



SUPREMEX ANNOUNCES OPTIMIZATION MEASURES FOR ITS ENVELOPE ACTIVITIES

Initiatives to enhance efficiency and generate cost savings

Montreal, Quebec, July 24, 2024 – Supremex Inc. (“Supremex” or the “Company”) (TSX: SXP), a leading North American manufacturer and marketer of envelopes and a growing provider of paper-based packaging solutions, announced optimization initiatives today aimed at improving costs, overall efficiency, productivity and achieving synergies within its Envelope segment operations. These initiatives are expected to result in annual cost savings in excess of \$2.0 million once all measures are implemented, primarily from the reduction of rent and other fixed costs, and modest productivity improvements.

First, the Company is ceasing production at its very small facility in Niagara Falls, New York, effective immediately and maintaining the premises as a distribution centre. Additionally, Supremex will close its facility in Concord, Ontario, as its lease expires in February 2025 and will transfer the location’s most efficient production equipment, primarily to its other Greater Toronto area (“GTA”) envelope plants in Mississauga and Etobicoke over the coming months. These measures will not result in significant headcount reduction as the vast majority of employees will be relocated within the Company’s existing operations. Related to these moves, Supremex will record restructuring charges of approximately \$2.7 million before taxes for a period extending from the third quarter of 2024 through the first quarter of 2025.

“With the rising cost of real estate, consolidating envelope production in the GTA will significantly reduce fixed costs and allow us to optimize capacity utilization throughout our network as we methodically pursue the execution of our North American expansion strategy,” said Stewart Emerson, President and CEO of Supremex. “In addition to optimizing the equipment base in the Toronto region, some redundant equipment will be re-deployed to U.S. facilities, providing customers with superior service and high-quality products at the most affordable cost. Finally, we expect the operating leverage resulting from these initiatives to improve the profitability and cash flow generation of our envelope activities.”

About Supremex

Supremex is a leading North American manufacturer and marketer of envelopes and a growing provider of paper-based packaging solutions. Supremex operates ten manufacturing facilities across four provinces in Canada and five manufacturing facilities in three states in the United States employing approximately 1,000 people. Supremex’ extensive network allows it to efficiently manufacture and distribute envelope and packaging solutions designed to the specifications of major national and multinational corporations, direct mailers, resellers, government entities, SMEs and solutions providers.

For more information, please visit www.supremex.com.

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