NEWS RELEASE
For immediate release

KP Tissue Releases Third Quarter 2026 Financial Results

Maintaining profitable growth despite uncertain economic outlook

Mississauga (ON), November 11, 2026 - KP Tissue Inc. (KPT) (TSX: KPT) reports the Q3 2026 financial and operational results of KPT and Kruger Products Inc. (Kruger Products). Kruger Products is Canada's leading manufacturer of quality tissue products for the Consumer market (Cashmere®, Purex®, SpongeTowels®, Scotties®, White Swan® and Bonterra®) and the Away-From-Home (AFH) market and continues to grow in the U.S. Consumer tissue business with the White Cloud® brand and premium private label products. KPT currently holds a 12.0% interest in Kruger Products.

Kruger Products Q3 2026 Business and Financial Highlights

- Revenue was $589.7 million in Q3 2026 compared to $561.1 million in Q3 2025, an increase of $28.6 million or 5.1%.
- Adjusted EBITDA[1] was $93.5 million in Q3 2026 compared to $85.7 million in Q3 2025, an increase of 9.1%.
- Net income was $27.7 million in Q3 2026 compared to $14.6 million in Q3 2025, an increase of $13.1 million.
- Declared a quarterly dividend of $0.21 per share to be paid on January 15, 2027.

“Our continued strong execution in the third quarter of 2026 has led us to deliver more than three consecutive years of profitable growth,” stated Kruger Products’ and KP Tissue’s Chief Executive Officer, Dino Bianco. “Revenue and Adjusted EBITDA[1] increased 5.1% and 9.1%, respectively, year-over-year despite an ongoing uncertain economic environment. We are particularly pleased with our robust sales growth in the U.S. In Canada, sales also grew in the third quarter, as we continued to invest in our brands. We remain focused on executing our share recovery plan which should deliver improving shares.”

“Looking ahead, we expect to navigate escalating input costs and increased inflationary pressure. Among the cost mitigation measures under consideration are productivity initiatives and pricing adjustments. We continue to make progress on our new TAD facility project, however, a final location decision will be deferred until there is greater certainty in the economic and trade environment. Accordingly, we anticipate that the new TAD facility will be delayed and not commence operations in 2028,” Mr. Bianco added.

Outlook for Q4 2026

Assuming a similar tariff environment, we expect Q4 2026 Adjusted EBITDA[1] to be slightly below Q3 2026, while remaining above the same quarter last year.

Kruger Products Q3 2026 Financial Results

Revenue was $589.7 million in Q3 2026 compared to $561.1 million in Q3 2025, an increase of $28.6 million or 5.1%. The increase in revenue was primarily due to higher sales volume in the Consumer segment along with favourable selling prices in the Consumer U.S. business.

Cost of sales was $481.1 million in Q3 2026 compared to $460.0 million in Q3 2025, an increase of $21.1 million or 4.6%. The increase in cost of sales was primarily due to increased sales volumes, additional manufacturing overhead spend to invest in our sites as well as the unfavourable impact of foreign exchange fluctuations on U.S. dollar costs compared to the year ago quarter, partially offset by lower pulp costs. Freight rates increased due to higher diesel prices and carrier capacity constraints, while warehousing costs increased compared to Q3 2025 primarily as a result of handling costs related to higher sales volume. As a percentage of revenue, cost of sales was 81.6% in Q3 2026 compared to 82.0% in Q3 2025.

[1] Adjusted EBITDA is a non-GAAP financial measure. Refer to the *Non-GAAP Financial Measures* section of this press release for more information on these measures.

Selling, general and administrative (SG&A) expenses were $48.8 million in Q3 2026 compared to $47.9 million in Q3 2025, an increase of $0.9 million or 1.9%. The increase was primarily due to additional investment in IT, foreign exchange losses compared to gains in the prior year and higher compensation costs. This was partially offset by lower advertising and promotion spend compared to the year ago quarter. As a percentage of revenue, SG&A expenses were 8.3% in Q3 2026 compared to 8.5% in Q3 2025.

Adjusted EBITDA[1] was $93.5 million in Q3 2026 compared to $85.7 million in Q3 2025, an increase of $7.8 million or 9.1%. The increase was primarily due to higher sales volumes and selling prices along with favourable pulp costs, partially offset by higher freight rates, manufacturing overhead spend and warehousing costs.

Net income was $27.7 million in Q3 2026 compared to $14.6 million in Q3 2025. This was primarily due to higher Adjusted EBITDA[1], foreign exchange gain and lower interest expense. This was partially offset by higher income tax expense, higher depreciation and amortization, and higher income from non-controlling interest.

Kruger Products Q3 2026 Liquidity
Total liquidity, representing cash and availability under the revolving credit agreements, was $434.2 million as of September 30, 2026.

KPT Q3 2026 Financial Results
KPT had net income of $3.1 million in Q3 2026. Included in net income was $3.3 million representing KPT's share of Kruger Products' net income, a dilution gain of $0.1 million and depreciation expense of $0.3 million related to adjustments to carrying amounts on acquisition.

Dividends on Common Shares
The Board of Directors of KPT declared a quarterly dividend of $0.21 per share to be paid on January 15, 2027 to shareholders of record at the close of business on December 31, 2026.

Additional Information
For additional information please refer to Management's Discussion and Analysis (MD&A) of KPT and Kruger Products for the third quarter ended September 30, 2026 available on SEDAR+ at www.sedarplus.ca or our website at www.kptissueinc.com.

Third Quarter Results Conference Call Information
KPT will hold its third quarter conference call on Wednesday, November 11, 2026 at 8:30 a.m. Eastern Time.
Via telephone: 1-888-699-1199 or 416-945-7677
Via internet: www.kptissueinc.com

Presentation material referenced during the conference call will be available at www.kptissueinc.com.

A rebroadcast of the conference call will be available until midnight, November 18, 2026, by dialing 1-888-660-6345 or 289-819 1450 and entering passcode 13547.

The replay of the webcast will remain available on the website until midnight, November 18, 2026.

About KP Tissue Inc.
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 12.0% interest in Kruger Products. For more information visit www.kptissueinc.com.

[1] Adjusted EBITDA is a non-GAAP financial measure. Refer to the *Non-GAAP Financial Measures* section of this press release for more information on these measures.

About Kruger Products Inc.

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. The Away-From-Home division manufactures and distributes high-quality, cost-effective product solutions to a wide range of commercial and public entities. Kruger Products has approximately 3,000 employees and operates ten FSC® COC-certified (FSC® C-104904) production facilities in North America. For more information visit www.krugerproducts.ca.

Non-GAAP Financial Measures

This press release uses certain non-GAAP financial measures which Kruger Products believes provide useful information to management of Kruger Products and the readers of the financial information in measuring the financial performance and financial condition of Kruger Products. These measures do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similarly titled measures presented by other companies. An example of such a measure is Adjusted EBITDA. Adjusted EBITDA is not a measurement of operating performance computed in accordance with GAAP and should not be considered as a substitute for operating income, net income or cash flows from operating activities computed in accordance with GAAP. “Adjusted EBITDA” is calculated by Kruger Products as net income (loss) before (i) interest expense and other finance costs, (ii) income taxes, (iii) depreciation, (iv) amortization, (v) loss on sale of non-financial assets, (vi) loss (gain) on disposal of property, plant and equipment, (vii) foreign exchange loss (gain), (viii) costs related to restructuring activities and (ix) other (income) expense. A reconciliation of Adjusted EBITDA to the relevant reported results can be found in the Segment and Geographic Results table of this press release.

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. Forward-looking statements in this press release include, but are not limited to, items such as plans to build a new TAD tissue plant and its expected annual production capacity, expected date for starting production, the expected financing structure of the project and certain anticipated benefits of the project. 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. The forward-looking statements are based on certain key expectations and assumptions made by KPT or Kruger Products, in respect of the plans to build a new TAD tissue plant, and obtaining financing on acceptable terms for the project. 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.

The outlook provided in respect of Adjusted EBITDA[1] for Q4 2026 is forward-looking information and is based on the assumptions and subject to the risk and uncertainties referred to below. The purpose of the outlook is to provide the reader with an indication of management’s expectations, at the date of this press release, regarding Kruger Products’ future financial performance. Readers are cautioned that this information may not be appropriate for other purposes.

Many factors could cause Kruger Products’ actual results, level of activity, performance or achievements or future events or developments (which could in turn affect the economic benefits derived from KPT’s economic interest in Kruger Products) 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 February 18, 2026 available on SEDAR+ at www.sedarplus.ca (the Annual Information Form): 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; 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’

[1] Adjusted EBITDA is a non-GAAP financial measure. Refer to the *Non-GAAP Financial Measures* section of this press release for more information on these measures.

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; information technology; cyber-security; insurance; internal controls; trade related and tax.

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

INVESTORS:
Doris Grbic
Senior Director, Investor Relations
KP Tissue Inc.
437-882-2596
IR@krugerproducts.ca

[1] Adjusted EBITDA is a non-GAAP financial measure. Refer to the *Non-GAAP Financial Measures* section of this press release for more information on these measures.

Kruger Products Inc.
Unaudited Condensed Consolidated Statements of Financial Position
(thousands of Canadian dollars)

	September 30, 2026	December 31, 2025
	$	$
Assets		
Current assets		
Cash and cash equivalents	176,407	196,094
Restricted cash	30,150	46,070
Trade and other receivables	165,728	143,313
Receivables from related parties	143	79
Inventories	332,643	284,183
Income tax recoverable	7,271	2,963
Prepaid expenses	12,488	5,381
	724,830	678,083
Non-current assets		
Property, plant and equipment	1,421,174	1,430,206
Right-of-use assets	182,958	152,243
Other long-term assets	30,614	498
Pensions	126,158	91,118
Goodwill	152,021	152,021
Intangible assets	38,007	40,362
Deferred income tax asset	51,456	64,671
Total assets	2,727,218	2,609,202
Liabilities		
Current liabilities		
Trade and other payables	367,033	350,831
Payables to related parties	12,138	13,441
Dividends payable	15,345	14,853
Current portion of long-term debt	89,923	98,649
Current portion of lease liabilities	43,787	43,576
Current portion of long-term payable to related party	5,800	5,800
Current portion of provisions	6,884	7,283
	540,910	534,433
Non-current liabilities		
Long-term debt	1,055,242	1,074,646
Long-term lease liabilities	173,471	139,694
Long-term payable to related party	23,579	28,064
Long-term provisions	12,264	12,602
Pensions	18,161	17,745
Post-retirement benefits	46,893	48,333
Deferred income tax liability	72,043	47,140
Total liabilities	1,942,563	1,902,657
Equity		
Share capital	346,535	334,479
Contributed surplus	395,382	395,382
Deficit	(96,543)	(151,965)
Accumulated other comprehensive income	95,682	89,343
Equity attributable to Kruger Products	741,056	667,239
Non-controlling interest	43,599	39,306
Total equity	784,655	706,545
Total liabilities and equity	2,727,218	2,609,202

Kruger Products Inc.
Unaudited Condensed Consolidated Statements of Income
(thousands of Canadian dollars)

	3-month period ended September 30, 2026	3-month period ended September 30, 2025	9-month period ended September 30, 2026	9-month period ended September 30, 2025
	$	$	$	$
Revenue	589,655	561,145	1,685,193	1,643,335
Expenses				
Cost of sales	481,019	459,988	1,358,064	1,373,175
Selling, general and administrative expenses	48,823	47,906	151,113	146,277
Restructuring costs	-	29	373	3,731
Operating income	59,813	53,222	175,643	120,152
Interest expense and other finance costs	18,707	21,569	58,364	63,826
Other expense (income)	(708)	6,836	10,096	(13,448)
Income before income taxes	41,814	24,817	107,183	69,774
Current tax expense	1,207	242	2,604	2,050
Deferred tax expense	11,122	9,191	30,649	9,274
Income tax expense	12,329	9,433	33,253	11,324
Net income including non-controlling interest	29,485	15,384	73,930	58,450
Net income attributable to non-controlling interest	1,777	838	4,293	6,362
Net income attributable to Kruger Products	27,708	14,546	69,637	52,088

Kruger Products Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(thousands of Canadian dollars)

	3-month period ended September 30, 2026	3-month period ended September 30, 2025	9-month period ended September 30, 2026	9-month period ended September 30, 2025
	$	$	$	$
Cash flows from (used in) operating activities				
Net income including non-controlling interest	29,485	15,384	73,930	58,450
Items not affecting cash				
Depreciation	31,448	30,259	89,637	103,875
Amortization	2,233	2,190	5,366	6,170
Loss (gain) on sale of property, plant and equipment	1	-	1	(5)
Loss (gain) on disposal of leased assets	(3)	-	(3)	23
Fair value gain on derivative asset	(174)	-	(174)	-
Foreign exchange loss (gain)	(534)	6,836	10,270	(13,448)
Interest expense and other finance costs	18,707	21,569	58,364	63,826
Pension and post-retirement benefits	2,730	2,844	8,130	8,417
Provisions	2,108	1,930	5,294	5,859
Income tax expense	12,329	9,433	33,253	11,324
Total items not affecting cash	68,845	75,061	210,138	186,041
Net change in non-cash working capital	(11,983)	25,096	(71,042)	(29,471)
Contributions to pension and post-retirement benefit plans	712	(869)	(1,308)	(2,884)
Provisions paid	(93)	(655)	(7,230)	(4,679)
Income tax payments, net	(497)	(681)	(1,743)	(2,492)
Net cash from operating activities	86,469	113,336	202,745	204,965
Cash flows from (used in) investing activities				
Purchases of property, plant and equipment	(19,411)	(13,451)	(48,208)	(23,313)
Purchases of property, plant and equipment related to the Sherbrooke Expansion Project	(664)	(1,796)	(2,344)	(19,173)
Government assistance received	-	(31)	3,497	3,119
Investment in derivative asset	(1,027)	-	(28,875)	-
Purchase of software	(2,500)	(989)	(3,017)	(2,083)
Net cash used in investing activities	(23,602)	(16,267)	(78,947)	(41,450)
Cash flows from (used in) financing activities				
Proceeds from long-term debt	-	(22,017)	-	9,171
Repayment of long-term debt	(20,457)	(16,613)	(54,210)	(49,118)
Payment of deferred financing fees	(230)	(30)	(1,057)	(23)
Payment of lease liabilities	(11,466)	(8,738)	(31,051)	(25,475)
Change in restricted cash	(1,716)	31,680	15,920	3,730
Interest paid on long-term debt	(6,784)	(9,975)	(35,628)	(41,396)
Payment to related party	-	-	(5,800)	(5,800)
Dividends paid	(15,289)	(14,596)	(45,065)	(43,352)
Proceeds from issuing partnership units	4,016	6,461	11,997	19,147
Net cash used in financing activities	(51,926)	(33,828)	(144,894)	(133,116)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	243	583	1,409	(728)
Increase (decrease) in cash and cash equivalents during the period	11,184	63,824	(19,687)	29,671
Cash and cash equivalents - Beginning of period	165,223	85,307	196,094	119,460
Cash and cash equivalents - End of period	176,407	149,131	176,407	149,131

Kruger Products Inc.
Unaudited Segment and Geographic Results
(thousands of Canadian dollars)

	3-month period ended September 30, 2026	3-month period ended September 30, 2025	9-month period ended September 30, 2026	9-month period ended September 30, 2025
	$	$	$	$
Segment Information				
Segment Revenue				
Consumer	492,774	468,313	1,412,063	1,382,725
AFH	96,881	92,832	273,130	260,610
Revenue from external customers	589,655	561,145	1,685,193	1,643,335
Other segment items				
Consumer	404,804	390,069	1,154,850	1,159,245
AFH	87,932	82,453	249,370	238,479
Corporate and other costs	3,426	2,922	9,953	11,665
Total other segment items	496,162	475,444	1,414,173	1,409,389
Adjusted EBITDA				
Consumer	87,970	78,244	257,213	223,480
AFH	8,949	10,379	23,760	22,131
Corporate and other costs	(3,426)	(2,922)	(9,953)	(11,665)
Total Adjusted EBITDA	93,493	85,701	271,020	233,946
Reconciliation to net income (loss)				
Depreciation and amortization	33,679	32,450	95,003	110,045
Interest expense and other finance costs	18,707	21,569	58,364	63,826
Loss on disposal of property, plant and equipment	1	-	1	18
Restructuring costs, net	-	29	373	3,731
Other income	(174)	-	(174)	-
Foreign exchange loss (gain)	(534)	6,836	10,270	(13,448)
Income before income taxes	41,814	24,817	107,183	69,774
Income tax expense	12,329	9,433	33,253	11,324
Net income including non-controlling interest	29,485	15,384	73,930	58,450
Geographic Revenue				
Canada	311,069	301,360	891,933	889,217
US	278,586	259,785	793,260	754,118
Total revenue	589,655	561,145	1,685,193	1,643,335

KP Tissue Inc.

Unaudited Condensed Statements of Financial Position

(thousands of Canadian dollars)

	September 30, 2026	December 31, 2025
	$	$
Assets		
Current assets		
Dividends receivable	2,107	1,803
	2,107	1,803
Non-current assets		
Investment in associate	76,293	69,799
Total assets	78,400	71,602
Liabilities		
Current liabilities		
Dividends payable	2,107	1,803
Total liabilities	2,107	1,803
Equity		
Common shares	23,194	23,001
Contributed surplus	144,819	144,819
Deficit	(109,511)	(114,985)
Accumulated other comprehensive income	17,791	16,964
Total equity	76,293	69,799
Total liabilities and equity	78,400	71,602

KP Tissue Inc.

Unaudited Condensed Statements of Income

(thousands of Canadian dollars, except share and per share amounts)

	3-month period ended September 30, 2026	3-month period ended September 30, 2025	9-month period ended September 30, 2026	9-month period ended September 30, 2025
	$	$	$	$
Share of income	3,310	1,700	8,359	6,372
Depreciation of fair value increments	(269)	(264)	(808)	(827)
Equity income	3,041	1,436	7,551	5,545
Dilution gain	59	114	171	323
Net income	3,100	1,550	7,722	5,868
Basic and diluted earning per share	**0.31**	**0.15**	**0.77**	**0.59**
Weighted average number of shares outstanding	**10,031,675**	**10,007,057**	**10,026,643**	**10,000,087**

KP Tissue Inc.
Unaudited Statements of Cash Flows
(thousands of Canadian dollars)

	3-month period ended September 30, 2026	3-month period ended September 30, 2025	9-month period ended September 30, 2026	9-month period ended September 30, 2025
	$	$	$	$
Cash flows from (used in) operating activities				
Net income	3,100	1,550	7,722	5,868
Items not affecting cash				
Equity income	(3,041)	(1,436)	(7,551)	(5,545)
Dilution gain	(59)	(114)	(171)	(323)
Total items not affecting cash	(3,100)	(1,550)	(7,722)	(5,868)
Net cash from operating activities	-	-	-	-
Cash flows from (used in) investing activities				
Dividends received, net	2,046	1,739	5,522	5,229
Net cash from investing activities	2,046	1,739	5,522	5,229
Cash flows from (used in) financing activities				
Dividends paid, net	(2,046)	(1,739)	(5,522)	(5,229)
Net cash used in financing activities	(2,046)	(1,739)	(5,522)	(5,229)
Increase in cash and cash equivalents during the period	-	-	-	-
Cash and cash equivalents - Beginning of period	-	-	-	-
Cash and cash equivalents - End of period	-	-	-	-