KP Tissue Inc.

EXECUTING TODAY
BUILDING FOR TOMORROW

Q2 2026 FINANCIAL RESULTS

August 13, 2026

FORWARD-LOOKING STATEMENTS

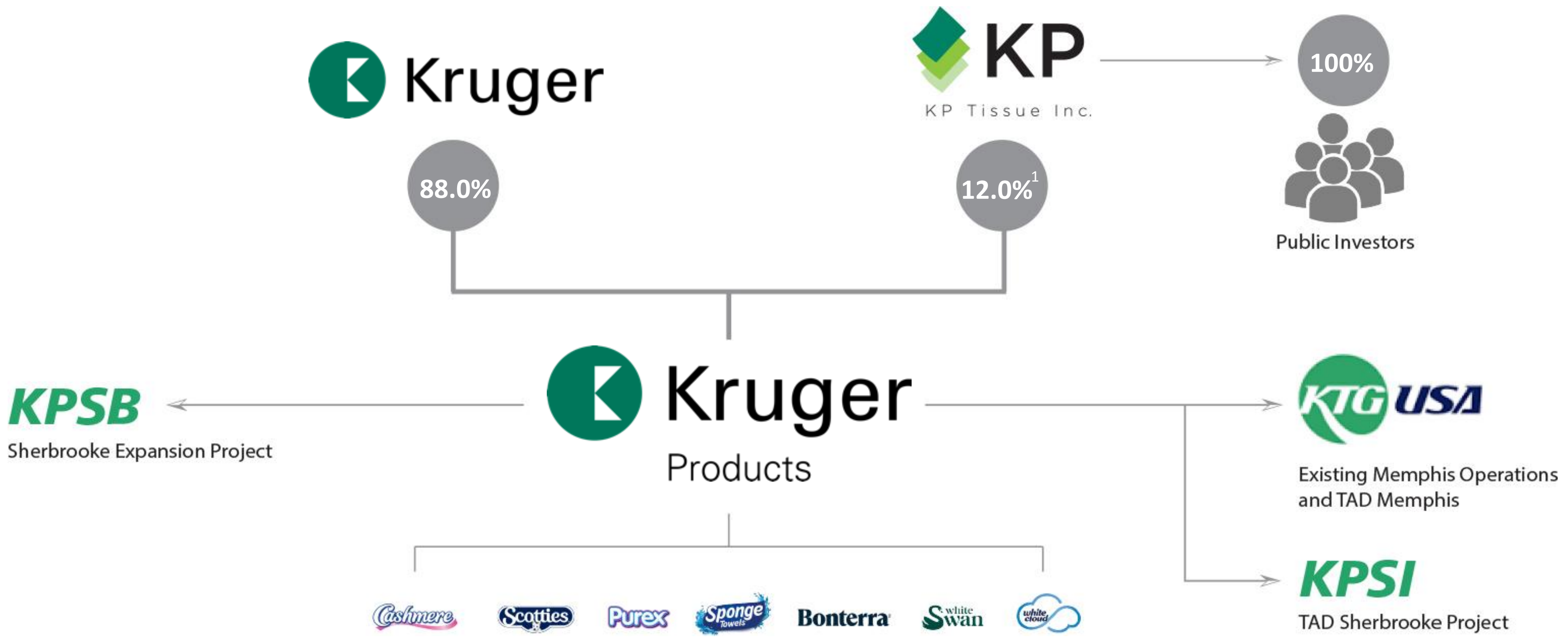
Certain statements in this presentation about KPT's and Kruger Products' current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements 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' Q2 2026 financial results

CORPORATE STRUCTURE



[1]As of August 13, 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

5

Winning Team & Culture

Q2 2026 HIGHLIGHTS

Revenue	Adjusted EBITDA[1]	Net Income
$550.9M	$90.6M	$22.1M
2.8% over Q2 2025	25.0% over Q2 2025	– over Q2 2025

($7.7)M
over Q2 2025

(2.6)%
Revenue Canada

$22.5M
over Q2 2025

+9.5%
Revenue U.S.

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

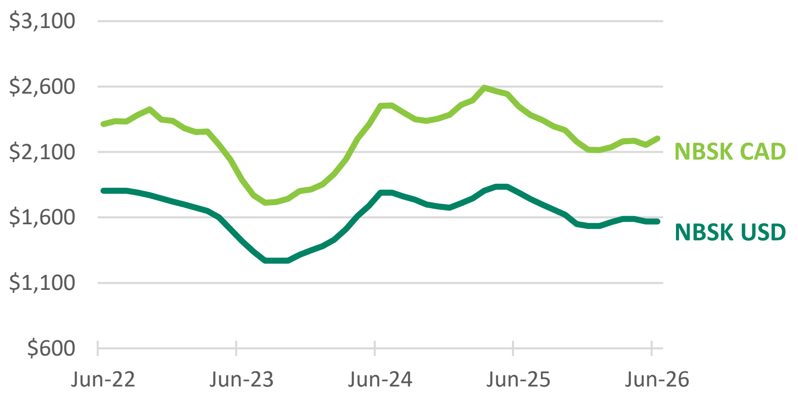
PULP INPUT PRICES

Q2 2026 NBSK average prices[1] in CAD increased 1.8% while BEK average prices[1] rose 11.5% sequentially.

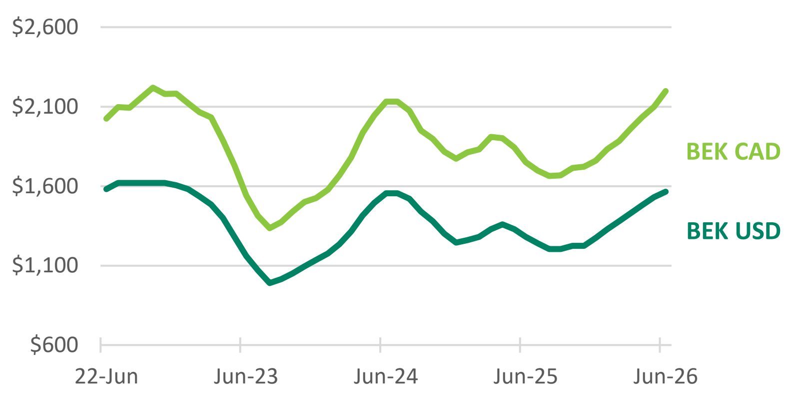
Q2 2026 NBSK average prices[1] in CAD declined 13.4% whereas BEK average prices[1] were up 15.2% year-over-year.

Industry analysts expect both NBSK and BEK prices to trend upwards in late 2026 or early 2027, but BEK at a faster pace and higher level.

NBSK North American List Prices per MT
Q2 2026: (13.4)% YoY in CAD



BEK List Prices per MT
Q2 2026: +15.2% YoY in CAD



(CAD/USD exchange rate averaged 1.38 in Q2 2026 compared to 1.39 in Q2 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 Q2 2026 and H1 2026
- Strong safety performance continued through mid-year
- Ramp-up of new Memphis converting line progressing ahead of plan
- Memphis delivering on key safety, productivity and sustainability metrics
- Progressing towards selecting final location for new TAD facility

BRAND SUPPORT

- Continued equity-building campaigns for Cashmere, SpongeTowels, Scotties and Bonterra
- Activated Made in Canada promotions, including Cashmere and Purex support
- Released modernized Cashmere packaging to enhance brand segmentation
- Launched award-winning Cashmere UltraLuxe Bathroom Guide in Montreal
- Introduced several product innovations

BRAND LEADERSHIP

BATHROOM TISSUE

NO. 1

31.6%

FACIAL TISSUE

NO. 1

47.0%

PAPER TOWEL

NO. 2

23.7%

* Data represents Nielsen Canadian dollar market share for 52-week period ended June 13, 2026.

KRUGER PRO

- Revenue and volume grew year-over-year, but profitability declined slightly due to higher transportation costs
- Canada volume rose in the second quarter, but U.S. market continued to drive growth
- Revenue, volume and profitability increased sequentially
- Announced price increase during second quarter to offset inflationary impact
- Strong operational performance continued to support growth

QUARTERLY FINANCIAL SUMMARY

(Million CAD$, unless otherwise noted)	Q2 2026	Q1 2026	Q2 2025	% Change Y/Y	% Change Q/Q
Revenue	**550.9**	**544.6**	**536.1**	**2.8%**	**1.1%**
Cost of Sales	440.1	436.9	462.2	(4.8)%	0.7%
Gross Profit	110.8	107.7	73.9	49.9%	2.9%
Gross Margin	20.1%	19.8%	13.8%		
Adjusted EBITDA[1]	**90.6**	**86.9**	**72.5**	**25.0%**	**4.2%**
Adjusted EBITDA Margin[1]	16.4%	16.0%	13.5%		
Net Income	22.1	19.8	22.1		
Net Income Margin	4.0%	3.6%	4.1%		

[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)	Q2 2026	Q1 2026	Q2 2025	% Change Y/Y	% Change Q/Q
Segment Revenue					
Consumer	457.6	461.7	449.2	1.9%	(0.9)%
AFH	93.3	82.9	86.9	7.4%	12.6%
Total Segment Revenue	**550.9**	**544.6**	**536.1**	**2.8%**	**1.1%**
Segment Adjusted EBITDA[1]					
Consumer	85.3	83.9	69.2	23.3%	1.6%
AFH	8.5	6.3	9.0	(5.2)%	34.5%
Corporate and other costs	(3.2)	(3.3)	(5.7)		
Total Segment Adjusted EBITDA[1]	**90.6**	**86.9**	**72.5**	**25.0%**	**4.2%**
Segment Adjusted EBITDA Margin[1]					
Consumer	18.6%	18.2%	15.4%		
AFH	9.1%	7.6%	10.3%		
Total Segment Adjusted EBITDA Margin[1]	**16.4%**	**16.0%**	**13.5%**		

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

Q2 2026 REVENUE COMPARED TO Q2 2025

$14.8M

Q2 2026 Revenue increase

2.8%

over Q2 2025

$550.9M in Q2 2026 compared to $536.1M in Q2 2025

Increase primarily due to:

- Higher U.S. Consumer and AFH sales volume

Partially offset by:

- Lower Consumer volume in Canada

($7.7)M

over Q2 2025

(2.6)%

Revenue Canada

$22.5M

over Q2 2025

+9.5%

Revenue U.S.

Q2 2026 ADJUSTED EBITDA[1] COMPARED TO Q2 2025

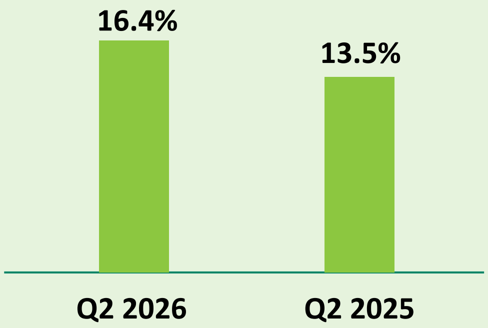
$18.1M

Q2 2026 Adjusted EBITDA[1] increase

25.0%

over Q2 2025

Adjusted EBITDA Margin[1]



$90.6M in Q2 2026 compared to $72.5M in Q2 2025

Increase primarily due to:

- Improved mill performance at Memphis site
- Higher sales volume
- Lower pulp prices

Partially offset by:

- Elevated freight costs
- Greater SG&A expenses

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

Q2 2026 REVENUE COMPARED TO Q1 2026

$6.3M

Q2 2026 Revenue increase

1.1%

over Q1 2026

$550.9M in Q2 2026 compared to $544.6M in Q1 2026

Sequential increase primarily due to:

- Higher AFH sales volume

$3.0M

over Q1 2026

+1.0%

Revenue Canada

$3.3M

over Q1 2026

+1.3%

Revenue U.S.

Q2 2026 ADJUSTED EBITDA[1] COMPARED TO Q1 2026

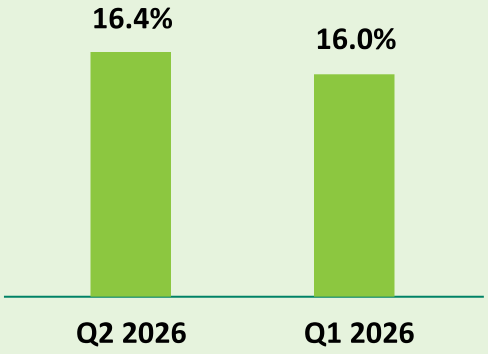
$3.7M

Q2 2026 Adjusted EBITDA[1] increase

4.2%

over Q1 2026

Adjusted EBITDA Margin[1]



$90.6M in Q2 2026 compared to $86.9M in Q1 2026

Sequential increase primarily due to:

- Lower manufacturing overhead costs
- Higher AFH sales volume
- Decreased marketing expenses

Partially offset by:

- Elevated freight costs and warehousing expenses
- Higher SG&A expenses

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

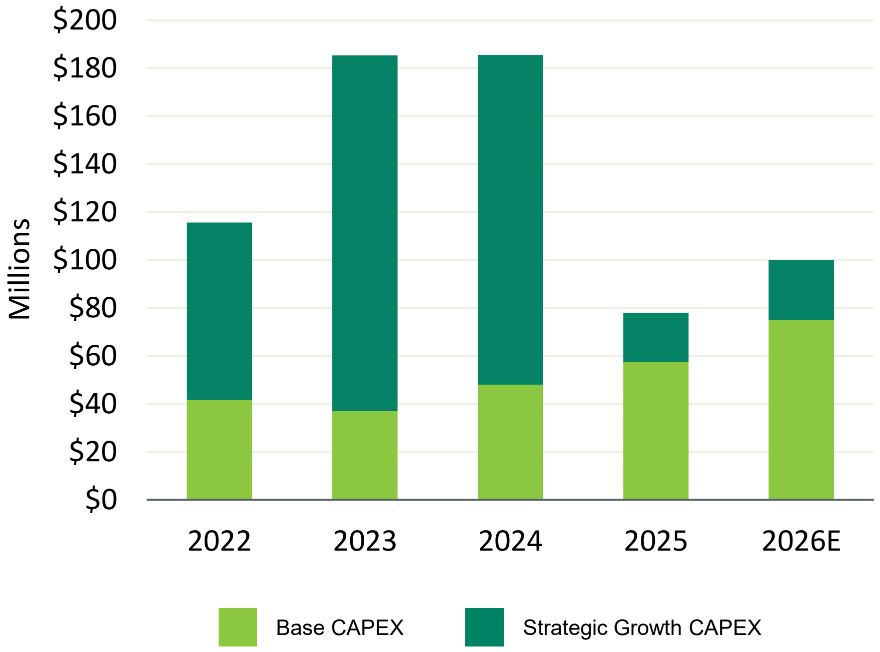
BALANCE SHEET

(Million CAD$, unless otherwise noted)	Q2 2026	Q1 2026	Q2 2025
Cash	165.2	205.9	85.3
Current Portion of Long-term Debt	86.8	110.1	80.0
Long-term Debt	1,076.7	1,058.0	1,125.5
Net Debt	**998.3**	**962.2**	**1,120.2**
LTM Adjusted EBITDA[1]	347.4	329.3	280.8
Net Debt/LTM Adjusted EBITDA[1]	**2.9x**	**2.9x**	**4.0x**

- Net debt increased by $36.1 million on a sequential basis
- Leverage remained stable at 2.9x as increase in LTM Adjusted EBITDA[1] offset rise in net debt

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

CAPITAL EXPENDITURES



- Q2 2026 CAPEX totaled $15.5M compared to $16.0M in Q1 2026
- Anticipating $90M-$110M in CAPEX for 2026, driven by strategic projects, including pre-engineering work for U.S. TAD expansion

REIMAGINE 2030: SUSTAINABILITY FOCUS

Kruger Products

Vision

To be the most trusted, best loved tissue company in North America

Mission

Making everyday life more comfortable

Planet Conscious

- Energy & GHG emissions
- Water management
- Air Pollution
- Climate change
- Product end-of-life management
- Waste management

Products Empower

- Plastics & packaging
- Product quality & safety
- Biodiversity
- Product innovation
- Responsible sourcing

Employee Impact

- Fair labour practices
- Occupational health & safety
- Inclusive sense of belonging
- Employee training & development
- Human rights
- Talent attraction & retention

Community Embrace

- Community investment & engagement

Our 2030 Targets

Utilize **100%** third-party certified fibres

Reduce Scope 1 and 2 GHG emissions by **35%**[1]

Reduce water consumption by **45%**[1]

Reduce virgin plastic packaging in branded products by **25%**[2]

[1] Intensity-based from 2015 baseline
[2] Intensity-based from 2020 baseline

REIMAGINE 2030
TRANSFORMATIVE GROWTH
SUSTAINABLE INNOVATION

Responsible Business

- Business ethics & transparency
- Data privacy & cyber security
- Responsible marketing

CANADA PLASTICS PACT | BEST 50 | Private 25

KP

EXECUTING TODAY
BUILDING FOR TOMORROW

- Delivering margins given potential escalating input costs and tariffs
- Ramping up new converting line in Memphis
- Driving long-term brand share
- Kruger PRO continuing to deliver profitable growth
- Progressing towards selecting final location for new TAD facility
- Developing organizational capability to strengthen adaptability and resiliency

KP

KP Tissue Inc.

THANK YOU

WWW.KPTISSUEINC.COM