

PRESS RELEASE



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Cascades Reports Results for the Third Quarter of 2025

Kingsey Falls, Québec, November 6, 2025 - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period ended September 30, 2025.

Q3 2025 Highlights

- Sales of \$1,238 million (compared with \$1,187 million in Q2 2025 and \$1,201 million in Q3 2024);
- Operating income of \$73 million (compared with \$36 million in Q2 2025 and \$36 million in Q3 2024);
- Net earnings per common share of \$0.29 (compared with a net loss per common share of (\$0.03) in Q2 2025 and net earnings per common share of \$0.01 in Q3 2024);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A))¹ of \$159 million (compared with \$137 million in Q2 2025 and \$140 million in Q3 2024);
- Adjusted net earnings per common share¹ of \$0.38 (compared with \$0.19 in Q2 2025 and \$0.27 in Q3 2024);
- Net debt¹ of \$2,023 million as of September 30, 2025 (compared with \$2,104 million as of June 30, 2025). Net debt to EBITDA (A) ratio¹ of 3.6x, down from 3.8x as of June 30, 2025;
- The Company now expects to achieve \$120 million from the monetization of redundant assets by mid-2026, up from \$80 million previously. Including the \$31 million of proceeds from the sale of its Flexible Packaging activities on October 8, 2025, a total of \$57 million of this objective has been achieved. Proceeds from these sales are expected to go toward debt reduction;
- Total capital expenditures, net of disposals, of \$30 million in Q3 2025, compared to \$18 million in Q2 2025 and \$34 million in Q3 2024. The Corporation's 2025 forecasted capital expenditures before disposals will be approximately \$140 million.

Hugues Simon, President and CEO, commented: "Third quarter consolidated results exceeded our sequential forecast. This was driven by stronger volume, good operational execution, benefits from ongoing profitability initiatives, and favourable raw material and selling price trends. Our packaging business, in particular, had a stronger than expected quarter. This reflected continued positive volume momentum during the quarter, a well executed closure and redistribution of tonnage from the Niagara Falls mill, and a 24% increase in volumes produced at Bear Island, the latter of which achieved 90% of its targeted production ramp up curve in the quarter. As expected, our tissue business similarly had a strong quarter, driven by improvements in volume. At the corporate level, net debt decreased by \$81 million sequentially, and leverage fell to 3.6x from 3.8x at the end of the second quarter."

Discussing near-term outlook, Mr. Simon commented, "We are expecting fourth quarter performance to be stable sequentially on a consolidated basis. Notwithstanding favourable raw material and selling price trends and a continuation of good demand levels in October, we remain cautious in packaging. To this end, we are forecasting lower sequential results for this business, driven by our current expectation that volume will decrease in seasonally softer December. For tissue, we expect the momentum of sequentially stronger results to continue in the fourth quarter, driven by lower maintenance and favourable raw material costs. Looking further ahead, we are focused on achieving our strategic objectives. Despite the ongoing uncertainty in the current economic environment, we are making good progress across many of these initiatives. We are confident that the fundamentals for our Company are strong, and are steadfast in our commitment to continue to improve the financial profile, level of operational and commercial excellence and growth momentum of our Company."

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

Financial Summary

Selected consolidated information

(in millions of Canadian dollars, except amounts per common share) (unaudited)

	Q3 2025	Q2 2025	Q3 2024
Sales	1,238	1,187	1,201
As Reported			
Operating income	73	36	36
Net earnings (loss)	29	(3)	1
per common share (basic)	\$0.29	(\$0.03)	\$0.01
Adjusted¹			
Earnings before interest, taxes, depreciation and amortization (EBITDA (A))	159	137	140
Net earnings	39	19	27
per common share (basic)	\$0.38	\$0.19	\$0.27
Margin (EBITDA (A) / Sales)	12.8%	11.5%	11.7%
Net debt¹	2,023	2,104	2,039
Net debt / EBITDA (A) ratio¹	3.6x	3.8x	4.3x

Segmented sales

(in millions of Canadian dollars) (unaudited)

	Q3 2025	Q2 2025	Q3 2024
Packaging Products	797	763	773
Tissue Papers	412	392	390
Inter-segment sales, Corporate, Recovery and Recycling activities	29	32	38
Sales	1,238	1,187	1,201

Segmented operating income (loss)

(in millions of Canadian dollars) (unaudited)

	Q3 2025	Q2 2025	Q3 2024
Packaging Products	73	46	41
Tissue Papers	30	25	24
Corporate, Recovery and Recycling activities	(30)	(35)	(29)
Operating income	73	36	36

Segmented EBITDA (A)¹

(in millions of Canadian dollars) (unaudited)

	Q3 2025	Q2 2025	Q3 2024
Packaging Products	136	119	117
Tissue Papers	46	38	43
Corporate, Recovery and Recycling activities	(23)	(20)	(20)
EBITDA (A)¹	159	137	140

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

Analysis of results for the three-month period ended September 30, 2025 (compared to the same period last year)

The Corporation's third quarter sales of \$1,238 million increased by \$37 million compared with the same period last year. This increase was driven by consolidated net benefits of \$43 million from higher selling prices and \$7 million from a more favourable foreign exchange. These were partially offset by \$12 million from lower volumes mainly in the Packaging Products segment.

The third quarter EBITDA (A)¹ totaled \$159 million, an increase of \$19 million, or 14%, from the \$140 million generated in the same period last year. This increase was driven by net benefits of \$43 million from higher selling prices and by lower raw material costs of \$19 million, mainly in the Packaging Products segment. These were partially offset by net impacts of \$38 million from higher production and energy costs and \$5 million from lower volumes mainly in the Packaging Products segment.

The main specific items, before income taxes, that impacted our third quarter of 2025 operating income and/or net earnings were:

- \$10 million for an additional environmental provision related to the closure of a plant in Canada in 2024 (operating income and net earnings);
- \$6 million of restructuring costs related to a plant closure in the United States and corporate organizational changes (operating income and net earnings);
- \$4 million unrealized gain on financial instruments (operating income and net earnings).

For the three-month period ended September 30, 2025, the Corporation posted net earnings of \$29 million, or \$0.29 per common share, compared to net earnings of \$1 million, or \$0.01 per common share, in the same period of 2024. On an adjusted basis¹, the Corporation posted net earnings of \$39 million in the third quarter of 2025, or \$0.38 per common share, compared to net earnings of \$27 million, or \$0.27 per common share, in the same period of 2024.

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

Dividend on common shares and normal course issuer bid

The Board of Directors of Cascades declared a quarterly dividend of \$0.12 per common share to be paid on December 4, 2025 to shareholders of record at the close of business on November 20, 2025. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). During the third quarter of 2025, Cascades purchased no common shares for cancellation.

2025 Third Quarter Results Conference Call Details

Management will discuss the 2025 third quarter financial results during a conference call today at 9:00 a.m. ET. The call can be accessed by dialing 1-800-990-4777 (international 1-289-819-1299). The conference call, including the investor presentation, will be broadcast live on the Cascades website (www.cascades.com) under the "Investors" section. A replay of the call will be available on the Cascades website and may also be accessed by phone until December 6, 2025 by dialing 1-888-660-6345 (international 1-289-819-1450), access code 72641 #.

Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs approximately 9,300 women and men across a network of 65 operating facilities, including 17 Recovery and Recycling facilities which are part of Corporate Activities and joint ventures managed by the Corporation, in North America. Driven by its participative management, half a century of experience in recycling, and continuous research and development efforts, Cascades continues to provide innovative products that customers have come to rely on, while contributing to the well-being of people, communities and the entire planet. Cascades' shares trade on the Toronto Stock Exchange under the ticker symbol CAS. Certain statements in this release, including statements regarding future results and performance, are forward-looking statements 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, increases in raw material costs, fluctuations in selling prices and adverse changes in general market and industry conditions and other factors.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	September 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	73	27
Accounts receivable	502	469
Current income tax assets	12	4
Inventories	648	685
Current portion of financial assets	7	1
	1,242	1,186
Long-term assets		
Investments in associates and joint ventures	81	97
Property, plant and equipment	2,674	2,847
Intangible assets with finite useful life	33	41
Financial assets	5	—
Other assets	110	105
Deferred income tax assets	225	220
Goodwill and other intangible assets with indefinite useful life	495	504
	4,865	5,000
Liabilities and Equity		
Current liabilities		
Bank loans and advances	1	10
Trade and other payables	701	748
Current income tax liabilities	4	2
Current portion of unsecured senior notes	—	175
Current portion of long-term debt	68	67
Current portion of provisions for charges	18	42
Current portion of financial liabilities and other liabilities	22	43
	814	1,087
Long-term liabilities		
Long-term debt	2,027	1,871
Provisions for charges	59	58
Financial liabilities	10	—
Other liabilities	74	80
Deferred income tax liabilities	142	133
	3,126	3,229
Equity		
Capital stock	618	616
Contributed surplus	17	16
Retained earnings	1,020	1,019
Accumulated other comprehensive income	52	73
Equity attributable to Shareholders	1,707	1,724
Non-controlling interests	32	47
Total equity	1,739	1,771
	4,865	5,000

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2025	2024	2025	2024
Sales	1,238	1,201	3,579	3,490
Supply chain and logistic	744	736	2,125	2,126
Wages and employee benefits expenses	269	267	824	809
Depreciation and amortization	74	70	215	206
Maintenance and repair	62	58	193	180
Other operational costs	4	—	16	20
Impairment charges	—	7	24	9
Other loss (gain)	10	24	15	27
Restructuring costs	6	5	12	38
Unrealized gain on derivative financial instruments	(4)	(2)	(4)	(4)
Operating income	73	36	159	79
Financing expense	35	36	104	108
Share of results of associates and joint ventures	(5)	(5)	(11)	(14)
Earnings (loss) before income taxes	43	5	66	(15)
Provision for (recovery of) income taxes	8	(1)	16	(8)
Net earnings (loss) including non-controlling interests for the period	35	6	50	(7)
Net earnings attributable to non-controlling interests	6	5	17	11
Net earnings (loss) attributable to Shareholders for the period	29	1	33	(18)
Net earnings (loss) per common share				
Basic	\$0.29	\$0.01	\$0.33	(\$0.18)
Diluted	\$0.29	\$0.01	\$0.33	(\$0.18)
Weighted average basic number of common shares outstanding	101,257,276	100,988,040	101,135,376	100,824,800
Weighted average number of diluted common shares	101,338,740	101,042,159	101,309,725	101,042,799

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(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
Net earnings (loss) including non-controlling interests for the period	35	6	50	(7)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in foreign currency translation of foreign subsidiaries	24	(14)	(80)	24
Change in foreign currency translation related to net investment hedging activities	(13)	6	61	(9)
Cash flow hedges				
Change in fair value of commodity derivative financial instruments	(1)	1	(1)	1
Recovery of (provision for) income taxes	2	(1)	(3)	1
	12	(8)	(23)	17
Items that are not released to earnings				
Actuarial gain (loss) on employee future benefits	6	(4)	5	7
Recovery of (provision for) income taxes	(1)	1	(1)	(2)
	5	(3)	4	5
Other comprehensive income (loss)	17	(11)	(19)	22
Comprehensive income (loss) including non-controlling interests for the period	52	(5)	31	15
Comprehensive income attributable to non-controlling interests for the period	6	5	15	12
Comprehensive income (loss) attributable to Shareholders for the period	46	(10)	16	3

CONSOLIDATED STATEMENTS OF EQUITY

For the 9-month period ended September 30, 2025

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON- CONTROLLING INTERESTS	TOTAL EQUITY
Balance - Beginning of period	616	16	1,019	73	1,724	47	1,771
Comprehensive income (loss)							
Net earnings	—	—	33	—	33	17	50
Other comprehensive income (loss)	—	—	4	(21)	(17)	(2)	(19)
	—	—	37	(21)	16	15	31
Dividends	—	—	(36)	—	(36)	(30)	(66)
Stock options expense	—	1	—	—	1	—	1
Issuance of common shares upon exercise of stock options	2	—	—	—	2	—	2
Balance - End of period	618	17	1,020	52	1,707	32	1,739

For the 9-month period ended September 30, 2024

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON- CONTROLLING INTERESTS	TOTAL EQUITY
Balance - Beginning of period	613	15	1,096	15	1,739	42	1,781
Comprehensive income (loss)							
Net earnings (loss)	—	—	(18)	—	(18)	11	(7)
Other comprehensive income	—	—	5	16	21	1	22
	—	—	(13)	16	3	12	15
Dividends	—	—	(36)	—	(36)	(12)	(48)
Stock options expense	—	2	—	—	2	—	2
Issuance of common shares upon exercise of stock options	3	(1)	—	—	2	—	2
Acquisition of non-controlling interests	—	—	(2)	—	(2)	—	(2)
Balance - End of period	616	16	1,045	31	1,708	42	1,750

CONSOLIDATED STATEMENTS OF CASH FLOWS

(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
Operating activities				
Net earnings (loss) attributable to Shareholders for the period	29	1	33	(18)
Adjustments for:				
Financing expense	35	36	104	108
Depreciation and amortization	74	70	215	206
Impairment charges	—	7	24	9
Other loss (gain)	10	24	15	27
Restructuring costs	6	5	12	38
Unrealized gain on derivative financial instruments	(4)	(2)	(4)	(4)
Provision for (recovery of) income taxes	8	(1)	16	(8)
Share of results of associates and joint ventures	(5)	(5)	(11)	(14)
Net earnings attributable to non-controlling interests	6	5	17	11
Net financing expense paid	(33)	(48)	(107)	(113)
Net income taxes paid	(2)	(1)	(9)	(4)
Dividends received	19	—	26	9
Payments, net of provisions, for charges and other liabilities	(27)	(15)	(78)	(61)
	116	76	253	186
Changes in non-cash working capital components	65	26	(57)	(68)
	181	102	196	118
Investing activities				
Payments for property, plant and equipment	(30)	(35)	(110)	(116)
Proceeds from disposals of property, plant and equipment	—	1	26	18
Change in intangible and other assets	(1)	—	—	(20)
	(31)	(34)	(84)	(118)
Financing activities				
Bank loans and advances	(2)	4	(9)	7
Change in credit facilities	(38)	(22)	(146)	63
Change in credit facilities without recourse to the Corporation	(28)	(6)	93	12
Issuance of unsecured senior notes, net of related expenses	—	—	541	—
Repurchase of unsecured senior notes	—	—	(456)	—
Increase in delayed draw unsecured term loan credit facility	—	—	36	—
Payments of other long-term debt, including lease obligations (2025 - \$59 million for the 9-month period (\$20 million for the 3-month period); 2024 - \$50 million for the 9-month period (\$15 million for the 3-month period))	(21)	(17)	(61)	(54)
Issuance of common shares upon exercise of stock options	—	—	2	2
Dividends paid to non-controlling interests	(3)	(4)	(30)	(12)
Acquisition of non-controlling interests	—	—	—	(3)
Dividends paid to the Corporation's Shareholders	(12)	(12)	(36)	(36)
	(104)	(57)	(66)	(21)
Net change in cash and cash equivalents during the period	46	11	46	(21)
Currency translation on cash and cash equivalents	1	—	—	1
Cash and cash equivalents - Beginning of the period	26	23	27	54
Cash and cash equivalents - End of the period	73	34	73	34

SEGMENTED INFORMATION

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

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

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

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

Sales by business segment are shown in the following table:

For the 3-month periods ended September 30 (in millions of Canadian dollars) (unaudited)	2025			2024		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	797	(13)	784	773	(12)	761
Tissue Papers	412	—	412	390	—	390
Corporate, Recovery and Recycling activities	69	(27)	42	90	(40)	50
	1,278	(40)	1,238	1,253	(52)	1,201

For the 9-month periods ended September 30 (in millions of Canadian dollars) (unaudited)	2025			2024		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	2,322	(37)	2,285	2,227	(37)	2,190
Tissue Papers	1,168	—	1,168	1,154	(1)	1,153
Corporate, Recovery and Recycling activities	215	(89)	126	261	(114)	147
	3,705	(126)	3,579	3,642	(152)	3,490

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

(in millions of Canadian dollars) (unaudited)	For the 3-month period ended September 30, 2025			
	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

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

	PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT			
	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2025	2024	2025	2024
(in millions of Canadian dollars) (unaudited)				
Packaging Products	25	31	92	108
Tissue Papers	9	12	31	32
Corporate, Recovery and Recycling activities	4	10	11	29
Total acquisitions	38	53	134	169
Right-of-use assets acquisitions (non-cash)	(9)	(19)	(43)	(73)
	29	34	91	96
Acquisitions for property, plant and equipment included in "Trade and other payables"				
Beginning of the period	14	26	32	45
End of the period	(13)	(25)	(13)	(25)
Payments for property, plant and equipment	30	35	110	116
Proceeds from disposals of property, plant and equipment	—	(1)	(26)	(18)
Payments for property, plant and equipment net of proceeds from disposals	30	34	84	98

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

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

Q3 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)¹	136	46	(23)	159
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	619	345	49	1,013

Q2 2025				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	46	25	(35)	36
Depreciation and amortization	49	14	9	72
Impairment charges	23	—	—	23
Other loss (gain)	2	(1)	—	1
Restructuring costs	—	—	1	1
Unrealized loss (gain) on derivative financial instruments	(1)	—	5	4
EBITDA (A)¹	119	38	(20)	137
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	594	331	52	977

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

	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
(in millions of Canadian dollars) (unaudited)				
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)¹	117	43	(20)	140
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	621	325	57	1,003

The following table reconciles net earnings (loss) and net earnings (loss) per common share, as reported, with adjusted net earnings¹ and adjusted net earnings per common share¹:

	NET EARNINGS (LOSS)			NET EARNINGS (LOSS) PER COMMON SHARE ²		
	Q3 2025	Q2 2025	Q3 2024	Q3 2025	Q2 2025	Q3 2024
As reported	29	(3)	1	\$0.29	(\$0.03)	\$0.01
Specific items:						
Impairment charges	—	23	7	—	\$0.17	\$0.06
Other loss	10	1	24	\$0.07	\$0.01	\$0.18
Restructuring costs	6	1	5	\$0.05	—	\$0.03
Unrealized loss (gain) on derivative financial instruments	(4)	4	(2)	(\$0.03)	\$0.03	(\$0.01)
Loss on repurchase of long-term debt	—	1	—	—	\$0.01	—
Unrealized loss on interest rate hedge instrument	—	—	2	—	—	\$0.01
Foreign exchange gain on long-term debt and financial instruments	—	—	(1)	—	—	(\$0.01)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ²	(2)	(8)	(9)	—	—	—
	10	22	26	\$0.09	\$0.22	\$0.26
Adjusted¹	39	19	27	\$0.38	\$0.19	\$0.27
Weighted average basic number of common shares outstanding				101,257,276	101,152,145	100,988,040

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

	Q3 2025	Q2 2025	Q3 2024
(in millions of Canadian dollars) (unaudited)			
Cash flow from operating activities	181	67	102
Changes in non-cash working capital components	(65)	25	(26)
Net income taxes paid	2	5	1
Net financing expense paid	33	25	48
Payments, net of provisions, for charges and other liabilities, net of dividends received	8	15	15
EBITDA (A)¹	159	137	140

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

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

The following table reconciles cash flow from operating activities with cash flow from operating activities (excluding changes in non-cash working capital components) and adjusted cash flow from operating activities¹. It also reconciles adjusted cash flow from operating activities¹ to adjusted cash flow generated¹, which is also calculated on a per common share basis:

(in millions of Canadian dollars, except per common share amounts or otherwise noted) (unaudited)	Q3 2025	Q2 2025	Q3 2024
Cash flow from operating activities	181	67	102
Changes in non-cash working capital components	(65)	25	(26)
Cash flow from operating activities (excluding changes in non-cash working capital components)	116	92	76
Restructuring costs paid	21	9	10
Adjusted cash flow from operating activities¹	137	101	86
Payments for property, plant and equipment	(30)	(44)	(35)
Change in intangible and other assets	(1)	—	—
Lease obligation payments	(20)	(21)	(15)
Proceeds from disposals of property, plant and equipment	—	26	1
	86	62	37
Dividends paid to non-controlling interests	(3)	(24)	(4)
Dividends paid to the Corporation's Shareholders and to non-controlling interests	(12)	(12)	(12)
Adjusted cash flow generated¹	71	26	21
Adjusted cash flow generated per common share¹ (in Canadian dollars)	\$0.70	\$0.26	\$0.21
Weighted average basic number of common shares outstanding	101,257,276	101,152,145	100,988,040

The following table reconciles total debt¹ and net debt¹ with the ratio of net debt to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A))¹:

(in millions of Canadian dollars) (unaudited)	September 30, 2025	June 30, 2025	September 30, 2024
Long-term debt	2,027	2,057	1,828
Current portion of unsecured senior notes	—	—	175
Current portion of long-term debt	68	70	63
Bank loans and advances	1	3	7
Total debt¹	2,096	2,130	2,073
Less: Cash and cash equivalents	(73)	(26)	(34)
Net debt¹ as reported	2,023	2,104	2,039
Last twelve months EBITDA (A) ¹	567	548	477
Net debt / EBITDA (A) ratio¹	3.6x	3.8x	4.3x

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

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