



NEWS RELEASE
For immediate release

KRUGER PRODUCTS CLOSES SENIOR UNSECURED NOTES FINANCING

NOT FOR DISTRIBUTION TO NEWSWIRE SERVICES IN U.S. OR FOR DISSEMINATION IN U.S.

MISSISSAUGA (ON), December 10, 2025 – KP Tissue Inc. (KPT) (TSX: KPT) announced today that Kruger Products Inc. ("KPI") has closed its previously announced offering of senior unsecured notes.

KPI issued CDN \$165 million principal amount of 6.250% Senior Unsecured Notes (the "Notes") due December 10, 2032 by way of private placement (the "Offering"). Interest on the Notes is payable semi-annually in arrears on June 10 and December 10 of each year, commencing on June 10, 2026.

A portion of the net proceeds of the Offering was used to fund the repayment in full of the borrowings outstanding under the senior credit facilities of Kruger Products SB Inc. ("KPSB"). KPI intends to use the balance of the net proceeds of the Offering for general corporate purposes. In connection with the Offering, KPI's syndicated credit agreement was amended and restated to, among other things, increase the facility amount from CDN \$230 million to CDN \$250 million, increase the accordion feature from CDN \$75 million to CDN \$100 million and add KPSB as a restricted credit party.

The offer and sale of the Notes have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "Securities Act"), or applicable state securities laws, and the Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. The Notes have not been and will not be qualified for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the Notes in Canada has been and will be made on a basis exempt from the prospectus requirements of such securities laws. This news release does not constitute an offer to sell or purchase, or a solicitation of an offer to sell or purchase, the Notes.

About KP Tissue Inc.

KPT was created to acquire, and its business is limited to holding an equity interest in KPI, which is accounted for as an investment on the equity basis. KPT currently holds a 12.1% interest in KPI. For more information visit www.kptissueinc.com.

About Kruger Products Inc.

KPI is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. KPI serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties®, White Swan® and Bonterra®. In the U.S., KPI manufactures the White Cloud® brand, as well as many private label products. The Away-From-Home division manufactures and distributes high-quality, cost-effective product solutions to a wide range of commercial and public entities. KPI has approximately 3,000 employees and operates ten FSC® COC- certified (FSC® C-104904) production facilities in North America. For more information visit <http://www.krugerproducts.ca>.

Forward Looking Information

Certain information included herein is forward looking, within the meaning of applicable Canadian securities laws. Such information is typically identified by words such as "anticipate", "believe", "could", "estimate", "expect", "plan", "intend", "forecast", "future", "guidance", "may", "predict", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes. Forward looking information in this news release includes, but is not limited to, statements regarding the intended use of proceeds of the Offering. KPT believes the expectations reflected in such forward looking information are reasonable, but no assurance can be given that these expectations will prove to be correct, and such information should not be unduly relied upon.

Forward looking information is not a guarantee of future performance. By its very nature, forward looking information involves inherent assumptions, risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward looking information will not be achieved. These risks include, but are not limited to, risks associated with the ability to satisfy the closing conditions of the Offering, availability of capital and financing and general economic, market and business conditions and other risks which are discussed in the "Risk Factors" section of the KPT Annual Information Form dated March 5, 2025 available on SEDAR+ at www.sedarplus.ca. Should one or more of these risks and uncertainties materialize, or should assumptions described above prove incorrect, KPT's

actual performance and results in future periods may differ materially from any projections of future performance or results expressed in or implied by such forward looking information. We caution readers not to place undue reliance on such information as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in such forward looking information.

Forward looking information contained in this news release is provided for the purpose of providing information about management's goals, plans and range of expectations for the future and may not be appropriate for other purposes. Any forward looking information is made as of the date hereof and, except as required by law, KPT does not undertake any obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

INFORMATION:

François Paroyan
General Counsel and Corporate Secretary
KP Tissue Inc.
905-812-6936
francois.paroyan@krugerproducts.ca

INVESTORS:

Doris Grbic
Director, Investor Relations
KP Tissue Inc.
437-882-2596
ir@krugerproducts.ca