

# PRESS RELEASE



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## Cascades Reports Results for the Fourth Quarter and Full Year 2025

**Kingsey Falls, Québec, February 26, 2026** - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period and fiscal year ended December 31, 2025.

### Q4 2025 Highlights

- Sales of \$1,197 million (compared with \$1,238 million in Q3 2025 and \$1,211 million in Q4 2024);
- Operating income of \$76 million (compared with \$73 million in Q3 2025 and \$16 million in Q4 2024);
- Net earnings per common share of \$0.37 (compared with net earnings per common share of \$0.29 in Q3 2025 and a net loss per common share of (\$0.13) in Q4 2024);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)<sup>1</sup>) of \$155 million (compared with \$159 million in Q3 2025 and \$146 million in Q4 2024);
- Adjusted net earnings per common share<sup>1</sup> of \$0.40 (compared with \$0.38 in Q3 2025 and \$0.25 in Q4 2024);

### 2025 Annual Highlights

- Sales of \$4,776 million (compared with \$4,701 million in 2024);
- Operating income of \$235 million (compared with \$95 million in 2024);
- Net earnings per common share of \$0.70 (compared with a net loss per common share of (\$0.31) in 2024);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)<sup>1</sup>) of \$576 million (compared with \$501 million in 2024);
- Adjusted net earnings per common share<sup>1</sup> of \$1.10 (compared with \$0.60 in 2024);
- Net debt<sup>1</sup> of \$1,896 million as of December 31, 2025 (compared with \$2,096 million as of December 31, 2024). Net debt to EBITDA (A) ratio<sup>1</sup> of 3.3x, down from 4.2x as of December 31, 2024;
- Following the asset sales completed in 2025 and early 2026, the Corporation has surpassed its disclosed target of generating \$120 million of proceeds from the monetization of redundant assets by mid-2026;
- Total capital expenditures of \$42 million in Q4 2025 and \$152 million in 2025. The Corporation's 2026 forecasted capital expenditures before disposals will be approximately \$175 million.
- Several strategic actions were implemented during the year and are beginning to generate tangible results, both operationally and financially.

Hugues Simon, President and CEO, commented: "Our fourth quarter consolidated performance met sequential forecasts. Packaging results were within expectations, with benefits from lower production costs, favourable raw material pricing and continued solid production levels at Bear Island mitigating the expected lower seasonal sales volumes. Results of our tissue business fell short of targeted levels. Simply put, our tissue operations did not meet efficiency and logistics execution objectives in the quarter. These effects were compounded by an unplanned power outage at one of our facilities that further impacted production levels, supply chain efficiency and added incremental operating costs of approximately \$6 million in the period. The countermeasures we have already put in place to address these issues are generating positive traction. Overall, we successfully decreased net debt by \$127 million sequentially, which results in leverage decreasing to 3.3x from 3.6x at the end of the third quarter."

<sup>1</sup> 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.

Discussing near-term outlook, Mr. Simon commented, “We expect first-quarter performance to decline sequentially, but to remain higher year-over-year for the sixth consecutive quarter. In packaging, the forecasted sequential decline is attributable to usual seasonality in demand levels and higher transportation and energy costs due to weather-related impacts in the US in early 2026. We are similarly expecting softer results in tissue sequentially. In addition to usual seasonality and costs related to severe weather, results in this segment will be impacted by residual production and logistics costs following the power outage at one of our facilities. Our leverage ratio is expected to continue to improve in the coming quarters.

Looking further ahead, we are confident in our ability to achieve our strategic objectives, and we expect our 2026 performance to surpass 2025, despite ongoing macro-economic uncertainty. We made good progress across many of our initiatives over the past year. In addition to achieving our objective of generating \$120 million of proceeds from asset sales ahead of schedule, we have generated approximately \$30 million of profitability improvements. 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.”

## Financial Summary

### Selected consolidated information

(in millions of Canadian dollars, except amounts per common share) (unaudited)	2025	2024	Q4 2025	Q3 2025	Q4 2024
<b>Sales</b>	<b>4,776</b>	4,701	<b>1,197</b>	1,238	1,211
<b>As Reported</b>					
Operating income	235	95	76	73	16
Net earnings (loss)	70	(31)	37	29	(13)
per common share (basic)	<b>\$0.70</b>	(\$0.31)	<b>\$0.37</b>	\$0.29	(\$0.13)
<b>Adjusted<sup>1</sup></b>					
Earnings before interest, taxes, depreciation and amortization (EBITDA (A))	576	501	155	159	146
Net earnings	111	60	40	39	25
per common share (basic)	<b>\$1.10</b>	\$0.60	<b>\$0.40</b>	\$0.38	\$0.25
Margin (EBITDA (A) / Sales)	12.1%	10.7%	12.9%	12.8%	12.1%
<b>Net debt<sup>1</sup></b>	<b>1,896</b>	2,096	<b>1,896</b>	2,023	2,096
<b>Net debt / EBITDA (A) ratio<sup>1</sup></b>	<b>3.3x</b>	4.2x	<b>3.3x</b>	3.6x	4.2x

### Segmented sales

(in millions of Canadian dollars) (unaudited)	2025	2024	Q4 2025	Q3 2025	Q4 2024
Packaging Products	3,079	3,009	757	797	782
Tissue Papers	1,575	1,548	407	412	394
Inter-segment sales, Corporate, Recovery and Recycling activities	122	144	33	29	35
<b>Sales</b>	<b>4,776</b>	4,701	<b>1,197</b>	1,238	1,211

### Segmented operating income (loss)

(in millions of Canadian dollars) (unaudited)	2025	2024	Q4 2025	Q3 2025	Q4 2024
Packaging Products	269	145	90	73	58
Tissue Papers	93	97	14	30	4
Corporate, Recovery and Recycling activities	(127)	(147)	(28)	(30)	(46)
<b>Operating income</b>	<b>235</b>	95	<b>76</b>	73	16

### Segmented EBITDA (A)<sup>1</sup>

(in millions of Canadian dollars) (unaudited)	2025	2024	Q4 2025	Q3 2025	Q4 2024
Packaging Products	496	410	132	136	132
Tissue Papers	163	192	42	46	45
Corporate, Recovery and Recycling activities	(83)	(101)	(19)	(23)	(31)
<b>EBITDA (A)<sup>1</sup></b>	<b>576</b>	501	<b>155</b>	159	146

<sup>1</sup> 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 December 31, 2025 (compared to the same period last year)**

The Corporation's fourth quarter sales of \$1,197 million decreased by \$14 million compared with the same period last year. This decrease reflects consolidated net benefits of \$25 million from higher selling prices and a favourable sales mix of \$25 million. However, these factors were more than offset by a \$62 million impact from lower volumes, mainly in the Packaging Products segment.

The fourth quarter EBITDA (A)<sup>1</sup> totaled \$155 million, an increase of \$9 million, or 6%, from the \$146 million generated in the same period last year. This increase was driven by lower corporate costs following an unfavourable exchange rate variance on working capital and treasury items, and higher health insurance costs for US employees in the prior year period. Performance of our Packaging Products and Tissue Papers segments were stable compared to last year. Benefits from higher selling prices and lower raw material costs were offset by impacts from higher production and energy costs and lower volumes mainly in the Packaging Products segment.

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

- \$23 million of impairment on a building and equipment related to a closed facilities in Canada and in the United States (operating income and net earnings);
- \$2 million of a net realizable value adjustment on inventories related to certain discontinued centralized services following the ongoing streamlining and optimization of operations (operating income and net earnings);
- \$21 million gain related to the sale of Flexible Packaging plant activities (operating income and net earnings);
- \$4 million of restructuring costs related to a plant closure in the United States and corporate organizational changes (operating income and net earnings);
- \$1 million gain on financial instruments (operating income and net earnings).

For the three-month period ended December 31, 2025, the Corporation posted net earnings of \$37 million, or \$0.37 per common share, compared to a net loss of \$(13) million, or (\$0.13) per common share, in the same period of 2024. On an adjusted basis<sup>1</sup>, the Corporation posted net earnings of \$40 million in the fourth quarter of 2025, or \$0.40 per common share, compared to net earnings of \$25 million, or \$0.25 per common share, in the same period of 2024.

<sup>1</sup> 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 26, 2026 to shareholders of record at the close of business on March 12, 2026. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). During the fourth quarter of 2025, Cascades purchased no common shares for cancellation.

## **2025 Fourth Quarter Results Conference Call Details**

Management will discuss the 2025 fourth 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](http://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 26, 2026 by dialing 1-888-660-6345 (international 1-646-517-4150), access code 58005 #.

*Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs approximately 9,200 women and men across a network of 64 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)	December 31, 2025	December 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	48	27
Accounts receivable	426	469
Current income tax assets	12	4
Inventories	661	685
Current portion of financial assets	4	1
	1,151	1,186
<b>Long-term assets</b>		
Investments in associates and joint ventures	66	97
Property, plant and equipment	2,649	2,847
Intangible assets with finite useful life	30	41
Financial assets	5	—
Other assets	107	105
Deferred income tax assets	174	168
Goodwill and other intangible assets with indefinite useful life	491	504
	4,673	4,948
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Bank loans and advances	—	10
Trade and other payables	697	748
Current income tax liabilities	4	2
Current portion of unsecured senior notes	—	175
Current portion of long-term debt	70	67
Current portion of provisions for charges	8	42
Current portion of financial liabilities and other liabilities	28	43
	807	1,087
<b>Long-term liabilities</b>		
Long-term debt	1,874	1,871
Provisions for charges	58	58
Financial liabilities	8	—
Other liabilities	74	80
Deferred income tax liabilities	97	81
	2,918	3,177
<b>Equity</b>		
Capital stock	619	616
Contributed surplus	17	16
Retained earnings	1,042	1,019
Accumulated other comprehensive income	43	73
<b>Equity attributable to Shareholders</b>	1,721	1,724
Non-controlling interests	34	47
<b>Total equity</b>	1,755	1,771
	4,673	4,948

## 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,	
	2025	2024	2025	2024
<b>Sales</b>	<b>1,197</b>	1,211	<b>4,776</b>	4,701
Supply chain and logistic	702	721	2,827	2,847
Wages and employee benefits expenses	273	277	1,097	1,086
Depreciation and amortization	72	76	287	282
Maintenance and repair	68	64	261	244
Other operational costs	(1)	3	15	23
Impairment charges	25	55	49	64
Other loss (gain)	(21)	(8)	(6)	19
Restructuring costs	4	8	16	46
Gain on derivative financial instruments	(1)	(1)	(5)	(5)
<b>Operating income</b>	<b>76</b>	16	<b>235</b>	95
Financing expenses	32	34	136	142
Share of results of associates and joint ventures	(5)	(5)	(16)	(19)
<b>Earnings (loss) before income taxes</b>	<b>49</b>	(13)	<b>115</b>	(28)
<b>Provision for (recovery of) income taxes</b>	<b>6</b>	(6)	<b>22</b>	(14)
<b>Net earnings (loss) including non-controlling interests for the period</b>	<b>43</b>	(7)	<b>93</b>	(14)
<b>Net earnings attributable to non-controlling interests</b>	<b>6</b>	6	<b>23</b>	17
<b>Net earnings (loss) attributable to Shareholders for the period</b>	<b>37</b>	(13)	<b>70</b>	(31)
<b>Net earnings (loss) per common share</b>				
Basic	\$0.37	(\$0.13)	\$0.70	(\$0.31)
Diluted	\$0.36	(\$0.13)	\$0.69	(\$0.31)
<b>Weighted average basic number of common shares outstanding</b>	<b>101,261,141</b>	100,988,040	<b>101,167,075</b>	100,865,833
<b>Weighted average number of diluted common shares</b>	<b>101,787,746</b>	101,349,476	<b>101,430,212</b>	101,119,887

## 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,	
	2025	2024	2025	2024
<b>Net earnings (loss) including non-controlling interests for the period</b>	<b>43</b>	<b>(7)</b>	<b>93</b>	<b>(14)</b>
<b>Other comprehensive income (loss)</b>				
<b>Items that may be reclassified subsequently to earnings</b>				
<b>Translation adjustments</b>				
Change in foreign currency translation of foreign subsidiaries	(16)	74	(96)	98
Change in foreign currency translation related to net investment hedging activities	8	(34)	69	(43)
<b>Cash flow hedges</b>				
Change in fair value of commodity derivative financial instruments	—	—	(1)	1
<b>Recovery of (provision for) income taxes</b>	<b>(1)</b>	<b>4</b>	<b>(4)</b>	<b>5</b>
	<b>(9)</b>	<b>44</b>	<b>(32)</b>	<b>61</b>
<b>Items that are not released to earnings</b>				
Actuarial gain (loss) on employee future benefits	(3)	(1)	2	6
Recovery of (provision for) income taxes	1	—	—	(2)
	<b>(2)</b>	<b>(1)</b>	<b>2</b>	<b>4</b>
<b>Other comprehensive income (loss)</b>	<b>(11)</b>	<b>43</b>	<b>(30)</b>	<b>65</b>
<b>Comprehensive income including non-controlling interests for the period</b>	<b>32</b>	<b>36</b>	<b>63</b>	<b>51</b>
<b>Comprehensive income attributable to non-controlling interests for the period</b>	<b>6</b>	<b>8</b>	<b>21</b>	<b>20</b>
<b>Comprehensive income attributable to Shareholders for the period</b>	<b>26</b>	<b>28</b>	<b>42</b>	<b>31</b>

## CONSOLIDATED STATEMENTS OF EQUITY

For the year ended December 31, 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
<b>Balance - Beginning of year</b>	<b>616</b>	<b>16</b>	<b>1,019</b>	<b>73</b>	<b>1,724</b>	<b>47</b>	<b>1,771</b>
Comprehensive income (loss)							
Net earnings	—	—	70	—	70	23	93
Other comprehensive income (loss)	—	—	2	(30)	(28)	(2)	(30)
Dividends	—	—	72	(30)	42	21	63
Stock options expense	—	2	(49)	—	(49)	(34)	(83)
Issuance of common shares upon exercise of stock options	—	—	—	—	2	—	2
<b>Balance - End of year</b>	<b>619</b>	<b>17</b>	<b>1,042</b>	<b>43</b>	<b>1,721</b>	<b>34</b>	<b>1,755</b>

For the year ended December 31, 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
<b>Balance - Beginning of year</b>	<b>613</b>	<b>15</b>	<b>1,096</b>	<b>15</b>	<b>1,739</b>	<b>42</b>	<b>1,781</b>
Comprehensive income (loss)							
Net earnings (loss)	—	—	(31)	—	(31)	17	(14)
Other comprehensive income	—	—	4	58	62	3	65
Dividends	—	—	(27)	58	31	20	51
Stock options expense	—	2	(48)	—	(48)	(15)	(63)
Issuance of common shares upon exercise of stock options	—	—	—	—	2	—	2
Acquisitions of non-controlling interests	3	(1)	—	—	2	—	2
Acquisitions of non-controlling interests	—	—	(2)	—	(2)	—	(2)
<b>Balance - End of year</b>	<b>616</b>	<b>16</b>	<b>1,019</b>	<b>73</b>	<b>1,724</b>	<b>47</b>	<b>1,771</b>

## 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,	
	2025	2024	2025	2024
<b>Operating activities</b>				
Net earnings (loss) attributable to Shareholders for the period	37	(13)	70	(31)
Adjustments for:				
Financing expenses	32	34	136	142
Depreciation and amortization	72	76	287	282
Impairment charges	25	55	49	64
Other loss (gain)	(21)	(8)	(6)	19
Restructuring costs	4	8	16	46
Gain on derivative financial instruments	(1)	(1)	(5)	(5)
Provision for (recovery of) income taxes	6	(6)	22	(14)
Share of results of associates and joint ventures	(5)	(5)	(16)	(19)
Net earnings attributable to non-controlling interests	6	6	23	17
Net financing expenses paid	(16)	(22)	(123)	(135)
Net income taxes paid	(1)	—	(10)	(4)
Dividends received	21	8	47	17
Payments, net of provisions, for charges and other liabilities	(9)	(23)	(87)	(84)
	150	109	403	295
Changes in non-cash working capital components	33	45	(24)	(23)
	183	154	379	272
<b>Investing activities</b>				
Payments for property, plant and equipment	(42)	(45)	(152)	(161)
Proceeds from disposals of property, plant and equipment	1	16	27	34
Change in intangible and other assets	—	(3)	—	(23)
Proceeds from business disposal	31	—	31	—
	(10)	(32)	(94)	(150)
<b>Financing activities</b>				
Bank loans and advances	(1)	3	(10)	10
Change in credit facilities	(141)	(67)	(251)	(4)
Change in credit facilities without recourse to the Corporation	(19)	(28)	74	(16)
Issuance of unsecured senior notes, net of related expenses	—	—	541	—
Repurchase of unsecured senior notes	—	—	(456)	—
Payments of other long-term debt, including lease obligations (2025 - \$78 million (\$19 million for 3-month period); 2024 - \$67 million (\$17 million for 3-month period))	(19)	(21)	(80)	(75)
Issuance of common shares upon exercise of stock options	—	—	2	2
Dividends paid to non-controlling interests	(4)	(3)	(34)	(15)
Acquisition of non-controlling interests	—	—	—	(3)
Dividends paid to the Corporation's Shareholders	(13)	(12)	(49)	(48)
	(197)	(128)	(263)	(149)
<b>Net change in cash and cash equivalents during the period</b>	<b>(24)</b>	<b>(6)</b>	<b>22</b>	<b>(27)</b>
<b>Currency translation on cash and cash equivalents</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>—</b>
<b>Cash and cash equivalents - Beginning of the period</b>	<b>73</b>	<b>34</b>	<b>27</b>	<b>54</b>
<b>Cash and cash equivalents - End of the period</b>	<b>48</b>	<b>27</b>	<b>48</b>	<b>27</b>

## 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 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 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 business segment are shown in the following table:

For the 3-month periods ended December 31 (in millions of Canadian dollars) (unaudited)	2025			2024		
	Total	Inter-segment	External	Total	Inter-segment	External
	Packaging Products	757	(7)	750	782	(14)
Tissue Papers	407	—	407	394	—	394
Corporate, Recovery and Recycling activities	67	(27)	40	84	(35)	49
	<b>1,231</b>	<b>(34)</b>	<b>1,197</b>	<b>1,260</b>	<b>(49)</b>	<b>1,211</b>

For the years ended December 31 (in millions of Canadian dollars) (unaudited)	2025			2024		
	Total	Inter-segment	External	Total	Inter-segment	External
	Packaging Products	3,079	(44)	3,035	3,009	(51)
Tissue Papers	1,575	—	1,575	1,548	(1)	1,547
Corporate, Recovery and Recycling activities	282	(116)	166	345	(149)	196
	<b>4,936</b>	<b>(160)</b>	<b>4,776</b>	<b>4,902</b>	<b>(201)</b>	<b>4,701</b>

### EBITDA (A) by business segment is reconciled to the 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 December 31, 2025			
	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	<b>90</b>	<b>14</b>	<b>(28)</b>	<b>76</b>
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)
<b>EBITDA (A)</b>	<b>132</b>	<b>42</b>	<b>(19)</b>	<b>155</b>
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
<b>Operating income (loss)</b>	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)
<b>EBITDA (A)</b>	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
<b>Operating income (loss)</b>	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)
<b>EBITDA (A)</b>	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
<b>Operating income (loss)</b>	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)
<b>EBITDA (A)</b>	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

Payments for property, plant and equipment by business segment are shown 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,	
	2025	2024	2025	2024
Packaging Products	82	59	174	167
Tissue Papers	16	22	47	54
Corporate, Recovery and Recycling activities	5	20	16	49
<b>Total acquisitions</b>	<b>103</b>	<b>101</b>	<b>237</b>	<b>270</b>
Right-of-use assets acquisitions and provisions (non-cash)	(57)	(49)	(100)	(122)
	46	52	137	148
Acquisitions for property, plant and equipment included in "Trade and other payables"				
Beginning of the period	13	25	32	45
End of the period	(17)	(32)	(17)	(32)
<b>Payments for property, plant and equipment</b>	<b>42</b>	<b>45</b>	<b>152</b>	<b>161</b>
<b>Proceeds from disposals of property, plant and equipment</b>	<b>(1)</b>	<b>(16)</b>	<b>(27)</b>	<b>(34)</b>
<b>Payments for property, plant and equipment net of proceeds from disposals</b>	<b>41</b>	<b>29</b>	<b>125</b>	<b>127</b>

## **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 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)<sup>1</sup>). The CODM considers EBITDA (A)<sup>1</sup> to be the best performance measure of the Corporation's activities.

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

	Q4 2025			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	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)
<b>EBITDA (A)<sup>1</sup></b>	132	42	(19)	155
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	579	342	54	975

	Q3 2025			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	73	30	(30)	73
Depreciation and amortization	48	16	10	74
Other loss	10	—	—	10
Restructuring costs	5	—	1	6
Gain on derivative financial instruments	—	—	(4)	(4)
<b>EBITDA (A)<sup>1</sup></b>	136	46	(23)	159
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	619	345	49	1,013

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

Q4 2024

(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	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)
<b>EBITDA (A)<sup>1</sup></b>	132	45	(31)	146
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	609	325	64	998

2025

(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	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)
<b>EBITDA (A)<sup>1</sup></b>	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

2024

(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	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)
<b>EBITDA (A)<sup>1</sup></b>	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

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

The following table reconciles net earnings (loss) and net earnings (loss) per common share, as reported, with adjusted net earnings<sup>1</sup> and adjusted net earnings per common share<sup>1</sup>:

(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 <sup>2</sup>				
	2025	2024	Q4 2025	Q3 2025	Q4 2024	2025	2024	Q4 2025	Q3 2025	Q4 2024
<b>As reported</b>	<b>70</b>	(31)	<b>37</b>	29	(13)	<b>\$0.70</b>	(\$0.31)	<b>\$0.37</b>	\$0.29	(\$0.13)
Specific items:										
Impairment charges	49	64	25	—	55	\$0.37	\$0.48	\$0.19	—	\$0.41
Other loss (gain)	(6)	19	(21)	10	(8)	(\$0.07)	\$0.13	(\$0.18)	\$0.07	(\$0.07)
Restructuring costs	16	46	4	6	8	\$0.12	\$0.34	\$0.03	\$0.05	\$0.06
Gain on derivative financial instruments	(5)	(5)	(1)	(4)	(1)	(\$0.04)	(\$0.04)	(\$0.01)	(\$0.03)	(\$0.01)
Loss on repurchase of long-term debt	1	—	—	—	—	\$0.01	—	—	—	—
Unrealized gain on interest rate hedge instrument	—	(1)	—	—	(2)	—	(\$0.01)	—	—	(\$0.02)
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 interest <sup>2</sup>	(14)	(33)	(4)	(2)	(15)	\$0.01	—	—	—	—
	<b>41</b>	91	<b>3</b>	10	38	<b>\$0.40</b>	\$0.91	<b>\$0.03</b>	\$0.09	\$0.38
<b>Adjusted<sup>1</sup></b>	<b>111</b>	60	<b>40</b>	39	25	<b>\$1.10</b>	\$0.60	<b>\$0.40</b>	\$0.38	\$0.25
<b>Weighted average basic number of common shares outstanding</b>						<b>101,167,075</b>	100,865,833	<b>101,261,141</b>	101,257,276	100,988,040

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

(in millions of Canadian dollars) (unaudited)	2025	2024	Q4 2025	Q3 2025	Q4 2024
<b>Cash flow from operating activities</b>	<b>379</b>	272	<b>183</b>	181	154
Changes in non-cash working capital components	24	23	(33)	(65)	(45)
Net income taxes paid	10	4	1	2	—
Net financing expenses paid	123	135	16	33	22
Payments, net of provisions, for charges and other liabilities, net of dividends	40	67	(12)	8	15
<b>EBITDA (A)<sup>1</sup></b>	<b>576</b>	501	<b>155</b>	159	146

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

<sup>2</sup> 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 activities<sup>1</sup>. It also reconciles adjusted cash flow from operating activities<sup>1</sup> to adjusted cash flow generated<sup>1</sup>, which is also calculated on a per common share basis:

(in millions of Canadian dollars, except per common share amounts or otherwise noted) (unaudited)	2025	2024	Q4 2025	Q3 2025	Q4 2024
<b>Cash flow from operating activities</b>	<b>379</b>	272	<b>183</b>	181	154
Changes in non-cash working capital components	24	23	(33)	(65)	(45)
<b>Cash flow from operating activities (excluding changes in non-cash working capital components)</b>	<b>403</b>	295	<b>150</b>	116	109
Restructuring costs paid	62	61	15	21	20
<b>Adjusted cash flow from operating activities<sup>1</sup></b>	<b>465</b>	356	<b>165</b>	137	129
Payments for property, plant and equipment	(152)	(161)	(42)	(30)	(45)
Change in intangible and other assets	—	(23)	—	(1)	(3)
Lease obligation payments	(78)	(67)	(19)	(20)	(17)
Proceeds from disposals of property, plant and equipment	27	34	1	—	16
	<b>262</b>	139	<b>105</b>	86	80
Dividends paid to non-controlling interests	(34)	(15)	(4)	(3)	(3)
Dividends paid to the Corporation's Shareholders and to non-controlling interests	(49)	(48)	(13)	(12)	(12)
<b>Adjusted cash flow generated<sup>1</sup></b>	<b>179</b>	76	<b>88</b>	71	65
<b>Adjusted cash flow generated per common share<sup>1</sup></b> (in Canadian dollars)	<b>\$1.77</b>	\$0.75	<b>\$0.87</b>	\$0.70	\$0.64
<b>Weighted average basic number of common shares outstanding</b>	<b>101,167,075</b>	100,865,833	<b>101,261,141</b>	101,257,276	100,988,040

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

(in millions of Canadian dollars) (unaudited)	December 31, 2025	September 30, 2025	December 31, 2024
Long-term debt	1,874	2,027	1,871
Current portion of unsecured senior notes	—	—	175
Current portion of long-term debt	70	68	67
Bank loans and advances	—	1	10
<b>Total debt<sup>1</sup></b>	<b>1,944</b>	2,096	2,123
Less: Cash and cash equivalents	(48)	(73)	(27)
<b>Net debt<sup>1</sup> as reported</b>	<b>1,896</b>	2,023	2,096
Last twelve months EBITDA (A) <sup>1</sup>	576	567	501
<b>Net debt / EBITDA (A) ratio<sup>1</sup></b>	<b>3.3x</b>	3.6x	4.2x

<sup>1</sup> 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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