Leading the way.

Quarterly Report 3

for the three-month and nine-month periods ended September 30, 2022 and 2021

Cascades

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Cascades

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FORWARD-LOOKING STATEMENTS

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 nine-month periods ended September 30, 2022 and 2021, together with the most recent Audited Consolidated Financial Statements. Information contained herein includes any significant developments as of November 9, 2022, 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.sedar.com.

The financial information contained herein, including tabular amounts, is expressed in Canadian dollars, unless otherwise specified, and is prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise specified. Unless otherwise specified or if required by 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 for an understanding of 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, the effect of general economic conditions, decreases in demand for the Corporation's products, prices and availability of raw materials, changes in relative values of certain currencies, fluctuations in selling prices and adverse changes in general market and 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 regulations. 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. These items are based on the best estimates available to the Corporation.

TO OUR SHAREHOLDERS

FINANCIAL HIGHLIGHTS

SELECTED CONSOLIDATED INFORMATION

(in millions of Canadian dollars, except per common share amounts) (unaudited)	**Q3 2022**	Q2 2022	Q3 2021
Sales	**1,174**	1,119	1,030
As reported			
Operating income before depreciation and amortization (OIBD)	**92**	95	136
Operating income	**25**	32	73
Net earnings (loss)	**(2)**	10	32
per common share	**($0.02)**	$0.10	$0.32
Margin (OIBD)	**7.8%**	8.5%	13.2%
Adjusted[1]			
Operating income before depreciation and amortization (OIBD)	**111**	91	107
Operating income	**44**	28	44
Net earnings (loss)	**20**	10	(1)
per common share	**$0.20**	$0.10	($0.01)
Margin (OIBD)	**9.5%**	8.1%	10.4%

- Net debt[1] of $2,011 million as of September 30, 2022 (compared with $1,712 million as of June 30, 2022); Net debt to adjusted OIBD ratio[1] at 6.2x, up from 5.4x as of June 30, 2022.
- Total capital expenditures, net of disposals, of $121 million in Q3 2022 and $333 million in the first nine months of 2022.
- On October 19, 2022, the Corporation announced that it had successfully amended its existing credit facility to reinforce its financial flexibility. The updated agreement increased the authorized term loan to US$260 million from US$160 million while extending the maturity by two years to December 2027. Concurrently, the term of the Corporation's revolving facility was extended by one year to July 2026.

FINANCIAL SUMMARY

SEGMENTED SALES

(in millions of Canadian dollars) (unaudited)	**Q3 2022**	Q2 2022	Q3 2021
Packaging Products			
Containerboard	**595**	569	507
Specialty Products	**168**	168	144
Inter-segment sales	**(11)**	(10)	(10)
	752	727	641
Tissue Papers	**382**	342	344
Inter-segment sales and Corporate Activities	**40**	50	45
Sales	**1,174**	1,119	1,030

SEGMENTED OIBD AS REPORTED

(in millions of Canadian dollars) (unaudited)	**Q3 2022**	Q2 2022	Q3 2021
Packaging Products			
Containerboard	**99**	98	88
Specialty Products	**25**	25	17
Tissue Papers	**(10)**	(4)	47
Corporate Activities	**(22)**	(24)	(16)
OIBD as reported	**92**	95	136

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

SEGMENTED ADJUSTED OIBD[1]

(in millions of Canadian dollars) (unaudited)	**Q3 2022**	Q2 2022	Q3 2021
Packaging Products			
Containerboard	**103**	99	94
Specialty Products	**25**	25	17
Tissue Papers	**4**	(8)	12
Corporate Activities	**(21)**	(25)	(16)
Adjusted OIBD[1]	**111**	91	107

The main variances[2] in adjusted OIBD[1] are shown below:

(in millions of Canadian dollars) (unaudited)	**Q3 2022 vs Q2 2022**	Q3 2022 vs Q3 2021	2022 vs 2021 (nine months)
Price	**41**	132	347
Freight and production costs	**(10)**	(78)	(239)
Volume & mix, foreign exchange & others	**4**	4	15
Raw material & energy	**(15)**	(54)	(190)
Variances in adjusted OIBD[1]	**20**	4	(67)

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

2 *For definitions of certain operating income before depreciation and amortization (OIBD) variation categories, please refer to the "Financial results for the three-month periods ended September 30, 2022 and 2021" section for more details.*

Our third quarter performance was in line with expectations notwithstanding the fact that our Tissue segment continued to face unprecedented cost inflation and reduced productivity due to labour scarcity and inefficiencies. Company-wide, improvements in volume, pricing and sales mix mitigated continued cost headwinds on a sequential and year-over-year basis. Importantly, the profitability initiatives that have been deployed throughout our Tissue business absorbed this segment's higher costs during the quarter. While these measures trailed the cadence of cost headwinds in the first nine months of the year, we are encouraged with how they are now tracking, and continue to expect additional benefits going forward.

/s/ Mario Plourde

MARIO PLOURDE
President and Chief Executive Officer
November 9, 2022

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. More than 55 years later, Cascades is a multinational business with close to 80 operating facilities[1] and approximately 10,000 employees[1] across Canada and the United States. The Corporation currently operates three business segments:

(Business segments) (unaudited)	Number of Facilities[1]	Q3 2022 Sales[2] (in $M)	Q3 2022 Operating Income (loss) Before Depreciation and Amortization (OIBD)[2] (in $M)	Q3 2022 Adjusted OIBD[2, 3] (in $M)	Q3 2022 Adjusted OIBD Margin[2, 3] (%)
PACKAGING PRODUCTS					
Containerboard	25	595	99	103	17.3%
Specialty Products	20	168	25	25	14.9%
TISSUE PAPERS	14	382	(10)	4	1.0%

BUSINESS DRIVERS

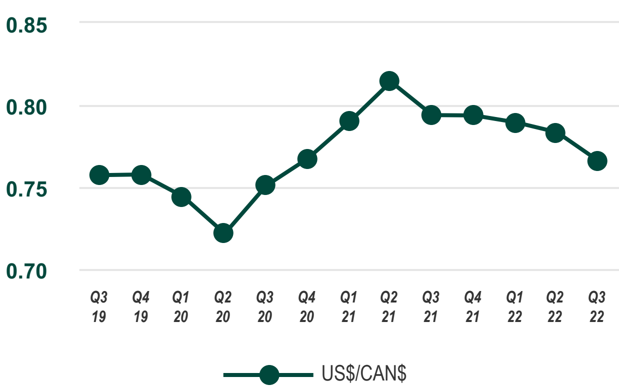
Cascades' results may be impacted by fluctuations in the following areas:

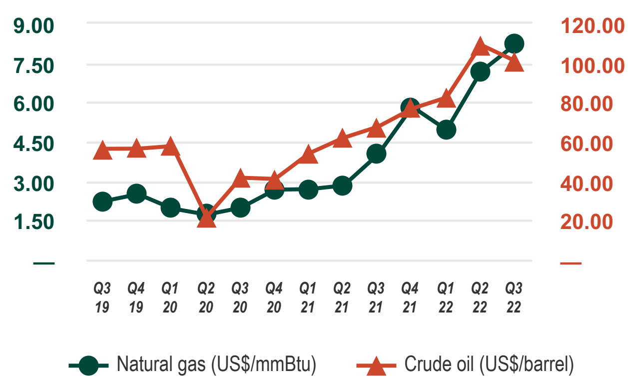
EXCHANGE RATES

Sequentially, the average value of the Canadian dollar decreased by 1% compared to the US dollar in the third quarter of 2022. On a year-over-year basis, the average value of the Canadian dollar decreased by 3% compared to the US dollar.

ENERGY COSTS

During the third quarter, the average price of natural gas increased by 14% sequentially and increased by 104% compared to the same period of last year. In the case of crude oil, the average price was 8% lower sequentially and 49% higher year-over-year, respectively.





(unaudited)	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2020 YEAR	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021 YEAR	**2022 Q1**	**2022 Q2**	**2022 Q3**	**2022 YTD[4]**
US$/CAN$ - Average rate	$0.74	$0.72	$0.75	$0.77	$0.75	$0.79	$0.81	$0.79	$0.79	$0.80	**$0.79**	**$0.78**	**$0.77**	**$0.78**
US$/CAN$ - End of the period rate	$0.71	$0.74	$0.75	$0.79	$0.79	$0.80	$0.81	$0.79	$0.79	$0.79	**$0.80**	**$0.78**	**$0.72**	**$0.72**
Natural Gas Henry Hub - US$/mmBtu	$1.95	$1.72	$1.98	$2.67	$2.08	$2.69	$2.83	$4.01	$5.83	$3.84	**$4.95**	**$7.17**	**$8.20**	**$6.77**
Crude oil (US$/barrel)	$57.78	$21.65	$41.67	$41.07	$40.54	$54.16	$62.01	$67.60	$76.84	$65.15	**$82.49**	**$109.25**	**$101.05**	**$97.60**

Source: Bloomberg

1 *Including significant joint ventures. The Corporation also has 18 Recovery and Recycling facilities which are included in Corporate Activities.*

2 *Excluding associates and joint ventures not included in consolidated results. Refer to Note 8 of the 2021 Audited Consolidated Financial Statements for more information on associates and joint ventures.*

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

4 *YTD (year-to-date)*

HISTORICAL MARKET PRICES OF MAIN PRODUCTS AND RAW MATERIALS

	2020					2021			**2022**	**Q3 2022 vs. Q3 2021**		**Q3 2022 vs.Q2 2022**	
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**	**Q3**	**Change**	**%**	**Change**	**%**
Selling prices (average)													
PACKAGING PRODUCTS													
Containerboard (US$/short ton)													
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	723	772	825	858	875	833	**895**	**935**	**935**	**77**	**9%**	**—**	**—%**
Corrugating medium 26-lb. semichemical, Eastern US (open market)	623	675	735	775	795	745	**818**	**865**	**865**	**90**	**12%**	**—**	**—%**
Specialty Products (US$/short ton)													
Uncoated recycled boxboard - 20-pt. bending chip (series B)	708	740	793	867	980	845	**1,027**	**1,067**	**1,100**	**233**	**27%**	**33**	**3%**
TISSUE PAPERS (US$/short ton)													
Parent rolls, recycled fibres (transaction)	1,120	1,115	1,159	1,170	1,178	1,156	**1,213**	**1,271**	**1,291**	**121**	**10%**	**20**	**2%**
Parent rolls, virgin fibres (transaction)	1,428	1,453	1,550	1,544	1,511	1,515	**1,504**	**1,597**	**1,644**	**100**	**6%**	**47**	**3%**
Raw materials prices (average)													
RECYCLED PAPER													
North America (US$/short ton)													
Sorted residential papers, No. 56 (SRP - Northeast average)	24	44	59	108	108	80	**98**	**107**	**98**	**(10)**	**(9%)**	**(9)**	**(8%)**
Old corrugated containers, No. 11 (OCC - Northeast average)	61	79	102	162	167	127	**140**	**137**	**109**	**(53)**	**(33%)**	**(28)**	**(20%)**
Sorted office papers, No. 37 (SOP - Northeast average)	109	94	117	153	173	134	**205**	**235**	**252**	**99**	**65%**	**17**	**7%**
VIRGIN PULP (US$/metric ton)													
Northern bleached softwood kraft, Canada	1,141	1,302	1,598	1,542	1,472	1,478	**1,527**	**1,743**	**1,800**	**258**	**17%**	**57**	**3%**
Bleached hardwood kraft, mixed, Canada/US	883	1,037	1,297	1,320	1,262	1,229	**1,312**	**1,517**	**1,620**	**300**	**23%**	**103**	**7%**

Sources: RISI and Cascades

SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES AND OTHER FINANCIAL MEASURES

SPECIFIC ITEMS

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

They include, but are not limited to, charges for (reversals of) impairment of assets, restructuring gains or costs, loss on refinancing and repurchase of long-term debt, some deferred tax asset provisions or reversals, premiums paid on repurchase of long-term debt, gains or losses on the acquisition or sale of a business unit, gains or losses on the share of results of associates and joint ventures, unrealized gains or losses on derivative financial instruments that do not qualify for hedge accounting, unrealized gains or losses on interest rate swaps 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 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 ("non-IFRS 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 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 measures and other financial measures are used in our financial disclosures:

Non-IFRS measures

- Adjusted OIBD: Used to assess operating performance and the contribution of each segment on a comparable basis.
- Adjusted operating income: Used to assess operating performance of each segment on a comparable basis.
- Adjusted net earnings: Used to assess the Corporation's consolidated financial performance on a comparable basis.
- Adjusted free cash flow: Used to assess the Corporation's capacity to generate cash flows to meet financial obligations and/or discretionary items such as share repurchase, dividend increase and strategic investments.
- Working capital: Used to assess the short-term liquidity of the Corporation.

Other financial measures

- Total debt: 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: Used to calculate the Corporation's total debt less cash and cash equivalents. Often put in relation to adjusted OIBD to calculate net debt to adjusted OIBD ratio.

Non-IFRS ratios

- Net debt to adjusted OIBD ratio: Used to assess the Corporation's ability to pay its debt and evaluate financial leverage.
- Net debt to adjusted OIBD ratio on a pro-forma basis: Used to measure the Corporation's credit performance and evaluate the financial leverage on a comparable basis, including significant business acquisitions and excluding significant business disposals, if any.
- Adjusted OIBD margin: Used to assess operating performance and the contribution of each segment on a comparable basis.
- Adjusted net earnings per common share: Used to assess the Corporation's consolidated financial performance on a comparable basis.
- Net debt / Net debt + Shareholders' equity: Used to evaluate the Corporation's financial leverage and thus the risk to Shareholders.
- Working capital as a percentage of sales: Used to assess the Corporation's operating liquidity performance.
- Adjusted free cash flow per common share: Used to assess the Corporation's financial flexibility.

Non-IFRS and other financial measures are mainly derived from the consolidated financial statements, but do not have meanings prescribed by IFRS. 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. In addition, our definitions of non-IFRS and other financial measures may differ from those of other corporations. Any such modification or reformulation may be significant.

The reconciliation of operating income (loss) to OIBD, to adjusted operating income (loss) and to adjusted OIBD by business segment is as follows:

	For the 3-month period ended September 30, 2022				
(in millions of Canadian dollars) (unaudited)	**Containerboard**	**Specialty Products**	**Tissue Papers**	**Corporate Activities**	**Consolidated**
Operating income (loss)	**68**	**20**	**(31)**	**(32)**	**25**
Depreciation and amortization	**31**	**5**	**21**	**10**	**67**
Operating income (loss) before depreciation and amortization	**99**	**25**	**(10)**	**(22)**	**92**
Specific items:					
Impairment charges	**2**	**—**	**14**	**—**	**16**
Unrealized loss on derivative financial instruments	**2**	**—**	**—**	**1**	**3**
	4	**—**	**14**	**1**	**19**
Adjusted operating income (loss) before depreciation and amortization	**103**	**25**	**4**	**(21)**	**111**
Adjusted operating income (loss)	**72**	**20**	**(17)**	**(31)**	**44**

	For the 3-month period ended September 30, 2021				
(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	58	13	29	(27)	73
Depreciation and amortization	30	4	18	11	63
Operating income (loss) before depreciation and amortization	88	17	47	(16)	136
Specific items:					
Gain on acquisitions, disposals and others	—	—	(39)	—	(39)
Restructuring costs	1	—	4	—	5
Unrealized loss on derivative financial instruments	5	—	—	—	5
	6	—	(35)	—	(29)
Adjusted operating income (loss) before depreciation and amortization	94	17	12	(16)	107
Adjusted operating income (loss)	64	13	(6)	(27)	44

(in millions of Canadian dollars) (unaudited)	**For the 9-month period ended September 30, 2022** Containerboard	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	**181**	**64**	**(89)**	**(103)**	**53**
Depreciation and amortization	**88**	**14**	**57**	**31**	**190**
Operating income (loss) before depreciation and amortization	**269**	**78**	**(32)**	**(72)**	**243**
Specific items:					
Gain on acquisitions, disposals and others	**—**	**(6)**	**(4)**	**—**	**(10)**
Impairment charges	**2**	**—**	**14**	**—**	**16**
Restructuring costs	**—**	**—**	**1**	**—**	**1**
Unrealized loss (gain) on derivative financial instruments	**11**	**—**	**—**	**(1)**	**10**
	13	**(6)**	**11**	**(1)**	**17**
Adjusted operating income (loss) before depreciation and amortization	**282**	**72**	**(21)**	**(73)**	**260**
Adjusted operating income (loss)	**194**	**58**	**(78)**	**(104)**	**70**

(in millions of Canadian dollars) (unaudited)	For the 9-month period ended September 30, 2021[1] Containerboard	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	187	42	7	(96)	140
Depreciation and amortization	92	11	53	36	192
Operating income (loss) before depreciation and amortization	279	53	60	(60)	332
Specific items:					
Gain on acquisitions, disposals and others	—	—	(39)	—	(39)
Impairment charges	—	—	1	—	1
Restructuring costs	4	—	11	—	15
Unrealized loss (gain) on derivative financial instruments	19	—	—	(1)	18
	23	—	(27)	(1)	(5)
Adjusted operating income (loss) before depreciation and amortization	302	53	33	(61)	327
Adjusted operating income (loss)	210	42	(20)	(97)	135

Net earnings (loss), as per IFRS, are reconciled below with operating income, adjusted operating income and adjusted operating income before depreciation and amortization:

(in millions of Canadian dollars) (unaudited)	**For the 3-month periods ended September 30,** 2022	2021	**For the 9-month periods ended September 30,** 2022	2021[1]
Net earnings (loss) attributable to Shareholders for the period	**(2)**	32	**(7)**	57
Net earnings attributable to non-controlling interests	**5**	14	**13**	22
Results from discontinued operations	**—**	(25)	**—**	(30)
Provision for (recovery of) income taxes	**(5)**	30	**(6)**	38
Share of results of associates and joint ventures	**(5)**	(4)	**(15)**	(11)
Foreign exchange loss (gain) on long-term debt and financial instruments	**10**	3	**12**	(3)
Financing expense and interest expense on employee future benefits and other liabilities	**22**	23	**56**	67
Operating income	**25**	73	**53**	140
Specific items:				
Gain on acquisitions, disposals and others	**—**	(39)	**(10)**	(39)
Impairment charges	**16**	—	**16**	1
Restructuring costs	**—**	5	**1**	15
Unrealized loss on derivative financial instruments	**3**	5	**10**	18
	19	(29)	**17**	(5)
Adjusted operating income	**44**	44	**70**	135
Depreciation and amortization	**67**	63	**190**	192
Adjusted operating income before depreciation and amortization	**111**	107	**260**	327

1 2021 first quarter consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.

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

	NET EARNINGS (LOSS)				NET EARNINGS (LOSS) PER COMMON SHARE[1]			
	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,		For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
As per IFRS	**(2)**	32	**(7)**	57	**($0.02)**	$0.32	**($0.07)**	$0.56
Specific items:								
Gain on acquisitions, disposals and others	**—**	(39)	**(10)**	(39)	**—**	($0.31)	**($0.08)**	($0.31)
Impairment charges	**16**	—	**16**	1	**$0.12**	—	**$0.12**	$0.01
Restructuring costs	**—**	5	**1**	15	**—**	$0.04	**$0.01**	$0.11
Unrealized loss on derivative financial instruments	**3**	5	**10**	18	**$0.02**	$0.03	**$0.07**	$0.12
Foreign exchange loss (gain) on long-term debt and financial instruments	**10**	3	**12**	(3)	**$0.08**	$0.03	**$0.10**	($0.02)
Included in discontinued operations, net of tax	**—**	(20)	**—**	(20)	**—**	($0.12)	**—**	($0.12)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests[1]	**(7)**	13	**(7)**	7	**—**	—	**—**	—
	22	(33)	**22**	(21)	**$0.22**	($0.33)	**$0.22**	($0.21)
Adjusted	**20**	(1)	**15**	36	**$0.20**	($0.01)	**$0.15**	$0.35
Weighted average basic number of common shares outstanding					**100,822,027**	102,129,769	**100,744,469**	102,229,534

The following table reconciles cash flow from (used by) operating activities from continuing operations with operating income and operating income before depreciation and amortization:

	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
(in millions of Canadian dollars) (unaudited)	**2022**	2021	**2022**	2021[2]
Cash flow from (used by) operating activities from continuing operations	**(1)**	45	**(52)**	142
Changes in non-cash working capital components	**61**	13	**212**	85
Depreciation and amortization	**(67)**	(63)	**(190)**	(192)
Net income taxes paid (received)	**1**	(1)	**5**	(2)
Net financing expense paid	**38**	41	**72**	85
Gain on acquisitions, disposals and others	**—**	39	**10**	39
Impairment charges and restructuring costs	**(16)**	(5)	**(17)**	(16)
Unrealized loss on derivative financial instruments	**(3)**	(5)	**(10)**	(18)
Provisions for contingencies and charges and other liabilities, net of dividends received	**12**	9	**23**	17
Operating income	**25**	73	**53**	140
Depreciation and amortization	**67**	63	**190**	192
Operating income before depreciation and amortization	**92**	136	**243**	332

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.*

2 *2021 first quarter consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.*

The following table reconciles cash flow from (used by) operating activities from continuing operations with cash flow from operating activities from continuing operations (excluding changes in non-cash working capital components) and adjusted cash flow from operating activities from continuing operations. It also reconciles adjusted cash flow from operating activities from continuing operations to adjusted free cash flow generated (used), which is also calculated on a per common share basis:

	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
(in millions of Canadian dollars, except per common share amounts or as otherwise noted) (unaudited)	**2022**	2021	**2022**	2021[1]
Cash flow from (used by) operating activities from continuing operations	**(1)**	45	**(52)**	142
Changes in non-cash working capital components	**61**	13	**212**	85
Cash flow from operating activities from continuing operations (excluding changes in non-cash working capital components)	**60**	58	**160**	227
Restructuring costs paid	**2**	12	**9**	18
Adjusted cash flow from operating activities from continuing operations	**62**	70	**169**	245
Payments for property, plant and equipment	**(122)**	(54)	**(341)**	(191)
Change in intangible and other assets	**—**	(3)	**(3)**	(14)
Lease obligation payments	**(14)**	(12)	**(40)**	(35)
Proceeds from disposals of property, plant and equipment	**1**	50	**8**	51
	(73)	51	**(207)**	56
Dividends paid to non-controlling interests	**(3)**	(3)	**(9)**	(10)
Dividends paid to the Corporation's Shareholders	**(12)**	(13)	**(36)**	(29)
Adjusted free cash flow generated (used)	**(88)**	35	**(252)**	17
Adjusted free cash flow generated (used) per common share (in Canadian dollars)	**($0.87)**	$0.34	**($2.50)**	$0.17
Weighted average basic number of common shares outstanding	**100,822,027**	102,129,769	**100,744,469**	102,229,534

The following table reconciles working capital as reported:

(in millions of Canadian dollars, except ratios) (unaudited)	**September 30, 2022**	December 31, 2021	December 31, 2020
Accounts receivable	**639**	510	659
Inventories	**616**	494	569
Trade and other payables	**(694)**	(707)	(861)
Working capital	**561**	297	367

The following table reconciles total debt and net debt with the ratio of net debt to adjusted operating income before depreciation and amortization (adjusted OIBD):

(in millions of Canadian dollars, except ratios) (unaudited)	**September 30, 2022**	December 31, 2021	December 31, 2020
Long-term debt	**1,975**	1,450	1,949
Current portion of long-term debt	**77**	74	102
Bank loans and advances	**2**	1	12
Total debt	**2,054**	1,525	2,063
Less: Cash and cash equivalents	**(43)**	(174)	(384)
Net debt as reported	**2,011**	1,351	1,679
Last twelve months adjusted OIBD (before discontinued operations for the year ended December 31, 2020)	**322**	389	675
Net debt / Adjusted OIBD ratio	**6.2x**	3.5x	2.5x

1 2021 first quarter consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.

SPECIFIC ITEMS INCLUDED IN OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND NET EARNINGS (LOSS)

The Corporation incurred the following specific items in the first nine months of 2022 and 2021:

GAIN ON ACQUISITIONS, DISPOSALS AND OTHERS

2022

In the second quarter, the Tissue Papers segment recorded a $4 million gain from the settlement of a supply agreement.

In the first quarter, the Specialty Products segment recorded a $6 million gain from the sale of land and a building related to a closed plant in Canada.

2021

In the third quarter, the Tissue Papers segment recorded a $39 million gain from the sale of buildings related to closed plants in the USA and in Canada.

IMPAIRMENT CHARGES

2022

In the third quarter, the Containerboard Packaging segment recorded an impairment charge of $2 million on some equipment as part of the continuing optimization initiatives of the platform in Ontario, Canada.

In the third quarter, the Tissue Papers segment recorded an impairment charge of $4 million on spare parts and $10 million on some property, plant and equipment related to the permanent closure of a plant in the USA.

2021

In the second quarter, the Tissue Papers segment recorded an impairment charge of $1 million on spare parts related to closed plants.

RESTRUCTURING COSTS

2022

In the first quarter, the Tissue Papers segment recorded additional costs totaling $1 million related to asset relocation and severances.

2021

In the third quarter, the Containerboard Packaging segment recorded closure costs totaling $1 million related to the closure of plants in Ontario, Canada.

In the third quarter, the Tissue Papers segment recorded additional costs totaling $4 million related to asset relocation and severances.

In the second quarter, the Tissue Papers segment recorded additional costs totaling $5 million related to asset relocation and severances.

In the first quarter, the Containerboard Packaging segment recorded severance charges totaling $3 million as part of a margin improvement program.

In the first quarter, the Tissue Papers segment recorded additional costs totaling $2 million related to asset relocation and severances.

LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS

In the first nine months of 2022, the Corporation recorded an unrealized loss of $10 million (an unrealized loss of $3 million in the third quarter), compared to an unrealized loss of $18 million in the same period of 2021 (an unrealized loss of $5 million in the third quarter), on certain derivative financial instruments not designated for hedge accounting. The unrealized loss in the first nine months of 2022 is due to a steam contract embedded derivatives related to our Niagara Falls containerboard complex.

FOREIGN EXCHANGE LOSS (GAIN) ON LONG-TERM DEBT AND FINANCIAL INSTRUMENTS

In the first nine months of 2022, the Corporation recorded a loss of $12 million (a loss of $10 million in the third quarter) on its US$ denominated debt and related financial instruments, compared to a gain of $3 million in the same period of 2021 (a loss of $3 million in the third quarter). This is composed of a loss of $12 million in the first nine months of 2022 (a loss of $10 million in the third quarter), compared to a gain of $3 million in the same period of 2021 (a loss of $2 million in the third quarter), on foreign exchange forward contracts not designated for hedge accounting. It also includes a $1 million loss in the third quarter of 2021 (nil in the first nine months of 2021) on the US$ denominated long-term debt, net of our net investment hedges in the US, as well as forward exchange contracts designated as hedging instruments.

MANAGEMENT'S DISCUSSION & ANALYSIS

FINANCIAL OVERVIEW - FIRST NINE MONTHS OF 2022

For the 3-month period ended September 30, 2022, the Corporation posted a net loss of $(2) million, or $(0.02) per common share, compared to net earnings of $32 million, or $0.32 per common share, in the same period of 2021. On an adjusted basis[1], the Corporation generated net earnings of $20 million in the third quarter of 2022, or $0.20 per common share, compared to a net loss of $(1) million, or ($0.01) per common share, in the same period of 2021.

For the 3-month period ended September 30, 2022, consolidated sales totaled $1,174 million, an increase of $144 million, or 14%, compared to $1,030 million in the same period of 2021. This largely reflects higher selling prices and mix along with a favourable foreign exchange rate.

For the 3-month period ended September 30, 2022, the Corporation recorded an operating income before depreciation and amortization (OIBD) of $92 million, compared to $136 million in the same period of 2021. On an adjusted basis[1], operating income before depreciation and amortization stood at $111 million in the third quarter of 2022, compared to $107 million in the same period of 2021. This reflects the general inflationary pressure on all costs, which were counterbalanced by higher selling prices in all segments.

For the 9-month period ended September 30, 2022, the Corporation posted a net loss of $(7) million, or ($0.07) per common share, compared to net earnings of $57 million, or $0.56 per common share, in the same period of 2021. On an adjusted basis[1], the Corporation generated net earnings of $15 million in the first nine months of 2022, or $0.15 per common share, compared to net earnings of $36 million, or $0.35 per common share, in the same period of 2021.

For the 9-month period ended September 30, 2022, consolidated sales totaled $3,331 million, an increase of $403 million, or 14%, compared to $2,928 million in the same period of 2021[2]. This reflects higher selling prices and mix and the positive impact of the foreign exchange rate. This was partially offset by lower volume in all segments.

For the 9-month period ended September 30, 2022, the Corporation recorded an operating income before depreciation and amortization (OIBD) of $243 million, compared to $332 million in the same period of 2021[2]. On an adjusted basis[1], operating income before depreciation and amortization stood at $260 million in the first nine months of 2022, compared to $327 million in the same period of 2021[2]. This largely reflects the significant inflationary pressure on all costs and lower volume for all segments, which were counterbalanced by higher selling prices in all segments.

FINANCIAL OVERVIEW - 2021

In 2021, the Corporation posted net earnings of $162 million, or $1.60 per common share, compared to net earnings of $198 million, or $2.04 per common share, in 2020. On an adjusted basis[1], the Corporation generated net earnings of $27 million during 2021, or $0.26 per common share, compared to net earnings of $187 million, or $1.95 per common share, in 2020.

Annual consolidated sales reached $3,956 million in 2021[2], a decrease of $149 million, or 4%, compared to 2020[2]. This largely reflects the sales decrease of 21% in both the Consumer Products and Away-from-Home markets of the Tissue Papers segment, offsetting higher sales in our Packaging segments.

The Corporation recorded an operating income before depreciation and amortization (OIBD) of $302 million in 2021[2], compared to $543 million in 2020[2]. On an adjusted basis[1], operating income before depreciation and amortization stood at $389 million in 2021[2], compared to $546 million in 2020[2]. This largely reflects the increase in raw material and freight costs for all segments along with lower volume in our Tissue Papers segment, while the Packaging Products segments benefited from higher selling prices.

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

2 2021 first quarter and full year 2020 consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.

KEY PERFORMANCE INDICATORS

We use several key performance indicators to monitor our action plan and analyze the progress we are making toward achieving our long-term objectives. These include the following:

					2020[6]					2021				2022	LTM[7]
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1[6]	Q2	Q3	Q4	YEAR	**Q1**	**Q2**	**Q3**	**YTD[8]**	
OPERATIONAL															
Total shipments (in '000 s.t.)[1]															
Packaging Products															
Containerboard	374	360	411	399	1,544	391	385	377	368	1,521	**372**	**379**	**391**	**1,142**	***1,510***
Tissue Papers	181	167	145	152	645	123	138	148	145	554	**131**	**133**	**134**	**398**	***543***
Total	555	527	556	551	2,189	514	523	525	513	2,075	**503**	**512**	**525**	**1,540**	***2,053***
Integration rate[2]															
Containerboard	57%	57%	53%	55%	56%	57%	57%	58%	58%	58%	**57%**	**57%**	**52%**	**56%**	***56%***
Tissue Papers	72%	73%	76%	79%	75%	79%	69%	71%	76%	74%	**79%**	**82%**	**85%**	**82%**	***81%***
Manufacturing capacity utilization rate[3]															
Containerboard	98%	92%	98%	97%	96%	97%	96%	94%	89%	94%	**93%**	**96%**	**93%**	**94%**	***93%***
Tissue Papers	88%	87%	73%	86%	83%	80%	78%	84%	85%	82%	**84%**	**81%**	**88%**	**84%**	***85%***
Consolidated total	95%	90%	90%	93%	92%	92%	90%	91%	88%	90%	**90%**	**92%**	**91%**	**91%**	***90%***
FINANCIAL															
Working capital															
In millions of CAN$, at the end of period[4]	493	497	467	367	367	376	377	410	297	297	**424**	**493**	**561**	**561**	
As a percentage of sales[4, 5]	9.6%	9.4%	9.2%	8.8%	8.8%	8.4%	8.4%	8.5%	8.6%	8.6%	**9.3%**	**9.6%**	**10.2%**	**10.2%**	

1 *Shipments do not take into account the elimination of business sector inter-segment shipments. Shipments from our Specialty Products segment are not presented, as different units of measure are used.*

2 *Defined as: Percentage of manufacturing shipments transferred to our converting operations.*

3 *Defined as: Manufacturing internal and external shipments/practical capacity. Excluding Specialty Products segment manufacturing activities.*

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

5 *Percentage of sales = Average quarterly last twelve months (LTM) working capital / LTM sales (Not adjusted for retrospective reclassification of discontinued operations).*

6 *2021 first quarter and full year 2020 consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.*

7 *LTM (last twelve months)*

8 *YTD (year to date)*

HISTORICAL FINANCIAL INFORMATION

					2020[2]					2021				**2022**	**LTM[3]**
(in millions of Canadian dollars, unless otherwise noted) (unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1[2]	Q2	Q3	Q4	YEAR	**Q1**	**Q2**	**Q3**	**YTD[4]**	
Sales															
Packaging Products															
Containerboard	458	454	506	500	1,918	503	497	507	502	2,009	**534**	**569**	**595**	**1,698**	***2,200***
Specialty Products	113	120	117	123	473	122	131	144	151	548	**157**	**168**	**168**	**493**	***644***
Inter-segment sales	(3)	(5)	(4)	(6)	(18)	(7)	(7)	(10)	(8)	(32)	**(8)**	**(10)**	**(11)**	**(29)**	***(37)***
	568	569	619	617	2,373	618	621	641	645	2,525	**683**	**727**	**752**	**2,162**	***2,807***
Tissue Papers	446	424	364	381	1,615	292	297	344	339	1,272	**314**	**342**	**382**	**1,038**	***1,377***
Inter-segment sales and Corporate Activities	27	27	31	32	117	32	38	45	44	159	**41**	**50**	**40**	**131**	***175***
Total	1,041	1,020	1,014	1,030	4,105	942	956	1,030	1,028	3,956	**1,038**	**1,119**	**1,174**	**3,331**	***4,359***
Operating income (loss)															
Packaging Products															
Containerboard	74	54	71	122	321	65	64	58	43	230	**44**	**69**	**68**	**181**	***224***
Specialty Products	8	11	11	12	42	15	14	13	17	59	**24**	**20**	**20**	**64**	***81***
	82	65	82	134	363	80	78	71	60	289	**68**	**89**	**88**	**245**	***305***
Tissue Papers	28	31	3	10	72	—	(22)	29	(115)	(108)	**(35)**	**(23)**	**(31)**	**(89)**	***(204)***
Corporate Activities	(40)	(32)	(31)	(40)	(143)	(36)	(33)	(27)	(35)	(131)	**(37)**	**(34)**	**(32)**	**(103)**	***(138)***
Total	70	64	54	104	292	44	23	73	(90)	50	**(4)**	**32**	**25**	**53**	***(37)***
Operating income (loss) before depreciation and amortization (OIBD)	130	127	123	163	543	109	87	136	(30)	302	**56**	**95**	**92**	**243**	***213***
Margin (OIBD / Sales) (%)[2]	12.5%	12.5%	12.1%	15.8%	13.2%	11.6%	9.1%	13.2%	(2.9%)	7.6%	**5.4%**	**8.5%**	**7.8%**	**7.3%**	***4.9%***
Adjusted OIBD[1]															
Packaging Products															
Containerboard	99	94	100	110	403	108	100	94	70	372	**80**	**99**	**103**	**282**	***352***
Specialty Products	12	17	16	15	60	18	18	17	21	74	**22**	**25**	**25**	**72**	***93***
	111	111	116	125	463	126	118	111	91	446	**102**	**124**	**128**	**354**	***445***
Tissue Papers	45	54	36	40	175	20	1	12	(6)	27	**(17)**	**(8)**	**4**	**(21)**	***(27)***
Corporate Activities	(25)	(22)	(19)	(26)	(92)	(24)	(21)	(16)	(23)	(84)	**(27)**	**(25)**	**(21)**	**(73)**	***(96)***
Total	131	143	133	139	546	122	98	107	62	389	**58**	**91**	**111**	**260**	***322***
Margin (Adjusted OIBD / Sales) (%)[1, 2]	12.6%	14.0%	13.1%	13.5%	13.3%	13.0%	10.3%	10.4%	6.0%	9.8%	**5.6%**	**8.1%**	**9.5%**	**7.8%**	***7.4%***
Net earnings (loss)	22	54	49	73	198	22	3	32	105	162	**(15)**	**10**	**(2)**	**(7)**	***98***
Adjusted[1]	39	58	48	42	187	29	8	(1)	(9)	27	**(15)**	**10**	**20**	**15**	***6***
Net earnings (loss) from continuing operations per basic common share (in Canadian dollars)[2]	$0.15	$0.43	$0.43	$0.73	$1.74	$0.17	$0.04	$0.18	($0.98)	($0.59)	**($0.15)**	**$0.10**	**($0.02)**	**($0.07)**	***($1.05)***
Net earnings (loss) from discontinued operations per basic common share (in Canadian dollars)[2]	$0.09	$0.14	$0.08	($0.01)	$0.30	$0.05	($0.02)	$0.14	$2.02	$2.19	**—**	**—**	**—**	**—**	***$2.02***
Net earnings (loss) per common share (in Canadian dollars)															
Basic	$0.24	$0.57	$0.51	$0.72	$2.04	$0.22	$0.02	$0.32	$1.04	$1.60	**($0.15)**	**$0.10**	**($0.02)**	**($0.07)**	***$0.97***
Diluted	$0.23	$0.57	$0.50	$0.72	$2.02	$0.22	$0.02	$0.32	$1.03	$1.59	**($0.15)**	**$0.10**	**($0.02)**	**($0.07)**	***$0.96***
Basic, adjusted[1]	$0.42	$0.61	$0.50	$0.42	$1.95	$0.29	$0.07	($0.01)	($0.09)	$0.26	**($0.15)**	**$0.10**	**$0.20**	**$0.15**	***$0.06***
Cash flow from operating activities (excluding changes in non-cash working capital components)[2]	124	125	78	131	458	82	87	58	20	247	**19**	**81**	**60**	**160**	***180***
Net debt[1]	2,212	2,077	1,982	1,679	1,679	1,654	1,707	1,760	1,351	1,351	**1,549**	**1,712**	**2,011**	**2,011**	

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

2 2021 first quarter and full year 2020 consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.

3 LTM (last twelve months)

4 YTD (year to date)

BUSINESS HIGHLIGHTS

STRATEGIC PLAN 2022-2024

As part of the annual review of its corporate strategy, the Corporation analyzes its overall business and the environment in which it competes, sets objectives for the following year and the years ahead and approves its budgets, all with a view to enhancing shareholder value. On February 24, 2022, Management and the Board of Directors disclosed its strategic plan update for the years 2022 to 2024. The following is an update on the strategic plan:

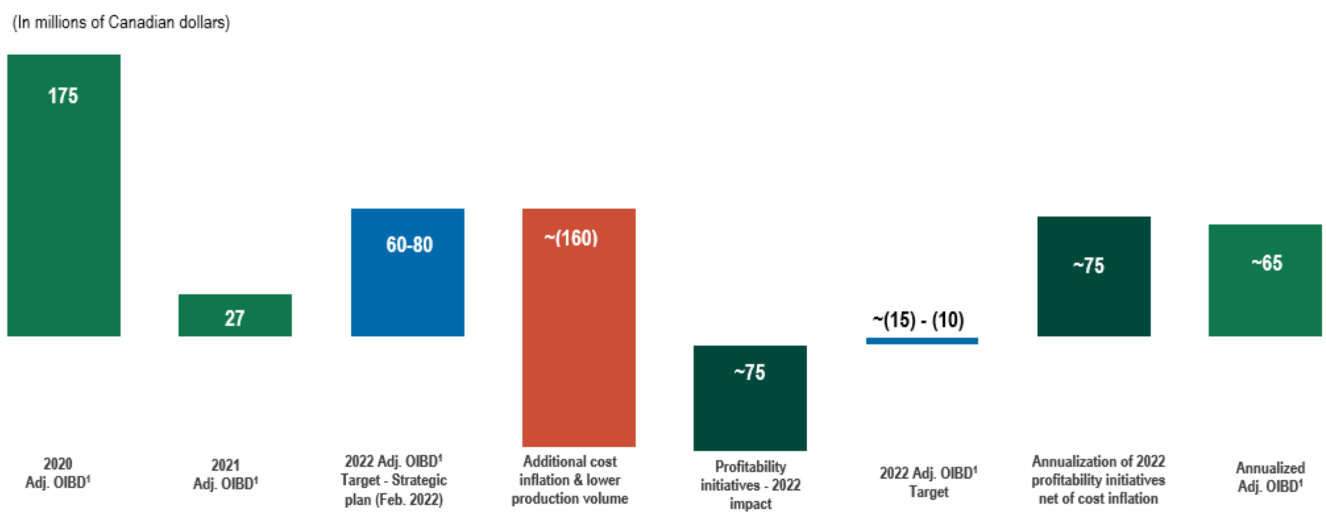
TISSUE PAPERS SEGMENT PROFITABILITY PLAN

The plan is closely monitored by Management and is progressing with initiatives directed towards production efficiency, net revenue management and cost savings. We believe these initiatives will mitigate significant and unprecedented cost headwinds that this segment is facing, while also solidifying the Corporation's foundation for future success. These profitability initiatives have already started to generate positive results which will continue in the fourth quarter of 2022 and throughout 2023. The persistent escalation in cost headwinds combined with lower than anticipated sales volumes resulting mainly from lower productivity and short-term delays in the implementation of industry announced price increases, resulted in a downward revision, in the second quarter, to the 2022 annual OIBD target for this segment from a previously disclosed range of $60 to $80 million to $25 to $40 million. As these conditions continued to persist in the third quarter combined with the unexpected closure of one paper machine at our St. Helens, Oregon paper mill in September, we expect to generate $8 to $12 million of adjusted OIBD[1] in the fourth quarter of 2022 and, as such, will not achieve its $25 to $40 million adjusted OIBD[1] target for the year. Production of the St. Helens paper machine is expected to resume by mid-December, and costs associated with the shutdown will total approximately $6 million.

More importantly, notwithstanding these challenging conditions, our Tissue Papers segment remains on track to deliver on its long-term objectives of $150 million OIBD 2024 disclosed in our February 24, 2022 strategic update.

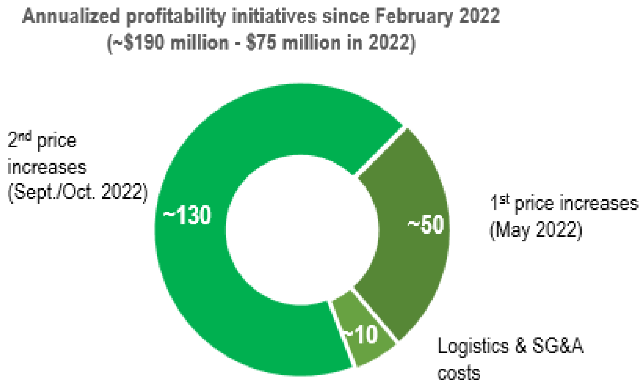
On February 24, 2022 the following objectives were disclosed for our Tissue Papers segment:

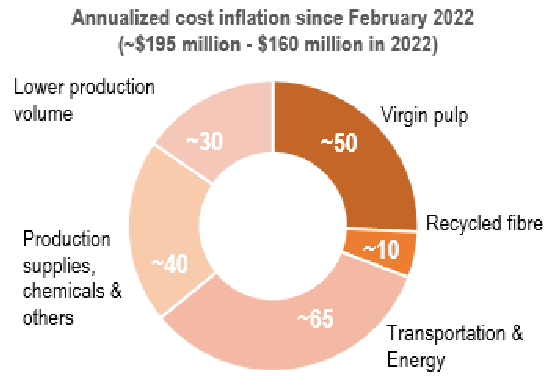
(in millions of Canadian dollars, unless otherwise noted) (unaudited)	2022 Target	2024 Target
Volume (in millions of cases)	65 - 70	75 - 80
Sales	~$1.5 B	~$1.7 B
Adjusted OIBD[1]	~$60 M - $80 M	~$150 M



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

Since February 24, 2022 the Tissue Papers segment implemented several profitability initiatives while facing unprecedented cost headwinds which are described below by major categories:





The annualized impacts of additional cost headwinds at the end of September 2022 reflect the following:

- Raw materials – virgin pulp price index (NBHK) has increased by approximately 30%, or US$375/ton, from December 2021;
- Raw materials – white grades recycled fibre index has increased by approximately 43%, or US$80/ton, from December 2021;
- Energy – natural gas has increased by approximately 70%, or US$3.90/mmBtu, from December 2021;
- Higher transportation cost, including fuel surcharge, chemical products and production supplies;
- Sales volume target of 65 to 70 million cases for 2022 is revised down to approximately 59 million cases in 2022: negative annualized contribution impact of approximately $30 million.

The expected annualized benefits from ongoing profitability initiatives are summarized as follows:

- Price increases (Retail/Away-from-Home tissue) – May 2022: ~$50 million;
- Price increases announced for July 2022 (Retail/Away-from-Home tissue) now expected in September/October 2022: ~$130 million;
- Logistics and SG&A cost savings: ~$10 million.

BEAR ISLAND PROJECT

The Bear Island strategic investment in the conversion of assets to recycled containerboard production is progressing well despite the current environment of important cost inflation and delays in the completion of certain construction milestones due to labour and material availability. The initial total investment of $475 million (US$380 million) was revised upward in the second quarter of 2022 to a range of $595 - $615 million (US$470 - US$485 million) following significant inflationary pressure on construction costs and supply chain constraints causing delays in the delivery of materials.

The announced start-up date of the facility was planned for December 14, 2022. However, these factors continued to persist in the third quarter and as a result, the start-up of the project is now delayed to the first quarter of 2023. The Corporation is working closely with contractors to mitigate further potential delay caused by these elements.

Since 2018 we have invested a total of $405 million ($83 million in the third quarter for a total of $228 million in 2022). The project incurred $8 million of operational costs in the first nine months of 2022 ($4 million in the third quarter of 2022, $10 million on a last twelve months basis and $4 million in the first nine months of 2021).

The important capital investments for this project combined with our lower consolidated financial results in the first nine months led to a notable increase in our net debt / adjusted OIBD ratio[1]. This course is expected to be reversed with improved business performance in the coming months and positive cash flows from the Bear Island project following the facility's start-up.

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

BUSINESS START-UP, ACQUISITION, DISPOSAL AND CLOSURE

The following transactions should be taken into consideration when reviewing the overall and segmented analysis of the Corporation's 2022 and 2021 results.

BOXBOARD EUROPE

- On October 26, 2021, the Corporation closed the sale transaction of its Boxboard Europe segment. The operations are presented as discontinued operations since the second quarter of 2021 with reclassification of the first quarter of 2021, as well as the comparative year 2020.

SIGNIFICANT FACTS AND DEVELOPMENTS

2022

- On October 19, 2022, the Corporation entered into an agreement with its lenders for its existing credit agreement to increase its authorized term loan to US$260 million from US$160 million and extend the maturity from December 2025 to December 2027. Concurrently, the Corporation extended its existing $750 million revolving credit facility maturity from July 2025 to July 2026. The financial conditions of both facilities remain unchanged.

2021

- On November 9, 2021, the Corporation completed the partial redemption of its unsecured senior notes. The transaction was settled on November 10, 2021 and the Corporation redeemed US$144 million ($180 million) and US$155 million ($192 million) of its 2026 and 2028 unsecured senior notes, respectively, and paid an early repurchase premium totaling US$18 million ($22 million).

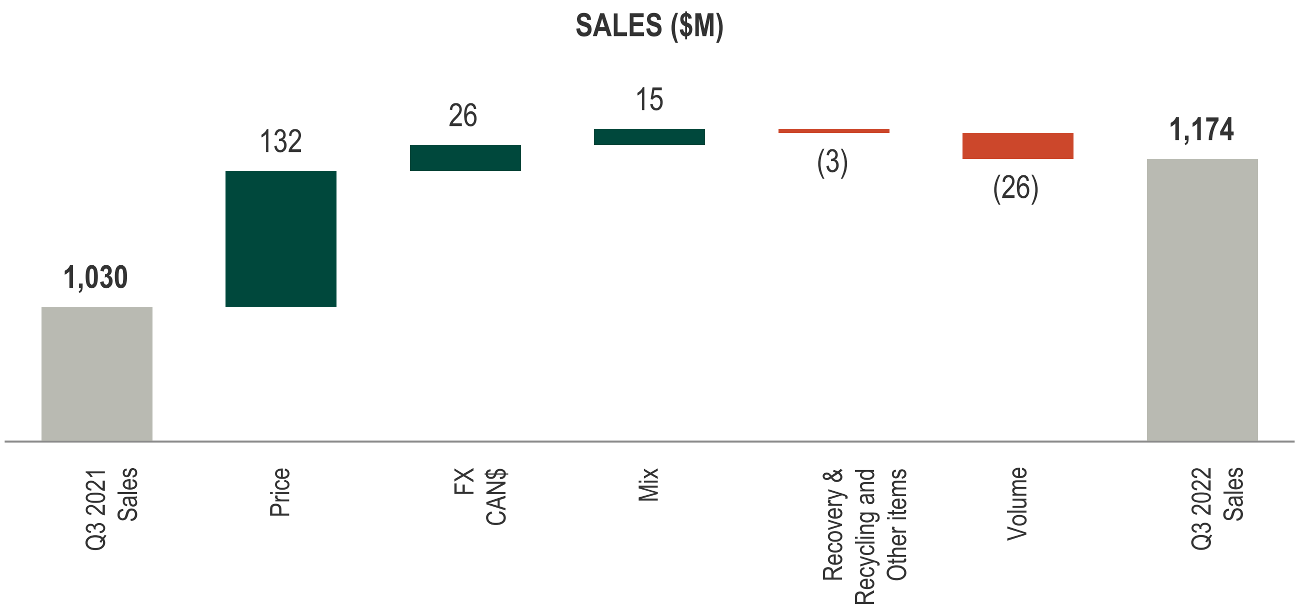
- On August 5, 2021, the Corporation announced an increase of its quarterly dividend from $0.08 to $0.12 per common share.

FINANCIAL RESULTS FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

SALES

Sales of $1,174 million increased by $144 million, or 14%, in the third quarter of 2022 compared to $1,030 million in the same period of 2021. Higher selling prices, better sales mix and a favourable foreign exchange rate had a positive impact on sales. These were partially offset by lower volume in the Tissue Papers and Specialty Products segments.

The main variances in sales in the third quarter of 2022, compared to the same period of 2021, are shown below:
(in millions of Canadian dollars)

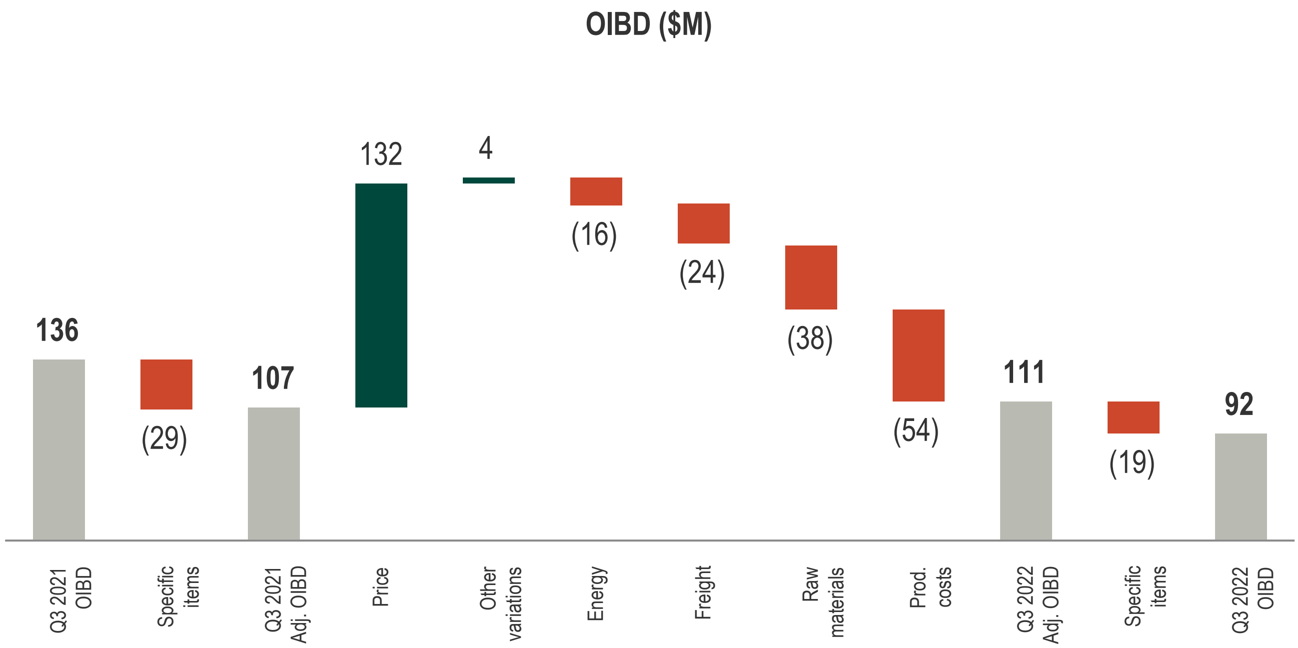


OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION (OIBD)

The Corporation generated an operating income before depreciation and amortization (OIBD) of $92 million in the third quarter of 2022, a decrease of $44 million, or 32%, compared to $136 million in the third quarter of 2021. Specific items[1] recorded in the third quarter of 2022 negatively impacted OIBD by $19 million, compared to the positive impact of $29 million recorded in the same period of 2021. Excluding specific items, the $4 million adjusted OIBD[1] increase reflects higher selling prices, which were offset by significant inflationary pressure on all costs, namely, energy, freight and logistics, raw materials, labour, chemicals and production supplies.

Adjusted OIBD[1] was $111 million in the third quarter of 2022, compared with $107 million in the same period of 2021, an increase of $4 million.

The main variances in OIBD in the third quarter of 2022, compared to the same period of 2021, are shown below:
(in millions of Canadian dollars)



Adjusted OIBD	*Please refer to the "Supplemental Information on Non-IFRS Measures and Other Financial Measures" section for a complete reconciliation.*
Raw materials (OIBD)	*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$ (OIBD)	*The estimated impact of the exchange rate is based on the Corporation's Canadian export sales less purchases, denominated in US$, that are impacted by exchange rate fluctuations and by the translation of our non-Canadian subsidiaries OIBD into CAN$. It also includes the impact of exchange rate fluctuations on the Corporation's Canadian units in currency other than the CAN$ on working capital items and cash positions, as well as our hedging transactions. It excludes indirect sensitivity (please refer to the "Sensitivity Table" section of the 2021 Annual Report for further details).*
Other production costs (OIBD)	*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 OIBD)	*While this sub-segment is integrated within the other segments of the Corporation, all variations in the results of Recovery and Recycling activities are presented separately and on a global basis in the charts.*

The sales and OIBD variances analysis by segment is shown in each business segment review (please refer to the "Business Segment Review" section for more details).

The Corporation incurred certain specific items in the third quarters of 2022 and 2021 that adversely or positively affected its operating results[1].

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

BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS - CONTAINERBOARD

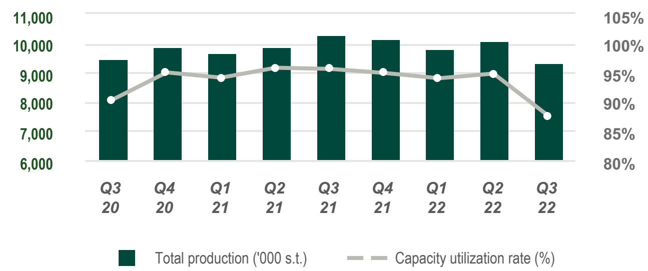
Our Industry

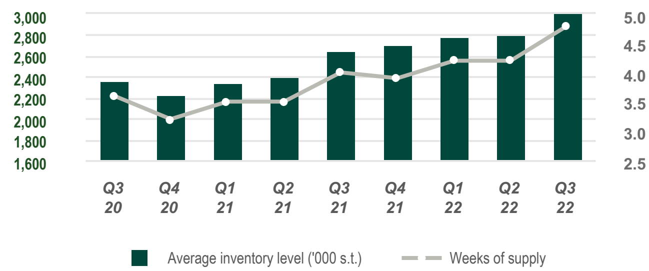
U.S. containerboard industry production and capacity utilization rate [1]

During the third quarter of 2022, total U.S. containerboard production amounted to 9.4 million short tons, a sequential decrease of 7% and a year-over-year decrease of 9%. The industry registered an average capacity utilization rate of 88% during the quarter.

U.S. containerboard inventories at box plants and mills [2]

The average inventory level increased 8% sequentially and 14% year-over-year during the third quarter of 2022. Inventory levels stood at approximately 3.0 million short tons at the end of September 2022, representing 4.8 weeks of supply.

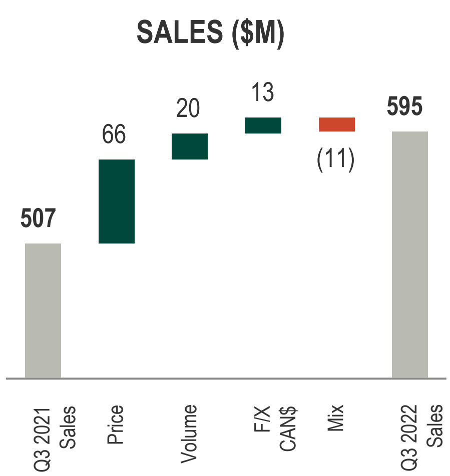


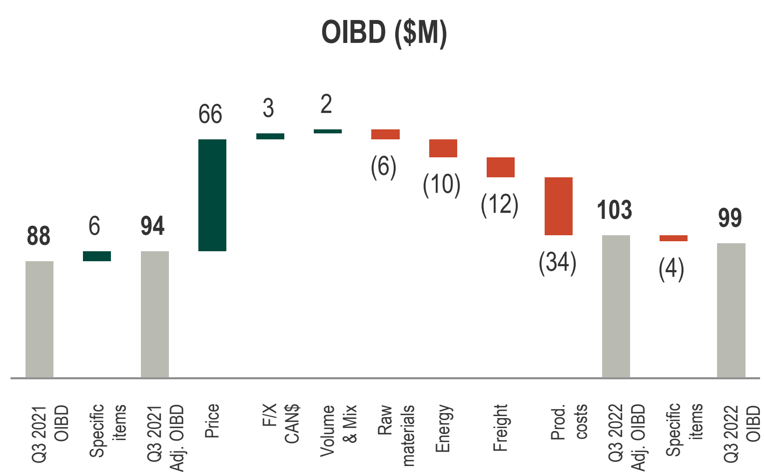


1 Source: RISI
2 Source: Fibre Box Association

Our Performance

The main variances[1] in sales and operating income before depreciation and amortization for the Containerboard Packaging segment in the third quarter of 2022, compared to the same period of 2021, are shown below:
(in millions of Canadian dollars)





The Corporation incurred certain specific items in the third quarters of 2022 and 2021 that adversely or positively affected its operating results[2].

1 For definitions of certain sales and operating income before depreciation and amortization (OIBD) variation categories, please refer to the "Financial results for the three-month periods ended September 30, 2022 and 2021" section for more details.

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

	Q3 2021	Q3 2022	Change in %
Shipments[2] ('000 s.t.)	377	391	4%
Average Selling Price (CAN$/unit)	1,346	1,520	13%
Sales ($M)	507	595	17%
OIBD ($M) (as reported)	88	99	13%
% of sales	17%	17%	
(adjusted)[1]	94	103	10%
% of sales	19%	17%	
Operating income ($M) (as reported)	58	68	17%
(adjusted)[1]	64	72	13%

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

2 Shipments do not take into account the elimination of business sector inter-segment shipments. Including 3.4 billion square feet in the third quarter of 2022 compared to 3.5 billion square feet in the same period of 2021, a decrease of 2%.

3 Including sales to other partners in Greenpac.

Shipments increased by 14,000 s.t., or 4%, in the third quarter of 2022 compared to the same period of 2021.

This reflected a 16,000 s.t., or 9%, increase in external parent roll shipments compared to the same period of 2021, when transportation availability constraints limited our ability to ship. The manufacturing utilization rate decreased by 1% to 93% and the mill integration rate decreased by 6% to 52% compared to the same period of 2021. Including sales to other partners[3], the integration rate also decreased by 5% to 69%, year-over-year.

Shipments from converting activities decreased by 2,000 s.t., or 1%, compared to the same period of 2021. This reflects a 5% decrease in Canadian converted product shipments, which underperformed the 3% decrease in the market. Our US converted product shipments increased a very strong 9% year-over-year, well above the 5% market decrease.

The average selling price increased by 13% in the third quarter of 2022 compared to the same period of 2021. This reflected increases of 18% for parent rolls and 14% for converted products, impacted by a less favourable product mix.

Sales increased by $88 million in the third quarter of 2022 compared to the same period of 2021. This reflected benefits of $66 million from higher average selling prices, $20 million due to higher volume and $13 million related to the depreciation of the Canadian dollar. These were partly offset by an $11 million negative impact related to a less favourable sales mix, including more parent rolls.

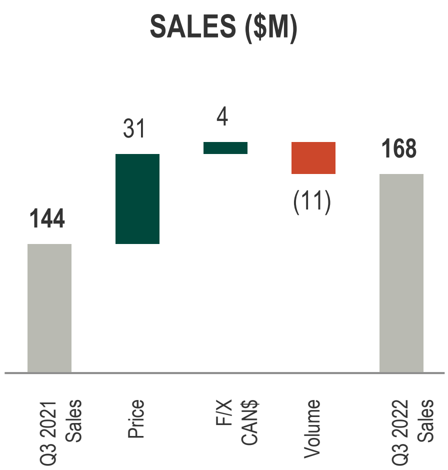
Operating income before depreciation and amortization (OIBD) increased by $11 million, or 13%, in the third quarter of 2022 compared to the same period of 2021. Excluding specific items[1] in both years, the $9 million, or 10%, adjusted OIBD[1] increase reflects a $66 million positive impact from higher selling prices and the combined net positive impact of $2 million as the benefit from higher volume are partly offset by a less favourable sales mix. The depreciation of the Canadian dollar favourably impacted results by $3 million, year-over-year. Continued inflation pressure on freight, energy and operation costs combined to the impact of the market downtime taken at our Niagara Falls facility removed $56 million to OIBD. This amount also includes a $4 million of operational expenses related to the Bear Island project in the third quarter of 2022, up from $2 million in the same period in 2021. Also, higher raw material costs negatively impacted results by $6 million.

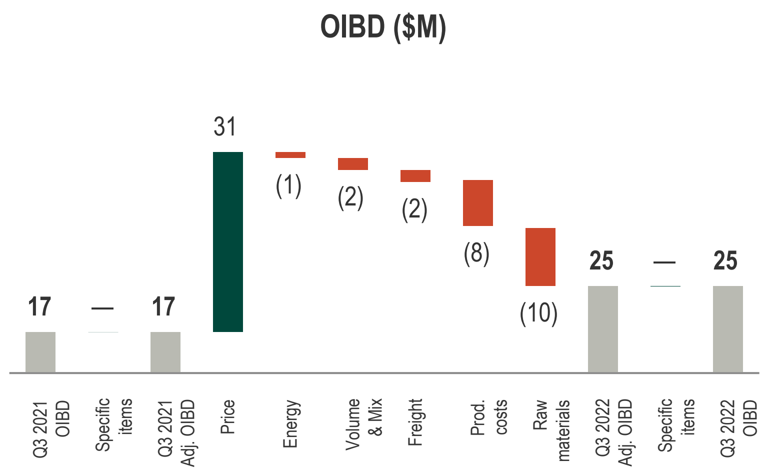
The segment incurred some specific items[1] in the third quarters of 2022 and 2021 that affected OIBD.

PACKAGING PRODUCTS - SPECIALTY PRODUCTS

Our Performance

The main variances[1] in sales and operating income before depreciation and amortization for the Specialty Products segment in the third quarter of 2022, compared to the same period of 2021, are shown below:
(in millions of Canadian dollars)





The Corporation incurred certain specific items in the third quarters of 2022 and 2021 that adversely or positively affected its operating results[2].

1 For definitions of certain sales and operating income before depreciation and amortization (OIBD) variation categories, please refer to the "Financial results for the three-month periods ended September 30, 2022 and 2021" section for more details.

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

	Q3 2021	Q3 2022	Change in %
Sales ($M)	144	168	17%
OIBD ($M) (as reported)	17	25	47%
% of sales	12%	15%	
(adjusted)[1]	17	25	47%
% of sales	12%	15%	
Operating income ($M) (as reported)	13	20	54%
(adjusted)[1]	13	20	54%

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

Sales increased by $24 million, or 17%, in the third quarter of 2022 compared to the same period of 2021. All sub-segments delivered higher average selling prices, which contributed $31 million to sales. In addition, the depreciation of the Canadian dollar compared to the US dollar benefited sales levels by $4 million. These were partially offset by lower volume in the food packaging sub-sector, primarily driven by labour constraints, and a volume impact related to the avian flu in the eggs sub-sector, which reduced sales by $11 million.

Operating income before depreciation and amortization (OIBD) increased by $8 million, or 47%, in the third quarter of 2022 compared to the same period of 2021. This strong performance is the result of higher realized spreads (selling price less raw materials), which positively impacted our results by $21 million. These were partially offset by $11 million of higher costs in transportation, production supplies, energy, and labour that were largely attributable to general inflationary pressure. In addition, lower volume decreased results by $2 million.

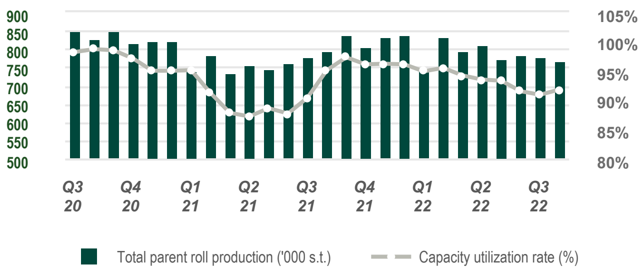
The segment incurred no specific items[1] in the third quarters of 2022 and 2021 that affected OIBD.

TISSUE PAPERS

Our Industry

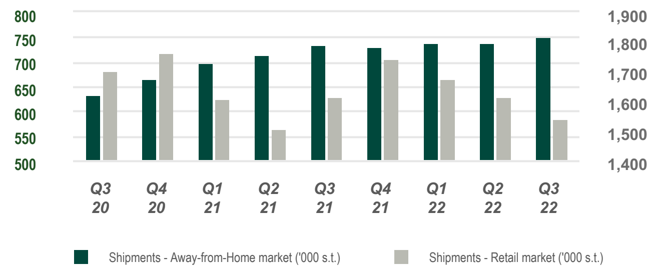
U.S. tissue paper industry production (parent rolls) and capacity utilization rate[1]

During the third quarter of 2022, parent roll production amounted to 2.3 million tons, down by 2% sequentially and was stable compared to the same period last year. The average capacity utilization rate for the quarter stood at 91%, down by 2% sequentially and was stable compared to the third quarter of 2021.



U.S. tissue paper industry converted product shipments[1]

Shipments in the Away-from-Home market increased by 2% sequentially and increased by 2% year-over-year in the third quarter of 2022. Shipments in the Retail market decreased by 5% compared to the previous quarter and decreased by 5% versus the same period of 2021.

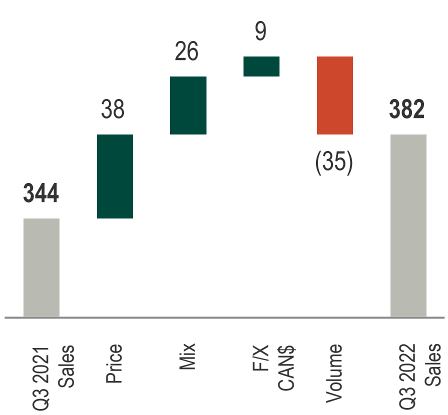


1 Source: RISI

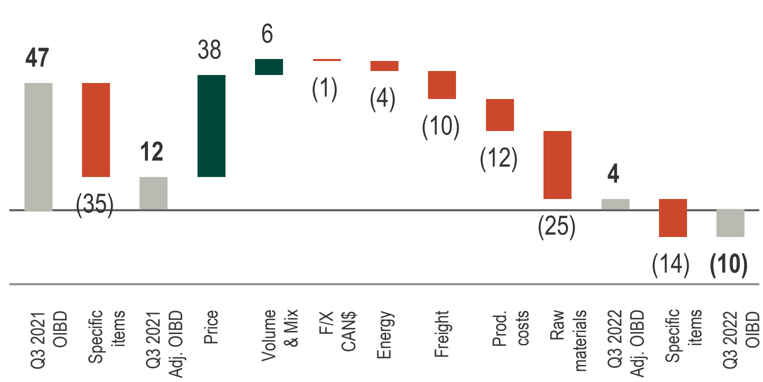
Our Performance

The main variances[1] in sales and operating income (loss) before depreciation and amortization for the Tissue Papers segment in the third quarter of 2022, compared to the same period of 2021, are shown below:
(in millions of Canadian dollars)

SALES ($M)



OIBD (loss) ($M)



The Corporation incurred certain specific items in the third quarters of 2022 and 2021 that adversely or positively affected its operating results[2].

1 For definitions of certain sales and operating income before depreciation and amortization (OIBD) variation categories, please refer to the "Financial results for the three-month periods ended September 30, 2022 and 2021" section for more details.

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

	Q3 2021	Q3 2022	Change in %
Shipments[2] ('000 s.t.)	148	134	-9%
Average Selling Price (CAN$/unit)	2,310	2,861	24%
Sales ($M)	344	382	11%
OIBD (loss) ($M) (as reported)	47	(10)	-121%
% of sales	14%	(3%)	
(adjusted)[1]	12	4	-67%
% of sales	3%	1%	
Operating income (loss) ($M) (as reported)	29	(31)	-207%
(adjusted)[1]	(6)	(17)	-183%

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

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

Shipments decreased by 14,000 s.t., or 9%, in the third quarter of 2022 compared to the same period of 2021.

Converted product shipments increased by 5,000 s.t., or 5%, on a year-over-year basis. In terms of cases, shipments increased by 0.9 million cases, or 6%, to 15.5 million cases in the third quarter of 2022. This was mainly driven by higher demand in the Away-from-Home market (+3%) and Consumer Products (+5%) after lower demand in 2021 related to COVID-19. External manufacturing shipments decreased by 19,000 s.t., or 50%, in the third quarter of 2022 compared to the same period of 2021 as our integration rate increased to 85% compared to 71%.

The 24% increase in the average selling price was primarily due to price increase initiatives in both the Away-from-Home and Consumer Products markets, an average depreciation of the Canadian dollar compared to the US dollar and a favourable mix of products sold due to a lower proportion of parent roll sales.

Sales increased by $38 million, or 11%, in the third quarter of 2022 compared to the same period of 2021. This reflects a positive impact of $38 million related to selling price increase initiatives, $26 million from a lower proportion of parent rolls in the sales mix and a $9 million positive impact from the depreciation of the Canadian dollar. These were partially offset by lower total volumes, which had a negative impact of $35 million.

Operating income (loss) before depreciation and amortization (OIBD) decreased by $57 million in the third quarter of 2022 compared to the same period of 2021. Excluding specific items[1] in both years, the adjusted OIBD[1] decreased by $8 million, reflecting higher selling prices and a favourable mix which were offset by a $51 million impact from higher raw material, transportation, energy and production costs stemming mostly from inflationary pressure. The price increases were not sufficient to fully offset the impact of these elevated cost levels year-over-year, but will continue to positively contribute to the performance of this segment.

The segment incurred some specific items[1] in the third quarters of 2022 and 2021 that affected OIBD.

CORPORATE ACTIVITIES

Corporate Activities incurred some specific items[1] in the first nine months of 2022 and 2021 that affected OIBD. Corporate Activities recorded an adjusted OIBD[1] loss of $73 million in the first nine months of 2022 (a loss of $21 million in the third quarter), compared to a loss of $61 million in the same period of 2021 (a loss of $16 million in the third quarter). The OIBD of our Recovery and Recycling activities was lower by $7 million in the first nine months of 2022 year-over-year (lower by $5 million in the third quarter). Corporate Activities also incurred additional costs to support the profitability improvement initiatives in the Tissue Papers segment.

In the first nine months of 2022, Corporate Activities recorded an unrealized gain on derivative financial instruments of $1 million (an unrealized loss of $1 million in the third quarter), compared to an unrealized gain of $1 million in the same period of 2021 (nil in the third quarter).

STOCK-BASED COMPENSATION EXPENSE

Stock-based compensation expense recognized in Corporate Activities amounted to $3 million in the first nine months of 2022 ($1 million in the third quarter), compared to $5 million in the same period of 2021 ($1 million in the third quarter). For more details on stock-based compensation, please refer to Note 21 of the 2021 Audited Consolidated Financial Statements.

OTHER ITEMS ANALYSIS

DEPRECIATION AND AMORTIZATION

The depreciation and amortization expense decreased by $2 million to $190 million in the first nine months of 2022 ($67 million in the third quarter), compared to $192 million in the same period of 2021[2] ($63 million in the third quarter). The year-over-year change is mainly explained by the normal assets life cycle, leading to fully depreciated assets not yet replaced bringing a decline in total depreciation expense, partially offset by the depreciation of the Canadian dollar of $2 million. The quarter-over-quarter increase is driven by the review of useful life of some assets and the depreciation of the Canadian dollar that contributed to the increase of $5 million in depreciation and amortization expense.

FINANCING EXPENSE AND INTEREST EXPENSE ON EMPLOYEE FUTURE BENEFITS AND OTHER LIABILITIES

The financing expense and interest expense on employee future benefits and other liabilities amounted to $56 million in the first nine months of 2022 ($22 million in the third quarter), compared to $67 million in the same period of 2021[2] ($23 million in the third quarter), a decrease of $11 million. The variance is mainly attributable to higher capitalized interests on major investment projects and lower level of debt at the beginning of the year partially offset by a higher interest rate. The quarter-over-quarter slight decrease is explained by a higher interest rate and higher indebtedness, more than offset by higher capitalized interest. As of September 30, 2022, 36% of the Corporation's total long-term debt was at a variable rate and 64% was at a fixed rate.

FOREIGN EXCHANGE LOSS (GAIN) ON LONG-TERM DEBT AND FINANCIAL INSTRUMENTS

In the first nine months of 2022, the Corporation recorded a loss of $12 million (a loss of $10 million in the third quarter) on its US$ denominated debt and related financial instruments, compared to a gain of $3 million in the same period of 2021 (a loss of $3 million in the third quarter). Please refer to the “Supplemental Information on Non-IFRS Measures and Other Financial Measures” section for more details.

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

Share of results of associates and joint ventures amounted to $15 million in the first nine months of 2022 ($5 million in the third quarter), compared to $11 million in the same period of 2021 ($4 million in the third quarter). Please refer to Note 8 of the 2021 Audited Consolidated Financial Statements for more information on associates and joint ventures.

PROVISION FOR (RECOVERY OF) INCOME TAXES

In the first nine months of 2022, the Corporation recorded a recovery of income taxes of $6 million (a recovery of income taxes of $5 million in the third quarter), which compares to a provision for income taxes of $38 million in the same period of 2021[2] (a provision for income taxes of $30 million in the third quarter).

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

2 *2021 first quarter consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the “Discontinued Operations” section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.*

(in millions of Canadian dollars) (unaudited)	For the 9-month periods ended September 30, 2022	2021[1]
Provision for income taxes based on the combined basic Canadian and provincial income tax rate	—	23
Adjustment for income taxes arising from the following:		
Difference in statutory income tax rate of foreign operations	—	(1)
Prior years reassessment	(2)	4
Reversal of deferred income tax assets related to prior year losses	—	18
Permanent differences	(3)	(5)
Other	(1)	(1)
	(6)	15
Provision for (recovery of) income taxes	(6)	38

In the third quarter of 2021, the Corporation recorded the reversal of $18 million in tax assets related to prior-year loss of one of its subsidiaries as it does not expect to be able to use them before they expire.

Greenpac is a limited liability company (LLC) and partners agreed to account for it as a disregarded entity for tax purposes. Consequently, income taxes associated with Greenpac 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. As such, although Greenpac is 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, notably 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 24.4% in the first nine months of 2022.

RESULTS FROM DISCONTINUED OPERATIONS

Results from discontinued operations amounted to $30 million in the first nine months of 2021[1] ($25 million in the third quarter). Results from discontinued operations attributable to Shareholders amounted to $17 million in the first nine months of 2021[1] ($14 million in the third quarter). Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for all details on results from discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS

Cash flows from operating activities from continuing operations, excluding changes in non-cash working capital components, stood at $160 million in the first nine months of 2022 ($60 million in the third quarter), compared to $227 million in the same period of 2021[1] ($58 million in the third 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 from continuing operations used $52 million in liquidity in the first nine months of 2022 ($1 million used in the third quarter), compared to $142 million generated in the same period of 2021[1] ($45 million generated in the third quarter). The decrease is driven by lower profitability compared to the first nine months of 2021. Other elements include payments totaling $9 million in the first nine months of 2022 ($2 million in the third quarter) for severances and other restructuring costs related to closures and margin improvement initiatives, compared to $18 million in the same period of 2021 ($12 million in the third quarter). The Corporation paid $72 million of financing expense in the first nine months of 2022 ($38 million in the third quarter), compared to $85 million in the same period of 2021[1] ($41 million in the third quarter). The Corporation also paid $5 million of income taxes in the first nine months of 2022 ($1 million paid in the third quarter), compared to $2 million received in the same period of 2021[1] ($1 million received in the third quarter).

Changes in non-cash working capital components used $212 million in liquidity in the first nine months of 2022 ($61 million used in the third quarter), compared to $85 million used in the same period of 2021[1] ($13 million used in the third quarter). General supply chain challenges led to higher inventory levels to mitigate impacts on service. Ongoing inflation also had a negative impact through the cash converting cycle as it first hits accounts payable and inventory before going through selling price increases and accounts receivable. As of September 30, 2022, average quarterly LTM working capital as a percentage of LTM sales[2] stood at 10.2%, which compares to 8.6% as of December 31, 2021.

1 *2021 first quarter consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.*

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

INVESTING ACTIVITIES FROM CONTINUING OPERATIONS

Investing activities from continuing operations used $336 million in liquidity in the first nine months of 2022 ($121 million used in the third quarter), compared to $153 million used in the same period of 2021[1] ($7 million used in the third quarter).

DISPOSALS IN ASSOCIATES AND JOINT VENTURES

In the first nine months of 2021, the Corporation sold its participation in an associate for an amount of $1 million.

PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
(in millions of Canadian dollars) (unaudited)	**2022**	2021	**2022**	2021[1]
Total acquisitions	**177**	69	**390**	214
Variation of acquisitions for property, plant and equipment included in “Trade and other payables”	**(19)**	3	**20**	7
Right-of-use assets acquisitions and of property, plant and equipment included in other debts	**(36)**	(18)	**(69)**	(30)
Payments for property, plant and equipment	**122**	54	**341**	191
Proceeds from disposals of property, plant and equipment	**(1)**	(50)	**(8)**	(51)
Payments for property, plant and equipment net of proceeds from disposals	**121**	4	**333**	140

New capital expenditure projects, including right-of-use assets, by segment in the first nine months of 2022 were as follows:
(in millions of Canadian dollars)

The major capital projects that were initiated, are in progress or were completed in the first nine months of 2022 are as follows:

CONTAINERBOARD PACKAGING

- Bear Island assets in Virginia, USA for site preparation and conversion of equipment to recycled containerboard manufacturing (see “Business Highlights” section for more details).

SPECIALTY PRODUCTS

- Investment in equipment to increase recycled pulp production for internal usage and converting capacity in cardboard operations.

TISSUE PAPERS

- Investment in equipment to optimize the capacity of our converting lines.

CORPORATE ACTIVITIES

- Investment in the modernization of the water treatment system at the Kingsey Falls complex in Québec, Canada.

1 2021 first quarter consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the “Discontinued Operations” section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.

PROCEEDS FROM DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

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

In the first quarter of 2022, the Specialty Products segment received $5 million from the sale of land and a building related to a closed plant in Canada. An additional amount of $1 million deposited in escrow will be released under certain conditions.

In the third quarter of 2021, the Tissue Papers segment received $50 million from the sale of assets of closed plants in the USA and in Canada.

CHANGE IN INTANGIBLE AND OTHER ASSETS

In the first nine months of 2022, the Corporation invested $2 million, compared to $12 million in the same period of 2021, in its ERP information technology system and other software developments. In the first nine months of 2022, the Corporation invested an additional $1 million ($1 million in 2021) for other assets, including deposits related to a warehousing centralization initiative as part of the distribution network optimization.

FINANCING ACTIVITIES FROM CONTINUING OPERATIONS

Financing activities from continuing operations generated $257 million in liquidity in the first nine months of 2022 ($94 million generated in the third quarter), compared to $128 million used in the same period of 2021[1] ($59 million used in the third quarter), including $36 million ($29 million in 2021) in dividend payments to the Corporation's Shareholders.

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

The Corporation issued 355,686 common shares at an average price of $4.47 as a result of the exercise of stock options in the first nine months of 2022, representing an aggregate amount of $1 million (in the same period of 2021 - $2 million for 232,612 common shares issued at an average price of $6.47).

The Corporation purchased 854,421 common shares for cancellation at an average price of $11.07 for $9 million in the first nine months of 2022 (in the same period of 2021 - $26 million for 1,651,600 common shares for cancellation at an average price of $15.45).

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

Dividends paid to non-controlling interests in Greenpac and Falcon Packaging (distributor in the Specialty Products segment) amounted to $9 million in the first nine months of 2022 ($10 million in the same period of 2021[1]). In 2022, the Corporation also increased its participation in Falcon Packaging for a contribution of $3 million ($2 million in 2021).

CASH FLOWS FROM DISCONTINUED OPERATIONS

In the third quarter of 2021, the Boxboard Europe segment completed two business acquisitions and paid a total of €141 million ($210 million).

In the second quarter of 2021, the Boxboard Europe segment received €5 million ($7 million) from the sale of its French subsidiary that produced virgin based boxboard. The €7 million ($11 million) cash balance of this subsidiary was also disposed of, resulting in a net cash balance decrease of €2 million ($4 million).

In the first quarter of 2021[1], the Boxboard Europe segment received $4 million from the sale of the land of a closed plant.

Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for all details on cash flows from discontinued operations.

1 2021 first quarter consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.

CONSOLIDATED FINANCIAL POSITION

AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021 AND 2020

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

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	**September 30, 2022**	December 31, 2021	December 31, 2020
Cash and cash equivalents	**43**	174	384
Total assets	**5,057**	4,566	5,412
Total debt[1]	**2,054**	1,525	2,063
Net debt[1]	**2,011**	1,351	1,679
Equity attributable to Shareholders	**1,929**	1,879	1,753
Non-controlling interests	**55**	48	204
Total equity	**1,984**	1,927	1,957
Total equity and net debt[1]	**3,995**	3,278	3,636
Ratio of net debt[1]/(total equity and net debt[1])	**50.3%**	41.2%	46.2%
Shareholders' equity per common share (in Canadian dollars)	**$19.22**	$18.63	$17.14

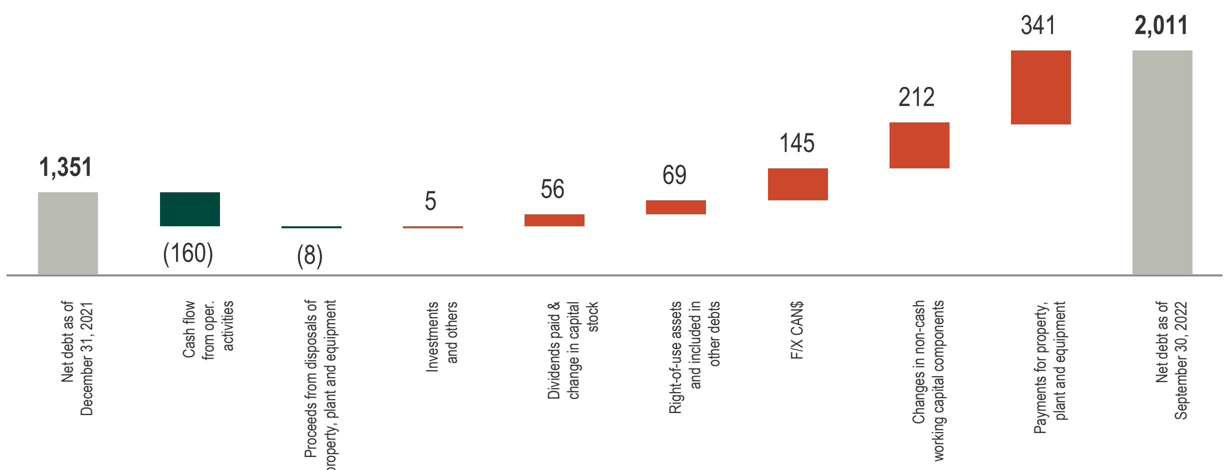
The following table reflects the Corporation's secured debt rating/corporate rating/unsecured debt rating:

Credit rating (outlook)	MOODY'S	STANDARD & POOR'S
December 31, 2021	Baa3/Ba2/Ba3 (stable)	BB+/BB-/BB- (positive)
September 30, 2022	**Baa3/Ba2/Ba3 (stable)**	**BB+/BB-/BB- (stable)**

During the first quarter of 2022, STANDARD & POOR'S revised the Corporation's outlook to stable from positive on cost headwinds and reaffirmed its 'BB-' rating.

NET DEBT[1] RECONCILIATION

The variances in the net debt[1] (total debt[1] less cash and cash equivalents) in the first nine months of 2022 are shown below, with the applicable financial ratios included.
(in millions of Canadian dollars)



389	Adjusted OIBD[1] (last twelve months) ($M)	**322**
3.5x	Net debt[1]/Adjusted OIBD[1]	**6.2x**

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

Liquidity available via the Corporation's credit facilities, cash and cash equivalent balance and the anticipated cash flow generated by its operating activities are expected to provide sufficient funds to meet our financial obligations and to fulfill our capital expenditure program for at least the next twelve months. Forecasted 2022 capital expenditures are expected to be approximately $450 - $470 million, encompassing $310 - $330 million for the Bear Island containerboard conversion project in Virginia, USA. As of September 30, 2022, the Corporation had $311 million (net of letters of credit in the amount of $15 million) available on its $750 million credit facility (excluding the credit facilities of our subsidiary Greenpac). Cash and cash equivalents as of September 30, 2022 are comprised as follows: $8 million in the parent company and restricted subsidiaries (as defined in the credit agreement) and $35 million in unrestricted subsidiaries, mainly Greenpac. The refinancing announced on October 19, 2022 will improve the liquidity position of the Corporation.

NEAR-TERM OUTLOOK

In view of the persistent inflationary pressures on costs and current macroeconomic environment, we are taking a conservative approach to our near-term outlook. Accordingly, we expect sequentially stable results in our packaging businesses, with lower raw material cost tailwinds projected to counterbalance lower volumes. For our Tissue segment, we anticipate improved sequential results driven by accruing benefits from profitability initiatives and stable demand levels. Our initiatives have delivered according to expectations thus far, despite certain timing delays in their implementations. The exception to this is meeting our production targets, where we continue to put in place additional measures to narrow the shortfall. The temporary shutdown of one of the machines at our St. Helen's facility in Oregon has not impacted our annualized longer-term Tissue profitability objectives. Production is expected to resume by mid-December, and costs associated with the shutdown will total approximately $6 million.

CAPITAL STOCK INFORMATION

COMMON SHARE TRADING

Cascades' stock is traded on the Toronto Stock Exchange under the ticker symbol "CAS". From January 1, 2022 to September 30, 2022, Cascades' common share price fluctuated between $8.04 and $14.14. During the same period, 52.6 million Cascades common shares were traded on the Toronto Stock Exchange. On September 30, 2022, Cascades' common shares closed at $8.04. This compares with a closing price of $15.67 on the same closing day last year.

COMMON SHARES OUTSTANDING

As of September 30, 2022, the Corporation's issued and outstanding capital stock consisted of 100,361,627 common shares (100,860,362 as of December 31, 2021) and 2,797,866 issued and outstanding stock options (2,373,416 as of December 31, 2021). In 2022, the Corporation purchased 854,421 common shares for cancellation, while 355,686 stock options were exercised, 785,532 options were granted and 5,396 stock options were forfeited.

As of November 9, 2022, issued and outstanding capital stock consisted of 100,361,627 common shares and 2,794,515 stock options.

NORMAL COURSE ISSUER BID PROGRAM

The normal course issuer bid announced on March 17, 2021 enabled the Corporation to purchase for cancellation up to 2,045,621 common shares between March 19, 2021 and March 18, 2022. During that period, the Corporation purchased 2,045,621 common shares for cancellation at an average price of $14.98 for $31 million.

The current normal course issuer bid announced on March 17, 2022 enables the Corporation to purchase for cancellation up to 2,015,053 common shares between March 19, 2022 and March 18, 2023. During the period between March 19, 2022 and November 9, 2022, the Corporation purchased 460,400 common shares for cancellation at an average price of $9.38 for $4 million.

DIVIDEND POLICY

On November 9, 2022, Cascades' Board of Directors declared a quarterly dividend of $0.12 per common share to be paid on December 8, 2022 to shareholders of record at the close of business on November 23, 2022. On November 9, 2022, dividend yield was 5.5%.

				2020				2021			**2022**
TSX Ticker: CAS	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	**Q1**	**Q2**	**Q3**
Common shares outstanding (in millions)[1]	94.3	95.0	95.0	102.3	102.3	102.3	100.9	100.9	**100.5**	**100.8**	**100.4**
Closing price (in Canadian dollars)[1]	$12.57	$14.79	$16.84	$14.55	$15.73	$15.26	$15.67	$13.97	**$12.82**	**$10.13**	**$8.04**
Average daily volume[2]	256,827	298,267	257,710	363,795	342,616	433,394	278,277	272,438	**250,944**	**299,332**	**293,260**
Dividend yield[1]	2.5%	2.2%	1.9%	2.2%	2.0%	2.1%	3.1%	3.4%	**3.7%**	**4.7%**	**6.0%**

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, 2020 TO SEPTEMBER 30, 2022
(in Canadian dollars)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

CONTROLS AND PROCEDURES

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

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

The purpose of internal controls over financial reporting ("ICFR") is to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of financial statements in accordance with IFRS. 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 September 30, 2022, there were no changes in the Corporation's ICFR that materially affected or are reasonably likely to materially affect the Corporation's ICFR.

RISK FACTORS

As part of its ongoing business operations, the Corporation is exposed to certain market risks, including risks ensuing from changes in selling prices for its principal products, costs of raw materials, 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. We use these derivative financial instruments as risk management tools, not for speculative investment purposes.

Although Cascades does not have direct activities in Russia or Ukraine, a prolonged armed conflict between the two countries or an expansion of the armed conflict to other countries could have a materially adverse effect on world economies and on the Corporation in a variety of ways, including: (i) a general decrease in consumer spending from lower confidence levels; (ii) severe price inflation; (iii) disruptions in capital and financial markets; and (iv) an increase in cyber security risk.

Pages 70 to 79 of our Annual Report for the year ended December 31, 2021 contain a discussion of the key areas of the Corporation's business risks and uncertainties and its mitigating strategies. This information on business risks and enterprise risk management remains substantially unchanged. Please refer to our Annual Report for further details.

APPENDIX
INFORMATION FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

FINANCIAL RESULTS FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

SALES

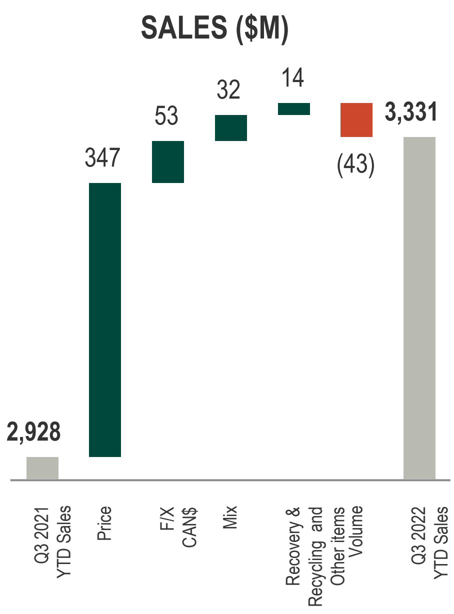
Sales increased by $403 million, or 14%, to $3,331 million in the first nine months of 2022, compared with $2,928 million in the same period of 2021[1]. Higher selling prices and a favourable foreign exchange rate for all segments had a positive impact on sales. Recovery & Recycling activities also had a positive impact compared to last year. These were partially offset by lower volume in all segments.

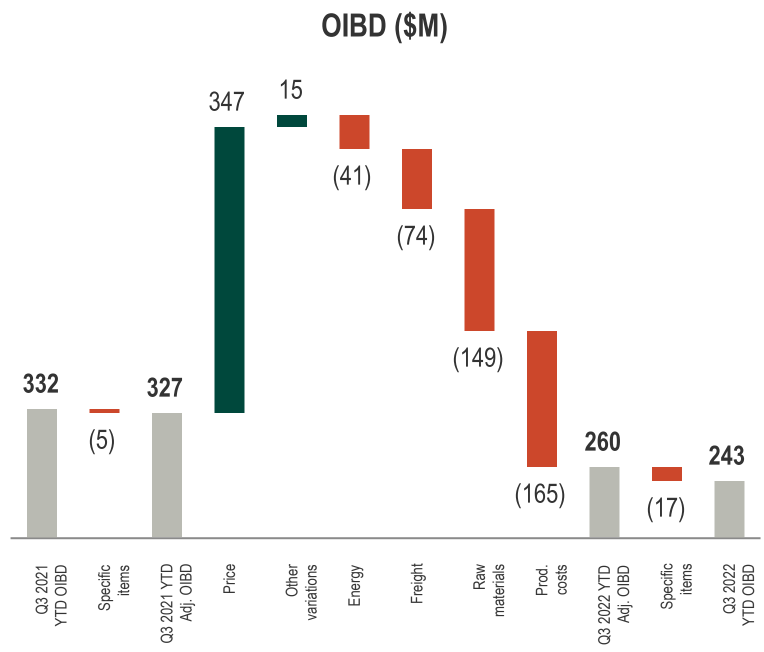
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION (OIBD)

The Corporation generated an OIBD of $243 million in the first nine months of 2022, compared with $332 million in the same period of 2021[1], a decrease of $89 million. Specific items[2] recorded in both periods impacted the OIBD. Excluding specific items, the $67 million adjusted OIBD[2] decrease reflects higher selling prices, which were more than offset by lower volume mainly in the Tissue Papers segment and significant inflationary pressure on all costs, namely, energy, freight and logistics, raw materials, labour, chemicals and production supplies.

Adjusted OIBD[2] was $260 million in the first nine months of 2022, compared with $327 million in the same period of 2021[1], a decrease of $67 million.

The main variances[3] in sales and in OIBD in the first nine months of 2022, compared to the same period of 2021[1], are shown below:
(in millions of Canadian dollars)





The sales and OIBD variances analysis by segment is shown in each business segment review (please refer to pages 34 to 39 for more details).

The Corporation incurred certain specific items in the first nine months of 2022 and 2021 that adversely or positively affected its operating results[2].

1 *2021 first quarter consolidated results and consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.*

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

3 *For definitions of certain sales and operating income before depreciation and amortization (OIBD) variation categories, please refer to the "Financial results for the three-month periods ended September 30, 2022 and 2021" section for more details.*

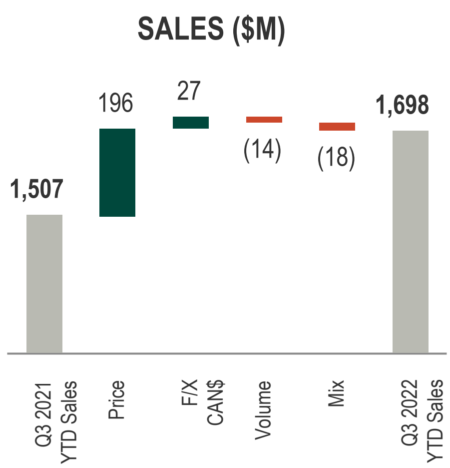
APPENDIX (CONTINUED)
INFORMATION FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

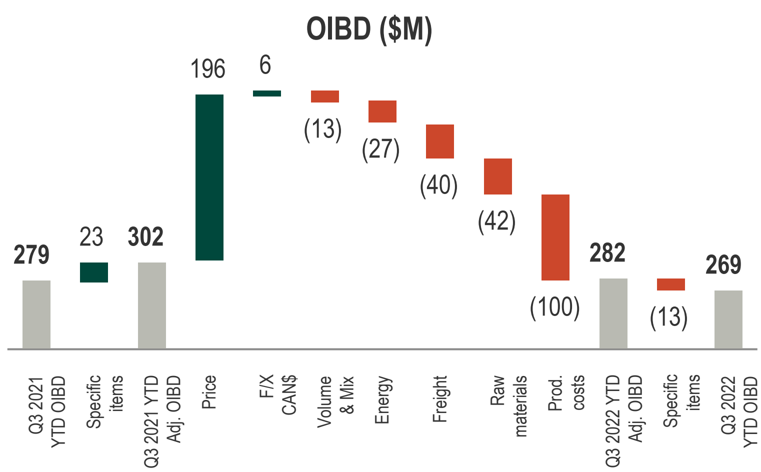
BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS - CONTAINERBOARD

Our Performance (Q3 2021 YTD vs. Q3 2022 YTD)

The main variances[1] in sales and operating income before depreciation and amortization for the Containerboard Packaging segment in the first nine months of 2022, compared to the same period of 2021, are shown below:
(in millions of Canadian dollars)





The Corporation incurred certain specific items in the first nine months of 2022 and 2021 that adversely or positively affected its operating results[2].

1 For definitions of certain sales and operating income before depreciation and amortization (OIBD) variation categories, please refer to the "Financial results for the three-month periods ended September 30, 2022 and 2021" section for more details.

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

	Q3 2021 YTD	Q3 2022 YTD	Change in %
Shipments[2] ('000 s.t.)	1,153	1,142	-1%
Average Selling Price (CAN$/unit)	1,306	1,487	14%
Sales ($M)	1,507	1,698	13%
OIBD ($M) (as reported)	279	269	-4%
% of sales	19%	16%	
(adjusted)[1]	302	282	-7%
% of sales	20%	17%	
Operating income ($M) (as reported)	187	181	-3%
(adjusted)[1]	210	194	-8%

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

2 Shipments do not take into account the elimination of business sector inter-segment shipments. Including 10.3 billion square feet in 2022 compared to 10.7 billion square feet in 2021, a decrease of 4%.

3 Including sales to other partners in Greenpac.

Shipments decreased by 11,000 s.t., or 1%, in 2022 compared to 2021.

This reflects an 8,000 s.t., or 2%, increase in external parent roll shipments compared to 2021, which is mainly driven by the water effluent treatment system issue at our Niagara Falls, NY, complex which slowed production during the second quarter of 2021. The manufacturing utilization rate decreased by 2% to 94%. The mill integration rate decreased by 1% at 56%. Including sales to other partners[3], the integration rate was 72% in 2022, slightly below 73% in 2021.

Shipments from converting activities decreased by 19,000 s.t., or 3%. This reflects a 6% decrease in our Canadian converted products shipments in the first nine months of the year, below the 1% comparable decrease in the market. This year-over-year decrease reflects strong industry demand in the first nine months of 2021, the impacts from erosion of some customer accounts related to profitability initiatives and lower demand of some key customers. Shipments of the US converted products increased 4% compared to last year, outperforming the broader market decline of 2%.

The average selling price denominated in Canadian dollars increased by 14% in 2022. This reflected an 18% increase for parent rolls and a 14% increase for converted products.

Sales increased by $191 million, or 13%, in 2022 compared to 2021. The higher average selling price added $196 million to sales while the 2% average depreciation of the Canadian dollar compared to the US dollar contributed $27 million to sales. These benefits were partly offset by negative impacts of $14 million related to lower volume and $18 million related to less favourable sales mix.

Operating income before depreciation and amortization (OIBD) decreased by $10 million, or 4%, in 2022 compared to 2021. Excluding specific items[1] in both years, adjusted OIBD[1] decreased by $20 million, or 7%, reflecting the impact of inflationary pressure on operational and supply chain costs combined with railway transportation capacity challenges in the first quarter of this year. The higher average selling price, a lower volume and a slightly less favourable sales mix had a net positive impact of $183 million while the depreciation of the Canadian dollar added $6 million. These were offset by a negative raw material cost impact of $42 million and higher logistics and distribution costs that subtracted an additional $40 million. Other production costs, including chemicals, repair and maintenance, labour and other costs, had a combined negative impact of $100 million. This amount also includes operational costs of $8 million related to the Bear Island project in 2022 compared to $4 million for the same period in 2021. Higher energy prices subtracted a further $27 million from OIBD compared to last year.

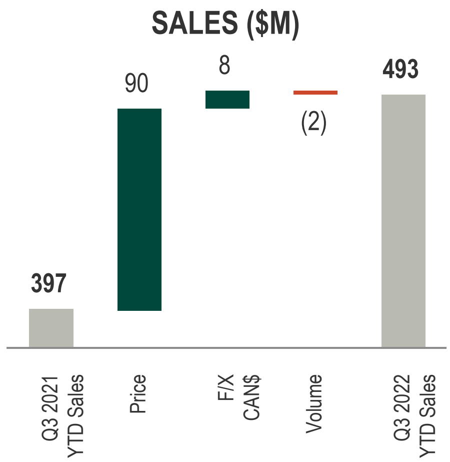
The segment incurred some specific items[1] in 2022 and 2021 that affected OIBD.

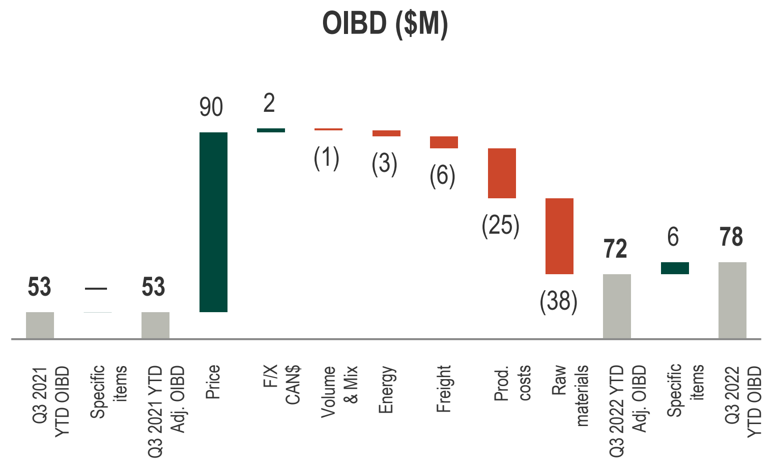
BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS - SPECIALTY PRODUCTS

Our Performance (Q3 2021 YTD vs. Q3 2022 YTD)

The main variances[1] in sales and operating income before depreciation and amortization for the Specialty Products segment in the first nine months of 2022, compared to the same period of 2021, are shown below:
(in millions of Canadian dollars)





The Corporation incurred certain specific items in the first nine months of 2022 and 2021 that adversely or positively affected its operating results[2].

1 For definitions of certain sales and operating income before depreciation and amortization (OIBD) variation categories, please refer to the "Financial results for the three-month periods ended September 30, 2022 and 2021" section for more details.

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

	Q3 2021 YTD	Q3 2022 YTD	Change in %
Sales ($M)	397	493	24%
OIBD ($M) (as reported)	53	78	47%
% of sales	13%	16%	
(adjusted)[1]	53	72	36%
% of sales	13%	15%	
Operating income ($M) (as reported)	42	64	52%
(adjusted)[1]	42	58	38%

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

Sales increased by $96 million, or 24%, in 2022 compared to 2021. Higher average selling prices for all sub-segments increased sales levels by $90 million in the period. In addition, the 2% average depreciation of the Canadian dollar compared to the US dollar had a positive impact of $8 million on sales.

Operating income before depreciation and amortization (OIBD) increased by $25 million, or 47%, in 2022 compared to 2021. Excluding specific items[1] in 2022, the adjusted OIBD[1] increased by $19 million, or 36%. The segment's solid performance reflects higher realized spreads (selling price less raw materials), which positively impacted results by $52 million. This was partially offset by higher transportation, operating, energy, supplies and other costs, which negatively impacted results by $34 million.

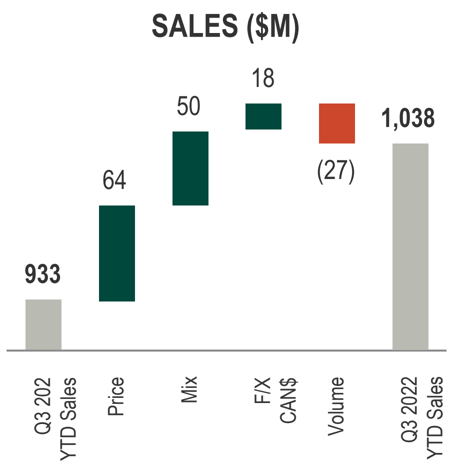
The segment incurred some specific items[1] in 2022 that affected OIBD.

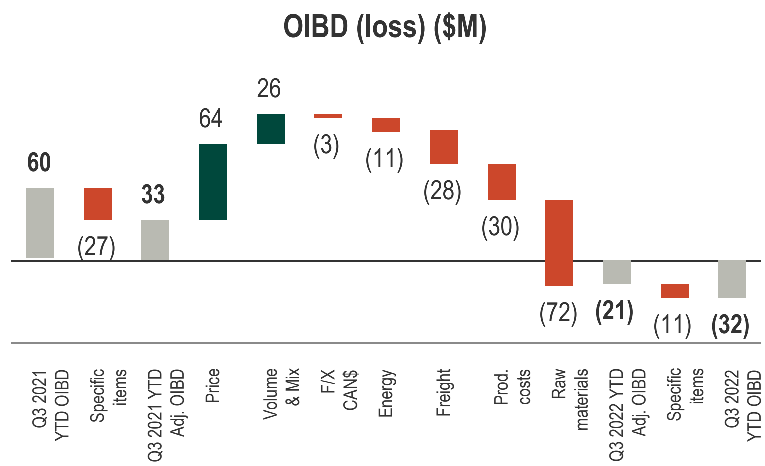
BUSINESS SEGMENT REVIEW

TISSUE PAPERS

Our Performance (Q3 2021 YTD vs. Q3 2022 YTD)

The main variances[1] in sales and operating income (loss) before depreciation and amortization for the Tissue Papers segment in the first nine months of 2022, compared to the same period of 2021, are shown below:
(in millions of Canadian dollars)





The Corporation incurred certain specific items in the first nine months of 2022 and 2021 that adversely or positively affected its operating results[2].

1 *For definitions of certain sales and operating income before depreciation and amortization (OIBD) variation categories, please refer to the "Financial results for the three-month periods ended September 30, 2022 and 2021" section for more details.*

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

	Q3 2021 YTD	Q3 2022 YTD	Change in %
Shipments[2] ('000 s.t.)	409	398	-3%
Average Selling Price (CAN$/unit)	2,278	2,610	15%
Sales ($M)	933	1,038	11%
OIBD (loss) ($M) (as reported)	60	(32)	-153%
% of sales	6%	(3)%	
(adjusted)[1]	33	(21)	-164%
% of sales	4%	(2)%	
Operating income (loss) ($M) (as reported)	7	(89)	-1,371%
(adjusted)[1]	(20)	(78)	-290%

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

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

Shipments decreased by 11,000 s.t., or 3%, in 2022 compared to 2021.

Converted product shipments increased by 22,000 s.t., or 7%, in 2022 compared to 2021. In terms of cases, shipments increased by 2.8 million cases, or 7%, to 44.1 million cases in the first nine months of 2022. This is the result of higher demand in both Consumer Products (+4%) and Away-from-Home (+11%) markets following lower and more volatile demand levels in 2021 related to COVID-19. External manufacturing shipments of parent rolls decreased by 33,000 s.t., or 32%, in 2022 compared to 2021 mainly due to an improved integration rate, which increased to 82% during the period, up from 73% in the same period of 2021.

The 15% increase in the average selling price was primarily due to price increase initiatives in both the Away-from-Home and Consumer Products markets, the 2% average depreciation of the Canadian dollar compared to the US dollar and a favourable sales mix due to a higher proportion of converted products.

Sales increased by $105 million, or 11%, in 2022 compared to 2021. This was driven by beneficial impacts of $64 million from a higher average selling price, $50 million from a favourable mix, as explained above, and $18 million related to the favourable exchange rate. These benefits were partially offset by lower volumes, which negatively impacted sales by $27 million.

Operating income (loss) before depreciation and amortization (OIBD) decreased by $92 million to negative $32 million, in 2022 compared to 2021. Excluding specific items[1] in both years, the adjusted OIBD[1] decreased by $54 million, or 164%, and was mainly due to a $72 million impact from higher raw material costs, a $28 million impact from higher transportation costs and a $30 million impact from higher production costs stemming in part from inflationary pressure. Higher energy prices also had a negative impact of $11 million year-over-year. The price increases were not sufficient to fully offset the higher costs year-to-date, but will continue to positively contribute to the performance of this segment.

The segment incurred some specific items[1] in 2022 and 2021 that affected OIBD.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	NOTE	**September 30, 2022**	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents		**43**	174
Accounts receivable		**639**	510
Current income tax assets		**12**	19
Inventories		**616**	494
Current portion of financial assets	5	**12**	1
		1,322	1,198
Long-term assets			
Investments in associates and joint ventures		**98**	87
Property, plant and equipment		**2,892**	2,522
Intangible assets with finite useful life		**78**	88
Financial assets	5	**7**	6
Other assets		**55**	54
Deferred income tax assets		**109**	138
Goodwill and other intangible assets with indefinite useful life		**496**	473
		5,057	4,566
Liabilities and Equity			
Current liabilities			
Bank loans and advances		**2**	1
Trade and other payables		**694**	707
Current income tax liabilities		**4**	12
Current portion of long-term debt	4	**77**	74
Current portion of provisions for contingencies and charges		**9**	12
Current portion of financial liabilities and other liabilities	5	**23**	16
		809	822
Long-term liabilities			
Long-term debt	4	**1,975**	1,450
Provisions for contingencies and charges		**45**	47
Financial liabilities	5	**9**	6
Other liabilities		**89**	122
Deferred income tax liabilities		**146**	192
		3,073	2,639
Equity			
Capital stock	6	**611**	614
Contributed surplus		**14**	14
Retained earnings		**1,247**	1,274
Accumulated other comprehensive income (loss)		**57**	(23)
Equity attributable to Shareholders		**1,929**	1,879
Non-controlling interests		**55**	48
Total equity		**1,984**	1,927
		5,057	4,566

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

CONSOLIDATED STATEMENTS OF EARNINGS

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	NOTE	For the 3-month periods ended September 30, 2022	2021	For the 9-month periods ended September 30, 2022	2021
Sales		**1,174**	1,030	**3,331**	2,928
Cost of sales and expenses					
Cost of sales (including depreciation and amortization of $67 million for 3-month period (2021 — $63 million) and $190 million for 9-month period (2021 — $192 million))		**1,042**	901	**2,994**	2,532
Selling and administrative expenses		**88**	86	**269**	260
Gain on acquisitions, disposals and others	7	**—**	(39)	**(10)**	(39)
Impairment charges and restructuring costs	7	**16**	5	**17**	16
Foreign exchange loss (gain)		**—**	(1)	**(2)**	1
Loss on derivative financial instruments		**3**	5	**10**	18
		1,149	957	**3,278**	2,788
Operating income		**25**	73	**53**	140
Financing expense		**21**	22	**53**	64
Interest expense on employee future benefits and other liabilities		**1**	1	**3**	3
Foreign exchange loss (gain) on long-term debt and financial instruments		**10**	3	**12**	(3)
Share of results of associates and joint ventures		**(5)**	(4)	**(15)**	(11)
Earnings (loss) before income taxes		**(2)**	51	**—**	87
Provision for (recovery of) income taxes		**(5)**	30	**(6)**	38
Net earnings from continuing operations including non-controlling interests for the period		**3**	21	**6**	49
Results from discontinued operations		**—**	25	**—**	30
Net earnings including non-controlling interests for the period		**3**	46	**6**	79
Net earnings attributable to non-controlling interests		**5**	14	**13**	22
Net earnings (loss) attributable to Shareholders for the period		**(2)**	32	**(7)**	57
Net earnings (loss) from continuing operations per common share					
Basic		**($0.02)**	$0.18	**($0.07)**	$0.39
Diluted		**($0.02)**	$0.18	**($0.07)**	$0.39
Net earnings (loss) per common share					
Basic		**($0.02)**	$0.32	**($0.07)**	$0.56
Diluted		**($0.02)**	$0.32	**($0.07)**	$0.56
Weighted average basic number of common shares outstanding		**100,822,027**	102,129,769	**100,744,469**	102,229,534
Weighted average number of diluted common shares		**101,108,030**	103,156,393	**101,265,038**	103,292,002
Net earnings (loss) attributable to Shareholders:					
Continuing operations		**(2)**	18	**(7)**	40
Discontinued operations		**—**	14	**—**	17
Net earnings (loss)		**(2)**	32	**(7)**	57

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30, 2022	2021	For the 9-month periods ended September 30, 2022	2021
Net earnings including non-controlling interests for the period	**3**	46	**6**	79
Other comprehensive income				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in foreign currency translation of foreign subsidiaries	**82**	26	**103**	(3)
Change in foreign currency translation of foreign subsidiaries from discontinued operations	**—**	(1)	**—**	(21)
Change in foreign currency translation related to net investment hedging activities	**(24)**	(15)	**(30)**	3
Change in foreign currency translation related to net investment hedging activities from discontinued operations	**—**	—	**—**	12
Cash flow hedges				
Change in fair value of commodity derivative financial instruments	**3**	2	**10**	5
Recovery of (provision for) income taxes	**2**	1	**1**	(2)
Provision for income taxes from discontinued operations	**—**	—	**—**	(2)
	63	13	**84**	(8)
Items that are not released to earnings				
Actuarial gain (loss) on employee future benefits	**(2)**	8	**29**	29
Provision for income taxes	**—**	(1)	**(8)**	(7)
	(2)	7	**21**	22
Other comprehensive income	**61**	20	**105**	14
Comprehensive income including non-controlling interests for the period	**64**	66	**111**	93
Comprehensive income attributable to non-controlling interests for the period	**8**	14	**17**	13
Comprehensive income attributable to Shareholders for the period	**56**	52	**94**	80
Comprehensive income attributable to Shareholders:				
Continuing operations	**56**	38	**94**	65
Discontinued operations	**—**	14	**—**	15
Comprehensive income	**56**	52	**94**	80

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

CONSOLIDATED STATEMENTS OF EQUITY

For the 9-month period ended September 30, 2022

(in millions of Canadian dollars) (unaudited)	NOTE	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance - Beginning of period		**614**	**14**	**1,274**	**(23)**	**1,879**	**48**	**1,927**
Comprehensive income								
Net earnings (loss)		**—**	**—**	**(7)**	**—**	**(7)**	**13**	**6**
Other comprehensive income		**—**	**—**	**21**	**80**	**101**	**4**	**105**
		—	**—**	**14**	**80**	**94**	**17**	**111**
Dividends		**—**	**—**	**(36)**	**—**	**(36)**	**(9)**	**(45)**
Stock options expense		**—**	**1**	**—**	**—**	**1**	**—**	**1**
Issuance of common shares upon exercise of stock options		**2**	**(1)**	**—**	**—**	**1**	**—**	**1**
Redemption of common shares	6	**(5)**	**—**	**(4)**	**—**	**(9)**	**—**	**(9)**
Acquisition of non-controlling interests		**—**	**—**	**(1)**	**—**	**(1)**	**(1)**	**(2)**
Balance - End of period		**611**	**14**	**1,247**	**57**	**1,929**	**55**	**1,984**

For the 9-month period ended September 30, 2021

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance - Beginning of period	622	13	1,146	(28)	1,753	204	1,957
Comprehensive income (loss)							
Net earnings	—	—	57	—	57	22	79
Other comprehensive income (loss)	—	—	22	1	23	(9)	14
	—	—	79	1	80	13	93
Dividends	—	—	(29)	—	(29)	(10)	(39)
Dividends paid to non-controlling interests from discontinued operations	—	—	—	—	—	(3)	(3)
Issuance of common shares upon exercise of stock options	2	—	—	—	2	—	2
Redemption of common shares	(10)	—	(16)	—	(26)	—	(26)
Acquisition of non-controlling interests	—	—	1	—	1	(1)	—
Balance - End of period	614	13	1,181	(27)	1,781	203	1,984

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 September 30, 2022	2021	For the 9-month periods ended September 30, 2022	2021
Operating activities from continuing operations					
Net earnings (loss) attributable to Shareholders for the period		**(2)**	32	**(7)**	57
Results from discontinued operations		**—**	(25)	**—**	(30)
Results from discontinued operations attributable to non-controlling interests		**—**	11	**—**	13
Net earnings (loss) from continuing operations		**(2)**	18	**(7)**	40
Adjustments for:					
Financing expense and interest expense on employee future benefits and other liabilities		**22**	23	**56**	67
Depreciation and amortization		**67**	63	**190**	192
Gain on acquisitions, disposals and others	7	**—**	(39)	**(10)**	(39)
Impairment charges and restructuring costs	7	**16**	5	**17**	16
Unrealized loss on derivative financial instruments		**3**	5	**10**	18
Foreign exchange loss (gain) on long-term debt and financial instruments		**10**	3	**12**	(3)
Provision for (recovery of) income taxes		**(5)**	30	**(6)**	38
Share of results of associates and joint ventures		**(5)**	(4)	**(15)**	(11)
Net earnings attributable to non-controlling interests		**5**	3	**13**	9
Net financing expense paid		**(38)**	(41)	**(72)**	(85)
Net income taxes received (paid)		**(1)**	1	**(5)**	2
Dividends received		**1**	—	**6**	5
Provisions for contingencies and charges and other liabilities		**(13)**	(9)	**(29)**	(22)
		60	58	**160**	227
Changes in non-cash working capital components		**(61)**	(13)	**(212)**	(85)
		(1)	45	**(52)**	142
Investing activities from continuing operations					
Disposals in associates and joint ventures		**—**	—	**—**	1
Payments for property, plant and equipment		**(122)**	(54)	**(341)**	(191)
Proceeds from disposals of property, plant and equipment		**1**	50	**8**	51
Change in intangible and other assets		**—**	(3)	**(3)**	(14)
		(121)	(7)	**(336)**	(153)
Financing activities from continuing operations					
Bank loans and advances		**—**	(1)	**—**	(5)
Change in credit facilities		**140**	1	**388**	—
Increase in other long-term debt		**—**	—	**—**	5
Payments of other long-term debt, including lease obligations		**(26)**	(19)	**(75)**	(63)
Issuance of common shares upon exercise of stock options	6	**—**	2	**1**	2
Redemption of common shares	6	**(4)**	(26)	**(9)**	(26)
Dividends paid to non-controlling interests		**(3)**	(3)	**(9)**	(10)
Acquisition of non-controlling interests		**(1)**	—	**(3)**	(2)
Dividends paid to the Corporation's Shareholders		**(12)**	(13)	**(36)**	(29)
		94	(59)	**257**	(128)
Change in cash and cash equivalents during the period from continuing operations		**(28)**	(21)	**(131)**	(139)
Change in cash and cash equivalents from discontinued operations and reclassification of cash and cash equivalent as held for sale		**—**	—	**—**	(94)
Net change in cash and cash equivalents during the period		**(28)**	(21)	**(131)**	(233)
Currency translation on cash and cash equivalents		**1**	1	**—**	—
Cash and cash equivalents - Beginning of the period		**70**	171	**174**	384
Cash and cash equivalents - End of the period		**43**	151	**43**	151

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

SEGMENTED INFORMATION

The Corporation analyzes the performance of its operating segments based on their operating income before depreciation and amortization, which is not a measure of performance under International Financial Reporting Standards (IFRS). However, the chief operating decision-maker (CODM) uses this performance measure to assess the operating performance of each reportable segment. Earnings 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. 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, 2021.

The Corporation's operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The Chief Executive Officer has authority for resource allocation and management of the Corporation's performance and is therefore the CODM.

The Corporation's operations are managed in three segments: Containerboard and Specialty Products (which constitutes the Corporation’s Packaging Products) and Tissue Papers.

	SALES TO							
	For the 3-month periods ended September 30,							
	Canada		United States		Other countries		Total	
(in millions of Canadian dollars) (unaudited)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Packaging Products								
Containerboard	**336**	314	**258**	193	**1**	—	**595**	507
Specialty Products	**59**	51	**109**	93	**—**	—	**168**	144
Inter-segment sales	**(5)**	(3)	**(6)**	(7)	**—**	—	**(11)**	(10)
	390	362	**361**	279	**1**	—	**752**	641
Tissue Papers	**93**	68	**289**	276	**—**	—	**382**	344
Inter-segment sales and Corporate Activities	**33**	40	**7**	5	**—**	—	**40**	45
	516	470	**657**	560	**1**	—	**1,174**	1,030

	SALES TO							
	For the 9-month periods ended September 30,							
	Canada		United States		Other countries		Total	
(in millions of Canadian dollars) (unaudited)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Packaging Products								
Containerboard	**1,001**	928	**696**	579	**1**	—	**1,698**	1,507
Specialty Products	**181**	147	**312**	250	**—**	—	**493**	397
Inter-segment sales	**(14)**	(10)	**(15)**	(14)	**—**	—	**(29)**	(24)
	1,168	1,065	**993**	815	**1**	—	**2,162**	1,880
Tissue Papers	**232**	183	**806**	750	**—**	—	**1,038**	933
Inter-segment sales and Corporate Activities	**114**	105	**17**	10	**—**	—	**131**	115
	1,514	1,353	**1,816**	1,575	**1**	—	**3,331**	2,928

	OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION			
	For the 3-month periods ended September 30,		**For the 9-month periods ended September 30,**	
(in millions of Canadian dollars) (unaudited)	**2022**	2021	**2022**	2021
Packaging Products				
Containerboard	**99**	88	**269**	279
Specialty Products	**25**	17	**78**	53
	124	105	**347**	332
Tissue Papers	**(10)**	47	**(32)**	60
Corporate Activities	**(22)**	(16)	**(72)**	(60)
Operating income before depreciation and amortization	**92**	136	**243**	332
Depreciation and amortization	**(67)**	(63)	**(190)**	(192)
Financing expense and interest expense on employee future benefits and other liabilities	**(22)**	(23)	**(56)**	(67)
Foreign exchange gain (loss) on long-term debt and financial instruments	**(10)**	(3)	**(12)**	3
Share of results of associates and joint ventures	**5**	4	**15**	11
Earnings (loss) before income taxes	**(2)**	51	**—**	87

	PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT			
	For the 3-month periods ended September 30,		**For the 9-month periods ended September 30,**	
(in millions of Canadian dollars) (unaudited)	**2022**	2021	**2022**	2021
Packaging Products				
Containerboard	**142**	33	**301**	139
Specialty Products	**8**	7	**25**	23
	150	40	**326**	162
Tissue Papers	**17**	14	**39**	26
Corporate Activities	**10**	15	**25**	26
Total acquisitions	**177**	69	**390**	214
Right-of-use assets acquisitions and of property, plant and equipment included in other debts	**(36)**	(18)	**(69)**	(30)
	141	51	**321**	184
Acquisitions for property, plant and equipment included in “Trade and other payables”				
Beginning of the period	**36**	27	**75**	31
End of the period	**(55)**	(24)	**(55)**	(24)
Payments for property, plant and equipment	**122**	54	**341**	191
Proceeds from disposals of property, plant and equipment	**(1)**	(50)	**(8)**	(51)
Payments for property, plant and equipment net of proceeds from disposals	**121**	4	**333**	140

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(tabular amounts in millions of Canadian dollars, except per common share amounts 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 listed on the Toronto Stock Exchange under the ticker symbol “CAS”.

The Board of Directors approved the Unaudited Condensed Interim Consolidated Financial Statements on November 9, 2022.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) 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, 2021, which have been 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 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, 2021. Also, income taxes in the interim periods are accrued using the tax rate that would be applicable to expected annual earnings or losses for each jurisdiction.

NOTE 3
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 as of and for the year ended December 31, 2021.

NOTE 4
LONG-TERM DEBT

(in millions of Canadian dollars)	MATURITY	September 30, 2022	December 31, 2021
Revolving credit facility, weighted average interest rate of 4.59% as of September 30, 2022 and consists of US$306 million (December 31, 2021 - US$4 million)	2025	**424**	6
5.125% Unsecured senior notes of $175 million	2025	**175**	175
5.125% Unsecured senior notes of US$206 million as of September 30, 2022 (December 31, 2021 - US$206 million)	2026	**284**	260
5.375% Unsecured senior notes of US$445 million and $6 million of unamortized premium as of September 30, 2022 (December 31, 2021 - US$445 million and $7 million of unamortized premium)	2028	**622**	570
Term loan of US$160 million, interest rate of 5.22% as of September 30, 2022 (December 31, 2021 - US$160 million)	2025	**221**	202
Lease obligations with recourse to the Corporation		**184**	161
Other debts with recourse to the Corporation		**35**	35
Lease obligations without recourse to the Corporation		**23**	9
Other debts without recourse to the Corporation		**94**	117
		2,062	1,535
Less: Unamortized financing costs		**10**	11
Total long-term debt		**2,052**	1,524
Less:			
Current portion of lease obligations with recourse to the Corporation		**44**	36
Current portion of other debts with recourse to the Corporation		**19**	23
Current portion of lease obligations without recourse to the Corporation		**9**	7
Current portion of other debts without recourse to the Corporation		**5**	8
		77	74
		1,975	1,450

As of September 30, 2022, the long-term debt had a fair value of $1,928 million (December 31, 2021 – $1,558 million).

On October 19, 2022, the Corporation entered into an agreement with its lenders for its existing credit agreement to increase its authorized term loan to US$260 million from US$160 million and extend the maturity from December 2025 to December 2027. Concurrently, the Corporation extended its existing $750 million revolving credit facility maturity from July 2025 to July 2026. The financial conditions of both facilities remain unchanged.

NOTE 5
FINANCIAL INSTRUMENTS

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 investment in shares is based on observable market data and is quoted on the Toronto Stock Exchange and classified as level 1.
iii. 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 for the credit market liquidity conditions and are classified as levels 1 and 3.
iv. 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.

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 September 30, 2022 and December 31, 2021 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 substantially the full term of the assets or liabilities.
Level 3 – Inputs that are generally unobservable and typically reflect Management's estimates of assumptions that market participants would use in pricing the asset or liability.

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

				As of September 30, 2022
(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	**2**	**2**	**—**	**—**
Derivative financial assets	**19**	**—**	**19**	**—**
	21	**2**	**19**	**—**
Financial liabilities				
Derivative financial liabilities	**(19)**	**—**	**(19)**	**—**
	(19)	**—**	**(19)**	**—**

				As of December 31, 2021
(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	2	2	—	—
Derivative financial assets	7	—	7	—
	9	2	7	—
Financial liabilities				
Derivative financial liabilities	(6)	—	(6)	—
	(6)	—	(6)	—

NOTE 6
CAPITAL STOCK

REDEMPTION OF COMMON SHARES

In 2021, the Corporation renewed its normal course issuer bid program for a maximum of 2,045,621 common shares with the Toronto Stock Exchange, said shares representing approximately 2% of issued and outstanding common shares. The redemption authorization was valid from March 19, 2021 to March 18, 2022. During the period between January 1, 2022 and March 18, 2022, the Corporation redeemed 394,021 common shares under this program for an amount of $5 million.

In 2022, the Corporation renewed its normal course issuer bid program for a maximum of 2,015,053 common shares with the Toronto Stock Exchange, said shares representing approximately 2% of issued and outstanding common shares. The redemption authorization is valid from March 19, 2022 to March 18, 2023. During the period between March 19, 2022 and September 30, 2022, the Corporation redeemed 460,400 common shares under this program for an amount of $4 million.

NOTE 7
GAIN ON ACQUISITIONS, DISPOSALS AND OTHERS

For the nine-month period ended September 30, 2022, the Corporation recorded the following gains:

	For the 9-month period ended September 30, 2022					
	PACKAGING PRODUCTS					
(in millions of Canadian dollars)	CONTAINER-BOARD	SPECIALTY PRODUCTS	SUB-TOTAL	TISSUE PAPERS	CORPORATE ACTIVITIES	TOTAL
Settlement of a supply agreement	—	—	—	(4)	—	(4)
Gain on disposal of assets	—	(6)	(6)	—	—	(6)
	—	(6)	(6)	(4)	—	(10)

Second quarter
The Tissue Papers segment recorded a $4 million gain from the settlement of a supply agreement.

First quarter
The Specialty Products segment recorded a $6 million gain from the sale of land and a building related to a closed plant in Canada.

IMPAIRMENT CHARGES

For the nine-month period ended September 30, 2022, the Corporation recorded the following impairment charges:

	For the 3-month period ended September 30, 2022					
	PACKAGING PRODUCTS					
(in millions of Canadian dollars)	CONTAINER-BOARD	SPECIALTY PRODUCTS	SUB-TOTAL	TISSUE PAPERS	CORPORATE ACTIVITIES	TOTAL
Spare parts	—	—	—	4	—	4
Property, plant and equipment	2	—	2	10	—	12
	2	—	2	14	—	16

	For the 9-month period ended September 30, 2022					
	PACKAGING PRODUCTS					
(in millions of Canadian dollars)	CONTAINER-BOARD	SPECIALTY PRODUCTS	SUB-TOTAL	TISSUE PAPERS	CORPORATE ACTIVITIES	TOTAL
Spare parts	—	—	—	4	—	4
Property, plant and equipment	2	—	2	10	—	12
	2	—	2	14	—	16

Third quarter
The Containerboard Packaging segment recorded an impairment charge of $2 million on some equipment as part of the continuing optimization initiatives of the platform in Ontario, Canada. The recoverable amount was based on its fair value less cost of disposal determined using the market approach of comparable assets on the market.

The Tissue Papers segment recorded an impairment charge of $4 million on spare parts and $10 million on some property, plant and equipment related to the permanent closure of a plant in the USA. The recoverable amount was determined using the market approach of comparable assets on the market.

RESTRUCTURING COSTS

First quarter
The Tissue Papers segment recorded additional costs totaling $1 million related to asset relocation and severances.

NOTE 8
COMMITMENTS

CAPITAL EXPENDITURES

Major capital expenditures contracted at the end of the reporting period but not yet incurred total $166 million, including $138 million for the Bear Island project.

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

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