NEWS RELEASE
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KP Tissue declares a Quarterly Dividend of $0.21 per Common Share

Mississauga (ON), August 13, 2026 – KP Tissue Inc. (KPT) (TSX: KPT) announced today that the Board of Directors has declared a quarterly dividend of $0.21 per common share, payable on October 15, 2026, to shareholders of record at the close of business on September 30, 2026, subject to applicable law.

The dividend is being declared in connection with the declaration of a corresponding quarterly dividend by Kruger Products Inc. (Kruger Products) in which KPT holds a minority interest.

The dividend is designated as a "non-eligible dividend" for purposes of the Income Tax Act (Canada) and any similar provincial or territorial legislation. The increase from KPT's historical quarterly dividend amount of $0.18 per common share to $0.21 per common share (and Kruger Products corresponding increase to its quarterly dividend), first implemented in respect of the dividend paid on July 15, 2026, was due to the change in tax designation from an "eligible dividend" to a "non-eligible dividend" and the impact that this may have on certain of KPT's shareholders. The other shareholders of Kruger Products (13582141 Canada Inc. and KPGP Inc., collectively) have elected to waive their right to a portion of the dividend payable by Kruger Products to its shareholders on October 15, 2026 such that, despite the $0.21 per common share dividend declared by Kruger Products, they will receive only the historical amount of $0.18 per common share. KPT and Kruger Products continue to work toward being in a position to again designate dividends as "eligible" as soon as possible.

No assurances can be given that any or all future dividends will be designated as "eligible dividends" or qualify as "eligible dividends". See the section entitled "Risk Factors – Dependence on Dividend Declarations by Kruger Products" in KPT's Annual Information Form dated February 18, 2026 and filed on SEDAR+ at www.sedarplus.ca.

Dividend Reinvestment Plan
KPT has a Dividend Reinvestment Plan (the DRIP) under which eligible shareholders may elect to have their cash dividends reinvested in additional common shares of KPT. Under the DRIP, KPT will automatically reinvest for participating shareholders the cash dividends of KPT in newly issued Common Shares at a price per Common Share equal to 100% of the 5-day weighted average trading price of the Common Shares prior to the dividend payment date.

Only Canadian shareholders are eligible to participate in the DRIP and the DRIP is subject to additional limitations and restrictions. Interested shareholders are encouraged to review the full text of the DRIP, available on KPT’s website at www.kptissueinc.com.

Shareholders who wish to participate in the DRIP should contact their broker, financial institution, or other nominee through which their Common Shares are held to determine their eligibility and provide appropriate enrolment instructions, and to ensure any deadlines or other requirements that such broker, financial institution, or nominee may impose or be subject to are met.

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.

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.

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