



PRESS RELEASE

SUPREMEX ANNOUNCES STRATEGIC ACQUISITION IN THE UNITED STATES

Chicago-based Royal Envelope Corporation provides geographic and addressable market expansion

Montreal, Quebec, November 1, 2022 – 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 today the acquisition of substantially all of the assets of Royal Envelope Corporation (“Royal”), an envelope manufacturer and lithography company located in Chicago. This transaction was concluded for a total cash consideration of US\$18.7 million on a cash-free and debt-free basis plus US\$2.0 million for manufacturing equipment that was recently commissioned.

“We are very excited with this acquisition that expands our reach in the fragmented U.S. envelope market and gives us a significant manufacturing presence in the U.S. Midwest,” said Stewart Emerson, President and CEO of Supremex. “Royal has established itself as one of the preeminent direct mail envelope manufacturers in North America, utilizing a modern fleet of envelope converting equipment, in-house lithographic printing and embellishing, targeting the financial services sector. We expect this acquisition will generate significant synergies and additional operating efficiencies throughout our network. We are pleased that John, Matt and Mike Pusatera will remain with the Supremex team.”

Founded in 1978, Royal operates two facilities in the greater Chicago area, focusing primarily on higher-end, specialized, highly decorated envelopes for the direct mail market. Its highly skilled workforce of 78 employees has developed an expertise in special format, coloured envelopes for direct mail applications. For the 12-month period ended June 30, 2022, Royal generated sales of approximately US\$38.8 million.

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 six manufacturing facilities in the United States employing approximately 865 people. Supremex’ growing footprint allows it to efficiently manufacture and distribute envelope and packaging solutions designed to the specifications of major national and multinational corporations, resellers, government entities, SMEs and solutions providers.

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

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