



NEWS RELEASE
For immediate release

KRUGER PRODUCTS ANNOUNCES CLOSING OF FINANCINGS FOR SHERBROOKE EXPANSION PROJECT

Sherbrooke (Québec), May 21, 2021 – KP Tissue Inc. (“KPT”) (TSX: KPT) and Kruger Products L.P. (“KPLP”) today announced that certain wholly-owned subsidiaries of KPLP have closed financing transactions to fund the previously announced expansion of its Sherbrooke operations.

The financings, totalling \$240 million, include the previously announced \$165 million in investments by Investissement Québec, as well as a credit agreement between Kruger Products SB Inc. (“KPSB”) and National Bank of Canada (as administrative agent), the Bank of Nova Scotia and CIBC who acted as co-lead arrangers and joint bookrunners. The credit agreement includes senior credit facilities in an amount of \$75 million to be made available to KPSB.

In connection with the financings, KPLP’s credit agreement with National Bank of Canada (acting as administrative agent) was amended to, amongst other things, increase the amount of permitted debt.

With this important step being completed, KPLP will now focus on the next phase of its project.

Forward-Looking Statements

Certain statements in this press release about KPT’s and KPLP’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. 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 KPLP. Although KPT and KPLP 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.

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.

About KP Tissue Inc. (KPT)

KPT was created to acquire, and its business is limited to holding, a limited partnership interest in KPLP, which is accounted for as an investment on the equity basis. KPT currently holds a 14.6% interest in KPLP. For more information visit www.kptissueinc.com.

About Kruger Products L.P. (KPLP)

KPLP is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. KPLP serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties® and White Swan®. In the U.S., KPLP 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. KPLP has approximately 2,700 employees and operates nine FSC® COC-certified (FSC® C-104904) production facilities in North America. For more information visit www.krugerproducts.ca.

INFORMATION:

François Paroyan
SVP, General Counsel & Corporate Affairs
KP Tissue Inc.
Tel.: 905-812-6936
francois.paroyan@krugerproducts.ca

INVESTORS:

Mike Baldesarra
Director of Investor Relations
KP Tissue Inc.
Tel.: 905-812-6962
IR@KPTissueinc.com