Quarterly Report 1

for the three-month periods ended
March 31, 2024 and 2023

Cascades

Source of possibilities

Table of contents

FORWARD-LOOKING

The following document is the quarterly financial report and Management's Discussion and Analysis ("MD&A") of the operating results and financial position of Cascades Inc. ("Cascades" or "the Corporation") and should be read in conjunction with the Corporation's Unaudited Condensed Interim Consolidated Financial Statements and accompanying notes for the three-month periods ended March 31, 2024 and 2023, together with the most recent Audited Consolidated Financial Statements. Information contained herein includes any significant developments as of May 8, 2024, the date on which the MD&A was approved by the Corporation's Board of Directors. For additional information, readers are referred to the Corporation's Annual Information Form ("AIF"), which is published separately. Additional information relating to the Corporation is also available on the SEDAR+ website at www.sedarplus.ca.

The financial information contained herein, including tabular amounts, is expressed in Canadian dollars, unless otherwise specified, and is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards), unless otherwise specified. Unless otherwise specified or if required by context, the terms "we", "our" and "us" refer to Cascades Inc. and all of its subsidiaries, joint ventures and associates.

This MD&A is intended to provide readers with information that Management believes is necessary for an understanding of Cascades' current results and to assess the Corporation's future prospects. Consequently, certain statements herein, including statements regarding future results and performance, are forward-looking statements within the meaning of securities legislation, 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, prices and availability of raw materials, changes in relative values of certain currencies, fluctuations in selling prices and adverse changes in general market and industry conditions. Cascades disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities regulations. This MD&A also includes price indices, as well as variance and sensitivity analysis that are intended to provide the reader with a better understanding of the trends with respect to our business activities. These items are based on the best estimates available to the Corporation.

MANAGEMENT'S DISCUSSION & ANALYSIS
TO OUR SHAREHOLDERS

FINANCIAL SNAPSHOT

(in millions of Canadian dollars, unless otherwise noted) (unaudited)	Q1 2024	Q4 2023	Q1 2023
Sales	**1,109**	1,138	1,134
Operating income (loss)	**9**	(24)	(80)
EBITDA (A)[1]	**103**	122	134
EBITDA (A) as a percentage of sales[1]	**9.3%**	10.7%	11.8%
Net earnings (loss)			
As reported	**(20)**	(57)	(75)
Adjusted[1]	**—**	5	33
Net earnings (loss) per common share (basic) (in Canadian dollars)			
As reported	**($0.20)**	($0.57)	($0.75)
Adjusted[1]	**$—**	$0.05	$0.32
Capital expenditures, net of disposals	**41**	46	137
Dividends declared per common share (in Canadian dollars)	**$0.12**	$0.12	$0.12
FINANCIAL POSITION			
Total assets	**4,816**	4,772	4,970
Net debt[1]	**2,020**	1,882	2,070
Net debt / EBITDA (A) ratio[1]	**3.8x**	3.4x	4.6x
Equity attributable to Shareholders	**1,727**	1,739	1,780
per common share (in Canadian dollars)	**$17.15**	$17.27	$17.73
Working capital as a percentage of sales[1, 3]	**9.8%**	9.9%	10.6%
KEY INDICATORS			
Total shipments (in '000 of s.t.)[2]	**527**	523	507
US$/CAN$ - Average rate	**$0.74**	$0.73	$0.74

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.*

2 *Shipments do not take into account the elimination of business sector inter-segment shipments. Shipments from our Specialty Products segment are not presented, as different units of measure are used.*

3 *Percentage of sales = Average quarterly last twelve months (LTM) working capital / LTM sales.*

SEGMENTED SALES

(in millions of Canadian dollars) (unaudited)	**Q1 2024**	Q4 2023	Q1 2023
Packaging Products			
Containerboard	**556**	561	561
Specialty Products	**160**	160	161
Inter-segment sales	**(7)**	(8)	(7)
	709	713	715
Tissue Papers	**367**	390	387
Inter-segment sales, Corporate, Recovery and Recycling activities	**33**	35	32
Sales	**1,109**	1,138	1,134

SEGMENTED OPERATING INCOME (LOSS)

(in millions of Canadian dollars) (unaudited)	**Q1 2024**	Q4 2023	Q1 2023
Packaging Products			
Containerboard	**(7)**	(33)	38
Specialty Products	**19**	13	21
Tissue Papers	**31**	34	(92)
Corporate, Recovery and Recycling activities	**(34)**	(38)	(47)
Operating income (loss)	**9**	(24)	(80)

SEGMENTED EBITDA (A)[1]

(in millions of Canadian dollars) (unaudited)	**Q1 2024**	Q4 2023	Q1 2023
Packaging Products			
Containerboard	**50**	67	126
Specialty Products	**25**	19	27
Tissue Papers	**50**	61	16
Corporate, Recovery and Recycling activities	**(22)**	(25)	(35)
EBITDA (A)[1]	**103**	122	134

The main variances[2] in EBITDA (A)[1] are shown below:

(in millions of Canadian dollars) (unaudited)	**Q1 2024 vs Q4 2023**	Q1 2024 vs Q1 2023
Price	**3**	(64)
Freight and production costs	**(7)**	8
Volume and mix, foreign exchange and others	**(9)**	25
Raw materials and energy	**(6)**	—
Variances in EBITDA (A)[1]	**(19)**	(31)

First quarter 2024 results met expectations, considering the context of elevated raw material prices, and ongoing inflationary pressure on operational costs. Sequentially, Tissue Papers executed well, with increased average selling prices partially offsetting the impacts from higher maintenance costs and softer seasonal volumes. Results in Containerboard decreased from the previous quarter, as spreads remained under pressure due to cost headwinds, most noticeably in raw materials and energy, and lower selling prices prior to the implementation of published index price increases effective in the second quarter. The softer results similarly reflect costs associated with the Trenton mill, which ceased operations at the end of January prior to its permanent closure at the end of February. Conversely, Specialty Products had a solid quarter, driven by favourable sequential raw material and selling prices, and operational cost benefits reflecting efficiency and productivity initiatives. Lower consolidated profitability levels, higher seasonal working capital requirements and a less favourable exchange rate during the quarter resulted in our leverage ratio[1] increasing to 3.8x from 3.4x at the end of 2023.

/s/ Mario Plourde

MARIO PLOURDE
President and Chief Executive Officer
May 8, 2024

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

2 For definitions of certain EBITDA (A)[1] variation categories, please refer to the "Financial Overview" section for more details.

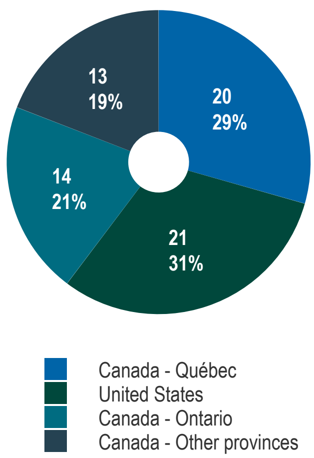
OUR BUSINESS

Cascades Inc. is a paper and packaging company that produces, converts and sells packaging and tissue products composed primarily of recycled fibres. Established in 1964 in Kingsey Falls, Québec, Canada, the Corporation was founded by the Lemaire brothers, who saw the economic and social potential of building a company focused primarily on the sustainable development principles of reusing, recovering and recycling. 60 years later, Cascades is a multinational business with close to 70 operating facilities[1] and approximately 9,800 employees[1] across Canada and the United States. The Corporation currently operates three business segments:

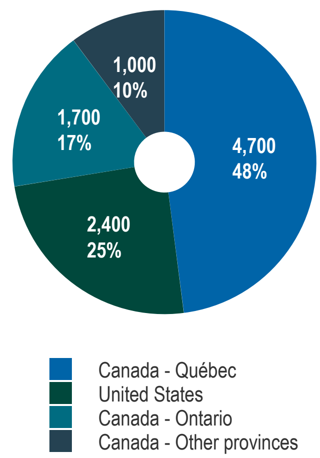
(Business segments) (unaudited)	Number of facilities[1]	Q1 2024 Sales[2] (in $M)	% of sales	Q1 2024 Operating income (loss) (in $M)	Q1 2024 EBITDA (A)[2, 3] (in $M)	Q1 2024 EBITDA (A) Margin[2, 3] (%)	% of EBITDA (A)
PACKAGING PRODUCTS							
Containerboard	23	556	51.3%	(7)	50	9.0%	40.0%
Specialty Products	17	160	14.8%	19	25	15.6%	20.0%
TISSUE PAPERS	10	367	33.9%	31	50	13.6%	40.0%

The locations of our facilities[4] and employees by geographic segment in North America are as follows:

Our facilities



Our employees



1 Including 50% owned joint ventures. The Corporation also has 18 Recovery and Recycling facilities which are included in Corporate Activities. In the Containerboard Packaging segment, the Belleville (Ontario) and Newtown (Connecticut) converting plants will be permanently closed, in a progressive manner, by May 31, 2024.

2 Excluding associates and joint ventures not included in consolidated results. Refer to Note 7 of the 2023 Audited Consolidated Financial Statements for more information on associates and joint ventures.

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

4 Excluding sales offices, distribution and transportation hubs and corporate offices. Including main joint ventures.

BUSINESS HIGHLIGHTS

2022 - 2024 STRATEGIC PLAN

As part of the annual review of its strategy, the Corporation analyzes its overall business and the environment in which it competes, sets objectives for the following year and the years ahead and approves its annual plans, all with a view to enhancing shareholder value. On February 24, 2022, Management and the Board of Directors disclosed the Corporation's 2022 to 2024 Strategic Plan, and subsequently provided an update of the plan in conjunction with the Q1 2023 results on May 11, 2023. The presentation is available on the SEDAR+ website at www.sedarplus.ca and on the Corporation's website at www.cascades.com/en/investors.

The following is a summary of the 2024 financial targets set out in the Corporation's 2022 to 2024 Strategic Plan in February 2022, and the subsequent update made to these targets in May 2023. Given existing market conditions, most notably in the Containerboard segment, we currently expect to fall short of our $5.0B consolidated sales objective and attain the lower end of the targeted ranges for both EBITDA (A)[1] and free cash flow[1]. Given this, our Net debt to EBITDA (A) ratio[1] at the end of 2024 is forecasted to be slightly higher than our target of between 2.5x to 3.0x. Ongoing profitability improvement initiatives in all business segments and recent price increases announced in the Containerboard segment will support our 2024 financial performance.

			2024 Financial Targets Presented February 2022	Updated 2024 Financial Targets May 2023	Current Outlook February 2024
Financial Targets	1	**Sales:**	~$5.0B+ in 2024	**~$5.0B**	**<$5.0B**
	2	**EBITDA (A) Margin[4]:**	~13% - 15% in 2024	**~12% - 14%**	**≤12%**
	3	**Capital expenditures (Capex):**	~4% of sales in 2023-2024[1]	**~$175M in 2024 (3.5% of sales)**	**~$175M in 2024 (3.5% of sales)**
	4	**Free cash flow[2,3,4]:**	~9% - 11% of sales	**~9% - 10% of sales**	**≤9%**
	5	**Net debt / EBITDA (A)[4]:**	2.0x - 2.5x by the end of 2024	**2.5x - 3.0x**	**>3.0x**

TISSUE PAPERS SEGMENT PROFITABILITY PLAN

On April 25, 2023, the Corporation announced the repositioning of its Tissue Papers operating platform. This decision strengthens the operational, financial and environmental performance of this business segment with the closure of assets that have been underperforming.

These actions simplify operations by concentrating the majority of tissue product operating activities at core, geographically well-positioned, sites that offer opportunities for future development and will further consolidate the Corporation's position as a leading manufacturer of private label tissue products in the North American retail and Away-from-Home markets.

We anticipate that these decisions, combined with the ongoing productivity optimization initiatives will continue to strengthen the performance of our Tissue Papers business going forward, as demonstrated by the solid financial performance since the second half of 2023.

BEAR ISLAND PROJECT

On May 2, 2023, we announced the production of the first roll of 100% lightweight recycled containerboard at the Bear Island, Virginia mill.

After the commissioning of the Greenpac mill nearly 10 years ago, the start-up of Bear Island marks another historic milestone in the strategic modernization of our containerboard manufacturing network, allowing us to pursue long-term growth in packaging and enhance our portfolio of sustainable packaging solutions for our customers on a North American scale.

The cost of the project amounted to approximately $690 million (~US$525 million). The performance at the Bear Island mill is progressing as expected as demonstrated by its monthly production volume which is already at 75% of its planned capacity.

1 *Excluding strategic projects.*

2 *Defined as EBITDA (A)[4] - Capex.*

3 *Interests, cash tax, working capital, lease payments, dividends paid to non-controlling interests and other cash flow item requirements are estimated at $225M - $250M/year.*

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

BUSINESS DEVELOPMENTS

The following transactions should be taken into consideration when reviewing the overall and segmented analysis of the Corporation's 2024 and 2023 results.

CONTAINERBOARD PACKAGING

- On February 13, 2024, the Corporation announced an important repositioning of its Containerboard operating platform. The Trenton (Ontario) corrugated medium mill was permanently closed, while the Belleville (Ontario) and Newtown (Connecticut) converting plants will be permanently closed, in a progressive manner, by May 31, 2024. The production from these facilities will be moved to other plants with available capacity and more modern equipment.

- On May 2, 2023, the Corporation announced the permanent closure of the paper machine no. 2 at the plant located in Niagara Falls. The paper machine previously ceased its operations in November 2022.

SPECIALTY PRODUCTS

- On September 22, 2023, the Corporation announced the consolidation of its isotherm packaging operations, resulting in the closure of its facilities in Tacoma, Washington in October 2023 and Grand Rapids, Michigan in December 2023.

TISSUE PAPERS

- On April 25, 2023, the Corporation announced an important repositioning of its Tissue Papers operating platform to enhance the performance of the business. In June and July, Cascades closed its underperforming plants in Barnwell, South Carolina, and Scappoose, Oregon, as well as the virgin paper tissue machine at its St. Helens plant, also in Oregon. On August 10, 2023, the Corporation announced the closing of the second paper machine at its St. Helens plant, resulting in the complete shutdown of the facility. Operations ceased in the beginning of October 2023.

SIGNIFICANT FACTS

2024

- On April 12, 2024, the Corporation entered into a $175 million delayed draw unsecured term loan credit facility to manage upcoming maturities. If drawn, this facility will mature on December 31, 2026 and will bear interest at a variable rate. Transaction fees of less than a million dollars were capitalized in the unamortized financing costs.

- On February 9, 2024, the Corporation entered into an agreement with its lenders to amend and extend the maturity from July 2026 to July 2027 for its existing revolving credit facility. The financial conditions remained unchanged.

2023

- In the fourth quarter of 2023, the Corporation entered into an $81 million (US$60 million) monthly rolling receivables' monetization facility without recourse. As of December 31, 2023, the Corporation has unrecognized receivables of $53 million related to the facility. Please refer to Note 5 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2024 and 2023 for more details.

- On September 15, 2023, our subsidiary, Greenpac, entered into a 3-year credit agreement with a banking syndicate securing a revolving credit facility authorized at US$150 million which bears interest at a variable rate based on the level of leverage ratio of the subsidiary. Transaction fees amounting to US$2 million ($2 million) were capitalized in other assets.

BUSINESS DRIVERS

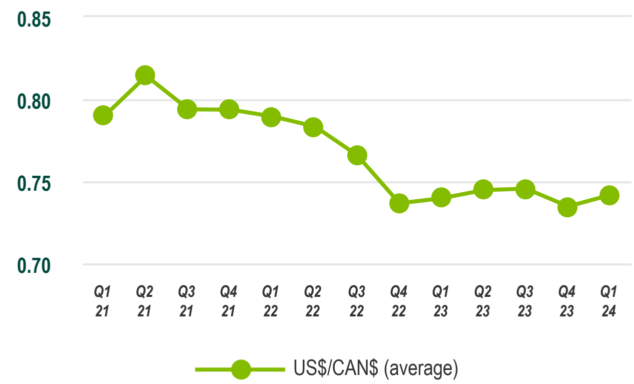
Cascades' results may be impacted by fluctuations in the following areas:

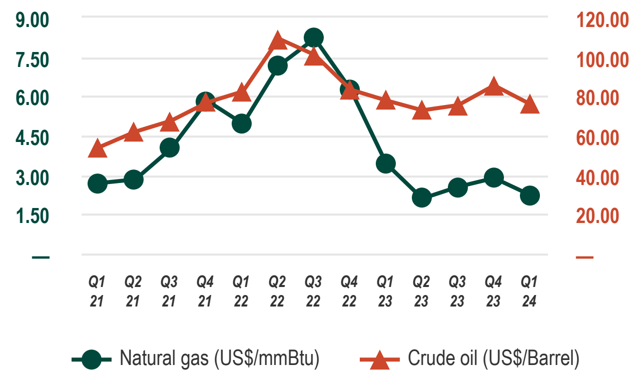
EXCHANGE RATES

Sequentially, the average rate of the Canadian dollar increased by 1% compared to the US dollar in the first quarter of 2024. On a year-over-year basis, the average rate of the Canadian dollar was stable compared to the US dollar.

ENERGY COSTS

During the first quarter of 2024, the average price of natural gas decreased by 22% sequentially and decreased by 35% compared to the same period last year. In the case of crude oil, the average price was 11% lower sequentially and 2% lower year-over-year, respectively.





	2022					2023					2024
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1
US$/CAN$ - Average rate	$0.79	$0.78	$0.77	$0.74	$0.77	$0.74	$0.74	$0.75	$0.73	$0.74	**$0.74**
US$/CAN$ - End of the period rate	$0.80	$0.78	$0.72	$0.74	$0.74	$0.74	$0.76	$0.74	$0.76	$0.76	**$0.74**
Natural Gas Henry Hub - US$/mmBtu	$4.95	$7.17	$8.20	$6.26	$6.64	$3.42	$2.10	$2.55	$2.88	$2.74	**$2.24**
Crude oil (US$/barrel)	$82.49	$109.25	$101.05	$83.39	$94.04	$77.85	$72.87	$75.49	$85.54	$77.94	**$76.07**

Source: Bloomberg

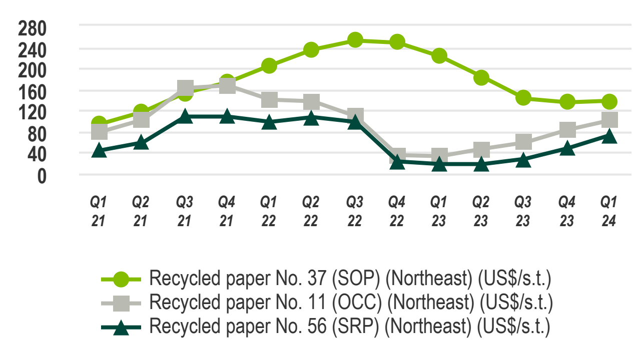
RAW MATERIALS

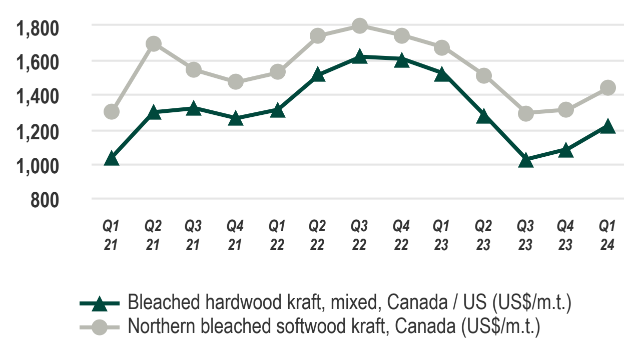
Reference prices - recycled fibre costs in North America[1]

During the first quarter of 2024, the brown grade recycled paper No. 11 (old corrugated containers, OCC) index price increased by 22% sequentially and increased by 206% year-over-year while the recycled paper No. 56 (sorted residential papers, SRP) index price increased by 52% sequentially and increased by 306% year-over-year. The white grade recycled paper No. 37 (sorted office papers, SOP) index price increased by 2% sequentially and decreased by 38% year-over-year.

Reference prices - virgin pulp in North America[1]

During the first quarter of 2024, the reference price for NBSK and NBHK increased by 10% and 13%, respectively, on a sequential basis and decreased by 14% and 20% respectively year-over-year.



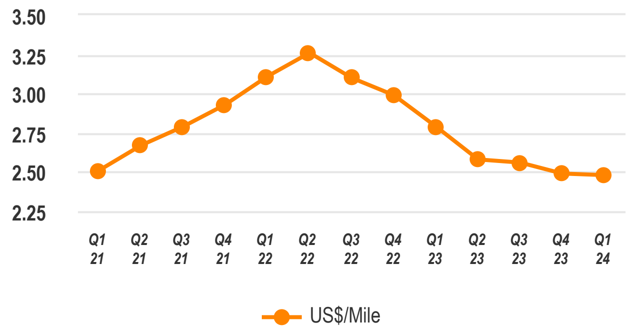


1 *Source: RISI, excluding mixed papers*

FREIGHT

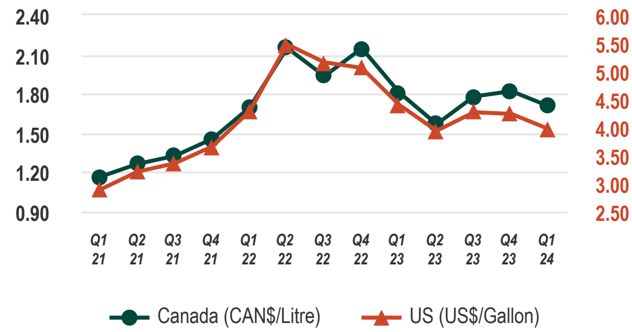
US national van rates[1]

During the first quarter of 2024, the average national van rate was stable sequentially and decreased by 11% year-over-year.



Diesel[2]

During the first quarter of 2024, the average price of diesel in Canada and in the US decreased by 6% and 6%, respectively, on a sequential basis and decreased by 6% and 10%, respectively, year-over-year.



1 *Source: DAT Freight and analytics*

2 *Sources: In Canada: Canada Natural Resources. In the US: Energy Information Administration*

					2022					2023	**2024**
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**
US national van rates (US$/Mile)	$3.11	$3.26	$3.10	$2.99	$3.11	$2.79	$2.58	$2.56	$2.49	$2.61	**$2.48**
Diesel Canada (CAN$/Litre)	$1.70	$2.15	$1.94	$2.15	$1.98	$1.81	$1.57	$1.78	$1.82	$1.74	**$1.70**
Diesel US (US$/Gallon)	$4.29	$5.48	$5.16	$5.06	$5.00	$4.40	$3.94	$4.27	$4.24	$4.21	**$3.97**

OPERATIONAL PERFORMANCE INDICATORS

We use several operational performance indicators to monitor our action plan and analyze the progress we are making toward achieving our long-term objectives. These indicators include the following:

					2022					2023	2024	LTM[6]
(unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	Q1	
OPERATIONAL												
Total shipments (in ’000 short tons (s.t.))[1]												
Packaging Products												
Containerboard	372	379	391	364	1,506	383	398	429	402	1,612	**412**	***1,641***
Tissue Papers	131	133	134	123	521	124	134	134	121	513	**115**	***504***
Total	503	512	525	487	2,027	507	532	563	523	2,125	**527**	***2,145***
Integration rate[2]												
Containerboard	57%	57%	52%	53%	55%	49%	50%	50%	55%	52%	**53%**	***52%***
Tissue Papers	79%	82%	85%	87%	83%	84%	83%	87%	94%	87%	**94%**	***90%***
Manufacturing capacity utilization rate[3]												
Containerboard	93%	96%	93%	83%	91%	91%	93%	91%	84%	90%	**93%**	***90%***
Tissue Papers	84%	81%	88%	81%	83%	81%	86%	92%	96%	91%	**95%**	***92%***
FINANCIAL												
Working capital												
In millions of CAN$, at the end of the period[4]	424	493	561	397	397	487	514	512	318	318	**460**	
As a percentage of sales[4, 5]	9.3%	9.6%	10.2%	10.5%	10.5%	10.6%	10.6%	10.3%	9.9%	9.9%	**9.8%**	

1 *Shipments do not take into account the elimination of business sector inter-segment shipments. Shipments from our Specialty Products segment are not presented, as different units of measure are used.*

2 *Defined as: Percentage of manufacturing shipments transferred to our converting operations.*

3 *Defined as: Manufacturing internal and external shipments/practical capacity. Calculated according to Bear Island’s capacity ramp-up plan. Excluding Specialty Products segment manufacturing activities.*

4 *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.*

5 *Percentage of sales = Average quarterly last twelve months (LTM) working capital / LTM sales.*

6 *LTM (last twelve months)*

HISTORICAL MARKET PRICES OF MAIN PRODUCTS AND RAW MATERIALS

	2022					2023	2024	Q1 2024 vs. Q1 2023		Q1 2024 vs. Q4 2023	
These indexes should only be used as trend indicators. They may differ from our actual selling prices and purchasing costs. (unaudited)	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**	**Change**	**%**	**Change**	**%**
Selling prices (average)											
PACKAGING PRODUCTS											
Containerboard (US$/short ton)											
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	920	872	852	845	832	850	**852**	**(20)**	**(2%)**	**20**	**2%**
Corrugating medium 26-lb. semichemical, Eastern US (open market)	845	762	728	715	702	727	**735**	**(27)**	**(4%)**	**33**	**5%**
Specialty Products (US$/short ton)											
Uncoated recycled boxboard - bending chip, 20-pt. (series B)	1,073	1,053	1,040	1,040	1,020	1,038	**1,020**	**(33)**	**(3%)**	**—**	**—%**
TISSUE PAPERS (US$/short ton)											
Parent rolls, recycled fibres (transaction)	1,266	1,269	1,233	1,196	1,190	1,222	**1,194**	**(75)**	**(6%)**	**4**	**—%**
Parent rolls, virgin fibres (transaction)	1,594	1,572	1,489	1,394	1,404	1,465	**1,449**	**(123)**	**(8%)**	**45**	**3%**
Raw material prices (average)											
RECYCLED PAPER											
North America (US$/short ton)											
Sorted residential papers, No. 56 (SRP - Northeast average)	81	18	18	28	48	28	**73**	**55**	**306%**	**25**	**52%**
Old corrugated containers, No. 11 (OCC - Northeast average)	105	33	47	59	83	55	**101**	**68**	**206%**	**18**	**22%**
Sorted office papers, No. 37 (SOP - Northeast average)	235	222	183	142	135	170	**138**	**(84)**	**(38%)**	**3**	**2%**
VIRGIN PULP (US$/metric ton)											
Northern bleached softwood kraft, Canada	1,704	1,675	1,510	1,293	1,312	1,448	**1,440**	**(235)**	**(14%)**	**128**	**10%**
Bleached hardwood kraft, mixed, Canada/US	1,514	1,523	1,277	1,023	1,083	1,227	**1,223**	**(300)**	**(20%)**	**140**	**13%**

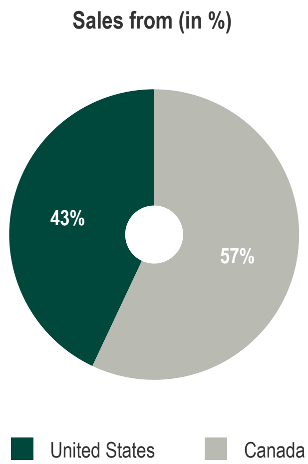
Sources: RISI and Cascades

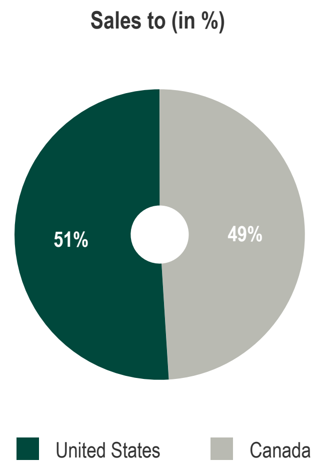
FINANCIAL OVERVIEW - 2024

SALES

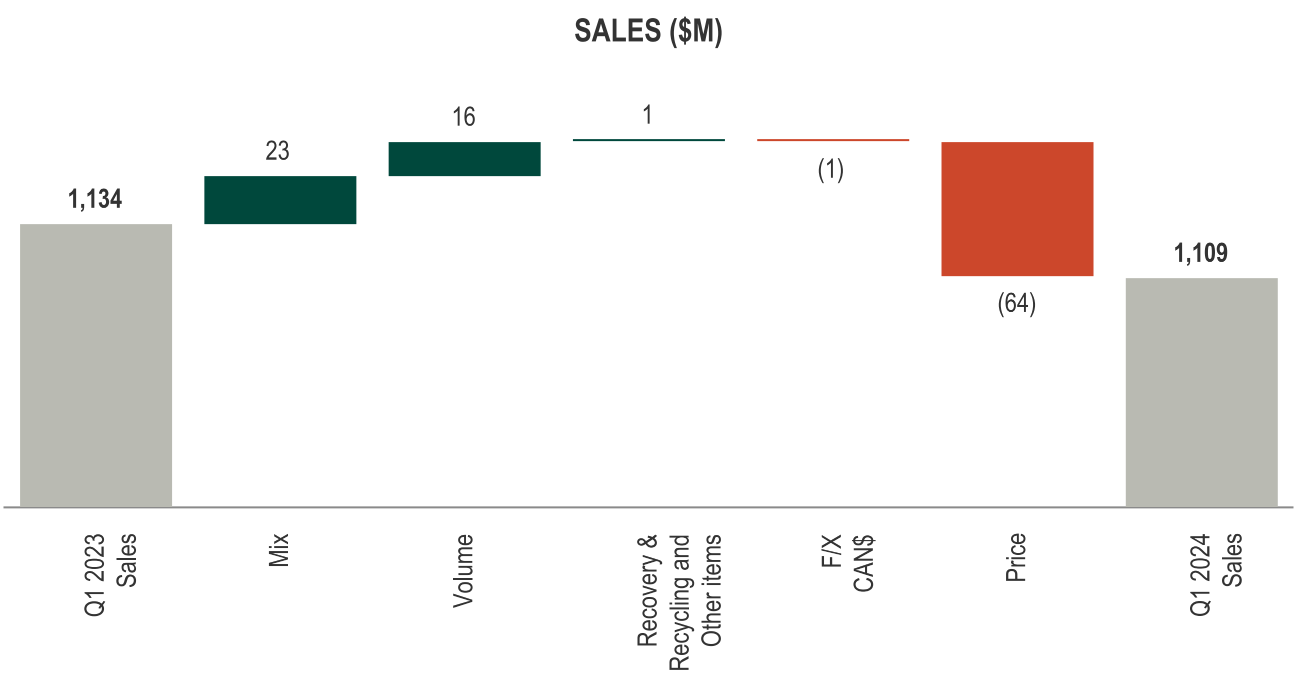
For the three-month period ended March 31, 2024, consolidated sales totaled $1,109 million, a decrease of $25 million, or (2)%, compared to $1,134 million in the same period of 2023. Sales levels benefited from stronger volume in the Containerboard Packaging segment and a better sales mix in the Tissue Papers segment. The positive impact was more than offset by a less favourable exchange rate, lower selling prices for all segments and lower volumes in the Tissue Papers segment.

Sales, in the first quarter of 2024, by geographic segment are as follows:





The main variances in sales in the first quarter of 2024, compared to the same period of 2023, are shown below:
(in millions of Canadian dollars)

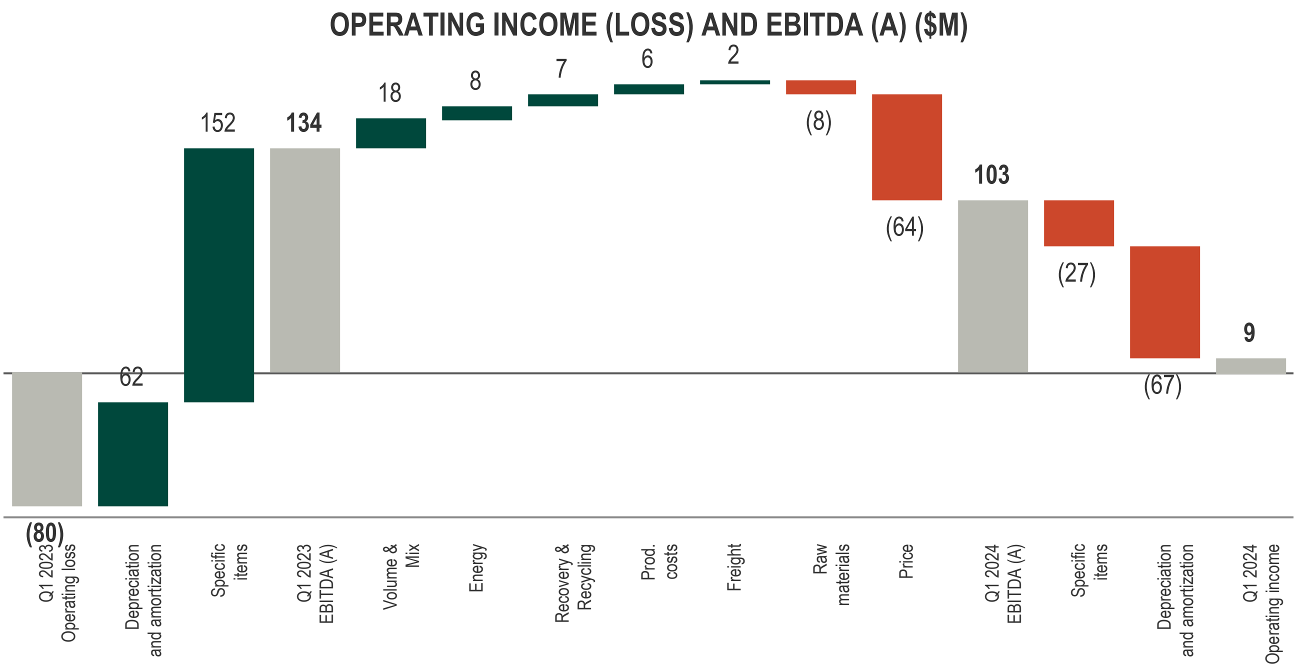


OPERATING INCOME (LOSS) AND EBITDA (A)[1]

For the three-month period ended March 31, 2024, the Corporation recorded an operating income of $9 million, compared to an operating loss of $(80) million in the same period of 2023. The operating income (loss) variance is explained by the specific items loss of $27 million in the first quarter of 2024, compared to the significant specific items loss of $152 million in the same period of 2023. For more details on specific items please refer to the "Segmented Information" section of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2024 and 2023.

The Corporation recorded an EBITDA (A)[1] of $103 million in the first quarter of 2024, compared to $134 million in the same period of 2023. The Tissue Papers segment performance was stronger, the Specialty Products segment results were slightly lower and the Containerboard Packaging segment contribution was significantly lower. On a consolidated basis, lower selling prices, in all segments, combined with increase raw material costs in our Containerboard Packaging and Specialty Products segments, more than offset the positive impact of volume and lower production, energy and freight costs.

The main variances in operating income (loss) and in EBITDA (A)[1] in the first quarter of 2024, compared to the same period of 2023, are shown below:
(in millions of Canadian dollars)



Raw materials (EBITDA (A)[1])	*The impacts of these estimated costs are based on production costs per unit shipped externally or inter-segment, which are affected by yield, product mix changes, inbound freight costs and purchase and transfer prices. In addition to market pulp and recycled fibre, these costs include purchases of external boards and parent rolls for the converting sector, and other raw materials such as plastic and wood chips.*
F/X CAN$ (EBITDA (A)[1])	*The estimated impact of the exchange rate is based on the Corporation's Canadian export sales less purchases, denominated in US$, that are impacted by exchange rate fluctuations and by the translation of our non-Canadian subsidiaries EBITDA (A)[1] into CAN$. It also includes the impact of exchange rate fluctuations on the Corporation's Canadian units in currency other than the CAN$ on working capital items and cash positions, as well as our hedging transactions. It excludes indirect sensitivity (please refer to the "Sensitivity Table" section of 2023 Annual Report for further details).*
Production costs (EBITDA (A)[1])	*These costs include the impact of variable and fixed costs based on production costs per unit shipped externally, which are affected by downtime and efficiency.*
Recovery and Recycling activities (Sales and EBITDA (A)[1])	*While this sub-segment is integrated within the other segments of the Corporation, all variations in the results of Recovery and Recycling activities are presented separately and on a global basis in the charts.*

The sales and EBITDA (A)[1] variances analysis by segment is shown in each business segment review (please refer to "Business Segment Review" for more details).

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

DEPRECIATION AND AMORTIZATION

The depreciation and amortization expense increased by $5 million to $67 million in the first quarter of 2024, compared to $62 million in the same period of 2023. The variance is mainly explained by the start-up of the Bear Island mill in May 2023 which contributed to the increase in the depreciation and amortization expense along with the other investments. The impact was partially offset by a reduction in the depreciation and amortization expense resulting from the plant closures in the last twelve months.

FINANCING EXPENSE

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2024**	2023
Interest on long-term debt (including lease obligations interest (2024 - $2 million for the 3-month period; 2023 - $2 million for the 3-month period))	**31**	20
Amortization of financing costs	**1**	1
Other interest and banking fees	**3**	1
Interest expense on employee future benefits	**1**	1
Unrealized loss (gain) on interest rate swaps	**(2)**	—
Foreign exchange loss (gain) on long-term debt and financial instruments	**1**	—
	35	23

The financing expense amounted to $35 million in the first quarter of 2024, compared to $23 million in the same period of 2023, an increase of $12 million.

Higher interest rates and a higher level of debt resulted in a variance of $11 million. The variance is also impacted by the capitalization of the financing expense related to the qualifying assets during the construction of the Bear Island mill, which ceased in the second quarter of 2023 and amounted to $9 million in the first quarter of 2023. Also, the Corporation recorded an unrealized gain on interest rate swaps of $2 million in the first quarter of 2024 (unrealized loss of less than a million dollars in the same period of 2023).

The variance is also impacted by the foreign exchange loss (gain) on long-term debt and financial instruments. In the first quarter of 2024, the Corporation recorded a loss of $1 million, compared to a gain of less than a million dollars in the same period of 2023.

The average interest rate on our revolving credit facility increased to 7.14% as of March 31, 2024 compared to 6.64% at the same date in 2023. As of March 31, 2024, 39% of the Corporation's total long-term debt was at a variable rate and 61% was at a fixed rate. As of March 31, 2024, the Corporation had, on a consolidated basis, total US dollar-denominated debt of US$1,328 million.

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

Share of results of associates and joint ventures amounted to $3 million in the first quarter of 2024, compared to $12 million in the same period of 2023. In the first quarter of 2023, it included a gain of $9 million on the disposal of a non-significant joint venture. For more information on the share of results of associates and joint ventures please refer to Note 7 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended March 31, 2024 and 2023.

RECOVERY OF INCOME TAXES

In the first quarter of 2024, the Corporation recorded a recovery of income taxes of $6 million, which compares to a recovery of income taxes of $24 million in the same period of 2023.

Greenpac is a limited liability company (LLC) and partners agreed to account for it as a disregarded entity for tax purposes. Consequently, income taxes associated with Greenpac net earnings are proportionately recorded by each partner based on its respective share in the LLC and no income tax provision is included in Greenpac's net earnings. As such, although Greenpac is fully consolidated in the Corporation's results, only 92% of pre-tax book income is considered for tax provision purposes.

The effective tax rate and income taxes are affected by the results of certain subsidiaries and joint ventures located in countries where the income tax rates are different from those in Canada, notably the United States. The normal effective tax rate is expected to be in the range of 21% to 27%. The weighted-average applicable tax rate was 24.5% in the first quarter of 2024.

NET EARNINGS (LOSS)

For the three-month period ended March 31, 2024, the Corporation posted a net loss of $(20) million, or ($0.20) per common share, compared to a net loss of $(75) million, or ($0.75) per common share, in the same period of 2023. On an adjusted basis[1], the Corporation posted a net loss of less than a million dollars in the first quarter of 2024, or $0.00 per common share, compared to net earnings of $33 million, or $0.32 per common share, in the same period of 2023.

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

BUSINESS SEGMENT REVIEW

PACKAGING PRODUCTS - CONTAINERBOARD

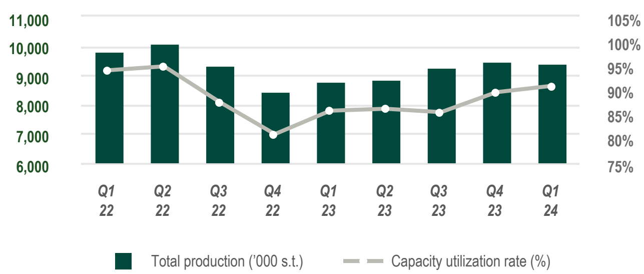
Our Industry

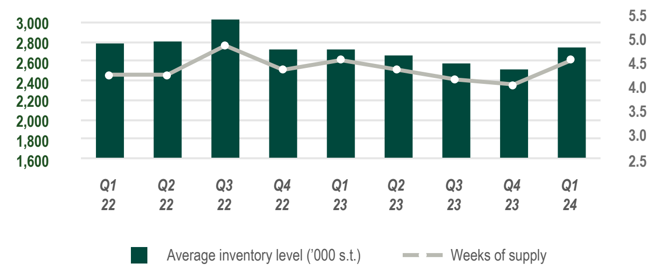
US containerboard industry production and capacity utilization rate [1]

During the first quarter of 2024, total US containerboard production amounted to 9.4 million short tons, a sequential decrease of 1% and a year-over-year increase of 7%. The industry registered an average capacity utilization rate of 91% during the quarter.

US containerboard inventories at box plants and mills [2]

The average inventory level increased by 9% sequentially and increased by 1% year-over-year during the first quarter of 2024. Inventory levels stood at approximately 2.8 million short tons at the end of March 2024, representing 4.5 weeks of supply.

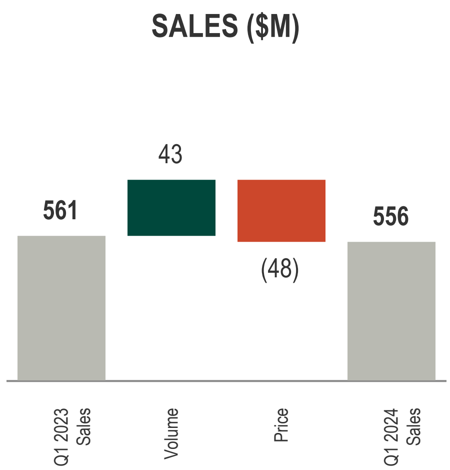


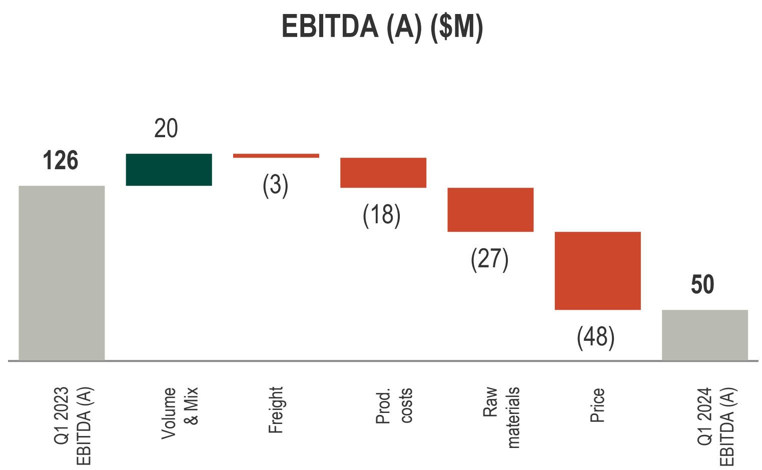


1 Source: RISI
2 Source: Fibre Box Association

Our Performance

The main variances[1] in sales and EBITDA (A)[2] for the Containerboard Packaging segment in the first quarter of 2024, compared to the same period of 2023, are shown below:
(in millions of Canadian dollars)





1 For definitions of certain sales and EBITDA (A)[2] variation categories, please refer to the "Financial Overview" section for more details.

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

	Q1 2023	Q1 2024	Change in %
Shipments[2] ('000 s.t.)	383	412	8%
Average Selling Price (CAN$/unit)	1,464	1,349	-8%
Sales ($M)	561	556	-1%
EBITDA (A)[1] ($M)	126	50	-60%
% of sales	22%	9%	

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

2 Shipments do not take into account the elimination of business sector inter-segment shipments.

3 Including sales to other partners in Greenpac.

Shipments increased by 29,000 s.t., or 8%, in the first quarter of 2024 compared to the same period of 2023.

This reflected a 14,000 s.t., or 7%, increase in parent roll shipments compared to the same period of 2023, largely attributable to new volume from the Bear Island facility as it ramps up production. The mill integration rate increased by 4% to 53% compared to the same period of 2023, with the increase in shipments from converting activities. Including sales to other partners[3], the integration rate increased by 1% to 68%, year-over-year. Following the closure of the Trenton mill during the quarter, the manufacturing utilization rate increased by 2% to 93%.

Shipments from converting activities increased by 15,000 s.t., or 8%, compared to the same period of 2023. In square feet, volume of 3.6 billion increased by 10% year-over-year. Canadian converted product shipments increased by 7% year-over-year, which is greater than the 2% increase in the market, while US converted product shipments increased by 17% year-over-year, significantly outperforming the 1% market decrease.

The average selling price decreased by 8% in the first quarter of 2024 compared to the same period of 2023. This reflected a decrease of 12% for parent rolls and a decrease of 6% for converted products, partially offset by a favourable product mix with more converted products.

Sales decreased by $5 million in the first quarter of 2024 compared to the same period of 2023. This reflected a negative $48 million impact from lower average selling prices mostly offset by benefits of $43 million due to higher volume.

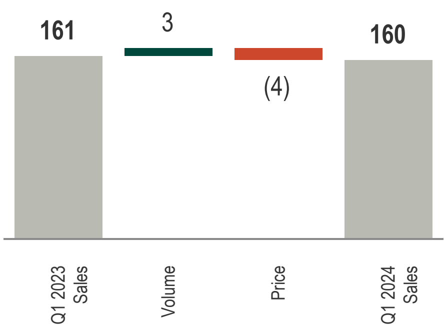
EBITDA (A)[1] decreased by $76 million, or 60%, in the first quarter of 2024 compared to the same period of 2023. The decrease in EBITDA (A)[1] mostly reflects headwinds of $48 million from lower average selling prices and $27 million from higher raw material costs, mainly OCC recycled fibre. Also, a negative impact of $21 million is explained by higher operational and logistic costs related to the Bear Island facility start-up, an insurance settlement related to the water effluent treatment system at our Niagara Falls, NY complex of $7 million received during the first quarter of 2023, and Trenton mill closure. These impacts were partly offset by benefits of $20 million from higher volumes and a favourable sales mix.

PACKAGING PRODUCTS - SPECIALTY PRODUCTS

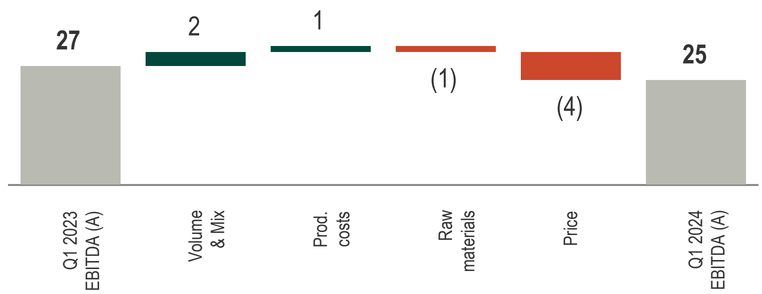
Our Performance

The main variances[1] in sales and EBITDA (A)[2] for the Specialty Products segment in the first quarter of 2024, compared to the same period of 2023, are shown below:
(in millions of Canadian dollars)

SALES ($M)



EBITDA (A) ($M)



	Q1 2023	Q1 2024	Change in %
Sales ($M)	161	160	-1%
EBITDA (A)[2] ($M)	27	25	-7%
% of sales	17%	16%	

Sales decreased by $1 million, or 1%, in the first quarter of 2024 compared to the same period of 2023. Lower selling prices in our industrial cardboard products was partly offset by higher sales volume in our plastic food packaging products.

EBITDA (A)[2] decreased by $2 million, or 7%, in the first quarter of 2024 compared to the same period of 2023. This decrease is the result of lower realized spreads (selling price less raw materials), which negatively impacted our results by $5 million mainly for industrial cardboard products. These impacts were partially offset by higher volume and lower operating costs, which both increased results by $2 million and $1 million, respectively.

1 For definitions of certain sales and EBITDA (A)[2] variation categories, please refer to the "Financial Overview" section for more details.

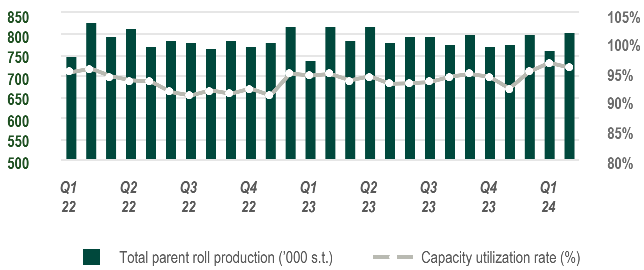
2 Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

TISSUE PAPERS

Our Industry

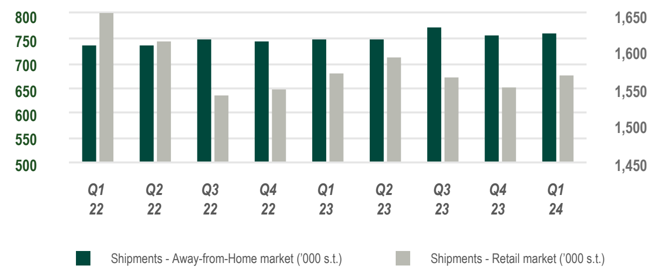
US tissue paper industry production (parent rolls) and capacity utilization rate[1]

During the first quarter of 2024, parent roll production amounted to 2.4 million tons, a sequential increase of 1% and stable compared to the same period last year. The average capacity utilization rate for the quarter stood at 96%, up 2% sequentially and up 1% compared to the first quarter of 2023.



US tissue paper industry converted product shipments[1]

Shipments in the Away-from-Home market increased by 1% sequentially and increased by 2% year-over-year in the first quarter of 2024. Shipments in the Retail market increased by 1% compared to the previous quarter and was stable versus the same period of 2023.

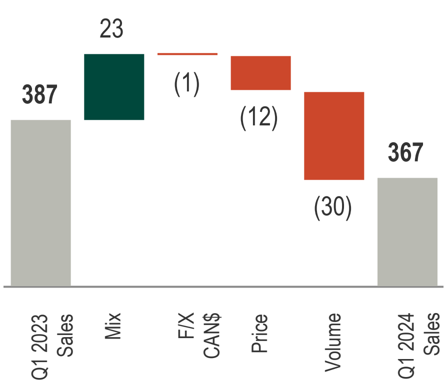


1 *Source: RISI*

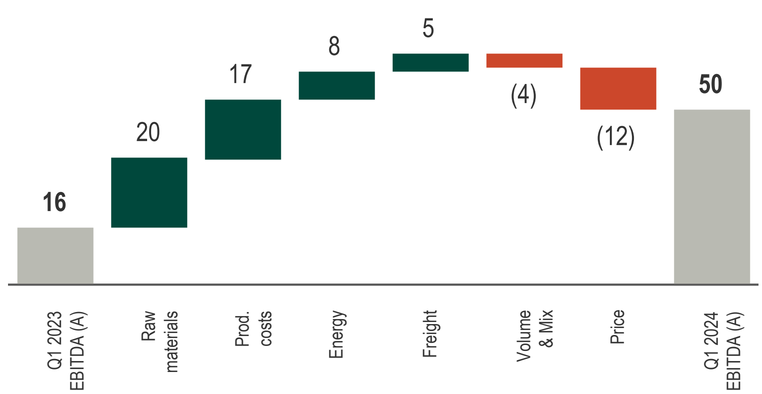
Our Performance

The main variances[1] in sales and EBITDA (A)[2] for the Tissue Papers segment in the first quarter of 2024, compared to the same period of 2023, are shown below:
(in millions of Canadian dollars)

SALES ($M)



EBITDA (A) ($M)



1 *For definitions of certain sales and EBITDA (A)*[2] *variation categories, please refer to the "Financial Overview" section for more details.*

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

	Q1 2023	Q1 2024	Change in %
Shipments[2] ('000 s.t.)	124	115	-7%
Average Selling Price (CAN$/unit)	3,116	3,206	3%
Sales ($M)	387	367	-5%
EBITDA (A)[1] ($M)	16	50	213%
% of sales	4%	14%	

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

2 Shipments do not take into account the elimination of business sector inter-segment shipments.

In April 2023, the Corporation announced the repositioning of this segment's operating platform to strengthen its operational, financial and environmental performance, which included the closure of underperforming assets. We are very pleased with the benefits being realized from these wide-ranging measures and other profitability initiatives that have been executed in recent months.

Shipments decreased by 9,000 s.t., or 7%, in the first quarter of 2024 compared to the same period of 2023.

Converted product shipments increased by 3,000 s.t., or 3%, on a year-over-year basis. This increase was mainly driven by higher volume in the Consumer Products market (+8%), offset by lower shipments in the Away-from-Home market (-5%) reflecting capacity reduction from plant closures. In terms of cases, shipments increased by 0.7 million cases, or 5%, to 15.2 million cases in the first quarter of 2024. Parent roll shipments decreased by 12,000 s.t., or 62%, in the first quarter of 2024 compared to the same period of 2023 reflecting mill closures and higher internal consumption to align with converting production improvements. Consequently, our integration rate increased to 94% from 84%.

The 3% increase in the average selling price was primarily due to a favourable mix of products sold due to a lower proportion of parent rolls partially offset by lower selling prices and the appreciation of the Canadian dollar compared to the US dollar.

Sales decreased by $20 million, or 5%, in the first quarter of 2024 compared to the same period of 2023. This decrease reflects negative impacts of $7 million from mix and volume, $12 million from lower selling prices and $1 million from the appreciation of the Canadian dollar.

EBITDA (A)[1] increased by $34 million in the first quarter of 2024 compared to the same period of 2023, reflecting a combined $50 million positive impact from lower raw material costs, energy costs, transportation costs and other production costs, the latter of which is reflecting plant closures. These benefits were partially offset by a $12 million negative impact from lower selling prices and a net negative impact of $4 million from the combination of lower volume and a favourable sales mix.

CORPORATE, RECOVERY AND RECYCLING ACTIVITIES

Corporate, Recovery and Recycling activities recorded an EBITDA (A)[1] of $(22) million in the first quarter of 2024, compared to $(35) million in the same period of 2023. The EBITDA (A)[1] of our Recovery and Recycling activities was $7 million higher in the first quarter of 2024 as a result of the increasing recycled fibre prices. Corporate activities results reflected lower operating costs, and a loss of $3 million in the first quarter of 2023 was incurred following a fire at an external warehouse causing inventory losses.

STOCK-BASED COMPENSATION EXPENSE

The stock-based compensation expense recognized in Corporate activities amounted to nil in the first quarter of 2024, compared to $2 million in the same period of 2023. For more details on stock-based compensation, please refer to Note 20 of the 2023 Audited Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities are presented in the following table:

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2024**	2023
Operating activities		
Net loss attributable to Shareholders for the period	**(20)**	(75)
Adjustments for:		
Financing expense	**35**	23
Depreciation and amortization	**67**	62
Impairment charges	**2**	152
Other loss (gain)	**3**	(2)
Restructuring costs	**23**	1
Unrealized loss (gain) on derivative financial instruments	**(1)**	1
Recovery of income taxes	**(6)**	(24)
Share of results of associates and joint ventures	**(3)**	(12)
Net earnings attributable to non-controlling interests	**3**	8
Net financing expense paid	**(47)**	(44)
Net income taxes paid	**(5)**	(2)
Dividends received	**1**	1
Provisions for contingencies and charges and other liabilities	**(20)**	—
	32	89
Changes in non-cash working capital components	**(70)**	(46)
	(38)	43

Cash flows from operating activities, excluding changes in non-cash working capital components, stood at $32 million in the first quarter of 2024, compared to $89 million in the same period of 2023. This cash flow measurement is relevant to the Corporation's ability to pursue its capital expenditure program and reduce its indebtedness.

Cash flows from operating activities used $38 million in liquidity in the first quarter of 2024, compared to $43 million generated in the same period of 2023. The decrease is driven by lower profitability and higher non-cash working capital compared to the same period of 2023. The Corporation paid $47 million of financing expense in the first quarter of 2024, compared to $44 million in the same period of 2023. The Corporation also paid $5 million of income taxes in the first quarter of 2024, compared to $2 million paid in the same period of 2023. Other elements include payments totaling $14 million in the first quarter of 2024 for severances and other restructuring costs related to closures, compared to $1 million in the same period of 2023.

Changes in non-cash working capital components used $70 million in liquidity in the first quarter of 2024, compared to $46 million used in the same period of 2023. The increase comes from higher inventories due to seasonality and payments made for our customer rebate agreements contributed to the use of the cash flows in the first quarter. As of March 31, 2024, average quarterly LTM working capital as a percentage of LTM sales[1] stood at 9.8%, which compares to 9.9% as of December 31, 2023.

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

In the first quarter of 2024, the Corporation had unrecognized receivables of $49 million ($53 million in the fourth quarter of 2023) related to its monthly rolling receivable' monetization facility of which the Corporation received $22 million ($20 million in the fourth quarter of 2023) as the collection agent and recorded an account payable in the same amount to the transferred assets purchaser. The Corporation recorded as interest expenses $1 million in the first quarter of 2024 (less than a million for the year ended December 31, 2023). The interest is charged on a monthly basis and paid on the settlement date.

INVESTING ACTIVITIES

Investing activities are presented in the following table:

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2024**	2023
Investing activities		
Disposals in associates and joint ventures	**—**	10
Payments for property, plant and equipment	**(41)**	(140)
Proceeds from disposals of property, plant and equipment	**—**	3
Change in intangible and other assets	**—**	(2)
	(41)	(129)

Investing activities used $41 million in liquidity in the first quarter of 2024, compared to $129 million used in the same period of 2023.

DISPOSALS IN ASSOCIATES AND JOINT VENTURES

In the first quarter of 2023, the Corporation received $10 million from the sale of an investment in a non-significant joint venture.

PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2024**	2023
Total additions during the period	**28**	105
Variation of payments of acquisitions for property, plant and equipment included in "Trade and other payables"	**16**	43
Right-of-use assets acquisitions (non-cash)	**(3)**	(8)
Payments for property, plant and equipment	**41**	140
Proceeds from disposals of property, plant and equipment	**—**	(3)
Payments for property, plant and equipment net of proceeds from disposals	**41**	137

New capital expenditure projects, including right-of-use assets, by segment in the first quarter of 2024 were as follows:
(in millions of Canadian dollars)

No major capital projects were initiated in the first quarter of 2024. Additions relate to smaller projects and to maintenance capital expenditures.

PROCEEDS FROM DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

The main disposals of property, plant and equipment are as follows:

In the first quarter of 2023, the Tissue Papers segment received $2 million from the sale of some machinery and equipment related to a previously closed plant in the USA.

CHANGE IN INTANGIBLE AND OTHER ASSETS

In the first quarter of 2023, the Corporation invested $1 million in its information technology system and other software developments.

FINANCING ACTIVITIES

Financing activities are presented in the following table:

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2024**	2023
Financing activities		
Bank loans and advances	**2**	(1)
Change in credit facilities	**77**	122
Change in credit facilities without recourse to the Corporation	**15**	—
Payments of other long-term debt, including lease obligations (2024 - $20 million for the 3-month period; 2023 - $14 million for the 3-month period)	**(21)**	(57)
Dividends paid to non-controlling interests	**(3)**	(3)
Acquisition of non-controlling interests	**(3)**	—
Dividends paid to the Corporation's Shareholders	**(12)**	(12)
	55	49

Financing activities generated $55 million in total liquidity in the first quarter of 2024, compared to $49 million generated in the same period of 2023, including $12 million in dividend payments to the Corporation's Shareholders in the first quarters of 2024 and of 2023.

PAYMENTS OF OTHER LONG-TERM DEBT

The Corporation repaid lease obligations of $20 million in the first quarter of 2024, compared to $14 million in the same period of 2023. In the first quarter of 2023, the Corporation also repaid $52 million of other debt without recourse to the Corporation, which was refinanced in the third quarter of 2023.

ISSUANCE OF COMMON SHARES UPON EXERCISE OF STOCK OPTIONS AND REDEMPTION OF COMMON SHARES

The Corporation issued 11,841 common shares at an average price of $9.12 as a result of the exercise of stock options in the first quarter of 2024, representing an aggregate amount of less than a million dollars (in the same period of 2023 - nil).

The Corporation purchased no common shares for cancellation in the first quarter of 2024 (in the same period of 2023 - nil).

DIVIDENDS PAID TO NON-CONTROLLING INTERESTS AND ACQUISITION OF NON-CONTROLLING INTERESTS

Dividends paid to non-controlling interests in Greenpac and Falcon Packaging (distributor in the Specialty Products segment) amounted to $3 million in the first quarter of 2024 ($3 million in the same period of 2023). In the first quarter of 2024, the Corporation also increased its participation in Falcon Packaging for a contribution of $3 million (nil in the same period of 2023).

CONSOLIDATED FINANCIAL POSITION

AS OF MARCH 31, 2024 AND DECEMBER 2023 AND 2022

The Corporation's financial position and ratios are as follows:

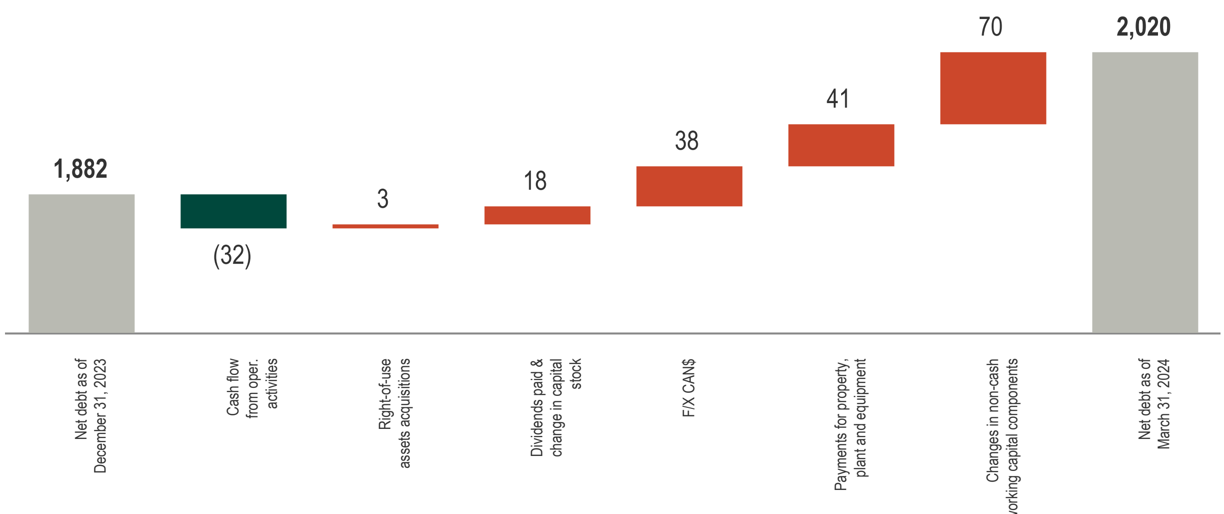
(in millions of Canadian dollars, unless otherwise noted) (unaudited)	**March 31, 2024**	December 31, 2023	December 31, 2022
Cash and cash equivalents	**31**	54	102
Total assets	**4,816**	4,772	5,053
Total debt[1]	**2,051**	1,936	2,068
Net debt[1]	**2,020**	1,882	1,966
Equity attributable to Shareholders	**1,727**	1,739	1,871
Non-controlling interests	**42**	42	57
Total equity	**1,769**	1,781	1,928
Total equity and net debt[1]	**3,789**	3,663	3,894
Ratio of net debt/(total equity and net debt)[1]	**53.3%**	51.4%	50.5%
Shareholders' equity per common share (in Canadian dollars)	**$17.15**	$17.27	$18.64

The following table reflects the Corporation's secured debt rating/corporate rating/unsecured debt rating:

Credit rating (outlook)	MOODY'S	STANDARD & POOR'S
December 31, 2023	Baa3/Ba2/Ba3 (stable)	BB+/BB-/BB- (stable)
March 31, 2024	**Baa3/Ba2/Ba3 (stable)**	**BB+/BB-/BB- (stable)**

NET DEBT[1] RECONCILIATION

The variance in the net debt[1] (total debt[1] less cash and cash equivalents) in the first quarter of 2024 are shown below, with the applicable financial ratios included:
(in millions of Canadian dollars)



558	EBITDA (A)[1] (last twelve months) ($M)	**527**
3.4x	Net debt / EBITDA (A) ratio[1]	**3.8x**

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.

Liquidity available via the Corporation's credit facilities, cash and cash equivalent balance and the anticipated cash flow generated by its operating activities are expected to provide sufficient funds to meet our financial obligations and to fulfill our capital expenditure program for the next twelve months. 2024 capital expenditures are forecasted to be approximately $175 million. As of March 31, 2024, the Corporation had $402 million (net of letters of credit in the amount of $12 million) available on its $750 million credit facility (excluding the credit facilities of our subsidiary Greenpac). Cash and cash equivalents as of March 31, 2024 are comprised as follows: $14 million in the parent company and restricted subsidiaries (as defined in the credit agreement) and $17 million in unrestricted subsidiaries.

2024 SECOND QUARTER OUTLOOK

Consolidated second quarter results are expected to be stronger sequentially, driven by improved performance in our Containerboard segment as index price increases are implemented, and stable results in the Tissue Papers and Specialty Packaging businesses. We are continuing to advance the Bear Island facility ramp-up. It is progressing well, and we are pleased that the mill has achieved production levels above its rated daily capacity on several occasions. Broadly, we are cautiously optimistic for near-term volumes in our packaging businesses given continued economic uncertainty, and remain focused on profitability, efficiency and productivity initiatives and the ramp-up of Bear Island to create value throughout our operations.

CAPITAL STOCK INFORMATION

COMMON SHARE TRADING

Cascades' stock is traded on the Toronto Stock Exchange (TSX) under the ticker symbol "CAS". From January 1, 2024 to March 31, 2024, Cascades' common share price fluctuated between $9.53 and $14.94. During the same period, 14.4 million Cascades common shares were traded on the Toronto Stock Exchange. On March 31, 2024, Cascades' common shares closed at $9.89. This compares with a closing price of $10.99 on the same closing day last year.

COMMON SHARES OUTSTANDING

As of March 31, 2024, the Corporation's issued and outstanding capital stock consisted of 100,707,211 common shares (100,695,370 as of December 31, 2023) and 3,159,085 issued and outstanding stock options (3,172,527 as of December 31, 2023). In 2024, the Corporation purchased no common shares for cancellation, while 11,841 stock options were exercised, no stock options were granted and 1,601 stock options were forfeited.

On May 8, 2024, issued and outstanding capital stock consisted of 100,707,211 common shares and 3,159,085 stock options.

NORMAL COURSE ISSUER BID PROGRAM

The Corporation did not renew its normal course issuer bid program since its expiry on March 18, 2023.

DIVIDEND POLICY

On May 8, 2024, Cascades' Board of Directors declared a quarterly dividend of $0.12 per common share to be paid on June 6, 2024 to shareholders of record at the close of business on May 23, 2024. On May 8, 2024, the dividend yield was 5.0%.

				2022				2023	**2024**
TSX ticker symbol: CAS	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	**Q1**
Common shares outstanding (in millions)[1]	100.5	100.8	100.4	100.4	100.4	100.7	100.7	100.7	**100.7**
Closing price (in Canadian dollars)[1]	$12.82	$10.13	$8.04	$8.46	$10.99	$11.69	$12.27	$12.73	**$9.89**
Average daily volume[2]	250,944	2,022	293,260	259,071	225,154	139,265	121,774	119,877	**232,147**
Dividend yield[1]	3.7%	4.7%	6.0%	5.7%	4.4%	4.1%	3.9%	3.8%	**4.9%**

1 On the last day of the quarter

2 Average daily volume on the Toronto Stock Exchange

CASCADES' COMMON SHARE PRICE FOR THE PERIOD FROM JANUARY 1, 2022 TO MARCH 31, 2024
(in Canadian dollars)

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

For all the details for this section, please refer to the notes to the Unaudited Condensed Interim Consolidated Financial Statements.

CONTROLS AND PROCEDURES

EVALUATION OF THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation's President and Chief Executive Officer and its Vice-President and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in National Instrument 52-109, "Certification of Disclosure in Issuer's Annual and Interim Filings".

The purpose of internal controls over financial reporting (ICFR) is to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of financial statements in accordance with IFRS Accounting Standards. The President and Chief Executive Officer and the Vice-President and Chief Financial Officer certify disclosures in annual and interim filings under Regulation 52-109 using the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

During the three-month period ended March 31, 2024, there were no changes in the Corporation's ICFR that materially affected or are reasonably likely to materially affect the Corporation's ICFR.

RISK FACTORS

As part of its ongoing business operations, the Corporation is exposed to certain market risks, including risks ensuing from changes in selling prices for its principal products, costs of raw materials, interest rates and foreign currency exchange rates, all of which impact the Corporation's financial position, operating results and cash flows. The Corporation manages its exposure to these and other market risks through regular operating and financing activities and, on a limited basis, through the use of derivative financial instruments. We use these derivative financial instruments as risk management tools, not for speculative investment purposes.

Pages 37 to 46 of our Annual Report for the year ended December 31, 2023 contain a discussion of the key areas of the Corporation's business risks and uncertainties and its mitigating strategies. This information on business risks and enterprise risk management remains substantially unchanged. Please refer to our 2023 Annual Report for further details.

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 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 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 measures 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 measures and other financial measures may differ from those of other corporations. Any such modification or reformulation may be significant.

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

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

	For the 3-month period ended March 31, 2024				
(in millions of Canadian dollars) (unaudited)	**Containerboard**	**Specialty Products**	**Tissue Papers**	**Corporate, Recovery and Recycling activities**	**Consolidated**
Operating income (loss)	**(7)**	**19**	**31**	**(34)**	**9**
Depreciation and amortization	**37**	**6**	**13**	**11**	**67**
Impairment charges	**2**	**—**	**—**	**—**	**2**
Other loss	**3**	**—**	**—**	**—**	**3**
Restructuring costs	**16**	**—**	**6**	**1**	**23**
Unrealized gain on derivative financial instruments	**(1)**	**—**	**—**	**—**	**(1)**
EBITDA (A)	**50**	**25**	**50**	**(22)**	**103**

	For the 3-month period ended March 31, 2023				
(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	38	21	(92)	(47)	(80)
Depreciation and amortization	30	5	17	10	62
Impairment charges	59	1	92	—	152
Other gain	—	—	(2)	—	(2)
Restructuring costs	—	—	1	—	1
Unrealized loss (gain) on derivative financial instruments	(1)	—	—	2	1
EBITDA (A)	126	27	16	(35)	134

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

	NET EARNINGS (LOSS)		NET EARNINGS (LOSS) PER COMMON SHARE[1]	
	For the 3-month periods ended March 31,		For the 3-month periods ended March 31,	
(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	**2024**	2023	**2024**	2023
As reported	**(20)**	(75)	**($0.20)**	($0.75)
Specific items:				
Impairment charges	**2**	152	**$0.01**	$1.14
Other loss (gain)	**3**	(2)	**$0.02**	($0.01)
Restructuring costs	**23**	1	**$0.18**	$0.01
Unrealized loss (gain) on derivative financial instruments	**(1)**	1	**($0.01)**	—
Unrealized loss (gain) on interest rate swaps	**(2)**	—	**($0.01)**	—
Foreign exchange loss (gain) on long-term debt and financial instruments	**1**	—	**$0.01**	—
Share of results of associates and joint ventures	**—**	(9)	**—**	($0.07)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests[1]	**(6)**	(35)	**—**	—
	20	108	**$0.20**	$1.07
Adjusted	**—**	33	**—**	$0.32
Weighted average basic number of common shares outstanding			**100,703,177**	100,361,627

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

	For the 3-month period ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2024**	2023
Cash flow from operating activities	**(38)**	43
Changes in non-cash working capital components	**70**	46
Net income taxes paid	**5**	2
Net financing expense paid	**47**	44
Provisions for contingencies and charges and other liabilities, net of dividends received	**19**	(1)
EBITDA (A)	**103**	134

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 used, which is also calculated on a per common share basis:

	For the 3-month period ended March 31,	
(in millions of Canadian dollars, except per common share amounts or as otherwise noted) (unaudited)	**2024**	2023
Cash flow from operating activities	**(38)**	43
Changes in non-cash working capital components	**70**	46
Cash flow from operating activities (excluding changes in non-cash working capital components)	**32**	89
Restructuring costs paid	**14**	1
Adjusted cash flow from operating activities	**46**	90
Payments for property, plant and equipment	**(41)**	(140)
Change in intangible and other assets	**—**	(2)
Lease obligation payments	**(20)**	(14)
Proceeds from disposals of property, plant and equipment	**—**	3
	(15)	(63)
Dividends paid to non-controlling interests	**(3)**	(3)
Dividends paid to the Corporation's Shareholders	**(12)**	(12)
Adjusted cash flow used	**(30)**	(78)
Adjusted cash flow used per common share (in Canadian dollars)	**($0.30)**	($0.78)
Weighted average basic number of common shares outstanding	**100,703,177**	100,361,627

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.*

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

(in millions of Canadian dollars) (unaudited)	**March 31, 2024 (LTM)[3]**	December 31, 2023	March 31, 2023 (LTM)[3]
Sales[1]	**4,613**	4,638	4,562
EBITDA (A)[1]	**527**	558	452
Payments for property, plant and equipment[1]	**251**	350	539
Less: strategic projects included above[2]	**(105)**	(205)	(371)
Payments for property, plant and equipment, excluding strategic projects	**146**	145	168
Free cash flow: EBITDA (A) less payments for property, plant and equipment, excluding strategic projects	**381**	413	284
Free cash flow / Sales	**8.3%**	8.9%	6.2%
Payments for property, plant and equipment, excluding strategic projects / Sales	**3.2%**	3.1%	3.7%

The following table reconciles working capital as reported:

(in millions of Canadian dollars) (unaudited)	**March 31, 2024**	December 31, 2023	December 31, 2022
Accounts receivable	**469**	453	556
Inventories	**645**	568	587
Trade and other payables	**(654)**	(703)	(746)
Working capital	**460**	318	397

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)	**March 31, 2024**	December 31, 2023	December 31, 2022
Long-term debt	**1,816**	1,869	1,931
Current portion of Unsecured senior notes of $175 million to be refinanced	**175**	—	—
Current portion of long-term debt	**58**	67	134
Bank loans and advances	**2**	—	3
Total debt	**2,051**	1,936	2,068
Less: Cash and cash equivalents	**(31)**	(54)	(102)
Net debt as reported	**2,020**	1,882	1,966
Last twelve months EBITDA (A)	**527**	558	376
Net debt / EBITDA (A) ratio	**3.8x**	3.4x	5.2x

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

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

3 LTM (last twelve months)

SPECIFIC ITEMS

The Corporation incurred the following specific items in the first quarter of 2024 and 2023:

IMPAIRMENT CHARGES

2024

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

2023

In the first quarter, the Containerboard Packaging segment recorded an impairment charge of $59 million on some land ($3 million), building ($22 million) and equipment ($34 million) of a CGU (cash generating unit) subsequent to the permanent closure of one paper machine in the USA. The decision was the result of competitive market conditions, which make the CGU less profitable. The recoverable amount of the assets in operation, totaling $39 million, was determined using fair value less the cost of disposal based on the market approach of comparable assets on the market.

In the first quarter, the Specialty Products segment recorded an impairment charge of $1 million on some equipment related to a closed plant in the USA. The recoverable amount was determined using fair value less the cost of disposal based on the market approach of comparable assets on the market.

In the first quarter, the Tissue Papers segment recorded an impairment charge of $12 million on spare parts and $80 million on some buildings ($10 million) and equipment ($70 million), consequent to the strategic repositioning of its operating platform. The decision includes the permanent closure of three plants in the USA. The recoverable amount of $130 million for these three CGUs was determined using fair value less cost of disposal based on the market approach of comparable assets on the market, as well, for one of the plants, the recoverable amount of the real estate was established using the income method over a period of 20 years and a capitalization rate of 7.25%, no impairment recognized for the latest.

OTHER LOSS (GAIN)

2024

In the first quarter, the Containerboard Packaging segment recorded an environmental cost of $3 million related to the closure of a plant in Ontario, Canada.

2023

In the first quarter, the Tissue Papers segment recorded a $2 million gain from the sale of some machinery and equipment related to a previously closed plant in the USA.

RESTRUCTURING COSTS

2024

In the first quarter, the Containerboard Packaging segment recorded costs totaling $16 million related to closed plants in Canada and in the USA, severances and the redeployment of the equipment in the network.

In the first quarter, the Tissue Papers segment recorded costs totaling $6 million related to the closures of the plants in the USA and the redeployment of the equipment in the network.

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

2023

In the first quarter, the Tissue Papers segment recorded costs totaling $1 million related to the closures of the plants in the USA and severances.

UNREALIZED LOSS (GAIN) ON DERIVATIVE FINANCIAL INSTRUMENTS

The Containerboard Packaging segment recorded an unrealized gain of $1 million in the first quarter of 2024 and an unrealized gain of $1 million in the first quarter of 2023, from a steam contract embedded derivatives related to our Niagara Falls containerboard complex.

Corporate activities recorded an unrealized gain of less than a million dollars in the first quarter of 2024 and an unrealized loss of $2 million in the first quarter of 2023 due to the financial hedging contracts for natural gas purchases.

UNREALIZED LOSS (GAIN) ON INTEREST RATE SWAPS

In the first quarter of 2024, the Corporation recorded an unrealized gain on interest rate swaps of $2 million (unrealized loss of less than a million dollars in the same period of 2023).

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

In the first quarter of 2024, the Corporation recorded a loss of $1 million on its US$ denominated debt and related financial instruments, compared to a gain of less than a million dollars in the same period of 2023. The foreign exchange loss (gain) on long-term debt and financial instruments is composed of foreign exchange forward contracts not designated for hedge accounting.

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

In the first quarter of 2023, the Corporation recorded a gain in the consolidated statement of earnings in the line item “Share of results of associates and joint ventures” of $9 million from the sale of an investment in a non-significant joint venture.

HISTORICAL FINANCIAL INFORMATION

					2022					2023	**2024**	**LTM[2]**
(in millions of Canadian dollars, unless otherwise noted) (unaudited)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	**Q1**	
Sales												
Packaging Products												
Containerboard	534	569	595	567	2,265	561	562	593	561	2,277	**556**	***2,272***
Specialty Products	157	168	168	161	654	161	164	157	160	642	**160**	***641***
Inter-segment sales	(8)	(10)	(11)	(7)	(36)	(7)	(9)	(7)	(8)	(31)	**(7)**	***(31)***
	683	727	752	721	2,883	715	717	743	713	2,888	**709**	***2,882***
Tissue Papers	314	342	382	384	1,422	387	416	422	390	1,615	**367**	***1,595***
Inter-segment sales, Corporate, Recovery and Recycling activities	41	50	40	30	161	32	35	33	35	135	**33**	***136***
Total	1,038	1,119	1,174	1,135	4,466	1,134	1,168	1,198	1,138	4,638	**1,109**	***4,613***
Operating income (loss)	(4)	32	25	(20)	33	(80)	64	80	(24)	40	**9**	***129***
EBITDA (A)[1]												
Packaging Products												
Containerboard	80	99	103	119	401	126	96	101	67	390	**50**	***314***
Specialty Products	22	25	25	20	92	27	24	21	19	91	**25**	***89***
	102	124	128	139	493	153	120	122	86	481	**75**	***403***
Tissue Papers	(17)	(8)	4	8	(13)	16	44	61	61	182	**50**	***216***
Corporate, Recovery and Recycling activities	(27)	(25)	(21)	(31)	(104)	(35)	(23)	(22)	(25)	(105)	**(22)**	***(92)***
Total	58	91	111	116	376	134	141	161	122	558	**103**	***527***
Margin (EBITDA (A) / Sales) (%)[1]	5.6%	8.1%	9.5%	10.2%	8.4%	11.8%	12.1%	13.4%	10.7%	12.0%	**9.3%**	***11.4%***
Net earnings (loss)	(15)	10	(2)	(27)	(34)	(75)	22	34	(57)	(76)	**(20)**	***(21)***
Adjusted[1]	(15)	10	20	22	37	33	26	45	5	109	**—**	***76***
Net earnings (loss) per common share (in Canadian dollars)												
Basic	($0.15)	$0.10	($0.02)	($0.27)	($0.34)	($0.75)	$0.22	$0.34	($0.57)	($0.76)	**($0.20)**	***($0.21)***
Diluted	($0.15)	$0.10	($0.02)	($0.27)	($0.34)	($0.75)	$0.22	$0.34	($0.57)	($0.76)	**($0.20)**	***($0.21)***
Basic, adjusted[1]	($0.15)	$0.10	$0.20	$0.22	$0.37	$0.32	$0.27	$0.44	$0.05	$1.08	**—**	***$0.76***
Cash flow generated by operating activities (excluding changes in non-cash working capital components)	19	81	60	100	260	89	117	100	91	397	**32**	***340***
Payments for property, plant and equipment	(102)	(117)	(122)	(160)	(501)	(140)	(104)	(59)	(47)	(350)	**(41)**	***(251)***
Net debt[1]	1,549	1,712	2,011	1,966	1,966	2,070	2,076	2,088	1,882	1,882	**2,020**	
Net debt / EBITDA (A) (LTM) ratio[1]	4.8x	5.4x	6.2x	5.2x	5.2x	4.6x	4.1x	3.8x	3.4x	3.4x	**3.8x**	

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

2 LTM (last twelve months)

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)	NOTE	March 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		**31**	54
Accounts receivable		**469**	453
Current income tax assets		**11**	12
Inventories	2	**645**	568
Current portion of financial assets	5	**—**	1
		1,156	1,088
Long-term assets			
Investments in associates and joint ventures	7	**98**	94
Property, plant and equipment[1]	2	**2,770**	2,808
Intangible assets with finite useful life		**51**	55
Financial assets	5	**1**	—
Other assets		**83**	78
Deferred income tax assets		**169**	167
Goodwill and other intangible assets with indefinite useful life		**488**	482
		4,816	4,772
Liabilities and Equity			
Current liabilities			
Bank loans and advances		**2**	—
Trade and other payables		**654**	703
Current income tax liabilities		**3**	6
Current portion of Unsecured senior notes of $175 million to be refinanced	4 and 10	**175**	—
Current portion of long-term debt	4	**58**	67
Current portion of provisions for contingencies and charges		**22**	14
Current portion of financial liabilities and other liabilities	5	**27**	29
		941	819
Long-term liabilities			
Long-term debt	4	**1,816**	1,869
Provisions for contingencies and charges		**63**	61
Financial liabilities	5	**2**	5
Other liabilities		**91**	94
Deferred income tax liabilities		**134**	143
		3,047	2,991
Equity			
Capital stock	6	**613**	613
Contributed surplus		**16**	15
Retained earnings		**1,067**	1,096
Accumulated other comprehensive income		**31**	15
Equity attributable to Shareholders		**1,727**	1,739
Non-controlling interests		**42**	42
Total equity		**1,769**	1,781
		4,816	4,772

The accompanying notes are an integral part of these Unaudited Consented Interim Consolidated Financial Statements.

1 Please refer to the "Segmented Information" section for more information.

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	NOTE	For the 3-month periods ended March 31, 2024	2023
Sales		**1,109**	1,134
Supply chain and logistic		**668**	663
Wages and employee benefits expenses		**267**	273
Depreciation and amortization		**67**	62
Maintenance and repair		**62**	58
Other operational costs		**9**	6
Impairment charges		**2**	152
Other loss (gain)		**3**	(2)
Restructuring costs		**23**	1
Unrealized loss (gain) on derivative financial instruments		**(1)**	1
Operating income (loss)		**9**	(80)
Financing expense	8	**35**	23
Share of results of associates and joint ventures	7	**(3)**	(12)
Loss before income taxes		**(23)**	(91)
Recovery of income taxes		**(6)**	(24)
Net loss including non-controlling interests for the period		**(17)**	(67)
Net earnings attributable to non-controlling interests		**3**	8
Net loss attributable to Shareholders for the period		**(20)**	(75)
Net loss per common share			
Basic		**($0.20)**	($0.75)
Diluted		**($0.20)**	($0.75)
Weighted average basic number of common shares outstanding		**100,703,177**	100,361,627
Weighted average number of diluted common shares		**101,216,020**	100,701,239

The accompanying notes are an integral part of these Unaudited Consented Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31, 2024	2023
Net loss including non-controlling interests for the period	**(17)**	(67)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in foreign currency translation of foreign subsidiaries	**26**	(2)
Change in foreign currency translation related to net investment hedging activities	**(10)**	1
Cash flow hedges		
Change in fair value of commodity derivative financial instruments	**—**	(6)
Recovery of income taxes	**1**	1
	17	(6)
Items that are not released to earnings		
Actuarial gain on employee future benefits	**7**	1
Provision for income taxes	**(2)**	—
	5	1
Other comprehensive income (loss)	**22**	(5)
Comprehensive income (loss) including non-controlling interests for the period	**5**	(72)
Comprehensive income attributable to non-controlling interests for the period	**4**	8
Comprehensive income (loss) attributable to Shareholders for the period	**1**	(80)

The accompanying notes are an integral part of these Unaudited Consented Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF EQUITY

For the 3-month period ended March 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
Balance - Beginning of period	**613**	**15**	**1,096**	**15**	**1,739**	**42**	**1,781**
Comprehensive income (loss)							
Net earnings (loss)	**—**	**—**	**(20)**	**—**	**(20)**	**3**	**(17)**
Other comprehensive income	**—**	**—**	**5**	**16**	**21**	**1**	**22**
	—	**—**	**(15)**	**16**	**1**	**4**	**5**
Dividends	**—**	**—**	**(12)**	**—**	**(12)**	**(3)**	**(15)**
Stock options expense	**—**	**1**	**—**	**—**	**1**	**—**	**1**
Acquisition of non-controlling interests	**—**	**—**	**(2)**	**—**	**(2)**	**(1)**	**(3)**
Balance - End of period	**613**	**16**	**1,067**	**31**	**1,727**	**42**	**1,769**

For the 3-month period ended March 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 period	611	14	1,212	34	1,871	57	1,928
Comprehensive income (loss)							
Net earnings (loss)	—	—	(75)	—	(75)	8	(67)
Other comprehensive income (loss)	—	—	1	(6)	(5)	—	(5)
	—	—	(74)	(6)	(80)	8	(72)
Dividends	—	—	(12)	—	(12)	(3)	(15)
Stock options expense	—	1	—	—	1	—	1
Balance - End of period	611	15	1,126	28	1,780	62	1,842

The accompanying notes are an integral part of these Unaudited Consented Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars) (unaudited)	NOTE	For the 3-month periods ended March 31, 2024	2023
Operating activities			
Net loss attributable to Shareholders for the period		**(20)**	(75)
Adjustments for:			
Financing expense	8	**35**	23
Depreciation and amortization		**67**	62
Impairment charges		**2**	152
Other loss (gain)		**3**	(2)
Restructuring costs		**23**	1
Unrealized loss (gain) on derivative financial instruments		**(1)**	1
Recovery of income taxes		**(6)**	(24)
Share of results of associates and joint ventures	7	**(3)**	(12)
Net earnings attributable to non-controlling interests		**3**	8
Net financing expense paid		**(47)**	(44)
Net income taxes paid		**(5)**	(2)
Dividends received	7	**1**	1
Provisions for contingencies and charges and other liabilities		**(20)**	—
		32	89
Changes in non-cash working capital components	8	**(70)**	(46)
		(38)	43
Investing activities			
Disposals in associates and joint ventures	7	**—**	10
Payments for property, plant and equipment		**(41)**	(140)
Proceeds from disposals of property, plant and equipment		**—**	3
Change in intangible and other assets		**—**	(2)
		(41)	(129)
Financing activities			
Bank loans and advances		**2**	(1)
Change in credit facilities		**77**	122
Change in credit facilities without recourse to the Corporation	4	**15**	—
Payments of other long-term debt, including lease obligations (2024 - $20 million for the 3-month period; 2023 - $14 million for the 3-month period)	4	**(21)**	(57)
Dividends paid to non-controlling interests		**(3)**	(3)
Acquisition of non-controlling interests		**(3)**	—
Dividends paid to the Corporation's Shareholders		**(12)**	(12)
		55	49
Net change in cash and cash equivalents during the period		**(24)**	(37)
Currency translation on cash and cash equivalents		**1**	(1)
Cash and cash equivalents - Beginning of the period		**54**	102
Cash and cash equivalents - End of the period		**31**	64

The accompanying notes are an integral part of these Unaudited Consented Interim Consolidated Financial Statements.

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 the most recent Audited Consolidated Financial Statements for the year ended December 31, 2023.

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:

	SALES TO							
	For the 3-month periods ended March 31,							
	Canada		United States		Other countries		Total	
(in millions of Canadian dollars) (unaudited)	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Packaging Products								
Containerboard	**322**	329	**232**	231	**2**	1	**556**	561
Specialty Products	**60**	56	**100**	104	**—**	1	**160**	161
Inter-segment sales	**(3)**	(4)	**(4)**	(3)	**—**	—	**(7)**	(7)
	379	381	**328**	332	**2**	2	**709**	715
Tissue Papers	**135**	126	**232**	261	**—**	—	**367**	387
Inter-segment sale, Corporate, Recovery and Recycling activities	**26**	25	**7**	6	**—**	1	**33**	32
	540	532	**567**	599	**2**	3	**1,109**	1,134

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

(in millions of Canadian dollars) (unaudited)	For the 3-month period ended March 31, 2024				
	Containerboard	**Specialty Products**	**Tissue Papers**	**Corporate, Recovery and Recycling activities**	**Consolidated**
Operating income (loss)	**(7)**	**19**	**31**	**(34)**	**9**
Depreciation and amortization	**37**	**6**	**13**	**11**	**67**
Impairment charges	**2**	**—**	**—**	**—**	**2**
Other loss	**3**	**—**	**—**	**—**	**3**
Restructuring costs	**16**	**—**	**6**	**1**	**23**
Unrealized gain on derivative financial instruments	**(1)**	**—**	**—**	**—**	**(1)**
EBITDA (A)	**50**	**25**	**50**	**(22)**	**103**

(in millions of Canadian dollars) (unaudited)	For the 3-month period ended March 31, 2023				
	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	38	21	(92)	(47)	(80)
Depreciation and amortization	30	5	17	10	62
Impairment charges	59	1	92	—	152
Other gain	—	—	(2)	—	(2)
Restructuring costs	—	—	1	—	1
Unrealized loss (gain) on derivative financial instruments	(1)	—	—	2	1
EBITDA (A)	126	27	16	(35)	134

IMPAIRMENT CHARGES

2024

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

2023

In the first quarter, the Containerboard Packaging segment recorded an impairment charge of $59 million on some land ($3 million), building ($22 million) and equipment ($34 million) of a CGU (cash generating unit) subsequent to the permanent closure of one paper machine in the USA. The decision was the result of competitive market conditions, which make the CGU less profitable. The recoverable amount of the assets in operation, totaling $39 million, was determined using fair value less the cost of disposal based on the market approach of comparable assets on the market.

In the first quarter, the Specialty Products segment recorded an impairment charge of $1 million on some equipment related to a closed plant in the USA. The recoverable amount was determined using fair value less the cost of disposal based on the market approach of comparable assets on the market.

In the first quarter, the Tissue Papers segment recorded an impairment charge of $12 million on spare parts and $80 million on some buildings ($10 million) and equipment ($70 million), consequent to the strategic repositioning of its operating platform. The decision includes the permanent closure of three plants in the USA. The recoverable amount of $130 million for these three CGUs was determined using fair value less cost of disposal based on the market approach of comparable assets on the market, as well, for one of the plants, the recoverable amount of the real estate was established using the income method over a period of 20 years and a capitalization rate of 7.25%, no impairment recognized for the latest.

OTHER LOSS (GAIN)

2024

In the first quarter, the Containerboard Packaging segment recorded an environmental cost of $3 million related to the closure of a plant in Ontario, Canada.

2023

In the first quarter, the Tissue Papers segment recorded a $2 million gain from the sale of some machinery and equipment related to a previously closed plant in the USA.

RESTRUCTURING COSTS
2024
In the first quarter, the Containerboard Packaging segment recorded costs totaling $16 million related to closed plants in Canada and in the USA, severances and the redeployment of the equipment in the network.

In the first quarter, the Tissue Papers segment recorded costs totaling $6 million related to the closures of the plants in the USA and the redeployment of the equipment in the network.

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

2023
In the first quarter, the Tissue Papers segment recorded costs totaling $1 million related to the closures of the plants in the USA and severances.

UNREALIZED LOSS (GAIN) ON DERIVATIVE FINANCIAL INSTRUMENTS
The Containerboard Packaging segment recorded an unrealized gain of $1 million in the first quarter of 2024 and an unrealized gain of $1 million in the first quarter of 2023, from a steam contract embedded derivatives related to our Niagara Falls containerboard complex.

Corporate activities recorded an unrealized gain of less than a million dollars in the first quarter of 2024 and an unrealized loss of $2 million in the first quarter of 2023 due to the financial hedging contracts for natural gas purchases.

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

	PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	
	For the 3-month periods ended March 31,	
(in millions of Canadian dollars) (unaudited)	**2024**	2023
Packaging Products		
Containerboard	**11**	89
Specialty Products	**3**	4
	14	93
Tissue Papers	**8**	9
Corporate, Recovery and Recycling activities	**6**	3
Total acquisitions	**28**	105
Right-of-use assets acquisitions (non-cash)	**(3)**	(8)
	25	97
Acquisitions for property, plant and equipment included in “Trade and other payables”		
Beginning of the period	**45**	106
End of the period	**(29)**	(63)
Payments for property, plant and equipment	**41**	140
Proceeds from disposals of property, plant and equipment	**—**	(3)
Payments for property, plant and equipment net of proceeds from disposals	**41**	137

NOTE 1
GENERAL INFORMATION

Cascades Inc. and its subsidiaries (together “Cascades” or the “Corporation”) produce, convert and market packaging and tissue products composed mainly of recycled fibres. Cascades Inc. is incorporated and domiciled in Québec, Canada. The address of its registered office is 404 Marie-Victorin Boulevard, Kingsey Falls. Its common shares are listed on the Toronto Stock Exchange under the ticker symbol “CAS”.

The Board of Directors approved the Unaudited Condensed Interim Consolidated Financial Statements on May 8, 2024.

NOTE 2
SUMMARY OF MATERIAL ACCOUNTING POLICIES

These Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. The Unaudited Condensed Interim Consolidated Financial Statements should be read in conjunction with the Audited Consolidated Financial Statements for the year ended December 31, 2023, which have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as set forth in Part I of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting, which incorporates IFRS Accounting Standards as issued by the IASB®.

The accounting policies applied in these Unaudited Condensed Interim Consolidated Financial Statements are the same as those applied in the Audited Consolidated Financial Statements for the year ended December 31, 2023, except as discussed below.

The income taxes in the interim periods are accrued using the tax rate that would be applicable to the expected annual earnings or losses for each jurisdiction.

On January 1, 2024, a prospective refinement to the Corporation’s existing accounting policy for the classification and initial recognition of manufacturing spare parts resulted in a one time transfer of unamortized spare parts from “Property, plant and equipment” to “Inventories” in the amount of $43 million.

NOTE 3
CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Unaudited Condensed Interim Consolidated Financial Statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Further information on critical accounting estimates and judgments is detailed in the Audited Consolidated Financial Statements as of and for the year ended December 31, 2023.

NOTE 4
LONG-TERM DEBT

(in millions of Canadian dollars)	NOTE	MATURITY	**March 31, 2024**	December 31, 2023
Revolving credit facility, weighted average interest rate of 7.14% as of March 31, 2024 and consists of US$248 million (December 31, 2023 - US$190 million)	4(b)	2027	**336**	252
5.125% Unsecured senior notes of $175 million		2025	**175**	175
5.125% Unsecured senior notes of US$206 million		2026	**278**	272
5.375% Unsecured senior notes of US$445 million and $5 million of unamortized premium as of March 31, 2024 (December 31, 2023 - US$445 million and $5 million of unamortized premium)		2028	**608**	595
Term loan of US$260 million, interest rate of 7.43% as of March 31, 2024		2027	**352**	344
Lease obligations with recourse to the Corporation			**161**	174
Other debts with recourse to the Corporation			**22**	23
Lease obligations without recourse to the Corporation			**14**	15
Revolving credit facility without recourse to the Corporation, weighted average interest rate of 6.93% as of March 31, 2024 and consists of US$81 million (December 31, 2023 - US$70 million)	4(c)	2026	**110**	93
			2,056	1,943
Less: Unamortized financing costs			**7**	7
Total long-term debt			**2,049**	1,936
Less:				
Current portion of Unsecured senior notes	10		**175**	—
Current portion of lease obligations with recourse to the Corporation			**42**	51
Current portion of other debts with recourse to the Corporation			**8**	8
Current portion of lease obligations without recourse to the Corporation			**8**	8
			58	67
			1,816	1,869

a. As of March 31, 2024, the long-term debt had a fair value of $2,022 million (December 31, 2023 – $1,918 million).

b. On February 9, 2024, the Corporation entered into an agreement with its lenders to amend and extend the maturity from July 2026 to July 2027 for its existing revolving credit facility. The financial conditions remained unchanged.

c. In the third quarter of 2023, the loan scheduled to mature on December 11, 2023 was fully repaid. On September 15, 2023, our subsidiary, Greenpac, entered into a 3-year credit agreement with a banking syndicate securing a revolving credit facility authorized at US$150 million which bears interest at a variable rate based on the level of leverage ratio of the subsidiary. Transaction fees amounting to US$2 million ($2 million) were capitalized in other assets.

NOTE 5
FINANCIAL INSTRUMENTS

DETERMINING THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount of consideration that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

i. The fair value of cash and cash equivalents, accounts receivable, notes receivable, bank loans and advances, trade and other payables and provisions approximates their carrying amounts due to their relatively short maturities.
ii. The fair value of investment in shares is based on observable market data and is quoted on the Toronto Stock Exchange and classified as level 1.
iii. The fair value of long-term debt and some other liabilities is based on observable market data and on the calculation of discounted cash flows. Discount rates were determined based on local government bond yields adjusted for the risks specific to each of the borrowings and for the credit market liquidity conditions and are classified as levels 1 and 3.
iv. The fair value of derivative instruments, which include forward contracts, swap agreements and embedded derivatives accounted for separately, is calculated as the present value of the estimated future cash flows using an appropriate interest rate yield curve and a forward foreign exchange rate. Assumptions are based on market conditions prevailing at each reporting date and are classified as level 2. The fair value of derivative instruments reflects the estimated amounts that the Corporation would receive or pay to settle the contracts at the reporting date.

HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table presents information about the Corporation's financial assets and financial liabilities measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023 and indicates the fair value hierarchy of the Corporation's valuation techniques to determine such fair value. Three levels of inputs that may be used to measure fair value are:

Level 1 – Quoted prices in active markets for identical assets or liabilities.
Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3 – Inputs that are generally unobservable and typically reflect Management's estimates of assumptions that market participants would use in pricing the asset or liability.

For commodity derivative financial instruments and foreign currency forward contracts, the Corporation classifies the fair value measurement as level 2, as they are based mainly on observable market data. The fair value of commodity derivative financial instruments is determined using expected future cash flows based on observable data and notional quantity, with the resulting value discounted using a curve that reflects the credit risk of the Corporation or the counterparty, as applicable. The fair value of foreign currency forward contracts is determined using quoted forward exchange rates at the measurement date, with the resulting value discounted back to present values using a curve that reflects the credit risk of the Corporation or the counterparty, as applicable.

				As of March 31, 2024
(in millions of Canadian dollars)	CARRYING AMOUNT	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Financial assets				
Equity investments	3	—	—	3
Derivative financial assets	1	—	1	—
	4	—	1	3
Financial liabilities				
Derivative financial liabilities	(9)	—	(9)	—
	(9)	—	(9)	—

(in millions of Canadian dollars)	CARRYING AMOUNT	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
	As of December 31, 2023			
Financial assets				
Equity investments	3	—	—	3
Derivative financial assets	1	—	1	—
	4	—	1	3
Financial liabilities				
Derivative financial liabilities	(10)	—	(10)	—
	(10)	—	(10)	—

OTHER RISKS

MONETIZATION OF ACCOUNTS RECEIVABLE

In the fourth quarter of 2023, the Corporation entered into an $81 million (US$60 million) monthly rolling receivables' monetization facility without recourse. Under this agreement the Corporation considers the receivables transferred and accounts for as a sale. The Corporation's continuing involvement in the transferred assets is limited to servicing the receivables.

In the first quarter of 2024, the Corporation had unrecognized receivables of $49 million ($53 million in the fourth quarter of 2023) related to the facility of which the Corporation received $22 million ($20 million in the fourth quarter of 2023) as the collection agent and recorded an account payable in the same amount to the transferred assets purchaser. The Corporation recorded as interest expenses $1 million in the first quarter of 2024 (less than a million for the year ended December 31, 2023). The interest is charged on a monthly basis and paid on the settlement date.

NOTE 6
CAPITAL STOCK

REDEMPTION OF COMMON SHARES

The Corporation did not renew its normal course issuer bid program since its expiry on March 18, 2023.

NOTE 7
SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

(in millions of Canadian dollars)	For the 3-month periods ended March 31, 2024	2023
Non-significant associates	—	1
Significant joint ventures	3	2
Gain from the sale of an investment in a non-significant joint venture	—	9
	3	12

The Corporation received dividends of $1 million from these associates and joint ventures in the first quarter of 2024, compared to $1 million in the same period of 2023.

In the first quarter of 2023, the Corporation recorded a gain in the consolidated statement of earnings in the line item "Share of results of associates and joint ventures" of $9 million from the sale of an investment in a non-significant joint venture. The Corporation received $10 million from this sale.

NOTE 8
ADDITIONAL INFORMATION

A. CHANGES IN NON-CASH WORKING CAPITAL COMPONENTS ARE DETAILED AS FOLLOWS:

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars)	**2024**	2023
Accounts receivable	**(9)**	12
Current income tax assets	**(1)**	—
Inventories	**(28)**	(39)
Trade and other payables	**(32)**	(19)
	(70)	(46)

B. FINANCING EXPENSE

	For the 3-month periods ended March 31,	
(in millions of Canadian dollars)	**2024**	2023
Interest on long-term debt (including lease obligations interest (2024 - $2 million for the 3-month period; 2023 - $2 million for the 3-month period))	**31**	20
Amortization of financing costs	**1**	1
Other interest and banking fees	**3**	1
Interest expense on employee future benefits	**1**	1
Unrealized loss (gain) on interest rate swaps	**(2)**	—
Foreign exchange loss (gain) on long-term debt and financial instruments	**1**	—
	35	23

UNREALIZED LOSS (GAIN) ON INTEREST RATE SWAPS

In the first quarter of 2024, the Corporation recorded an unrealized gain on interest rate swaps of $2 million (unrealized loss of less than a million dollars in the same period of 2023).

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

In the first quarter of 2024, the Corporation recorded a loss of $1 million on its US$ denominated debt and related financial instruments, compared to a gain of less than a million dollars in the same period of 2023. The foreign exchange loss (gain) on long-term debt and financial instruments is composed of foreign exchange forward contracts not designated for hedge accounting.

NOTE 9
COMMITMENTS

CAPITAL EXPENDITURES

Major capital expenditures contracted at the end of the reporting period but not yet incurred totaled $14 million.

NOTE 10
EVENT AFTER THE REPORTING PERIOD

Delayed draw unsecured term loan credit facility

On April 12, 2024, the Corporation entered into a $175 million delayed draw unsecured term loan credit facility to manage upcoming maturities. If drawn, this facility will mature on December 31, 2026 and will bear interest at a variable rate. Transaction fees of less than a million dollars were capitalized in the unamortized financing costs.

This report is also available on our website at: **www.cascades.com**

TRANSFER AGENT AND REGISTRAR
Computershare
Shareholder Services
650 de Maisonneuve Blvd. West, 7th floor
Montréal, Québec, H3A 3T2 Canada
Telephone: 514-982-7888   Toll-Free (Canada): 1-800-564-6253
service@computershare.com

HEAD OFFICE
Cascades Inc.
404 Marie-Victorin Blvd.
Kingsey Falls, Québec, J0A 1B0 Canada
Telephone: 819-363-5100   Fax: 819-363-5155

INVESTOR RELATIONS
For more information, please contact:
Jennifer Aitken, MBA
Director, Investor Relations
Cascades Inc.
Telephone: 514-282-2697
investor@cascades.com
www.cascades.com/investors

On peut se procurer la version française du présent rapport trimestriel en s'adressant au siège social de la Société à l'adresse suivante :

Secrétaire corporatif
Cascades inc.
404, boulevard Marie-Victorin
Kingsey Falls (Québec) J0A 1B0 Canada

cascades.com

100%

PCF

BIO GAS ENERGY

PERMANENT

Printed on Rolland Enviro Print 100M (50lbs) text. This paper contains 100% post-consumer fibre, is manufactured using renewable energy - biogas and processed chlorine free. It is FSC® and Ancien Forest Friendly™ certified.