PRESS RELEASE

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Cascades Reports Results for the Second Quarter of 2026

Kingsey Falls, Québec, August 6, 2026 - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period ended June 30, 2026.

Q2 2026 Highlights

- Sales of $1,219 million (compared with $1,125 million in Q1 2026 and $1,187 million in Q2 2025);
- Operating income of $58 million (compared with $81 million in Q1 2026 and $36 million in Q2 2025);
- Net earnings per common share of $0.21 (compared with net earnings per common share of $0.38 in Q1 2026 and a net loss per common share of ($0.03) in Q2 2025);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A))[1] of $140 million (compared with $118 million in Q1 2026 and $137 million in Q2 2025);
- Adjusted net earnings per common share[1] of $0.24 (compared with $0.07 in Q1 2026 and $0.19 in Q2 2025);
- Net debt[1] of $1,879 million as of June 30, 2026 (compared with $1,901 million as of March 31, 2026). Net debt to EBITDA (A) ratio[1] remained stable at 3.3x;
- Total capital expenditures of $40 million in Q2 2026, compared to $28 million in Q1 2026 and $44 million in Q2 2025. The Corporation's 2026 forecasted capital expenditures before disposals will be in a range of $150 million to $175 million.
- The Company generated $5 million in asset sale proceeds during the second quarter, bringing total proceeds to $154 million for the 2025 - 2026 period. The Company's objective of generating $230 million is progressing well and is now expected to be achieved in early 2027.

Hugues Simon, President and CEO, commented: "Our second quarter results exceeded expectations, driven by a stronger performance in Packaging, reflecting continued solid production and demand levels across our paper mill network, meaningful progress in onboarding new customers and a more favourable economic environment than initially anticipated. Packaging volumes tracked ahead of our forecasted assumptions, contributing to stronger profitability in the quarter. In Tissue, the results came in slightly ahead of our expected range. Performance benefited from improved productivity and sales volumes and the positive impact of ongoing cost reduction initiatives. The operational improvements achieved over the past several quarters are translating into greater efficiency and a stronger cost structure across the business. Overall, our leverage ratio remained stable during the quarter, while net debt decreased modestly despite unfavourable exchange rate movements."

Discussing near-term outlook, Mr. Simon commented, "On July 20, 2026, the U.S. administration announced new tariffs on a number of products imported into the United States and we are conducting an assessment of the potential impact on our operations. Based on information currently available, certain tissue and packaging products exported to the United States could be subject to the announced 50% tariffs.

While this represents a notable development, we believe the potential impact is manageable. We are actively pursuing several tactical initiatives that we expect will materially mitigate the potential financial impact of these tariffs over the coming months. In addition to the direct effects of this announcement, some customers whose products are subject to these tariffs may experience weaker demand or reduce production levels, which could negatively affect volumes in certain segments. Based on our current assessment and the mitigation actions underway, we remain confident in our ability to successfully manage these challenges.

Looking ahead, this situation does not change our confidence in the earnings trajectory of the business. Supported by our ongoing profitability improvement initiatives and the momentum we continue to see across our operations, and excluding the potential impact of the announced tariffs, we now expect annual run-rate Adjusted EBITDA to exceed $600 million during the second half of 2026, surpassing our original objective. The implementation of previously announced selling price increases in both Packaging and Tissue is progressing as planned. In Packaging, the recent $50 per ton price increase, announced in June, is expected to further strengthen earnings momentum in the coming quarters.

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.

This confidence reflects the significant work completed over the past several quarters to make Cascades a more resilient and agile organization. Through operational excellence initiatives, cost optimization efforts and disciplined capital allocation, we have strengthened our ability to respond effectively to changing market conditions and navigate a period of heightened geopolitical uncertainty. We are also closely monitoring developments in the Middle East. Continued instability has increased volatility in energy markets, and sustained increases in oil prices could create additional inflationary pressures on transportation, manufacturing and other operating costs. We will continue to leverage the flexibility of our business model and disciplined cost-management approach to mitigate these pressures wherever possible.

We continue to make progress on the sale of non-core assets and remain committed to our objective of generating $230 million in proceeds. Although some transactions are taking longer than anticipated, this reflects our disciplined approach to ensuring we maximize value from these asset sales. Concurrently, we remain focused on improving our financial profile and creating long-term value for shareholders through a balanced approach to operational excellence, profitability improvement and disciplined capital allocation."

Financial Summary

Selected consolidated information

(in millions of Canadian dollars, except amounts per common share) (unaudited)	**Q2 2026**	Q1 2026	Q2 2025
Sales	**1,219**	1,125	1,187
As Reported			
Operating income	**58**	81	36
Net earnings (loss)	**21**	39	(3)
per common share (basic)	**$0.21**	$0.38	($0.03)
Adjusted[1]			
Earnings before interest, taxes, depreciation and amortization (EBITDA (A))	**140**	118	137
Net earnings	**24**	7	19
per common share (basic)	**$0.24**	$0.07	$0.19
Margin (EBITDA (A) / Sales)	**11.5%**	10.5%	11.5%
Net debt[1]	**1,879**	1,901	2,104
Net debt / EBITDA (A) ratio[1]	**3.3x**	3.3x	3.8x

Segmented sales

(in millions of Canadian dollars) (unaudited)	**Q2 2026**	Q1 2026	Q2 2025
Packaging Products	**772**	715	763
Tissue Papers	**409**	380	392
Inter-segment sales, Corporate, Recovery and Recycling activities	**38**	30	32
Sales	**1,219**	1,125	1,187

Segmented operating income (loss)

(in millions of Canadian dollars) (unaudited)	**Q2 2026**	Q1 2026	Q2 2025
Packaging Products	**68**	88	46
Tissue Papers	**20**	20	25
Corporate, Recovery and Recycling activities	**(30)**	(27)	(35)
Operating income	**58**	81	36

Segmented EBITDA (A)[1]

(in millions of Canadian dollars) (unaudited)	**Q2 2026**	Q1 2026	Q2 2025
Packaging Products	**120**	103	119
Tissue Papers	**35**	33	38
Corporate, Recovery and Recycling activities	**(15)**	(18)	(20)
EBITDA (A)[1]	**140**	118	137

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

Analysis of results for the three-month period ended June 30, 2026 (compared to the same period last year)

The Corporation's second quarter sales of $1,219 million increased by $32 million compared with the same period last year. This increase reflects consolidated net benefits of $13 million from higher average selling prices and a favourable sales mix of $21 million. However, these factors were partially offset by a $2 million impact from lower volumes, mainly in the Packaging Products segment, reflecting the impact of business closures and dispositions in previous quarters.

The second quarter EBITDA (A)[1] totaled $140 million, an increase of $3 million, or 2%, from the $137 million generated in the same period last year. This increase was driven by higher volumes, higher average selling prices and cost reduction initiatives across the Corporation's businesses. These impacts were partially offset by higher raw material and transportation costs.

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

- $3 million of gains related to the sale of a business and some assets in Canada and in the United States (operating income and net earnings);
- $2 million of restructuring costs related to corporate organizational changes (operating income and net earnings);
- $6 million loss on financial instruments (operating income and net earnings).

For the three-month period ended June 30, 2026, the Corporation posted net earnings of $21 million, or $0.21 per common share, compared to a net loss of $(3) million, or ($0.03) per common share, in the same period of 2025. On an adjusted basis[1], the Corporation posted net earnings of $24 million in the second quarter of 2026, or $0.24 per common share, compared to net earnings of $19 million, or $0.19 per common share, in the same period of 2025.

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

Dividend on common shares and normal course issuer bid

The Board of Directors of Cascades declared a quarterly dividend of $0.12 per common share to be paid on September 3, 2026 to shareholders of record at the close of business on August 20, 2026. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). During the second quarter of 2026, Cascades purchased no common shares for cancellation.

2026 Second Quarter Results Conference Call Details

Management will discuss the 2026 second quarter financial results during a conference call today at 9:00 a.m. ET. The call can be accessed by dialing 1-800-990-4777 (international 1-289-819-1299). The conference call, including the investor presentation, will be broadcast live on the Cascades website (www.cascades.com) under the "Investors" section. A replay of the call will be available on the Cascades website and may also be accessed by phone until September 6, 2026 by dialing 1-888-660-6345 (international 1-289-819-1450), access code 00655 #.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	**June 30, 2026**	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	**96**	48
Accounts receivable	**477**	426
Current income tax assets	**11**	12
Inventories	**706**	661
Current portion of financial assets	**5**	4
	1,295	1,151
Long-term assets		
Investments in associates and joint ventures	**68**	66
Property, plant and equipment	**2,641**	2,649
Intangible assets with finite useful life	**27**	30
Financial assets	**3**	5
Other assets	**110**	107
Deferred income tax assets	**182**	174
Goodwill and other intangible assets with indefinite useful life	**501**	491
	4,827	4,673
Liabilities and Equity		
Current liabilities		
Trade and other payables	**760**	697
Current income tax liabilities	**2**	4
Current portion of long-term debt	**78**	70
Current portion of provisions for charges	**5**	8
Current portion of financial liabilities and other liabilities	**29**	28
	874	807
Long-term liabilities		
Long-term debt	**1,897**	1,874
Provisions for charges	**58**	58
Financial liabilities	**14**	8
Other liabilities	**65**	74
Deferred income tax liabilities	**101**	97
	3,009	2,918
Equity		
Capital stock	**620**	619
Contributed surplus	**18**	17
Retained earnings	**1,077**	1,042
Accumulated other comprehensive income	**63**	43
Equity attributable to Shareholders	**1,778**	1,721
Non-controlling interests	**40**	34
Total equity	**1,818**	1,755
	4,827	4,673

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2026	2025	**2026**	2025
Sales	**1,219**	1,187	**2,344**	2,341
Supply chain and logistics	**751**	702	**1,430**	1,381
Wages and employee benefits expenses	**268**	275	**534**	555
Depreciation and amortization	**77**	72	**148**	141
Maintenance and repair	**58**	67	**118**	131
Other operational costs	**2**	6	**4**	12
Impairment charges	**—**	23	**8**	24
Other loss (gain)	**(3)**	1	**(52)**	5
Restructuring costs	**2**	1	**5**	6
Loss on derivative financial instruments	**6**	4	**10**	—
Operating income	**58**	36	**139**	86
Financing expenses	**28**	33	**59**	69
Share of results of associates and joint ventures	**(4)**	(3)	**(6)**	(6)
Earnings before income taxes	**34**	6	**86**	23
Provision for income taxes	**6**	3	**14**	8
Net earnings including non-controlling interests for the period	**28**	3	**72**	15
Net earnings attributable to non-controlling interests	**7**	6	**12**	11
Net earnings (loss) attributable to Shareholders for the period	**21**	(3)	**60**	4
Net earnings (loss) per common share				
Basic	**$0.21**	($0.03)	**$0.59**	$0.04
Diluted	**$0.21**	($0.03)	**$0.59**	$0.04
Weighted average basic number of common shares outstanding	**101,346,974**	101,152,145	**101,315,523**	101,073,415
Weighted average number of diluted common shares	**101,665,022**	101,169,690	**101,848,292**	101,294,977

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,	
	2026	2025	**2026**	2025
Net earnings including non-controlling interests for the period	**28**	3	**72**	15
Other comprehensive income (loss)				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in foreign currency translation of foreign subsidiaries	**21**	(63)	**36**	(104)
Change in foreign currency translation related to net investment hedging activities	**(10)**	34	**(17)**	74
Recovery of (provision for) income taxes	**1**	(5)	**2**	(5)
	12	(34)	**21**	(35)
Items that are not released to earnings				
Actuarial loss on employee future benefits	**(1)**	—	**(1)**	(1)
Other comprehensive income (loss)	**11**	(34)	**20**	(36)
Comprehensive income (loss) including non-controlling interests for the period	**39**	(31)	**92**	(21)
Comprehensive income attributable to non-controlling interests for the period	**7**	4	**13**	9
Comprehensive income (loss) attributable to Shareholders for the period	**32**	(35)	**79**	(30)

CONSOLIDATED STATEMENTS OF EQUITY

For the 6-month period ended June 30, 2026

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance - Beginning of period	**619**	**17**	**1,042**	**43**	**1,721**	**34**	**1,755**
Comprehensive income							
Net earnings	**—**	**—**	**60**	**—**	**60**	**12**	**72**
Other comprehensive income (loss)	**—**	**—**	**(1)**	**20**	**19**	**1**	**20**
	—	**—**	**59**	**20**	**79**	**13**	**92**
Dividends	**—**	**—**	**(24)**	**—**	**(24)**	**(7)**	**(31)**
Stock options expense	**—**	**1**	**—**	**—**	**1**	**—**	**1**
Issuance of common shares upon exercise of stock options	**1**	**—**	**—**	**—**	**1**	**—**	**1**
Balance - End of period	**620**	**18**	**1,077**	**63**	**1,778**	**40**	**1,818**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30, 2026	2025	For the 6-month periods ended June 30, 2026	2025
Operating activities				
Net earnings (loss) attributable to Shareholders for the period	**21**	(3)	**60**	4
Adjustments for:				
Financing expenses	**28**	33	**59**	69
Depreciation and amortization	**77**	72	**148**	141
Impairment charges	**—**	23	**8**	24
Other loss (gain)	**(3)**	1	**(52)**	5
Restructuring costs	**2**	1	**5**	6
Loss on derivative financial instruments	**6**	4	**10**	—
Provision for income taxes	**6**	3	**14**	8
Share of results of associates and joint ventures	**(4)**	(3)	**(6)**	(6)
Net earnings attributable to non-controlling interests	**7**	6	**12**	11
Net financing expenses paid	**(11)**	(25)	**(63)**	(74)
Net income taxes paid	**(5)**	(5)	**(9)**	(7)
Dividends received	**7**	7	**7**	7
Payments, net of provisions, for charges and other liabilities, and other non-cash items	**(12)**	(22)	**(18)**	(51)
	119	92	**175**	137
Changes in non-cash working capital components	**(3)**	(25)	**(41)**	(122)
	116	67	**134**	15
Investing activities				
Payments for property, plant and equipment	**(40)**	(44)	**(68)**	(80)
Proceeds from disposals of property, plant and equipment	**3**	26	**34**	26
Change in intangible and other assets	**2**	—	**1**	1
Proceeds from business disposal	**2**	—	**62**	—
	(33)	(18)	**29**	(53)
Financing activities				
Bank loans and advances	**—**	(1)	**—**	(7)
Change in credit facilities	**1**	(375)	**(1)**	(72)
Change in credit facilities without recourse to the Corporation	**(35)**	120	**(39)**	121
Issuance of unsecured senior notes, net of related expenses	**—**	541	**—**	541
Repurchase of unsecured senior notes	**—**	(281)	**—**	(456)
Payments of other long-term debt, including lease obligations (2026 - $44 million for the 6-month period ($23 million for the 3-month period); 2025 - $39 million for the 6-month period ($21 million for the 3-month period))	**(23)**	(21)	**(44)**	(40)
Issuance of common shares upon exercise of stock options	**1**	1	**1**	2
Dividends paid to non-controlling interests	**(3)**	(24)	**(7)**	(27)
Dividends paid to the Corporation’s Shareholders	**(12)**	(12)	**(24)**	(24)
	(71)	(52)	**(114)**	38
Net change in cash and cash equivalents during the period	**12**	(3)	**49**	—
Currency translation on cash and cash equivalents	**(1)**	—	**(1)**	(1)
Cash and cash equivalents - Beginning of the period	**85**	29	**48**	27
Cash and cash equivalents - End of the period	**96**	26	**96**	26

SEGMENTED INFORMATION

The Corporation's operations are managed in two segments: Packaging Products and Tissue Papers. The accounting policies of the reportable segments are the same as the Corporation's accounting policies described in the most recent Audited Consolidated Financial Statements for the year ended December 31, 2025.

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

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

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

Sales by business segment are shown in the following table:

For the 3-month periods ended June 30 (in millions of Canadian dollars) (unaudited)	SALES 2026			2025		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	**772**	**(6)**	**766**	763	(11)	752
Tissue Papers	**409**	**—**	**409**	392	—	392
Corporate, Recovery and Recycling activities	**72**	**(28)**	**44**	73	(30)	43
	1,253	**(34)**	**1,219**	1,228	(41)	1,187

For the 6-month periods ended June 30 (in millions of Canadian dollars) (unaudited)	SALES 2026			2025		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	**1,487**	**(12)**	**1,475**	1,525	(24)	1,501
Tissue Papers	**789**	**—**	**789**	756	—	756
Corporate, Recovery and Recycling activities	**134**	**(54)**	**80**	146	(62)	84
	2,410	**(66)**	**2,344**	2,427	(86)	2,341

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

	For the 3-month period ended June 30, 2026			
(in millions of Canadian dollars) (unaudited)	**Packaging Products**	**Tissue Papers**	**Corporate, Recovery and Recycling activities**	**Consolidated**
Operating income (loss)	**68**	**20**	**(30)**	**58**
Depreciation and amortization	**53**	**15**	**9**	**77**
Other gain	**(3)**	**—**	**—**	**(3)**
Restructuring costs	**—**	**—**	**2**	**2**
Loss on derivative financial instruments	**2**	**—**	**4**	**6**
EBITDA (A)	**120**	**35**	**(15)**	**140**
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	**610**	**354**	**55**	**1,019**

(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
	For the 3-month period ended June 30, 2025			
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
Loss (gain) on derivative financial instruments	(1)	—	5	4
EBITDA (A)	119	38	(20)	137
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	594	331	52	977

(in millions of Canadian dollars) (unaudited)	**Packaging Products**	**Tissue Papers**	**Corporate, Recovery and Recycling activities**	**Consolidated**
	For the 6-month period ended June 30, 2026			
Operating income (loss)	**156**	**40**	**(57)**	**139**
Depreciation and amortization	**102**	**28**	**18**	**148**
Impairment charges	**8**	**—**	**—**	**8**
Other gain	**(50)**	**—**	**(2)**	**(52)**
Restructuring costs	**1**	**—**	**4**	**5**
Loss on derivative financial instruments	**6**	**—**	**4**	**10**
EBITDA (A)	**223**	**68**	**(33)**	**258**
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	**1,178**	**681**	**105**	**1,964**

(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
	For the 6-month period ended June 30, 2025			
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
Loss (gain) on derivative financial instruments	(3)	—	3	—
EBITDA (A)	228	75	(41)	262
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	1,197	635	104	1,936

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)	**2026**	2025	**2026**	2025
Packaging Products	**34**	33	**80**	67
Tissue Papers	**16**	14	**23**	22
Corporate, Recovery and Recycling activities	**5**	1	**21**	7
Total acquisitions	**55**	48	**124**	96
Right-of-use assets acquisitions (non-cash)	**(12)**	(10)	**(57)**	(34)
	43	38	**67**	62
Acquisitions for property, plant and equipment included in “Trade and other payables”				
Beginning of the period	**13**	20	**17**	32
End of the period	**(16)**	(14)	**(16)**	(14)
Payments for property, plant and equipment	**40**	44	**68**	80
Proceeds from disposals of property, plant and equipment	**(3)**	(26)	**(34)**	(26)
Payments for property, plant and equipment net of proceeds from disposals	**37**	18	**34**	54

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

SPECIFIC ITEMS

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

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

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

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

Non-IFRS Accounting Standards measures

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

Other financial measures

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

Non-IFRS Accounting Standards ratios

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

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

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

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

The CODM assesses the performance of each reportable segment based on sales and earnings before interest, taxes, depreciation and amortization, adjusted to exclude specific items (EBITDA (A))[1]. The CODM considers EBITDA (A)[1] to be the best performance measure of the Corporation's activities.

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

	Q2 2026			
(in millions of Canadian dollars) (unaudited)	**Packaging Products**	**Tissue Papers**	**Corporate, Recovery and Recycling activities**	**Consolidated**
Operating income (loss)	**68**	**20**	**(30)**	**58**
Depreciation and amortization	**53**	**15**	**9**	**77**
Other gain	**(3)**	**—**	**—**	**(3)**
Restructuring costs	**—**	**—**	**2**	**2**
Loss on derivative financial instruments	**2**	**—**	**4**	**6**
EBITDA (A)[1]	**120**	**35**	**(15)**	**140**
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	**610**	**354**	**55**	**1,019**

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

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

(in millions of Canadian dollars) (unaudited)	Q2 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
Loss (gain) on derivative financial instruments	(1)	—	5	4
EBITDA (A)[1]	119	38	(20)	137
Supply chain and logistics and Wage and employee benefits expenses included in operating income (loss)	594	331	52	977

The following table reconciles net earnings (net loss) and net earnings (net loss) per common share, as reported, with adjusted net earnings[1] and adjusted net earnings per common share[1]:

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	**NET EARNINGS (NET LOSS)**			**NET EARNINGS (NET LOSS) PER COMMON SHARE**[2]		
	Q2 2026	Q1 2026	Q2 2025	**Q2 2026**	Q1 2026	Q2 2025
As reported	**21**	39	(3)	**$0.21**	$0.38	($0.03)
Specific items:						
Impairment charges	**—**	8	23	**—**	$0.06	$0.17
Other loss (gain)	**(3)**	(49)	1	**($0.02)**	($0.42)	$0.01
Restructuring costs	**2**	3	1	**$0.01**	$0.02	—
Loss on derivative financial instruments	**6**	4	4	**$0.04**	$0.03	$0.03
Loss on repurchase of long-term debt	**—**	—	1	**—**	—	$0.01
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest[2]	**(2)**	2	(8)	**—**	—	—
	3	(32)	22	**$0.03**	($0.31)	$0.22
Adjusted[1]	**24**	7	19	**$0.24**	$0.07	$0.19
Weighted average basic number of common shares outstanding				**101,346,974**	101,283,722	101,152,145

The following table reconciles cash flow from operating activities with EBITDA (A)[1]:

(in millions of Canadian dollars) (unaudited)	**Q2 2026**	Q1 2026	Q2 2025
Cash flow from operating activities	**116**	18	67
Changes in non-cash working capital components	**3**	38	25
Net income taxes paid	**5**	4	5
Net financing expenses paid	**11**	52	25
Payments, net of provisions, for charges and other liabilities, and non-cash items, net of dividends received	**5**	6	15
EBITDA (A)[1]	**140**	118	137

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

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

The following table reconciles cash flow from operating activities with cash flow from operating activities (excluding changes in non-cash working capital components) and adjusted cash flow from operating activities[1]. It also reconciles adjusted cash flow from operating activities[1] to adjusted cash flow generated (used)[1] before specific items, which is also calculated on a per common share basis:

(in millions of Canadian dollars, except per common share amounts or otherwise noted) (unaudited)	Q2 2026	Q1 2026	Q2 2025
Cash flow from operating activities	**116**	18	67
Changes in non-cash working capital components	**3**	38	25
Cash flow from operating activities (excluding changes in non-cash working capital components)	**119**	56	92
Restructuring costs paid	**4**	3	9
Adjusted cash flow from operating activities[1]	**123**	59	101
Payments for property, plant and equipment	**(40)**	(28)	(44)
Change in intangible and other assets	**2**	(1)	—
Lease obligation payments	**(23)**	(21)	(21)
	62	9	36
Dividends paid to non-controlling interests	**(3)**	(4)	(24)
Dividends paid to the Corporation's Shareholders and to non-controlling interests	**(12)**	(12)	(12)
Adjusted cash flow generated (used) before specific items[1, 2]	**47**	(7)	—
Adjusted cash flow generated (used) before specific items per common share[1, 2] (in Canadian dollars)	**$0.46**	($0.07)	$—
Weighted average basic number of common shares outstanding	**101,346,974**	101,283,722	101,152,145

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

(in millions of Canadian dollars) (unaudited)	June 30, 2026	March 31, 2026	June 30, 2025
Long-term debt	**1,897**	1,908	2,057
Current portion of long-term debt	**78**	78	70
Bank loans and advances	**—**	—	3
Total debt[1]	**1,975**	1,986	2,130
Less: Cash and cash equivalents	**(96)**	(85)	(26)
Net debt[1] as reported	**1,879**	1,901	2,104
Last twelve months EBITDA (A)[1]	**572**	569	548
Net debt / EBITDA (A) ratio[1]	**3.3x**	3.3x	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 "Adjusted cash flow generated (used) before specific items" has been aligned to conform with the current year's presentation.

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