

KRUGER PRODUCTS INAUGURATES ITS SHERBROOKE PLANT AND KICKS OFF CONSTRUCTION OF EXPANSION PROJECT

Sherbrooke, Québec, June 20, 2022 – Kruger Products today officially inaugurated its Sherbrooke Tissue Plant, which was commissioned in 2021, and also broke ground at its expansion project where another tissue plant will be built on a site adjacent to the Sherbrooke Plant by 2024. This second project, which represents further investments of \$351.5 million, will deliver on the Company's vision to make Sherbrooke a major premium-quality tissue product manufacturing hub in North America, featuring Canada's most advanced and best-performing TAD tissue machine. In total, the Company will have invested nearly \$1 billion in the Estrie Region since 2018.

The Sherbrooke Plant's inauguration and the ground breaking of the expansion project took place in the presence of Mr. Joseph Kruger II, Chairman of the Board and Chief Executive Officer, Kruger Inc.; **François Legault**, Premier of Québec; **Pierre Fitzgibbon**, Québec Minister of Economy and Innovation; **Geneviève Hébert**, Member for Saint-François and Deputy Government Whip; **Évelyne Beaudin**, Mayor of Sherbrooke; **Dino Bianco**, Chief Executive Officer, Kruger Products L.P.; and **Patrice Bégin**, General Manager, Kruger Products Sherbrooke Plant.

Quotes:

*"Kruger is a good example of what we want to achieve in Québec: to push innovation so we can adapt to the transformation of our economy, to develop new technologies right here, to increase the competitiveness and productivity of our businesses, and to reduce the wealth gap with Ontario. To help the Québécois prosper! Our government is proud to have invested in the future by contributing financially to Kruger's innovative projects. We want to work with our business leaders for a better future. This is how, together, we will build the economy of a winning Québec!" – **François Legault, Premier of Québec***

*"With its new tissue plant and another one already under construction, Kruger is demonstrating that it is at the forefront of new product development. The pulp and paper industry has evolved at a fast pace these past few years, and it is thanks to companies like Kruger that Québec continues to be a leader in that field." – **Pierre Fitzgibbon, Québec Minister of Economy and Innovation***

*"Québec draws its strength from successful companies like Kruger to make its mark on global markets. I am very proud that our government has supported them to create quality jobs in the region. I wish the entire team a sustained and growing success in this new phase. You contribute to the pride of the Estrie people and to the dynamism of Québec's economy." – **Geneviève Hébert, MNA for Saint-François and Deputy Government Whip***

*"With this expansion project, we are extremely proud to deliver on our vision to make Sherbrooke a major tissue-product manufacturing hub in North America as well as an outstanding technological showcase that spotlights the Company, the region and our employees' know-how," said M. Dino Bianco, Chief Executive Officer, Kruger Products L.P. "I would like to thank everyone who was involved in the construction of the first plant, as well as our employees in Sherbrooke who contribute to its success on a daily basis." – **Dino Bianco, chef de la direction de Produits Kruger S.E.C.***

A huge success

Built in the Brompton Borough, along the Saint-François River, the Kruger Products Sherbrooke Plant required nearly one million person-hours of work and helped to create some 1,700 direct and indirect jobs during the construction phase, which ended on time and on budget in early 2021 despite the challenges of the pandemic.

The Sherbrooke Plant, which has 180 employees, has been performing well above expectations since it was commissioned last year. Furthermore, the Plant benefited from an additional \$25-million investment to implement artificial intelligence (AI) functions that make it one of Canada's best-performing and most technologically advanced manufacturing facilities.

The Sherbrooke Plant was recently honoured with two awards at the Sherbrooke Chamber of Commerce and Industry's 35th Estrie Recognition Gala: the *Manufacturing Business Award* and the *International Visibility Citation Award*, which attest to this project's impact, both in terms of economic benefits and job creation and in terms of the region's attractiveness to major investors.

Significant expansion project

The \$351.5M expansion project includes the construction of a double-wide tissue machine featuring LDC technology, as well as the installation of two additional converting lines, one in the existing Sherbrooke Plant and the other in the new plant, which will bring the Sherbrooke site's overall production capacity to more than 130,000 metric tonnes of high-quality tissue products, including Cashmere UltraLuxe®, Scotties® facial tissue, and SpongeTowels® UltraPRO™.

The construction project, which is to be carried out over the next two years, will require some 660,000 person-hours of work and generate substantial economic benefits for the region. The project will lead to the creation of 141 additional direct jobs, bringing the total number of jobs at the Brompton site to 348, including those at the biomass cogeneration plant owned and operated by Kruger Specialty Papers. Taking into account the 46 employees at Kruger Products' Lennoxville Plant, there will be 394 people working for the Kruger group in the Estrie region.

Read all about the progress of the future plant in the Brompton Borough at sherbrooke.produitskruger.com/en/.

About Kruger Products

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 Bonterra™, Cashmere®, Purex®, SpongeTowels®, Scotties® and White Swan®. 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 2,700 employees and operates nine FSC®-certified (FSC® C104904) plants in North America. For more information, visit www.krugerproducts.ca.

About KP Tissue Inc. (KPT)

KPT was created to acquire, and its business is limited to holding, a limited partnership interest in Kruger Products, which is accounted for as an investment on the equity basis. KPT currently holds a 14.3% interest in Kruger Products L.P. For more information visit www.kptissueinc.com.

About Kruger Inc.

Kruger Inc., the parent company of Kruger Products L.P., is a fourth-generation family company headquartered in Montréal since 1904, the year it was established. Kruger Inc. is a major producer of tissue products; 100% recycled containerboard products; corrugated packaging; papermaking pulp; publication papers; specialty papers; renewable energy; cellulosic biomaterials; and wines and spirits. The Company is also a leader in paper and paperboard recycling in North America. Kruger Inc. has facilities in Québec, Ontario, British Columbia, and Newfoundland and Labrador, as well as in Tennessee, Maine, New York, Virginia, Kentucky and Rhode Island in the United States. (www.kruger.com).

Forward-Looking Statements

Certain statements in this press release about Kruger Product'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 Sherbrooke project and the expected date for completion of the 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 Kruger Products. Although Kruger Products believes 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 Product's actual results, level of activity, performance or achievements or future events or developments, to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the risk factors discussed in the "Risk Factors – Risks Related to KPLP's Business" section of KP Tissue Inc.'s Annual Information Form dated March 10, 2022 available under KP Tissue Inc.'s profile on SEDAR at www.sedar.com.

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