

Q1 2021 FINANCIAL RESULTS

May 6, 2021





DISCLAIMER

FORWARD-LOOKING STATEMENT

Certain statements in this presentation, 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 Cascades Inc.'s ("Cascades," "CAS," the "Company," the "Corporation," "us" or "we") products, the prices and availability of raw materials, changes in the relative values of certain currencies, fluctuations in selling prices and adverse changes in general market and industry conditions. This presentation may also include price indices as well as variance and sensitivity analyses that are intended to provide the reader with a better understanding of the trends related to our business activities. These items are based on the best estimates available to the Corporation.

SUPPLEMENTAL INFORMATION ON NON-IFRS 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 those of other corporations and some of them 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 gain or losses on investments, specific items of discontinued operations and other significant items of an unusual, non-cash or non-recurring nature.

RECONCILIATION OF NON-IFRS 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 ("non-IFRS measures"), which are also calculated on an adjusted basis to exclude specific items. We believe that providing certain key performance measures and non-IFRS 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 measures are used in our financial disclosures:

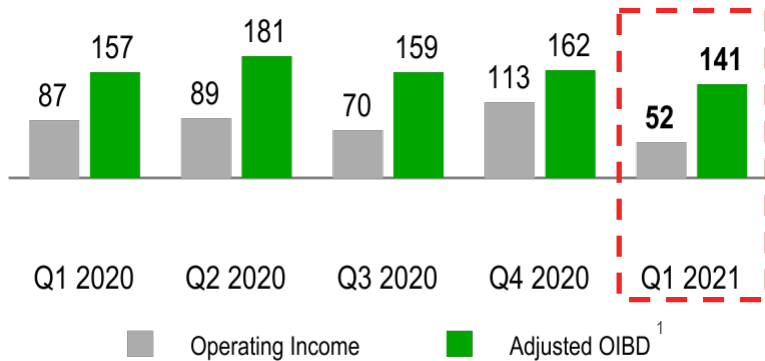
- Operating income before depreciation and amortization (OIBD): Used to assess operating performance and the contribution of each segment when excluding depreciation and amortization. OIBD is widely used by investors as a measure of a corporation's ability to incur and service debt and as an evaluation metric.
- Adjusted OIBD: Used to assess operating performance and the contribution of each segment on a comparable basis.
- Adjusted operating income: Used to assess operating performance of each segment on a comparable basis.
- Adjusted net earnings: Used to assess the Corporation's consolidated financial performance on a comparable basis.
- Adjusted free cash flow: Used to assess the Corporation's capacity to generate cash flows to meet financial obligations and/or discretionary items such as share repurchase, dividend increase and strategic investments.
- Net debt to adjusted OIBD ratio: Used to measure the Corporation's credit performance and evaluate financial leverage.
- Net debt to adjusted OIBD ratio on a pro-forma basis: Used to measure the Corporation's credit performance and evaluate the financial leverage on a comparable basis, including significant business acquisitions and excluding significant business disposals, if any.

Non-IFRS measures are mainly derived from the consolidated financial statements, but do not have meanings prescribed by IFRS. 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. In addition, our definitions of non-IFRS measures may differ from those of other corporations. Any such modification or reformulation may be significant.

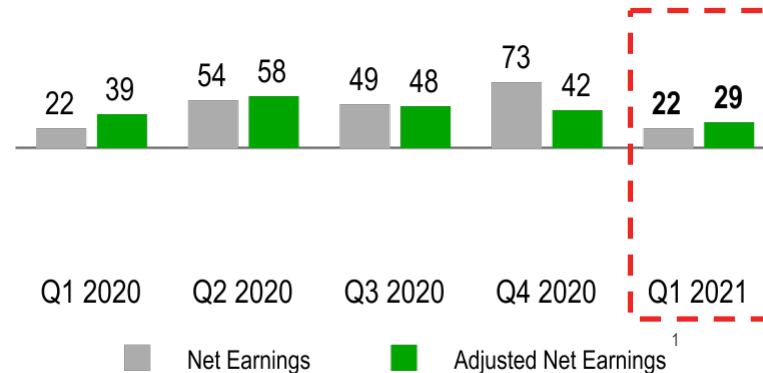
All amounts in this presentation are in Canadian dollars unless otherwise indicated.

Please click [here](#) for supplemental information on non-IFRS measures.

SUMMARY OF QUARTERLY FINANCIAL RESULTS



Figures above in millions of CAN\$



Figures above in millions of CAN\$

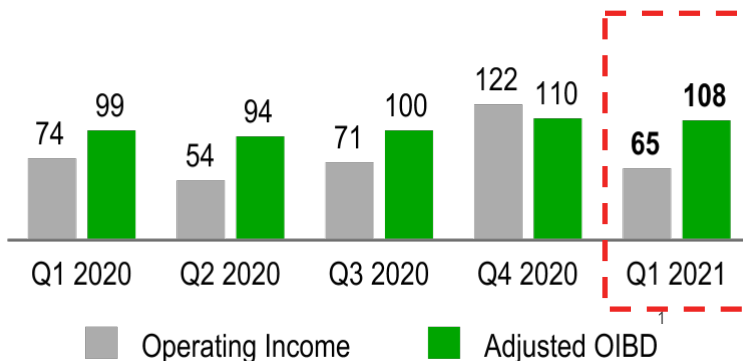
(In millions of CAN\$, except amount per share)					2019 ²					2020 ²	2021	
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	
Financial results												
Sales	1,186	1,233	1,227	1,191	4,837	1,265	1,238	1,236	1,242	4,981	1,182	
Operating income	71	81	107	10	269	87	89	70	113	359	52	
Adjusted OIBD ¹	133	154	159	149	595	157	181	159	162	659	141	
Net earnings (loss)	24	31	43	(26)	72	22	54	49	73	198	22	
Adjusted net earnings ¹	13	26	28	29	96	39	58	48	42	187	29	
Net earnings (loss) per share	\$0.26	\$0.33	\$0.45	\$(0.27)	\$0.77	\$0.24	\$0.57	\$0.51	\$0.72	\$2.04	\$0.22	
Adjusted net earnings per share ¹	\$0.14	\$0.28	\$0.30	\$0.30	\$1.02	\$0.42	\$0.61	\$0.50	\$0.42	\$1.95	\$0.29	

YoY Q1 adjusted OIBD decrease reflects demand contraction in Tissue and higher raw material costs for all packaging segments, partially offset by stronger volumes and higher selling prices for N.A. packaging segments

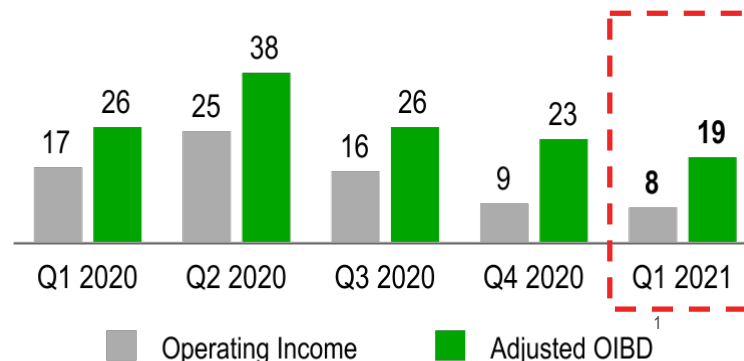


HISTORICAL SEGMENTED QUARTERLY OPERATING INCOME & ADJUSTED OIBD¹

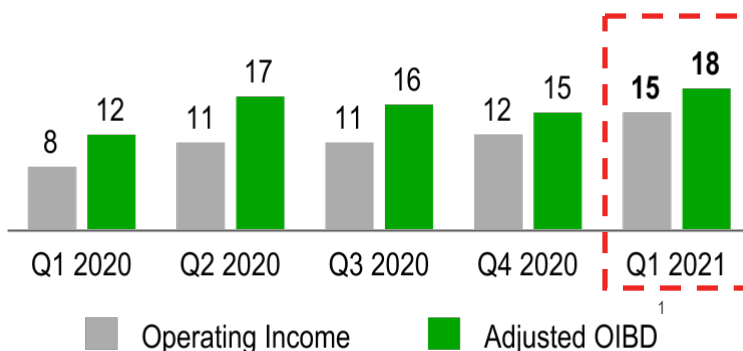
Containerboard (millions of CAN\$)



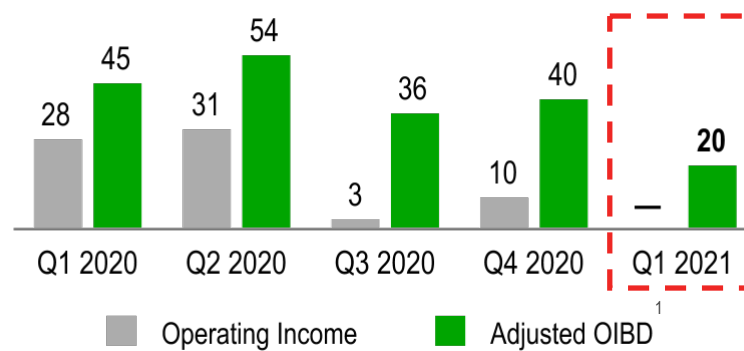
Boxboard Europe² (millions of CAN\$)



Specialty Products (millions of CAN\$)



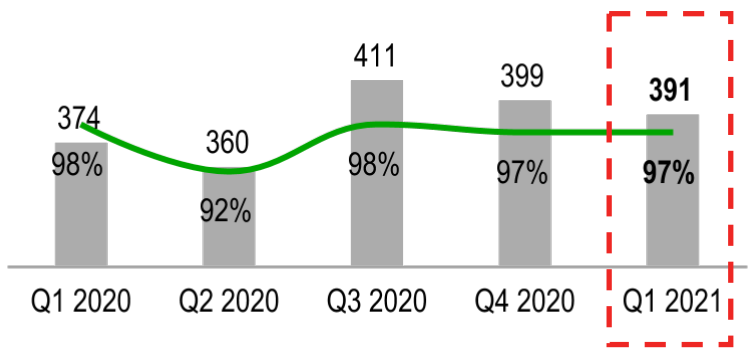
Tissue Papers (millions of CAN\$)



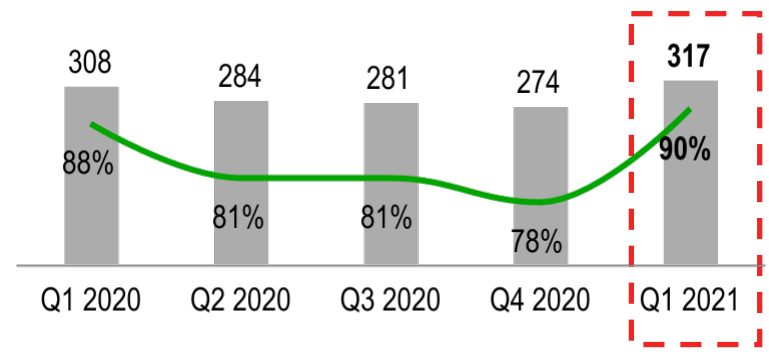


HISTORICAL SEGMENTED QUARTERLY SHIPMENTS

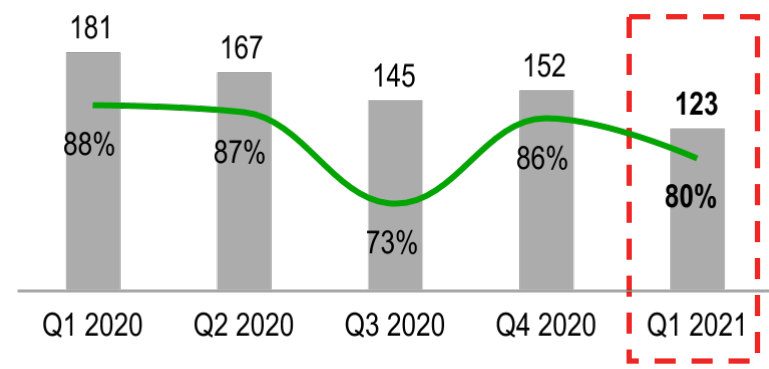
Containerboard ('000 s.t. and % capacity utilization¹)



Boxboard Europe² ('000 s.t. and % capacity utilization¹)



Tissue Papers ('000 s.t. and % capacity utilization¹)

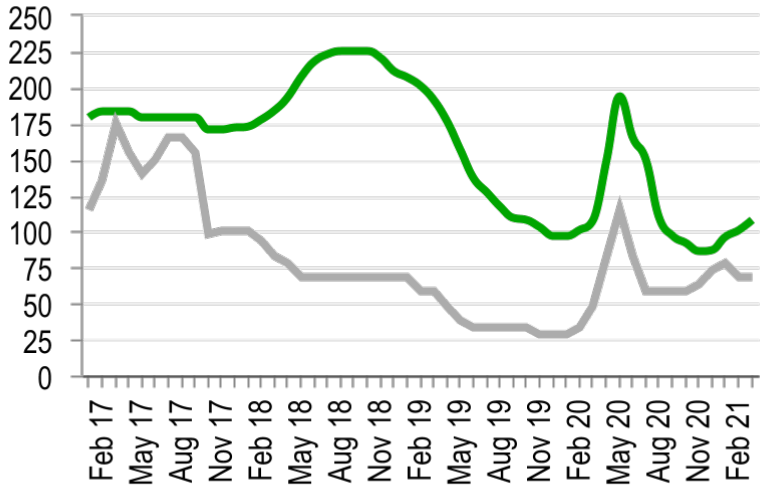


(1) Utilization rate defined as total manufacturing shipments divided by practical capacity. (2) 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.

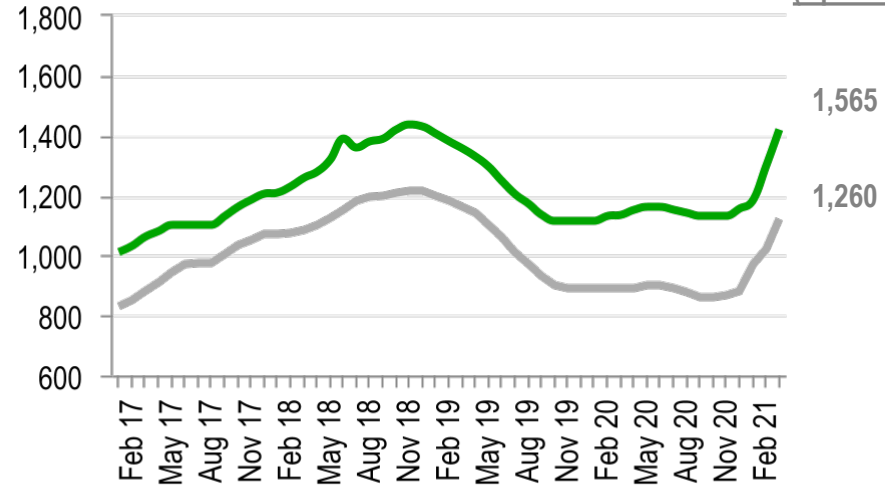


RAW MATERIAL COSTS - INDEX LIST PRICES

(\$ US/s.t.) **Recycled Fibre Prices** **Current (Apr-21)**



(\$ US/s.t.) **Virgin Pulp Prices** **Current (Apr-21)**



█ White grades (Basket of products)
 █ Brown grades (OCC)

█ NBSK
 █ NBHK

Recovered Paper Prices

White grades - Basket of products (Northeast average)¹
 Brown grades - OCC No. 11 (Northeast average)

	<u>Q1-2021</u>	<u>Q4-2020</u>	<u>Q1-2020</u>	<u>Q1/Q1</u>	<u>Q1/Q4</u>
White grades - Basket of products (Northeast average) ¹	102	88	102	—	16%
Brown grades - OCC No. 11 (Northeast average)	71	65	36	97%	9%
Virgin Pulp Prices	<u>Q1-2021</u>	<u>Q4-2020</u>	<u>Q1-2020</u>	<u>Q1/Q1</u>	<u>Q1/Q4</u>
NBSK (Canadian sources delivered to Eastern US)	1,302	1,138	1,127	16%	14%
NBHK (Canada/US sources delivered to Eastern US)	1,037	868	890	17%	19%

OCC prices were up QoQ and YoY, driven by Covid-19 related domestic demand & high export activity; Prices of White Grades rose QoQ while prices of Virgin Pulp increased in both cases

Source: RISI. (1) Basket of white recycled paper, including grades such as SOP, Hard White Envelope and Coated Book Stock; Northeast average. Weighted average based on Cascades' consumption of each grade. Current price for White Grades is the RISI index price for SOP and is not a basket of products.

SEGMENTED REVIEW



PACKAGING PRODUCTS / CONTAINERBOARD

Results	Change vs.		
	Q1 2021	Q4 2020	Q1 2020
Shipments ('000 s.t.)			
391	(2)%	5%	
Average selling price (CAN\$/unit)			
1,289	3%	5%	
Sales (M\$)			
503	1%	10%	
Operating income (M\$)			
65	(47)%	(12)%	
Adjusted OIBD¹ (M\$)			
108	(2)%	9%	
% of sales 21.5%			

Comments on sequential performance

- ➔ Shipments decreased by 2% sequentially. This was driven by a 2% increase in the integration rate. Shipments of parent rolls decreased by 3% and shipments of converted products decreased by 1% on a sequential basis.
- ➔ The average first quarter selling price increased by 3% in Canadian dollars sequentially. This reflects the implementation of the November 2020 price increase and a more favourable mix of products sold in the current period, offset by a less favourable exchange rate.
- ➔ The marginal 1% sequential increase in sales is largely attributable to the higher average selling price and the more favourable mix of products sold. These were partially offset by lower volume and the 3% appreciation of the Canadian dollar.
- ➔ Adjusted OIBD decreased by 2% on a sequential basis. This reflects higher raw material costs, lower volume and higher operational costs in the current period, the effects of which were mostly offset by the implementation of the price increase.

Maintenance and capital investment downtime (in s.t.)

Q1 2021	Q2 2021F	Q3 2021F	Q4 2021F	FY 2021F
11,700	~ 15,000	~ 12,000	~ 14,500	~ 53,200



TISSUE PAPERS

Results	Change vs.	
Q1 2021	Q4 2020	Q1 2020
Shipments ('000 s.t.)		
123	(19)%	(32)%
Average selling price		
(CAN\$/unit)		
2,372	(6)%	(4)%
Sales (M\$)		
292	(23)%	(35)%
Operating income (M\$)		
—	(100)%	(100)%
Adjusted OIBD¹ (M\$)		
20	(50)%	(56)%
% of sales		
6.8%		

Comments on sequential performance

- ➔ Shipments decreased by 19% on a sequential basis in the first quarter. This was driven by a 21% decrease in shipments of converted products in all market segments. Demand levels were down sequentially in all market segments largely as a result of the high level of inventories that had been accumulated at the customer level in the previous quarter.
- ➔ The average selling price decreased 6% sequentially. This reflects the 3% appreciation of the Canadian dollar compared to the US dollar and a less favourable mix of products sold in the current period.
- ➔ The decrease in the average selling price combined with the lower volumes, as detailed above, had a combined negative impact of 23% on sales on a sequential basis.
- ➔ Adjusted OIBD decreased by \$20 million, or 50%, sequentially. This is largely a reflection of lower sales levels and higher transportation costs. These impacts were partially offset by lower costs following plant closures in 2020, better cost control and mix of converted products sold in the current period.



PACKAGING PRODUCTS / BOXBOARD EUROPE²

Results	Change vs.	
	Q1 2021	Q4 2020 ² Q1 2020 ²
Shipments ('000 s.t.)		
317	16%	3%
Average selling price¹		
(CAN\$/unit)		
728	(1)%	3%
(EURO€/unit)		
477	—	—
Sales (M\$)		
240	13%	7%
Operating income (M\$)		
8	(11)%	(53)%
Adjusted OIBD¹ (M\$)		
19	(17)%	(27)%
% of sales		
7.9%		

(1) Average selling price for manufacturing and converting activities only

Comments on sequential performance

- ➔ Shipments of recycled boxboard increased by 42,000 s.t., or 16%, in the first quarter of 2021 compared to the prior quarter, while shipments of converted boxboard also increased 1,000 s.t., or 20%. These increases are primarily a reflection of higher shipments in Western Europe and the usual seasonal production shutdowns taken during the holidays in Q4 2020.
- ➔ The slight sequential decrease in the average Canadian dollar selling price is largely a reflection of the 2% average appreciation of the Canadian dollar compared to the euro. The average selling price of recycled boxboard remained stable sequentially, as did the average selling price of converted products.
- ➔ The higher sequential sales reflect the increase in shipment volumes as discussed above, slightly offset by the 2% appreciation of the Canadian dollar compared to the euro.
- ➔ The sequential \$4 million decrease in adjusted OIBD is explained mostly by the higher cost of raw materials, higher energy costs and lower tax credits received related to energy saving initiatives in Europe. On the other hand, higher volumes as discussed above offset a portion of these unfavourable factors.

(1) Please click [here](#) for supplemental information on non-IFRS measures.

(2) 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.



PACKAGING PRODUCTS / SPECIALTY PRODUCTS

Results	Change vs.		
	Q1 2021	Q4 2020	Q1 2020
Sales (M\$)			
122	(1)%	8%	
Operating income (M\$)			
15	25%	88%	
Adjusted OIBD¹ (M\$)			
18	20%	50%	
% of sales			
14.8%			

Comments on sequential performance

- Sales decreased slightly by 1% sequentially. This reflects a 5% reduction in volume, primarily driven by usual seasonality in the egg packaging distribution and the flexible and plastics food packaging segments, and the less favourable exchange rate. These were partially offset by more favourable pricing and sales mix in all business segments.
- The sequential increase in adjusted OIBD of \$3 million reflects higher realized spreads and a more favourable product mix, combined with lower labour and maintenance costs in the current period. These were partially offset by lower volume, higher energy costs and a less favourable exchange rate on a sequential basis.

FINANCIAL REVIEW





DISCONTINUED OPERATIONS

On February 15, 2021, the Boxboard Europe segment, via its ownership in Reno de Medici S.p.A., announced the sale of all the shares of its French subsidiary which produces virgin fibre based boxboard. The operations are now presented as discontinued operations. The sale was completed on April 30, 2021.

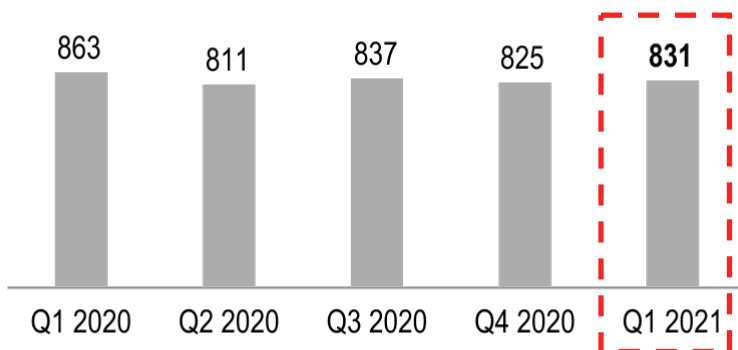
(In millions of CAN\$)	2019 ²	2020 ²			2021
	Year	Q1	Q4	Year	Q1
Financial results					
Sales					
Before discontinued operations	4,996	1,313	1,284	5,157	1,228
Discontinued operations - Boxboard Europe	(159)	(48)	(42)	(176)	(46)
As reported in Q1-2021	4,837	1,265	1,242	4,981	1,182
Operating income					
Before discontinued operations	261	90	109	366	56
Discontinued operations - Boxboard Europe	8	(3)	4	(7)	(4)
As reported in Q1-2021	269	87	113	359	52
Adjusted OIBD¹					
Before discontinued operations	604	161	166	675	145
Discontinued operations - Boxboard Europe	(9)	(4)	(4)	(16)	(4)
As reported in Q1-2021	595	157	162	659	141

(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2020 and 2019 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.

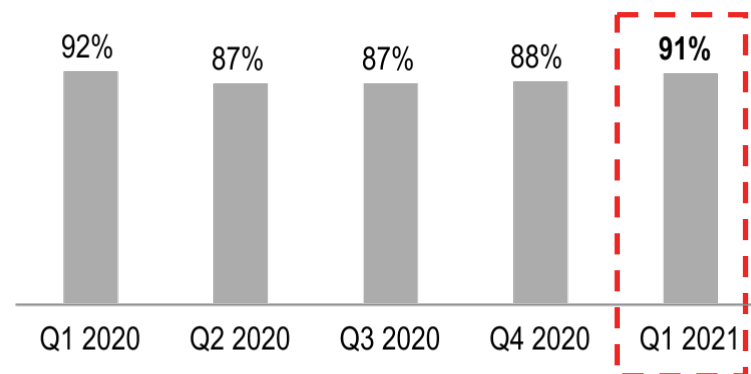


KEY PERFORMANCE INDICATORS (KPIs)

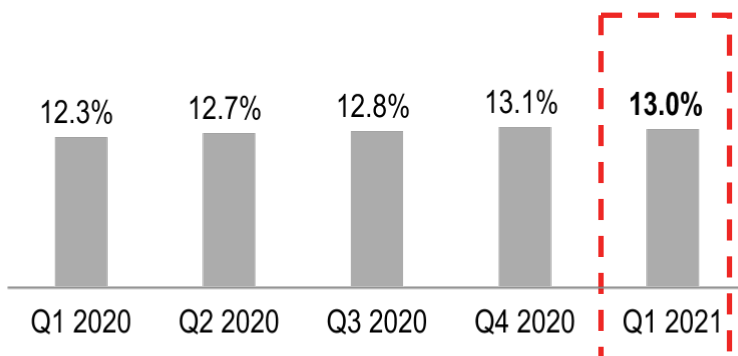
Total Shipments^{1,2} ('000 s.t.)



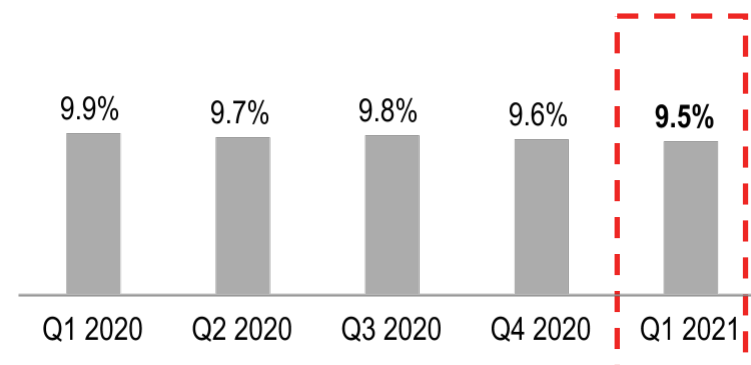
Capacity Utilization Rate^{1,2,3} (manufacturing only)



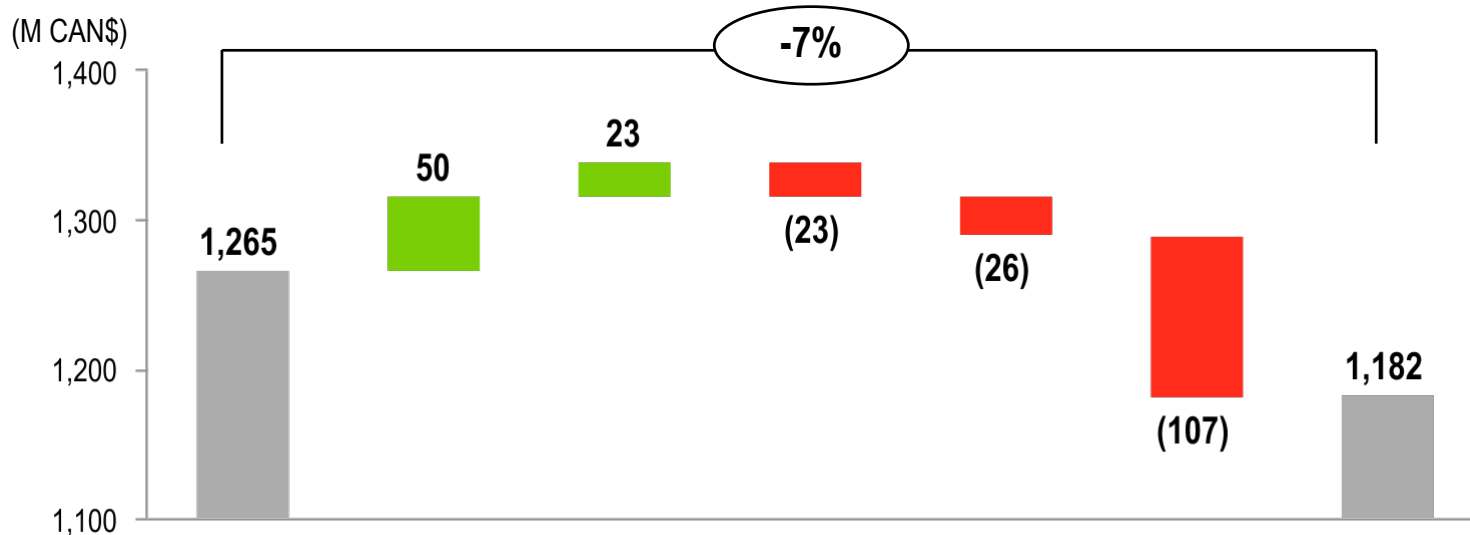
LTM Return on Assets



LTM Working Capital (% of LTM Sales)



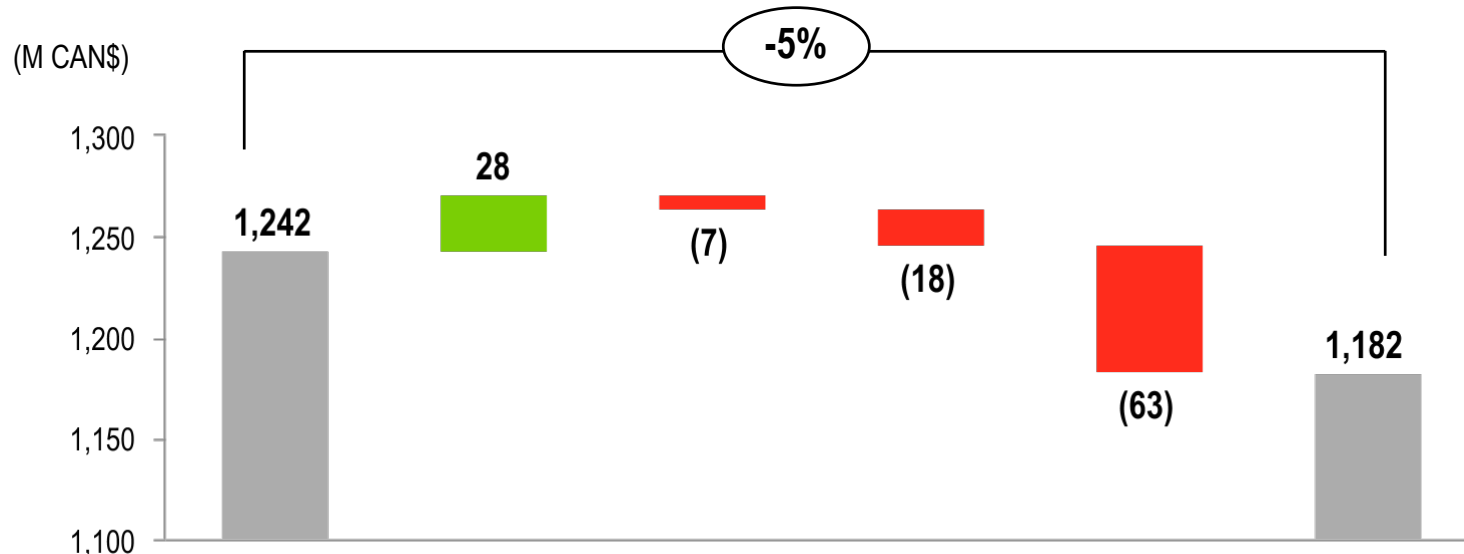
YEAR OVER YEAR SALES RECONCILIATION



(M CAN\$)	Sales Q1-2020 ¹	Price & Mix	Recovery & Recycling	F/X CAN\$	Other	Volume	Sales Q1-2021
Containerboard	458	40	—	(17)	1	21	503
Boxboard Europe	224	—	—	10	—	6	240
Specialty Products	113	6	—	(5)	—	8	122
Tissue Papers	446	3	—	(15)	—	(142)	292
Corporate & Elim.	24	1	23	4	(27)	—	25
Total	1,265	50	23	(23)	(26)	(107)	1,182

YoY sales decrease was driven by an important demand contraction in Tissue following elevated demand levels in the the prior year related to COVID-19; Pricing & mix was beneficial for all North American businesses, while FX rates were unfavourable for these segments

SEQUENTIAL SALES RECONCILIATION



(M CAN\$)	Sales Q4-2020 ⁽¹⁾	Price & Mix	Other	F/X CAN\$	Volume	Sales Q1-2021
Containerboard	500	30	(6)	(8)	(13)	503
Boxboard Europe	212	2	—	(2)	28	240
Specialty Products	123	7	—	(2)	(6)	122
Tissue Papers	381	(10)	—	(7)	(72)	292
Corporate & Elim.	26	(1)	(1)	1	—	25
Total	1,242	28	(7)	(18)	(63)	1,182

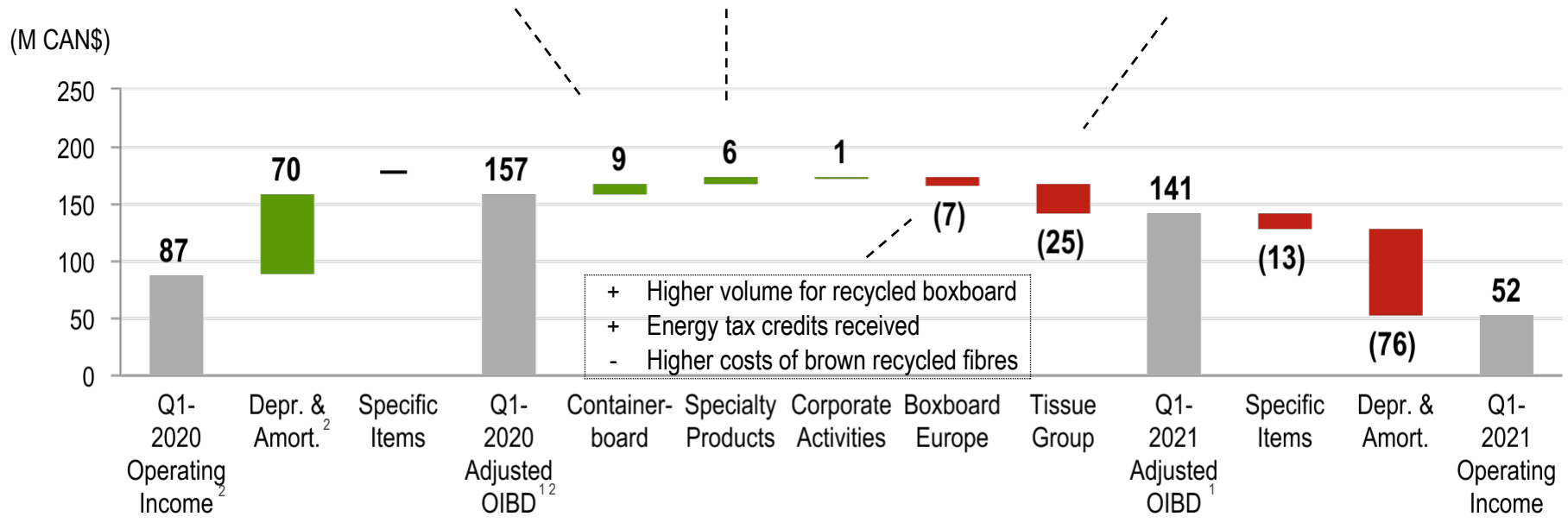
QoQ sales decrease largely due to lower tissue demand as customers rebalanced elevated inventory; Slightly lower Containerboard volumes reflect planned maintenance and seasonality. Pricing & mix beneficial for all segments except Tissue, while FX negatively impacted sequential performance of all business segments

(1) 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.



YEAR-OVER-YEAR OPERATING INCOME RECONCILIATION

- + Higher selling prices and favourable mix
 - + Higher volumes
 - Higher raw material costs
- + Higher spreads realized in the Industrial Packaging and Consumer products sub-segments
 - Higher raw material costs
- + Lower production and raw material costs (lower external jumbo rolls purchased)
 - Lower volumes related to customer inventory management

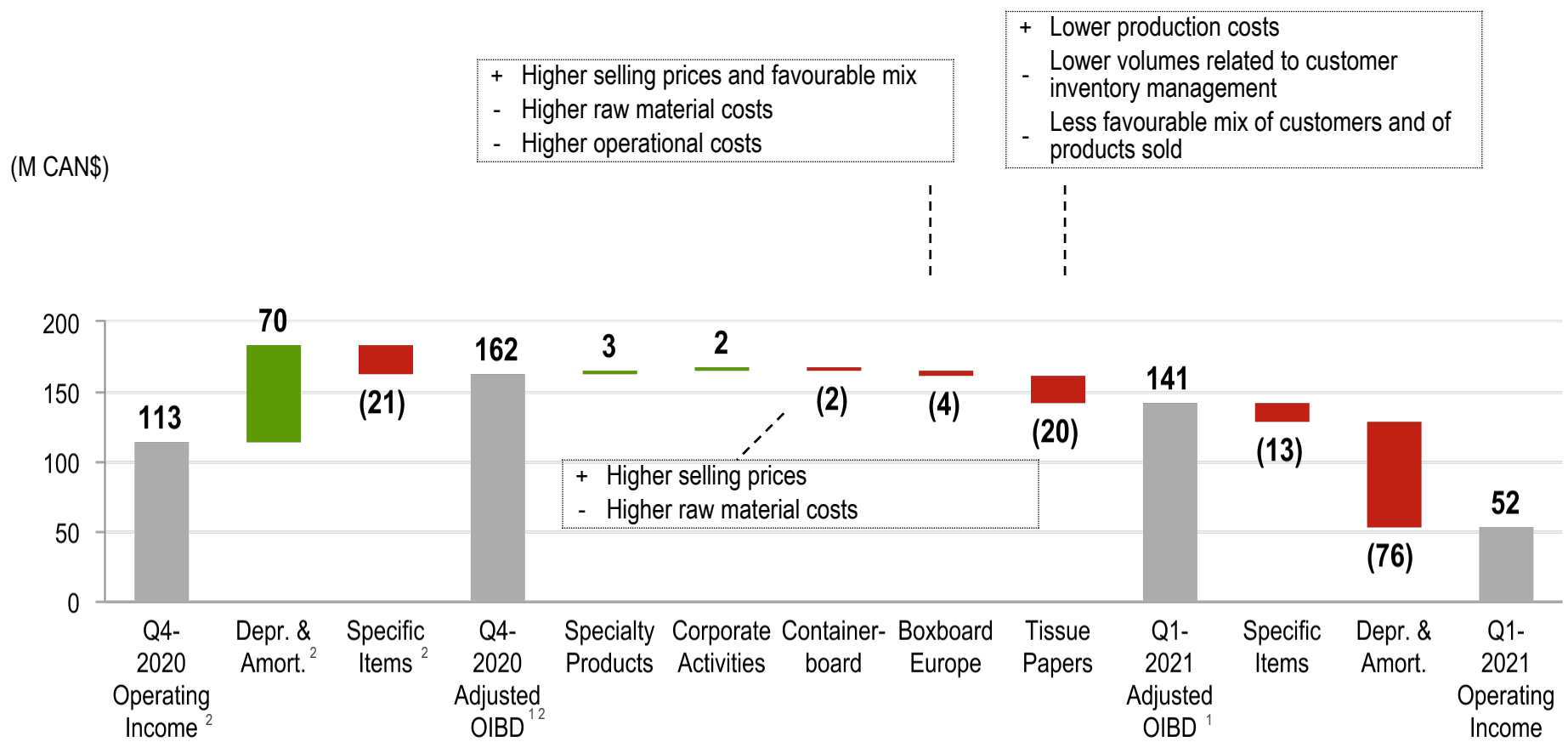


Lower results driven by demand weakness related to customer inventory management in Tissue and softer results from Boxboard Europe as a result of raw material pricing inflation, partially offset by stronger results in Containerboard and Specialty Products

(1) Please click [here](#) for supplemental information on non-IFRS measures.
 (2) 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.



SEQUENTIAL OPERATING INCOME RECONCILIATION

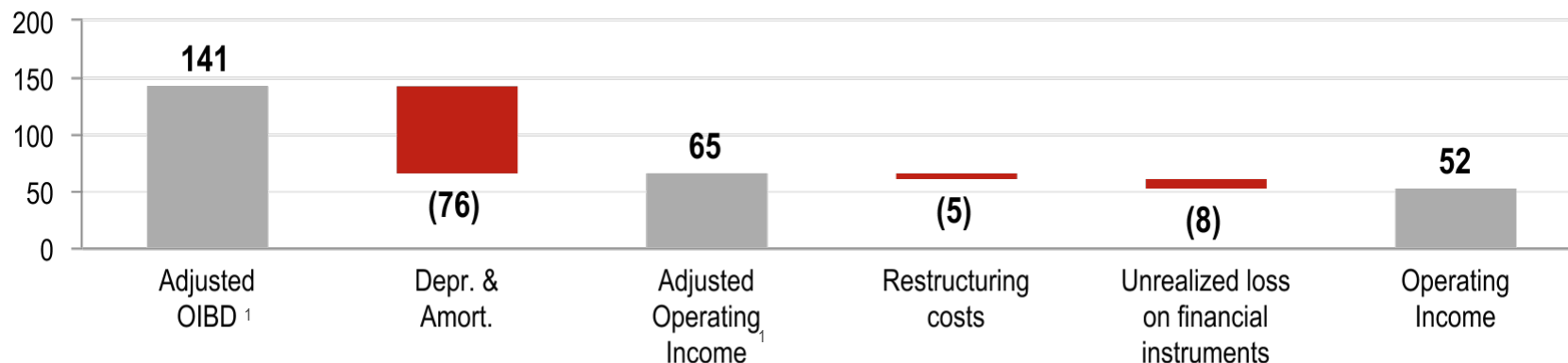


Decrease driven by volume contraction in Tissue related to customer inventory management; Benefits from solid volume growth in Containerboard and Boxboard Europe offset by impact of higher raw material prices in the period

(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.

Q1 2021 ADJUSTED OIBD TO OPERATING INCOME RECONCILIATION

(M CAN\$)



(M CAN\$)	Container-board	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Discontinued operations	Total
Operating income (loss)	65	12	15	—	(36)	(4)	52
Specific items:							
Restructuring costs	3	—	—	2	—	—	5
Unrealized loss (gain) on financial instruments	9	—	—	—	(1)	—	8
Total Specific items	12	—	—	2	(1)	—	13
Adjusted operating income (loss)¹	77	12	15	2	(37)	(4)	65
Depreciation and amortization	31	11	3	18	13	—	76
Adjusted OIBD¹	108	23	18	20	(24)	(4)	141

(1) Please click [here](#) for supplemental information on non-IFRS measures.

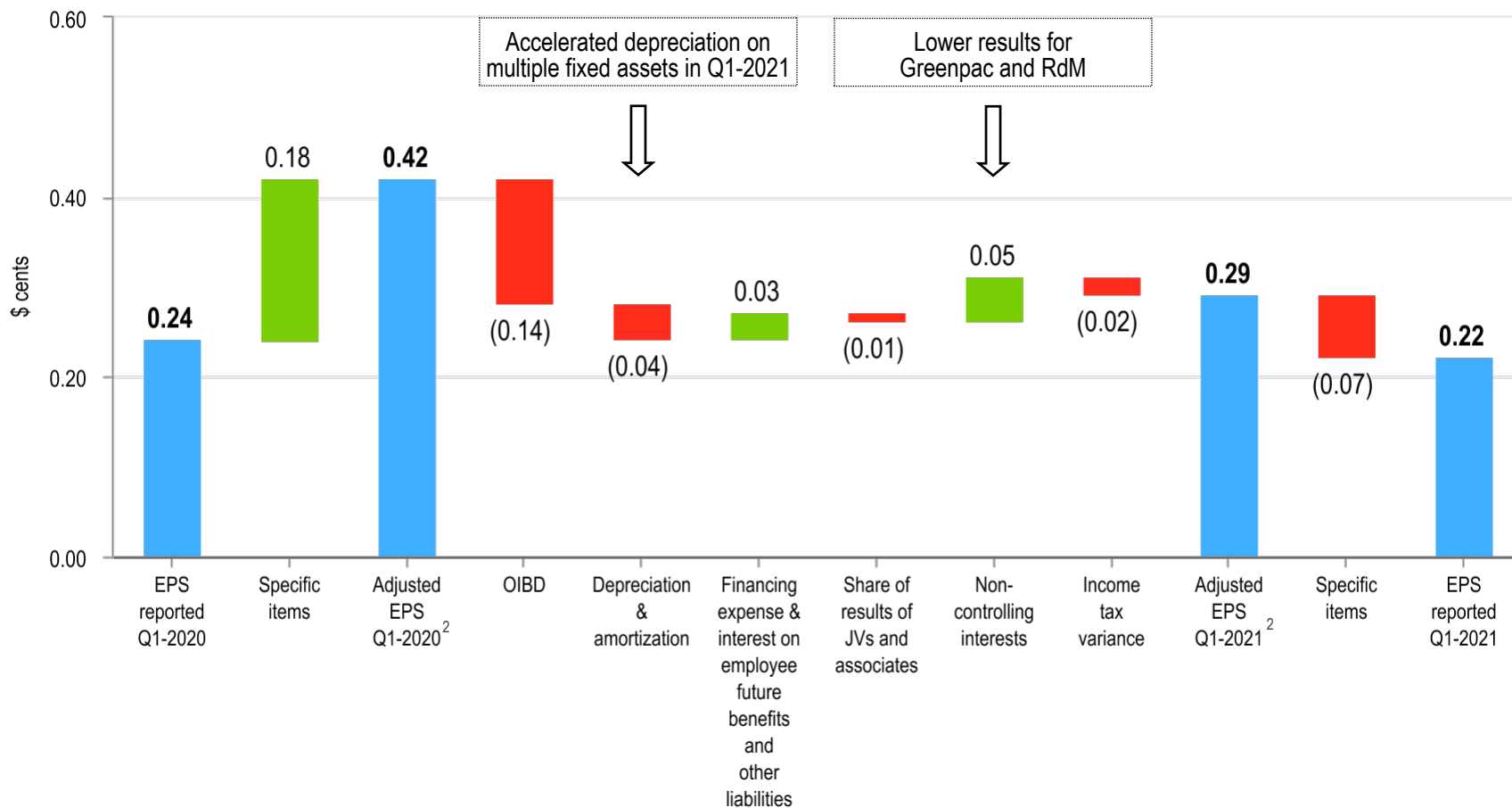


NET EARNINGS - IFRS VS ADJUSTED

	NET EARNINGS	NET EARNINGS PER SHARE ¹
(in millions of Canadian dollars, except amount per share)	Q1-2021	Q1-2021
As per IFRS	22	\$0.22
Specific items:		
Restructuring costs	5	\$0.03
Unrealized loss on financial instruments	8	\$0.06
Foreign exchange gain on long-term debt & financial instruments	(3)	(\$0.02)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ¹	(3)	—
	7	\$0.07
Adjusted²	29	\$0.29

(1) Specific amounts per share are calculated on an after-tax basis and are net of the portion attributable to non-controlling interest.
 (2) Please click [here](#) for supplemental information on non-IFRS measures.

QUARTERLY YEAR-OVER-YEAR ADJUSTED EPS VARIANCE^{1,2,3}

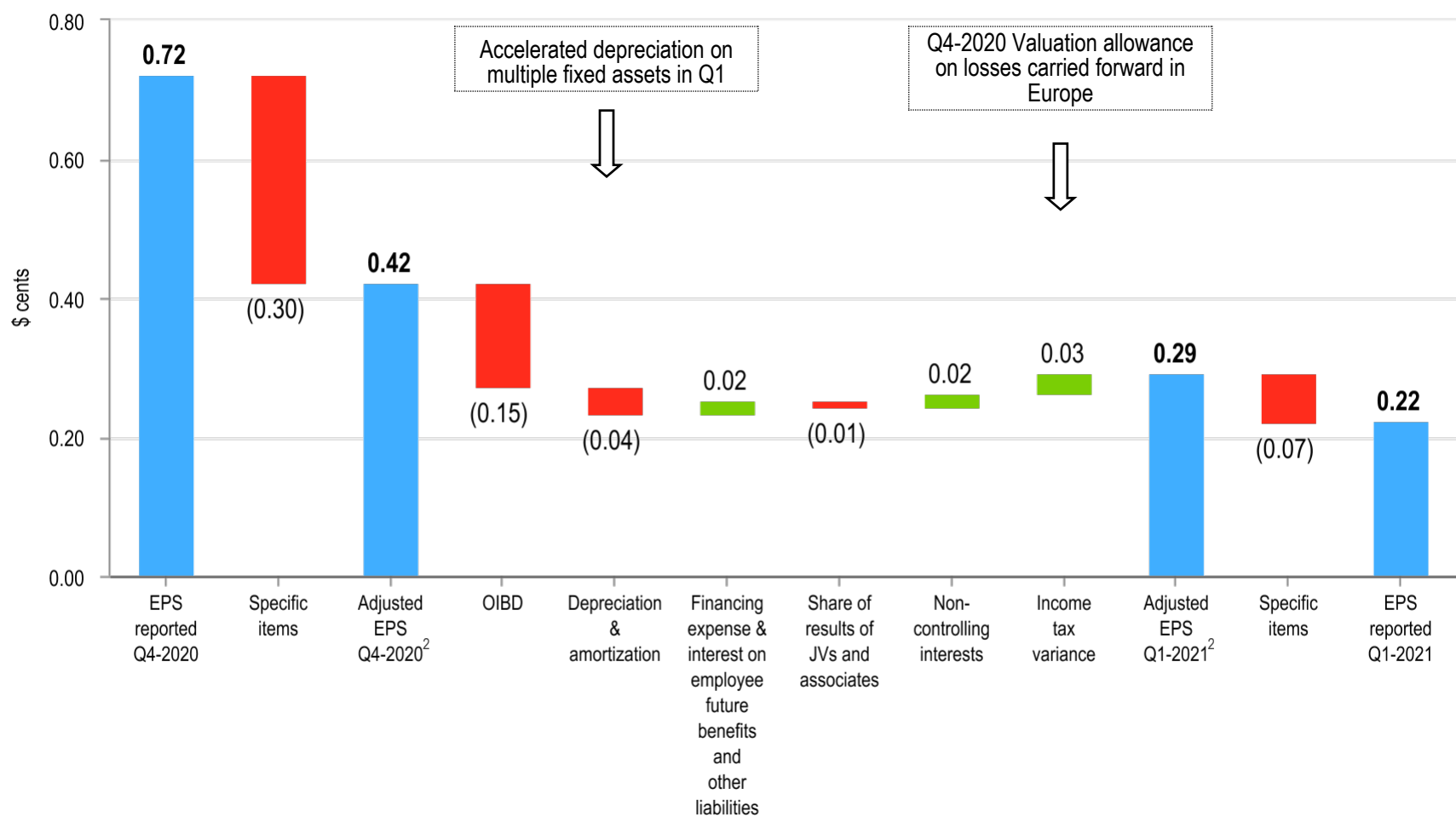


(1) After-tax variance normalized at 26% tax rate, except for Income tax variance column.

(2) Please click [here](#) for supplemental information on non-IFRS measures.

(3) 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.

QUARTERLY SEQUENTIAL ADJUSTED EPS VARIANCE^{1,2,3}

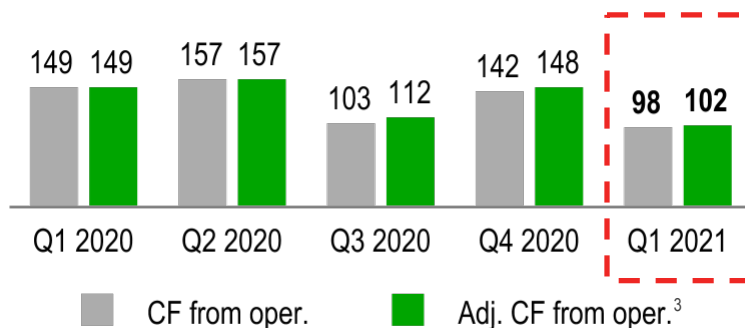


(1) After-tax variance normalized at 26% tax rate, except for Income tax variance column.

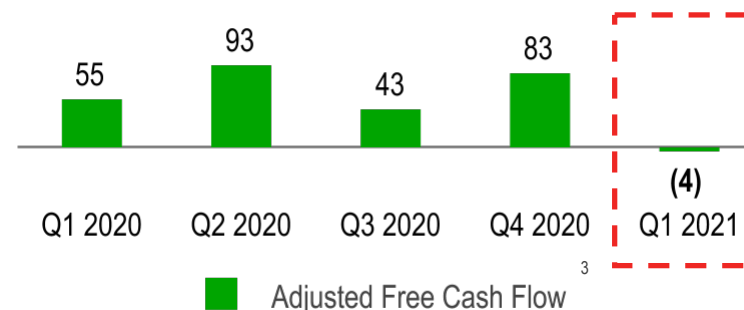
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CASH FLOW OVERVIEW



Figures above in millions of CAN\$



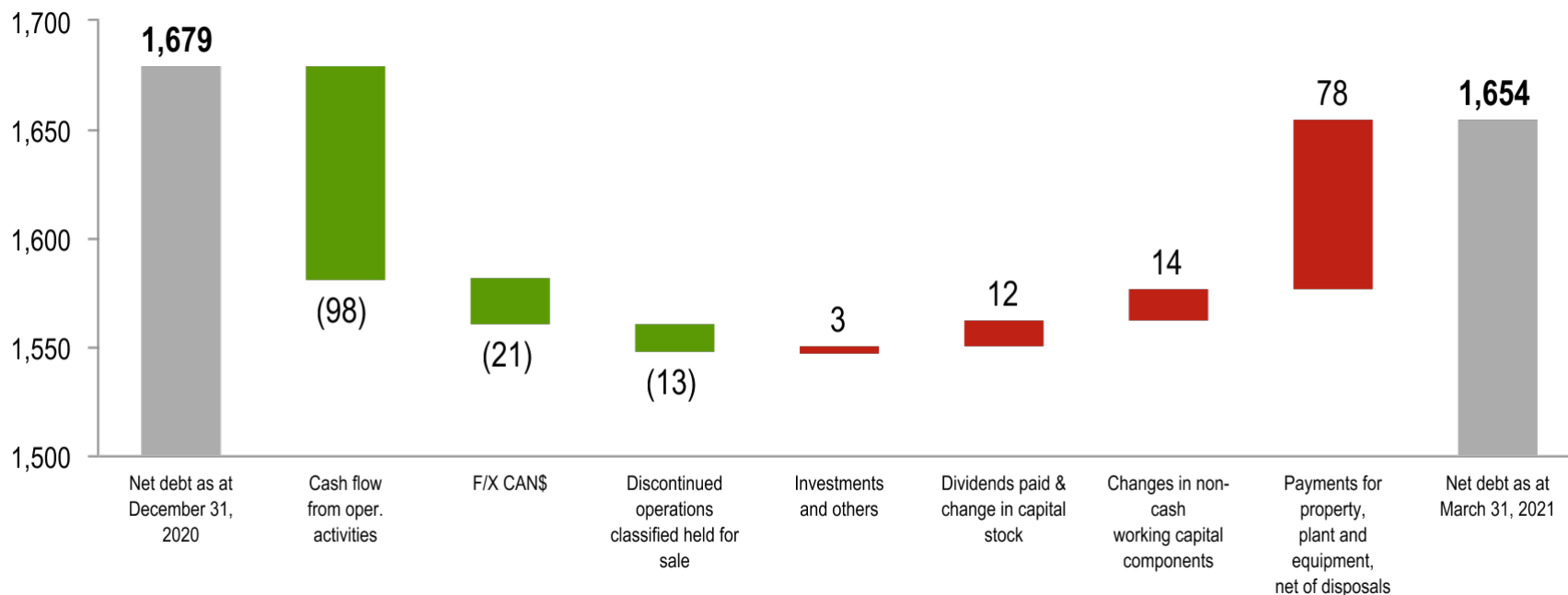
Figures above in millions of CAN\$

(In millions of CAN\$, except amount per share)					2019 ⁵					2020 ⁵	2021
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1
Cash flow from operations	80	122	102	88	392	149	157	103	142	551	98
Specific items ¹	3	1	4	16	24	—	—	9	6	15	4
Adjusted cash flow from operations ³	83	123	106	104	416	149	157	112	148	566	102
<i>Including: Net financing expense paid</i>	(43)	(16)	(42)	(32)	(133)	(17)	(7)	(49)	(6)	(79)	(41)
Capital expenditures & other assets ² , lease obligations payments, net of disposals	(75)	(63)	(56)	(80)	(274)	(84)	(50)	(58)	(53)	(245)	(94)
Dividends ⁴	(8)	(9)	(12)	(11)	(40)	(10)	(14)	(11)	(12)	(47)	(12)
Adjusted free cash flow ³	—	51	38	13	102	55	93	43	83	274	(4)
Adjusted free cash flow per share ³	—	\$0.54	\$0.40	\$0.14	\$1.09	\$0.58	\$0.98	\$0.45	\$0.83	\$2.86	(\$0.04)

The YoY and QoQ decrease in Adjusted Free Cash Flow reflect lower Cash Flow from Operations, higher CAPEX & financing payments and higher dividend payments, which negatively impacted Free Cash Flow

NET DEBT¹ RECONCILIATION - Q1 2021

(M CAN\$)



Q4-2020
\$675 million
2.5x

LTM adjusted OIBD^{1, 2}
Net debt/LTM adjusted OIBD^{1, 2}

Q1-2021
\$659 million
2.5x

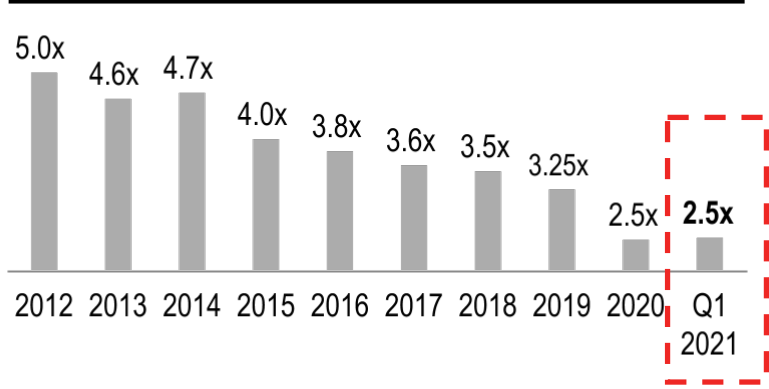
Solid Cash Flow from Operations and favourable FX more than offset higher working capital requirements, dividend payments and Capital expenditures

(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) Not adjusted for discontinued operations.

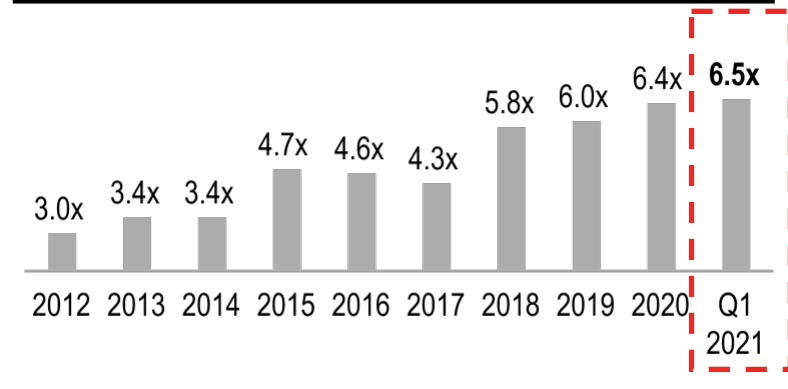


CONSOLIDATED FINANCIAL RATIOS & DEBT MATURITIES

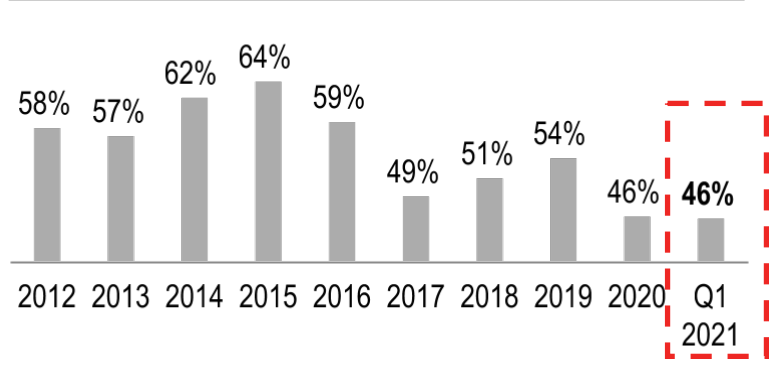
Net Debt / Adjusted OIBD^{1,3,4}



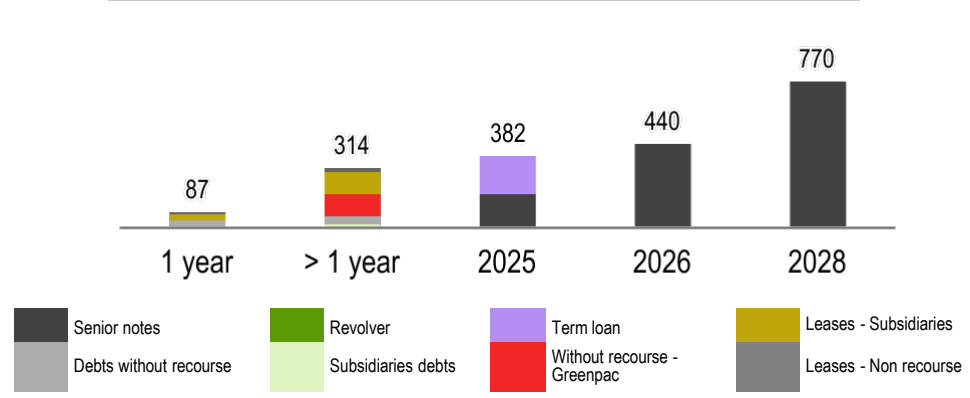
Interest Coverage Ratio^{2,3,4}



Net Debt⁴ / Net Debt⁴ + Total Equity



Long-Term Debt Maturities (as at March 31, 2021)



Leverage ratio of 2.5x at the end of Q1 2021, unchanged from the end of 2020

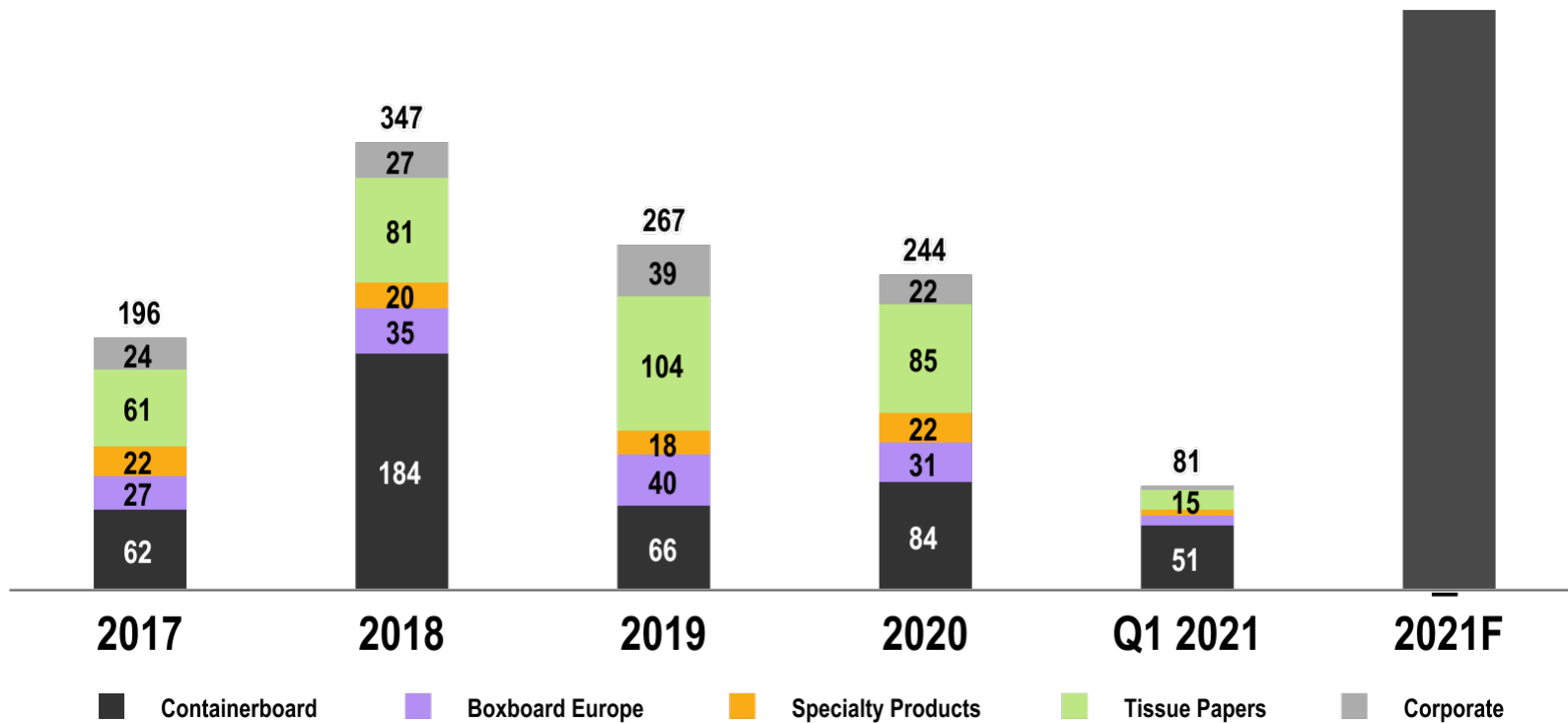
Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 46.65%), interest coverage ratio > 2.25x (currently at 5.65x).
 (1) Please click [here](#) for supplemental information on non-IFRS measures. (2) Adjusted OIBD to financing expense. (3) Pro-forma up to 2018 to include business acquisitions on a LTM basis, if applicable. (4) Not adjusted for discontinued operations.



CAPITAL INVESTMENTS²

(in millions of Canadian dollars, excluding value of leases)

2021F CAPEX: \$450 - \$475 M¹
includes ~\$250 M for Bear Island conversion

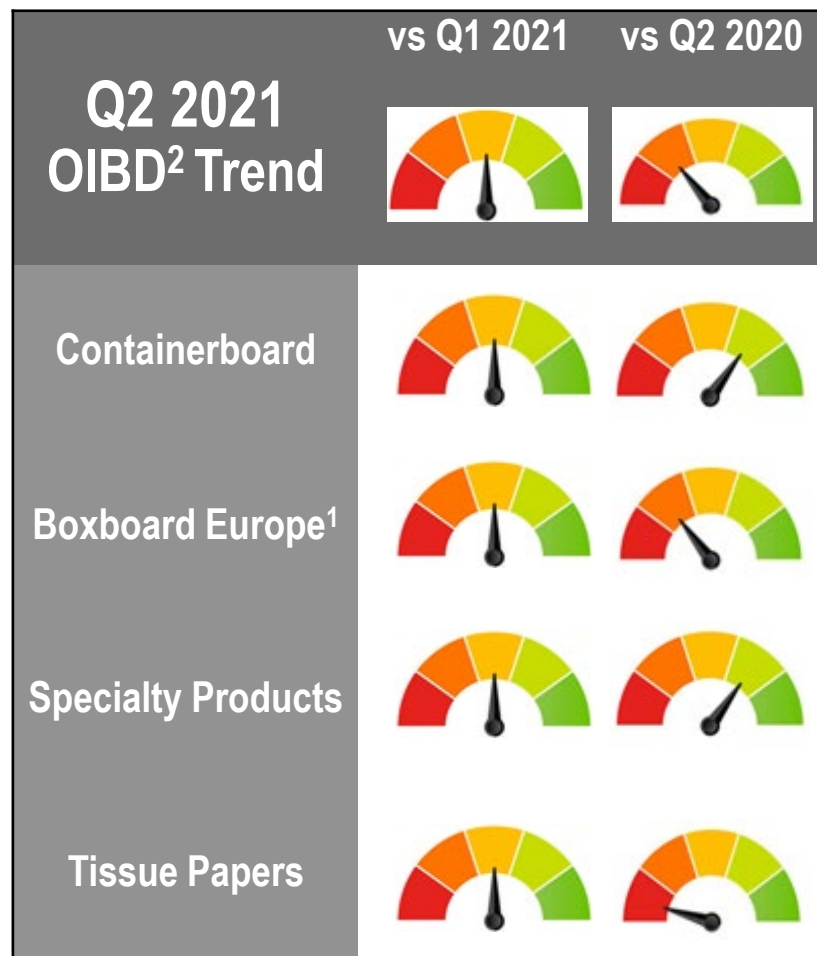


CONCLUDING REMARKS



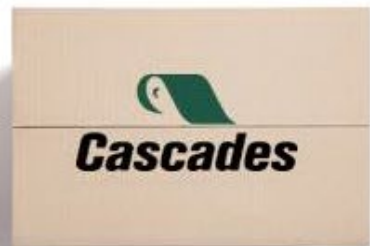


NEAR TERM FACTORS



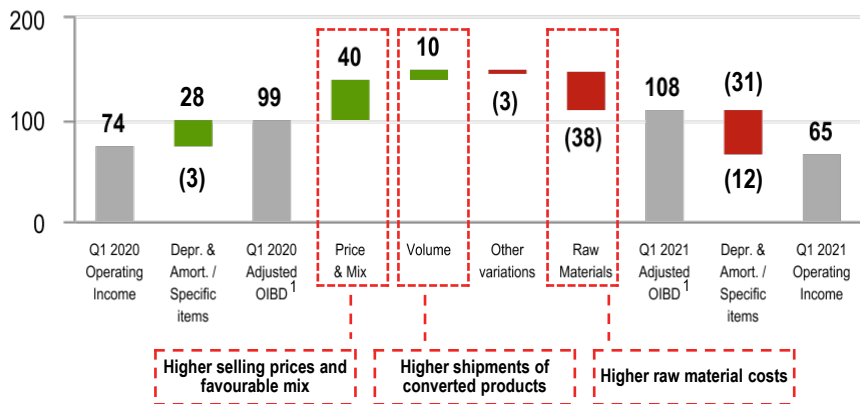
- **North American operations:** positive impact from margin improvement initiatives YoY and QoQ
- **Raw materials:** expect higher raw material prices both YoY and sequentially in Q2 for all businesses
- **Transportation:** anticipate continued upward pressure on transportation costs
- **Containerboard:** expect continued strong demand levels in addition to favourable impact on selling price QoQ and YoY as industry price increases are implemented, offset by impact of higher planned maintenance downtime
- **Boxboard Europe:** QoQ expected to benefit from pricing initiatives, helping to mitigate higher raw material costs
- **Specialty Products:** positive volume and selling price supporting YoY results
- **Tissue:** Q2 volume trends expected to remain low QoQ for both AfH and retail products; YoY volumes down following strong inventory build up by customers to meet elevated COVID-19 demand throughout 2020

APPENDIX

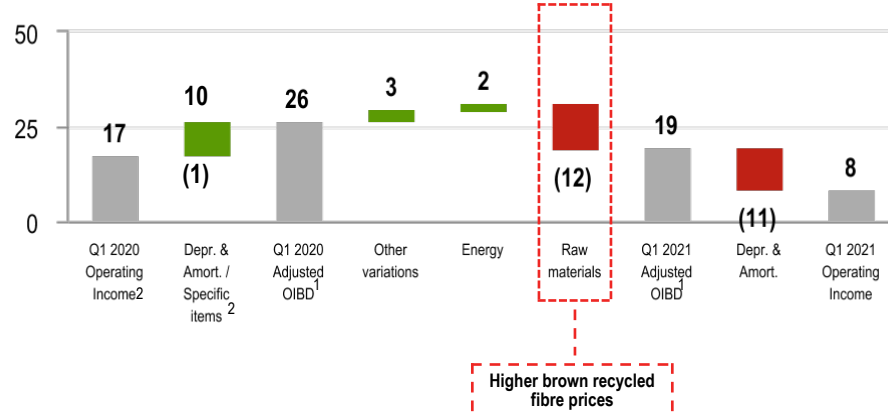


SEGMENTED YoY OPERATING INCOME WATERFALLS

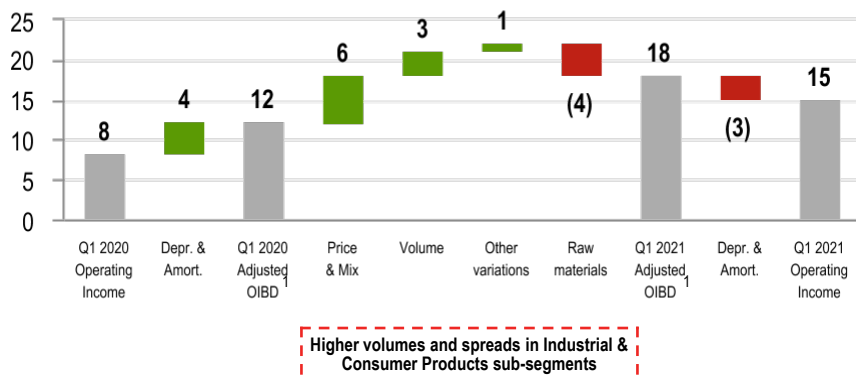
Containerboard (millions of CAN\$)



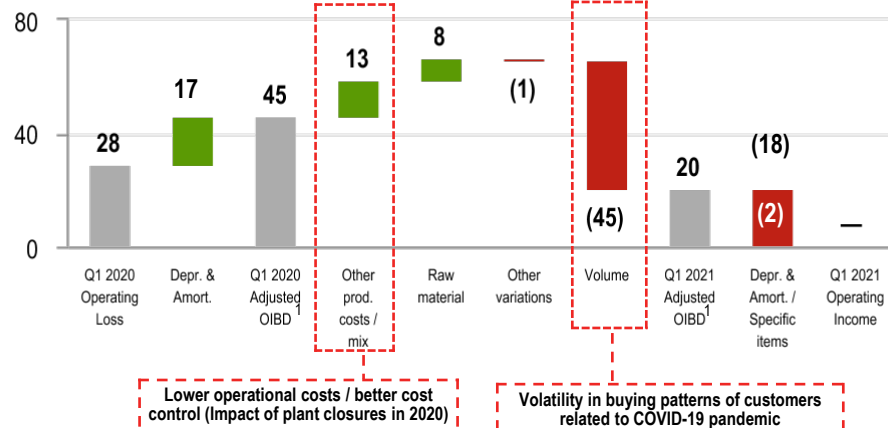
Boxboard Europe² (millions of CAN\$)



Specialty Products (millions of CAN\$)



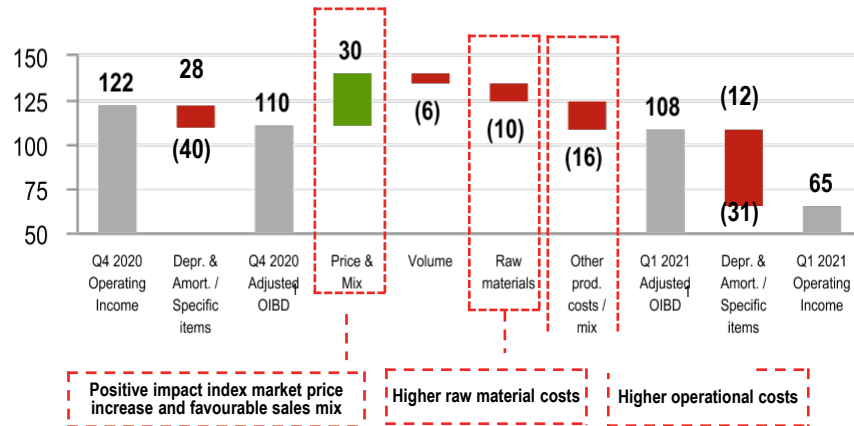
Tissue Papers (millions of CAN\$)



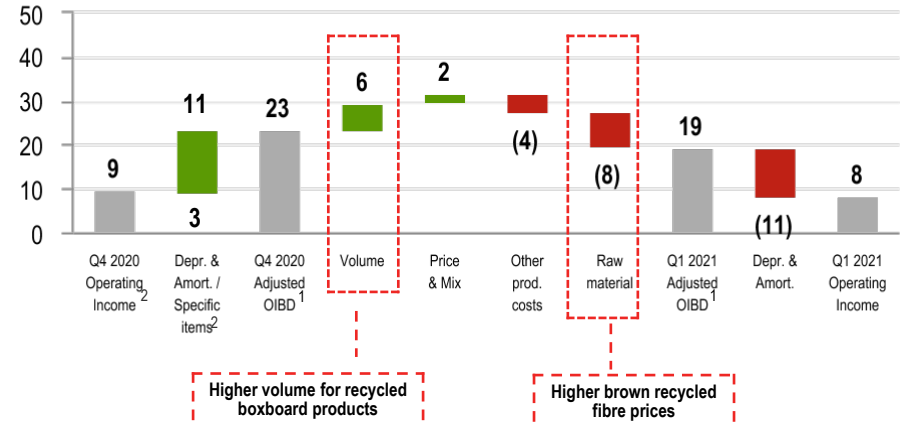
(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.

SEGMENTED SEQUENTIAL OPERATING INCOME WATERFALLS

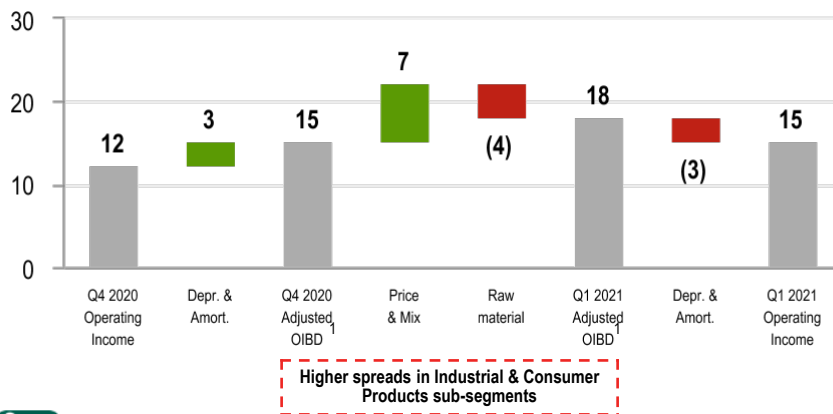
Containerboard (millions of CAN\$)



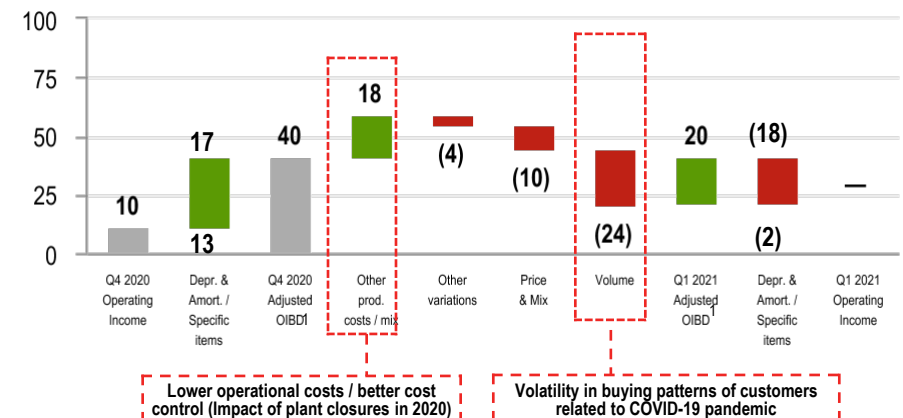
Boxboard Europe² (millions of CAN\$)



Specialty Products (millions of CAN\$)



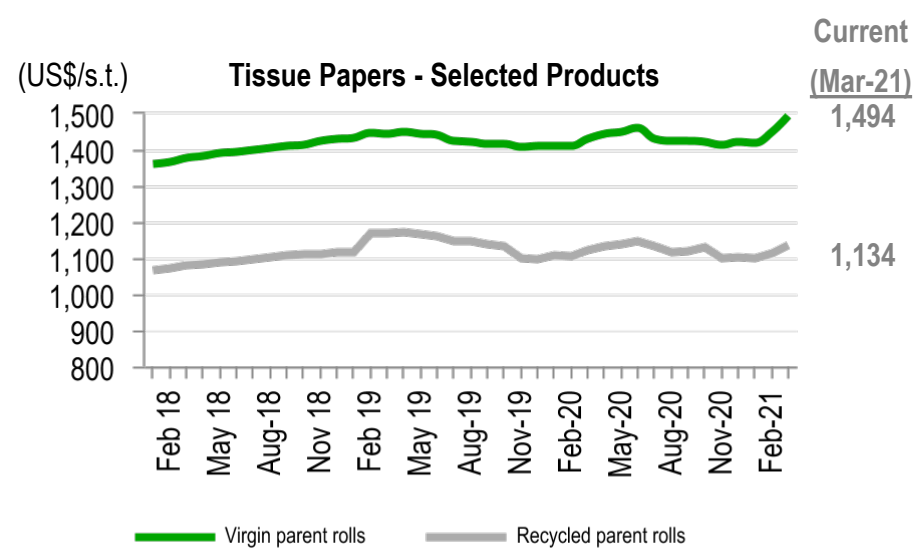
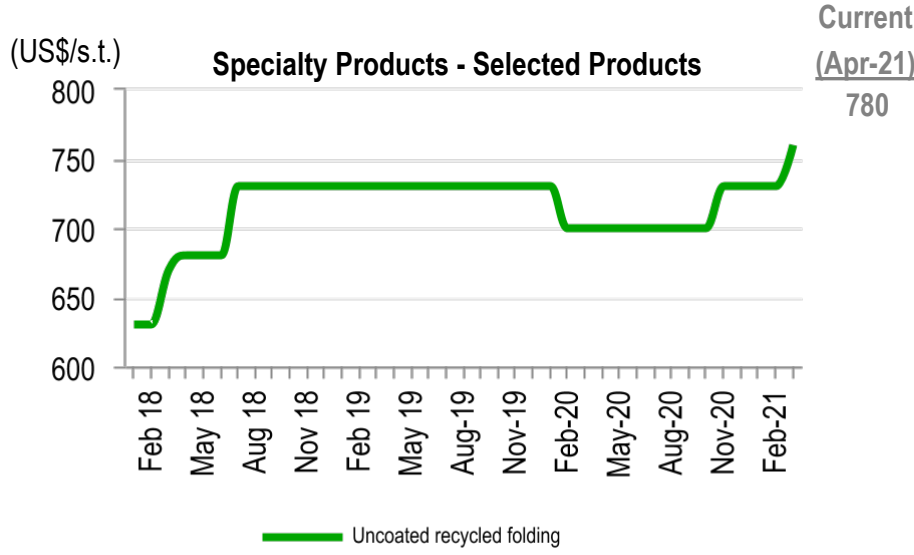
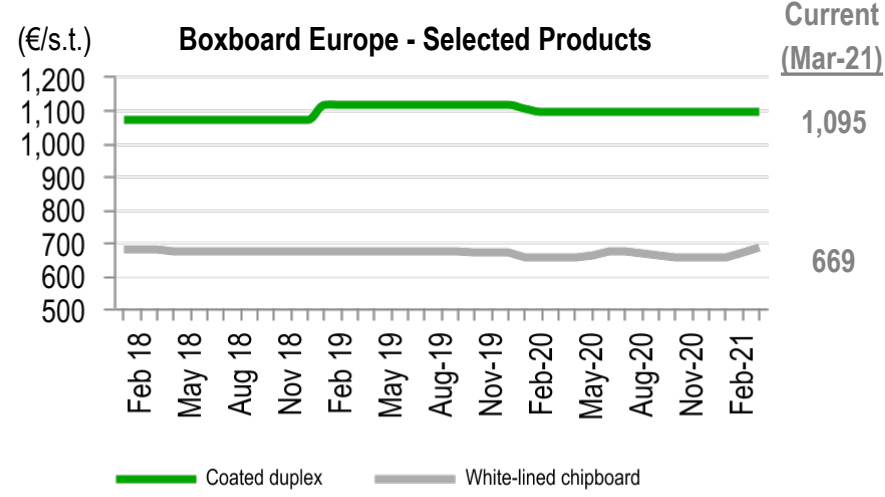
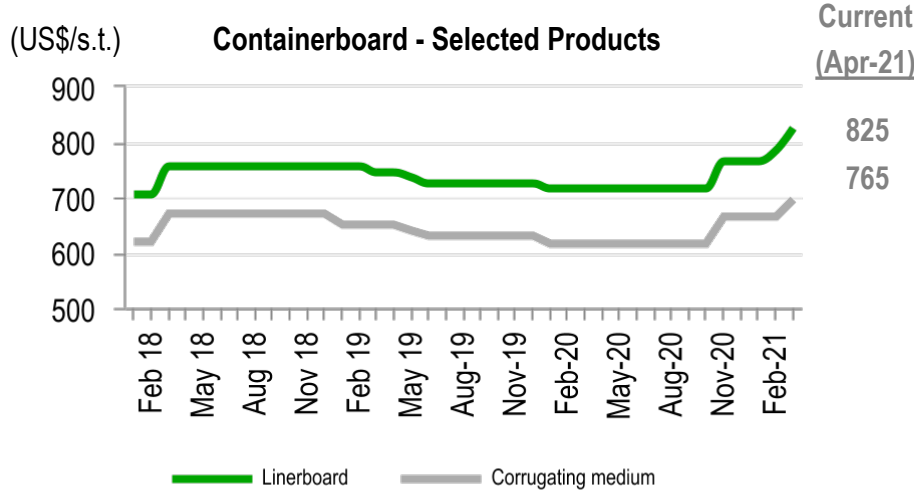
Tissue Papers (millions of CAN\$)



(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 4 of the 2021 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.



SELECTED REFERENCE PRICES



SELECTED REFERENCE PRICES AND FIBRE COSTS

	2019					2020					2021		Q1 2021 vs Q1 2020		Q1 2021 vs Q4 2020	
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	(units)	(%)	(units)	(%)	
These indexes should only be used as an indicator of trends and they may be different than our actual selling prices or purchasing costs.																
Selling prices (average)																
PACKAGING PRODUCTS																
Containerboard (US\$/short ton)																
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	752	735	725	725	734	715	715	715	748	723	772	57	8%	24	3%	
Corrugating medium 26-lb. semichemical, Eastern US (open market)	650	640	630	630	638	615	615	615	648	623	675	60	10%	27	4%	
Boxboard Europe (euro/metric ton)																
Recycled white-lined chipboard (WLC) index ¹	672	672	672	669	671	653	661	665	654	658	669	16	2%	15	2%	
Virgin coated duplex boxboard (FBB) index ²	1,117	1,117	1,117	1,115	1,117	1,099	1,096	1,095	1,095	1,096	1,091	(8)	(1)%	(4)	—	
Specialty Products (US\$/short ton)																
Uncoated recycled boxboard - 20-pt. bending chip (series B)	730	730	730	730	730	710	700	700	720	708	740	30	4%	20	3%	
TISSUE PAPERS (US\$/short ton)																
Parent rolls, recycled fibres (transaction)	1,151	1,164	1,143	1,109	1,142	1,111	1,138	1,123	1,110	1,120	1,115	4	—	5	—	
Parent rolls, virgin fibres (transaction)	1,441	1,444	1,420	1,411	1,429	1,416	1,450	1,427	1,418	1,428	1,453	37	3%	35	2%	
Raw material (average)																
RECYCLED PAPER																
North America (US\$/short ton)																
Sorted residential papers, No. 56 (SRP - Northeast average)	24	16	10	8	15	8	18	30	30	21	31	23	288%	1	3%	
Old corrugated containers, No. 11 (OCC - Northeast average)	61	40	33	30	41	36	94	58	65	63	71	35	97%	6	9%	
Sorted office papers, No. 37 (SOP - Northeast average)	183	140	101	88	128	89	160	109	80	109	94	5	6%	14	18%	
Europe (euro/metric ton)																
Recovered paper index ³	96	87	71	49	76	33	82	56	76	62	115	82	248%	39	51%	
VIRGIN PULP (US\$/metric ton)																
Northern bleached softwood kraft, Canada	1,380	1,292	1,170	1,115	1,239	1,127	1,158	1,140	1,138	1,141	1,302	175	16%	164	14%	
Bleached hardwood kraft, mixed, Canada/US	1,180	1,100	970	893	1,036	890	897	875	868	883	1,037	147	17%	169	19%	

Sources: RISI, Cascades and Reno de Medici. (1) The index is based on publication prices and represents an approximation of Cascades' recycled grades selling prices in Europe. It is weighted by country. (2) The index is based on publication prices and represents an approximation of Cascades' virgin grades selling prices in Europe. It is weighted by country. (3) The recovered paper index is based on publication prices and represents an approximation of Cascades' recovered paper purchase prices in Europe. It is weighted by country.



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For more information:

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