



KP Tissue Inc.

ACCELERATING GROWTH ACROSS OUR BUSINESS

Q1 2026 FINANCIAL RESULTS

May 14, 2026



FORWARD-LOOKING STATEMENTS

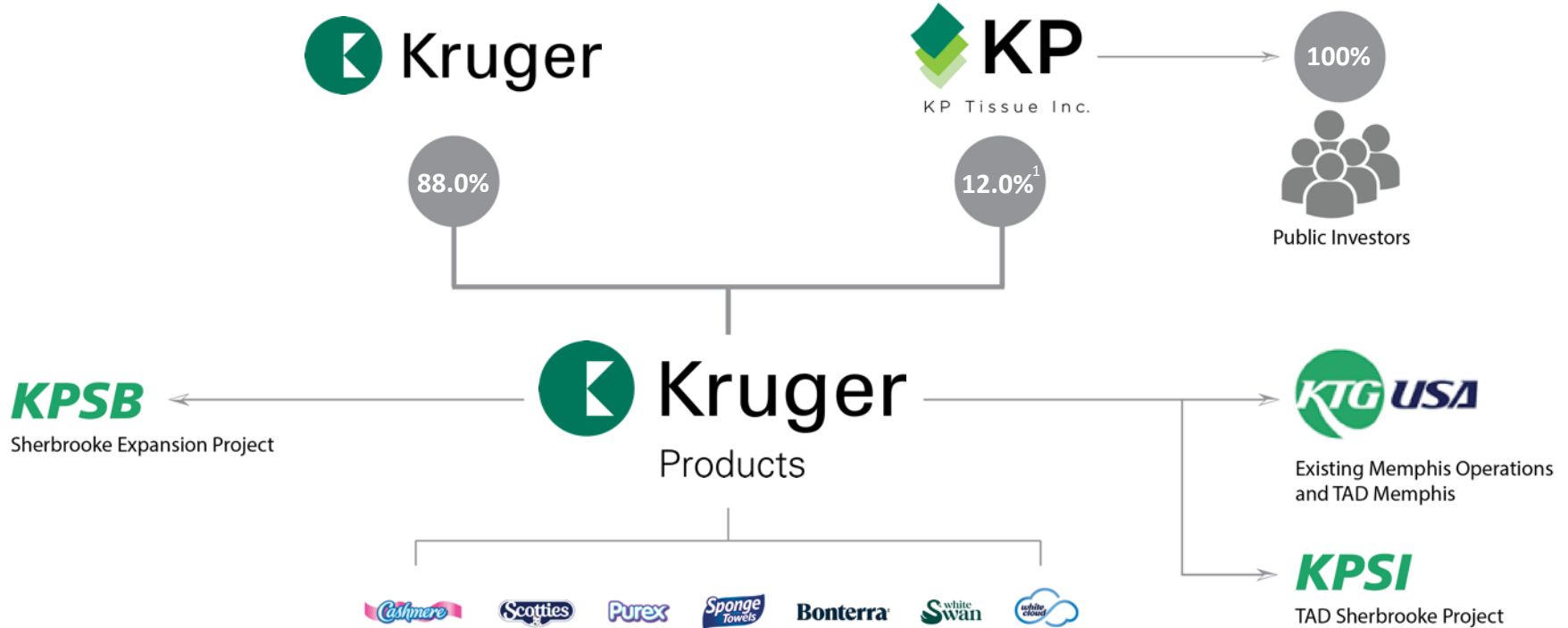
Certain statements in this presentation about KPT's and Kruger Products' current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements in this presentation include, but are not limited to, statements regarding 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; certain anticipated benefits of the project; Kruger Products' expansion efforts in U.S. premium private label; and Kruger Products' future business strategy and the anticipated benefits of its business strategy. 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, including 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.

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: 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; risk 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' 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 control; 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 this presentation and KPT and Kruger Products undertake no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

**The following presentation is to review Kruger Products'
Q1 2026 financial results**

CORPORATE STRUCTURE



¹As of May 14, 2026



KP Tissue Inc.

OUR VISION

**TO BE THE MOST TRUSTED
AND BEST LOVED TISSUE COMPANY
IN NORTH AMERICA.**

OUR MISSION

**MAKING EVERYDAY LIFE
MORE COMFORTABLE.**

5 UNDERLYING STRATEGIES

Drive Strong Revenue, Profit and Shareholder Value in a Sustainable Manner

1



Consumer As Our
Compass

2



Expand Our
Business Footprint

3



End-to-End Supply
Chain Excellence

4






Deliver
Sustainability

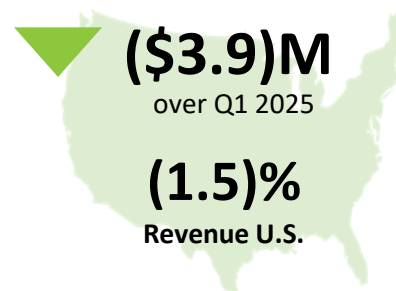
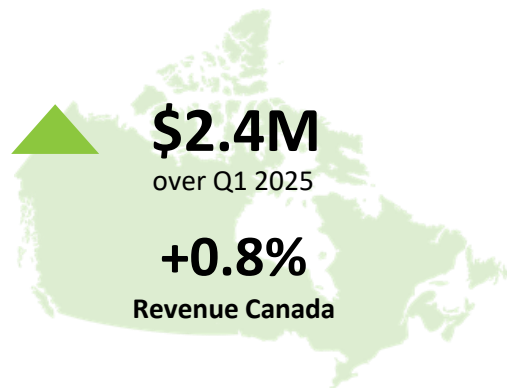
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Winning Team
& Culture

Q1 2026 HIGHLIGHTS

Revenue	Adjusted EBITDA ¹	Net Income
\$544.6M  (0.3)% over Q1 2025	\$86.9M  14.6% over Q1 2025	\$19.8M  \$4.4M over Q1 2025



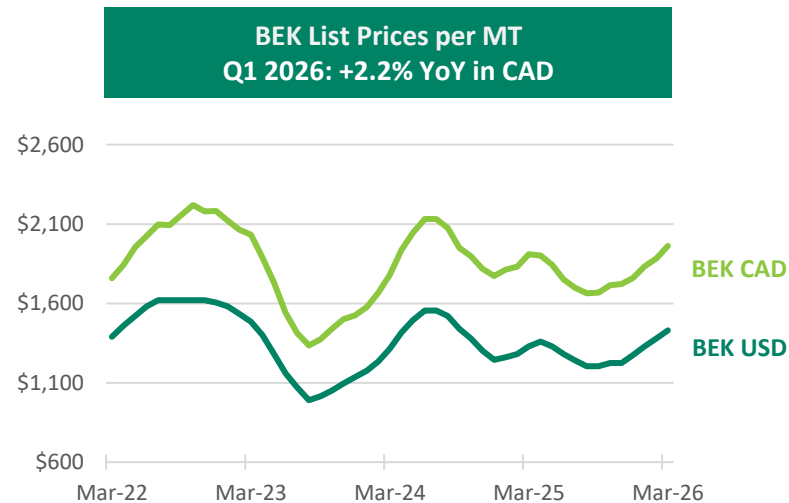
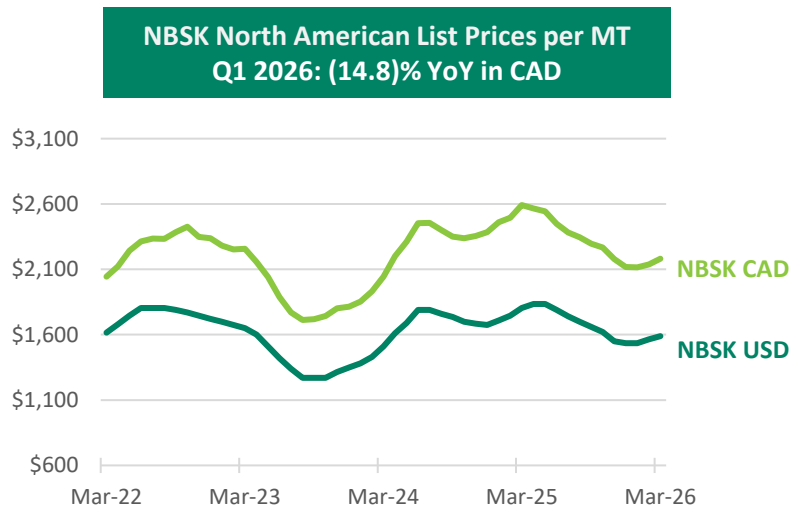
¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

PULP INPUT PRICES

Q1 2026 NBSK average prices¹ in CAD decreased 2.0% while BEK average prices¹ increased 9.3% sequentially.

Q1 2026 NBSK average prices¹ in CAD declined 14.8% whereas BEK average prices¹ were up 2.2% year-over-year.

Industry analysts expect both NBSK and BEK prices to trend upwards in 2026, but BEK at a faster pace and higher level.



(CAD/USD exchange rate averaged 1.37 in Q1 2026 compared to 1.44 in Q1 2025)

¹ Both NBSK and BEK prices were calculated using RISI.

² Pulp price indices to be used only as an indicator of trends as Kruger Products' actual purchase prices may differ.



OPERATIONS

- Production rates for paper machines and converting operations exceeded expectations across all sites in Q1 2026
- Strong safety performance continued in the new year
- Launched state-of-the-art converting line at Memphis site in April
- Memphis improving and delivering against production targets
- Finalizing incentives and permits with preferred location for new TAD facility



THE SOFTEST AND
STRONGEST SUPPORTER
FOR 45 YEARS



FOCUSED BRAND SUPPORT

- Strong equity building campaigns for Cashmere, SpongeTowels, Scotties and Kruger Big Assist program, including our role as official partner of the CBC Olympic broadcast
- Activated 45th Scotties Tournament of Hearts campaign
- Launched Find-the-Cup-to-Win promotion in stores for NHL playoffs
- Introduced new Bonterra facial tissue boxes created by Canadian interior designer and TV personality, Sarah Richardson
- Continued trial and awareness support behind Scotties Ultra Soft



BRAND LEADERSHIP POSITION



BATHROOM TISSUE

NO. 1

32.0%

FACIAL TISSUE

NO. 1

46.9%

PAPER TOWEL

NO. 2

24.3%

* Data represents Nielsen Canadian dollar market share for 52-week period ended March 21, 2026.



AFH SEGMENT – KRUGER PRO

- Revenue, volume and profitability grew year-over-year, but decreased sequentially due to seasonality
- AFH revenue growth mainly driven by U.S. market
- Profitability improvement driven by cost savings from paper insourcing
- Cashmere, Scotties and TITAN wipers brands continued to deliver growth



QUARTERLY FINANCIAL SUMMARY

(Million CAD\$, unless otherwise noted)	Q1 2026	Q4 2025	Q1 2025	% Change	
				Y/Y	Q/Q
Revenue	544.6	560.1	546.1	(0.3)%	(2.8)%
Cost of Sales	436.9	451.9	451.0	(3.1)%	(3.3)%
Gross Profit	107.7	108.2	95.1	13.2%	(0.5)%
Gross Margin	19.8%	19.3%	17.4%		
Adjusted EBITDA¹	86.9	84.2	75.8	14.6%	3.2%
Adjusted EBITDA Margin ¹	16.0%	15.0%	13.9%		
Net Income	19.8	23.4	15.4		
Net Income Margin	3.6%	4.2%	2.8%		

¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

QUARTERLY SEGMENTED RESULTS

(Million CAD\$, unless otherwise noted)	Q1 2026	Q4 2025	Q1 2025	% Change	
				Y/Y	Q/Q
Segment Revenue					
Consumer	461.7	472.3	465.2	(0.8)%	(2.2)%
AFH	82.9	87.8	80.9	2.5%	(5.6)%
Total Segment Revenue	544.6	560.1	546.1	(0.3)%	(2.8)%
Segment Adjusted EBITDA¹					
Consumer	83.9	78.1	76.1	10.2%	7.4%
AFH	6.3	9.7	2.8	125.0%	(35.1)%
Corporate and other costs	(3.3)	(3.6)	(3.1)		
Total Segment Adjusted EBITDA¹	86.9	84.2	75.8	14.6%	3.2%
Segment Adjusted EBITDA Margin¹					
Consumer	18.2%	16.5%	16.3%		
AFH	7.6%	11.0%	3.4%		
Total Segment Adjusted EBITDA Margin¹	16.0%	15.0%	13.9%		

¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

Q1 2026 REVENUE COMPARED TO Q1 2025

(\$1.5)M

Q1 2026 Revenue decrease



(0.3)%

over Q1 2025

\$544.6M in Q1 2026 compared to \$546.1M in Q1 2025

Decrease primarily due to:

- Unfavourable FX impact on U.S. dollar sales
- Lower selling prices in U.S. Consumer business
- Modestly lower Consumer volume in Canada

Partially offset by:

- Slightly higher AFH and Consumer volume in U.S.
- Favourable pricing in Canadian Consumer business

Geographic revenue segmentation



\$2.4M

over Q1 2025

+0.8%

Revenue Canada



(\$3.9)M

over Q1 2025

(1.5)%

Revenue U.S.

Q1 2026 ADJUSTED EBITDA¹ COMPARED TO Q1 2025

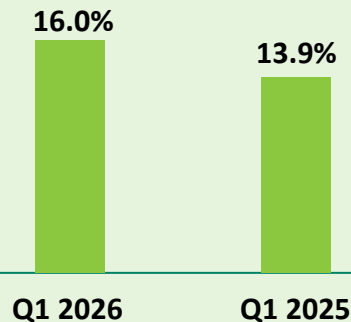
\$11.1M

Q1 2026 Adjusted EBITDA¹ increase



14.6%
over Q1 2025

Adjusted EBITDA Margin¹



\$86.9M in Q1 2026 compared to \$75.8M in Q1 2025

Increase primarily due to:

- Lower pulp prices
- Reduced warehousing costs

Partially offset by:

- Higher manufacturing overhead costs

¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

Q1 2026 REVENUE COMPARED TO Q4 2025

(\$15.5)M

Q1 2026 Revenue decrease



(2.8)%

over Q4 2025

\$544.6M in Q1 2026 compared to \$560.1M in Q4 2025

Sequential decrease primarily due to:

- Lower Canadian sales volume
- Unfavourable FX impact on U.S. dollar sales

Partially offset by:

- Higher selling prices



(\$17.5)M

over Q4 2025

(5.7)%

Revenue Canada



\$2.0M

over Q4 2025

+0.8%

Revenue U.S.

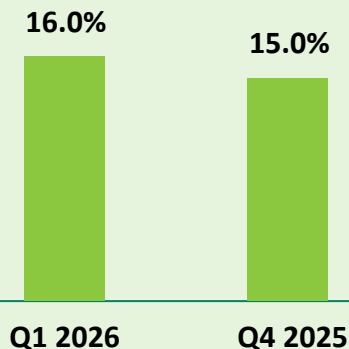
Q1 2026 ADJUSTED EBITDA¹ COMPARED TO Q4 2025

\$2.7M

Q1 2026 Adjusted EBITDA¹ increase



Adjusted EBITDA Margin¹



\$86.9M in Q1 2026 compared to \$84.2M in Q4 2025

Sequential increase primarily due to:

- Lower manufacturing overhead costs
- Reduced SG&A expenses
- Increased selling prices

Partially offset by:

- Lower Canadian sales volume
- Elevated freight costs and warehousing expenses
- Higher pulp prices
- Unfavourable FX impact

¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

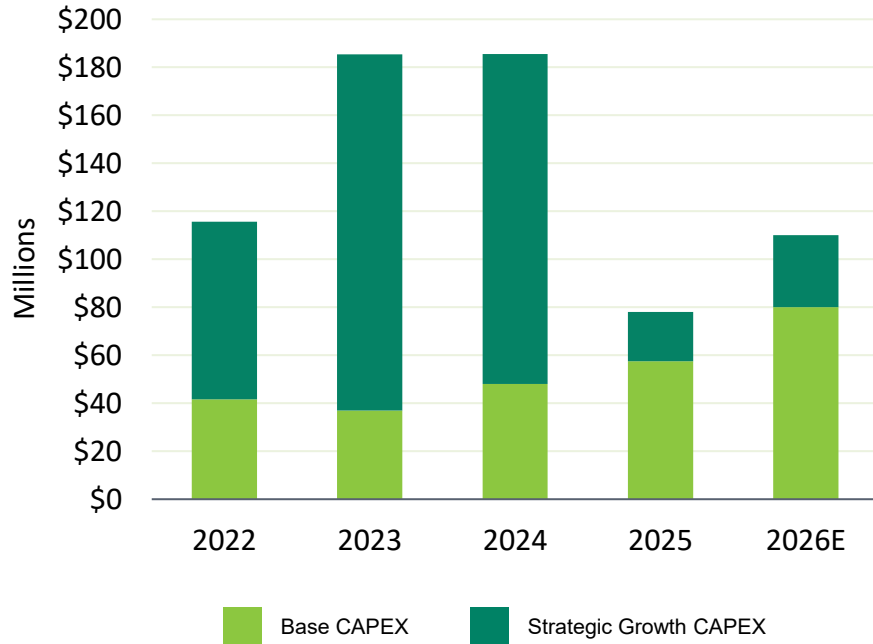
BALANCE SHEET

(Million CAD\$, unless otherwise noted)	Q1 2026	Q4 2025	Q1 2025
Cash	205.9	196.1	141.8
Current Portion of Long-term Debt	110.1	98.6	61.0
Long-term Debt	1,058.0	1,074.1	1,186.7
Net Debt	962.2	976.6	1,105.9
LTM Adjusted EBITDA ¹	329.3	318.2	273.6
Net Debt/LTM Adjusted EBITDA¹	2.9x	3.1x	4.0x

- Net debt decreased by \$14.4 million on a sequential basis
- Leverage declined to 2.9x on lower net debt and higher LTM Adjusted EBITDA

¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

CAPITAL EXPENDITURES

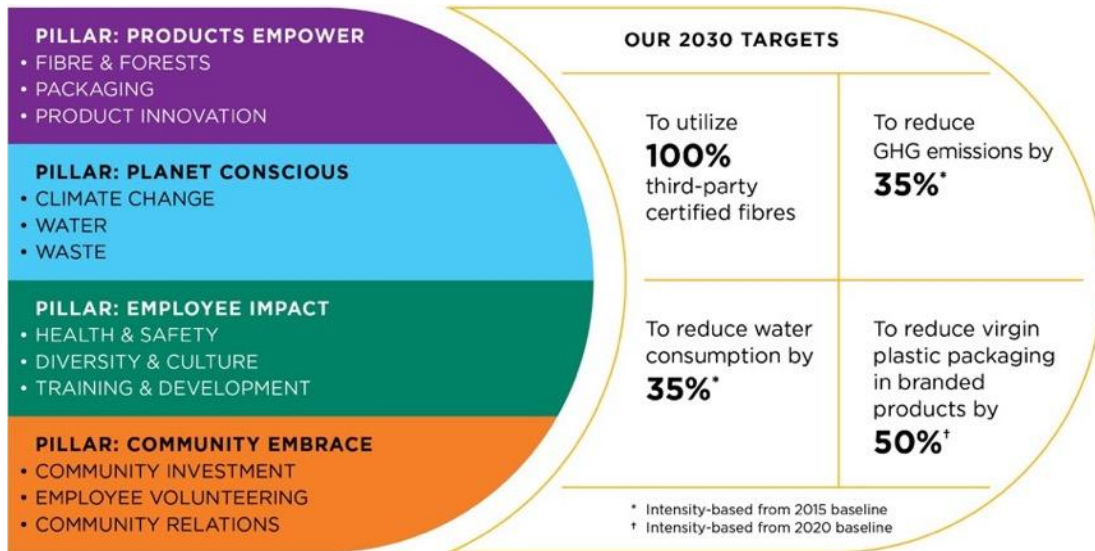


- Q1 2026 CAPEX totaled \$16.0M, including \$0.6M related to the Sherbrooke Expansion Project
- Anticipating \$100M-\$120M in CAPEX for 2026, driven by strategic projects



KEY TARGETS TO ACHIEVE BY 2030

SUSTAINABILITY FOCUS





ACCELERATING GROWTH

- Managing margins given escalating input costs
- Ramping up new converting line in Memphis
- Driving long-term brand share
- AFH segment continuing to deliver profitable growth
- Preparing for new TAD tissue plant in late 2028
- Developing organizational capability to strengthen adaptability and resiliency



KP Tissue Inc.

THANK YOU

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