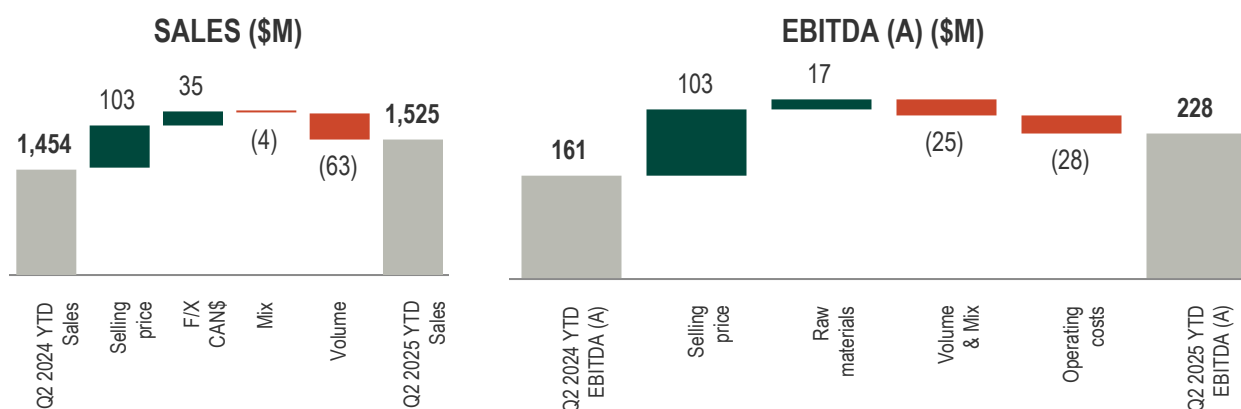
BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS

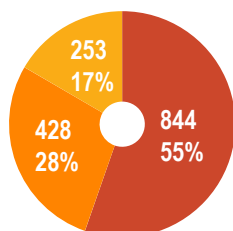
Our Performance (Q2 2024 YTD vs. Q2 2025 YTD)

The main variances¹ in sales and EBITDA (A)² for the Packaging Products segment in the first half of 2025, compared to the same period of 2024, are shown below:

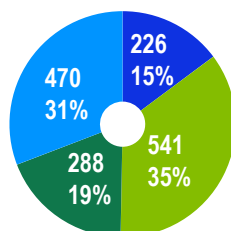
(in millions of Canadian dollars)



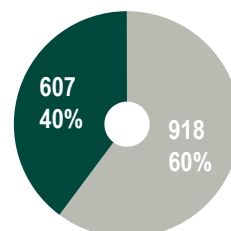
Sales by product category (\$M)



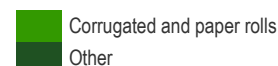
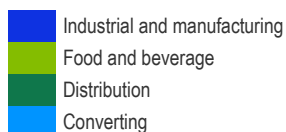
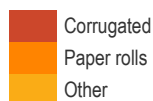
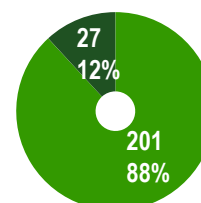
Sales by market (\$M)



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

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.

2024 YTD	2025 YTD	Change in %
Shipments ² ('000 s.t.) 885	845	-5%
Average Selling Price (CAN\$/unit) 1,379	1,506	9%
Sales (\$M) 1,454	1,525	5%
EBITDA (A) ¹ (\$M) 161 % of sales 11%	228 15%	42%
Depreciation and amortization (\$M) 87	95	9%
Payments for property, plant and equipment (\$M) 36	38	6%

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.

Total shipments decreased by 40,000 s.t., or 5%, in 2025 compared to 2024.

Parent roll shipments decreased by 18,000 s.t., or 4%, in 2025 compared to 2024, mainly attributable to additional unplanned maintenance downtime and strong demand in 2024. The mill integration³ rate was stable at 51%. Including sales to partners, the integration rate was 69% in 2025, an increase of 3% from 2024. The manufacturing utilization rate decreased by 5% to 86%, reflecting strong demand in 2024 and Bear Island capacity ramp up.

Shipments from converting activities decreased by 22,000 s.t., or 6%, compared to 2024. In square feet, volume decreased by 5% from 7.3 billion in 2024 to 6.9 billion in 2025 reflecting two plant closures over the course of 2024 and stronger demand last year. This compares to a 1.0% weighted⁴ decrease for the industry, reflecting a 0.5% decrease in Canada and a 2.3% decrease in the United States.

The average selling price increased by 9% in 2025, reflecting a 13% increase for parent rolls and a 8% increase for converted products. This reflects the positive impact of market price increases that were implemented in 2024 and during the second quarter of 2025, as well as the impact of the 4% average depreciation of the Canadian dollar over the US dollar.

Sales increased by \$71 million, or 5%, in 2025 compared to 2024. Higher selling prices and the depreciation of the Canadian dollar compared to the US dollar added \$103 million and \$35 million to sales, respectively. These positive impacts were offset by lower volume and mix for both parent rolls and converted products, which subtracted \$63 million and \$4 million from sales, respectively.

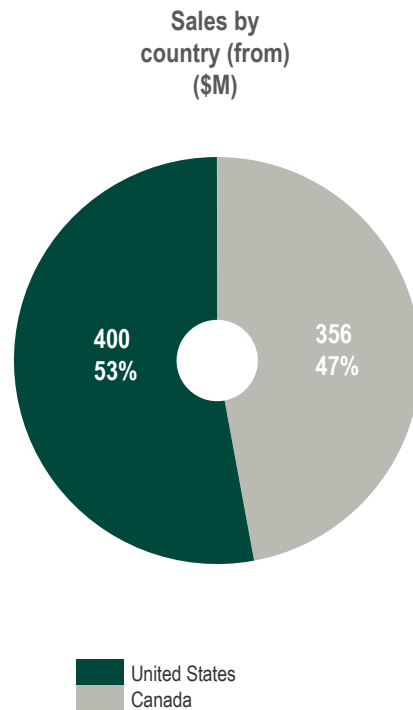
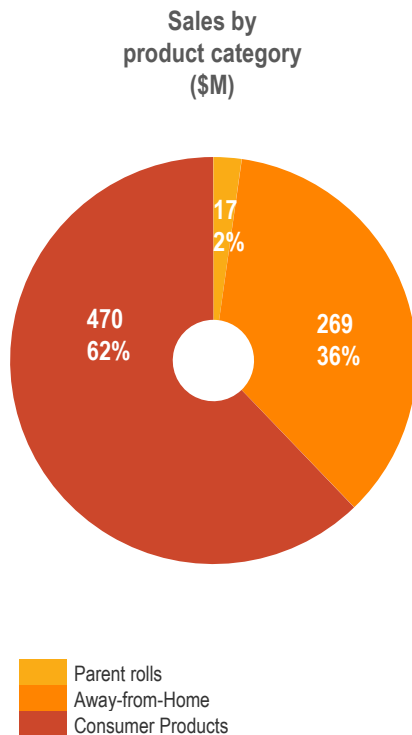
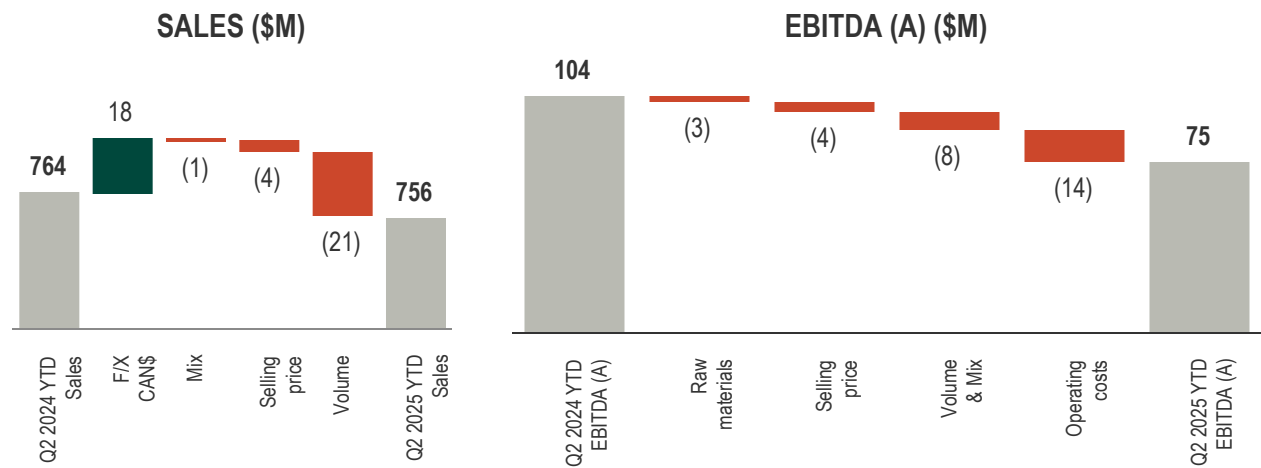
EBITDA (A)¹ increased by \$67 million, or 42%, in 2025 compared to 2024. This increase was largely driven by a \$103 million benefit from higher selling prices. Lower raw material costs also contributed \$32 million to manufacturing activities but was partially offset by higher input costs of \$15 million caused by the mix of products sold. These impacts were partially offset by a negative impact of \$28 million from higher production costs, stemming from a lower operating rate, higher energy costs and repair and maintenance. In addition, lower volume had a negative impact of \$25 million on results.

BUSINESS SEGMENT REVIEW

TISSUE PAPERS

Our Performance (Q2 2024 YTD vs. Q2 2025 YTD)

The main variances¹ in sales and EBITDA (A)² for the Tissue Papers segment in the first half of 2025, compared to the same period of 2024, are shown below:
(in millions of Canadian dollars)



¹ For definitions of certain sales and EBITDA (A)² variation categories, please refer to the "Financial Overview" section for more details.
² Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

2024 YTD	2025 YTD	Change in %
Shipments ² ('000 s.t.) 237	230	-3%
Average Selling Price (CAN\$/unit) 3,222	3,278	2%
Sales (\$M) 764	756	-1%
EBITDA (A) ¹ (\$M) 104 % of sales 14%	75 10%	-28%
Depreciation and amortization (\$M) 26	27	4%
Payments for property, plant and equipment (\$M) 14	20	43%

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

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

Shipments decreased by 7,000 s.t., or 3%, in 2025 compared to 2024.

Converted product shipments decreased by 7,000 s.t., or 3%. This reflects a 3% decrease in both Consumer Products and Away-from-Home markets, mainly due to ongoing customer and product portfolio realignment. Additionally, market uncertainty led major customers to adopt stricter inventory in the first quarter. In terms of cases, 2025 shipments decreased by 0.8 million cases, or 3%, to 30.4 million cases from the prior year period. Parent roll shipments remained stable in 2025 compared to 2024. The integration rate was also stable at 94% during the year compared to 2024.

The 2% increase in the average selling price was primarily due to the depreciation of the Canadian dollar compared to the US dollar and price increases in both converting markets. These benefits were more than offset by an unfavourable customer and product category mix.

Sales decreased by \$8 million, or 1%, in 2025 compared to 2024. This decrease was driven by impacts of \$22 million from lower volume and mix and \$4 million from lower average selling prices. These impacts were partially offset by \$18 million related to a more favourable exchange rate.

EBITDA (A)¹ decreased by \$29 million, or 28%, in 2025 compared to 2024. This decrease reflects negative impacts of \$8 million stemming from lower volume, \$4 million from lower average selling prices, \$19 million from higher operating costs and \$3 million from higher raw material costs. These impacts were partially offset by a \$5 million positive impact from transportation costs due to our network optimization.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	NOTE	June 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		26	27
Accounts receivable		472	469
Current income tax assets		5	4
Inventories		685	685
Current portion of financial assets	7	5	1
		1,193	1,186
Long-term assets			
Investments in associates and joint ventures		95	97
Property, plant and equipment		2,674	2,847
Intangible assets with finite useful life		35	41
Financial assets	7	5	—
Other assets		104	105
Deferred income tax assets		216	220
Goodwill and other intangible assets with indefinite useful life		489	504
		4,811	5,000
Liabilities and Equity			
Current liabilities			
Bank loans and advances		3	10
Trade and other payables		649	748
Current income tax liabilities		3	2
Current portion of unsecured senior notes	5	—	175
Current portion of long-term debt	5	70	67
Current portion of provisions for charges	6	25	42
Current portion of financial liabilities and other liabilities	7	24	43
		774	1,087
Long-term liabilities			
Long-term debt	5	2,057	1,871
Provisions for charges	6	55	58
Financial liabilities	7	12	—
Other liabilities		75	80
Deferred income tax liabilities		136	133
		3,109	3,229
Equity			
Capital stock	8	618	616
Contributed surplus		17	16
Retained earnings		998	1,019
Accumulated other comprehensive income		40	73
Equity attributable to Shareholders		1,673	1,724
Non-controlling interests		29	47
Total equity		1,702	1,771
		4,811	5,000

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

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	NOTE	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
		2025	2024	2025	2024
Sales	9	1,187	1,180	2,341	2,289
Supply chain and logistic		702	722	1,381	1,390
Wages and employee benefits expenses		275	275	555	542
Depreciation and amortization		72	69	141	136
Maintenance and repair		67	60	131	122
Other operational costs		6	11	12	20
Impairment charges		23	—	24	2
Other loss (gain)		1	—	5	3
Restructuring costs		1	10	6	33
Unrealized loss (gain) on derivative financial instruments		4	(1)	—	(2)
Operating income		36	34	86	43
Financing expense	10	33	37	69	72
Share of results of associates and joint ventures		(3)	(6)	(6)	(9)
Earnings (loss) before income taxes		6	3	23	(20)
Provision for (recovery of) income taxes		3	(1)	8	(7)
Net earnings (loss) including non-controlling interests for the period		3	4	15	(13)
Net earnings attributable to non-controlling interests		6	3	11	6
Net earnings (loss) attributable to Shareholders for the period		(3)	1	4	(19)
Net earnings (loss) per common share					
Basic		(\$0.03)	\$0.01	\$0.04	(\$0.19)
Diluted		(\$0.03)	\$0.01	\$0.04	(\$0.19)
Weighted average basic number of common shares outstanding		101,152,145	100,781,388	101,073,415	100,742,283
Weighted average number of diluted common shares		101,169,690	100,870,224	101,294,977	101,043,122

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Net earnings (loss) including non-controlling interests for the period	3	4	15	(13)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in foreign currency translation of foreign subsidiaries	(63)	12	(104)	38
Change in foreign currency translation related to net investment hedging activities	34	(5)	74	(15)
Recovery of (provision for) income taxes	(5)	1	(5)	2
	(34)	8	(35)	25
Items that are not released to earnings				
Actuarial gain (loss) on employee future benefits	—	4	(1)	11
Provision for income taxes	—	(1)	—	(3)
	—	3	(1)	8
Other comprehensive income (loss)	(34)	11	(36)	33
Comprehensive income (loss) including non-controlling interests for the period	(31)	15	(21)	20
Comprehensive income attributable to non-controlling interests for the period	4	3	9	7
Comprehensive income (loss) attributable to Shareholders for the period	(35)	12	(30)	13

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

CONSOLIDATED STATEMENTS OF EQUITY

For the 6-month period ended June 30, 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	—	—	4	—	4	11	15
Other comprehensive loss	—	—	(1)	(33)	(34)	(2)	(36)
	—	—	3	(33)	(30)	9	(21)
Dividends	—	—	(24)	—	(24)	(27)	(51)
Stock options expense	—	1	—	—	1	—	1
Issuance of common shares upon exercise of stock options	2	—	—	—	2	—	2
Balance - End of period	618	17	998	40	1,673	29	1,702

For the 6-month period ended June 30, 2024

(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	613	15	1,096	15	1,739	42	1,781
Comprehensive income (loss)							
Net earnings (loss)	—	—	(19)	—	(19)	6	(13)
Other comprehensive income	—	—	8	24	32	1	33
	—	—	(11)	24	13	7	20
Dividends	—	—	(24)	—	(24)	(8)	(32)
Stock options expense	—	1	—	—	1	—	1
Issuance of common shares upon exercise of stock options	3	(1)	—	—	2	—	2
Acquisition of non-controlling interests	—	—	(2)	—	(2)	—	(2)
Balance - End of period	616	15	1,059	39	1,729	41	1,770

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 June 30,		For the 6-month periods ended June 30,	
		2025	2024	2025	2024
Operating activities					
Net earnings (loss) attributable to Shareholders for the period		(3)	1	4	(19)
Adjustments for:					
Financing expense	10	33	37	69	72
Depreciation and amortization		72	69	141	136
Impairment charges		23	—	24	2
Other loss (gain)		1	—	5	3
Restructuring costs		1	10	6	33
Unrealized loss (gain) on derivative financial instruments		4	(1)	—	(2)
Provision for (recovery of) income taxes		3	(1)	8	(7)
Share of results of associates and joint ventures		(3)	(6)	(6)	(9)
Net earnings attributable to non-controlling interests		6	3	11	6
Net financing expense paid		(25)	(18)	(74)	(65)
Net income taxes received (paid)		(5)	2	(7)	(3)
Dividends received		7	8	7	9
Payments, net of provisions, for charges and other liabilities		(22)	(26)	(51)	(46)
		92	78	137	110
Changes in non-cash working capital components	10	(25)	(24)	(122)	(94)
		67	54	15	16
Investing activities					
Payments for property, plant and equipment	6	(44)	(40)	(80)	(81)
Proceeds from disposals of property, plant and equipment		26	17	26	17
Change in intangible and other assets		—	(20)	1	(20)
		(18)	(43)	(53)	(84)
Financing activities					
Bank loans and advances		(1)	1	(7)	3
Change in credit facilities	5	(375)	8	(108)	85
Change in credit facilities without recourse to the Corporation	5	120	3	121	18
Issuance of unsecured senior notes, net of related expenses	5	541	—	541	—
Repurchase of unsecured senior notes	5	(281)	—	(456)	—
Increase in delayed draw unsecured term loan credit facility	5	—	—	36	—
Payments of other long-term debt, including lease obligations (2025 - \$39 million for the 6-month period (\$21 million for the 3-month period); 2024 - \$35 million for the 6-month period (\$15 million for the 3-month period))	5	(21)	(16)	(40)	(37)
Issuance of common shares upon exercise of stock options	8	1	2	2	2
Dividends paid to non-controlling interests		(24)	(5)	(27)	(8)
Acquisition of non-controlling interests		—	—	—	(3)
Dividends paid to the Corporation's Shareholders		(12)	(12)	(24)	(24)
		(52)	(19)	38	36
Net change in cash and cash equivalents during the period		(3)	(8)	—	(32)
Currency translation on cash and cash equivalents		—	—	(1)	1
Cash and cash equivalents - Beginning of the period		29	31	27	54
Cash and cash equivalents - End of the period		26	23	26	23

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

SEGMENTED INFORMATION

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

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

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

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

Sales by business segment are shown in the following table:

For the 3-month periods ended June 30 (in millions of Canadian dollars) (unaudited)	SALES					
	2025			2024		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	763	(11)	752	745	(13)	732
Tissue Papers	392	—	392	397	—	397
Corporate, Recovery and Recycling activities	73	(30)	43	89	(38)	51
	1,228	(41)	1,187	1,231	(51)	1,180

For the 6-month periods ended June 30 (in millions of Canadian dollars) (unaudited)	SALES					
	2025			2024		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	1,525	(24)	1,501	1,454	(25)	1,429
Tissue Papers	756	—	756	764	(1)	763
Corporate, Recovery and Recycling activities	146	(62)	84	171	(74)	97
	2,427	(86)	2,341	2,389	(100)	2,289

EBITDA (A) by business segment is reconciled to 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 June 30, 2025			
	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	46	25	(35)	36
Depreciation and amortization	49	14	9	72
Impairment charges	23	—	—	23
Other loss (gain)	2	(1)	—	1
Restructuring costs	—	—	1	1
Unrealized loss (gain) on derivative financial instruments	(1)	—	5	4
EBITDA (A)	119	38	(20)	137
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	594	331	52	977

	For the 3-month period ended June 30, 2024			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	34	38	(38)	34
Depreciation and amortization	44	13	12	69
Restructuring costs	7	3	—	10
Unrealized loss (gain) on derivative financial instruments	1	—	(2)	(1)
EBITDA (A)	86	54	(28)	112
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	617	322	58	997

	For the 6-month period ended June 30, 2025			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	106	49	(69)	86
Depreciation and amortization	95	27	19	141
Impairment charges	23	—	1	24
Other loss (gain)	6	(1)	—	5
Restructuring costs	1	—	5	6
Unrealized loss (gain) on derivative financial instruments	(3)	—	3	—
EBITDA (A)	228	75	(41)	262
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,197	635	104	1,936

	For the 6-month period ended June 30, 2024			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	46	69	(72)	43
Depreciation and amortization	87	26	23	136
Impairment charges	2	—	—	2
Other loss	3	—	—	3
Restructuring costs	23	9	1	33
Unrealized gain on derivative financial instruments	—	—	(2)	(2)
EBITDA (A)	161	104	(50)	215
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,206	617	109	1,932

IMPAIRMENT CHARGES

2025

In the second quarter, the Packaging Products segment recorded an impairment charge of \$17 million on spare parts and \$6 million on equipment related to network optimization in the United States. The recoverable amount of the assets is nil based on the market approach reflecting an orderly transaction between market participants.

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

2024

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

OTHER LOSS (GAIN)

2025

In the first half, the Packaging Products segment recorded a provision of \$6 million (\$2 million in the second quarter) 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. For further details, please refer to Note 6.

In the second quarter, the Tissue Papers segment recorded a \$1 million gain from the sale of some assets related to previously closed plants in the United States.

2024

In the first half, the Packaging Products segment recorded an additional environmental cost of \$4 million (\$1 million in the second quarter) related to the closure of a plant in Ontario, Canada. For further details, please refer to Note 6.

In the second quarter, the Packaging Products segment also recorded a \$1 million gain from the sale of some assets related to a previously closed plant in the United States.

RESTRUCTURING COSTS

2025

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

In the first half, Corporate activities recorded costs totaling \$5 million (\$1 million in the second quarter) related to organizational changes.

2024

In the first half, the Packaging Products segment recorded costs totaling \$23 million (\$7 million in the second quarter) related to closed plants in Canada and in the United States, severances and the redeployment of equipment within the network.

In the first half, the Tissue Papers segment recorded costs totaling \$9 million (\$3 million in the second quarter) related to the closures of the plants in the United States and the redeployment of equipment within the network.

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

UNREALIZED LOSS (GAIN) ON DERIVATIVE FINANCIAL INSTRUMENTS

The Packaging Products segment recorded an unrealized gain of \$3 million in the first half of 2025 (unrealized gain of \$1 million in the second quarter), compared to an unrealized gain of less than a million dollars in the same period of 2024 (unrealized loss of \$1 million in the second quarter), from a steam contract embedded derivatives related to our Niagara Falls containerboard complex.

Corporate activities recorded an unrealized loss of \$3 million in the first half of 2025 (unrealized loss of \$5 million in the second quarter), compared to an unrealized gain of \$2 million in the same period of 2024 (unrealized gain of \$2 million in the second quarter), due to the financial hedging contracts for natural gas purchases.

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

		PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT			
		For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
(in millions of Canadian dollars) (unaudited)	NOTE	2025	2024	2025	2024
Packaging Products		33	63	67	77
Tissue Papers		14	12	22	20
Corporate, Recovery and Recycling activities		1	13	7	19
Total acquisitions		48	88	96	116
Right-of-use assets acquisitions (non-cash)		(10)	(51)	(34)	(54)
		38	37	62	62
Acquisitions for property, plant and equipment included in "Trade and other payables"					
Beginning of the period		20	29	32	45
End of the period		(14)	(26)	(14)	(26)
Payments for property, plant and equipment	6	44	40	80	81
Proceeds from disposals of property, plant and equipment		(26)	(17)	(26)	(17)
Payments for property, plant and equipment net of proceeds from disposals		18	23	54	64

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 August 6, 2025.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

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

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

NOTE 3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

A. RECENT IFRS ACCOUNTING STANDARDS NOT YET ADOPTED

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

NOTE 4

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

NOTE 5

LONG-TERM DEBT

(in millions of Canadian dollars)	NOTE	MATURITY	June 30, 2025	December 31, 2024
Revolving credit facility, weighted average interest rate of 5.08% as of June 30, 2025 and consists of \$129 million and US\$12 million (December 31, 2024 - \$6 million and US\$187 million)	5(b)	2027	144	275
5.125% Unsecured senior notes of \$175 million repurchased in 2025	5(c)	2025	—	175
5.125% Unsecured senior notes of US\$206 million repurchased in 2025	5(d)	2026	—	296
5.375% Unsecured senior notes of US\$445 million and \$3 million of unamortized premium as of June 30, 2025 (December 31, 2024 - US\$445 million and \$4 million of unamortized premium)		2028	609	644
6.75% Unsecured senior notes of US\$400 million	5(d)	2030	544	—
Delayed draw unsecured term loan credit facility, interest rate of 6.53% as of June 30, 2025	5(c)	2026	34	—
Term loan of US\$260 million, interest rate of 6.43% as of June 30, 2025		2027	354	374
Lease obligations with recourse to the Corporation			215	233
Other debts with recourse to the Corporation			15	16
Lease obligations without recourse to the Corporation			19	20
Revolving credit facility without recourse to the Corporation, weighted average interest rate of 5.92% as of June 30, 2025 and consists of US\$148 million (December 31, 2024 - US\$59 million)	5(e)	2028	202	85
			2,136	2,118
Less: Unamortized financing costs			9	5
Total long-term debt			2,127	2,113
Less:				
Current portion of unsecured senior notes			—	175
Current portion of lease obligations with recourse to the Corporation			60	57
Current portion of other debts with recourse to the Corporation			1	2
Current portion of lease obligations without recourse to the Corporation			9	8
			70	67
			2,057	1,871

- As of June 30, 2025, the long-term debt had a fair value of \$2,131 million (December 31, 2024 – \$2,093 million).
- On February 9, 2024, the Corporation entered into an agreement with its lenders to amend and extend the maturity of its existing revolving credit facility from July 2026 to July 2027. The financial conditions remained unchanged.
- On January 15, 2025, the Corporation repaid its \$175 million unsecured senior notes with its revolving credit facility. On April 12, 2024, the Corporation entered into a \$175 million delayed draw unsecured term loan credit facility to manage upcoming maturities and this facility was converted into a delayed draw unsecured term loan credit facility of US\$121 million on January 31, 2025. On January 31, 2025, US\$25 million (\$36 million) were borrowed from the facility. This facility will mature on December 31, 2026 and bears interest at a variable rate.

- d. On May 28, 2025, the Corporation announced that it has 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 costs 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

- e. On June 13, 2025, the Corporation's subsidiary, Greenpac, signed an amendment to the credit agreement with the banking syndicate securing the 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 a million dollars were capitalized in other assets.

NOTE 6

PROVISIONS FOR CHARGES

(in millions of Canadian dollars)	June 30, 2025	December 31, 2024
Environmental restoration obligations	41	54
Environmental costs	19	18
Legal claim	8	11
Severances	2	5
Onerous contract	—	1
Others	10	11
	80	100
Long-term	55	58
Current	25	42
	80	100

ENVIRONMENTAL RESTORATION

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

LEGAL CLAIMS

In the first half of 2025, the Packaging Products segment recorded a provision of \$6 million (\$2 million in the second quarter) 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. In the first quarter of 2025, an additional provision of \$6 million was capitalized in "Property, plant and equipment" for the works under dispute related to the construction of the plant, bringing the total capitalized provision to \$15 million, which was paid in the second quarter of 2025.

NOTE 7

FINANCIAL INSTRUMENTS

7.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

The classification of financial instruments as of June 30, 2025 and December 31, 2024, along with the respective carrying amounts and fair values, is as follows:

		June 30, 2025		December 31, 2024	
(in millions of Canadian dollars)	NOTE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at fair value through profit or loss					
Equity investments		3	3	3	3
Derivatives		10	10	1	1
Financial assets at amortized cost					
Preferred shares	7.1 A	22	22	23	23
Financial liabilities at fair value through profit or loss					
Derivatives		(12)	(12)	(3)	(3)
Financial liabilities at amortized cost					
Long-term debt		(2,127)	(2,131)	(2,113)	(2,093)

A. PREFERRED SHARES

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

7.2 DETERMINING THE FAIR VALUE OF FINANCIAL INSTRUMENTS

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

- 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.

7.3 HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table presents information about the Corporation's financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2025 and December 31, 2024 and indicates the fair value hierarchy of the Corporation's valuation techniques to determine such fair value. Three levels of inputs that may be used to measure fair value are:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for almost all of the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect Management's estimates of assumptions that market participants would use in pricing the asset or liability.

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

As of June 30, 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	10	—	10	—
	13	—	10	3
Financial liabilities				
Derivative financial liabilities	(12)	—	(12)	—
	(12)	—	(12)	—

As of December 31, 2024				
(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	1	—	1	—
	4	—	1	3
Financial liabilities				
Derivative financial liabilities	(3)	—	(3)	—
	(3)	—	(3)	—

7.4 FINANCIAL RISK MANAGEMENT

A. OTHER RISKS

MONETIZATION OF ACCOUNTS RECEIVABLE

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

In the first half of 2025, the Corporation had unrecognized receivables of \$82 million (\$86 million as of December 31, 2024) related to this facility, of which the Corporation received a net amount of \$2 million (\$20 million as of December 31, 2024) as the collection agent and recorded the same amount to the transferred assets purchaser. The Corporation recorded \$2 million in interest expenses in the first half of 2025 (\$1 million in the second quarter), compared to \$2 million in the same period of 2024 (\$1 million in the second quarter). The interest is charged monthly and paid on the settlement date.

NOTE 8 CAPITAL STOCK

REDEMPTION OF COMMON SHARES

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

NOTE 9 SALES

Sales by country are shown in the following table:

(in millions of Canadian dollars)	For the 3-month periods ended June 30,				For the 6-month periods ended June 30,			
	2025		2024		2025		2024	
Sales								
Operations located in Canada								
Within Canada	564	84%	542	80%	1,092	83%	1,056	81%
To the United States	109	16%	137	20%	231	17%	253	19%
Other countries	1	—%	3	—%	2	—%	3	—%
	674	100%	682	100%	1,325	100%	1,312	100%
Operations located in the United States								
Within the United States	473	92%	470	94%	942	93%	921	94%
To Canada	39	8%	28	6%	73	7%	54	6%
Other countries	1	—%	—	—%	1	—%	2	—%
	513	100%	498	100%	1,016	100%	977	100%
	1,187		1,180		2,341		2,289	
Sales from:								
Canada	674	57%	682	58%	1,325	57%	1,312	57%
United States	513	43%	498	42%	1,016	43%	977	43%
	1,187	100%	1,180	100%	2,341	100%	2,289	100%
Sales to:								
Canada	603	51%	570	49%	1,165	50%	1,110	49%
United States	582	49%	607	51%	1,173	50%	1,174	51%
Other countries	2	—%	3	—%	3	—%	5	—%
	1,187	100%	1,180	100%	2,341	100%	2,289	100%

NOTE 10 ADDITIONAL INFORMATION

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

(in millions of Canadian dollars)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Accounts receivable	(3)	(24)	(18)	(33)
Current income tax assets	—	—	—	(1)
Inventories	9	7	(40)	(21)
Trade and other payables	(31)	(7)	(64)	(39)
	(25)	(24)	(122)	(94)

B. FINANCING EXPENSE

(in millions of Canadian dollars)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2025	2024	2025	2024
Interest on long-term debt (including lease obligations interest (2025 - \$6 million for the 6-month period (\$3 million for the 3-month period); 2024 - \$5 million for the 6-month period (\$3 million for the 3-month period)))	30	32	62	63
Amortization of financing costs	1	1	2	2
Other interest and banking fees	1	2	3	5
Interest expense on employee future benefits	—	1	1	2
Loss on repurchase of long-term debt	1	—	1	—
Unrealized loss (gain) on interest rate hedge instruments	—	1	—	(1)
Foreign exchange loss on long-term debt and financial instruments	—	—	—	1
	33	37	69	72

LOSS ON REPURCHASE OF LONG-TERM DEBT

In the second quarter of 2025, the Corporation redeemed US\$206 million (\$281 million) of its 2026 unsecured senior notes and wrote off \$1 million of unamortized financing costs related to these notes.

UNREALIZED LOSS (GAIN) ON INTEREST RATE HEDGE INSTRUMENTS

In the first half of 2025, the Corporation recorded an unrealized loss on interest rate hedge instruments of less than a million dollars (unrealized loss of less than a million dollars in the second quarter), compared to an unrealized gain of \$1 million in the same period of 2024 (unrealized loss of \$1 million in the second quarter).

FOREIGN EXCHANGE LOSS ON LONG-TERM DEBT AND FINANCIAL INSTRUMENTS

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

NOTE 11

EVENTS AFTER THE REPORTING PERIOD

Permanent closure of Niagara Falls

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, NY, United States. Production will cease no later than August 11, 2025. The estimated closure costs, including severance, are expected to total between US\$5 million and US\$10 million and will be recorded in the coming periods.

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.

Extension of revolving credit facility maturity

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.

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

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