



NEWS RELEASE
For immediate release

KP Tissue Releases Third Quarter 2019 Financial Results
Strong Growth with Continued Focus on Fundamentals

Mississauga (ON), November 7, 2019 - KP Tissue Inc. (KPT) (TSX: KPT) reports the Q3 2019 financial and operational results of KPT and Kruger Products L.P. (KPLP). Kruger Products is Canada's leading manufacturer of quality tissue products for the Consumer market (Cashmere, Purex, SpongeTowels, Scotties, and White Swan) and the Away-From-Home 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 15.2% interest in KPLP.

KPLP Q3 2019 Business and Financial Highlights

- Revenue increased by 6.0% to \$369.4 million in Q3 2019 compared to Q3 2018
- Adjusted EBITDA increased sequentially by 39.8% to \$44.0 million from \$31.5 million in Q2 2019, and increased by 35.3% from \$32.5 million in Q3 2018
- TAD Sherbrooke facility progressing on time and on budget
- Amended Senior Credit Facility to increase overall borrowing capacity by \$50 million
- Declared a quarterly dividend of \$0.18 per share to be paid on January 15, 2020

"We are very pleased by our Adjusted EBITDA of \$44 million for the third quarter, representing an increase of over 35% compared to the prior year. This solid performance reflects pricing across all business segments, higher sales volumes, and the benefits from our Operational Excellence (OpEx) program, all within a more favourable cost environment," indicated Dino Bianco, KP Tissue CEO.

"As expected, the Away-From-Home ("AFH") segment continued its trend of quarterly sequential improvements, while the Consumer segment was quite strong in both Canada and the U.S., with improved gross margins. The TAD Sherbrooke facility is on track as planned.

"While we did benefit from favourable input costs in the third quarter and we anticipate a similar dynamic for the fourth quarter, the trend in input costs could reverse itself in upcoming quarters. As we complete fiscal 2019 and think about 2020, we remain focused on building our brands, executing the OpEx program and AFH turnaround and completing the TAD Sherbrooke facility," concluded Mr. Bianco.

Outlook

KPLP expects Adjusted EBITDA for Q4 2019 to be in the range of Q3 2019, and significantly higher than Q4 2018.

KPLP Q3 2019 Financial Results

Revenue was \$369.4 million in Q3 2019 compared to \$348.6 million in Q3 2018, an increase of \$20.8 million or 6.0%. The increase in revenue was primarily due to the benefit of pricing across all business segments in 2019 and higher sales volumes.

Cost of sales was \$317.0 million in Q3 2019 compared to \$311.4 million in Q3 2018, an increase of \$5.6 million or 1.9%. Manufacturing costs increased primarily due to higher sales volume, the cost of outsourced manufacturing and higher maintenance spending, while lower pulp costs and the operational transformation initiatives had a favourable impact in the quarter. Freight costs decreased primarily due to lower carrier rates, particularly in the U.S. while warehousing costs increased compared to Q3 2018. As a percentage of revenue, cost of sales were 85.8% in Q3 2019 compared to 89.3% in Q3 2018.

Selling, general and administrative (SG&A) expenses were \$25.8 million in Q3 2019 compared to \$20.6 million in Q3 2018, an increase of \$5.2 million or 25.3%. The increase was primarily due to increased compensation related costs compared to Q3 2018, and higher advertising and promotion expenses. As a percentage of revenue, SG&A expenses were 7.0% in Q3 2019 compared to 5.9% in Q3 2018.

Adjusted EBITDA was \$44.0 million in Q3 2019 compared to \$32.5 million in Q3 2018, an increase of \$11.5 million. The higher Adjusted EBITDA resulted from the positive impact of pricing across all business segments, lower pulp costs and higher sales volumes along with the benefit from operational transformation initiatives, partially offset by unfavourable sales mix, the cost of outsourced manufacturing and maintenance costs, and higher SG&A costs.

Net income was \$10.5 million in Q3 2019 compared to \$4.2 million in Q3 2018, an increase of \$6.3 million. The increase was primarily due to higher Adjusted EBITDA of \$11.5 million as discussed above and a decrease in interest expense of \$2.1 million, partially offset by restructuring costs of \$1.6 million, an unfavourable change in amortized cost of Partnership units liability of \$1.5 million, higher income tax expense of \$1.2 million, and an unfavourable foreign exchange difference of \$1.0 million.

KPLP Q3 2019 Financing Activity

On September 19, 2019, KPLP entered into a second supplemental credit agreement to the sixth amended and restated credit agreement related to its revolving credit facility (the Senior Credit Facility). The maturity date of the Senior Credit Facility was amended to September 19, 2023. The Senior Credit Facility was increased to \$250.0 million from \$200.0 million and the covenants were amended to allow more flexibility. In connection with these amendments, Kruger Inc. has agreed to increase its participation in the dividend reinvestment plan (DRIP) from 75% to 100% until December 31, 2020.

Total liquidity, representing cash and cash equivalents and availability under the credit line, was \$186.4 million as of September 30, 2019, compared to \$115.5 million as of June 30, 2019. The September 30, 2019 balance includes \$32.2 million of cash and cash equivalents committed to the TAD Sherbrooke Project.

KPLP has concluded a new land lease for its Gatineau tissue plant that commences in March 2028 and permits KPLP to secure the site until March 2053.

KPT Q3 2019 Financial Results

KPT had a net loss of \$0.4 million in Q3 2019. Included in the net loss was \$1.6 million representing KPT's share of KPLP's net income, depreciation expense of \$1.4 million related to adjustments to carrying amounts on acquisition and an income tax expense of \$0.7 million.

Dividends on Common Shares

The Board of Directors of KPT declared a quarterly dividend of \$0.18 per share to be paid on January 15, 2020 to shareholders of record at the close of business on December 31, 2019.

Additional Information

For additional information please refer to Management's Discussion and Analysis (MD&A) of KPT and KPLP for the third quarter ended September 30, 2019 available on SEDAR at www.sedar.com or our website at www.kptissueinc.com.

Third Quarter Results Conference Call Information

KPT will hold its third quarter conference call on Thursday, November 7, 2019 at 8:30 a.m. Eastern Time.

Via telephone: 1-877-223-4471 or 647-788-4922

Via the internet at: 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 14, 2019 by dialing 1-800-585-8367 or 416-621-4642 and entering passcode 5499897.

The replay of the webcast will remain available on the website until midnight, November 14, 2019.

About KP Tissue Inc. (KPT)

KPT was created to acquire, and its business is limited to holding, a limited partnership interest in KPLP, which is accounted for as an investment on the equity basis. KPT currently holds a 15.2% interest in KPLP. For more information visit www.kptissueinc.com.

About Kruger Products L.P. (KPLP)

KPLP is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. KPLP serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties® and White Swan®. In the U.S., KPLP 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. KPLP has approximately 2,500 employees and operates eight FSC® COC-certified (FSC® C-104904) production facilities in North America. For more information visit www.krugerproducts.ca.

Non-IFRS Measures

This press release uses certain non-IFRS financial measures which KPLP believes provide useful information to management of KPLP and the readers of the financial information in measuring the financial performance and financial condition of KPLP. These measures do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other companies. An example of such a measure is Adjusted EBITDA. Beginning with Q4 2015 in accordance with Canadian Securities Administrators Staff Notice 52-306 (Revised), we have referenced Adjusted EBITDA as a non-IFRS financial measure. This term replaces the previously referenced non-IFRS financial measure EBITDA. Adjusted EBITDA is not a measurement of operating performance computed in accordance with IFRS and should not be considered as a substitute for operating income, net income or cash flows from operating activities computed in accordance with IFRS. "Adjusted EBITDA" is calculated by KPLP as net income (loss) before (i) interest expense, (ii) income taxes, (iii) depreciation, (iv) amortization, (v) impairment (gain 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, (ix) changes in amortized cost of Partnership units liability, (x) change in fair value of derivatives, (xi) one-time consulting costs related to operational transformation initiatives, (xii) mergers and acquisitions (M&A) related costs and (xiii) loss (gain) on sale of shares. A reconciliation of Adjusted EBITDA to the relevant reported results can be found in the MD&A of KPT and KPLP for the third quarter ended September 30, 2019 available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements in this press release about KPT's and KPLP's 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, statements regarding the projected capacity of the TAD Sherbrooke Project, the anticipated benefits of the TAD Sherbrooke Project and the expected dates for commencement of construction and production of the TAD Sherbrooke 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 KPLP. Although KPT and KPLP 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 for Q4 2019 is forward-looking information and is 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 KPLP's future financial performance. Readers are cautioned that this information may not be appropriate for other purposes.

Many factors could cause KPLP's 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 KPLP), 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 KPLP's Business" section of the KPT Annual Information Form dated March 8, 2019 available on SEDAR at www.sedar.com: Kruger Inc.'s influence over KPLP; KPLP's reliance on Kruger Inc.; consequences of an event of insolvency relating to Kruger Inc.; risks associated with the TAD Sherbrooke Project; operational risks; Gatineau Plant land lease; significant increases in input costs; reduction in supply of fibre; increased pricing pressure and intense competition; KPLP's inability to innovate effectively; adverse economic conditions; dependence on key retail trade customers; damage to the reputation of KPLP or KPLP's brands; KPLP's sales being less than anticipated; KPLP's failure to implement its business and operating strategies; KPLP's obligation to make regular capital expenditures; KPLP's entering into unsuccessful acquisitions; KPLP's dependence on key personnel; KPLP's inability to retain its existing customers or obtain new customers; KPLP's loss of key suppliers; KPLP's failure to adequately protect its intellectual property rights; KPLP's reliance on third party intellectual property licenses; adverse litigation and other

claims affecting KPLP; material expenditures due to comprehensive environmental regulation affecting KPLP's cash flow; KPLP's pension obligations are significant and can be materially higher than predicted if KPLP Management's underlying assumptions are incorrect; labour disputes adversely affecting KPLP's cost structure and KPLP's ability to run its plants; exchange rate and U.S. competitors; KPLP's 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:

Francois Paroyan
General Counsel and Corporate Secretary
KP Tissue Inc.
Tel.: 905.812.6936
francois.paroyan@krugerproducts.ca

INVESTORS:

Mike Baldesarra
Director of Investor Relations
KP Tissue Inc.
Tel.: 905.812.6962
IR@KPTissueinc.com

Kruger Products L.P.
Unaudited Condensed Consolidated Statement of Financial Position
(thousands of Canadian dollars)

	September 30, 2019	Restated December 31, 2018	Restated January 1, 2018
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents	82,407	169,884	8,837
Trade and other receivables	107,515	127,633	113,194
Receivables from related parties	-	172	85
Current portion of advances to partners	101	-	1,928
Inventories	196,410	202,916	192,394
Income tax recoverable	555	362	522
Prepaid expenses	6,025	4,065	5,509
	<u>393,013</u>	<u>505,032</u>	<u>322,469</u>
Non-current assets			
Advances to partners	-	1,704	4,489
Property, plant and equipment	861,226	786,022	761,610
Right-of-use assets	105,128	94,247	99,174
Other long-term assets	8,115	10	6,331
Goodwill	160,939	160,939	160,939
Intangible assets	15,276	14,924	15,327
Deferred income taxes	32,713	33,440	26,092
Total assets	<u><u>1,576,410</u></u>	<u><u>1,596,318</u></u>	<u><u>1,396,431</u></u>
Liabilities			
Current liabilities			
Bank indebtedness	-	-	9,051
Trade and other payables	192,775	238,856	190,698
Payables to related parties	6,840	5,620	2,596
Income tax payable	463	80	498
Distributions payable	11,195	10,723	10,382
Current portion of provisions	761	292	333
Current portion of long-term debt	9,306	13,939	190,947
Current portion of lease liabilities	16,745	16,178	15,169
	<u>238,085</u>	<u>285,688</u>	<u>419,674</u>
Non-current liabilities			
Long-term debt	587,065	563,955	225,368
Lease liabilities	109,380	98,952	104,888
Provisions	5,427	5,398	5,973
Pensions	165,269	104,939	119,558
Post-retirement benefits	61,420	54,051	60,457
Liabilities to non-unitholders	<u>1,166,646</u>	<u>1,112,983</u>	<u>935,918</u>
Current portion of Partnership units liability	6,187	-	1,928
Long-term portion of Partnership units liability	114,978	116,524	158,381
Total Partnership units liability	<u>121,165</u>	<u>116,524</u>	<u>160,309</u>
Total liabilities	<u><u>1,287,811</u></u>	<u><u>1,229,507</u></u>	<u><u>1,096,227</u></u>
Equity			
Partnership units	399,061	376,274	356,240
Deficit	(195,025)	(102,502)	(123,123)
Accumulated other comprehensive income	84,563	93,039	67,087
Total equity	<u>288,599</u>	<u>366,811</u>	<u>300,204</u>
Total equity and liabilities	<u><u>1,576,410</u></u>	<u><u>1,596,318</u></u>	<u><u>1,396,431</u></u>

Kruger Products L.P.
Unaudited Condensed Consolidated Statement of Comprehensive Income (Loss)
(thousands of Canadian dollars)

	Restated		Restated	
	3-month period ended September 30, 2019	3-month period ended September 30, 2018	9-month period ended September 30, 2019	9-month period ended September 30, 2018
	\$	\$	\$	\$
Revenue	369,358	348,590	1,086,009	1,011,098
Expenses				
Cost of sales	317,053	311,400	962,884	901,057
Selling, general and administrative expenses	25,751	20,553	73,177	63,535
(Gain) loss on sale of non-financial assets	1	1	7	(207)
Restructuring costs, net	1,549	-	1,846	1
Operating income	25,004	16,636	48,095	46,712
Interest expense	11,445	13,425	34,175	39,911
Other (income) expense	2,344	(465)	4,057	544
Income before income taxes	11,215	3,676	9,863	6,257
Income taxes	728	(545)	1,656	(1,185)
Net income for the period	10,487	4,221	8,207	7,442
Other comprehensive income (loss)				
Items that will not be reclassified to net income:				
Remeasurements of pensions	(9,718)	11,051	(60,130)	28,722
Remeasurements of post-retirement benefits	(421)	7,068	(6,752)	7,490
Items that may be subsequently reclassified to net income:				
Cumulative translation adjustment	4,037	(4,963)	(8,476)	9,947
Total other comprehensive income (loss) for the period	(6,102)	13,156	(75,358)	46,159
Comprehensive income (loss) for the period	4,385	17,377	(67,151)	53,601

Kruger Products L.P.
Unaudited Condensed Consolidated Statement of Cash Flows
(thousands of Canadian dollars)

	3-month period ended September 30, 2019 \$	Restated 3-month period ended September 30, 2018 \$	9-month period ended September 30, 2019 \$	Restated 9-month period ended September 30, 2018 \$
Cash flows from (used in) operating activities				
Net income for the period	10,487	4,221	8,207	7,442
Items not affecting cash				
Depreciation	14,637	15,537	43,533	45,783
Amortization	373	345	1,105	1,078
Loss (gain) on sale of property, plant and equipment	-	-	(5)	434
Change in amortized cost of Partnership units liability	1,547	-	4,641	716
Loss on sale of shares	586	-	586	-
Foreign exchange loss (gain)	488	(534)	(1,170)	123
Change in fair value of derivatives	(277)	69	-	(295)
Interest expense	11,445	13,425	34,175	39,911
Pension and post-retirement benefits	3,074	2,931	8,275	9,850
Provisions	2,764	25	3,437	86
Income taxes	728	(545)	1,656	(1,185)
Loss (gain) on sale of non-financial assets	1	1	7	(207)
Total items not affecting cash	35,366	31,254	96,240	96,294
Net change in non-cash working capital	11,851	6,291	(32,955)	(34,609)
Contributions to pension and post-retirement benefit plans	(4,488)	(4,169)	(11,641)	(12,308)
Provisions paid	(388)	-	(860)	(247)
Income tax payments	(817)	(514)	(2,414)	(1,863)
Net cash from operating activities	52,011	37,083	56,577	54,709
Cash flows from (used in) investing activities				
Purchases of property, plant and equipment	(6,992)	(7,551)	(19,272)	(35,869)
Purchases of property, plant and equipment related to the TAD2 project	(52,252)	-	(94,460)	-
Interest paid on credit facilities related to the TAD2 project	(754)	-	(2,207)	-
Government assistance received	-	1,171	-	1,182
Purchases of software	(123)	2	(1,457)	(1,023)
Proceeds on sale of shares	3,314	-	3,314	-
Proceeds on sale of property, plant and equipment	-	(1)	5	323
Net cash used in investing activities	(56,807)	(6,379)	(114,077)	(35,387)
Cash flows from (used in) financing activities				
Proceeds from long-term debt, net	(11,203)	(112)	23,985	195,001
Repayment of long-term debt	(2,078)	(408)	(9,364)	(127,516)
Payment of deferred financing fees	(927)	(186)	(1,280)	(4,103)
Payment of lease liabilities	(4,347)	(4,282)	(12,613)	(11,820)
Interest paid on long-term debt	(6,101)	(8,784)	(20,048)	(25,660)
Distributions and advances paid, net	(3,442)	(5,609)	(8,986)	(18,374)
Net cash from (used in) financing activities	(28,098)	(19,381)	(28,306)	7,528
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	(134)	(186)	(1,671)	293
Increase (decrease) in cash and cash equivalents during the period	(33,028)	11,137	(87,477)	27,143
Cash and cash equivalents - Beginning of period	115,435	15,792	169,884	(214)
Cash and cash equivalents - End of period	82,407	26,929	82,407	26,929

Kruger Products L.P.
Segment and Geographic Results
(thousands of Canadian dollars)

	Restated		Restated	
	3-month period ended September 30, 2019	3-month period ended September 30, 2018	9-month period ended September 30, 2019	9-month period ended September 30, 2018
	\$	\$	\$	\$
Segment Information				
Segment Revenue				
Consumer	305,033	289,162	900,881	838,562
AFH	64,325	59,428	185,128	172,536
Total segment revenue	<u>369,358</u>	<u>348,590</u>	<u>1,086,009</u>	<u>1,011,098</u>
Adjusted EBITDA				
Consumer	45,985	37,282	111,432	102,651
AFH	(1,919)	(3,496)	(11,548)	(5,622)
Corporate and other costs	(55)	(1,266)	(834)	(3,228)
Total Adjusted EBITDA	44,011	32,520	99,050	93,801
Reconciliation to Net Income				
Depreciation and amortization	15,010	15,883	44,638	46,861
Interest expense	11,445	13,425	34,175	39,911
Change in amortized cost of Partnership units liability	1,547	-	4,641	716
Change in fair value of derivatives	(277)	69	-	(295)
(Gain) loss on sale of property, plant and equipment	-	-	(5)	434
(Gain) loss on sale of non-financial assets	1	1	7	(207)
Loss on sale of shares	586	-	586	-
Restructuring costs, net	1,549	-	1,846	1
Foreign exchange (gain) loss	488	(534)	(1,170)	123
One-time consulting costs				
related to operational transformation initiatives	2,332	-	3,615	-
M&A related costs	115	-	854	-
Income before income taxes	11,215	3,676	9,863	6,257
Income taxes	728	(545)	1,656	(1,185)
Net income	<u>10,487</u>	<u>4,221</u>	<u>8,207</u>	<u>7,442</u>
Geographic Revenue				
Canada	213,179	205,254	618,758	596,791
U.S.	130,769	119,726	390,345	351,086
Mexico	25,410	23,610	76,906	63,221
Total revenue	<u>369,358</u>	<u>348,590</u>	<u>1,086,009</u>	<u>1,011,098</u>

KP Tissue Inc.
Unaudited Condensed Statement of Financial Position
(thousands of Canadian dollars)

	September 30, 2019	Restated December 31, 2018	Restated January 1, 2018
	\$	\$	\$
Assets			
Current assets			
Distributions receivable	1,724	1,694	1,658
Receivable from Partnership	487	269	-
Income tax recoverable	-	230	826
	<u>2,211</u>	<u>2,193</u>	<u>2,484</u>
Non-current assets			
Investment in associate	<u>80,929</u>	<u>99,421</u>	<u>94,952</u>
Total assets	<u><u>83,140</u></u>	<u><u>101,614</u></u>	<u><u>97,436</u></u>
Liabilities			
Current liabilities			
Dividend payable	1,724	1,694	1,658
Payable to Partnership	-	-	52
Current portion of advances from Partnership	101	-	309
Income tax payable	324	-	-
	<u>2,149</u>	<u>1,694</u>	<u>2,019</u>
Non-current liabilities			
Advances from Partnership	-	269	731
Deferred income taxes	<u>3,200</u>	<u>3,634</u>	<u>515</u>
Total liabilities	<u>5,349</u>	<u>5,597</u>	<u>3,265</u>
Equity			
Common shares	18,551	17,090	15,014
Contributed surplus	144,819	144,819	144,819
Deficit	(100,481)	(82,269)	(77,706)
Accumulated other comprehensive income	<u>14,902</u>	<u>16,377</u>	<u>12,044</u>
Total equity	<u>77,791</u>	<u>96,017</u>	<u>94,171</u>
Total liabilities and equity	<u><u>83,140</u></u>	<u><u>101,614</u></u>	<u><u>97,436</u></u>

KP Tissue Inc.
Unaudited Condensed Statement of Comprehensive Income (Loss)
(thousands of Canadian dollars, except share and per share amounts)

	3-month period ended September 30, 2019	3-month period ended September 30, 2018	9-month period ended September 30, 2019	9-month period ended September 30, 2018
	\$	\$	\$	\$
Equity income (loss)	215	(789)	(3,022)	(3,186)
Dilution gain	134	49	365	138
Income (loss) before income taxes	349	(740)	(2,657)	(3,048)
Income taxes	729	92	2,258	(49)
Net loss for the period	(380)	(832)	(4,915)	(2,999)
Other comprehensive income (loss)				
net of tax expense (recovery)				
Items that will not be reclassified to net loss:				
Remeasurements of pensions	(909)	1,526	(7,459)	3,974
Remeasurements of post-retirement benefits	(55)	701	(641)	760
Items that may be subsequently reclassified to net loss:				
Cumulative translation adjustment	637	(851)	(1,475)	1,654
Total other comprehensive income (loss) for the period	(327)	1,376	(9,575)	6,388
Comprehensive income (loss) for the period	(707)	544	(14,490)	3,389
Basic loss per share	(0.04)	(0.09)	(0.52)	(0.32)
Weighted average number of shares outstanding	9,568,649	9,341,392	9,516,687	9,292,592

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

	3-month period ended September 30, 2019	3-month period ended September 30, 2018	9-month period ended September 30, 2019	9-month period ended September 30, 2018
	\$	\$	\$	\$
Cash flows from (used in) operating activities				
Net loss for the periods	(380)	(832)	(4,915)	(2,999)
Items not affecting cash				
Equity loss (gain)	(215)	789	3,022	3,186
Dilution gain	(134)	(49)	(365)	(138)
Income taxes	729	92	2,258	(49)
Total items not affecting cash	380	832	4,915	2,999
Net change in non-cash working capital	168	-	168	-
Tax payments	-	-	-	(274)
Advances received (paid)	(168)	-	(168)	274
Net cash from (used in) operating activities	-	-	-	-
Cash flows from investing activities				
Partnership unit distributions received	1,279	1,181	3,706	3,482
Net cash from investing activities	1,279	1,181	3,706	3,482
Cash flows used in financing activities				
Dividends paid	(1,279)	(1,181)	(3,706)	(3,482)
Net cash used in financing activities	(1,279)	(1,181)	(3,706)	(3,482)
Increase (decrease) in cash and cash equivalents during the period	-	-	-	-
Cash and cash equivalents - Beginning of period	-	-	-	-
Cash and cash equivalents - End of period	-	-	-	-