

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

SPECIFIC ITEMS

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

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

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

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

Non-IFRS Accounting Standards measures

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

Other financial measures

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

Non-IFRS Accounting Standards ratios

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

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

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

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

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

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

For the 3-month period ended September 30, 2025				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	73	30	(30)	73
Depreciation and amortization	48	16	10	74
Other loss	10	—	—	10
Restructuring costs	5	—	1	6
Unrealized gain on derivative financial instruments	—	—	(4)	(4)
EBITDA (A)	136	46	(23)	159
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	619	345	49	1,013

For the 3-month period ended September 30, 2024				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	41	24	(29)	36
Depreciation and amortization	44	16	10	70
Impairment charges	4	3	—	7
Other loss	24	—	—	24
Restructuring costs	5	—	—	5
Unrealized gain on derivative financial instruments	(1)	—	(1)	(2)
EBITDA (A)	117	43	(20)	140
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	621	325	57	1,003

For the 9-month period ended September 30, 2025				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	179	79	(99)	159
Depreciation and amortization	143	43	29	215
Impairment charges	23	—	1	24
Other loss (gain)	16	(1)	—	15
Restructuring costs	6	—	6	12
Unrealized gain on derivative financial instruments	(3)	—	(1)	(4)
EBITDA (A)	364	121	(64)	421
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,816	980	153	2,949

For the 9-month period ended September 30, 2024				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	87	93	(101)	79
Depreciation and amortization	131	42	33	206
Impairment charges	6	3	—	9
Other loss	27	—	—	27
Restructuring costs	28	9	1	38
Unrealized gain on derivative financial instruments	(1)	—	(3)	(4)
EBITDA (A)	278	147	(70)	355
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,827	942	166	2,935

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

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	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,	
	2025	2024	2025	2024	2025	2024	2025	2024
As reported	29	1	33	(18)	\$0.29	\$0.01	\$0.33	(\$0.18)
Specific items:								
Impairment charges	—	7	24	9	—	\$0.06	\$0.18	\$0.07
Other loss (gain)	10	24	15	27	\$0.07	\$0.18	\$0.11	\$0.20
Restructuring costs	6	5	12	38	\$0.05	\$0.03	\$0.09	\$0.28
Unrealized gain on derivative financial instruments	(4)	(2)	(4)	(4)	(\$0.03)	(\$0.01)	(\$0.03)	(\$0.03)
Loss on repurchase of long-term debt	—	—	1	—	—	—	\$0.01	—
Unrealized loss (gain) on interest rate hedge instruments	—	2	—	1	—	\$0.01	—	\$0.01
Foreign exchange loss (gain) on long-term debt and financial instruments	—	(1)	—	—	—	(\$0.01)	—	—
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests ¹	(2)	(9)	(10)	(18)	—	—	\$0.01	—
	10	26	38	53	\$0.09	\$0.26	\$0.37	\$0.53
Adjusted	39	27	71	35	\$0.38	\$0.27	\$0.70	\$0.35
Weighted average basic number of common shares outstanding					101,257,276	100,988,040	101,135,376	100,824,800

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

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

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2025	2024	2025	2024
Cash flow from operating activities	181	102	196	118
Changes in non-cash working capital components	(65)	(26)	57	68
Net income taxes paid	2	1	9	4
Net financing expense paid	33	48	107	113
Payments, net of provisions, for charges and other liabilities, net of dividends received	8	15	52	52
EBITDA (A)	159	140	421	355

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

(in millions of Canadian dollars, except per common share amounts or as otherwise noted) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2025	2024	2025	2024
Cash flow from operating activities	181	102	196	118
Changes in non-cash working capital components	(65)	(26)	57	68
Cash flow from operating activities (excluding changes in non-cash working capital components)	116	76	253	186
Restructuring costs paid	21	10	47	41
Adjusted cash flow from operating activities	137	86	300	227
Payments for property, plant and equipment	(30)	(35)	(110)	(116)
Change in intangible and other assets	(1)	—	—	(20)
Lease obligation payments	(20)	(15)	(59)	(50)
Proceeds from disposals of property, plant and equipment	—	1	26	18
	86	37	157	59
Dividends paid to non-controlling interests	(3)	(4)	(30)	(12)
Dividends paid to the Corporation's Shareholders	(12)	(12)	(36)	(36)
Adjusted cash flow generated	71	21	91	11
Adjusted cash flow generated per common share (in Canadian dollars)	\$0.70	\$0.21	\$0.90	\$0.11
Weighted average basic number of common shares outstanding	101,257,276	100,988,040	101,135,376	100,824,800

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

(in millions of Canadian dollars) (unaudited)	September 30, 2025 (LTM) ³	December 31, 2024	September 30, 2024 (LTM) ³
Sales¹	4,790	4,701	4,628
EBITDA (A)¹	567	501	477
Payments for property, plant and equipment ¹	155	161	163
Less: strategic projects included above ²	—	—	(9)
Payments for property, plant and equipment, excluding strategic projects	155	161	154
Free cash flow: EBITDA (A) less payments for property, plant and equipment, excluding strategic projects	412	340	323
Free cash flow / Sales	8.6%	7.2%	7.0%
Payments for property, plant and equipment, excluding strategic projects / Sales	3.2%	3.4%	3.3%

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

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

³ LTM (last twelve months)

The following table reconciles working capital as reported:

(in millions of Canadian dollars) (unaudited)	September 30, 2025	December 31, 2024	December 31, 2023
Accounts receivable	502	469	453
Inventories	648	685	568
Trade and other payables	(701)	(748)	(703)
Working capital	449	406	318

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

(in millions of Canadian dollars, except ratios) (unaudited)	September 30, 2025	December 31, 2024	December 31, 2023
Long-term debt	2,027	1,871	1,869
Current portion of unsecured senior notes	—	175	—
Current portion of long-term debt	68	67	67
Bank loans and advances	1	10	—
Total debt	2,096	2,123	1,936
Less: Cash and cash equivalents	(73)	(27)	(54)
Net debt as reported	2,023	2,096	1,882
Last twelve months EBITDA (A)	567	501	558
Net debt / EBITDA (A) ratio	3.6x	4.2x	3.4x

SPECIFIC ITEMS

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

IMPAIRMENT CHARGES

2025

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

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

2024

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

In the third quarter, the Packaging Products segment also recorded an impairment charge of \$4 million on some equipment related to a decision to discontinue product lines in Canada and in the United States.

In the third quarter, the Tissue Papers segment recorded an impairment charge of \$3 million on some equipment related to a decision to discontinue a product line in Canada.

OTHER LOSS (GAIN)

2025

In the first nine months, the Packaging Products segment recorded a provision of \$6 million payable to the claimant for administration fees, compensation and expenses of the arbitrators related to a dispute pertaining to the construction of the Bear Island plant. For further details, please refer to Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and nine-month periods ended September 30, 2025 and 2024.

In the third quarter, the Packaging Products segment also recorded an additional environmental cost of \$10 million related to the closure of a plant in Ontario, Canada in 2024. For further details, please refer to Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and nine-month periods ended September 30, 2025 and 2024.

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

2024

In the first nine months, the Packaging Products segment recorded an additional environmental cost of \$28 million (\$24 million in the third quarter) related to the closure of a plant in Ontario, Canada. For further details, please refer to Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and nine-month periods ended September 30, 2025 and 2024.

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

RESTRUCTURING COSTS

2025

In the first nine months, the Packaging Products segment recorded severances totaling \$6 million (\$5 million in the third quarter) related to closed plants in the United States.

In the first nine months, the Corporate activities recorded costs totaling \$6 million (\$1 million in the third quarter) related to organizational changes.

2024

In the first nine months, the Packaging Products segment recorded costs totaling \$28 million (\$5 million in the third quarter) related to closed plants in Canada and in the United States, severances and the redeployment of equipment within the network.

In the first nine months, the Tissue Papers segment recorded costs totaling \$9 million related to the closures of the plants in the United States and the redeployment of equipment within the network.

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

UNREALIZED GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS

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

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2025	2024	2025	2024
Packaging Products segment				
Steam contract embedded derivatives related to our Niagara Falls containerboard complex	—	(1)	(3)	(1)
Corporate activities				
Financial hedging contracts for natural gas purchases.	(4)	(1)	(1)	(3)
Unrealized gain on derivative financial instruments	(4)	(2)	(4)	(4)

LOSS ON REPURCHASE OF LONG-TERM DEBT

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

UNREALIZED LOSS (GAIN) ON INTEREST RATE HEDGE INSTRUMENTS

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

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2025	2024	2025	2024
Unrealized loss (gain) on interest rate hedge instruments	—	2	—	1

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

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

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2025	2024	2025	2024
Foreign exchange loss (gain) on long-term debt and financial instruments	—	(1)	—	—

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

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