Quarterly Report 2
for the three-month and six-month periods ended June 30, 2026 and 2025

Cascades
Source of possibilities

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FORWARD-LOOKING STATEMENT

The following document is the quarterly financial report and Management's Discussion and Analysis ("MD&A") of the operating results and financial position of Cascades Inc. ("Cascades" or "the Corporation") and should be read in conjunction with the Corporation's Unaudited Condensed Interim Consolidated Financial Statements and accompanying notes for the three-month and six-month periods ended June 30, 2026 and 2025, together with the most recent Audited Consolidated Financial Statements. Information contained herein includes any significant developments as of August 5, 2026, the date on which the MD&A was approved by the Corporation's Board of Directors. For additional information, readers are referred to the Corporation's Annual Information Form ("AIF"), which is published separately. Additional information relating to the Corporation is also available on the SEDAR+ website at www.sedarplus.ca.

The financial information contained herein, including tabular amounts, is expressed in Canadian dollars, unless otherwise specified, and is prepared unless otherwise stated in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards). Unless otherwise specified or if required by the context, the terms "we," "our," and "us" refer to Cascades Inc. and all of its subsidiaries, joint ventures, and associates.

This MD&A is intended to provide readers with information that Management believes is necessary to understand Cascades' current results and to assess the Corporation's future prospects. Consequently, certain statements herein, including statements regarding future results and performance, are forward-looking statements within the meaning of securities legislation, based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, economic conditions generally, decreases in demand for the Corporation's products, the cost and availability of raw materials, changes in the relative values of certain currencies, fluctuations in selling prices and adverse changes in market and general industry conditions. Cascades disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required under applicable securities legislation. This MD&A also includes price indices, as well as variance and sensitivity analysis that are intended to provide the reader with a better understanding of the trends with respect to our business activities. This information is based on the best estimates available to the Corporation.

MANAGEMENT'S DISCUSSION & ANALYSIS
TO OUR SHAREHOLDERS

FINANCIAL SNAPSHOT

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	Q2 2026	Q1 2026	Q2 2025
Sales	**1,219**	1,125	1,187
Operating income	**58**	81	36
EBITDA (A)[1]	**140**	118	137
EBITDA (A) as a percentage of sales[1]	**11.5%**	10.5%	11.5%
Net earnings (loss)			
As reported	**21**	39	(3)
Adjusted[1]	**24**	7	19
Net earnings (loss) per common share (basic) (in Canadian dollars)			
As reported	**$0.21**	$0.38	($0.03)
Adjusted[1]	**$0.24**	$0.07	$0.19
Capital expenditures, net of disposals	**37**	(3)	18
Dividends declared per common share (in Canadian dollars)	**$0.12**	$0.12	$0.12
FINANCIAL POSITION			
Total assets	**4,827**	4,742	4,759
Net debt[1]	**1,879**	1,901	2,104
Net debt / EBITDA (A) ratio[1]	**3.3x**	3.3x	3.8x
Equity attributable to Shareholders	**1,778**	1,757	1,673
per common share (in Canadian dollars)	**$17.53**	$17.34	$16.53
Working capital as a percentage of sales[1, 2]	**8.9%**	9.4%	10.0%
KEY INDICATORS			
Total shipments (in '000 of s.t.)[3]	**547**	505	544
US$/CAN$ - Average exchange rate	**$0.722**	$0.729	$0.723

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 include the elimination of inter-segment shipments. Shipments include paper rolls, corrugated packaging and tissue papers.*

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

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

(in millions of Canadian dollars) (unaudited)	Q2 2026 vs Q1 2026	Q2 2026 vs Q2 2025	2026 vs 2025 (six months)
Average selling prices	**7**	13	30
Operating costs	**(2)**	(22)	(58)
Volume and mix	**32**	16	12
Raw materials	**(15)**	(4)	12
Variances in EBITDA (A)[1]	**22**	3	(4)

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.

/s/ Hugues Simon

HUGUES SIMON
President and Chief Executive Officer
August 5, 2026

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

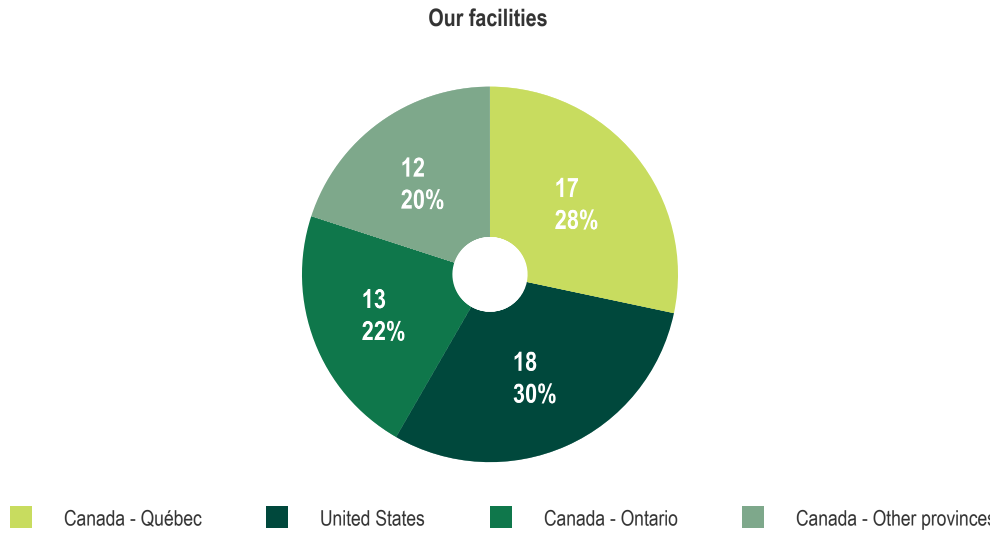
2 For definitions of certain EBITDA (A)[1] variation categories, please refer to the "Financial Overview" section for more details.

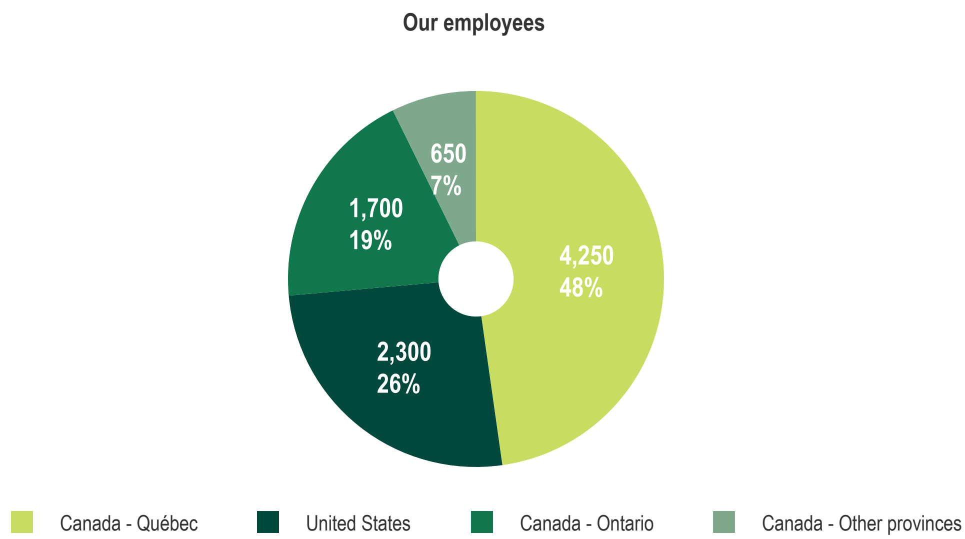
OUR BUSINESS

Cascades Inc. is a paper and packaging company that produces, converts and sells packaging and tissue products composed primarily of recycled fibres. Established in 1964 in Kingsey Falls, Québec, Canada, the Corporation was founded by the Lemaire brothers, who saw the economic and social potential of building a company focused primarily on the sustainable development principles of reusing, recovering and recycling. Sixty years later, Cascades is a multinational business with 60 operating facilities[1, 4], including 17 Recovery and Recycling facilities which are part of Corporate Activities, and approximately 8,900 employees across Canada and the United States[1]. The Corporation operates two business segments:

(Business segments) (unaudited)	Number of facilities[1, 4]	Number of employees[1]	Q2 2026 Sales[2] (in $M)	% of sales	Q2 2026 Operating income (in $M)	Q2 2026 EBITDA (A)[2, 3] (in $M)	Q2 2026 EBITDA (A) Margin[2, 3] (%)	% of EBITDA (A)[3]
PACKAGING PRODUCTS	33	4,600	772	65.4%	68	120	15.5%	77.4%
TISSUE PAPERS	10	2,050	409	34.6%	20	35	8.6%	22.6%

Geographic locations of our facilities[1, 4] and employees[1] 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 8 of the 2025 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 2026 and 2025 results.

TARIFFS

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.

PACKAGING PRODUCTS

- On April 1, 2026, the Corporation announced a structuring partnership for the forestry sector in the Bas-Saint-Laurent region. Solifor has acquired Cascades' private forest lands in Kamouraska and Témiscouata, representing 10,500 hectares. The agreement will allow development of these lands to continue and help secure the long-term supply of Cascades' Cabano plant. On March 31, 2026, the parties completed the $20 million transaction. On April 8, 2026, the Corporation received $20 million held in trust.

- On February 5, 2026, the Corporation announced the closure of its activities in the honeycomb paperboard and partition packaging products sectors. As a result, the closure of the Berthierville honeycomb packaging plant in Québec, Canada, was effective immediately. Certain assets were sold for $9 million, generating a gain before taxes of less than one million dollars in the first quarter. The York facility in Pennsylvania, United States, was closed permanently on February 19, 2026. Certain assets were sold for $2 million, generating a gain before taxes of $2 million in the second quarter. The Saint-Césaire facility in Québec, Canada, was sold on April 25, 2026, for $1 million, resulting in a less than one million dollars gain before taxes in the second quarter.

- On January 29, 2026, the Corporation announced the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada, for $65.5 million. The Corporation received and recorded, net of legal fees and the assumption of certain liabilities, an amount of $61 million, including $2 million for the final working capital adjustment in the second quarter. The gain before taxes was $35 million.

- On October 8, 2025, the Corporation announced the sale of Flexible Packaging plant activities in Ontario, Canada, for $31 million. The gain before taxes was $21 million subject to closing adjustments as per the sale agreement. The Corporation retains ownership of the site's real estate. In the first quarter of 2026, the Corporation received and recorded a gain on disposal of $1 million from the final working capital adjustment.

- On July 8, 2025, the Corporation announced an optimization of its packaging production platform by closing its corrugated medium manufacturing plant located in Niagara Falls, New York, United States, effective August 11, 2025.

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

TISSUE PAPERS

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

RECOVERY AND RECYCLING ACTIVITIES

- On February 4, 2025, the Corporation announced the closure of its Recovery and Recycling site in Lachine, Québec, Canada, effective April 11, 2025. The real estate was sold on July 28, 2026, for $9 million, resulting in a $8 million gain before taxes in the third quarter.

SIGNIFICANT FACTS

2026

- On July 31, 2026, the Corporation entered into an agreement with its lenders to extend the maturity of its existing revolving credit facility from July 2029 to July 2030. The financial conditions remained unchanged.

- On July 31, 2026, the Corporation entered into an agreement with its lenders to extend the maturity of its existing term loan from December 2027 to July 2031. The financial conditions remained unchanged.

- On July 31, 2026, the Corporation's subsidiary, Greenpac, entered into an agreement with the banking syndicate to extend the maturity of its existing revolving credit facility from June 2028 to July 2029. The financial conditions remained unchanged.

2025

- On December 29, 2025, the Corporation repaid its US$25 million ($34 million) drawn from its delayed draw unsecured term loan credit facility maturing on December 31, 2026.

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

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

- On May 28, 2025, the Corporation announced that it had priced its private placement in the amount of US$400 million ($547 million) aggregate principal at 6.75% senior notes due July 15, 2030 (the "Notes"). The Notes were issued at a price of 100% of their principal amount. The closing of the offering of the Notes occurred on June 11, 2025. The Corporation used the proceeds from the offering to redeem all of its outstanding senior notes due January 15, 2026, in the amount of US$206 million ($281 million) aggregate principal and to repay a portion of the borrowings outstanding under its revolving credit facility, and to pay related transaction fees and expenses of $6 million. The Corporation also wrote off $1 million unamortized financing expenses related to these notes.

- On January 31, 2025, the $175 million delayed draw unsecured term loan credit facility was replaced by a delayed draw unsecured term loan credit facility of US$121 million maturing on December 31, 2026. On this date, an amount of US$25 million ($36 million) has been drawn from the facility.

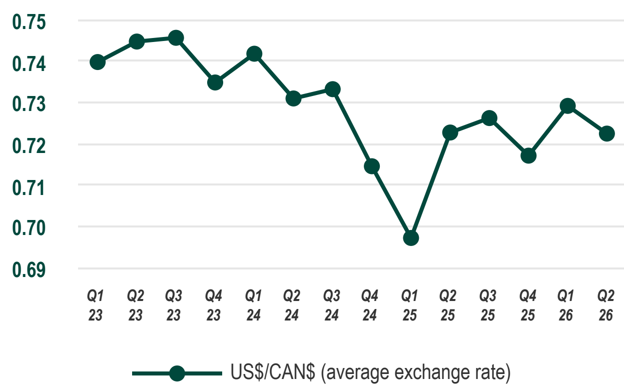
- On January 15, 2025, the Corporation repaid its $175 million unsecured 5.125% senior notes due in 2025 with its revolving credit facility.

BUSINESS DRIVERS

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

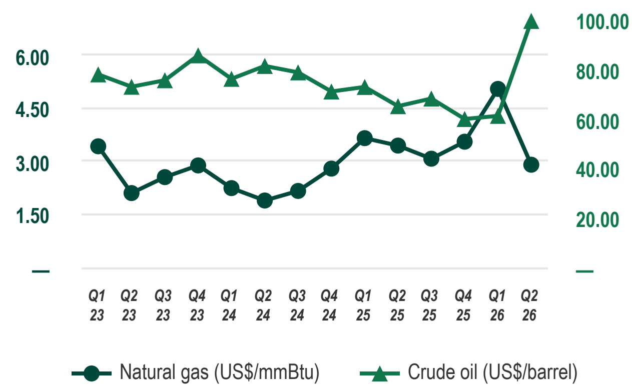
EXCHANGE RATES[1]

Sequentially, the average exchange rate of the Canadian dollar decreased by 1% compared to the US dollar in the second quarter of 2026. On year-over-year, the average exchange rate of the Canadian dollar was stable compared to the US dollar.



ENERGY COSTS[1]

During the second quarter of 2026, the average price of natural gas decreased by 42% sequentially and decreased by 16% compared to the same period last year. In the case of crude oil, the average price was 63% higher sequentially and 53% higher year-over-year.



	2024					2025					**2026**		
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**	**Q2**	**YTD**[2]
US$/CAN$ (average exchange rate)	$0.742	$0.731	$0.733	$0.714	$0.730	$0.697	$0.723	$0.726	$0.717	$0.716	**$0.729**	**$0.722**	**$0.726**
US$/CAN$ (end of the period exchange rate)	$0.739	$0.731	$0.740	$0.695	$0.695	$0.695	$0.735	$0.719	$0.729	$0.729	**$0.719**	**$0.704**	**$0.704**
Natural Gas Henry Hub (US$/ mmBtu)	$2.24	$1.89	$2.16	$2.79	$2.27	$3.65	$3.44	$3.07	$3.55	$3.43	**$5.04**	**$2.90**	**$3.97**
Crude oil (US$/barrel)	$76.07	$81.26	$78.66	$70.96	$76.74	$72.79	$65.04	$68.12	$59.87	$66.45	**$61.13**	**$99.41**	**$80.27**

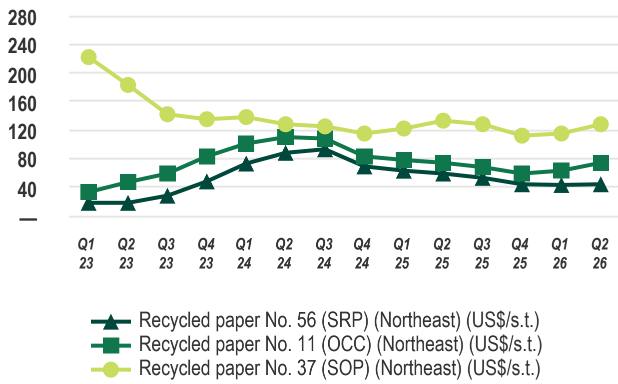
1 *Source: Bloomberg*

2 *year-to-date*

RAW MATERIALS

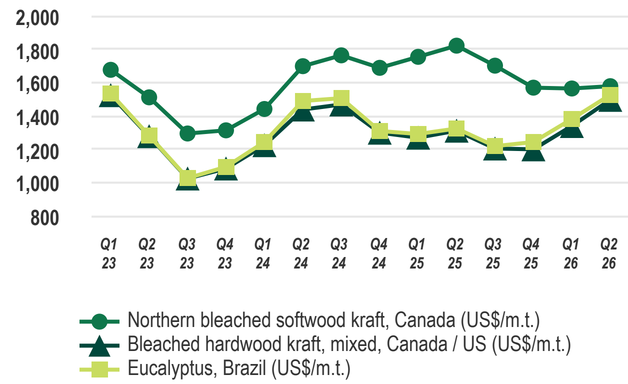
Reference prices - recycled fibre costs in North America[1]

During the second quarter of 2026, the recycled paper No. 56 (sorted residential papers, SRP) index price increased by 2% sequentially and decreased by 25% year-over-year, while the brown recycled grade paper No. 11 (old corrugated containers, OCC) index price increased by 17% sequentially and was stable year-over-year. The white recycled paper grade No. 37 (sorted office papers, SOP) index price increased by 11% sequentially and decreased by 4% year-over-year.



Reference prices - virgin pulp in North America[1]

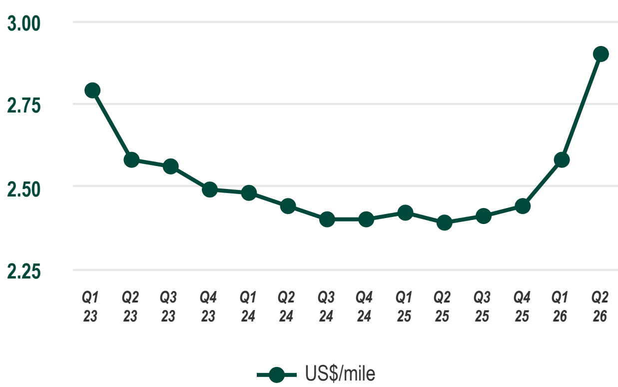
During the second quarter of 2026, the reference price for NBSK increased by 1% sequentially and decreased by 13% year-over-year, while the reference price for NBHK and eucalyptus increased by 12% and 11%, respectively, sequentially and increased by 14% and 15%, respectively, year-over-year.



FREIGHT

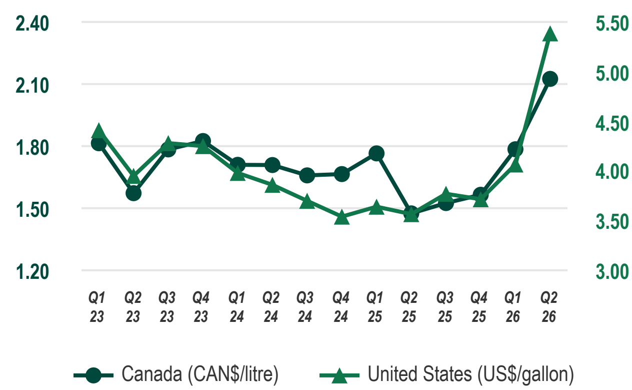
US national van rates[2]

During the second quarter of 2026, the average national van rate increased by 12% sequentially and increased by 21% year-over-year.



Diesel[3]

During the second quarter of 2026, the average price of diesel increased by 19% in Canada and by 33% in the United States, respectively, sequentially and increased by 44% in Canada and by 51% in the United States, respectively, year-over-year.



	2024					2025					2026		
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**	**Q2**	**YTD[4]**
US national van rates (US$/mile)	$2.48	$2.44	$2.40	$2.40	$2.43	$2.42	$2.39	$2.41	$2.44	$2.42	**$2.58**	**$2.90**	**$2.74**
Diesel Canada (CAN$/litre)	$1.70	$1.70	$1.65	$1.66	$1.68	$1.76	$1.47	$1.52	$1.56	$1.58	**$1.78**	**$2.12**	**$1.95**
Diesel United States (US$/gallon)	$3.97	$3.85	$3.69	$3.53	$3.76	$3.63	$3.56	$3.76	$3.71	$3.66	**$4.06**	**$5.38**	**$4.72**

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 *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. These indicators are as follows:

					2024					2025			**2026**	**LTM**[6]
(unaudited)	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	441	444	450	442	1,777	421	424	434	403	1,682	**392**	**426**	**818**	***1,655***
Tissue Papers	115	122	122	121	480	110	120	128	122	480	**113**	**121**	**234**	***484***
Total	556	566	572	563	2,257	531	544	562	525	2,162	**505**	**547**	**1,052**	***2,139***
Integration rate[2]														
Packaging Products	51%	50%	51%	50%	51%	51%	51%	51%	54%	51%	**53%**	**53%**	**53%**	***53%***
Tissue Papers	94%	94%	94%	94%	94%	94%	94%	94%	97%	95%	**100%**	**100%**	**100%**	***98%***
Manufacturing capacity utilization rate[3]														
Packaging Products	94%	88%	91%	88%	90%	86%	86%	92%	88%	88%	**91%**	**98%**	**95%**	***92%***
Tissue Papers	95%	93%	93%	98%	95%	93%	91%	98%	96%	95%	**90%**	**92%**	**91%**	***94%***
FINANCIAL														
Working capital														
In millions of CAN$, at the end of the period[4]	460	474	460	406		529	508	449	390		**440**	**423**		
As a percentage of sales[4, 5]	9.8%	9.5%	9.2%	9.6%		9.8%	10.0%	9.9%	9.8%		**9.4%**	**8.9%**		

1 *Shipments do not include the elimination of inter-segment shipments. Shipments include 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 ended in Q3 2025.*

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 *last twelve months*

7 *year-to-date*

HISTORICAL MARKET PRICES OF MAIN PRODUCTS AND RAW MATERIALS

	2024					2025		2026	Q2 2026 vs. Q2 2025		Q2 2026 vs. Q1 2026	
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$/short ton)												
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	885	932	945	945	945	942	**945**	**1,012**	**67**	**7%**	**67**	**7%**
Corrugating medium 26-lb. semichemical, Eastern US (open market)	773	822	835	835	835	832	**835**	**902**	**67**	**8%**	**67**	**8%**
Uncoated recycled boxboard - bending chip, 20 pt. (series B)	1,048	1,070	1,093	1,110	1,110	1,096	**1,110**	**1,170**	**77**	**7%**	**60**	**5%**
TISSUE PAPERS (US$/short ton)												
Parent rolls, recycled fibres (transaction)	1,178	1,132	1,131	1,122	1,105	1,123	**1,089**	**1,100**	**(31)**	**(3%)**	**11**	**1%**
Parent rolls, virgin fibres (transaction)	1,503	1,459	1,476	1,444	1,422	1,451	**1,392**	**1,420**	**(56)**	**(4%)**	**28**	**2%**
Raw material prices (average)												
RECYCLED PAPER												
North America (US$/short ton)												
Sorted residential papers, No. 56 (SRP - Northeast average)	80	63	59	53	44	55	**43**	**44**	**(15)**	**(25%)**	**1**	**2%**
Old corrugated containers, No. 11 (OCC - Northeast average)	100	78	74	68	59	70	**63**	**74**	**—**	**—%**	**11**	**17%**
Sorted office papers, No. 37 (SOP - Northeast average)	127	122	133	128	112	124	**115**	**128**	**(5)**	**(4%)**	**13**	**11%**
VIRGIN PULP (US$/metric ton)												
Northern bleached softwood kraft, Canada	1,646	1,753	1,820	1,700	1,568	1,710	**1,563**	**1,577**	**(243)**	**(13%)**	**14**	**1%**
Bleached hardwood kraft, mixed, Canada/US	1,356	1,268	1,310	1,203	1,198	1,245	**1,338**	**1,495**	**185**	**14%**	**157**	**12%**
Eucalyptus, Brazil	1,386	1,290	1,323	1,217	1,242	1,268	**1,380**	**1,525**	**202**	**15%**	**145**	**11%**

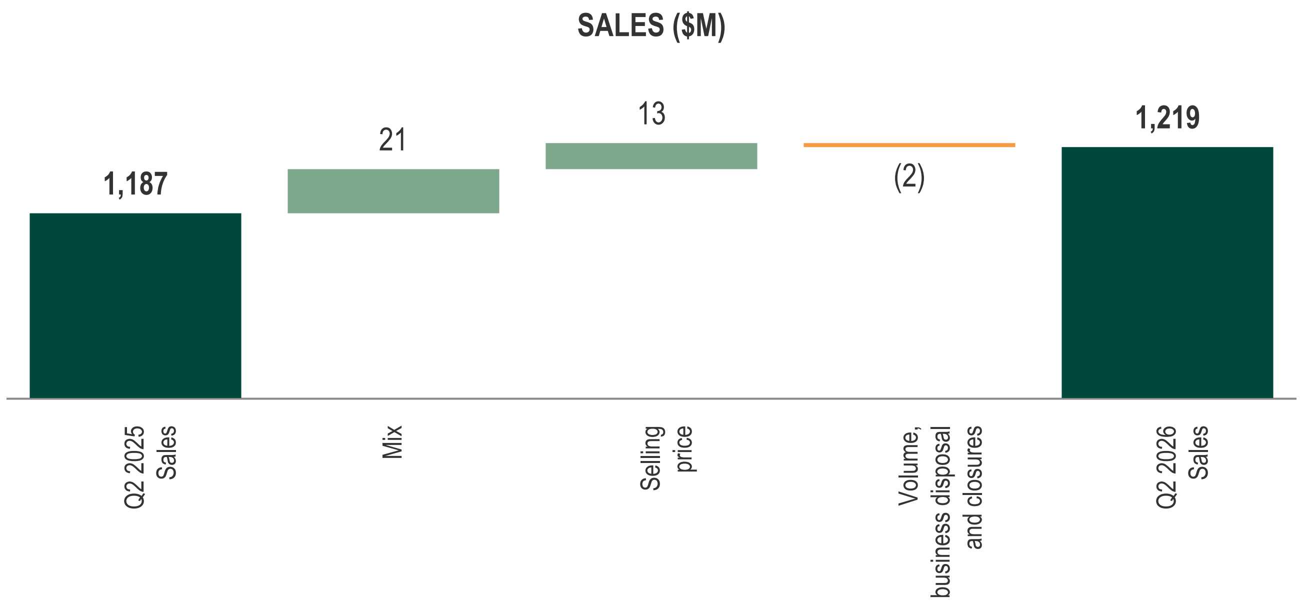
Sources: RISI and Cascades

FINANCIAL OVERVIEW - 2026

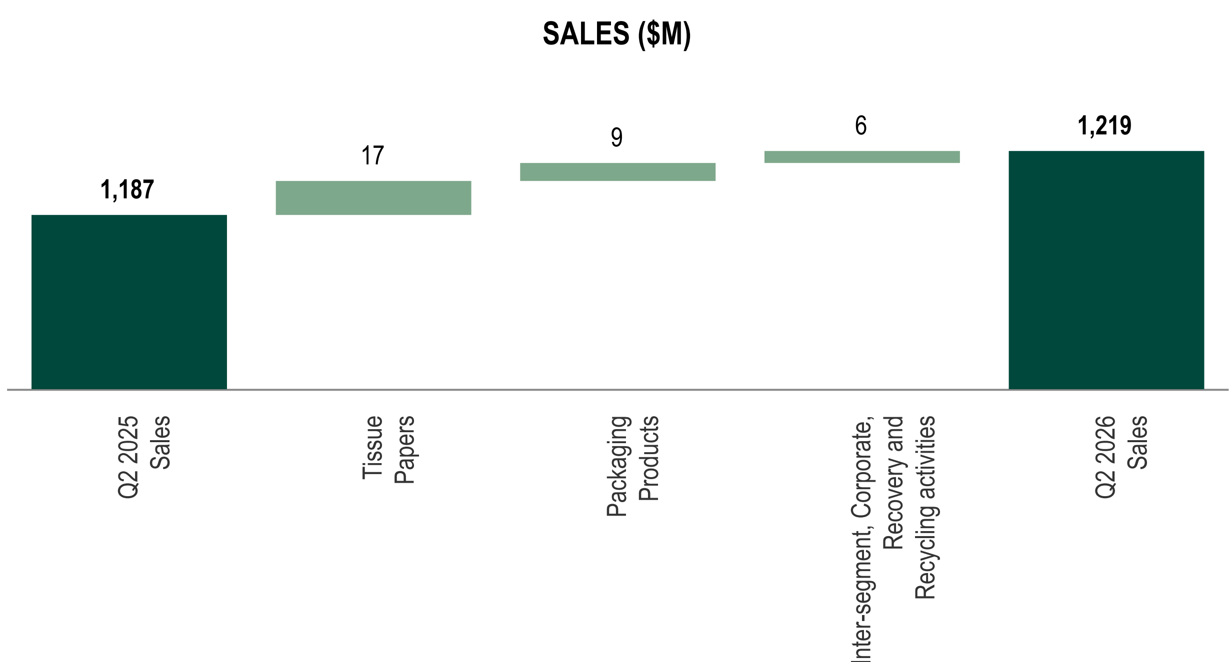
SALES

Sales of $1,219 million increased by $32 million, or 3%, in the second quarter of 2026 compared to $1,187 million in the same period of 2025. Sales levels benefited from a favourable sales mix and from higher average selling prices in all segments as well as higher volumes in the Tissue Papers segment. However, these benefits were partially offset by lower volumes in the Packaging Products segment, due to the sale or closure of assets in the last twelve months.

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

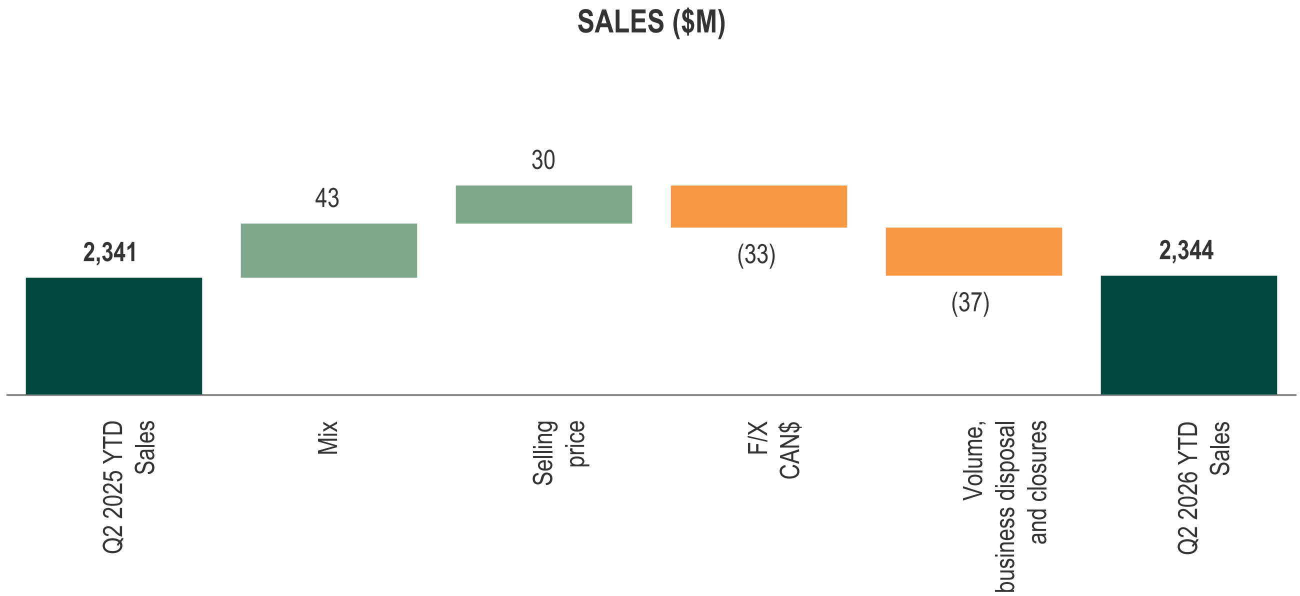


The reconciliation of sales by segment in the second quarter of 2026, compared to the same period of 2025, is shown below:
(in millions of Canadian dollars)

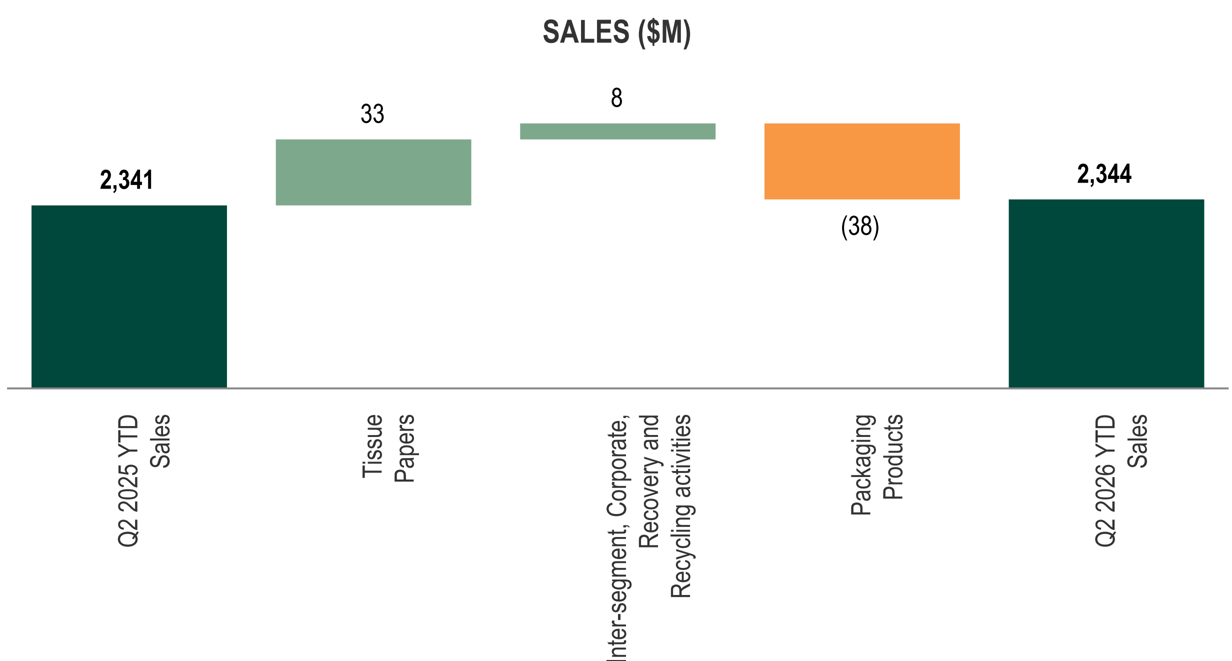


For the six-month period ended June 30, 2026, consolidated sales totaled $2,344 million, an increase of $3 million, compared to $2,341 million in the same period of 2025. Sales levels benefited from a favourable sales mix and from higher average selling prices in all segments as well as higher volumes in the Tissue Papers segment. These benefits were partially offset by an unfavourable foreign exchange rate in all segments and by lower volumes in the Packaging Products segment, following the sale or closure of assets in the last twelve months.

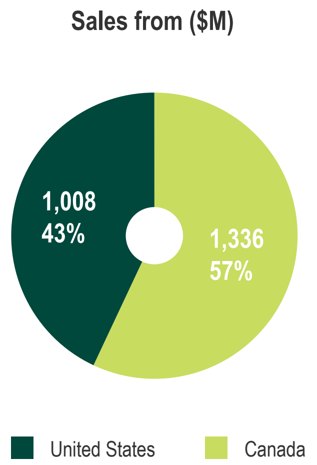
The main variances in sales in the first half of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)

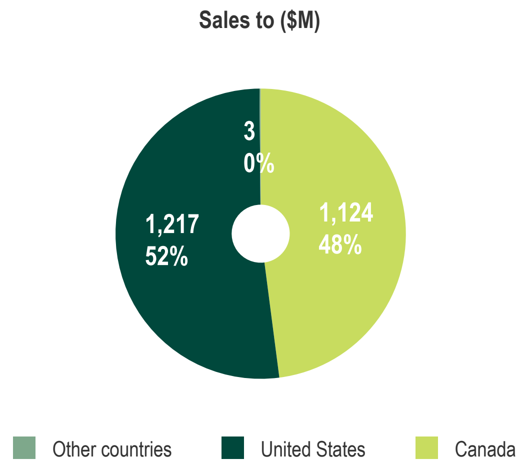


Reconciliation of sales by segment in the first half of 2026, compared to the same period of 2025, is shown below:
(in millions of Canadian dollars)



Sales, in the first half of 2026, by geographic segment were as follows:
(in millions of Canadian dollars)



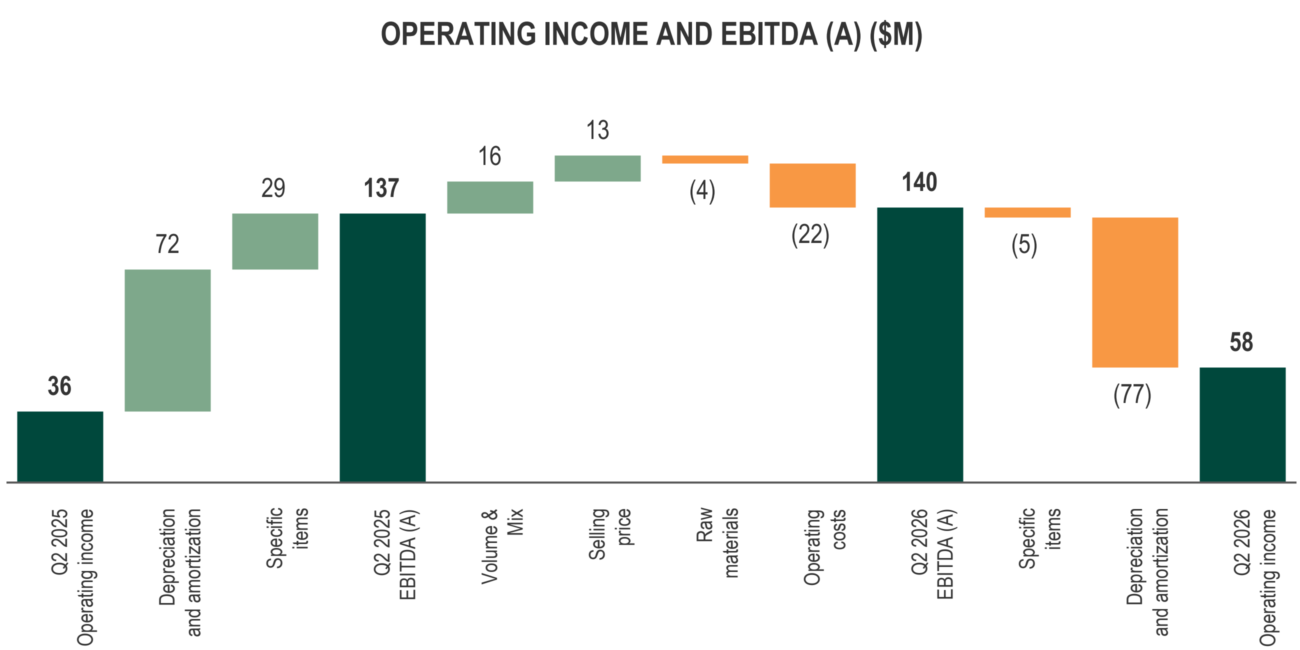


For further details, please refer to Note 9 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2026 and 2025.

OPERATING INCOME AND EBITDA (A)[1]

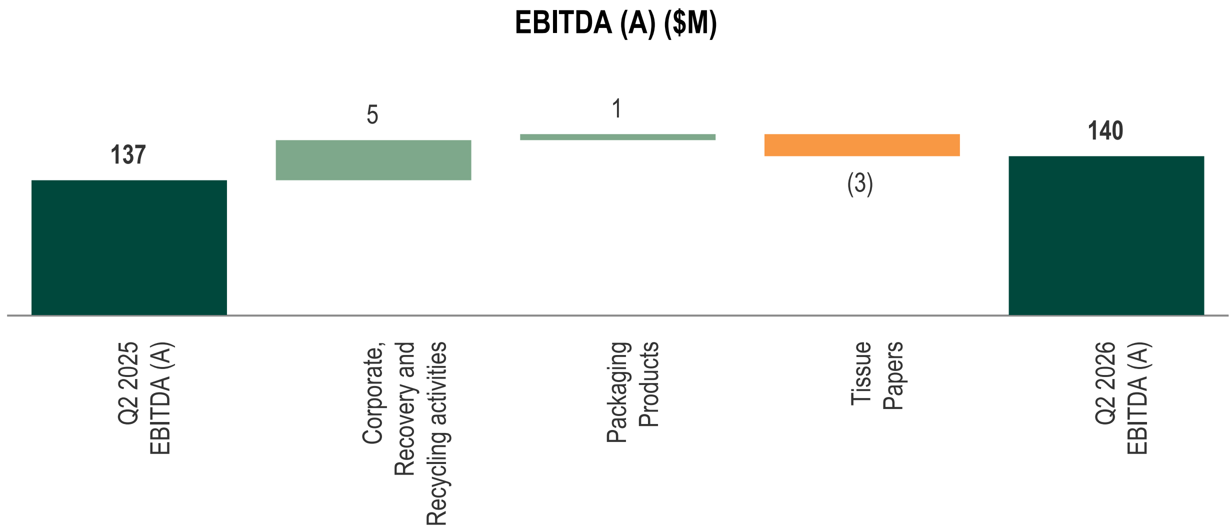
For the three-month period ended June 30, 2026, the Corporation recorded an operating income of $58 million, compared to an operating income of $36 million in the same period of 2025. The Corporation recorded an EBITDA (A)[1] of $140 million in the second quarter of 2026, compared to $137 million in the same period of 2025. The contribution of Corporate, Recovery and Recycling activities improved by $5 million and the EBITDA (A)[1] of the Packaging Products segment was higher by $1 million, while the EBITDA (A)[1] of the Tissue Papers segment was lower by $3 million. On a consolidated basis, the positive impacts of higher volumes, higher average selling prices and $12 million in lower operating costs reflecting asset closures and disposals and cost reduction initiatives were partially offset by the negative impact of $34 million from transportation costs.

The main variances in operating income and in EBITDA (A)[1] in the second quarter of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)



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

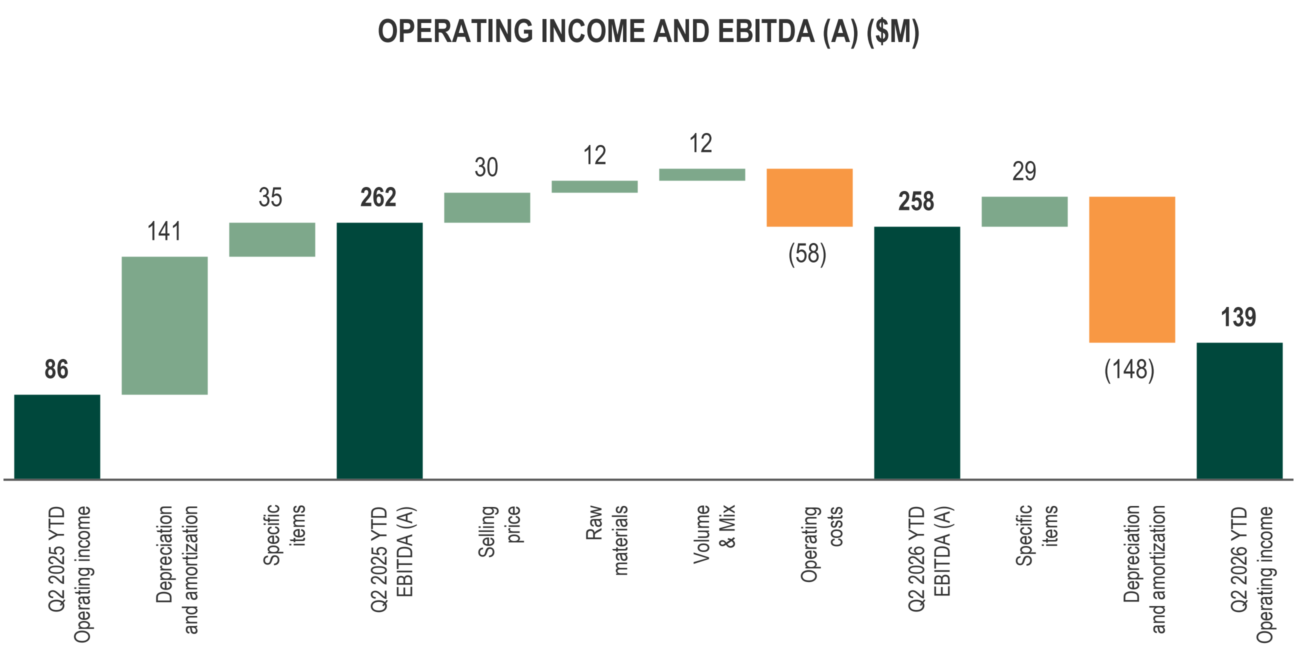
The reconciliation of EBITDA (A)[1] by segment in the second quarter of 2026, compared to the same period of 2025, is shown below:
(in millions of Canadian dollars)



For the six-month period ended June 30, 2026, the Corporation recorded an operating income of $139 million, compared to an operating income of $86 million in the same period of 2025. The operating income variance is explained by lower operational performance and the specific items gain of $29 million in the first half of 2026, compared to the specific items loss of $35 million in the same period of 2025. For more details on specific items, please refer to the “Segmented Information” section of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2026 and 2025.

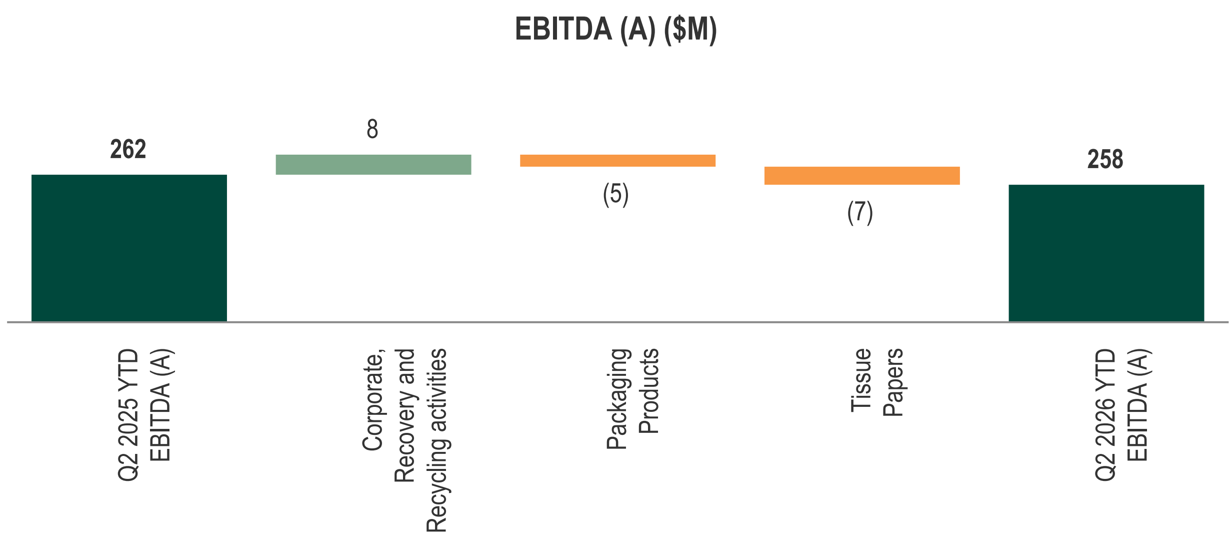
The Corporation recorded an EBITDA (A)[1] of $258 million in the first half of 2026, compared to $262 million in the same period of 2025. The EBITDA (A)[1] generated by the Packaging Products and the Tissue Papers segments decreased by $5 million and by $7 million, respectively, while the contribution of Corporate, Recovery and Recycling activities improved by $8 million. On a consolidated basis, the positive impacts from higher average selling prices, lower raw material costs and higher volumes were more than offset by the negative impacts of $50 million from transportation costs and $8 million in higher operating costs, namely maintenance and energy.

The main variances in operating income and in EBITDA (A)[1] in the first half of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)



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

Reconciliation of EBITDA (A)[1] by segment in the first half of 2026, compared to the same period of 2025, is shown below:
(in millions of Canadian dollars)



Raw materials (EBITDA (A)[1])	*The impacts of these estimated costs are based on production costs per unit shipped externally or inter-segment, which are affected by yield, product mix changes, inbound freight costs and purchase and transfer prices. In addition to market pulp and recycled fibre, these costs include purchases of external boards and parent rolls for the converting sector, and other raw materials such as plastic and wood chips.*
F/X CAN$ (EBITDA (A)[1])	*The estimated impact of the exchange rate is based on the Corporation's Canadian export sales less purchases, denominated in US$, affected by exchange rate fluctuations and the conversion of our non-Canadian subsidiaries EBITDA (A)[1] into CAN$. It also includes the impact of exchange rate fluctuations in currencies other than the CAN$ on working capital items and the cash position of the Corporation's Canadian units, as well as our hedging transactions. The F/X CAN$ is included in operating costs in the EBITDA (A)[1] charts. It excludes indirect sensitivity (please refer to the "Sensitivity Table" section of our 2025 Annual Report for further details).*
Operating costs (EBITDA (A)[1])	*These costs include the impact of variable and fixed costs based on production costs per unit shipped externally, which are affected by downtime and efficiency.*
Recovery and Recycling activities (Sales and EBITDA (A)[1])	*While this sub-segment is integrated into the other segments of the Corporation, all variations in the results of Recovery and Recycling activities are included for the volume in the charts of sales and for raw materials in the EBITDA (A)[1] charts.*

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

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased by $7 million to $148 million in the first half of 2026 ($77 million in the second quarter), compared to $141 million in the same period of 2025 ($72 million in the second quarter). This increase was driven by the commissioning of new investments, continuous assessment and revision of the useful life of assets and less favourable renewed lease contracts. The weighted average appreciation of the Canadian dollar decreased depreciation expenses by $2 million in the first half of 2026 (less than one million dollars in the second quarter).

FINANCING EXPENSES

	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
Interest on long-term debt, including lease obligations interest (2026 - $6 million for the 6-month period ($3 million for the 3-month period); 2025 - $6 million for the 6-month period ($3 million for the 3-month period))	**28**	30	**58**	63
Interest income and dividends	**(3)**	—	**(4)**	(1)
Amortization of financing expenses	**1**	1	**2**	2
Other interest and banking fees	**1**	1	**2**	3
Interest expense on employee future benefits	**1**	—	**1**	1
Loss on repurchase of long-term debt	**—**	1	**—**	1
	28	33	**59**	69

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

Financing expenses were $59 million in the first half of 2026 ($28 million in the second quarter), compared to $69 million in the same period of 2025 ($33 million in the second quarter), a decrease of $10 million.

The use of various elements of the Corporation's debt structure resulted in a variance of $5 million in interest on long-term debt, primarily due to lower utilization of the revolving credit facility, which reduced financing expenses by $14 million in the first half of 2026 ($7 million in the second quarter). In addition, the weighted average appreciation of the Canadian dollar had a favourable impact of $1 million in the first half of 2026 (less than one million dollars in the second quarter). These favourable variances were partially offset by the new senior notes issued in June 2025 at a higher interest rate, which added $10 million ($5 million in the second quarter).

In the second quarter of 2025, the Corporation recorded a loss of repurchase of long-term debt of $1 million.

The average interest rate on our revolving credit facilities decreased to 5.27% as of June 30, 2026 compared to 5.57% at the same period of 2025. As of June 30, 2026, 25% of the Corporation's total long-term debt was at a variable rate and 75% was at a fixed rate (26% and 74%, respectively, as of December 31, 2025). As of June 30, 2026, the Corporation's consolidated debt denominated in US dollars totaled US$1,301 million (US$1,332 million as of December 31, 2025).

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

Share of results of associates and joint ventures amounted to $6 million in the first half of 2026 ($4 million in the second quarter), compared to $6 million in the same period of 2025 ($3 million in the second quarter).

PROVISION FOR INCOME TAXES

In the first half of 2026, the Corporation recorded a provision for income taxes of $14 million (provision for income taxes of $6 million in the second quarter), compared to a provision for income taxes of $8 million in the same period of 2025 (provision for income taxes of $3 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 2026.

NET EARNINGS (LOSS)

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.

For the six-month period ended June 30, 2026, the Corporation posted net earnings of $60 million, or $0.59 per common share, compared to net earnings of $4 million, or $0.04 per common share, in the same period of 2025. On an adjusted basis[1], the Corporation posted net earnings of $31 million in the second quarter of 2026, or $0.31 per common share, compared to net earnings of $32 million, or $0.32 per common share, in the same period of 2025.

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

BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS

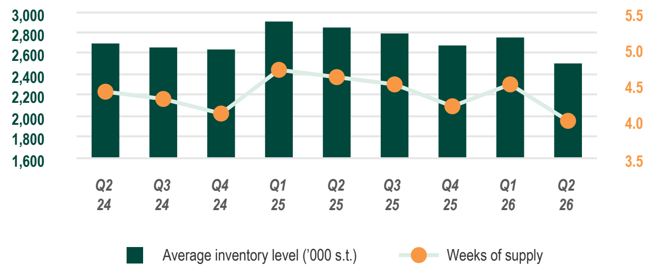
Our Industry

US containerboard industry production and capacity utilization rate[1]

During the second quarter of 2026, total US containerboard production amounted to 8.8 million short tons, a sequential increase of 3% and a year-over-year decrease of 2%. The industry recorded an average capacity utilization rate of 95% during the second quarter of 2026.

US containerboard inventories at box plants and mills[2]

During the second quarter of 2026, the average inventory level decreased by 9% sequentially and decreased by 12% year-over-year. Inventory levels stood at approximately 2.5 million short tons at the end of June 2026, representing 4.0 weeks of supply.



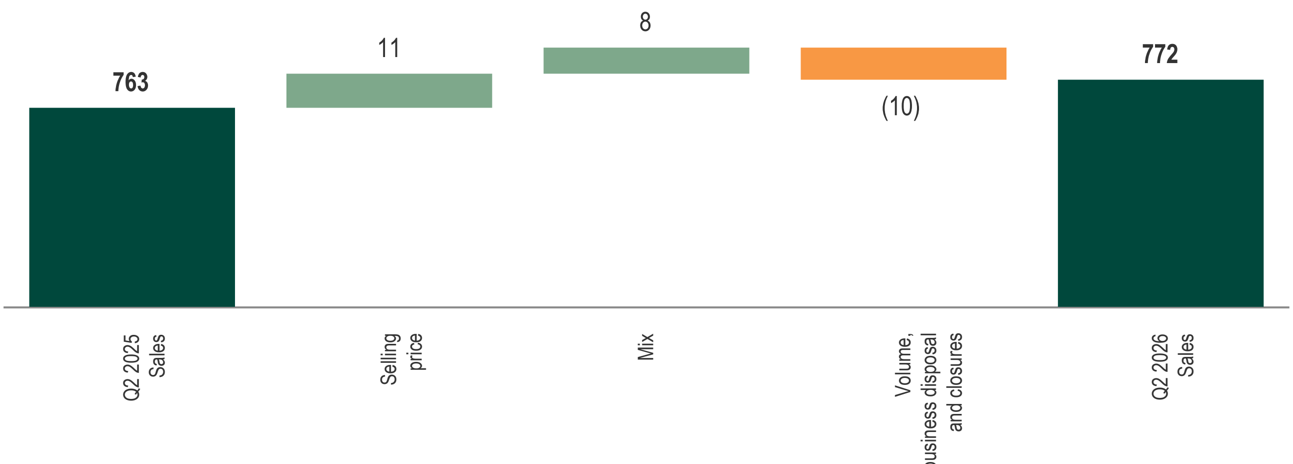
1 Source: RISI

2 Source: Fibre Box Association

Our Performance

The main variances[1] in sales and EBITDA (A)[2] for the Packaging Products segment in the second quarter of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)

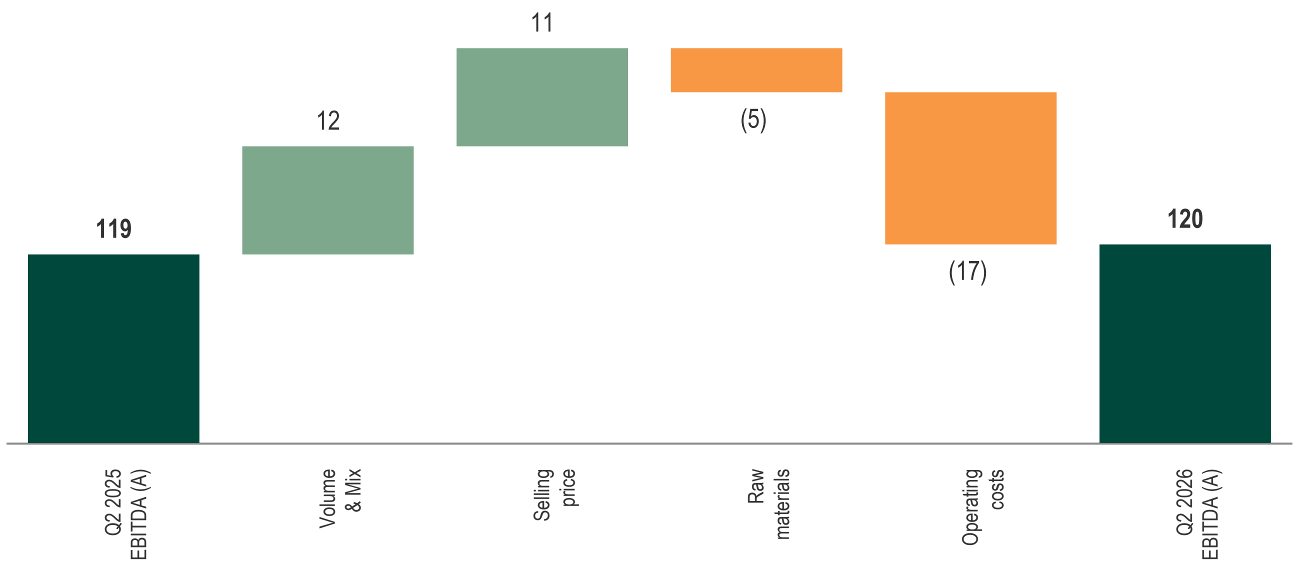
SALES ($M)

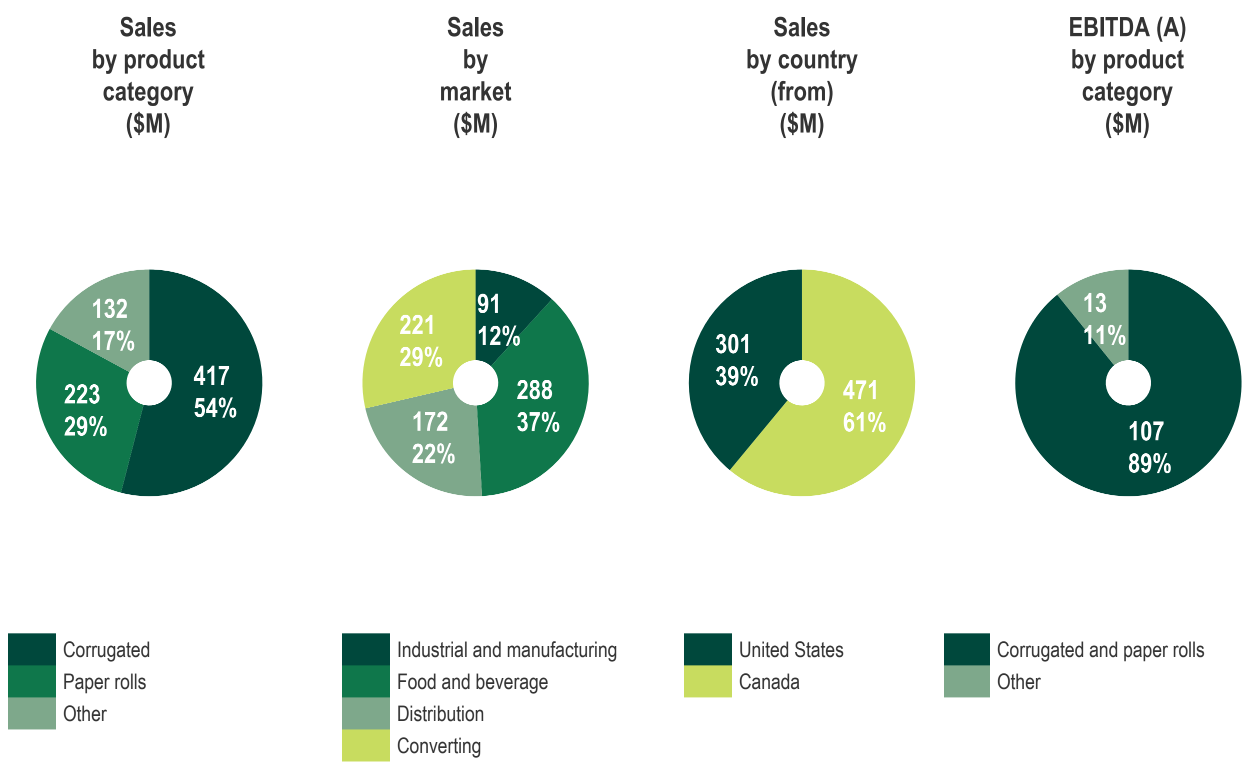


1 For definitions of certain sales and EBITDA (A)[2] variation categories, please refer to the "Financial Overview" section for more details.

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:

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 2025	Q2 2026	Change in %
Corrugated and paper roll shipments[2] ('000 s.t.)	424	426	—%
Corrugated and paper roll average selling price (CAN$/unit)	1,503	1,503	—%
Sales ($M)	763	772	1%
EBITDA (A)[1] ($M)	119	120	1%
% of sales	16%	16%	
Depreciation and amortization ($M)	49	53	8%
Payments for property, plant and equipment ($M)	23	25	9%

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 include the elimination of 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 increased by 2,000 s.t. in the second quarter of 2026 compared to the same period of 2025.

This reflected a 3,000 s.t., or 1%, increase in paper roll shipments compared to the same period of 2025, in spite of the permanently closed facility in the third quarter of 2025, indicating a better productivity in the manufacturing paper mills. The mill integration rate[3] increased year-over-year by 2% to 53%. Including sales to partners, the integration rate slightly decreased year-over-year by 1% to 69%. The manufacturing utilization rate increased by 12% to 98%.

Shipments of corrugated products decreased by 1,000 s.t., or 1%, compared to the same period of 2025. Corrugated shipment volumes totaled 3.5 billion square feet, representing stable shipments year-over-year despite the disposal of our box plant in British Columbia in the first quarter of 2026 (increase of 5.8% for ongoing business). This compares to a 2.4% weighted[4] increase for the industry, reflecting a 3.3% increase in Canada and a stable volume in the US Northeast (area 1).

The average selling price was stable in the second quarter of 2026 compared to the same period of 2025. This reflects a 4.4% increase for paper rolls, and 1.5% price decrease for corrugated products. Selling price increases implemented during the second quarter of 2026 and a favourable product mix were offset by the disposal of our box plant in British Columbia in the first quarter of 2026.

Sales increased by $9 million, or 1%, in the second quarter of 2026 compared to the same period of 2025. This increase was driven by higher average selling prices of $11 million, higher volume of $25 million and a favourable product mix of $8 million. This was partially offset by the impact of business disposals and closures of $35 million.

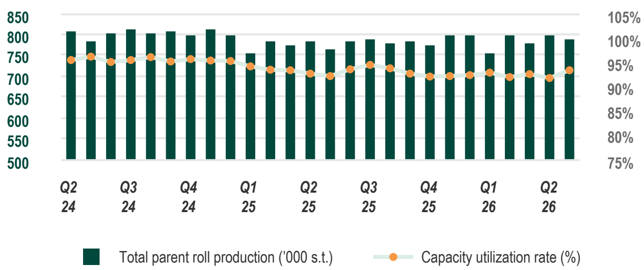
EBITDA (A)[1] increased by $1 million, or 1%, in the second quarter of 2026 compared to the same period of 2025. This was largely driven by an $11 million benefit from higher average selling prices and higher volume from our operating activities as well as a favourable product mix contributed positively by $12 million. These were offset by the negative impact of higher raw material costs of $5 million and a $20 million increase in transportation costs reflecting elevated logistics and freight rates in a challenging market environment and inflationary pressures. Other operating costs were lower by $3 million from rationalization of fixed costs after the permanent closure of a mill in the third quarter of 2025.

TISSUE PAPERS

Our Industry

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

During the second quarter of 2026, parent roll production amounted to 2.4 million tons, an increase of 1% sequentially and an increase of 2% compared to the same period last year. The average capacity utilization rate for the second quarter of 2026 stood at 93%, stable sequentially and stable compared to the same period last year.



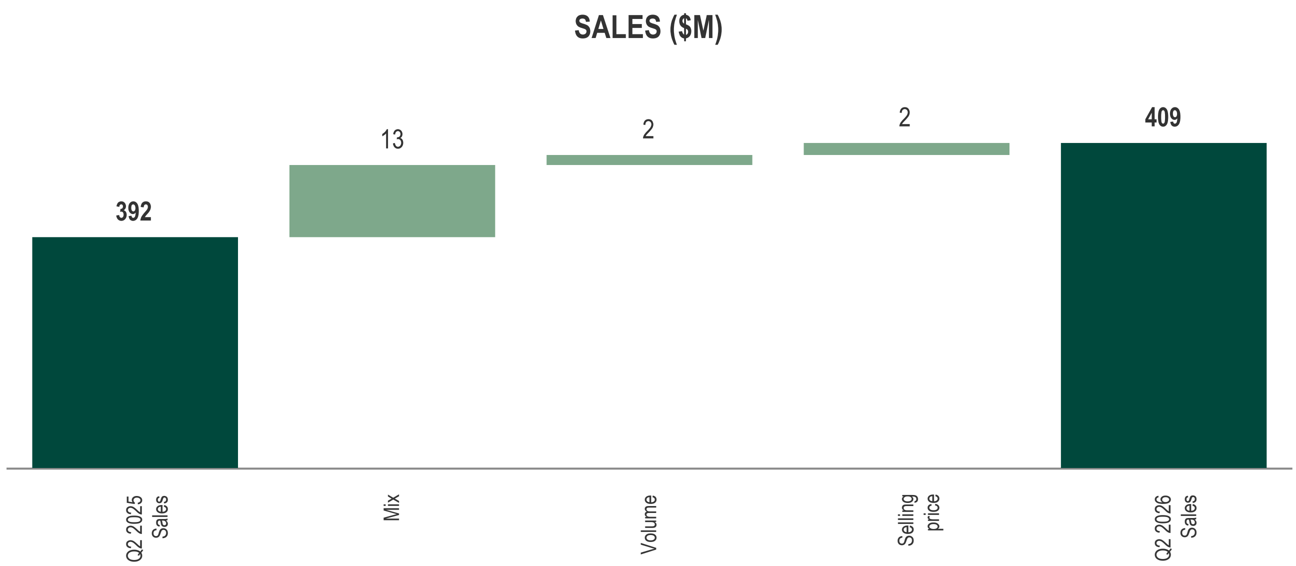
US tissue paper industry converted product shipments[1]

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

1 Source: RISI

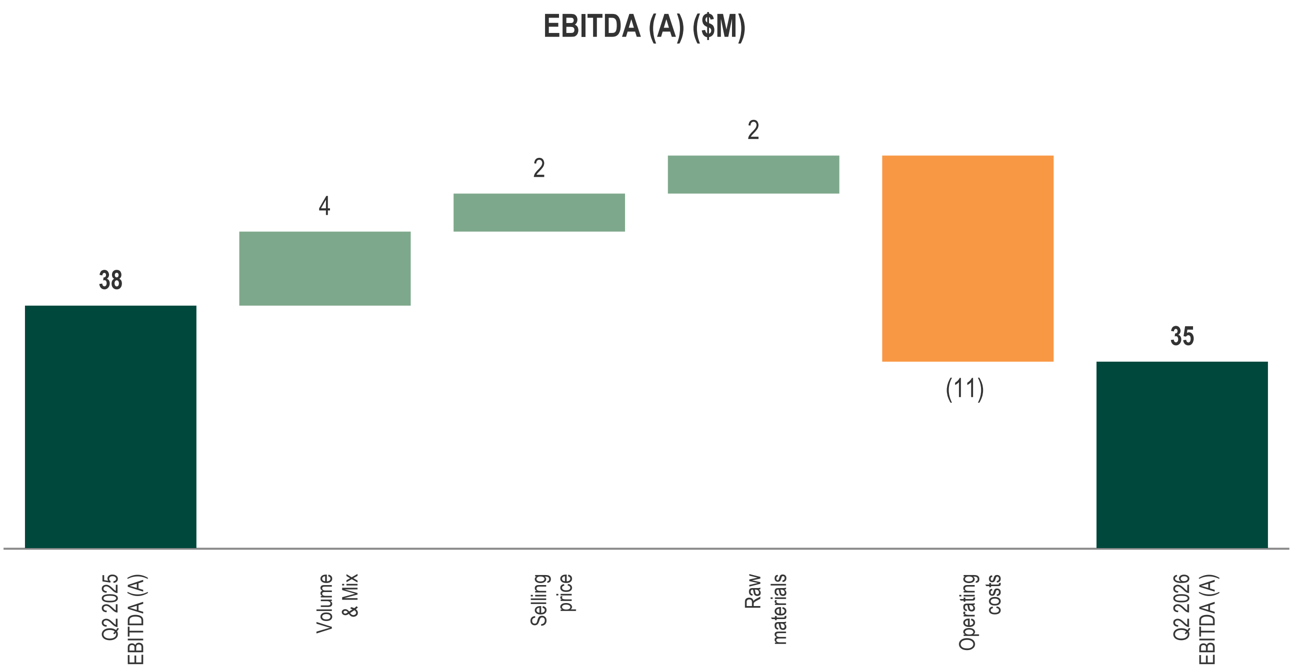
Our Performance

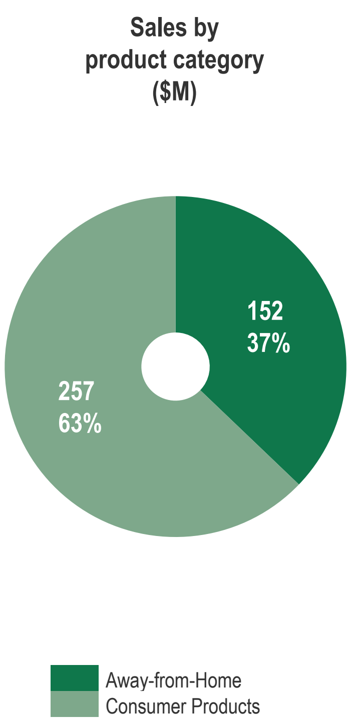
The main variances[1] in sales and EBITDA (A)[2] for the Tissue Papers segment in the second quarter of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)

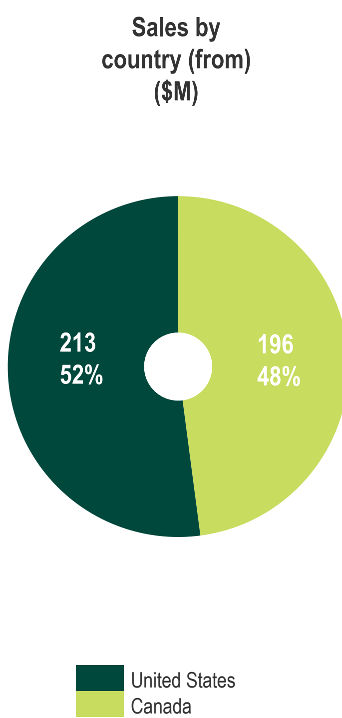


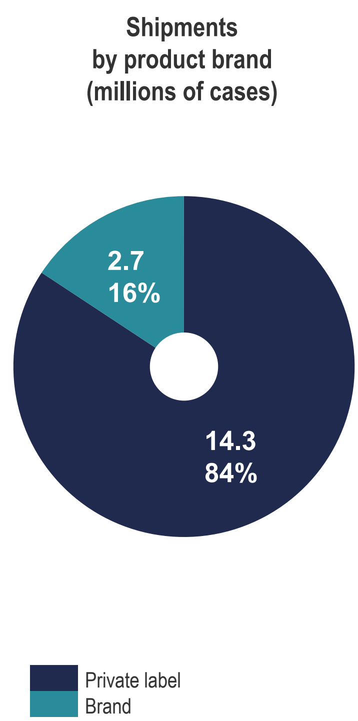
1 For definitions of certain sales and EBITDA (A)[2] variation categories, please refer to the “Financial Overview” section for more details.

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









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

	Q2 2025	Q2 2026	Change in %
Shipments[2] ('000 s.t.)	120	121	1%
Average selling price (CAN$/unit)	3,246	3,372	4%
Sales ($M)	392	409	4%
EBITDA (A)[1] ($M)	38	35	-8%
% of sales	10%	9%	
Depreciation and amortization ($M)	14	15	7%
Payments for property, plant and equipment ($M)	13	14	8%

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 include the elimination of inter-segment shipments.

Shipments increased by 1,000 s.t., or 1%, in the second quarter of 2026 compared to the same period of 2025.

Converted product shipments increased by 7,000 s.t., or 6%, on a year-over-year basis. This increase was mainly driven by higher volumes in both the Consumer Products (+6%) and in the Away-from-Home (+7%) markets, reflecting the gradual expansion of business activities with strategic customers. In terms of cases, shipments increased by 1.1 million, or 7%, to a total of 17.0 million cases in the second quarter of 2026. As the parent rolls are now fully integrated, parent roll shipments decreased by 6,000 s.t. in the second quarter of 2026 compared to the same period of 2025.

The 4% increase in the average selling price reflected price increases in consumer product market and a more favourable product category mix.

Sales increased by $17 million, or 4%, in the second quarter of 2026 compared to the same period of 2025. This increase reflects benefits of $15 million associated with mix and volumes and $2 million from higher average selling prices driven by consumer product price increases.

EBITDA (A)[1] decreased by $3 million, or 8%, in the second quarter of 2026 compared to the same period of 2025. The decrease was primarily driven by a $14 million increase in transportation costs reflecting elevated logistics and freight rates in a challenging market environment and inflationary pressures. These headwinds were partially offset by a $4 million positive impact from higher volume, $2 million from higher average selling prices, $2 million from lower raw material costs and $3 million from lower operating costs driven by disciplined cost management and productivity improvements that contributed to better absorption of fixed costs.

CORPORATE, RECOVERY AND RECYCLING ACTIVITIES

Corporate, Recovery and Recycling activities recorded an EBITDA (A)[1] of $(33) million in the first half of 2026 ($(15) million in the second quarter), compared to $(41) million in the same period of 2025 ($(20) million in the second quarter). In the first half of 2026, Corporate activities recorded an $11 million decrease in operating costs ($6 million decrease in the second quarter) and an unfavourable foreign exchange variance of $3 million (unfavourable foreign exchange variance of $1 million in the second quarter).

STOCK-BASED COMPENSATION EXPENSE

The stock-based compensation expense recognized in Corporate activities amounted to $3 million in the first half of 2026 ($1 million in the second quarter), compared to $1 million in the same period of 2025 ($1 million in the second quarter). For more details on stock-based compensation, please refer to Note 21 of the 2025 Audited Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES

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

	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
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)
Cash flows from operating activities	**116**	67	**134**	15

Cash flows from operating activities, excluding changes in non-cash working capital components, stood at $175 million in the first half of 2026 ($119 million in the second quarter), compared to $137 million in the same period of 2025 ($92 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 $134 million in liquidity in the first half of 2026 ($116 million generated in the second quarter), compared to $15 million generated in the same period of 2025 ($67 million generated in the second quarter). This increase was driven by lower payments for charges and other liabilities and lower working capital requirements compared to the same period of 2025 which were slightly offset by lower operating results. The Corporation paid $63 million in financing expenses in the first half of 2026 ($11 million paid in the second quarter), compared to $74 million in the same period of 2025 ($25 million paid in the second quarter). The Corporation also paid $9 million in income taxes in the first half of 2026 ($5 million paid in the second quarter), compared to $7 million paid in the same period of 2025 ($5 million paid in the second quarter). The Corporation received $7 million in dividends in the first half of 2026 ($7 million in the second quarter), compared to $7 million in the same period of 2025 ($7 million in the second quarter). Payments, net of provisions, for charges and other liabilities, and other non-cash items mainly include payments for severances, restructuring costs, pensions and post-retirement benefits.

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 $41 million in liquidity in the first half of 2026 ($3 million used in the second quarter), compared to $122 million used in the same period of 2025 ($25 million used in the second quarter). The improvement in working capital usage in the first half of 2026, compared to the same period of 2025, was primarily driven by higher accounts receivable resulting from increased sales, mainly in the Packaging Products segment, and a build-up of finished goods inventory. These factors were partially offset by higher accounts payable, reflecting increased business activity, higher raw material costs, by timing of cut-off and revised payment terms. As of June 30, 2026, the average quarterly LTM working capital as a percentage of LTM sales[1] stood at 8.9% compared to 9.8% as of December 31, 2025.

INVESTING ACTIVITIES

Investing activities are shown in the following table:

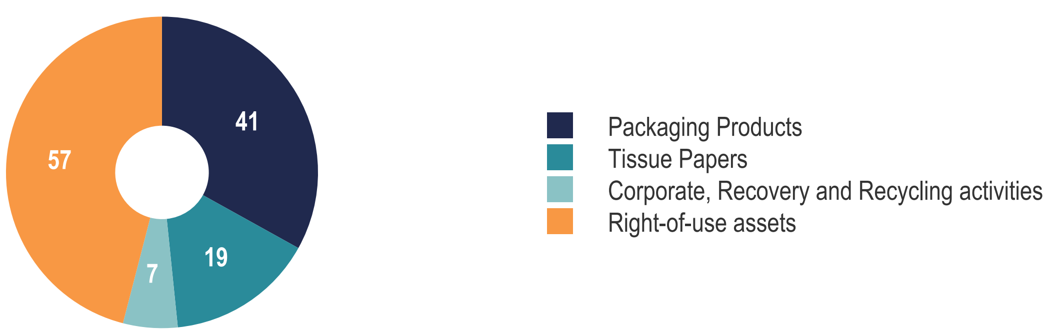
(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended June 30, 2026	2025	For the 6-month periods ended June 30, 2026	2025
Investing activities				
Payments for property, plant and equipment	**(40)**	(44)	**(68)**	(80)
Proceeds from disposals of property, plant and equipment	**3**	26	**34**	26
Change in intangible and other assets	**2**	—	**1**	1
Proceeds from business disposal	**2**	—	**62**	—
Cash flows from investing activities	**(33)**	(18)	**29**	(53)

Investing activities generated $29 million in liquidity in the first half of 2026 ($33 million used in the second quarter), compared to $53 million used in the same period of 2025 ($18 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, 2026	2025	For the 6-month periods ended June 30, 2026	2025
Total additions during the period	**55**	48	**124**	96
Variation of payments of acquisitions for property, plant and equipment included in "Trade and other payables"	**(3)**	6	**1**	18
Right-of-use assets acquisitions (non-cash)	**(12)**	(10)	**(57)**	(34)
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

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



No major capital projects were initiated in the first half of 2026. 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.

PROCEEDS FROM DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

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

In the first half of 2026, the Packaging Products segment received $12 million ($3 million in the second quarter) from the sale of assets related to closed plants in Canada and in the United States.

In the first half of 2026, the Packaging Products segment also received $20 million from the sale of private forest lands.

In the first quarter of 2026, Corporate activities received $2 million from the sale of a non-core asset.

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

RIGHT-OF-USE ASSETS ACQUISITIONS

Lease contract additions included contracts signed during the year for new assets or for the replacement of assets, renewal or modification of existing contracts, and reassessments related to changes in the probability of exercising renewal options. In the first half of 2026, of these investments, $41 million was allocated to buildings, $14 million to automotive equipment, and $2 million to equipment or IT equipment ($19 million, $15 million and less than one million dollars, respectively, in the same period of 2025).

PROCEEDS FROM BUSINESS DISPOSAL

In the first half of 2026, the Corporation received, net of legal fees and the assumption of certain liabilities, $61 million ($2 million in the second quarter) from the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada. For further details, please refer to Note 5 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2026 and 2025.

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

FINANCING ACTIVITIES

Financing activities are shown in the following table:

	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
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)
Cash flows from financing activities	**(71)**	(52)	**(114)**	38

Financing activities used $114 million in total liquidity in the first half of 2026 ($71 million used in the second quarter), compared to $38 million generated in the same period of 2025 ($52 million used in the second quarter), including $24 million in dividend payments to the Corporation's Shareholders in the first halves of 2026 and of 2025.

CHANGE IN CREDIT FACILITIES WITHOUT RECOURSE TO THE CORPORATION

On June 13, 2025, the Corporation's subsidiary, Greenpac, signed an amendment to its credit agreement with the banking syndicate securing its revolving credit facility, increasing the authorized limit to US$250 million and extending the maturity from December 2027 to June 2028. The revolving credit facility bears interest at a variable rate based on the level of leverage ratio of the subsidiary. The financial conditions remained unchanged. Transaction fees amounting to less than one million dollars were capitalized in other assets. 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) and US$14 million ($19 million) to its minority shareholders.

REPURCHASE OF UNSECURED SENIOR NOTES

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

On May 28, 2025, the Corporation announced that it had priced its private placement in the amount of US$400 million ($547 million) aggregate principal at 6.75% senior notes due July 15, 2030 (the "Notes"). The Notes were issued at a price of 100% of their principal amount. The closing of the offering of the Notes occurred on June 11, 2025. The Corporation used the proceeds from the offering to redeem all of its outstanding senior notes due January 15, 2026, in the amount of US$206 million ($281 million) aggregate principal and to repay a portion of the borrowings outstanding under its revolving credit facility, and to pay related transaction fees and expenses of $6 million. The Corporation also wrote off $1 million unamortized financing expenses related to these notes.

Issuance proceed was used as follows:

(in millions of Canadian dollars) (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 $44 million in the first half of 2026 ($23 million in the second quarter), compared to $39 million in the same period of 2025 ($21 million in the second quarter).

ISSUANCE OF COMMON SHARES UPON EXERCISE OF STOCK OPTIONS

The Corporation issued 148,556 common shares at an average price of $9.82 as a result of the exercise of stock options in the first half of 2026, which represents an aggregate cash amount of $1 million (in the same period of 2025 - $2 million for 266,269 common shares issued at an average price of $7.73).

DIVIDENDS PAID TO NON-CONTROLLING INTERESTS

Dividends paid to non-controlling interests in Greenpac and Falcon Packaging amounted to $7 million in the first half of 2026 ($27 million in the same period of 2025).

CONSOLIDATED FINANCIAL POSITION

AS OF JUNE 30, 2026 AND DECEMBER 31, 2025 AND 2024

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

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	**June 30, 2026**	December 31, 2025	December 31, 2024
Cash and cash equivalents	**96**	48	27
Total assets	**4,827**	4,673	4,948
Total debt[1]	**1,975**	1,944	2,123
Net debt[1]	**1,879**	1,896	2,096
Equity attributable to Shareholders	**1,778**	1,721	1,724
Non-controlling interests	**40**	34	47
Total equity	**1,818**	1,755	1,771
Total equity and net debt[1]	**3,697**	3,651	3,867
Ratio of net debt / (total equity and net debt)[1]	**50.8%**	51.9%	54.2%
Shareholders' equity per common share (in Canadian dollars)	**$17.53**	$17.00	$17.07

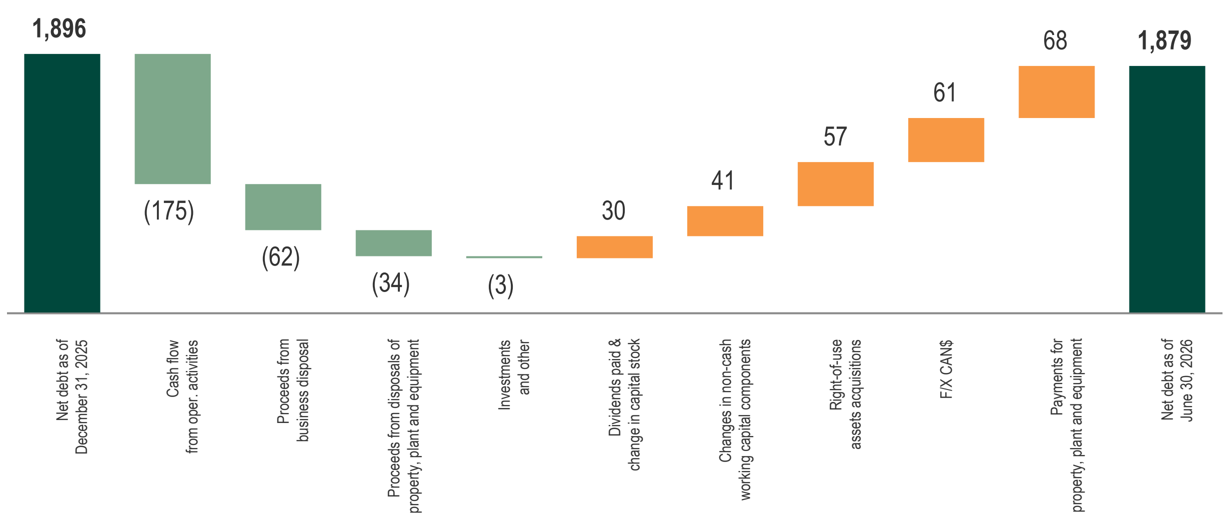
The following table reflects the Corporation's secured debt rating/corporate rating/unsecured debt rating:

Credit rating (outlook)	MOODY'S	STANDARD & POOR'S
December 31, 2025	Baa3/Ba2/Ba3 (stable)	BB+/BB-/BB- (negative)
June 30, 2026	**Baa3/Ba2/Ba3 (stable)**	**BB+/BB-/BB- (stable)**

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

NET DEBT[1] RECONCILIATION

The variance in the net debt[1] (total debt[1] less cash and cash equivalents) in the first half of 2026 is shown below, with the applicable financial ratios included:
(in millions of Canadian dollars)

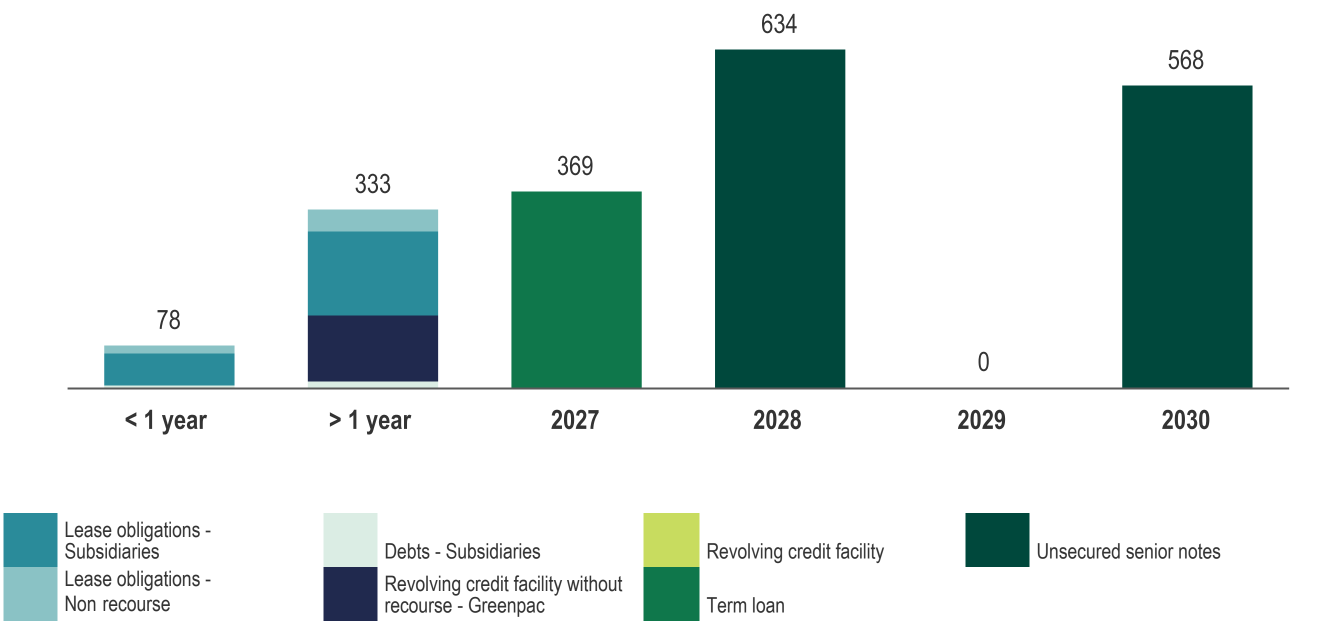


576	EBITDA (A)[1] (last twelve months) ($M)	**572**
3.3x	Net debt / EBITDA (A) ratio[1]	**3.3x**

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

Liquidity available through the Corporation's credit facilities, cash and cash equivalent balance and the anticipated cash flow generated by its operating activities will provide sufficient funds to meet our financial obligations and fulfill our capital expenditure program for the next twelve months. Capital expenditures for 2026 are forecasted to be in a range of $150 million to $175 million, however the investments are subject to operational priorities and liquidity availability. As of June 30, 2026, the Corporation had $737 million (net of letters of credit in the amount of $13 million) available on its $750 million credit facility (excluding the credit facility of our subsidiary Greenpac). Cash and cash equivalents as of June 30, 2026 consisted of $75 million in the parent company and restricted subsidiaries (as defined in the credit agreement) and $21 million in unrestricted subsidiaries.

As of June 30, 2026, the maturities of the Corporation's long-term debt are shown in the following table (excluding cash and cash equivalents as well as unamortized financing expenses):
(in millions of Canadian dollars)



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

2026 THIRD QUARTER OUTLOOK

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

CAPITAL STOCK INFORMATION

STOCK MARKET TRANSACTIONS

Cascades' common shares are traded on the Toronto Stock Exchange (TSX) under the ticker symbol "CAS." From January 1, 2026 to June 30, 2026, Cascades' common share price fluctuated between $10.31 and $14.00. During the same period, 27.7 million Cascades common shares were traded on the Toronto Stock Exchange. On June 30, 2026, Cascades' common shares closed at $11.65. This compared to a closing price of $8.91 on the same closing day last year.

COMMON SHARES OUTSTANDING

As of June 30, 2026, the Corporation's issued and outstanding capital stock consisted of 101,417,301 common shares (101,268,745 as of December 31, 2025) and 4,101,851 issued and outstanding stock options (4,304,436 as of December 31, 2025). In 2026, the Corporation purchased no common shares for cancellation, while 148,556 stock options were exercised and 54,029 stock options were forfeited.

On August 5, 2026, issued and outstanding capital stock consisted of 101,420,096 common shares and 4,080,243 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 5, 2026, Cascades' Board of Directors 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. On August 5, 2026, the dividend yield was 3.4%.

				2024				2025		**2026**
TSX ticker symbol: CAS	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	**Q1**	**Q2**
Common shares outstanding (in millions)[1]	100.7	101.0	101.0	101.0	101.1	101.3	101.3	101.3	**101.3**	**101.4**
Closing price (in Canadian dollars)[1]	$9.89	$9.03	$10.43	$11.91	$9.70	$8.91	$9.64	$12.46	**$11.81**	**$11.65**
Average daily volume[2]	291,595	194,531	222,776	172,779	238,208	287,688	159,758	189,127	**211,867**	**230,949**
Dividend yield[1]	4.9%	5.3%	4.6%	4.0%	4.9%	5.4%	5.0%	3.9%	**4.1%**	**4.1%**

1 On the last day of the quarter

2 Average daily volume on the Toronto Stock Exchange

CASCADES' COMMON SHARE PRICE FOR THE PERIOD FROM JANUARY 1, 2024 TO JUNE 30, 2026
(in Canadian dollars)

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

For full details on this section, please refer to the notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2026 and 2025 and our Annual Report for the year ended December 31, 2025.

CONTROLS AND PROCEDURES

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

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

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

During the three-month period ended June 30, 2026, there were no changes in the Corporation's ICFR that materially affected or were reasonably likely to materially affect the Corporation's ICFR.

RISK FACTORS

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

Pages 42 to 51 of our Annual Report for the year ended December 31, 2025 contain a discussion of the key areas of the Corporation's business risks and uncertainties and its mitigating strategies. This information on the Corporation's business risks and risk management remains substantially unchanged. Please refer to our 2025 Annual Report for further details.

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

SPECIFIC ITEMS

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

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

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

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

Non-IFRS Accounting Standards measures

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

Other financial measures

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

Non-IFRS Accounting Standards ratios

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

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

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

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

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

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

	For the 3-month period ended 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**

	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
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

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

	NET EARNINGS (NET 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)	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
As reported	**21**	(3)	**60**	4	**$0.21**	($0.03)	**$0.59**	$0.04
Specific items:								
Impairment charges	**—**	23	**8**	24	**—**	$0.17	**$0.06**	$0.18
Other loss (gain)	**(3)**	1	**(52)**	5	**($0.02)**	$0.01	**($0.44)**	$0.04
Restructuring costs	**2**	1	**5**	6	**$0.01**	—	**$0.03**	$0.04
Loss on derivative financial instruments	**6**	4	**10**	—	**$0.04**	$0.03	**$0.07**	—
Loss on repurchase of long-term debt	**—**	1	**—**	1	**—**	$0.01	**—**	$0.01
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests[1]	**(2)**	(8)	**—**	(8)	**—**	—	**—**	$0.01
	3	22	**(29)**	28	**$0.03**	$0.22	**($0.28)**	$0.28
Adjusted	**24**	19	**31**	32	**$0.24**	$0.19	**$0.31**	$0.32
Weighted average basic number of common shares outstanding					**101,346,974**	101,152,145	**101,315,523**	101,073,415

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

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

(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
Cash flow from operating activities	**116**	67	**134**	15
Changes in non-cash working capital components	**3**	25	**41**	122
Net income taxes paid	**5**	5	**9**	7
Net financing expenses paid	**11**	25	**63**	74
Payments, net of provisions, for charges and other liabilities, and other non-cash items, net of dividends received	**5**	15	**11**	44
EBITDA (A)	**140**	137	**258**	262

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) before specific items, which is also calculated on a per common share basis:

(in millions of Canadian dollars, except per common share amounts or as otherwise noted) (unaudited)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2026	2025	**2026**	2025
Cash flow from operating activities	**116**	67	**134**	15
Changes in non-cash working capital components	**3**	25	**41**	122
Cash flow from operating activities (excluding changes in non-cash working capital components)	**119**	92	**175**	137
Restructuring costs paid	**4**	9	**7**	26
Adjusted cash flow from operating activities	**123**	101	**182**	163
Payments for property, plant and equipment	**(40)**	(44)	**(68)**	(80)
Change in intangible and other assets	**2**	—	**1**	1
Lease obligation payments	**(23)**	(21)	**(44)**	(39)
	62	36	**71**	45
Dividends paid to non-controlling interests	**(3)**	(24)	**(7)**	(27)
Dividends paid to the Corporation’s Shareholders	**(12)**	(12)	**(24)**	(24)
Adjusted cash flow generated (used) before specific items[1]	**47**	—	**40**	(6)
Adjusted cash flow generated (used) before specific items per common share (in Canadian dollars)[1]	**$0.46**	$—	**$0.39**	($0.06)
Weighted average basic number of common shares outstanding	**101,346,974**	101,152,145	**101,315,523**	101,073,415

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

(in millions of Canadian dollars) (unaudited)	**June 30, 2026 (LTM)**[3]	December 31, 2025	June 30, 2025 (LTM)[3]
Sales[2]	**4,779**	4,776	4,753
EBITDA (A)[2]	**572**	576	548
Payments for property, plant and equipment[2]	**140**	152	160
Free cash flow: EBITDA (A) less payments for property, plant and equipment	**432**	424	388
Free cash flow / Sales	**9.0%**	8.9%	8.2%
Payments for property, plant and equipment / Sales	**2.9%**	3.2%	3.4%

1 *“Adjusted cash flow generated (used) before specific items” have been aligned with the current year’s presentation.*

2 *Please refer to the “Historical Financial Information” section for a complete reconciliation.*

3 *last twelve months*

The following table reconciles working capital as reported:

(in millions of Canadian dollars) (unaudited)	**June 30, 2026**	December 31, 2025	December 31, 2024
Accounts receivable	**477**	426	469
Inventories	**706**	661	685
Trade and other payables	**(760)**	(697)	(748)
Working capital	**423**	390	406

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

(in millions of Canadian dollars, except ratios) (unaudited)	**June 30, 2026**	December 31, 2025	December 31, 2024
Long-term debt	**1,897**	1,874	1,871
Current portion of unsecured senior notes	**—**	—	175
Current portion of long-term debt	**78**	70	67
Bank loans and advances	**—**	—	10
Total debt	**1,975**	1,944	2,123
Less: Cash and cash equivalents	**(96)**	(48)	(27)
Net debt as reported	**1,879**	1,896	2,096
Last twelve months EBITDA (A)	**572**	576	501
Net debt / EBITDA (A) ratio	**3.3x**	3.3x	4.2x

SPECIFIC ITEMS

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

IMPAIRMENT CHARGES

2026

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

2025

In the second quarter, the Packaging Products segment recorded a net realizable value adjustment of $17 million on spare parts and an impairment of $6 million on some equipment related to a closed plant in the United States. The recoverable amount of the assets is nil based on the market approach reflecting an orderly transaction between market participants.

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

OTHER LOSS (GAIN)

2026

In the first half, the Packaging Products segment recorded a $35 million ($1 million in the second quarter) gain related to the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada. For further details, please refer to Note 5 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2026 and 2025.

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

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

In the second quarter, the Packaging Products segment also recorded a $2 million gain from the sale of some assets related to closed plants in Canada and in the United States.

In the first quarter, Corporate activities recorded a $2 million gain related to the sale of a non-core asset.

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.

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

RESTRUCTURING COSTS

2026

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

In the first half, Corporate activities recorded costs totaling $4 million ($2 million in the second quarter) related to organizational changes.

2025

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

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

LOSS (GAIN) ON DERIVATIVE FINANCIAL INSTRUMENTS

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

	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 segment				
Steam contract embedded derivatives related to our Niagara Falls containerboard complex - unrealized	**2**	(1)	**6**	(3)
Corporate activities				
Financial hedging contracts for natural gas purchases and currency options - unrealized	**4**	5	**4**	3
Loss on derivative financial instruments	**6**	4	**10**	—

SPECIFIC ITEMS INCLUDED IN PROVISION FOR INCOME TAXES

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

HISTORICAL FINANCIAL INFORMATION

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	2024					2025					2026			LTM[2]
	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**	**Q2**	**YTD[3]**	
Sales														
Packaging Products	709	745	773	782	3,009	762	763	797	757	3,079	**715**	**772**	**1,487**	***3,041***
Tissue Papers	367	397	390	394	1,548	364	392	412	407	1,575	**380**	**409**	**789**	***1,608***
Inter-segment sales, Corporate, Recovery and Recycling activities	33	38	38	35	144	28	32	29	33	122	**30**	**38**	**68**	***130***
Total	1,109	1,180	1,201	1,211	4,701	1,154	1,187	1,238	1,197	4,776	**1,125**	**1,219**	**2,344**	***4,779***
Operating income	9	34	36	16	95	50	36	73	76	235	**81**	**58**	**139**	***288***
EBITDA (A)[1]														
Packaging Products	75	86	117	132	410	109	119	136	132	496	**103**	**120**	**223**	***491***
Tissue Papers	50	54	43	45	192	37	38	46	42	163	**33**	**35**	**68**	***156***
Corporate, Recovery and Recycling activities	(22)	(28)	(20)	(31)	(101)	(21)	(20)	(23)	(19)	(83)	**(18)**	**(15)**	**(33)**	***(75)***
Total	103	112	140	146	501	125	137	159	155	576	**118**	**140**	**258**	***572***
Margin (EBITDA (A) / Sales) (%)[1]														
Packaging Products	10.6%	11.5%	15.1%	16.9%	13.6%	14.3%	15.6%	17.1%	17.4%	16.1%	**14.4%**	**15.5%**	**15.0%**	***16.1%***
Tissue Papers	13.6%	13.6%	11.0%	11.4%	12.4%	10.2%	9.7%	11.2%	10.3%	10.3%	**8.7%**	**8.6%**	**8.6%**	***9.7%***
Total	9.3%	9.5%	11.7%	12.1%	10.7%	10.8%	11.5%	12.8%	12.9%	12.1%	**10.5%**	**11.5%**	**11.0%**	***12.0%***
Net earnings (loss)	(20)	1	1	(13)	(31)	7	(3)	29	37	70	**39**	**21**	**60**	***126***
Adjusted[1]	—	8	27	25	60	13	19	39	40	111	**7**	**24**	**31**	***110***
Net earnings (loss) per common share (in Canadian dollars)														
Basic	($0.20)	$0.01	$0.01	($0.13)	($0.31)	$0.07	($0.03)	$0.29	$0.37	$0.70	**$0.38**	**$0.21**	**$0.59**	***$1.25***
Diluted	($0.20)	$0.01	$0.01	($0.13)	($0.31)	$0.07	($0.03)	$0.29	$0.36	$0.69	**$0.38**	**$0.21**	**$0.59**	***$1.24***
Basic, adjusted[1]	$—	$0.08	$0.27	$0.25	$0.60	$0.13	$0.19	$0.38	$0.40	$1.10	**$0.07**	**$0.24**	**$0.31**	***$1.09***
Cash flow from operating activities (excluding changes in non-cash working capital components)	32	78	76	109	295	45	92	116	150	403	**56**	**119**	**175**	***441***
Payments for property, plant and equipment	(41)	(40)	(35)	(45)	(161)	(36)	(44)	(30)	(42)	(152)	**(28)**	**(40)**	**(68)**	***(140)***
Net debt[1]	2,020	2,093	2,039	2,096	2,096	2,216	2,104	2,023	1,896	1,896	**1,901**	**1,879**	**1,879**	
Net debt / EBITDA (A) (LTM) ratio[1]	3.8x	4.2x	4.3x	4.2x	4.2x	4.2x	3.8x	3.6x	3.3x	3.3x	**3.3x**	**3.3x**	**3.3x**	

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

2 last twelve months

3 year-to-date

APPENDIX
INFORMATION FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025

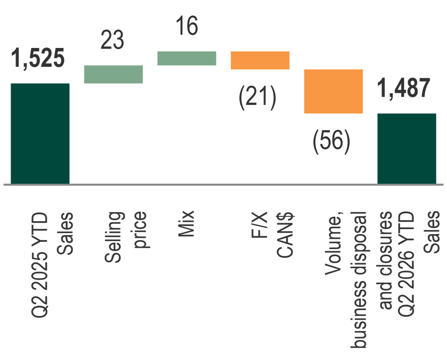
BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS

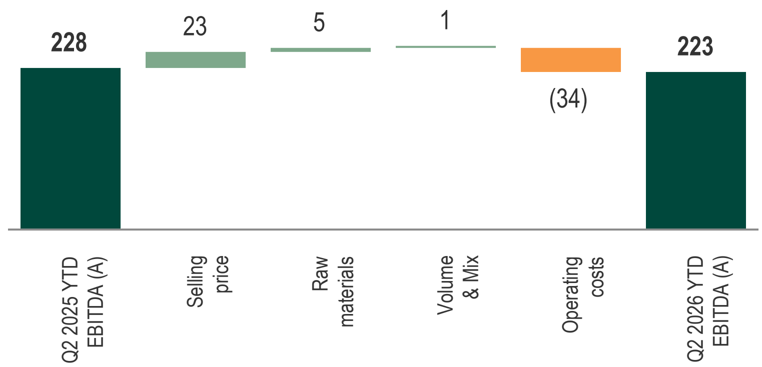
Our Performance (Q2 2025 YTD vs. Q2 2026 YTD)

The main variances[1] in sales and EBITDA (A)[2] for the Packaging Products segment in the first half of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)

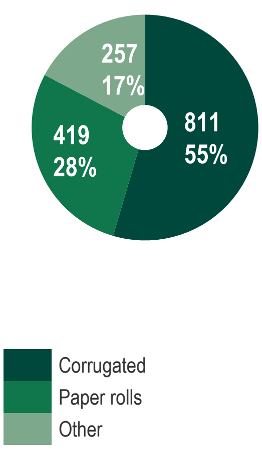
SALES ($M)



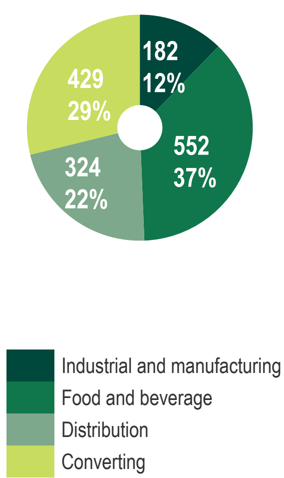
EBITDA (A) ($M)



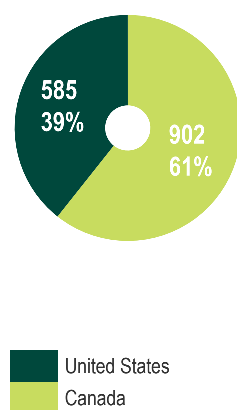
Sales by product category ($M)



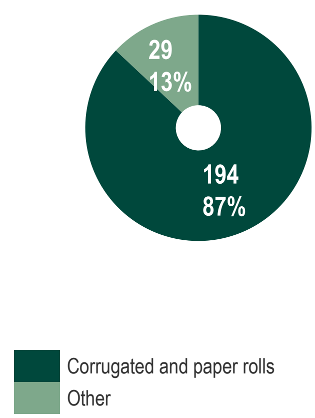
Sales by market ($M)



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*

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.*

Q2 2025 YTD	Q2 2026 YTD	Change in %
Corrugated and paper roll shipments[2] ('000 s.t.)		
845	818	-3%
Corrugated and paper roll average selling price (CAN$/unit)		
1,506	1,503	—%
Sales ($M)		
1,525	1,487	-2%
EBITDA (A)[1] ($M)		
228	223	-2%
% of sales		
15%	15%	
Depreciation and amortization ($M)		
95	102	7%
Payments for property, plant and equipment ($M)		
38	41	8%

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 include the elimination of 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 27,000 s.t., or 3%, in 2026 compared to 2025.

Paper roll shipments decreased by 15,000 s.t., or 3%, in 2026 compared to 2025, mainly due to lower demand during the first quarter of 2026. Better productivity in the manufacturing paper mills in the second quarter has more than offset the permanent closure of a facility in the third quarter of 2025. The mill integration[3] rate increased by 2% to 53%. Including sales to partners, the integration rate was 68% in 2026, a decrease of 1% from 2025. The manufacturing utilization rate increased by 9% to 95%.

Shipments from converting activities decreased by 12,000 s.t., or 3%, in 2026 compared to 2025. In square feet, volume decreased by 2% from 6.9 billion in 2025 to 6.7 billion in 2026 that reflects softer demand in most of our markets and the disposal of our box plant in British Columbia in the first quarter of 2026 (increase of 1.9% for ongoing business). This compares to a 0.3% weighted[4] increase for the industry, reflecting a 0.4% increase in Canada and a 1.7% decrease in the US Northeast (area 1).

The average selling price was stable in 2026, reflecting a 1% increase for paper rolls and a 1% decrease for converted products. Selling price increases implemented during the second quarter of 2026 and a favourable product mix were offset by the impact of the 2% average appreciation of the Canadian dollar compared to the US dollar and the disposal of our box plant in British Columbia in the first quarter of 2026.

Sales decreased by $38 million, or 2%, in 2026 compared to 2025. This reflects the lower volumes and the impact of business disposals and closures of $56 million and an unfavourable variance of $21 million from the 2% average appreciation of the Canadian dollar compared to the US dollar. This was partially offset by the positive impacts of $23 million from higher average selling prices and favourable product mix of $16 million.

EBITDA (A)[1] decreased by $5 million, or 2%, in 2026 compared to 2025. This was largely driven by a $23 million benefit from higher average selling prices. Lower raw material costs contributed $5 million to results in our manufacturing activities. Results similarly reflect a negative $34 million impact from higher production costs that stemmed from higher logistics costs ($27 million), higher energy and chemical costs and increased repair and maintenance.

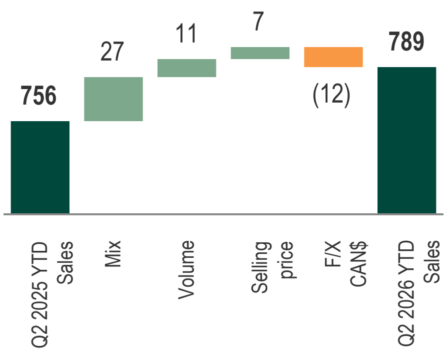
BUSINESS SEGMENT REVIEW

TISSUE PAPERS

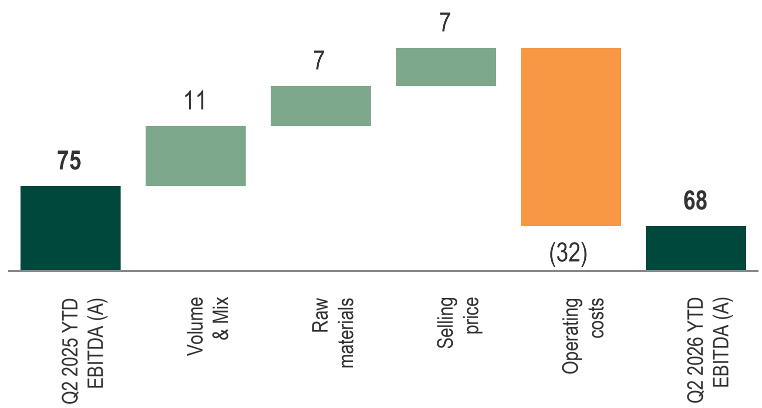
Our Performance (Q2 2025 YTD vs. Q2 2026 YTD)

The main variances[1] in sales and EBITDA (A)[2] for the Tissue Papers segment in the first half of 2026, compared to the same period of 2025, are shown below:
(in millions of Canadian dollars)

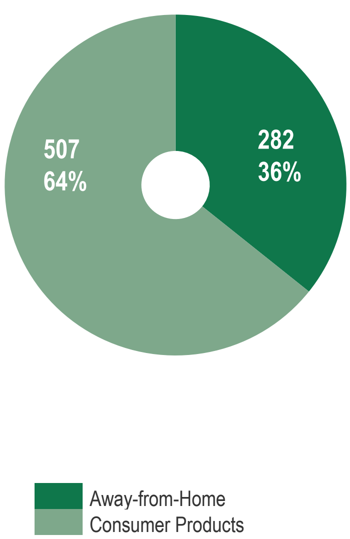
SALES ($M)



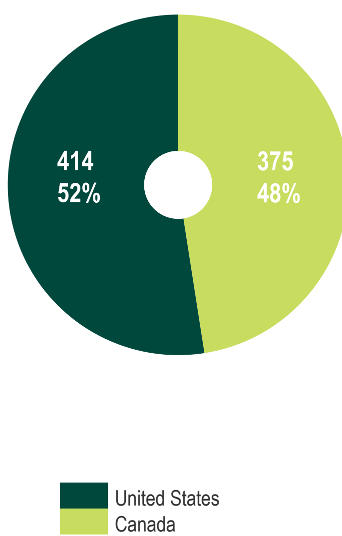
EBITDA (A) ($M)



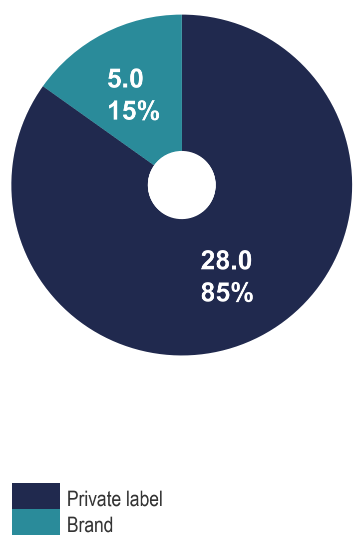
Sales by product category ($M)



Sales by country (from) ($M)



Shipments by product brand (millions of cases)



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.*

	Q2 2025 YTD	Q2 2026 YTD	Change in %
Shipments[2] ('000 s.t.)	230	234	2%
Average selling price (CAN$/unit)	3,278	3,371	3%
Sales ($M)	756	789	4%
EBITDA (A)[1] ($M)	75	68	-9%
% of sales	10%	9%	
Depreciation and amortization ($M)	27	28	4%
Payments for property, plant and equipment ($M)	20	19	-5%

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 include the elimination of inter-segment shipments.

Shipments increased by 4,000 s.t., or 2%, in 2026 compared to 2025.

Converted product shipments increased by 16,000 s.t., or 7%, driven by an 8% increase in Consumer Products and a 6% increase in Away-from-Home shipments reflecting the gradual expansion of business activities with strategic customers. In terms of cases, 2026 shipments increased by 2.6 million cases to a total of 33.0 million cases. As the parent rolls are now fully integrated, parent roll shipments decreased by 12,000 s.t. in 2026 compared to the same period of 2025.

The 3% increase in the average selling price reflected price increases in both converted markets and a more favourable product category mix. These positive impacts were partially offset by a negative impact from the appreciation of the Canadian dollar compared to the US dollar.

Sales increased by $33 million, or 4%, in 2026 compared to 2025. This increase reflected benefits of $38 million associated with mix and volumes and $7 million from higher average selling prices driven by converted product price increases. These positive impacts were partially offset by a negative impact of $12 million from the appreciation of the Canadian dollar compared to the US dollar.

EBITDA (A)[1] decreased by $7 million, or 9%, in 2026 compared to 2025. This decrease was primarily driven by a $23 million increase in transportation costs and $9 million increase in operating costs reflecting inflationary pressures, elevated logistics and freight rates in a challenging market environment and first quarter incremental network costs related to adverse weather conditions and the residual impact of an unplanned electrical outage at one facility. These unfavourable factors were partially offset by positive impacts of $11 million from higher volumes, $7 million from higher average selling prices and lower raw material costs of $7 million.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	NOTE	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	8	**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	8	**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	6	**78**	70
Current portion of provisions for charges	7	**5**	8
Current portion of financial liabilities and other liabilities	8	**29**	28
		874	807
Long-term liabilities			
Long-term debt	6	**1,897**	1,874
Provisions for charges	7	**58**	58
Financial liabilities	8	**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

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, 2026	2025	For the 6-month periods ended June 30, 2026	2025
Sales	9	**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	10	**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

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, 2026	2025	For the 6-month periods ended June 30, 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)

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

CONSOLIDATED STATEMENTS OF EQUITY

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
							For the 6-month period ended June 30, 2026
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**

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
							For the 6-month period ended June 30, 2025
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

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, 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	10	**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	10	**(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	5	**2**	—	**62**	—
		(33)	(18)	**29**	(53)
Financing activities					
Bank loans and advances		**—**	(1)	**—**	(7)
Change in credit facilities	6	**1**	(375)	**(1)**	(72)
Change in credit facilities without recourse to the Corporation	6	**(35)**	120	**(39)**	121
Issuance of unsecured senior notes, net of related expenses	6	**—**	541	**—**	541
Repurchase of unsecured senior notes	6	**—**	(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))	6	**(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

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

SEGMENTED INFORMATION

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

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

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

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

Sales by business segment are shown in the following table:

						SALES
For the 3-month periods ended June 30 (in millions of Canadian dollars) (unaudited)			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

						SALES
For the 6-month periods ended June 30 (in millions of Canadian dollars) (unaudited)			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)	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
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)	**For the 6-month period ended June 30, 2026** **Packaging Products**	**Tissue Papers**	**Corporate, Recovery and Recycling activities**	**Consolidated**
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)	For the 6-month period ended June 30, 2025 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
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

IMPAIRMENT CHARGES

2026

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

2025

In the second quarter, the Packaging Products segment recorded a net realizable value adjustment of $17 million on spare parts and an impairment of $6 million on some equipment related to a closed plant in the United States. The recoverable amount of the assets is nil based on the market approach reflecting an orderly transaction between market participants.

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

OTHER LOSS (GAIN)
2026
In the first half, the Packaging Products segment recorded a $35 million ($1 million in the second quarter) gain related to the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada. For further details, please refer to Note 5.

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

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

In the second quarter, the Packaging Products segment also recorded a $2 million gain from the sale of some assets related to closed plants in Canada and in the United States.

In the first quarter, Corporate activities recorded a $2 million gain related to the sale of a non-core asset.

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.

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

RESTRUCTURING COSTS
2026
In the first quarter, the Packaging Products segment recorded severances totaling $1 million related to closed plants in Canada and in the United States.

In the first half, Corporate activities recorded costs totaling $4 million ($2 million in the second quarter) related to organizational changes.

2025
In the first quarter, the Packaging Products segment recorded severances totaling $1 million related to a closed plant in the United States.

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

LOSS (GAIN) ON DERIVATIVE FINANCIAL INSTRUMENTS
The Packaging Products segment recorded an unrealized loss of $6 million in the first half of 2026 (unrealized loss of $2 million in the second quarter), compared to an unrealized gain of $3 million in the same period of 2025 (unrealized gain 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 $4 million in the first half of 2026 (unrealized loss of $4 million in the second quarter), compared to an unrealized loss of $3 million in the same period of 2025 (unrealized loss of $5 million in the second quarter), due to financial hedging contracts for natural gas purchases and currency options.

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

	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

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 5, 2026.

NOTE 2
SUMMARY OF MATERIAL ACCOUNTING POLICIES

These Unaudited Condensed Interim Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) applicable to the preparation of interim financial statements, including *IAS 34 Interim Financial Reporting*. The Unaudited Condensed Interim Consolidated Financial Statements should be read in conjunction with the Audited Consolidated Financial Statements for the year ended December 31, 2025, which were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as set forth in Part I of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting, which incorporates IFRS Accounting Standards as issued by the IASB®.

The accounting policies applied in these Unaudited Condensed Interim Consolidated Financial Statements are the same as those applied in the Audited Consolidated Financial Statements for the year ended December 31, 2025, except as discussed below.

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

NOTE 3
CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

A. 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 comparability of financial performance among similar entities, especially related to how operating profit or loss is defined. The new disclosures required for various 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 which means that comparative information needs to be prepared under *IFRS 18*.

We continue to assess the impact of *IFRS 18* on our financial statement presentation and disclosures. Based on our analysis to date, certain items currently presented within financing expenses will be reclassified to the operating and investing categories. We also expect to introduce the mandatory subtotal "Earnings before financing and income taxes" while maintaining our presentation of income and expenses by nature.

For the statement of cash flows, interest paid and interest received will be presented within financing and investing activities, respectively, and operating cash flows will be reconciled starting from operating income rather than net earnings.

In addition, we will add a note disclosing our management-defined performance measures, EBITDA (A) and adjusted net earnings, including reconciliations to the most directly comparable IFRS measures and the related tax and non-controlling interest impacts for each adjustment, as required by *IFRS 18*.

NOTE 4
CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Further information on critical accounting estimates and judgments is detailed in the Audited Consolidated Financial Statements for the year ended December 31, 2025.

NOTE 5
BUSINESS DISPOSAL

On January 29, 2026, the Corporation announced the sale of its corrugated packaging plant located in Richmond, British Columbia, Canada, for $65.5 million. The Corporation received and recorded, net of legal fees and the assumption of certain liabilities, an amount of $61 million, including $2 million for the final working capital adjustment in the second quarter.

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

		2026
	BUSINESS SEGMENT:	Packaging Products
(in millions of Canadian dollars)	BUSINESS DISPOSAL	Richmond
Accounts receivable		10
Inventories		8
Property, plant and equipment		17
Total assets		**35**
Trade and other payables		(5)
Long-term debt		(2)
Employee future benefits		(2)
Net assets disposed of		**26**
Gain on disposal, before income taxes		35
Total consideration received		**61**

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

NOTE 6
LONG-TERM DEBT

(in millions of Canadian dollars)	NOTE	MATURITY	**June 30, 2026**	December 31, 2025
Revolving credit facility, consists of nil as of June 30, 2026 (December 31, 2025 - US$2 million)	6(b)	2029	**—**	2
5.375% Unsecured senior notes of US$445 million and $2 million of unamortized premium as of June 30, 2026 (December 31, 2025 - US$445 million and $3 million of unamortized premium)		2028	**634**	614
6.75% Unsecured senior notes of US$400 million	6(c)	2030	**568**	549
Term loan of US$260 million, interest rate of 5.72% as of June 30, 2026		2027	**369**	357
Lease obligations with recourse to the Corporation			**220**	207
Other debts with recourse to the Corporation			**15**	14
Lease obligations without recourse to the Corporation			**54**	53
Revolving credit facility without recourse to the Corporation, weighted average interest rate of 5.27% as of June 30, 2026 and consists of US$86 million (December 31, 2025 - US$114 million)	6(d)	2028	**122**	156
			1,982	1,952
Less: Unamortized financing expenses			**7**	8
Total long-term debt			**1,975**	1,944
Less:				
Current portion of lease obligations with recourse to the Corporation			**61**	58
Current portion of other debts with recourse to the Corporation			**2**	—
Current portion of lease obligations without recourse to the Corporation			**15**	12
			78	70
			1,897	1,874

a. As of June 30, 2026, the long-term debt had a fair value of $1,992 million (December 31, 2025 – $1,973 million).

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

c. On May 28, 2025, the Corporation announced that it had priced its private placement in the amount of US$400 million ($547 million) aggregate principal at 6.75% senior notes due July 15, 2030 (the "Notes"). The Notes were issued at a price of 100% of their principal amount. The closing of the offering of the Notes occurred on June 11, 2025. The Corporation used the proceeds from the offering to redeem all of its outstanding senior notes due January 15, 2026, in the amount of US$206 million ($281 million) aggregate principal and to repay a portion of the borrowings outstanding under its revolving credit facility, and to pay related transaction fees and expenses of $6 million. The Corporation also wrote off $1 million unamortized financing expenses related to these notes.

Issuance proceed was used as follows:

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

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

NOTE 7
PROVISIONS FOR CHARGES

(in millions of Canadian dollars)	**June 30, 2026**	December 31, 2025
Environmental restoration obligations	**33**	33
Environmental costs	**16**	16
Legal claim	**2**	2
Severances	**2**	3
Others	**10**	12
	63	66
Long-term	**58**	58
Current	**5**	8
	63	66

ENVIRONMENTAL RESTORATION

The provision, that relates to the closure of the containerboard mill announced in February 2024, was utilized as scheduled with no additional costs in 2026 and has a closing balance of $17 million as of June 30, 2026 (December 31, 2025 - $18 million). Restoration provisions for other sites were actualized in the normal course of business.

CONTINGENT LIABILITIES

Further information on environmental contingent liabilities and antitrust class action lawsuit is detailed in the Audited Consolidated Financial Statements for the year ended December 31, 2025. As of June 30, 2026, there is no development.

NOTE 8
FINANCIAL INSTRUMENTS

8.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

The classification of financial instruments as of June 30, 2026 and December 31, 2025, along with the respective carrying amounts and fair values, is as follows:

	June 30, 2026		December 31, 2025	
(in millions of Canadian dollars)	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at fair value through profit or loss				
Equity investments	**4**	**4**	3	3
Derivatives	**8**	**8**	9	9
Financial assets at amortized cost				
Preferred shares	**25**	**25**	23	23
Financial liabilities at fair value through profit or loss				
Derivatives	**(17)**	**(17)**	(9)	(9)
Financial liabilities at amortized cost				
Long-term debt	**(1,975)**	**(1,992)**	(1,944)	(1,973)

8.2 DETERMINING THE FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

8.3 HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table presents information about the Corporation's financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2026 and December 31, 2025 and indicates the fair value hierarchy of the Corporation's valuation techniques to determine such fair value. Three levels of inputs that may be used to measure fair value are:

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

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

				June 30, 2026
(in millions of Canadian dollars)	CARRYING AMOUNT	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Financial assets				
Equity investments	**4**	**—**	**—**	**4**
Derivative financial assets	**8**	**—**	**8**	**—**
	12	**—**	**8**	**4**
Financial liabilities				
Derivative financial liabilities	**(17)**	**—**	**(17)**	**—**
	(17)	**—**	**(17)**	**—**

				December 31, 2025
(in millions of Canadian dollars)	CARRYING AMOUNT	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Financial assets				
Equity investments	3	—	—	3
Derivative financial assets	9	—	9	—
	12	—	9	3
Financial liabilities				
Derivative financial liabilities	(9)	—	(9)	—
	(9)	—	(9)	—

8.4 FINANCIAL RISK MANAGEMENT

A. OTHER RISKS

MONETIZATION OF ACCOUNTS RECEIVABLE

The Corporation has in place a monthly rolling receivables' monetization facility without recourse in the amount of $114 million (US$80 million). Under this agreement the Corporation considers the receivables transferred and accounts for as a sale. The Corporation's continuing involvement in the transferred assets is limited to servicing the receivables.

As of June 30, 2026, the Corporation had unrecognized receivables of $113 million ($107 million as of December 31, 2025) related to this facility, of which the Corporation received a net amount of $7 million ($8 million as of December 31, 2025) as the collection agent and recorded the same amount to the transferred assets purchaser. In the first halves of 2026 and of 2025, the Corporation recorded $2 million in interest expenses ($1 million in the second quarter). The interest is charged monthly and paid on the settlement date.

NOTE 9
SALES

Sales by country are shown in the following table:

	For the 3-month periods ended June 30,				For the 6-month periods ended June 30,			
(in millions of Canadian dollars)	**2026**		2025		**2026**		2025	
Sales								
Operations located in Canada								
Within Canada	**579**	**83%**	564	84%	**1,107**	**83%**	1,092	83%
To the United States	**119**	**17%**	109	16%	**227**	**17%**	231	17%
Other countries	**1**	**—%**	1	—%	**2**	**—%**	2	—%
	699	**100%**	674	100%	**1,336**	**100%**	1,325	100%
Operations located in the United States								
Within the United States	**510**	**98%**	473	92%	**990**	**98%**	942	93%
To Canada	**9**	**2%**	39	8%	**17**	**2%**	73	7%
Other countries	**1**	**—%**	1	—%	**1**	**—%**	1	—%
	520	**100%**	513	100%	**1,008**	**100%**	1,016	100%
	1,219		1,187		**2,344**		2,341	
Sales from:								
Canada	**699**	**57%**	674	57%	**1,336**	**57%**	1,325	57%
United States	**520**	**43%**	513	43%	**1,008**	**43%**	1,016	43%
	1,219	**100%**	1,187	100%	**2,344**	**100%**	2,341	100%
Sales to:								
Canada	**588**	**48%**	603	51%	**1,124**	**48%**	1,165	50%
United States	**629**	**52%**	582	49%	**1,217**	**52%**	1,173	50%
Other countries	**2**	**—%**	2	—%	**3**	**—%**	3	—%
	1,219	**100%**	1,187	100%	**2,344**	**100%**	2,341	100%

NOTE 10
ADDITIONAL INFORMATION

A. FINANCING EXPENSES

(in millions of Canadian dollars)	For the 3-month periods ended June 30,		For the 6-month periods ended June 30,	
	2026	2025	**2026**	2025
Interest on long-term debt, including lease obligations interest (2026 - $6 million for the 6-month period ($3 million for the 3-month period); 2025 - $6 million for the 6-month period ($3 million for the 3-month period))	**28**	30	**58**	63
Interest income and dividends	**(3)**	—	**(4)**	(1)
Amortization of financing expenses	**1**	1	**2**	2
Other interest and banking fees	**1**	1	**2**	3
Interest expense on employee future benefits	**1**	—	**1**	1
Loss on repurchase of long-term debt	**—**	1	**—**	1
	28	33	**59**	69

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.

B. 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,	
	2026	2025	**2026**	2025
Accounts receivable	**(26)**	(3)	**(49)**	(18)
Current income tax assets	**—**	—	**(2)**	—
Inventories	**(17)**	9	**(44)**	(40)
Trade and other payables	**40**	(31)	**54**	(64)
	(3)	(25)	**(41)**	(122)

NOTE 11
EVENTS AFTER THE REPORTING PERIOD

Extension of revolving credit facility maturity
On July 31, 2026, the Corporation entered into an agreement with its lenders to extend the maturity of its existing revolving credit facility from July 2029 to July 2030. The financial conditions remained unchanged.

On July 31, 2026, the Corporation's subsidiary, Greenpac, entered into an agreement with the banking syndicate to extend the maturity of its existing revolving credit facility from June 2028 to July 2029. The financial conditions remained unchanged.

Extension of term loan maturity
On July 31, 2026, the Corporation entered into an agreement with its lenders to extend the maturity of its existing term loan from December 2027 to July 2031. The financial conditions remained unchanged.

Tariffs
On July 20, 2026, the U.S. administration announced new tariffs on a number of products imported into the United States and the Corporation is conducting an assessment of the potential impact on the operations. Based on information currently available, certain tissue and packaging products exported to the United States could be subject to the announced 50% tariffs.

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.

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

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