

Interim Condensed Consolidated Financial Statements

Supremex Inc.

For the three-month periods ended March 31, 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.

Supremex Inc.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		March 31, 2026	December 31, 2025
[Unaudited]			
[in thousands of Canadian dollars]	Notes	\$	\$
ASSETS			
Current assets			
Cash		4,042	3,090
Accounts receivable		38,717	34,546
Income taxes recoverable		2,008	1,372
Inventories	5	31,774	31,129
Prepaid expenses		4,163	2,971
Total current assets		80,704	73,108
Property, plant and equipment		31,187	31,433
Deferred taxes		8,514	8,302
Right-of-use assets		58,093	59,662
Accrued pension benefit net assets		7,845	8,183
Intangible assets		28,480	30,104
Goodwill		41,512	41,384
Total assets		256,335	252,176
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		32,323	29,214
Dividend payable		1,217	—
Restructuring provisions	6	667	268
Income tax payable		—	4,149
Current portion of contingent consideration payable	4	805	265
Current portion of lease liabilities		6,102	5,987
Current portion of long-term debt	7	241	3,683
Total current liabilities		41,355	43,566
Contingent consideration payable	4	242	756
Long-term debt		7,928	389
Deferred income tax liabilities	7	3,396	3,433
Lease liabilities		94,709	95,367
Other long-term liabilities		394	459
Total liabilities		148,024	143,970
Total equity		108,311	108,206
Total liabilities and equity		256,335	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

For the three-month periods ended March 31 [Unaudited] [in thousands of Canadian dollars, except per share amounts and number of common shares]	Notes	2026 \$	2025 \$
Revenue		74,841	70,228
Operating expenses	5	53,883	50,848
Selling, general and administrative expenses		11,065	10,695
Operating earnings before depreciation, amortization and other items		9,893	8,685
Depreciation of property, plant and equipment		1,208	1,488
Depreciation of right-of-use assets		1,708	1,568
Amortization of intangible assets		1,802	1,682
Restructuring expenses	6	1,413	313
Loss (gain) on disposal of property, plant and equipment		39	(144)
Operating earnings		3,723	3,778
Net financing charges	7	1,483	1,057
Earnings before income taxes		2,240	2,721
Income tax expense		1,455	801
Net earnings		785	1,920
Basic and diluted net earnings per share		0.03	0.08
Weighted average number of shares outstanding		24,348,549	24,559,869

See accompanying notes

Supremex Inc.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended March 31

[Unaudited]

[in thousands of Canadian dollars]

	2026	2025
	\$	\$
Net earnings	785	1,920
Other comprehensive income (loss)		
<i>Other comprehensive income (loss) to be reclassified to earnings in subsequent periods</i>		
Unrealized loss on derivative financial instruments, net of income tax recovery of \$0 [2025 – income tax recovery of \$24]	—	(68)
Foreign currency translation adjustments	801	(18)
Net other comprehensive income (loss) to be reclassified to earnings in subsequent periods	801	(86)
<i>Items not to be reclassified to earnings in subsequent periods</i>		
Recognized actuarial loss on defined benefit pension plans, net of income tax recovery of \$15 [2025 – income tax recovery of \$127]	(45)	(362)
Net other comprehensive loss not to be reclassified to earnings in subsequent periods	(45)	(362)
Other comprehensive income (loss)	756	(448)
Total comprehensive income	1,541	1,472

See accompanying notes

Supremex Inc.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended March 31
 [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	—	—	1,920	—	1,920
Other comprehensive loss	—	—	(362)	(86)	(448)
Total comprehensive income	—	—	1,558	(86)	1,472
Dividends declared [note 9]	—	—	(1,228)	—	(1,228)
Shares repurchased and cancelled	—	—	—	—	—
As at March 31, 2025	8,383	267,487	(161,979)	1,324	115,215
As at December 31, 2025	8,324	266,900	(167,952)	934	108,206
Net earnings	—	—	785	—	785
Other comprehensive loss	—	—	(45)	801	756
Total comprehensive income	—	—	740	801	1,541
Dividends declared [note 9]	—	—	(1,217)	—	(1,217)
Shares repurchased and cancelled	(19)	(200)	—	—	(219)
As at March 31, 2026	8,305	266,700	(168,429)	1,735	108,311

See accompanying notes

Supremex Inc.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month periods ended March 31 [Unaudited] [in thousands of Canadian dollars]	Notes	2026 \$	2025 \$
OPERATING ACTIVITIES			
Net earnings		785	1,920
Non-cash adjustments to reconcile net earnings to net cash flows			
Depreciation of property, plant and equipment		1,208	1,488
Depreciation of right-of-use assets		1,708	1,568
Amortization of intangible assets		1,802	1,682
Amortization of deferred financing costs	7	52	29
Loss (gain) on disposal of property, plant and equipment		39	(144)
Interest on contingent consideration payable	4	17	—
Deferred income tax recovery		(234)	(697)
Restructuring expenses	6	826	76
Change in accrued pension benefit net assets		277	304
Change in current portion of PSU liability		103	24
Change in DSU liability		4	103
Change in other long-term liabilities		(60)	6
		6,527	6,359
Variations in working capital accounts			
Variation in accounts receivable		(4,171)	(184)
Variation in income taxes recoverable or payable		(4,785)	(369)
Variation in inventories		(645)	(1,796)
Variation in prepaid expenses		(1,192)	(781)
Variation in accounts payable and accrued liabilities		3,039	3,807
Variation in restructuring provisions		399	(67)
Change in other long-term liabilities		(4)	(4)
Net cash flows related to operating activities		(832)	6,965
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and right-of-use assets		(1,010)	(293)
Acquisition of intangible assets		—	(25)
Proceeds from disposal of property, plant and equipment		7	153
Net cash flows related to investing activities		(1,003)	(165)
FINANCING ACTIVITIES			
Net change in secured revolving credit facility		4,394	(5,105)
Repayment of term loans		(66)	(63)
Repayment of lease liabilities		(1,456)	(1,013)
Receipt of lease incentive		56	—
Deferred financing costs		(283)	—
Purchase of share capital for cancellation	8	(219)	—
Net cash flows related to financing activities		2,426	(6,181)
Net change in cash during the period		591	619
Net foreign exchange difference		361	10
Cash, beginning of period		3,090	1,794
Cash, end of period		4,042	2,423
Supplemental information ⁽¹⁾			
Interest paid		1,528	1,021
Interest received		—	3
Income taxes paid		6,457	1,816
Income taxes received		15	—

(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

Supremex Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2026 and 2025

[Unaudited, expressed in thousands of Canadian dollars, except per share amounts]

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 leading North American manufacturer and marketer of envelopes and a growing provider of paper-based packaging solutions and specialty products. 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 warehouse 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 May 6, 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.

Supremex Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2026 and 2025

[Unaudited, expressed in thousands of Canadian dollars, except per share amounts]

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

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 these business combinations remains preliminary as at March 31, 2026, due to the ongoing assessment of certain assets acquired and liabilities assumed. There have been no adjustments to the provisional purchase price allocations recognized at December 31, 2025, and accordingly, the amounts disclosed in the Company's annual consolidated financial statements continue to represent management's best estimates.

The acquisitions of Trans Graphique and Elite Envelope include contingent consideration arrangements, which are measured at fair value at each reporting date. The fair value of contingent consideration as at March 31, 2026, has been updated with no material changes recognized in the current period. For further details on the 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.

5. INVENTORIES

	March 31, 2026	December 31, 2025
	\$	\$
Raw materials	13,199	11,867
Work in progress	2,369	3,476
Finished goods	16,206	15,786
	31,774	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-month period ended March 31, 2026 is \$53,399 [2025 – \$50,564].

6. PROVISIONS

In January 2026, the Company announced the closure of its Envelope facility in Indianapolis, Indiana. Production volume has been transferred primarily to existing facilities in the Greater Toronto Area, and to a lesser extent, to other plants in the Supremex network. Restructuring expenses mainly comprised of employee-related charges, costs to relocated production and moved scrap, amount to \$1,413. Included in restructuring expenses is the impairment of the right-of-use asset of \$695, gain on remeasurement of lease liability of \$19, the impairment of property, plant and equipment of \$187, and a gain of disposal of property, plant and equipment of \$37.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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[Unaudited, expressed in thousands of Canadian dollars, except per share amounts]

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

	March 31, 2026	December 31, 2025
	\$	\$
Balance, beginning of year	268	683
Additions	399	—
Payments	—	(415)
Balance, end of year	667	268

7. LONG-TERM DEBT

	March 31, 2026	December 31, 2025
	\$	\$
Secured revolving credit facility	7,894	3,500
Term loans	569	635
Total debt	8,463	4,135
Deferred financing costs	(294)	(63)
Current portion	(241)	(3,683)
Long-term portion	7,928	389

Secured revolving credit facility

The Company has a three-year senior secured revolving credit facility of \$70,000 which bears 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 agreement for this credit facility matures in July 2028 and no principal repayments are required prior to maturity. The Company may request that the agreement be extended by one year on every anniversary date. The extension is subject to the approval of the lenders. As at March 31, 2026, the amount outstanding on the credit facility was \$7,894.

The secured credit facility is used for working capital, capital expenditure, acquisitions and other general corporate purposes. It 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 March 31, 2026.

Term loans

The Company has two term loans totalling \$569 as at March 31, 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 March 31, 2026, the Company had outstanding letters of credit totaling of \$241 [\$241 as at December 31, 2025].

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[Unaudited, expressed in thousands of Canadian dollars, except per share amounts]

The effective interest rate on the secured credit facility was 4.35% as at March 31, 2026 [4.13% as at December 31, 2025].

The following table presents a reconciliation between the opening and closing balances of the total debt, excluding deferred financing costs:

	Three-month periods ended March 31,	
	2026	2025
	\$	\$
Interest on secured credit facility	105	584
Interest on lease liabilities	1,399	542
Interest income on defined benefit plans obligations	(99)	(113)
Other interest expense	26	15
Amortization of deferred financing costs	52	29
	1,483	1,057

8. SHARE CAPITAL

The change in share capital was as follows:

	Number of common shares	Share capital \$
Balance, as at December 31, 2024 and March 31, 2025	24,559,869	8,383
Balance, as at December 31, 2025	24,388,771	8,324
Purchase of share capital for cancellation	(57,627)	(19)
Balance, as at March 31, 2026	24,331,144	8,305

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-month period ended March 31, 2026, the Company repurchased 57,627 of common shares [2025 – 0] for cancellation through the NCIB in consideration of \$219 [2025 – nil]. The excess of the purchase price over the carrying value in the amount of \$200 [2025 – \$0] was recorded as a reduction of contributed surplus.

Deferred Share Unit (“DSU”) Plan

As at March 31, 2026, the financial liability resulting from the DSU plan of \$1,899 [December 31, 2025 – \$1,895] is presented under “Accounts payable and accrued liabilities”.

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During the three-month period ended March 31, 2026, no amount of variable executive compensation was allocated in DSUs [2025 – nil] and an amount of nil [2025 – \$279] was paid out. The net compensation expense for the DSU Plan amounted to \$4 [2025 – \$103] during the three-month period ended March 31, 2026, and is recognized under “*Selling, general and administrative expenses*”.

Performance Share Unit (“PSU”) Plan

As at March 31, 2026, the financial liability resulting from the PSU Plan of \$199 [December 31, 2025 – \$97] is presented under “*Accounts payable and accrued liabilities*” and \$260 [December 31, 2025 – \$346] is presented under “*Other long-term liabilities*”.

During the three-month period ended March 31, 2026, an amount of \$97 [2025 – \$657] was paid out. During the three-month period ended March 31, 2026, the net compensation expense for the PSU Plan amounted to \$112 [2025 – \$28] and is recognized under “*Selling, general and administrative expenses*”.

9. DIVIDENDS

Dividends declared from January 1, 2026 to March 31, 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
Total				1,217

Dividends declared from January 1, 2025 to March 31, 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
Total				1,228

10. SEGMENTED INFORMATION

The Company currently operates in two reporting segments: the manufacturing and sale of envelopes and the manufacturing and sale of paper-based packaging solutions and specialty products. 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.

Supremex Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2026 and 2025

[Unaudited, expressed in thousands of Canadian dollars, except per share amounts]

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

	2026		
	\$		
	Envelope	Packaging & Specialty Products	Total
Revenue	50,852	23,989	74,841
Operating expenses	37,119	16,703	53,822
Selling, general and administrative expenses	5,288	3,594	8,882
Segmented Adjusted EBITDA⁽¹⁾	8,445	3,692	12,137
Corporate and other non-allocated expenses			2,257
Depreciation of property, plant and equipment			1,208
Depreciation of right-of-use assets			1,708
Amortization of intangible assets			1,802
Acquisitions costs [note 4]			26
Restructuring expenses [note 6]			1,413
Net financing charges [note 7]			1,483
Earnings before income taxes			2,240

	2025		
	\$		
	Envelope	Packaging & Specialty Products	Total
Revenue	48,416	21,812	70,228
Operating expenses	35,272	15,474	50,746
Selling, general and administrative expenses	4,818	3,067	7,885
Segmented Adjusted EBITDA⁽¹⁾	8,326	3,271	11,597
Corporate and other non-allocated expenses			2,768
Depreciation of property, plant and equipment			1,488
Depreciation of right-of-use assets			1,568
Amortization of intangible assets			1,682
Restructuring expenses [note 6]			313
Net financing charges [note 7]			1,057
Earnings before income taxes			2,721

⁽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, but are not limited to, charges for impairment of assets, restructuring expenses, value adjustment on inventory acquired and acquisition costs.

The Company's non-current assets amounted to \$130,758 in Canada and \$44,873 in the United States as at March 31, 2026 [\$133,083 and \$45,985, respectively, as at December 31, 2025]. The Company's revenue amounted to \$41,913, in Canada and \$32,928, in the United States for the three-month period ended March 31, 2026, based on the customer's locations [2025 — \$37,694 in Canada and \$32,534 in the United States].

Supremex Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2026 and 2025

[Unaudited, expressed in thousands of Canadian dollars, except per share amounts]

11. SUBSEQUENT EVENTS

Business Combination

On April 20, 2026, the Company concluded the acquisition of the shares of Fantasia Printing Ltd, doing business as iFlex Labels (“iFlex”), a label manufacturing company located in Saint-Laurent, Quebec, for a total cash consideration of \$2,532, including an amount of \$507 payable over a two-year period subject to the realization of certain pre-established financial targets over that period. The preliminary purchase price allocation will be prepared once information on the fair values of asset-acquired and liabilities assumed is readily available.

Dividend declaration

On May 6, 2026, the Board of Directors declared a quarterly dividend of \$0.05 per common share, payable on June 18, 2026, to the shareholders of record at the close of business on June 4, 2026. This dividend is designated as an “eligible” dividend for the purpose of the *Income Tax Act* (Canada) and any similar provincial legislation.