Interim Condensed Consolidated Financial Statements
**Supremex Inc.**

For the three and six-month periods ended June 30, 2026, and 2025

[Unaudited]

## NOTICE

The Company's independent auditors have not reviewed these Interim Condensed Consolidated Financial Statements in accordance with the standard established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

## INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| As at<br>[Unaudited]<br>[in thousands of Canadian dollars] | Notes | June 30, 2026<br>$ | December 31, 2025<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash | | **3,542** | 3,090 |
| Accounts receivable | | **38,281** | 34,546 |
| Income taxes recoverable | | **2,841** | 1,372 |
| Inventories | **5** | **42,360** | 31,129 |
| Prepaid expenses | | **5,721** | 2,971 |
| **Total current assets** | | **92,745** | 73,108 |
| Property, plant and equipment | | **38,983** | 31,433 |
| Deferred taxes | | **8,679** | 8,302 |
| Right-of-use assets | | **69,434** | 59,662 |
| Accrued pension benefit net assets | | **7,699** | 8,183 |
| Intangible assets | | **26,882** | 30,104 |
| Goodwill | | **62,384** | 41,384 |
| **Total assets** | | **306,806** | 252,176 |
| **LIABILITIES AND EQUITY** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | | **35,954** | 29,214 |
| Restructuring provisions | **6** | **668** | 268 |
| Income tax payable | | **—** | 4,149 |
| Current portion of contingent consideration payable | **4** | **1,120** | 265 |
| Current portion of lease liabilities | | **6,384** | 5,987 |
| Current portion of long-term debt | **7** | **6,492** | 3,683 |
| **Total current liabilities** | | **50,618** | 43,566 |
| Contingent consideration payable | **4** | **422** | 756 |
| Long-term debt | **7** | **37,122** | 389 |
| Deferred income tax liabilities | | **3,396** | 3,433 |
| Lease liabilities | | **105,795** | 95,367 |
| Other long-term liabilities | | **521** | 459 |
| **Total liabilities** | | **197,874** | 143,970 |
| **Total equity** | | **108,932** | 108,206 |
| **Total liabilities and equity** | | **306,806** | 252,176 |

Subsequent events [*note 11*]

*See accompanying notes*

On behalf of the Directors:

By: *signed (Robert B. Johnston)*
Director

By: *signed (Paul V. Reilly)*
Director

**Supremex Inc.**

## INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

| [Unaudited] [in thousands of Canadian dollars, except per share amounts and number of common shares] | Notes | Three-month periods ended June 30 2026 $ | 2025 $ | Six-month periods ended June 30 2026 $ | 2025 $ |
|---|---|---|---|---|---|
| **Revenue** | | **71,557** | 65,957 | **146,398** | 136,185 |
| Operating expenses | **5** | **52,081** | 47,498 | **105,964** | 97,662 |
| Selling, general and administrative expenses | | **12,094** | 12,608 | **23,158** | 23,987 |
| **Operating earnings before depreciation, amortization and other items** | | **7,382** | 5,851 | **17,276** | 14,536 |
| Depreciation of property, plant and equipment | | **1,152** | 1,552 | **2,360** | 3,040 |
| Depreciation of right-of-use assets | | **1,808** | 1,399 | **3,516** | 2,967 |
| Amortization of intangible assets | | **1,793** | 1,668 | **3,595** | 3,350 |
| Asset impairment | | **—** | 563 | **—** | 563 |
| Restructuring expenses (recovery) | **6** | **200** | (28) | **1,613** | 285 |
| (Gain) loss on disposal of property, plant and equipment and right-of-use assets | | **(54)** | 5 | **(15)** | (139) |
| **Operating earnings** | | **2,483** | 692 | **6,207** | 4,470 |
| Net financing charges | **7** | **1,685** | 945 | **3,168** | 2,002 |
| **Earnings (loss) before income taxes** | | **798** | (253) | **3,039** | 2,468 |
| Income tax (recovery) expense | | **(170)** | 56 | **1,285** | 857 |
| **Net earnings (loss)** | | **968** | (309) | **1,754** | 1,611 |
| **Basic and diluted net earnings (loss) per share** | | **0.04** | (0.01) | **0.07** | 0.07 |
| **Weighted average number of shares outstanding** | | **24,327,551** | 24,559,869 | **24,337,992** | 24,559,869 |

*See accompanying notes*

**Supremex Inc.**

## INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

| [Unaudited]<br>[in thousands of Canadian dollars] | Three-month periods ended June 30<br>2026<br>$ | <br>2025<br>$ | Six-month periods ended June 30<br>2026<br>$ | <br>2025<br>$ |
|---|---|---|---|---|
| **Net earnings (loss)** | **968** | (309) | **1,754** | 1,611 |
| **Other comprehensive income (loss)** | | | | |
| *Other comprehensive income (loss) to be reclassified to earnings in subsequent periods* | | | | |
| Unrealized gain on derivative financial instruments, net of income tax of $0 and $0 [2025 – expense of $28 and $4] | **—** | 80 | **—** | 12 |
| Foreign currency translation adjustments | **920** | (726) | **1,721** | (744) |
| Net other comprehensive income (loss) to be reclassified to earnings in subsequent periods | **920** | (646) | **1,721** | (732) |
| *Items not to be reclassified to earnings in subsequent periods* | | | | |
| Recognized actuarial loss on defined benefit pension plans, net of income tax recovery of $1 and $15 [2025 – recovery of $33 and $160] | **(1)** | (95) | **(45)** | (457) |
| Recognized actuarial (loss) gain on other post-retirement benefit, net of income tax expense of $0 and $0 [2025 – expense of $0 and $0] | **(1)** | 1 | **—** | 1 |
| Net other comprehensive loss not to be reclassified to earnings in subsequent periods | **(2)** | (94) | **(45)** | (456) |
| Other comprehensive income (loss) | **918** | (740) | **1,676** | (1,188) |
| **Total comprehensive income (loss)** | **1,886** | (1,049) | **3,430** | 423 |

*See accompanying notes*

**Supremex Inc.**

## INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

**For the six-month periods ended June 30**
**[Unaudited]**
**[in thousands of Canadian dollars]**

| | Share capital $ | Contributed surplus $ | Deficit $ | Foreign currency translation reserve $ | Total equity $ |
|---|---|---|---|---|---|
| **As at December 31, 2024** | 8,383 | 267,487 | (162,309) | 1,410 | 114,971 |
| Net earnings | — | — | 1,611 | — | 1,611 |
| Other comprehensive loss | — | — | (456) | (732) | (1,188) |
| Total comprehensive income | — | — | 1,155 | (732) | 423 |
| Dividends declared [*note 9*] | — | — | (2,456) | — | (2,456) |
| Shares repurchased and cancelled | — | — | — | — | — |
| **As at June 30, 2025** | **8,383** | **267,487** | **(163,610)** | **678** | **112,938** |
| **As at December 31, 2025** | 8,324 | 266,900 | (167,952) | 934 | 108,206 |
| Net earnings | — | — | 1,754 | — | 1,754 |
| Other comprehensive (loss) income | — | — | (45) | 1,721 | 1,676 |
| Total comprehensive income | — | — | 1,709 | 1,721 | 3,430 |
| Dividends declared [*note 9*] | — | — | (2,433) | — | (2,433) |
| Shares repurchased and cancelled [*note 8*] | (24) | (247) | — | — | (271) |
| **As at June 30, 2026** | **8,300** | **266,653** | **(168,676)** | **2,655** | **108,932** |

*See accompanying notes*

**Supremex Inc.**

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

| [Unaudited] [in thousands of Canadian dollars] | Notes | For the three-month periods ended June 30 2026 $ | 2025 $ | For the six-month periods ended June 30 2026 $ | 2025 $ |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| Net earnings (loss) | | **968** | (309) | **1,754** | 1,611 |
| Non-cash adjustments to reconcile net earnings to net cash flows | | | | | |
| Depreciation of property, plant and equipment | | **1,152** | 1,552 | **2,360** | 3,040 |
| Depreciation of right-of-use assets | | **1,808** | 1,399 | **3,516** | 2,967 |
| Amortization of intangible assets | | **1,793** | 1,668 | **3,595** | 3,350 |
| Amortization of deferred financing costs | **7** | **61** | 28 | **113** | 57 |
| (Gain) loss on disposal of property, plant and equipment | | **(6)** | 5 | **33** | (139) |
| Asset impairment | | **—** | 563 | **—** | 563 |
| Interest on contingent consideration payable | | **24** | — | **41** | — |
| Deferred income tax recovery | | **(265)** | (834) | **(500)** | (1,531) |
| Restructuring expenses (recovery) | | **44** | (54) | **870** | 22 |
| Change in accrued pension benefit net assets | | **145** | 175 | **422** | 479 |
| Change in current portion of PSU liability | | **30** | 8 | **133** | 32 |
| Change in DSU liability | | **72** | 4 | **76** | 107 |
| Change in other long-term liabilities | | **127** | 84 | **60** | 86 |
| | | **5,953** | 4,289 | **12,473** | 10,644 |
| Variations in working capital accounts | | | | | |
| Variation in accounts receivable | | **4,472** | (1,011) | **300** | (1,195) |
| Variation in income taxes recoverable or payable | | **(802)** | (14) | **(5,587)** | (383) |
| Variation in inventories | | **(4,387)** | (982) | **(5,033)** | (2,778) |
| Variation in prepaid expenses | | **(1,015)** | 240 | **(2,207)** | (541) |
| Variation in accounts payable and accrued liabilities | | **536** | (1,916) | **3,580** | 1,891 |
| Variation in restructuring provisions | | **1** | (302) | **400** | (369) |
| Other operating activities | | **(472)** | — | **(471)** | — |
| **Net cash flows related to operating activities** | | **4,286** | 304 | **3,455** | 7,269 |
| **INVESTING ACTIVITIES** | | | | | |
| Business combinations, net of cash acquired | **4** | **(35,808)** | — | **(35,808)** | — |
| Acquisition of property, plant and equipment | | **(714)** | (300) | **(1,724)** | (593) |
| Acquisition of intangible assets | | **—** | (45) | **—** | (70) |
| Proceeds from disposal of property, plant and equipment | | **—** | — | **7** | 153 |
| **Net cash flows related to investing activities** | | **(36,522)** | (345) | **(37,525)** | (510) |
| **FINANCING ACTIVITIES** | | | | | |
| Net change in secured revolving credit facility | | **35,505** | 2,668 | **39,898** | (2,437) |
| Repayment of term loans | | **(59)** | (67) | **(125)** | (130) |
| Repayment of lease liabilities | | **(1,513)** | (1,228) | **(2,971)** | (2,241) |
| Receipt of lease incentive | | **(44)** | — | **12** | — |
| Dividends paid | **9** | **(2,433)** | (2,456) | **(2,433)** | (2,456) |
| Deferred financing costs | | **(61)** | (23) | **(344)** | (23) |
| Purchase of share capital for cancellation | **8** | **(52)** | — | **(271)** | — |
| **Net cash flows related to financing activities** | | **31,343** | (1,106) | **33,766** | (7,287) |
| Net change in cash during the period | | **(893)** | (1,147) | **(304)** | (528) |
| Net foreign exchange difference | | **393** | 780 | **756** | 790 |
| Cash, beginning of period | | **4,042** | 2,423 | **3,090** | 1,794 |
| **Cash, end of period** | | **3,542** | 2,056 | **3,542** | 2,056 |
| **Supplemental information**[(1)] | | | | | |
| Interest paid | | **1,601** | 1,157 | **3,129** | 2,178 |
| Interest received | | **—** | — | **—** | (3) |
| Income taxes paid | | **1,283** | 1,303 | **7,740** | 3,119 |
| Income taxes received | | **426** | 358 | **441** | 358 |

(1) Amounts paid and received for interest and for income taxes were reflected as cash flows from operating activities in the interim consolidated statements of cash flows.

*See accompanying notes*

## 1. CORPORATE INFORMATION

Supremex Inc. (the "Company" or "Supremex") was incorporated on March 31, 2006, under the *Canadian Business Corporations Act.* The common shares of the Company are listed on the Toronto Stock Exchange ("TSX") under the symbol SXP. The Company's registered office is located at 7213 Cordner Street in LaSalle, in Quebec.

Supremex is a growing provider of paper-based packaging solutions and specialty products as well a leading North American manufacturer and marketer of envelopes. Supremex' revenue is subject to the seasonal advertising and mailing patterns of its customers. The number of envelopes sold by Supremex is generally higher during fall and winter mainly due to the higher number of mailings related to events including the return to school, fundraising, the holidays and tax seasons. The number of envelopes sold by Supremex is generally lower during spring and summer in anticipation of a slowdown in mailing activities of businesses during the summer.

Most revenue from packaging and specialty products is not subject to seasonal patterns (i.e. specialty folding cartons for large multinational customers). Only a small portion, primarily the e-commerce offering, is subject to seasonal patterns related to the holidays. As such, there is currently little to no seasonal effect from packaging and specialty products on Supremex' total revenue.

As a result, Supremex' revenue and financial performance for any single quarter may not be indicative of revenue and financial performance which may be expected for the full year. To maintain production efficiencies, Supremex uses warehousing capabilities to stock envelopes as required and thereby counter predictable seasonal variations in sales volume.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### Basis of preparation and statement of compliance

The unaudited interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries. They are presented in Canadian dollars, which is the functional currency of the Company, and tabular amounts are rounded to the nearest thousand ($000) except when otherwise indicated.

The unaudited interim condensed consolidated financial statements have been prepared by management in accordance with IAS 34, Interim Financial Reporting. Therefore, certain information and disclosures have been omitted or condensed. The accounting principles are consistent with those set out in the Company's audited consolidated financial statements for the year ended December 31, 2025, prepared in accordance with International Financial Reporting Standards ("IFRS"). Accordingly, these unaudited interim condensed consolidated financial statements and the notes thereto should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2025.

These unaudited interim condensed consolidated financial statements were approved by the Company's Board of Directors on July 30, 2026, and have not been audited or reviewed by the Company's auditors.

## 3. SIGNIFICANT JUDGMENTS AND ACCOUNTING ESTIMATES

The preparation of the Company's unaudited interim condensed consolidated financial statements requires management to make estimates, judgment and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period.

However, uncertainty about these assumptions and estimates, could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The areas involving key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are the same as those set out in the Company's audited consolidated financial statements for the year ended December 31, 2025.

## 4. BUSINESS COMBINATIONS

2025 Business Combinations

*Trans Graphique Inc., Enveloppe Laurentide Inc. and Elite Envelope & Graphics*

The Company completed three acquisitions during the year ended December 31, 2025: Trans Graphique Inc. ("Trans Graphique") on July 7, 2025, Enveloppe Laurentide Inc. ("Enveloppe Laurentide") on July 14, 2025, and Elite Envelope & Graphics ("Elite Envelope") on December 8, 2025. The accounting for all three business combinations remains preliminary as at June 30, 2026, as the assessment of certain assets acquired and liabilities assumed, including the identification and measurement of intangible assets and the finalization of working capital balances, is ongoing and the respective measurement periods have not closed. There have been no adjustments to the provisional purchase price allocations of Trans Graphique and Enveloppe Laurentide recognized at December 31, 2025, and accordingly, the amounts disclosed for those two acquisitions in the Company's annual consolidated financial statements continue to represent management's best estimates.

During the six-month period ended June 30, 2026, the Company recognized a measurement period adjustment to the provisional purchase price allocation of Elite Envelope. Following the finalization of the acquired net working capital, the cash consideration was increased by $105 (US$74) to $1,922 (US$1,389), with a corresponding adjustment to goodwill of the same amount.

The Trans Graphique and Elite Envelope acquisitions include contingent consideration arrangements, which are measured at fair value at each reporting date (see "Contingent consideration" below). For further details on these acquisitions and the provisional purchase price allocations, refer to Note 5 – Business Combinations in the Company's audited consolidated financial statements for the year ended December 31, 2025.

2026 Business Combinations

*Fantasia Printing Ltd ("Fantasia")*

On April 20, 2026, the Company acquired all of the issued and outstanding shares of Fantasia, doing business as iFlex Labels ("iFlex"), a label manufacturing company located in Saint-Laurent, Quebec, for a total consideration of $2,487. The consideration includes a contingent consideration payable to the previous owner upon the realization of certain financial targets over a two-year period, fair valued at the acquisition date at an amount of $462. The contingent consideration is based primarily on revenue and earnings targets and was measured using a probability-weighted discounted cash flow model. Key assumptions include forecast financial performance and discount rates reflecting the risk profile of the obligation. The fair value of the contingent consideration payable as at June 30, 2026, is $467 and represents the maximum amount of the obligation.

The fair value of trade receivables acquired is $439, which approximates the gross contractual amounts receivable. No amount was considered uncollectible at the acquisition date.

The Company's consolidated statements of earnings include revenue and earnings before income taxes from Fantasia of $583 and $172, respectively, since the acquisition date. If the acquisition had occurred on January 1, 2026, the Company's revenue and earnings before income taxes for the six-month period ended June 30, 2026, would have been approximately $1,382 and $356, respectively.

The goodwill related to the acquisition is composed of expected growth and operational synergies and is allocated to the Packaging & Specialty Products cash-generating unit ("CGU"). As at June 30, 2026, certain identifiable intangible assets, including customer relationships, have not yet been fully valued and have been provisionally included within goodwill. These amounts will be separately recognized once the valuation of identifiable intangible assets is finalized during the measurement period.

*Goldrich Printpak Inc. ("Goldrich")*

On June 5, 2026, the Company acquired all of the issued and outstanding shares of Goldrich, a provider of folding carton packaging solutions based in Toronto, Ontario, for a total cash consideration of $34,420. There is no contingent consideration in connection with this acquisition.

The accounting for the Goldrich business combination is preliminary as at June 30, 2026, due to the ongoing assessment of the fair value of certain assets acquired and liabilities assumed, including the identification and measurement of intangible assets, such as customer relationships, and goodwill. The goodwill related to the acquisition is composed of expected growth and operational synergies and is allocated to the Packaging & Specialty Products CGU.

The Company's consolidated statements of earnings include revenue and loss before income taxes from Goldrich of $1,792 and $55, respectively, since the acquisition date. If the acquisition had occurred on January 1, 2026, the Company's revenue and earnings before income taxes for the six-month period ended June 30, 2026, would have been approximately $13,100 and $900, respectively.

Preliminary Purchase Price Allocations – 2026 acquisitions

The preliminary purchase price allocations reflecting the estimated fair value of assets acquired and liabilities assumed at the respective acquisition dates are as follows:

| | Fantasia<br>$ | Goldrich<br>$ | 2026 Total<br>$ |
|---|---|---|---|
| **Net assets acquired** | | | |
| Cash | 49 | 393 | 442 |
| Accounts receivable | 439 | 3,596 | 4,035 |
| Inventories | 268 | 5,930 | 6,198 |
| Prepaid expenses | 12 | 532 | 544 |
| Income tax receivable | 24 | 7 | 31 |
| **Total current assets** | 792 | 10,458 | 11,250 |
| Property, plant and equipment | 756 | 7,242 | 7,998 |
| Intangible assets | 2 | — | 2 |
| Goodwill | 1,549 | 19,070 | 20,619 |
| **Total assets** | **3,099** | **36,770** | **39,869** |
| Accounts payable and accrued liabilities | 304 | 2,350 | 2,654 |
| Lease liabilities | 206 | — | 206 |
| Deferred tax liabilities | 102 | — | 102 |
| **Net assets acquired** | **2,487** | **34,420** | **36,907** |
| Less: Contingent consideration payable | 462 | — | 462 |
| Less: Holdback payable | 300 | — | 300 |
| **Cash consideration** | **1,725** | **34,420** | **36,145** |

Contingent consideration

The contingent consideration arrangements relating to the Trans Graphique, Elite Envelope and Fantasia acquisitions are classified as financial liabilities measured at fair value through profit or loss (Level 3) and are remeasured at each reporting date until settled.

The fair value of each arrangement, which in each case represents the maximum amount of the obligation, is as follows:

| **Contingent consideration payable** | **Acquisition date Fair Value**<br>$ | **June 30, 2026 Fair Value**<br>$ |
|---|---|---|
| Trans Graphique | 501 | 536 |
| Elite Envelope | 505 | 539 |
| Fantasia | 462 | 467 |
| **Total** | **1,468** | **1,542** |

The aggregate fair value of contingent consideration payable increased from $1,021 at December 31, 2025, to $1,542 at June 30, 2026. The increase is attributable to the contingent consideration recognized on the Fantasia acquisition ($462 at the acquisition date) and to remeasurement and accretion of the existing arrangements during the period. The fair value measurements of contingent consideration are categorized within Level 3 of the fair value hierarchy and are based on significant unobservable inputs, including forecast financial performance and discount rates.

**Acquisition-related costs**

Acquisition-related costs of $398 were incurred and expensed during the six-month period ended June 30, 2026, and are presented within ''*Selling, general and administrative expenses*'' in the consolidated statement of earnings.

## 5. INVENTORIES

| | June 30, 2026 $ | December 31, 2025 $ |
|---|---|---|
| Raw materials | **16,826** | 11,867 |
| Work in progress | **2,990** | 3,476 |
| Finished goods | **22,544** | 15,786 |
| | **42,360** | 31,129 |

The cost of inventories recognized as an expense and included in operating expenses, including the related depreciation of property, plant and equipment and depreciation of right-of-use assets allocated to inventories during the three and six-month periods ended June 30, 2026, are $51,648 and $105,047 respectively [2025 — $48,442 and $99,231].

## 6. PROVISIONS

In January 2026, the Company announced the closure of its Envelope facility in Indianapolis, Indiana, with production volume transferred primarily to existing facilities in the Greater Toronto Area and, to a lesser extent, to other plants in the Supremex network. Restructuring expenses recognized in respect of this initiative during the six-month period ended June 30, 2026, amounted to $1,413 [three-month period ended June 30, 2026 — nil], comprised mainly of employee-related charges and costs to relocate production and move scrap. Also included in these expenses, all recognized in the first quarter of 2026, are the right-of-use assets of $695, gain on remeasurement of lease liabilities of $19, the impairment of property, plant and equipment of $187, and a gain on disposal of property, plant and equipment of $37.

During the second quarter of 2026, concurrently with the acquisition of Fantasia, the Company initiated a reorganization of its label business involving the planned closure of its label facility in Laval, Quebec and the leased facility acquired as part of the Fantasia acquisition, with all label operations to be consolidated into the Company's folding carton plant in Lachine, Quebec. Restructuring expenses recognized in respect of this initiative during the three- and six-month periods ended June 30, 2026, amounted to $200, comprised mainly of a provision for premises restoration (make-good) costs. The Company expects this initiative to generate annual cost savings in excess of $500.

The remaining Indianapolis-related provision is expected to be settled in cash during the second half of 2026, while the restoration obligation related to the label business reorganization is expected to be settled between the third quarter of 2026 and the second quarter of 2027.

The following is a summary of amounts accrued and paid relating to restructuring expenses:

| | June 30, 2026 $ | December 31, 2025 $ |
|---|---|---|
| Balance, beginning of year | **268** | 683 |
| Additions | **599** | — |
| Payments | **(199)** | (415) |
| **Balance, end of year** | **668** | 268 |

## 7. LONG-TERM DEBT

| | June 30, 2026 $ | December 31, 2025 $ |
|---|---|---|
| Secured revolving credit facility | **18,398** | 3,500 |
| Acquisition term loan | **25,000** | — |
| Term loans | **510** | 635 |
| **Total debt** | **43,908** | 4,135 |
| Deferred financing costs | **(294)** | (63) |
| Current portion | **(6,492)** | (3,683) |
| **Long-term portion** | **37,122** | 389 |

The Company has a senior secured credit agreement providing for total commitments of $70,000, comprising a three-year revolving credit facility of $45,000 and an acquisition term loan of $25,000. Borrowings under the credit agreement bear interest at a floating rate based on the Canadian prime rate, the U.S. base rate, the Secured Overnight Financing Rate (“SOFR”) or the Canadian Overnight Repo Rate Average ("CORRA"), plus an applicable margin that ranges between 0% and 2.25%. The credit agreement matures in July 2028. The Company may request that the agreement be extended by one year on every anniversary date, subject to the approval of the lenders. The credit agreement is collateralized by mortgage and a security interest covering all assets of the Company and its subsidiaries and is subject to certain covenants, which the Company is required, among other conditions, to meet. The Company was in compliance with these covenants as at June 30, 2026.

### Secured revolving credit facility

The revolving credit facility is used for working capital, capital expenditures, acquisitions and other general corporate purposes. No principal repayments are required under the revolving credit facility prior to maturity. As at June 30, 2026, the amount outstanding on the revolving credit facility was $18,398.

### Acquisition term loan

In connection with the acquisition of Goldrich completed on June 5, 2026 (see Note 4 – Business Combinations), the Company entered into an acquisition term loan of $25,000 under the credit agreement. The term loan is repayable in quarterly principal instalments of $1,562, commencing in the third quarter of 2026, with the remaining balance due at maturity in July 2028. As at June 30, 2026, the amount outstanding on the term loan was $25,000.

**Term loans**

In addition to the credit agreement described above, the Company has two term loans totaling $510 as at June 30, 2026 [$635 as at December 31, 2025], that were assumed following the acquisition of Impression Paragraph Inc. on January 16, 2023. The loans bear interest at a rate of 4.69% and are repayable in monthly instalments totaling $22, including capital and interest. The loans mature through July 2028.

**Other**

As at June 30, 2026, the Company had outstanding letters of credit totaling of $241 [$241 as at December 31, 2025].

The effective interest rate on the secured credit facility was 4.77% as at June 30, 2026 [4.13% as at December 31, 2025].

The following table presents the components of net financing charges:

| | Three-month periods ended June 30, | | Six-month periods ended June 30, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | **$** | **$** | **$** | **$** |
| Interest on secured credit facility | **252** | 532 | **357** | 1,116 |
| Interest on lease liabilities | **1,445** | 487 | **2,844** | 1,029 |
| Interest income on defined benefit plans obligations | **(96)** | (114) | **(195)** | (226) |
| Other interest expense | **23** | 12 | **49** | 26 |
| Amortization of deferred financing costs | **61** | 28 | **113** | 57 |
| **Net Financing Charges** | **1,685** | **945** | **3,168** | **2,002** |

## 8. SHARE CAPITAL

The change in share capital was as follows:

| | Number of common shares | Share capital $ |
|---|---|---|
| **Balance, as at December 31, 2024, and June 30, 2025** | **24,559,869** | **8,383** |
| **Balance, as at December 31, 2025** | 24,388,771 | 8,324 |
| Purchase of share capital for cancellation | (71,827) | (24) |
| **Balance, as at June 30, 2026** | **24,316,944** | **8,300** |

On August 7, 2025, the Company announced that it had received approval from the TSX to purchase by way of a normal course issuer bid ("NCIB") for cancellation, up to 1,507,850 of its common shares, representing approximately 10.0% of its "public float" (within the meaning of the TSX Company Manual) as of July 28, 2025, for a period of twelve months, beginning on August 11, 2025, and ending on August 10, 2026. As at July 28, 2025, there were 24,559,869 issued and outstanding common shares, of which 15,078,500 common shares were comprising the public float.

During the three and six-month periods ended June 30, 2026, the Company repurchased 14,200 and 71,827 common shares [2025 — 0] for cancellation in consideration of $52 and $271 [2025 — nil]. The excess of the purchase price over the carrying value in the amount of $47 and $247 [2025 — $0] was recorded as a reduction of contributed surplus.

**Deferred Share Unit ("DSU") Plan**

As at June 30, 2026, the financial liability resulting from the DSU plan of $1,971 [December 31, 2025 — $1,895] is presented under "*Accounts payable and accrued liabilities*".

During the six-month period ended June 30, 2026, no amount of variable compensation was allocated in DSUs [2025 — nil] and no other amount was paid out [2025 — $279]. During the three and six-month periods ended June 30, 2026, the net compensation expense for the DSU plan amounted to $72 and $76 respectively [2025 — $4 and $107] and is recognized under ''*Selling, general and administrative expenses*''.

**Performance Share Unit ("PSU") Plan**

As at June 30, 2026, the financial liability resulting from PSU Plan of $229 [December 31, 2025 — $97] is presented under "*Accounts payable and accrued liabilities*" and $361 [December 31, 2025 — $346] is presented under "*Other long-term liabilities*".

During the six-month period ended June 30, 2026, an amount of $97 [2025 — $657] was paid out. During the three and six-month periods ended June 30, 2026, the net compensation expense for the PSU Plan amounted to $132 and $244 [2025 — $94 and $122] and is recognized under "*Selling, general and administrative expenses"*.

**Restricted Share Unit ("RSU") Plan**

As at June 30, 2026, the financial liability resulting from the RSU Plan of $53 [December 31, 2025 — nil] is presented under "*Other long-term liabilities*".

During the three and six-month periods ended June 30, 2026, the net compensation expense for the RSU Plan amounted to $25 and $53, respectively [2025 — nil], and is recognized under "*Selling, general and administrative expenses*".

## 9. DIVIDENDS

Dividends declared from January 1, 2026, to June 30, 2026, were as follows:

| Declaration date | Record date | Payment date | Per share $ | Dividend $ |
|---|---|---|---|---|
| February 18, 2026 | March 19, 2026 | April 2, 2026 | 0.05 | 1,217 |
| May 6, 2026 | June 4, 2026 | June 18, 2026 | 0.05 | 1,216 |
| **Total** | | | | **2,433** |

Dividends declared from January 1, 2025, to June 30, 2025, were as follows:

| Declaration date | Record date | Payment date | Per share $ | Dividend $ |
|---|---|---|---|---|
| February 19, 2025 | March 20, 2025 | April 4, 2025 | 0.05 | 1,228 |
| May 7, 2025 | June 5, 2025 | June 20, 2025 | 0.05 | 1,228 |
| **Total** | | | | **2,456** |

## 10. SEGMENTED INFORMATION

The Company currently operates in two reporting segments: the manufacturing and sale of paper-based packaging solutions and specialty products, and the manufacturing and sale of envelopes. The segmented information is prepared using the accounting policies described in Note 2 – Material accounting policy information in the Company's audited consolidated financial statements for the year ended December 31, 2025, prepared in accordance with IFRS.

The following tables provide the segmented EBITDA before Corporate and other non-allocated expenses:

**For the three-month periods ended June 30,**

| | 2026 $ | | | 2025 $ | | |
|---|---|---|---|---|---|---|
| | Packaging & Specialty Products | Envelope | Total | Packaging & Specialty Products | Envelope | Total |
| Revenue | 26,390 | 45,167 | **71,557** | 22,170 | 43,787 | **65,957** |
| Operating expenses | 19,515 | 32,367 | **51,882** | 15,429 | 32,307 | **47,736** |
| Selling, general and administrative expenses | 3,467 | 5,765 | **9,232** | 3,879 | 5,306 | **9,185** |
| **Segmented Adjusted EBITDA[1]** | **3,408** | **7,035** | **10,443** | **2,862** | **6,174** | **9,036** |
| Corporate and other non-allocated expenses | | | **2,634** | | | **3,205** |
| Depreciation of property, plant and equipment | | | **1,152** | | | **1,552** |
| Depreciation of right-of-use assets | | | **1,808** | | | **1,399** |
| Amortization of intangible assets | | | **1,793** | | | **1,668** |
| Asset impairment | | | **—** | | | **563** |
| Retroactive COVID-related ERC[2] subsidies | | | **—** | | | **(71)** |
| Acquisition costs [*note 4*] | | | **373** | | | **56** |
| Restructuring expenses (recovery) [*note 6*] | | | **200** | | | **(28)** |
| Net financing charges [*note 7*] | | | **1,685** | | | **945** |
| **Earnings (loss) before income taxes** | | | **798** | | | **(253)** |

(1) The Chief Executive Officer uses adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), as a measure of financial performance for assessing the performance of each of the Company's segments. Adjusted EBITDA equals EBITDA adjusted to remove items of significance that are not in the normal course of operations and/or do not reflect operating corporate and other non-allocated expenses, and are not indicative of core operating performance. These items of significance include, when applicable, but are not limited to, charges for impairment of assets, restructuring expenses, value adjustment on inventory acquired. acquisition costs, and gain on sale and leaseback.

(2) Employment Retention Credit ("ERC").

**For the six-month periods ended June 30,**

| | | | 2026 $ | | | 2025 $ |
|---|---|---|---|---|---|---|
| | Packaging & Specialty Products | Envelope | Total | Packaging & Specialty Products | Envelope | Total |
| Revenue | 50,379 | 96,019 | **146,398** | 43,982 | 92,203 | **136,185** |
| Operating expenses | 36,218 | 69,486 | **105,704** | 30,724 | 67,032 | **97,756** |
| Selling, general and administrative expenses | 7,061 | 11,053 | **18,114** | 7,125 | 10,671 | **17,796** |
| **Segmented Adjusted EBITDA**[1] | **7,100** | **15,480** | **22,580** | **6,133** | **14,500** | **20,633** |
| Corporate and other non-allocated expenses | | | **4,891** | | | **5,973** |
| Depreciation of property, plant and equipment | | | **2,360** | | | **3,040** |
| Depreciation of right-of-use assets | | | **3,516** | | | **2,967** |
| Amortization of intangible assets | | | **3,595** | | | **3,350** |
| Asset impairment | | | **—** | | | **563** |
| Retroactive COVID-related ERC[2] subsidies | | | **—** | | | **(71)** |
| Acquisition costs [*note 4*] | | | **398** | | | **56** |
| Restructuring expenses [*note 6*] | | | **1,613** | | | **285** |
| Net financing charges [*note 7*] | | | **3,168** | | | **2,002** |
| **Earnings before income taxes** | | | **3,039** | | | **2,468** |

(1) The Chief Executive Officer uses adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), as a measure of financial performance for assessing the performance of each of the Company's segments. Adjusted EBITDA equals EBITDA adjusted to remove items of significance that are not in the normal course of operations and/or do not reflect operating corporate and other non-allocated expenses, and are not indicative of core operating performance. These items of significance include, when applicable, but are not limited to, charges for impairment of assets, restructuring expenses, value adjustment on inventory acquired, acquisition costs, and gain on sale and leaseback.

(2) Employment Retention Credit ("ERC").

The Company's non-current assets amounted to $169,360 in Canada and $44,701 in the United States as at June 30, 2026 [$133,083 and $45,985, respectively, as at December 31, 2025]. The Company's revenue amounted to $38,930 and $80,865 in Canada and $32,627 and $65,533 in the United States for the three and six-month periods ended June 30, 2026, based on the customer's locations [2025 — $35,500 and $73,194 in Canada and $30,457 and $62,991 in the United States].

## 11. SUBSEQUENT EVENTS

### Dividend declaration

On July 30, 2026, the Board of Directors declared a quarterly dividend of $0.05 per common share, payable on September 11, 2026, to the shareholders of record at the close of business on August 27, 2026. This dividend is designated as an "eligible" dividend for the purpose of the *Income Tax Act* (Canada) and any similar provincial legislation.

### NCIB program renewal

On July 31, 2026, the Company announced its intention to renew its NCIB program, subject to the approval of the TSX, to purchase for cancellation common shares representing up to 10% of its public float as at July 31, 2026, for a period of twelve months expected to begin on August 11, 2026, being the day following the expiry of the current NCIB on August 10, 2026.

### United States' Announcement of New Tariffs

On July 20, 2026, the United States announced the imposition of additional 50% tariffs on certain goods of Canadian origin imported into the United States, which are scheduled to take effect on August 19, 2026. In addition, on July 23, 2026, the United States announced the imposition of a new tariff regime that is expected to impose a 10% tariff on certain imports from Canada, effective July 24, 2026, following the expiry of the temporary Section 122 tariff measures that had been in effect since February 2026. Certain of the Company's products manufactured in Canada and sold into the United States fall within the categories of goods subject to these measures. This development is a non-adjusting event after the reporting period. Accordingly, no adjustment has been made to the amounts recognized in the condensed consolidated interim financial statements as at and for the three and six-months periods ended June 30, 2026.

Given the recency of the announcement, the continuing uncertainty as to the final scope, effective date, application of exemptions (including the potential availability of preferential treatment under the Canada-United States–Mexico Agreement) and duration of the measures, and the range of commercial and operational responses available to the Company and its customers, the Company is unable to reliably estimate the financial effect of these measures on future periods at the date these financial statements were authorized for issue. The Company continues to monitor developments and to assess potential impacts and mitigating actions.

## 12. COMPARATIVE PERIOD INFORMATION

Certain comparative figures have been reclassified to conform with the current period's presentation. These reclassifications had no impact on net earnings, comprehensive income, financial position or cash flows as previously reported.