



NEWS RELEASE
For immediate release

KP Tissue Releases Third Quarter 2023 Financial Results

Volume and margin recovery driving strong Adjusted EBITDA

Mississauga (ON), November 8, 2023 - KP Tissue Inc. (KPT) (TSX: KPT) reports the Q3 2023 financial and operational results of KPT and Kruger Products Inc. (Kruger Products). Kruger Products is Canada's leading manufacturer of quality tissue products for the Consumer market (Cashmere®, Purex®, SpongeTowels®, Scotties®, White Swan® and Bonterra™) and the Away-From-Home (AFH) 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 13.1% interest in Kruger Products.

Kruger Products Q3 2023 Business and Financial Highlights

- Revenue was \$473.4 million in Q3 2023 compared to \$427.0 million in Q3 2022, an increase of \$46.4 million or 10.9%.
- Adjusted EBITDA¹ was \$72.4 million in Q3 2023, compared to \$30.7 million in Q3 2022, an increase of 135.7%.
- Net income was \$12.9 million in Q3 2023 compared to a net loss of \$38.8 million in Q3 2022, an increase of \$51.7 million.
- Declared a quarterly dividend of \$0.18 per share to be paid on January 15, 2024

"We are very pleased with our Adjusted EBITDA of \$72.4 million in the third quarter of 2023, highlighted by robust sales volume in our Consumer segment and improved productivity from our network assets," stated KP Tissue's Chief Executive Officer, Dino Bianco. "We also benefited from a seasonally strong quarter, lower pulp and other input costs, as well as 2022 pricing carry over. As a result, we outperformed expectations despite an uncertain economic environment."

"Looking ahead to the fourth quarter, we are seeing some moderation in input costs but continued inflationary pressure on our SG&A as labour, marketing, and IT costs, amongst others, continue to rise. We believe volume will continue to be strong and with our previously announced pricing, our margins will be stable."

Outlook for Q4 2023

For the fourth quarter of 2023, we expect margins to stabilize, and we will continue to reinvest in the business to drive long-term value. Accordingly, Adjusted EBITDA¹ in Q4 2023 is expected to be in the \$60-\$65 million range.

Kruger Products Q3 2023 Financial Results

Revenue was \$473.4 million in Q3 2023 compared to \$427.0 million in Q3 2022, an increase of \$46.4 million or 10.9%. The increase in revenue was primarily due to higher sales volume and favourable sales mix in the Consumer segment, along with the favourable impact of selling price increases implemented across all segments and regions during 2022. Revenue was also favourably impacted by foreign exchange fluctuations on U.S. dollar sales.

Cost of sales was \$386.3 million in Q3 2023 compared to \$394.6 million in Q3 2022, a decrease of \$8.3 million or 2.1%. Manufacturing costs decreased as lower pulp and other input costs, along with productivity improvements in plant operations, were only partially offset by higher sales volumes and the unfavourable impact of foreign exchange fluctuations on U.S. dollar costs. Freight costs were lower compared to Q3 2022 as supply constraints and inflation moderated, while warehousing costs increased as a result of additional logistics network costs. As a percentage of revenue, cost of sales was 81.6% in Q3 2023 compared to 92.4% in Q3 2022.

¹ Adjusted EBITDA is a non-GAAP financial measure. Refer to the *Non-GAAP Financial Measures* section of this news release for more information on these measures

Selling, general and administrative (SG&A) expenses were \$40.0 million in Q3 2023 compared to \$30.1 million in Q3 2022, an increase of \$9.9 million or 33.0%. The increase was primarily due to higher advertising spend in the quarter, higher personnel costs, higher consulting costs, lower foreign exchange gains compared to the year ago quarter and higher related party management fees. As a percentage of revenue, SG&A expenses were 8.4% in Q3 2023 compared to 7.0% in Q3 2022.

Adjusted EBITDA¹ was \$72.4 million in Q3 2023 compared to \$30.7 million in Q3 2022, an increase of \$41.7 million or 135.7%. The significant increase was primarily due to a combination of factors: higher sales volumes and favourable sales mix, selling price increases in 2022, lower pulp and other input costs, productivity improvements in plant operations and lower freight costs. These factors were partially offset by higher warehousing and SG&A expenses and the unfavourable impact of foreign exchange fluctuations.

Net income was \$12.9 million in Q3 2023 compared to a loss of \$38.8 million in Q3 2022, an increase of \$51.7 million. The increase was primarily due to higher Adjusted EBITDA and lower unrealized foreign exchange losses, partially offset by higher income tax expense.

Kruger Products Q3 2023 Liquidity

Total liquidity, representing cash and availability under the revolving credit agreements, was \$277.6 million as of September 30, 2023. In addition, \$22.5 million of cash was held by Kruger Products for the Sherbrooke Expansion Project.

Sherbrooke Expansion Project

As a result of significant inflation across the supply chain and interest rate increases during construction, the capital cost of the Sherbrooke Expansion Project is now forecast to increase to \$377.5 million from \$351.5 million. The additional costs are being financed by investments from Kruger Products and an \$8.2 million increase in the Construction Facility. Management continues to monitor the project closely to minimize the impact of any further inflation.

KPT Q3 2023 Financial Results

KPT had net income of \$1.8 million in Q3 2023. Included in net income was \$1.8 million representing KPT's share of Kruger Products' net income, a dilution gain of \$0.3 million and depreciation expense of \$0.3 million related to adjustments to carrying amounts on acquisition.

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, 2024 to shareholders of record at the close of business on January 2, 2024.

Additional Information

For additional information please refer to Management's Discussion and Analysis (MD&A) of KPT and Kruger Products for the third quarter ended September 30, 2023 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 Wednesday, November 8, 2023 at 8:30 a.m. Eastern Time.

Via telephone: 1-888-664-6383 or 416-764-8650

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 15, 2023 by dialing 1-888-390-0541 or 416-764-8677 and entering passcode 991958.

The replay of the webcast will remain available on the website until midnight, November 15, 2023.

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About KP Tissue Inc. (KPT)

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 13.1% interest in Kruger Products. For more information visit www.kptissueinc.com.

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 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 2,800 employees and operates nine FSC® COC-certified (FSC® C-104904) production facilities in North America. For more information visit www.krugerproducts.ca.

Non-GAAP Financial Measures

This press release uses certain non-GAAP financial measures which Kruger Products believes provide useful information to management of Kruger Products and the readers of the financial information in measuring the financial performance and financial condition of Kruger Products. These measures do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similarly titled measures presented by other companies. An example of such a measure is Adjusted EBITDA. Adjusted EBITDA is not a measurement of operating performance computed in accordance with GAAP and should not be considered as a substitute for operating income, net income or cash flows from operating activities computed in accordance with GAAP. "Adjusted EBITDA" is calculated by Kruger Products as net income (loss) before (i) interest expense and other finance costs, (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) consulting costs related to operational transformation initiatives, (xii) corporate development 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 Segment and Geographic Results table of this news release.

Forward-Looking Statements

Certain statements in this press release 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 press release include, but are not limited to, statements regarding continued growth in the U.S. Consumer tissue business with the White Cloud® brand and premium private label products, the expected capital cost of the Sherbrooke Expansion Project, expectations regarding Q4 volume and margins and our expectation that Adjusted EBITDA¹ in Q4 2023 will be in the \$60-\$65 million range. 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 the moderation of inflationary pressure on input costs and continued inflationary pressure on SG&A as labour, marketing and IT costs continue to rise. 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.

The outlook provided in respect of Adjusted EBITDA¹ for Q4 2023 is forward-looking information and is based on the assumptions and 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 Kruger Products' future financial performance. Readers are cautioned that this information may not be appropriate for other purposes.

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

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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 March 9, 2023 available on SEDAR at www.sedar.com; 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 TAD Sherbrooke Project; risks associated with the Sherbrooke Expansion 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; and risks relating to information technology; cyber-security; insurance; internal controls; trade; and risks related to COVID-19.

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.

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Kruger Products Inc.
Unaudited Condensed Consolidated Statements of Financial Position
(thousands of Canadian dollars)

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	151,145	71,261
Restricted cash	11,082	7,145
Trade and other receivables	123,545	119,681
Receivables from related parties	118	223
Inventories	255,835	286,566
Income tax recoverable	5,159	1,306
Prepaid expenses	8,564	5,640
	<u>555,448</u>	<u>491,822</u>
Non-current assets		
Property, plant and equipment	1,363,521	1,294,838
Right-of-use assets	72,996	81,715
Other long-term assets	6,213	27,554
Pensions	104,124	83,080
Goodwill	152,021	152,021
Intangible assets	27,312	30,027
Deferred income taxes	16,256	95,711
Total assets	<u>2,297,891</u>	<u>2,256,768</u>
Liabilities		
Current liabilities		
Trade and other payables	350,401	279,425
Payables to related parties	11,888	11,363
Dividends payable	13,463	-
Distributions payable	-	12,866
Current portion of long-term debt	34,389	34,411
Current portion of lease liabilities	25,807	28,349
Current portion of long-term payable to related party	5,800	5,800
Current portion of provisions	3,199	3,252
	<u>444,947</u>	<u>375,466</u>
Non-current liabilities		
Long-term debt	1,065,594	1,077,297
Long-term lease liabilities	61,306	70,579
Long-term payable to related party	35,016	39,042
Long-term provisions	3,053	3,076
Pensions	19,395	20,847
Post-retirement benefits	42,542	43,739
Liabilities to non-equityholders	<u>1,671,853</u>	<u>1,630,046</u>
Long-term portion of Partnership units liability	<u>-</u>	<u>133,551</u>
Total liabilities	<u>1,671,853</u>	<u>1,763,597</u>
Equity		
Share capital	661,856	-
Partnership units	-	494,459
Deficit	(137,903)	(87,835)
Accumulated other comprehensive income	85,906	86,547
Equity attributable to Kruger Products	<u>609,859</u>	<u>493,171</u>
Non-controlling interest	<u>16,179</u>	<u>-</u>
Total equity	<u>626,038</u>	<u>493,171</u>
Total equity and liabilities	<u>2,297,891</u>	<u>2,256,768</u>

Kruger Products Inc.
Unaudited Condensed Consolidated Statements of Income (Loss)
(thousands of Canadian dollars)

	3-month period ended September 30, 2023 \$	3-month period ended September 30, 2022 \$	9-month period ended September 30, 2023 \$	9-month period ended September 30, 2022 \$
Revenue	473,399	427,026	1,390,693	1,223,264
Expenses				
Cost of sales	386,375	394,596	1,171,111	1,130,940
Selling, general and administrative expenses	39,973	30,060	116,890	94,036
Restructuring costs, net	77	139	1,300	1,007
Operating income (loss)	46,974	2,231	101,392	(2,719)
Interest expense and other finance costs	16,677	18,907	51,740	53,810
Foreign exchange loss (gain)	8,395	26,045	(870)	34,329
Income (loss) before income taxes	21,902	(42,721)	50,522	(90,858)
Current tax expense	515	547	1,943	1,385
Deferred tax expense (recovery)	6,553	(4,466)	68,860	(19,365)
Income tax expense (recovery)	7,068	(3,919)	70,803	(17,980)
Net income (loss) including non-controlling interest	14,834	(38,802)	(20,281)	(72,878)
Net income attributable to non-controlling interest	1,906	-	1,568	-
Net income (loss) attributable to Kruger Products	12,928	(38,802)	(21,849)	(72,878)

Kruger Products Inc.
Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss)
(thousands of Canadian dollars)

	3-month period ended September 30, 2023	3-month period ended September 30, 2022	9-month period ended September 30, 2023	9-month period ended September 30, 2022
	\$	\$	\$	\$
Net income (loss) including non-controlling interest	14,834	(38,802)	(20,281)	(72,878)
Other comprehensive income (loss)				
Items that will not be reclassified to net income (loss):				
Remeasurements of pensions	18,227	(3,184)	(1,654)	191,741
Remeasurements of post-retirement benefits	2,932	(293)	13,122	13,758
Items that may be subsequently reclassified to net income (loss):				
Cumulative translation adjustment	4,611	17,110	(641)	21,495
Other comprehensive income	25,770	13,633	10,827	226,994
Total comprehensive income (loss) including non-controlling interest	40,604	(25,169)	(9,454)	154,116
Total comprehensive income attributable to non-controlling interest	1,906	-	1,568	-
Total comprehensive income (loss) attributable to Kruger Products	38,698	(25,169)	(11,022)	154,116

Kruger Products Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(thousands of Canadian dollars)

	3-month period ended September 30, 2023 \$	3-month period ended September 30, 2022 \$	9-month period ended September 30, 2023 \$	9-month period ended September 30, 2022 \$
Cash flows from (used in) operating activities				
Net income (loss) including non-controlling interest	14,834	(38,802)	(20,281)	(72,878)
Items not affecting cash				
Depreciation	24,227	23,684	70,305	66,444
Amortization	1,110	1,108	3,271	3,277
Loss (gain) on sale of property, plant and equipment	(11)	-	1,098	18
Gain on disposal of leased assets	-	-	(488)	-
Foreign exchange loss (gain)	8,395	26,045	(870)	34,329
Interest expense and other finance costs	16,677	18,907	51,740	53,810
Pension and post-retirement benefits	2,344	3,706	6,456	10,976
Provisions	765	773	2,704	1,267
Income tax expense (recovery)	7,068	(3,919)	70,803	(17,980)
Loss on sale of non-financial assets	5	1	21	11
Total items not affecting cash	60,580	70,305	205,040	152,152
Net change in non-cash working capital	47,409	(18,724)	64,267	(85,245)
Contributions to pension and post-retirement benefit plans	(2,241)	(4,214)	(7,439)	(12,554)
Provisions paid	(169)	(88)	(3,443)	(4,003)
Income tax payments, net	(550)	(269)	(2,008)	(1,757)
Net cash from (used in) operating activities	119,863	8,208	236,136	(24,285)
Cash flows from (used in) investing activities				
Purchases of property, plant and equipment	(5,993)	(8,381)	(14,673)	(27,311)
Purchases of property, plant and equipment and software related to the TAD Sherbrooke Project	(837)	(4,256)	(1,580)	(15,185)
Purchases of property, plant and equipment and software related to the Sherbrooke Expansion Project	(21,535)	(9,196)	(89,995)	(29,944)
Interest paid on credit facilities related to the Sherbrooke Expansion Project, net	(105)	17	(321)	(289)
Government assistance received	-	1,023	1,250	1,023
Purchases of software	(48)	(180)	(556)	(4,939)
Proceeds on sale of property, plant and equipment	17	-	2,465	1
Net cash used in investing activities	(28,501)	(20,973)	(103,410)	(76,644)
Cash flows from (used in) financing activities				
Proceeds from long-term debt	30,761	30,820	87,543	248,326
Repayment of long-term debt	(46,337)	(10,272)	(69,906)	(135,718)
Payment of deferred financing fees	(25)	(1,506)	(405)	(2,818)
Payment of lease liabilities	(7,039)	(6,852)	(20,835)	(21,263)
Change in Restricted cash	(1,380)	(1,160)	(3,937)	(3,472)
Interest paid on long-term debt	(2,921)	(11,211)	(34,281)	(36,198)
Payment to related party	-	-	(5,700)	-
Dividends paid, net	(1,741)	-	(5,245)	-
Distributions and advances paid, net	-	(1,743)	-	(15,764)
Net cash from (used in) financing activities	(28,682)	(1,924)	(52,766)	33,093
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	220	1,280	(76)	1,440
Increase (decrease) in cash and cash equivalents during the period	62,900	(13,409)	79,884	(66,396)
Cash and cash equivalents - Beginning of period	88,245	95,532	71,261	148,519
Cash and cash equivalents - End of period	151,145	82,123	151,145	82,123

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

	3-month period ended September 30, 2023 \$	3-month period ended September 30, 2022 \$	9-month period ended September 30, 2023 \$	9-month period ended September 30, 2022 \$
Segment Information				
Segment Revenue				
Consumer	390,293	346,063	1,150,290	1,015,238
AFH	83,106	80,963	240,403	208,026
Revenue from external customers	<u>473,399</u>	<u>427,026</u>	<u>1,390,693</u>	<u>1,223,264</u>
Adjusted EBITDA				
Consumer	65,925	25,038	170,468	74,719
AFH	8,381	5,357	15,078	1,685
Corporate and other costs	(1,924)	315	(8,159)	(4,819)
Total Adjusted EBITDA	<u>72,382</u>	<u>30,710</u>	<u>177,387</u>	<u>71,585</u>
Reconciliation to net income (loss):				
Depreciation and amortization	25,337	24,792	73,576	69,721
Interest expense and other finance costs	16,677	18,907	51,740	53,810
Loss (gain) on sale of property, plant and equipment	(11)	-	1,098	18
Loss on sale of non-financial assets	5	1	21	11
Restructuring costs, net	77	139	1,300	1,007
Foreign exchange loss (gain)	8,395	26,045	(870)	34,329
Consulting costs related to operational transformation initiatives	-	3,547	-	3,547
Income (loss) before income taxes	<u>21,902</u>	<u>(42,721)</u>	<u>50,522</u>	<u>(90,858)</u>
Income tax expense (recovery)	<u>7,068</u>	<u>(3,919)</u>	<u>70,803</u>	<u>(17,980)</u>
Net income (loss) including non-controlling interest	<u>14,834</u>	<u>(38,802)</u>	<u>(20,281)</u>	<u>(72,878)</u>
Geographic Revenue				
Canada	267,588	249,827	793,533	732,033
US	205,811	177,199	597,160	491,231
Total revenue	<u>473,399</u>	<u>427,026</u>	<u>1,390,693</u>	<u>1,223,264</u>

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

	September 30, 2023	December 31, 2022
	\$	\$
Assets		
Current assets		
Dividends receivable	1,793	-
Distributions receivable	-	1,790
Income tax recoverable	443	580
	<u>2,236</u>	<u>2,370</u>
Non-current assets		
Investment in associate	72,318	79,338
	<u>74,554</u>	<u>81,708</u>
Total assets		
	<u>74,554</u>	<u>81,708</u>
Liabilities		
Current liabilities		
Dividend payable	1,793	1,790
Payable to investee	33	-
Payable to Partnership	-	170
	<u>1,826</u>	<u>1,960</u>
Non-current liabilities		
Deferred income taxes	-	5,718
	<u>-</u>	<u>5,718</u>
Total liabilities	<u>1,826</u>	<u>7,678</u>
Equity		
Common shares	22,509	22,379
Contributed surplus	144,819	144,819
Deficit	(111,378)	(108,008)
Accumulated other comprehensive income	16,778	14,840
	<u>72,728</u>	<u>74,030</u>
Total equity	<u>72,728</u>	<u>74,030</u>
Total liabilities and equity	<u>74,554</u>	<u>81,708</u>

KP Tissue Inc.

Unaudited Condensed Statements of Income (Loss) and Comprehensive Income (Loss)
(thousands of Canadian dollars, except share and per share amounts)

	3-month period ended September 30, 2023	3-month period ended September 30, 2022	9-month period ended September 30, 2023	9-month period ended September 30, 2022
	\$	\$	\$	\$
Share of income (loss)	1,789	-5523	(2,909)	-10425
Depreciation of fair value increments	(286)	-1313	(886)	-3942
Equity income (loss)	1,503	(6,836)	(3,795)	(14,367)
Dilution gain	262	283	787	483
Income (loss) before income taxes	1,765	(6,553)	(3,008)	(13,884)
Current tax expense (recovery)	-	4	-	-448
Deferred tax expense (recovery)	-	-268	3892	-4177
Income tax expense (recovery)	-	(264)	3,892	(4,625)
Net income (loss)	1,765	(6,289)	(6,900)	(9,259)
Other comprehensive income (loss)				
net of tax expense (recovery)				
Items that will not be reclassified to net income (loss):				
Remeasurements of pensions	2,466	(383)	6,675	17,749
Remeasurements of post-retirement benefits	370	(45)	2,229	1,354
Items that may be subsequently reclassified to net income (loss):				
Cumulative translation adjustment	672	2,390	1,938	2,981
Other comprehensive income	3,508	1,962	10,842	22,084
Total comprehensive income (loss)	5,273	(4,327)	3,942	12,825
Basic earnings (loss) per share	0.18	(0.63)	(0.69)	(0.93)
Weighted average number of shares outstanding	9,957,841	9,939,529	9,953,646	9,933,537

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

	3-month period ended September 30, 2023	3-month period ended September 30, 2022	9-month period ended September 30, 2023	9-month period ended September 30, 2022
	\$	\$	\$	\$
Cash flows from (used in) operating activities				
Net income (loss)	1,765	(6,289)	(6,900)	(9,259)
Items not affecting cash				
Equity loss (income)	(1,503)	6,836	3,795	14,367
Dilution gain	(262)	(283)	(787)	(483)
Income tax expense (recovery)	-	(264)	3,892	(4,625)
Total items not affecting cash	(1,765)	6,289	6,900	9,259
Net change in non-cash working capital	(137)	93	(137)	(76)
Tax refunds (payments), net	137	(93)	137	38
Tax Distribution received, net	-	-	-	38
Net cash from (used in) operating activities	-	-	-	-
Cash flows from investing activities				
Dividends received, net	1,739	-	5,242	-
Partnership unit distributions received, net	-	1,742	-	4,886
Net cash from investing activities	1,739	1,742	5,242	4,886
Cash flows used in financing activities				
Dividends paid, net	(1,739)	(1,742)	(5,242)	(4,886)
Net cash used in financing activities	(1,739)	(1,742)	(5,242)	(4,886)
Increase (decrease) in cash and cash equivalents during the period	-	-	-	-
Cash and cash equivalents - Beginning of period	-	-	-	-
Cash and cash equivalents - End of period	-	-	-	-