

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

SPECIFIC ITEMS

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

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

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

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

Non-IFRS Accounting Standards measures

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

Other financial measures

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

Non-IFRS Accounting Standards ratios

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

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

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

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 have been managed in two segments: Packaging Products and Tissue Papers. The comparative figures have been aligned 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 the IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

	For the 3-month period ended December 31, 2025			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	90	14	(28)	76
Depreciation and amortization	49	16	7	72
Impairment charges	11	12	2	25
Other gain	(21)	—	—	(21)
Restructuring costs	3	—	1	4
Gain on derivative financial instruments	—	—	(1)	(1)
EBITDA (A)	132	42	(19)	155
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	579	342	54	975

	For the 3-month period ended December 31, 2024			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	58	4	(46)	16
Depreciation and amortization	48	14	14	76
Impairment charges	32	23	—	55
Other gain	(7)	—	(1)	(8)
Restructuring costs	2	4	2	8
Gain on derivative financial instruments	(1)	—	—	(1)
EBITDA (A)	132	45	(31)	146
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	609	325	64	998

For the year ended December 31, 2025				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	269	93	(127)	235
Depreciation and amortization	192	59	36	287
Impairment charges	34	12	3	49
Other gain	(5)	(1)	—	(6)
Restructuring costs	9	—	7	16
Gain on derivative financial instruments	(3)	—	(2)	(5)
EBITDA (A)	496	163	(83)	576
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	2,395	1,322	207	3,924

For the year ended December 31, 2024				
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	145	97	(147)	95
Depreciation and amortization	179	56	47	282
Impairment charges	38	26	—	64
Other loss (gain)	20	—	(1)	19
Restructuring costs	30	13	3	46
Gain on derivative financial instruments	(2)	—	(3)	(5)
EBITDA (A)	410	192	(101)	501
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	2,436	1,267	230	3,933

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 December 31,		For the years ended December 31,		For the 3-month periods ended December 31,		For the years ended December 31,	
	2025	2024	2025	2024	2025	2024	2025	2024
As reported	37	(13)	70	(31)	\$0.37	(\$0.13)	\$0.70	(\$0.31)
Specific items:								
Impairment charges	25	55	49	64	\$0.19	\$0.41	\$0.37	\$0.48
Other loss (gain)	(21)	(8)	(6)	19	(\$0.18)	(\$0.07)	(\$0.07)	\$0.13
Restructuring costs	4	8	16	46	\$0.03	\$0.06	\$0.12	\$0.34
Gain on derivative financial instruments	(1)	(1)	(5)	(5)	(\$0.01)	(\$0.01)	(\$0.04)	(\$0.04)
Loss on repurchase of long-term debt	—	—	1	—	—	—	\$0.01	—
Unrealized gain on interest rate hedge instruments	—	(2)	—	(1)	—	(\$0.02)	—	(\$0.01)
Foreign exchange loss on long-term debt and financial instruments	—	1	—	1	—	\$0.01	—	\$0.01
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests ¹	(4)	(15)	(14)	(33)	—	—	\$0.01	—
	3	38	41	91	\$0.03	\$0.38	\$0.40	\$0.91
Adjusted	40	25	111	60	\$0.40	\$0.25	\$1.10	\$0.60
Weighted average basic number of common shares outstanding					101,261,141	100,988,040	101,167,075	100,865,833

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 December 31,		For the years ended December 31,	
	2025	2024	2025	2024
Cash flow from operating activities	183	154	379	272
Changes in non-cash working capital components	(33)	(45)	24	23
Net income taxes paid	1	—	10	4
Net financing expenses paid	16	22	123	135
Payments, net of provisions, for charges and other liabilities, net of dividends received	(12)	15	40	67
EBITDA (A)	155	146	576	501

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 December 31,		For the years ended December 31,	
	2025	2024	2025	2024
Cash flow from operating activities	183	154	379	272
Changes in non-cash working capital components	(33)	(45)	24	23
Cash flow from operating activities (excluding changes in non-cash working capital components)	150	109	403	295
Restructuring costs paid	15	20	62	61
Adjusted cash flow from operating activities	165	129	465	356
Payments for property, plant and equipment	(42)	(45)	(152)	(161)
Change in intangible and other assets	—	(3)	—	(23)
Lease obligation payments	(19)	(17)	(78)	(67)
Proceeds from disposals of property, plant and equipment	1	16	27	34
	105	80	262	139
Dividends paid to non-controlling interests	(4)	(3)	(34)	(15)
Dividends paid to the Corporation's Shareholders	(13)	(12)	(49)	(48)
Adjusted cash flow generated	88	65	179	76
Adjusted cash flow generated per common share (in Canadian dollars)	\$0.87	\$0.64	\$1.77	\$0.75
Weighted average basic number of common shares outstanding	101,261,141	100,988,040	101,167,075	100,865,833

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

(in millions of Canadian dollars) (unaudited)	December 31, 2025	December 31, 2024
Sales	4,776	4,701
EBITDA (A)	576	501
Payments for property, plant and equipment	152	161
Free cash flow: EBITDA (A) less payments for property, plant and equipment	424	340
Free cash flow / Sales	8.9%	7.2%
Payments for property, plant and equipment / Sales	3.2%	3.4%

The following table reconciles working capital as reported:

(in millions of Canadian dollars) (unaudited)	December 31, 2025	December 31, 2024	December 31, 2023
Accounts receivable	426	469	453
Inventories	661	685	568
Trade and other payables	(697)	(748)	(703)
Working capital	390	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)	December 31, 2025	December 31, 2024	December 31, 2023
Long-term debt	1,874	1,871	1,869
Current portion of unsecured senior notes	—	175	—
Current portion of long-term debt	70	67	67
Bank loans and advances	—	10	—
Total debt	1,944	2,123	1,936
Less: Cash and cash equivalents	(48)	(27)	(54)
Net debt as reported	1,896	2,096	1,882
Last twelve months EBITDA (A)	576	501	558
Net debt / EBITDA (A) ratio	3.3x	4.2x	3.4x

SPECIFIC ITEMS

The Corporation incurred the following specific items in 2025 and in 2024:

IMPAIRMENT CHARGES

2025

The Packaging Products segment recorded a net realizable value adjustment of \$18 million (\$1 million in the fourth quarter) on spare parts and an impairment of \$16 million (\$10 million in the fourth quarter) on some equipment related to the closure of plants in Canada and in the United States. The recoverable amount of the assets is nil based on the market approach reflecting an orderly transaction between market participants.

The Tissue Papers segment recorded an impairment in the fourth quarter of \$12 million on a building following a change in the market conditions for a previously closed plant in the United States. The recoverable amount of the assets totaling \$26 million was determined using the market approach reflecting an orderly transaction between market participants.

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

Corporate activities recorded a net realizable value adjustment in the fourth quarter of \$2 million on inventories related to certain discontinued centralized services following the ongoing streamlining and optimization of operations.

2024

The Packaging Products segment recorded an additional net realizable value adjustment of \$2 million on inventories related to the closure of a plant in Ontario, Canada.

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

The Packaging Products segment also recorded a net realizable value adjustment in the fourth quarter of \$2 million on inventories and an impairment of \$30 million on a building (\$10 million) and equipment (\$20 million) related to network optimization and strategic choices on the product offering in the United States. The recoverable amount of the assets is nil based on the market approach reflecting an orderly transaction between market participants.

The Tissue Papers segment recorded a net realizable value adjustment of \$1 million on spare parts in the fourth quarter and an impairment of \$3 million on some equipment related to a decision to discontinue a product line in Canada.

The Tissue Papers segment also recorded a net realizable value adjustment in the fourth quarter of \$4 million on spare parts and an impairment of \$18 million on a building (\$4 million) and equipment (\$14 million) following a change in the exit strategy for a previously closed plant in the United States, from sale of a business to sale or disposal of the specific assets. Therefore, a change in valuation method was triggered and the recoverable amount of the assets totaling \$12 million, was determined using the market approach reflecting an orderly transaction between market participants.

OTHER LOSS (GAIN)

2025

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 15 of the 2025 Audited Consolidated Financial Statements.

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 15 of the 2025 Audited Consolidated Financial Statements.

The Packaging Products segment recorded a \$21 million gain in the fourth quarter related to the sale of Flexible Packaging plant activities in Ontario, Canada. For further details, please refer to Note 5 of the 2025 Audited Consolidated Financial Statements.

The Tissue Papers segment recorded a \$1 million gain from the disposal of some right-of-use assets related to previously closed plants in the United States.

2024

The Packaging Products segment recorded an additional environmental cost of \$31 million (\$3 million in the fourth quarter) related to the closure of a plant in Ontario, Canada. For further details, please refer to Note 15 of the 2025 Audited Consolidated Financial Statements.

The Packaging Products segment recorded a \$6 million (\$5 million in the fourth quarter) gain from the sale of some assets related to previously closed plants in Canada and in the United States.

The Packaging Products segment also recorded a \$5 million gain in the fourth quarter from the sale of a land parcel in Canada.

Corporate activities recorded a \$1 million gain in the fourth quarter from the sale of an intangible asset.

RESTRUCTURING COSTS

2025

The Packaging Products segment recorded severances totaling \$9 million (\$3 million in the fourth quarter) related to closed plants in the United States.

Corporate activities recorded costs totaling \$7 million (\$1 million in the fourth quarter) related to organizational changes.

2024

The Packaging Products segment recorded costs totaling \$30 million (\$2 million in the fourth quarter) related to closed plants in Canada and in the United States, severances and the redeployment of equipment within the network.

The Tissue Papers segment recorded costs totaling \$13 million (\$4 million in the fourth quarter) related to the closures of the plants in the United States and the redeployment of equipment within the network.

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

Corporate activities recorded costs totaling \$2 million in the fourth quarter related to organizational changes.

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 December 31,		For the years ended December 31,	
	2025	2024	2025	2024
Packaging Products segment				
Steam contract embedded derivatives related to our Niagara Falls containerboard complex - unrealized	—	(1)	(3)	(2)
Corporate activities				
Financial hedging contracts for natural gas purchases - unrealized	2	—	1	(3)
Settlement of financial instrument - realized	(3)	—	(3)	—
Gain on derivative financial instruments	(1)	(1)	(5)	(5)

LOSS ON REPURCHASE OF LONG-TERM DEBT

In 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 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 December 31,		For the years ended December 31,	
	2025	2024	2025	2024
Unrealized gain on interest rate hedge instruments	—	(2)	—	(1)

FOREIGN EXCHANGE LOSS ON LONG-TERM DEBT AND FINANCIAL INSTRUMENTS

The foreign exchange loss on long-term debt and financial instruments is composed of foreign exchange forward contracts not designated for hedge accounting. In 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 December 31,		For the years ended December 31,	
	2025	2024	2025	2024
Foreign exchange loss on long-term debt and financial instruments	—	1	—	1

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

In 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.