PRESS RELEASE

SUPREMEX ANNOUNCES Q2 2018 RESULTS AND DECLARES REGULAR QUARTERLY DIVIDEND

Montreal, Quebec, August 3, 2018 – Supremex Inc. ("Supremex" or the "Company") (TSX: SXP), a leading North American manufacturer and marketer of envelopes and a growing provider of packaging and specialty products, today announced its results for the second quarter ended June 30, 2018, and declared a regular quarterly dividend.

Second Quarter 2018 Highlights and Recent Events

- Revenue increased by 13.8% year-over-year, to $46.8 million from $41.1 million.
- Revenue from packaging and specialty products now account for 32.6% of sales, up from 15.0% in the second quarter of 2017.
- Adjusted EBITDA[1] increased by 13.8% to $6.1 million, compared with $5.4 million.
- Net Earnings increased by 10.6%, to 3.1 million (or $0.11 per share) compared with $2.8 million (or $0.10 per share). Adjusted Net Earnings[1] increased by 4.4% to $3.0 million.
- Acquired Groupe Deux Printing Inc. and its related company Pharmaflex Labels Inc., a leading manufacturer of premium quality folding carton packaging and labels primarily for the pharmaceutical industry.
- Increased credit facility from $65 million to $75 million, to further support the diversification strategy.
- Maintained strong financial flexibility with a net indebtedness to Adjusted EBITDA[1] ratio of 1.9 times.
- Approved a quarterly dividend of $0.065 per share, equivalent to the last quarter and up 8.3% year-over-year.
- Purchased a total of 100,000 common shares for cancellation under the Normal Course Issuer Bid ("NCIB") program, for total consideration of $349,334.
- Received approval from the TSX for the renewal of the Company's NCIB program.

"Revenues increased almost 14% in the quarter, as a result of our diversification strategy into the growing packaging market. With almost 33% of our revenues in the quarter coming from packaging and specialty products, we more than offset the secular decline of the Canadian envelope market achieving a 4.4% increase in adjusted net earnings," said Stewart Emerson, President & CEO of Supremex.

"With strong cashflows, additional leverage capacity and growing management bandwidth, we have all the requirements to further execute our diversification strategy and improve our operational leverage. We also remain dedicated to creating shareholder value by way of dividends and by renewing our share buyback program as announced earlier today," concluded Mr. Emerson.

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[1] Refer to the reconciliation of Net Earnings to Adjusted EBITDA and to the definition of Adjusted EBITDA, Adjusted Net Earnings and non-IFRS measures at the end of this press release.

Summary of the three-month period ended June 30, 2018

Revenue for the three-month period ended June 30, 2018, increased by 13.8% or $5.7 million, reaching $46.8 million compared with $41.1 million during the three-month period ended June 30, 2017. Revenue growth comes entirely from packaging and specialty products, which represented 32.6% of the Company's revenue in the second quarter of 2018.

Revenue from the Canadian envelope market was $21.9 million, a decrease of 10.9% or $2.6 million from $24.5 million recorded during the second quarter of 2017. The reduction in volume of 12.4%, results primarily from the combined effects of industry-wide secular decline, ebbs and flow of order movement between customers and timing of orders. This was partially mitigated by an increase in average selling prices of 1.8%. For reference, Canada Post Transactional Mail volumes were down 4.0% during their first quarter ended March 31, 2018[2].

Revenue from the U.S. envelope market was $9.7 million, a decrease of 6.9% from revenue of $10.4 million in the second quarter of 2017. The volume of units sold decreased by 6.5% from the non-renewal of a low margin contract (from the acquisition of Bowers Envelope Inc.) and the end of a strategic production alliance with a long standing commercial partner. This was mitigated by new customer wins and growth in various accounts from the Company's dedication to execute its growth strategy. Selling price increases implemented in 2018 were offset by the conversion effect from a stronger Canadian dollar during the period, resulting in a net decrease of 0.4% in average selling prices.

Revenue from packaging products was $15.2 million, an increase of 147.3% or $9.1 million compared to the prior year, primarily resulting from the acquisitions of Stuart Packaging, concluded on July 20, 2017 and of G2 Printing and Pharmaflex, concluded on April 30, 2018, and from organic growth of the corrugate and e-commerce packaging offerings.

Adjusted EBITDA improved to $6.1 million in the second quarter of 2018, representing an increase of 13.8%, compared with $5.4 million in the equivalent quarter of 2017. Adjusted EBITDA margins were at 13.1% and in-line with last year's equivalent quarter. Growth from packaging and specialty products offset the negative effects of the secular decline in the envelope business. The second quarter 2017 operating results included a loss of $0.3 million attributable to the Printer Gateway's operations which were shut down in January 2018.

Net Earnings reached $3.1 million (or $0.11 per share) for the three-month period ended June 30, 2018, compared with $2.8 million (or $0.10 per share) for the equivalent period in 2017. Adjusting for the $0.3 million provision for contingent remuneration related to the Stuart Packaging acquisition, and the effect of a $0.4 million gain, net of income taxes, on the disposition of envelope manufacturing equipment from the now completed conclusion of the strategic partnership, the Adjusted Net Earnings reached $3.0 million (or $0.10 per share) for the three-month period ended June 30, 2018, compared with $2.8 million (or $0.10 per share) for the equivalent period in 2017.

Operating activities generated cash of $4.2 million compared with $5.2 million during the equivalent period in 2017.

Summary of the six-month period ended June 30, 2018

Revenue for the six-month period ended June 30, 2018, increased by 11.0% or $9.5 million, reaching $95.8 million compared with $86.3 million during the six-month period ended June 30, 2017. Revenue growth comes entirely from packaging and specialty products and was experienced across all packaging offerings.

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[2] Canada Post Reports First Quarter 2018 Results

Revenue from the Canadian envelope market was $47.8 million, a decrease of 9.2% or $4.8 million from $52.6 million during the six-month period of 2017. This represents a reduction of 10.9% in sales volume primarily from the combined effects of industry-wide secular decline, ebbs and flow of order movement between customers and timing of orders. This was partially mitigated by an increase in average selling prices of 1.9%.

Revenue from the U.S. envelope market was $19.9 million, a decrease of 7.2% from revenue of $21.4 million recorded during the equivalent six-month period of 2017. The volume of units sold decreased by 7.2% from ebbs and flow of order movement between customers and the size, and timing of orders. Changes in product mix and price increases implemented in the period were negatively impacted by a stronger Canadian dollar during the period, resulting in an unchanged average selling price in Canadian dollars.

Revenue from packaging products was $28.1 million, an increase of 129.5% or $15.8 million compared to the prior year, primarily resulting from the acquisitions of Stuart Packaging and of G2 Printing and Pharmaflex, and from organic growth in the corrugate and e-commerce packaging offerings.

Adjusted EBITDA was $12.8 million, representing an increase of 3.9%, compared with $12.3 million in the equivalent period of 2017. Growth from packaging and specialty products offset the negative effects of the secular decline in the envelope business. An operating loss of $0.2 million attributable to the non-core operations of Printer Gateway was recorded in the six-month period of 2018 compared to $0.7 million in the comparative period of 2017. Adjusted EBITDA margins were at 13.3% during the first half of 2018 compared with 14.2% in the equivalent period of last year.

Net Earnings were $6.5 million (or $0.23 per share) for the six-month period ended June 30, 2018, compared with $6.9 million (or $0.24 per share) for the equivalent period in 2017. Adjusting for the $0.5 million provision for contingent remuneration related to the Stuart Packaging acquisition and the effect of a $0.4 million gain on the disposition of envelope manufacturing equipment, net of income taxes, the Adjusted Net Earnings were $6.6 million (or $0.23 per share) for the six-month period ended June 30, 2018, compared with $6.9 million (or $0.24 per share) for the equivalent period in 2017.

Operating activities generated cash of $7.3 million compared with $6.0 million during the equivalent period in 2017.

Declaration of Dividend

On August 2, 2018, the Board of Directors declared a quarterly dividend of $0.065 per common share, payable on October 12, 2018, to the shareholders of record at the close of business on September 28, 2018. This dividend is designated as an "eligible" dividend for the purpose of the Income Tax Act (Canada) and any similar provincial legislation.

Renewal and Execution of Normal Course Issuer Bid ("NCIB")

On August 3, 2018, the Company announced the renewal of its Normal Course Issuer Bid after its approval by the TSX, to purchase for cancellation, up to 500,000 of its common shares for a period of twelve months beginning on August 8, 2018. During the second quarter of 2018, the Company purchased 100,000 common shares for cancellation under the NCIB program for a total consideration of $349,334. Since its renewal on August 3, 2017, the Company purchased a total of 177,142 common shares for cancellation under its existing NCIB program, for a total consideration of $666,366.

Non-IFRS Performance Measures

Reconciliation of Net Earnings to Adjusted EBITDA

(In thousands of dollars)

	Three-month periods ended June 30		Six-month periods ended June 30	
	2018	**2017**	**2018**	**2017**
Net Earnings	**3,135**	2,833	**6,480**	6,914
Income tax expense	**1,392**	1,184	**2,626**	2,617
Financing charges, net	**443**	183	**807**	367
Gain on disposal of property, plant and equipment	**(587)**	(1)	**(574)**	(1)
Amortization of property, plant and equipment	**1,007**	817	**1,974**	1,640
Amortization of intangible assets	**494**	381	**943**	755
Provision for contingent remuneration related to business combination	**256**	—	**512**	—
Adjusted EBITDA(1)	**6,140**	5,397	**12,768**	12,292

(1) Refer to "Definition of Adjusted EBITDA, Adjusted Net Earnings and Non-IFRS measures"

Reconciliation of Net Earnings to Adjusted Net Earnings

(In thousands of dollars)

	Three-month periods ended June 30		Six-month periods ended June 30	
	2018	**2017**	**2018**	**2017**
Net Earnings	**3,135**	2,833	**6,480**	6,914
Adjustments				
Plus : Gain on disposal of property, plant and equipment, net of income taxes	**(434)**	(1)	**(420)**	(1)
Plus : Provision for contingent remuneration related to business combination	**256**	—	**512**	—
Adjusted Net Earnings (1)	**2,957**	2,832	**6,572**	6,913

(1) Refer to "Definition of Adjusted EBITDA, Adjusted Net Earnings and Non-IFRS measures"

Definition of Adjusted EBITDA, Adjusted Net Earnings and Non-IFRS Measures

References to "Adjusted EBITDA" are to earnings before financing charges, income tax expense and amortization of property, plant and equipment and of intangible assets, adjusted to remove the gain or loss on disposal of property, plant and equipment and the expenses related to the remuneration expense related to the accounting of contingent considerations in connection with business combinations, as these charges are considered non-recurring. Supremex believes that Adjusted EBITDA is a measurement commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial obligations. References to "Adjusted Net Earnings" are to net earnings adjusted to remove the gain or loss on disposal of property, plant and equipment and the remuneration expense related to the accounting of contingent considerations in connection with business combinations, net of income taxes, as these charges are considered non-recurring.

Adjusted EBITDA or Adjusted Net Earnings are not recognized earnings measures under IFRS and do not have a standardized meaning prescribed by IFRS. Therefore, Adjusted EBITDA or Adjusted Net Earnings may not be comparable to similar measures presented by other entities. Investors are cautioned that Adjusted EBITDA or Adjusted Net Earnings should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance. Non-IFRS measures include net indebtedness to Adjusted EBITDA ratio (with Adjusted EBITDA including the recently acquired company's last-twelve-month Adjusted EBITDA). This ratio is calculated in accordance with the definition in the Company's credit agreement as total debt net of cash divided by Adjusted EBITDA.

Conference Call:

A conference call to discuss the Company's results for the second quarter ended June 30, 2018 will be held on August 3, 2018 at 10:00 a.m. (Eastern Time). A live broadcast of the conference call will be available on the Company's website, in the Investors section under Webcast.

To participate (professional investment community only) or to listen to the live conference call:

- Local participants (Montreal area), dial into (514) 807-9895
- North-American participants, dial toll-free 1-888-231-8191
- A replay of the conference call will be available on the Company's website in the Investors section under Webcast.

Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws, including (but not limited to) statements about the adjusted EBITDA and future performance of Supremex and similar statements or information concerning anticipated future results, circumstances, performance or expectations. Forward-looking information may include words such as anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target and will. Such information relates to future events or future performance and reflects current assumptions, expectations and estimates of management regarding growth, results of operations, performance, business prospects and opportunities, Canadian economic environment and liability to attract and retain customers. Such forward-looking information reflects current assumptions, expectations and estimates of management and is based on information currently available to Supremex as at the date of this press release. Such assumptions, expectations and estimates are discussed throughout our MD&A for the year ended December 31, 2017.

Forward-looking information is subject to certain risks and uncertainties, and should not be read as a guarantee of future performance or results and actual results may differ materially from the conclusion, forecast or projection stated in such forward-looking information. These risks and uncertainties include but are not limited to the following: economic cycles, availability of capital, decline in envelope consumption, increase of competition, exchange rate fluctuations, raw material increases, credit risks with respect to trade receivables, increases in funding requirement of the Company's pension plans, postal services deficiencies, interest rates fluctuations and potential risk of litigation. Such risks and uncertainties are discussed throughout our MD&A for the year ended December 31, 2017 and in particular, in "Risk Factors". Consequently, we cannot guarantee that any forward-looking information will materialize. Readers should not place any undue reliance on such forward-looking information unless otherwise required by applicable securities legislation. The Company expressly disclaims any intention and assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The Management Discussion and Analysis and Financial Statements can be found on www.sedar.com and on Supremex' website.

About Supremex

Supremex Inc. is a leading North American manufacturer and marketer of envelopes and a growing provider of packaging and specialty products. Supremex operates 12 facilities across seven provinces in Canada and three facilities in the United States employing approximately 830 people. Supremex' growing footprint allows it to efficiently manufacture and distribute paper 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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