

PRESS RELEASE



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Cascades Reports Results for the Fourth Quarter and Full Year 2023 *Results in Tissue Papers business drives stronger annual performance*

Kingsey Falls, Québec, February 22, 2024 - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period and fiscal year ended December 31, 2023.

Q4 2023 Highlights

- Sales of \$1,138 million (compared with \$1,198 million in Q3 2023 and \$1,135 million in Q4 2022);
- Operating loss of \$(24) million (compared with operating income of \$80 million in Q3 2023 and operating loss of \$(20) million in Q4 2022);
- Net loss per common share of (\$0.57) (compared with net earnings per common share of \$0.34 in Q3 2023 and a net loss per common share of (\$0.27) in Q4 2022);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)¹) of \$122 million (compared with \$161 million in Q3 2023 and \$116 million in Q4 2022);
- Adjusted net earnings per common share¹ of \$0.05 (compared with \$0.44 in Q3 2023 and \$0.22 in Q4 2022).

2023 Annual Highlights

- Sales of \$4,638 million (compared with \$4,466 million in 2022);
- Operating income of \$40 million (compared with \$33 million in 2022);
- Net loss per common share of (\$0.76) (compared with (\$0.34) in 2022);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)¹) of \$558 million (compared with \$376 million in 2022);
- Adjusted net earnings per common share¹ of \$1.08 (compared with \$0.37 in 2022);
- Net debt¹ of \$1,882 million as of December 31, 2023 (compared with \$1,966 million as of December 31, 2022). Net debt to EBITDA (A) ratio¹ of 3.4x, down from 5.2x as of December 31, 2022;
- Total capital expenditures, net of disposals, of \$46 million in Q4 2023 and \$343 million in 2023. The Corporation's 2024 forecasted net capital expenditures of approximately \$175 million is unchanged.

Discussing results for the fiscal year 2023, Mario Plourde, President and CEO, commented: "We are pleased with our strong annual performance in 2023, with our operations generating a 4% increase in sales and a 48% increase in EBITDA (A)¹ levels compared to the prior year. Our Tissue Papers segment drove these stronger results, generating \$182 million of EBITDA (A)¹ in 2023, a significant improvement from last year that reflects the hard work done over the past two years."

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.

Mario Plourde, President and CEO, continued: “In the fourth quarter of 2023, our Tissue Papers and Specialty Packaging businesses generated good results, meeting expectations. We are pleased with the continued strong performance of our Tissue segment, which generated an EBITDA (A)¹ margin of 15.6% in the quarter, a testament to the benefits derived by the significant repositioning and profitability initiatives that have been implemented across this business. The Containerboard segment continued to deliver solid volume of corrugated converted products. However, fourth quarter results in this segment were below expectations. Sequential performance of this business was impacted by lower average selling prices, higher costs and lower parent roll shipments, the latter of which underscores this segment's lower integration rate and also reflects the planned 49,000 short tons of maintenance and economic downtime taken during the period. Notwithstanding lower consolidated profitability, we reduced our net debt levels due to strong cash flows from operations and lower capital expenditures during the quarter. Consequently, our leverage ratio¹ improved to 3.4x from 3.8x at the end of Q3.”

Discussing near-term outlook, Mr. Plourde commented, “On a consolidated basis, we are forecasting that our results in the first quarter of 2024 will decrease sequentially. This is driven by lower expected results in our Containerboard segment due to higher raw material costs, slightly lower average selling prices and lower production levels to manage inventory following softer demand in the fourth quarter. Along with the strategic investments made in recent years, these factors contributed to our decision to permanently remove higher-cost capacity from our manufacturing platform. We continue to implement commercial strategies and cost optimization initiatives to drive profitability in this business, while increasing the agility and market responsiveness of our platform. To this end, we are pleased with the ramp-up of our Bear Island facility, and the addition of this top tier mill to our containerboard mill network augments its competitiveness from an operational, geographic positioning and cost perspective. Results in the Tissue Papers segment are also expected to slightly decrease sequentially reflecting increases in raw material pricing and normal seasonal softness at the beginning of the year, while results in Specialty Packaging are expected to improve thanks to efficiency improvements, notably in the plastics sub-segment. More broadly, while our outlook for volume remains prudent for our packaging businesses in the first quarter given economic uncertainty, benefits from ongoing profitability initiatives will continue to create value across our businesses for Cascades, our customers and our shareholders.”

Financial Summary

Selected consolidated information

| (in millions of Canadian dollars, except amounts per common share) (unaudited) | 2023 | 2022 | Q4 2023 | Q3 2023 | Q4 2022 |
|--|--------------|----------|--------------|---------|----------|
| Sales | 4,638 | 4,466 | 1,138 | 1,198 | 1,135 |
| As Reported | | | | | |
| Operating income (loss) | 40 | 33 | (24) | 80 | (20) |
| Net income (loss) | (76) | (34) | (57) | 34 | (27) |
| per common share (basic) | (\$0.76) | (\$0.34) | (\$0.57) | \$0.34 | (\$0.27) |
| Adjusted¹ | | | | | |
| Earnings before interest, taxes, depreciation and amortization (EBITDA (A)) | 558 | 376 | 122 | 161 | 116 |
| Net earnings | 109 | 37 | 5 | 45 | 22 |
| per common share (basic) | \$1.08 | \$0.37 | \$0.05 | \$0.44 | \$0.22 |
| Margin (EBITDA (A) / Sales) | 12.0% | 8.4% | 10.7% | 13.4% | 10.2% |

Segmented sales

| (in millions of Canadian dollars) (unaudited) | 2023 | 2022 | Q4 2023 | Q3 2023 | Q4 2022 |
|---|--------------|-------|--------------|---------|---------|
| Packaging Products | | | | | |
| Containerboard | 2,277 | 2,265 | 561 | 593 | 567 |
| Specialty Products | 642 | 654 | 160 | 157 | 161 |
| Inter-segment sales | (31) | (36) | (8) | (7) | (7) |
| | 2,888 | 2,883 | 713 | 743 | 721 |
| Tissue Papers | 1,615 | 1,422 | 390 | 422 | 384 |
| Inter-segment sales, Corporate, Recovery and Recycling activities | 135 | 161 | 35 | 33 | 30 |
| Sales | 4,638 | 4,466 | 1,138 | 1,198 | 1,135 |

Segmented operating income (loss)

| (in millions of Canadian dollars) (unaudited) | 2023 | 2022 | Q4 2023 | Q3 2023 | Q4 2022 |
|---|------------|-------|-------------|---------|---------|
| Packaging Products | | | | | |
| Containerboard | 128 | 266 | (33) | 61 | 85 |
| Specialty Products | 66 | 86 | 13 | 13 | 22 |
| Tissue Papers | (2) | (175) | 34 | 38 | (86) |
| Corporate, Recovery and Recycling activities | (152) | (144) | (38) | (32) | (41) |
| Operating income (loss) | 40 | 33 | (24) | 80 | (20) |

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

Segmented EBITDA (A)¹

| (in millions of Canadian dollars) (unaudited) | 2023 | 2022 | Q4 2023 | Q3 2023 | Q4 2022 |
|---|------------|------------|------------|------------|------------|
| Packaging Products | | | | | |
| Containerboard | 390 | 401 | 67 | 101 | 119 |
| Specialty Products | 91 | 92 | 19 | 21 | 20 |
| Tissue Papers | 182 | (13) | 61 | 61 | 8 |
| Corporate, Recovery and Recycling activities | (105) | (104) | (25) | (22) | (31) |
| EBITDA (A)¹ | 558 | 376 | 122 | 161 | 116 |

Analysis of results for the three-month period ended December 31, 2023 (compared to the same period last year)

The fourth quarter sales of \$1,138 million increased by \$3 million compared with the same period last year. This reflects consolidated net benefits of \$57 million due to higher volume and \$10 million from a more favourable sales mix. These increases were almost entirely offset by a \$70 million impact from lower selling prices in all of our business segments, the most notable being in our Containerboard business where lower index selling prices impacting sales by \$60 million compared to the prior year period.

The fourth quarter EBITDA (A)¹ totaled \$122 million, an increase of \$6 million, or 5%, from the \$116 million generated in the same period last year. This increase was driven by continued improvement in the Tissue Papers segment, which generated an EBITDA (A)¹ of \$61 million in the quarter, or 15.6% on a margin basis, reflecting benefits from implemented profitability initiatives, and lower raw material, logistics and energy costs.

The main specific items, before income taxes, that impacted our fourth quarter 2023 operating loss and/or net loss were:

- \$73 million of impairment charges on assets, restructuring costs and an other costs related to the closure of plants in Canada and in the USA (operating loss and net loss);
- \$1 million unrealized loss on interest rate swaps (net loss);
- \$1 million foreign exchange loss on long-term debt and financial instruments (net loss);
- \$1 million gain from the sale of an investment in a non-significant joint venture in the Corporate activities (net loss).

For the three-month period ended December 31, 2023, the Corporation posted a net loss of \$(57) million, or (\$0.57) per common share, compared to a net loss of \$(27) million, or (\$0.27) per common share, in the same period of 2022. On an adjusted basis¹, the Corporation posted net earnings of \$5 million in the fourth quarter of 2023, or \$0.05 per common share, compared to net earnings of \$22 million, or \$0.22 per common share, in the same period of 2022.

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 March 21, 2024 to shareholders of record at the close of business on March 7, 2024. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). During the fourth quarter of 2023, Cascades purchased no common shares for cancellation.

2023 Fourth Quarter Results Conference Call Details

Management will discuss the 2023 fourth quarter financial results during a conference call today at 9:00 a.m. ET. The call can be accessed by dialing 1-888-390-0620 (international 1-416-764-8651). 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 March 22, 2024 by dialing 1-888-390-0541 (international 1-416-764-8677), access code 373082.

Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs approximately 10,000 women and men across a network of more than 70 facilities 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) | December 31, 2023 | December 31, 2022 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 54 | 102 |
| Accounts receivable | 453 | 556 |
| Current income tax assets | 12 | 11 |
| Inventories | 568 | 587 |
| Current portion of financial assets | 1 | 9 |
| | 1,088 | 1,265 |
| Long-term assets | | |
| Investments in associates and joint ventures | 94 | 94 |
| Property, plant and equipment | 2,808 | 2,945 |
| Intangible assets with finite useful life | 55 | 73 |
| Financial assets | — | 4 |
| Other assets | 78 | 70 |
| Deferred income tax assets | 167 | 114 |
| Goodwill and other intangible assets with indefinite useful life | 482 | 488 |
| | 4,772 | 5,053 |
| Liabilities and Equity | | |
| Current liabilities | | |
| Bank loans and advances | — | 3 |
| Trade and other payables | 703 | 746 |
| Current income tax liabilities | 6 | 4 |
| Current portion of long-term debt | 67 | 134 |
| Current portion of provisions for contingencies and charges | 14 | 8 |
| Current portion of financial liabilities and other liabilities | 29 | 22 |
| | 819 | 917 |
| Long-term liabilities | | |
| Long-term debt | 1,869 | 1,931 |
| Provisions for contingencies and charges | 61 | 41 |
| Financial liabilities | 5 | 7 |
| Other liabilities | 94 | 97 |
| Deferred income tax liabilities | 143 | 132 |
| | 2,991 | 3,125 |
| Equity | | |
| Capital stock | 613 | 611 |
| Contributed surplus | 15 | 14 |
| Retained earnings | 1,096 | 1,212 |
| Accumulated other comprehensive income | 15 | 34 |
| Equity attributable to Shareholders | 1,739 | 1,871 |
| Non-controlling interests | 42 | 57 |
| Total equity | 1,781 | 1,928 |
| | 4,772 | 5,053 |

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 December 31, | | For the years ended December 31, | |
|--|---|-------------|-------------------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Sales | 1,138 | 1,135 | 4,638 | 4,466 |
| Supply chain and logistic | 677 | 694 | 2,741 | 2,836 |
| Wages and employee benefits expenses | 273 | 256 | 1,082 | 992 |
| Depreciation and amortization | 73 | 62 | 272 | 252 |
| Maintenance and repair | 58 | 59 | 236 | 217 |
| Other operational costs | 8 | 10 | 21 | 45 |
| Impairment charges | 48 | 86 | 209 | 102 |
| Other loss (gain) | 13 | (10) | 12 | (20) |
| Restructuring costs | 12 | 2 | 23 | 3 |
| Unrealized loss (gain) on derivative financial instruments | — | (4) | 2 | 6 |
| Operating income (loss) | (24) | (20) | 40 | 33 |
| Financing expense | 36 | 20 | 128 | 88 |
| Share of results of associates and joint ventures | (3) | (4) | (22) | (19) |
| Loss before income taxes | (57) | (36) | (66) | (36) |
| Recovery of income taxes | (4) | (16) | (13) | (22) |
| Net loss including non-controlling interests for the period | (53) | (20) | (53) | (14) |
| Net earnings attributable to non-controlling interests | 4 | 7 | 23 | 20 |
| Net loss attributable to Shareholders for the period | (57) | (27) | (76) | (34) |
| Net loss per common share | | | | |
| Basic | (\$0.57) | (\$0.27) | (\$0.76) | (\$0.34) |
| Diluted | (\$0.57) | (\$0.27) | (\$0.76) | (\$0.34) |
| Weighted average basic number of common shares outstanding | 100,685,574 | 100,361,627 | 100,542,206 | 100,647,972 |
| Weighted average number of diluted common shares | 101,127,112 | 100,579,927 | 100,964,908 | 101,092,352 |

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

| (in millions of Canadian dollars) (unaudited) | For the 3-month periods ended December 31, | | For the years ended December 31, | |
|---|---|------|-------------------------------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Net loss including non-controlling interests for the period | (53) | (20) | (53) | (14) |
| Other comprehensive income (loss) | | | | |
| Items that may be reclassified subsequently to earnings | | | | |
| Translation adjustments | | | | |
| Change in foreign currency translation of foreign subsidiaries | (25) | (25) | (25) | 78 |
| Change in foreign currency translation related to net investment hedging activities | 12 | 7 | 11 | (23) |
| Cash flow hedges | | | | |
| Change in fair value of commodity derivative financial instruments | (2) | (7) | (6) | 3 |
| Recovery of (provision for) income taxes | (1) | 1 | — | 2 |
| | (16) | (24) | (20) | 60 |
| Items that are not released to earnings | | | | |
| Actuarial gain on employee future benefits | 4 | 4 | 9 | 33 |
| Provision for income taxes | (1) | — | (2) | (8) |
| | 3 | 4 | 7 | 25 |
| Other comprehensive income (loss) | (13) | (20) | (13) | 85 |
| Comprehensive income (loss) including non-controlling interests for the period | (66) | (40) | (66) | 71 |
| Comprehensive income attributable to non-controlling interests for the period | 3 | 6 | 22 | 23 |
| Comprehensive income (loss) attributable to Shareholders for the period | (69) | (46) | (88) | 48 |

CONSOLIDATED STATEMENTS OF EQUITY

For the year ended December 31, 2023

| (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 year | 611 | 14 | 1,212 | 34 | 1,871 | 57 | 1,928 |
| Comprehensive income (loss) | | | | | | | |
| Net earnings (loss) | — | — | (76) | — | (76) | 23 | (53) |
| Other comprehensive income (loss) | — | — | 7 | (19) | (12) | (1) | (13) |
| Dividends | — | — | (69) | (19) | (88) | 22 | (66) |
| Stock options expense | — | — | (48) | — | (48) | (36) | (84) |
| Stock options expense | — | 1 | — | — | 1 | — | 1 |
| Issuance of common shares upon exercise of stock options | 2 | — | — | — | 2 | — | 2 |
| Acquisitions of non-controlling interests | — | — | 1 | — | 1 | (1) | — |
| Balance - End of year | 613 | 15 | 1,096 | 15 | 1,739 | 42 | 1,781 |

For the year ended December 31, 2022

| (in millions of Canadian dollars) (unaudited) | CAPITAL STOCK | CONTRIBUTED SURPLUS | RETAINED EARNINGS | ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) | TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS | NON- CONTROLLING INTERESTS | TOTAL EQUITY |
|--|---------------|------------------------|----------------------|--|---|----------------------------------|--------------|
| Balance - Beginning of year | 614 | 14 | 1,274 | (23) | 1,879 | 48 | 1,927 |
| Comprehensive income | | | | | | | |
| Net earnings (loss) | — | — | (34) | — | (34) | 20 | (14) |
| Other comprehensive income | — | — | 25 | 57 | 82 | 3 | 85 |
| Dividends | — | — | (9) | 57 | 48 | 23 | 71 |
| Stock options expense | — | — | (48) | — | (48) | (13) | (61) |
| Stock options expense | — | 1 | — | — | 1 | — | 1 |
| Issuance of common shares upon exercise of stock options | 2 | (1) | — | — | 1 | — | 1 |
| Redemption of common shares | (5) | — | (4) | — | (9) | — | (9) |
| Acquisitions of non-controlling interests | — | — | (1) | — | (1) | (1) | (2) |
| Balance - End of year | 611 | 14 | 1,212 | 34 | 1,871 | 57 | 1,928 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

| (in millions of Canadian dollars) (unaudited) | For the 3-month periods ended December 31, | | For the years ended December 31, | |
|--|---|------------|-------------------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Operating activities | | | | |
| Net loss attributable to Shareholders for the period | (57) | (27) | (76) | (34) |
| Adjustments for: | | | | |
| Financing expense | 36 | 20 | 128 | 88 |
| Depreciation and amortization | 73 | 62 | 272 | 252 |
| Impairment charges | 48 | 86 | 209 | 102 |
| Other loss (gain) | 13 | (10) | 12 | (20) |
| Restructuring costs | 12 | 2 | 23 | 3 |
| Unrealized loss (gain) on derivative financial instruments | — | (4) | 2 | 6 |
| Recovery of income taxes | (4) | (16) | (13) | (22) |
| Share of results of associates and joint ventures | (3) | (4) | (22) | (19) |
| Net earnings attributable to non-controlling interests | 4 | 7 | 23 | 20 |
| Net financing expense paid | (20) | (15) | (129) | (87) |
| Net income taxes paid | — | — | (9) | (5) |
| Dividends received | 2 | 6 | 9 | 12 |
| Provisions for contingencies and charges and other liabilities | (13) | (7) | (32) | (36) |
| | 91 | 100 | 397 | 260 |
| Changes in non-cash working capital components | 149 | 96 | 113 | (116) |
| | 240 | 196 | 510 | 144 |
| Investing activities | | | | |
| Disposals in associates and joint ventures | 2 | 1 | 12 | 1 |
| Payments for property, plant and equipment | (47) | (160) | (350) | (501) |
| Proceeds from disposals of property, plant and equipment | 1 | 11 | 7 | 19 |
| Change in intangible and other assets | — | (2) | (1) | (5) |
| | (44) | (150) | (332) | (486) |
| Financing activities | | | | |
| Bank loans and advances | — | 2 | (3) | 2 |
| Change in credit facilities | (126) | (65) | (92) | 323 |
| Increase in term loan | — | 355 | — | 355 |
| Payments of term loan | — | (219) | — | (219) |
| Increase in other long-term debt | — | — | 99 | — |
| Payments of other long-term debt, including lease obligations (2023 - \$59 million (\$15 million for 3-month period); 2022 - \$55 million (\$15 million for 3-month period)) | (27) | (42) | (144) | (117) |
| Issuance of common shares upon exercise of stock options | — | — | 2 | 1 |
| Redemption of common shares | — | — | — | (9) |
| Dividends paid to non-controlling interests | (3) | (4) | (36) | (13) |
| Acquisition of non-controlling interests | — | — | (3) | (3) |
| Dividends paid to the Corporation's Shareholders | (12) | (12) | (48) | (48) |
| | (168) | 15 | (225) | 272 |
| Net change in cash and cash equivalents during the period | 28 | 61 | (47) | (70) |
| Currency translation on cash and cash equivalents | — | (2) | (1) | (2) |
| Cash and cash equivalents - Beginning of the period | 26 | 43 | 102 | 174 |
| Cash and cash equivalents - End of the period | 54 | 102 | 54 | 102 |

SEGMENTED INFORMATION

The Corporation's operations are managed in three segments: Containerboard and Specialty Products (which constitutes the Corporation's Packaging Products) and Tissue Papers. The accounting policies of the reportable segments are the same as the Corporation's accounting policies described in Note 2.

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 country by business segment are presented in the following table:

| (in millions of Canadian dollars) (unaudited) | SALES TO | | | | | | | |
|---|--|------|---------------|------|-----------------|------|-------|-------|
| | For the 3-month periods ended December 31, | | | | | | | |
| | Canada | | United States | | Other countries | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Packaging Products | | | | | | | | |
| Containerboard | 317 | 325 | 243 | 242 | 1 | — | 561 | 567 |
| Specialty Products | 56 | 55 | 104 | 105 | — | 1 | 160 | 161 |
| Inter-segment sales | (3) | (4) | (5) | (3) | — | — | (8) | (7) |
| | 370 | 376 | 342 | 344 | 1 | 1 | 713 | 721 |
| Tissue Papers | 141 | 124 | 249 | 260 | — | — | 390 | 384 |
| Inter-segment sale, Corporate, Recovery and Recycling activities | 28 | 24 | 7 | 5 | — | 1 | 35 | 30 |
| | 539 | 524 | 598 | 609 | 1 | 2 | 1,138 | 1,135 |

| (in millions of Canadian dollars) (unaudited) | SALES TO | | | | | | | |
|---|----------------------------------|-------|---------------|-------|-----------------|------|-------|-------|
| | For the years ended December 31, | | | | | | | |
| | Canada | | United States | | Other countries | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Packaging Products | | | | | | | | |
| Containerboard | 1,314 | 1,326 | 961 | 938 | 2 | 1 | 2,277 | 2,265 |
| Specialty Products | 230 | 236 | 408 | 417 | 4 | 1 | 642 | 654 |
| Inter-segment sales | (15) | (18) | (16) | (18) | — | — | (31) | (36) |
| | 1,529 | 1,544 | 1,353 | 1,337 | 6 | 2 | 2,888 | 2,883 |
| Tissue Papers | 551 | 449 | 1,064 | 973 | — | — | 1,615 | 1,422 |
| Inter-segment sale, Corporate, Recovery and Recycling activities | 100 | 138 | 27 | 22 | 8 | 1 | 135 | 161 |
| | 2,180 | 2,131 | 2,444 | 2,332 | 14 | 3 | 4,638 | 4,466 |

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

For the 3-month period ended December 31, 2023

| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
|--|----------------|--------------------|---------------|--|--------------|
| Operating income (loss) | (33) | 13 | 34 | (38) | (24) |
| Depreciation and amortization | 39 | 5 | 17 | 12 | 73 |
| Impairment charges | 43 | 1 | 4 | — | 48 |
| Other loss (gain) | 18 | (1) | (4) | — | 13 |
| Restructuring costs | 1 | 1 | 10 | — | 12 |
| Unrealized loss (gain) on derivative financial instruments | (1) | — | — | 1 | — |
| EBITDA (A) | 67 | 19 | 61 | (25) | 122 |

For the 3-month period ended December 31, 2022

| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
|---|----------------|--------------------|---------------|--|--------------|
| Operating income (loss) | 85 | 22 | (86) | (41) | (20) |
| Depreciation and amortization | 30 | 5 | 17 | 10 | 62 |
| Impairment charges | 8 | 3 | 75 | — | 86 |
| Other gain | — | (10) | — | — | (10) |
| Restructuring costs | — | — | 2 | — | 2 |
| Unrealized gain on derivative financial instruments | (4) | — | — | — | (4) |
| EBITDA (A) | 119 | 20 | 8 | (31) | 116 |

For the year ended December 31, 2023

| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
|--|----------------|--------------------|---------------|--|--------------|
| Operating income (loss) | 128 | 66 | (2) | (152) | 40 |
| Depreciation and amortization | 141 | 21 | 67 | 43 | 272 |
| Impairment charges | 104 | 2 | 103 | — | 209 |
| Other loss (gain) | 18 | — | (6) | — | 12 |
| Restructuring costs | 1 | 2 | 20 | — | 23 |
| Unrealized loss (gain) on derivative financial instruments | (2) | — | — | 4 | 2 |
| EBITDA (A) | 390 | 91 | 182 | (105) | 558 |

For the year ended December 31, 2022

| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
|--|----------------|--------------------|---------------|--|--------------|
| Operating income (loss) | 266 | 86 | (175) | (144) | 33 |
| Depreciation and amortization | 118 | 19 | 74 | 41 | 252 |
| Impairment charges | 10 | 3 | 89 | — | 102 |
| Other gain | — | (16) | (4) | — | (20) |
| Restructuring costs | — | — | 3 | — | 3 |
| Unrealized loss (gain) on derivative financial instruments | 7 | — | — | (1) | 6 |
| EBITDA (A) | 401 | 92 | (13) | (104) | 376 |

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

| (in millions of Canadian dollars) (unaudited) | PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT | | | |
|---|---|-------|-------------------------------------|-------|
| | For the 3-month periods ended December 31, | | For the years ended December 31, | |
| | 2023 | 2022 | 2023 | 2022 |
| Packaging Products | | | | |
| Containerboard | 39 | 180 | 223 | 481 |
| Specialty Products | 13 | 15 | 32 | 40 |
| | 52 | 195 | 255 | 521 |
| Tissue Papers | 16 | 16 | 39 | 55 |
| Corporate, Recovery and Recycling activities | 20 | 18 | 49 | 43 |
| Total acquisitions | 88 | 229 | 343 | 619 |
| Right-of-use assets acquisitions and provisions (non-cash) | (28) | (18) | (54) | (87) |
| | 60 | 211 | 289 | 532 |
| Acquisitions for property, plant and equipment included in "Trade and other payables" | | | | |
| Beginning of the period | 32 | 55 | 106 | 75 |
| End of the period | (45) | (106) | (45) | (106) |
| Payments for property, plant and equipment | 47 | 160 | 350 | 501 |
| Proceeds from disposals of property, plant and equipment | (1) | (11) | (7) | (19) |
| Payments for property, plant and equipment net of proceeds from disposals | 46 | 149 | 343 | 482 |

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 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 ACCOUNTING STANDARDS 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 Consolidated Statement of Earnings (Loss) of the Consolidated Financial Statements) before depreciation and amortization excluding specific items. Used to assess recurring operating performance and the contribution of each segment on a comparable basis.
- Adjusted net earnings: Used to assess the Corporation's consolidated financial performance on a comparable basis.
- Adjusted cash flow: 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: Used to measure the excess cash the Corporation generates by subtracting capital expenditures (excluding strategic projects) from the EBITDA (A).
- 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 EBITDA (A) to calculate 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.
- Net debt / Net debt + Shareholders' equity: Ratio used to evaluate the Corporation's financial leverage and thus 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 and other financial measures are mainly derived from the consolidated financial statements, but do not have 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 and other financial measures may differ from those of other corporations. Any such modification or reformulation may be significant.

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 presented in the following table:

| Q4 2023 | | | | | |
|--|----------------|--------------------|---------------|--|--------------|
| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
| Operating income (loss) | (33) | 13 | 34 | (38) | (24) |
| Depreciation and amortization | 39 | 5 | 17 | 12 | 73 |
| Impairment charges | 43 | 1 | 4 | — | 48 |
| Other loss (gain) | 18 | (1) | (4) | — | 13 |
| Restructuring costs | 1 | 1 | 10 | — | 12 |
| Unrealized loss (gain) on derivative financial instruments | (1) | — | — | 1 | — |
| EBITDA (A)¹ | 67 | 19 | 61 | (25) | 122 |

| Q3 2023 | | | | | |
|---|----------------|--------------------|---------------|--|--------------|
| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
| Operating income (loss) | 61 | 13 | 38 | (32) | 80 |
| Depreciation and amortization | 38 | 6 | 15 | 10 | 69 |
| Impairment charges | 2 | — | 5 | — | 7 |
| Other loss | — | 1 | — | — | 1 |
| Restructuring costs | — | 1 | 3 | — | 4 |
| EBITDA (A)¹ | 101 | 21 | 61 | (22) | 161 |

| Q4 2022 | | | | | |
|---|----------------|--------------------|---------------|--|--------------|
| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
| Operating income (loss) | 85 | 22 | (86) | (41) | (20) |
| Depreciation and amortization | 30 | 5 | 17 | 10 | 62 |
| Impairment charges | 8 | 3 | 75 | — | 86 |
| Other gain | — | (10) | — | — | (10) |
| Restructuring costs | — | — | 2 | — | 2 |
| Unrealized gain on derivative financial instruments | (4) | — | — | — | (4) |
| EBITDA (A)¹ | 119 | 20 | 8 | (31) | 116 |

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

| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
|--|----------------|--------------------|---------------|--|--------------|
| Operating income (loss) | 128 | 66 | (2) | (152) | 40 |
| Depreciation and amortization | 141 | 21 | 67 | 43 | 272 |
| Impairment charges | 104 | 2 | 103 | — | 209 |
| Other loss (gain) | 18 | — | (6) | — | 12 |
| Restructuring costs | 1 | 2 | 20 | — | 23 |
| Unrealized loss (gain) on derivative financial instruments | (2) | — | — | 4 | 2 |
| EBITDA (A)¹ | 390 | 91 | 182 | (105) | 558 |

| (in millions of Canadian dollars) (unaudited) | Containerboard | Specialty Products | Tissue Papers | Corporate, Recovery and Recycling activities | Consolidated |
|--|----------------|--------------------|---------------|--|--------------|
| Operating income (loss) | 266 | 86 | (175) | (144) | 33 |
| Depreciation and amortization | 118 | 19 | 74 | 41 | 252 |
| Impairment charges | 10 | 3 | 89 | — | 102 |
| Other gain | — | (16) | (4) | — | (20) |
| Restructuring costs | — | — | 3 | — | 3 |
| Unrealized loss (gain) on derivative financial instruments | 7 | — | — | (1) | 6 |
| EBITDA (A)¹ | 401 | 92 | (13) | (104) | 376 |

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:

| (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 ² | | | | |
|---|---------------------|-----------|----------|-----------|-----------|---|--------------------|--------------------|--------------------|--------------------|
| | 2023 | 2022 | Q4 2023 | Q3 2023 | Q4 2022 | 2023 | 2022 | Q4 2023 | Q3 2023 | Q4 2022 |
| As reported | (76) | (34) | (57) | 34 | (27) | (\$0.76) | (\$0.34) | (\$0.57) | \$0.34 | (\$0.27) |
| Specific items: | | | | | | | | | | |
| Impairment charges | 209 | 102 | 48 | 7 | 86 | \$1.56 | \$0.76 | \$0.35 | \$0.05 | \$0.64 |
| Other loss (gain) | 12 | (20) | 13 | 1 | (10) | \$0.09 | (\$0.17) | \$0.10 | — | (\$0.09) |
| Restructuring costs | 23 | 3 | 12 | 4 | 2 | \$0.18 | \$0.03 | \$0.10 | \$0.03 | \$0.02 |
| Unrealized loss (gain) on derivative financial instruments | 2 | 6 | — | — | (4) | \$0.01 | \$0.04 | — | — | (\$0.03) |
| Unrealized loss on interest rate swaps | 1 | — | 1 | — | — | \$0.01 | — | \$0.01 | — | — |
| Foreign exchange loss (gain) on long-term debt and financial instruments | — | 9 | 1 | 2 | (3) | — | \$0.08 | — | \$0.02 | (\$0.02) |
| Share of results of associates and joint ventures | (10) | — | (1) | — | — | (\$0.08) | — | (\$0.01) | — | — |
| Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ² | (52) | (29) | (12) | (3) | (22) | \$0.07 | (\$0.03) | \$0.07 | — | (\$0.03) |
| | 185 | 71 | 62 | 11 | 49 | \$1.84 | \$0.71 | \$0.62 | \$0.10 | \$0.49 |
| Adjusted¹ | 109 | 37 | 5 | 45 | 22 | \$1.08 | \$0.37 | \$0.05 | \$0.44 | \$0.22 |
| Weighted average basic number of common shares outstanding | | | | | | 100,542,206 | 100,647,972 | 100,685,574 | 100,669,311 | 100,361,627 |

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 "Recovery of income taxes" section for more details.

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

| (in millions of Canadian dollars) (unaudited) | 2023 | 2022 | Q4 2023 | Q3 2023 | Q4 2022 |
|---|------------|------|------------|---------|---------|
| Cash flow from operating activities | 510 | 144 | 240 | 140 | 196 |
| Changes in non-cash working capital components | (113) | 116 | (149) | (40) | (96) |
| Net income taxes paid | 9 | 5 | — | 2 | — |
| Net financing expense paid | 129 | 87 | 20 | 47 | 15 |
| Provisions for contingencies and charges and other liabilities, net of dividends received | 23 | 24 | 11 | 12 | 1 |
| EBITDA (A)¹ | 558 | 376 | 122 | 161 | 116 |

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 generated (used)¹, which is also calculated on a per common share basis:

| (in millions of Canadian dollars, except per common share amounts or otherwise noted) (unaudited) | 2023 | 2022 | Q4 2023 | Q3 2023 | Q4 2022 |
|---|--------------------|-------------|--------------------|-------------|-------------|
| Cash flow from operating activities | 510 | 144 | 240 | 140 | 196 |
| Changes in non-cash working capital components | (113) | 116 | (149) | (40) | (96) |
| Cash flow from operating activities (excluding changes in non-cash working capital components) | 397 | 260 | 91 | 100 | 100 |
| Restructuring costs paid | 24 | 12 | 12 | 6 | 3 |
| Adjusted cash flow from operating activities¹ | 421 | 272 | 103 | 106 | 103 |
| Payments for property, plant and equipment | (350) | (501) | (47) | (59) | (160) |
| Change in intangible and other assets | (1) | (5) | — | — | (2) |
| Lease obligation payments | (59) | (55) | (15) | (15) | (15) |
| Proceeds from disposals of property, plant and equipment | 7 | 19 | 1 | 3 | 11 |
| | 18 | (270) | 42 | 35 | (63) |
| Dividends paid to non-controlling interests | (36) | (13) | (3) | (24) | (4) |
| Dividends paid to the Corporation's Shareholders and to non-controlling interests | (48) | (48) | (12) | (12) | (12) |
| Adjusted cash flow generated (used)¹ | (66) | (331) | 27 | (1) | (79) |
| Adjusted cash flow generated (used) per common share¹ (in Canadian dollars) | (\$0.66) | (\$3.29) | \$0.27 | (\$0.01) | (\$0.79) |
| Weighted average basic number of common shares outstanding | 100,542,206 | 100,647,972 | 100,685,574 | 100,669,311 | 100,361,627 |

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) | December 31, 2023 | September 30, 2023 | December 31, 2022 |
|--|-------------------|--------------------|-------------------|
| Long-term debt | 1,869 | 2,048 | 1,931 |
| Current portion of long-term debt | 67 | 66 | 134 |
| Bank loans and advances | — | — | 3 |
| Total debt¹ | 1,936 | 2,114 | 2,068 |
| Less: Cash and cash equivalents | (54) | (26) | (102) |
| Net debt¹ as reported | 1,882 | 2,088 | 1,966 |
| Last twelve months EBITDA (A) ¹ | 558 | 552 | 376 |
| Net debt / EBITDA (A) ratio¹ | 3.4x | 3.8x | 5.2x |

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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