



PRESS RELEASE
For immediate release

Kruger Products exploring advancing construction of new tissue plant

Mississauga, Ontario, December 5, 2024 – Kruger Products Inc. (“Kruger Products”), a company in which KP Tissue Inc. (TSX: KPT) holds an equity interest, announced today that, after successfully starting-up its new tissue plant in Sherbrooke, Quebec, it is evaluating advancing the construction of its next tissue plant in response to increased market competition in the fast-growing ultra-premium segment. This proposed new plant would contain a state-of-the-art Through-Air-Dry paper machine along with three converting lines. The result of the evaluation is expected to be announced in early 2025.

This decision is being made in support of the Company’s continued focus on growing its business, protecting market share, and continuing to offer high quality tissue products to customers across North America.

About Kruger Products Inc. (Kruger Products)

Kruger Products is Canada’s leading manufacturer of quality tissue products for household, industrial and commercial use. Kruger Products serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties®, White Swan® and Bonterra®. In the U.S., Kruger Products manufactures the White Cloud® brand, as well as many private label products. Kruger Products has approximately 2,800 employees and operates ten FSC® COC-certified (FSC® C-104904) production facilities in North America. For more information visit www.krugerproducts.ca.

About KP Tissue Inc. (KPT)

KPT was created to acquire, and its business is limited to holding, a limited equity interest in Kruger Products, which is accounted for as an investment on the equity basis. KPT currently holds a 12.6% interest in Kruger Products. For more information visit www.kptissueinc.com.

Forward Looking Statements

Certain statements in this press release about KPT’s and Kruger Products’ current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking statements in this press release may include, but are not limited to, statements regarding Kruger Products’ intention to construct a new tissue plant and its potential benefits.

The forward-looking statements in this press release are based on several assumptions, including regarding the availability of financing for a new tissue plant on acceptable terms. Although KPT and Kruger Products believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking statements since no assurance can be given that such expectations and assumptions will prove to be correct.

Many factors could cause Kruger Products’ actual results, level of activity, performance or achievements or future events or developments, to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the “Risk Factors – Risks Related to Kruger Products’ Business” section of the KPT Annual Information Form dated March 7, 2024 available on SEDAR+ at www.sedarplus.ca: Kruger Inc.’s influence over Kruger Products; Kruger Products’ reliance on Kruger Inc.; consequences of an event of insolvency relating to Kruger Inc.; risks associated with the ownership of the TAD Sherbrooke Project; risks associated with the operation of the TAD Sherbrooke Project; risks associated with the Sherbrooke Expansion Project; operational risks; significant increases in input costs; reduction in supply of fibre; increased pricing pressure and intense competition; Kruger Products’ inability to innovate effectively; adverse economic conditions; dependence on key retail trade customers; damage to the reputation of Kruger Products or Kruger Products’ brands; Kruger Products’ sales being less than anticipated; Kruger Products’ failure to implement its business and operating strategies; Kruger Products’ obligation to make regular capital expenditures; Kruger Products entering into unsuccessful acquisitions; Kruger Products’ dependence on key personnel; Kruger Products’ inability to retain its existing customers or obtain new customers; Kruger Products’ loss of key suppliers; Kruger Products’ failure to adequately protect its intellectual property rights; Kruger Products’ reliance on third party intellectual property licenses; adverse litigation and other claims affecting Kruger Products; material expenditures due to comprehensive environmental regulation affecting Kruger Products’ cash flow; Kruger Products’ pension obligations are significant and can be materially higher than predicted if Kruger Products Management’s underlying assumptions are incorrect; labour disputes adversely affecting Kruger Products’ cost structure and Kruger Products’ ability to run its plants; exchange rate and U.S. competitors; Kruger Products’ inability to service all of its indebtedness; exposure to potential consumer product liability; covenant compliance; interest rate and refinancing risk;

and risks relating to information technology; cyber-security; insurance; internal controls; and trade. Readers should not place undue reliance on forward-looking statements made herein. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information contained herein is made as of the date of press release and KPT undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

INFORMATION

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