

SUPREMEX ANNOUNCES RECORD Q4 and 2021 YEAR END RESULTS AND DECLARES QUARTERLY DIVIDEND

Montreal, Quebec, February 24, 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, today announced its results for the fourth quarter and fiscal year ended December 31, 2021 and declared a quarterly dividend. The Company will hold a conference call to discuss these results, today at 11:00 a.m. (Eastern Time).

Fourth Quarter Financial Highlights and Recent Events

- Total revenue increased by 21.2% to \$66.2 million, from \$54.6 million in the fourth quarter of 2020.
- Envelope segment revenue was up 15.3% to \$46.7 million, from \$40.5 million in the fourth quarter of 2020.
- Packaging and specialty products segment revenue increased by 38.0% to \$19.6 million, from \$14.2 million in the fourth quarter of 2020.
- Adjusted EBITDA¹ increased to \$12.2 million, from \$9.2 million in the fourth quarter of 2020.
- Net Earnings increased significantly to \$4.9 million, from \$0.3 million in the fourth quarter of 2020.
- Earnings per share increased significantly to \$0.18, up from \$0.01 in the fourth quarter of 2020.
- Recorded no assistance from the Canada Emergency Wage Subsidy (“CEWS”) and Canada Emergency Rent Subsidy (“CERS”) programs in the fourth quarter of 2021, compared to \$1.1 million in the fourth quarter of 2020.
- Purchased 406,900 shares for a total consideration of \$1.0 million as part of the Company’s NCIB program.
- On January 5, 2022, the Board of Directors declared a dividend of \$0.025 per common share, payable on February 15, 2022, to the shareholders of record at the close of business on January 31, 2022.
- On February 23, 2022, the Board of Directors declared a dividend of \$0.025 per common share, payable on April 8, 2022, to the shareholders of record at the close of business on March 24, 2022.

Fiscal Year Financial Highlights

- Total revenue increased by 10.7% to \$226.4 million, from \$204.6 million in 2020.
- Envelope segment revenue was up 7.3% to \$157.2 million, from \$146.5 million in 2020.
- Packaging and specialty products segment revenue increased by 19.2% to \$69.2 million, from \$58.1 million in 2020.
- Adjusted EBITDA¹ at \$39.0 million, up 20.1%, from \$32.5 million in 2020.
- Net Earnings more than doubled to \$15.8 million, from \$7.5 million in 2020.
- Earnings per share increased significantly to \$0.58, up from \$0.27 in 2020.
- Recorded \$2.1 million of assistance from the CEWS and CERS programs in 2021, compared to \$2.0 million in 2020.
- Renewed the Company’s Normal Course Issuer Bid (“NCIB”) over a maximum period of 12 months beginning on August 31, 2021 and ending on August 30, 2022.
- Purchased 1,409,300 shares for total consideration of \$3.3 million as part of the Company’s NCIB program.
- Entered into series of annuity buy-out transactions in order to reduce the risk profile associated with its defined benefit pension plans.

¹ This is a non-IFRS financial measure. Refer to the non-IFRS financial measures section for definitions and reconciliations.

- Acquired Vista Graphic Communications, LLC, (“Vista”) a print and folding carton supplier that brings the Company’s manufacturing closer to its American e-commerce packaging customers.
- Appointed Joe Baglione to the newly created position of President, Envelope, effective November 15, 2021.
- Appointed Mary Chronopoulos to the position of CFO and Corporate Secretary, effective May 31, 2021.

“We finished the year on a very strong note with our top line reaching a historic record of \$226 million. Year-over-year, revenue was up over 10% and net earnings more than doubled. All of our lines of business contributed to this improved performance. We are reaping the benefits of the foundational work laid in the past few years, successfully implementing our cost optimization plan and leveraging our strong supply chain and resilient workforce,” said Stewart Emerson, President & CEO, Supremex.

“In 2021, we generated \$26 million of free cash flow, which we used to deleverage the balance sheet, make the Vista acquisition, invest in the growth of the business and provide a return to shareholders in the form of share repurchases. More recently, we also announced the reinstatement of the quarterly dividend.

We anticipate our revenue to increase further next year and our profitability to remain strong, particularly in the back half of the year. While we were successful at overcoming supply chain challenges in the fourth quarter, we believe many of these issues will persist in the first half of the year. Priorities for fiscal 2022 will be to manage current supply chain industry issues, execute the Town Mount Royal plant move with minimal disruptions to operations, continue to focus on operational efficiencies and accelerate the search for strategic acquisitions in packaging,” concluded Mr. Emerson.

Financial Highlights

(in thousands of dollars, except for per share amounts and margins)

	Three-month periods ended December 31		Twelve-month periods ended December 31	
	2021	2020	2021	2020
Statement of Earnings				
Revenue	66,203	54,636	226,430	204,604
Operating earnings	6,819	960	23,279	13,357
Adjusted EBITDA ⁽¹⁾	12,218	9,206	39,042	32,504
Adjusted EBITDA margin ⁽¹⁾	18.5%	16.9%	17.2%	15.9%
Net earnings	4,896	309	15,752	7,495
Basic and diluted net earnings per share	0.18	0.01	0.58	0.27
Adjusted Net earnings ⁽¹⁾	6,431	3,719	17,409	11,388
Adjusted Net earnings per share ⁽¹⁾	0.24	0.13	0.64	0.41
Cash Flow				
Free Cash Flow ⁽¹⁾	12,281	10,074	26,142	34,448

⁽¹⁾ This a non-IFRS financial measure. Refer to the non-IFRS financial measures section for definitions and reconciliations.

Non-IFRS Financial Measures

Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies and should not be viewed as alternatives to measures of financial performance prepared in accordance with IFRS. Management considers these metrics to be information which may assist investors in evaluating the Company’s profitability and enable better comparability of the results from one period to another.

These Non-IFRS Financial Measures are defined as follows:

Non-IFRS Measure	Definition
EBITDA	Earnings before financing charges, income tax expense, depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets.
Adjusted EBITDA	EBITDA adjusted to remove items of significance that are not in the normal course of operations. These items of significance include, but are not limited to, charges for impairment of assets, restructuring expenses, value adjustment on inventory acquired, acquisition costs
EBITDA and adjusted EBITDA margins	EBITDA margin or adjusted EBITDA margin is a percentage corresponding to the ratio of EBITDA or Adjusted EBITDA to revenue.
Adjusted Net Earnings	Net Earnings excluding items of significance listed above under Adjusted EBITDA, net of income taxes.
Adjusted Net earnings per share	Diluted earnings per share calculated on the basis of Adjusted Net Earnings.
Free Cash Flow	Net Cash flows related to operating activities according to the consolidated statements of cash flows less net additions to property, plant and equipment and intangible assets.

Supremex believes that EBITDA, Adjusted EBITDA and Adjusted Net Earnings are measurements commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial obligations. Adjusted EBITDA allows readers to appreciate the Company's earnings without effect of non-recurring items making it valuable to assess ongoing operations and to better evaluate the Company's operating profitability when compared to the previous years.

Supremex considers free cash flow to be a good indicator of financial strength and profitability because it shows how much of the cash generated by operations is available for distribution, to repay debt or fund other investments.

The following tables provide the reconciliation of Non-IFRS Financial Measures:

Reconciliation of Non-IFRS Performance Measures

Reconciliation of Net earnings to Adjusted EBITDA

(in thousands of dollars, except for margins)

	Three-month periods ended December 31		Twelve-month periods ended December 31	
	2021	2020	2021	2020
Net earnings	4,896	309	15,752	7,495
Income tax expense	1,363	31	5,301	2,789
Net financing charges	560	620	2,226	3,073
Depreciation of property, plant and equipment	1,314	1,695	5,314	5,442
Depreciation of right-of-use assets	1,144	1,060	4,830	5,091
Amortization of intangible assets	867	885	3,381	3,356
EBITDA	10,144	4,600	36,804	27,246
Acquisition costs related to business combinations	—	—	164	97
Asset impairment	2,074	2,770	2,074	2,770
Restructuring expense	—	1,836	—	1,836
Value adjustment on acquired inventory through a business combination	—	—	—	555
Adjusted EBITDA	12,218	9,206	39,042	32,504
<i>Adjusted EBITDA Margin (%)</i>	<i>18.5%</i>	<i>16.9%</i>	<i>17.2%</i>	<i>15.9%</i>

Reconciliation of Net earnings to Adjusted net earnings and of Net earnings per share to Adjusted net earnings per share

(in thousands of dollars, except for per share amounts)

	Three-month periods ended December 31		Twelve-month periods ended December 31	
	2021	2020	2021	2020
Net earnings	4,896	309	15,752	7,495
Adjustments, net of income taxes				
Acquisition costs related to business combinations	—	—	122	72
Asset impairment	1,535	2,051	1,535	2,051
Restructuring expense	—	1,359	—	1,359
Value adjustment on acquired inventory through a business combination	—	—	—	411
Adjusted net earnings	6,431	3,719	17,409	11,388
Net earnings per share	0.18	0.01	0.58	0.27
Adjustments, net of income taxes, in dollar per share	0.06	0.12	0.06	0.14
Adjusted net earnings per share	0.24	0.13	0.64	0.41

Reconciliation of Cash flows related to operating activities to Free Cash Flow

(in thousands of dollars)

	Three-month periods ended December 31		Twelve-month periods ended December 31	
	2021	2020	2021	2020
Cash flows related to operating activities	13,821	10,965	29,996	37,025
Net acquisitions of property, plant and equipment	(1,132)	(808)	(3,304)	(2,117)
Net acquisitions of intangible assets	(408)	(83)	(550)	(460)
Free Cash Flow	12,281	10,074	26,142	34,448

Summary of three-month period ended December 31, 2021

Revenue

Total revenue for the three-month period ended December 31, 2021, was \$66.2 million, representing an increase of \$11.6 million, or 21.2%, from the equivalent quarter of 2020.

Envelope Segment

Revenue was \$46.7 million, representing an increase of \$6.2 million, or 15.3%, from \$40.5 million in the equivalent quarter of 2020. The envelope segment represented 70.5% of the Company's revenue in the quarter, down from 74.1% during the equivalent period of last year.

Canadian Envelope

Revenue was \$26.7 million, representing a decrease of \$0.8 million, or 2.8%, from \$27.5 million in the fourth quarter of 2020. The volume of units declined by 12.6% due in part to timing, as capacity was allocated to service new businesses opportunities in the U.S. In addition, the long-term secular decline continued to affect the envelope market. The volume shortfall was partially offset by the increase in average selling prices, which rose by 11.2% from last year's comparable period, primarily resulting from price increases swiftly implemented to reflect rising input cost inflation and changes in the product mix. Canada Post's latest

published financial results, for the period ended October 2, 2021, indicated that Transaction Mail volumes were down 0.2% year-over-year² as the federal election mailing was more than offset by businesses increasingly using digital communication rather than the Lettermail service, a trend precipitated by COVID-19.

U.S. Envelope

Revenue was \$19.9 million, representing an increase of \$6.9 million, or 53.5%, from \$13.0 million in the fourth quarter of 2020. The volume of units sold increased by 53.7% from efforts dedicated to increase penetration of the U.S. envelope market and from the rebound in demand in recent quarters from certain channels that were more affected by the pandemic and lockdown measures. The Company's strong supply chain and dedicated workforce, on both sides of the border also played in its favor. Average selling prices in Canadian dollars decreased by 0.1%, mainly resulting from a negative foreign exchange translation effect and the change in product mix. For comparison, the U.S. Postal Service's last published results, for the period ended December 31, 2021, indicated that the First-Class Mail volumes were down 3.8%³.

Packaging & Specialty Products Segment

Revenue was \$19.6 million, an increase of \$5.4 million, or 38.0%, from \$14.2 million in the corresponding quarter of 2020. The increase resulted mainly from the contribution of the Vista acquisition concluded on March 8, 2021, coupled with organic growth across all lines of the packaging business. Packaging and specialty products represented 29.5% of the Company's revenue in the quarter, up from 25.9% during the equivalent period of last year.

EBITDA⁴ and Adjusted EBITDA⁴

Consolidated EBITDA and Adjusted EBITDA

EBITDA was \$10.1 million, up \$5.5 million, from \$4.6 million in the fourth quarter last year. Adjusted EBITDA was \$12.2 million, up \$3.0 million, or 32.7%, from \$9.2 million in the fourth quarter of 2020. This increase resulted from higher revenue in both segments, driven by increased volume and sales prices, and operational efficiencies derived from the cost optimizations plan. It was partially offset by the higher cost of materials and the winding down of the CEWS and CERS programs (no subsidies recorded in the fourth quarter ended December 31, 2021 compared to \$1.1 million of subsidies recorded for the same period last year). Adjusted EBITDA margins increased to 18.5% of revenue, compared to 16.9% in the equivalent quarter of 2020.

Segment EBITDA and Adjusted EBITDA

Envelope Segment

Adjusted EBITDA was \$8.0 million, up 12.8%, or \$0.9 million, from \$7.1 million in the fourth quarter of 2020. This increase was primarily due to higher revenue, driven by increased volume and sales prices, and operational efficiencies derived from the cost optimizations plan, partially offset by an unfavorable product mix. On a percentage of segmented revenue, Adjusted EBITDA from the envelope segment was 17.1%, down from 17.5% in the equivalent period of 2020.

Packaging & Specialty Products Segment

Adjusted EBITDA was \$6.2 million, up 166.8% or \$3.9 million, from \$2.3 million in the fourth quarter of 2020. This significant increase is mainly explained by higher revenue, driven by increased volume and sales prices, the contribution of the Vista acquisition and a favorable product mix. On a percentage of segmented

² [Canada Post, 2021 Third Quarter Financial Report.](#)

³ [U.S. Postal Service press release dated February 8, 2022 on first quarter 2022 results.](#)

⁴ This is a non-IFRS financial measure. Refer to the non-IFRS financial measures section for definitions and reconciliations.

revenue, Adjusted EBITDA from the packaging and specialty operations was 31.7%, compared to 16.4% in the equivalent period of 2020.

Corporate and unallocated costs

The Corporate and unallocated costs was \$2.0 million compared to \$0.2 million in the fourth quarter of 2020 which includes the contribution of \$1.1 million from the CEWS and CERS programs. Excluding the subsidies, corporate and unallocated costs in the fourth quarter of 2020 would have been \$1.3 million. The increase of \$0.7 million resulted from higher remuneration related expenses and other non-allocated corporate expenses.

Asset Impairment

In the fourth quarter of 2021 and 2020, a non-cash asset impairment charge of \$2.1 million and \$2.8 million, respectively, was recorded related to the corrugated box packaging business.

Net Earnings and Adjusted Net Earnings⁵

Net Earnings were \$4.9 million (or \$0.18 per share) for the three-month period ended December 31, 2021, compared to \$0.3 million (or \$0.01 per share) for the equivalent period last year. Adjusted Net Earnings were \$6.4 million (or \$0.24 per share) for the three-month period ended December 31, 2021, compared to \$3.7 million (or \$0.13 per share) for the equivalent period in 2020.

Summary of the twelve-month period ended December 31, 2021

Revenue

Total revenue for the twelve-month period ended December 31, 2021, reached \$226.4 million, a 10.7% increase from \$204.6 million for the twelve-month period ended December 31, 2020.

Envelope Segment

Revenue from the envelope segment was \$157.2 million, an increase of \$10.7 million, or 7.3%, from \$146.5 million in the comparable period of 2020.

Canadian Envelope

Revenue was \$98.4 million, an increase of 0.8%, or \$0.8 million, from \$97.6 million during the twelve-month period ended December 31, 2020. Average selling prices increased by 6.6%, primarily from price increases implemented during the year. This growth was partially offset by a volume decrease of 5.4%, mainly due to the secular decline of the envelope market and to timing, as capacity in Canada was allocated to service new businesses opportunities in the U.S. in the fourth quarter of 2021.

U.S. Envelope

Revenue was \$58.8 million, an increase of 20.3%, or \$9.9 million, from \$48.9 million in the equivalent period of 2020. The volume of units sold increased by 25.0% from efforts dedicated to increase the Company's market share in the U.S. envelope market and the continued effect of the COVID-19 economic rebound. The Company's strong supply chain and dedicated workforce, on both sides of the border also played in its favor. This growth was partially offset by the 3.7% decrease in average selling prices in Canadian dollars resulting from a negative foreign exchange translation effect and the change in product mix.

⁵ This is a non-IFRS financial measure. Refer to the non-IFRS financial measures section for definitions and reconciliations.

Packaging & Specialty Products Segment

Revenue was \$69.2 million, an increase of 19.2%, or \$11.1 million, from \$58.1 million in the equivalent period of the prior year. Revenue growth came mainly from the acquisition of Vista and organic growth across all business lines.

EBITDA⁶ and Adjusted EBITDA⁶

Consolidated EBITDA and Adjusted EBITDA

EBITDA increased by 35.1%, or \$9.6 million, to \$36.8 million in the twelve-month period ended December 31, 2021, from \$27.2 million in the equivalent period of 2020. Adjusted EBITDA increased by 20.1%, or \$6.5 million, to \$39.0 million in the twelve-month period ended December 31, 2021, from \$32.5 million last year. This increase results from higher revenue in both segments, driven by increased volume and sales prices, operational efficiencies derived from cost optimizations, improvements in folding carton manufacturing activities and slightly higher recorded subsidies (\$2.1 million in 2021 versus \$2.0 million for the same period last year). It was partially offset by higher cost of materials. Adjusted EBITDA margins increased to 17.2% of revenue, compared to 15.9% in the equivalent period of 2020.

Segment EBITDA and Adjusted EBITDA

Envelope Segment

Adjusted EBITDA was \$28.5 million, up 11.7%, or \$3.0 million, from \$25.5 million in the equivalent period of 2020. This increase is mainly due to higher revenue, driven by increased volume and sales prices and operational efficiencies derived from the cost optimizations plan. On a percentage of segmented revenue, Adjusted EBITDA from the envelope segment was 18.1%, up from 17.4% in the equivalent period of 2020.

Packaging & Specialty Products Segment

Adjusted EBITDA was \$13.6 million, up 59.6%, or \$5.1 million, from \$8.5 million in the comparable period of 2020 primarily due to higher revenue, driven by increased volume and sales prices, the contribution of the Vista acquisition, efficiency gains in the folding carton division and a favorable product mix. On a percentage of segmented revenue, Adjusted EBITDA from the packaging and specialty operations was 19.7%, compared to 14.7% in the equivalent period of 2020.

Corporate and unallocated costs

The Corporate and unallocated costs amounted to \$3.1 million compared to \$1.5 million in the fourth quarter of 2020. The increase of \$1.6 million resulted from higher remuneration related expenses and other non-allocated corporate expenses.

Asset Impairment

In the fourth quarter of 2021 and 2020, a non-cash asset impairment charge of \$2.1 million and \$2.8 million, respectively, was recorded related to the corrugated box packaging business.

Net Earnings and Adjusted Net Earnings⁶

Net Earnings were \$15.8 million (or \$0.58 per share) for the twelve-month period ended December 31, 2021, compared to \$7.5 million (or \$0.27 per share) for the equivalent period in 2020. Adjusted Net Earnings were \$17.4 million (or \$0.64 per share) for the twelve-month period ended December 31, 2021, compared to \$11.4 million (or \$0.41 per share) for the equivalent period in 2020.

⁶ This is a non-IFRS financial measure. Refer to the non-IFRS financial measures section for definitions and reconciliations.

Liquidity and Capital Resources

Cash Flow

Net cash flows from operating activities were \$30.0 million during the twelve-month period ended December 31, 2021, compared to \$37.0 million in the equivalent period of 2020. The decrease is mainly attributable to unfavorable movements in working capital particularly in accounts receivable and inventories, partially offset by higher profitability.

Free cash flow⁷ amounted to \$26.1 million in the twelve-month period ended December 31, 2021, versus \$34.4 million in the corresponding period in 2020, mainly attributable to lower cash flow related to operating activities as described above and higher capex.

Normal Course Issuer Bid

During the three and twelve-month periods ended December 31, 2021, the Company repurchased 406,900 and 1,409,300 common shares for cancellation through the current and prior NCIB, which expired on August 16, 2021, in consideration of \$1,004,924 and \$3,281,030, respectively.

Subsequent to the end of the year, an additional 59,000 shares were purchased for cancellation for total consideration of \$171,419.

Debt and Leverage

The Company's total debt decreased to \$44.5 million as at December 31, 2021, compared to \$56.8 million as at December 31, 2020, in spite of the Vista acquisition concluded on March 8, 2021, for a total consideration of \$2.8 million.

As at December 31, 2021, the total debt to adjusted EBITDA ratio was 1.1x, down from 1.7x at the end of December 31, 2020.

Subsequent Events

- On January 5, 2022, the Board of Directors declared a dividend of \$0.025 per common share, payable on February 15, 2022, to the shareholders of record at the close of business on January 31, 2022.
- On January 6, 2022, Supremex announced the reinstatement of the Company's quarterly dividends after having suspended them in the early months of the pandemic. Starting in the first quarter of 2022, the Board will reinstate its quarterly dividends of \$0.025 per common share.
- On January 11, 2022, Leslie Sutherland, Vice President, People & Culture left Supremex.
- On February 4, 2022, the Company concluded the acquisition of the manufacturing assets and inventory of Niagara Envelope Inc, a regional envelope manufacturer based in Niagara, New York for an approximate cash consideration of \$1,407,000 (US\$1,110,000) including an amount of \$507,000 (US\$400,000) payable over a five-year period subject to the realization of certain pre-established financial targets over that period.
- On February 23, 2022, the Board of Directors declared a quarterly dividend of \$0.025 per common share, payable on April 8, 2022, to the shareholders of record at the close of business on March 24, 2022. This dividend is designated as an "eligible" dividend for the purpose of the Income Tax Act (Canada) and any similar provincial legislation.

⁷ This is a non-IFRS financial measure. Refer to the non-IFRS financial measures section for definitions and reconciliations.

Outlook

The Company has solid backlogs and is currently operating at full capacity given the labor at its disposal and its teams continue to successfully pass through input cost inflation. However, the Company is faced with increasingly challenging supply chain issues, primarily related to paper procurement, which is forcing it to reduce or push-out delivery orders creating missed sales opportunities. The envelope acquisition in New York recently completed should help to mitigate this impact in the short term.

In 2022, the Company intends to move its folding carton plant in Town Mount Royal, Quebec to an alternative location necessitated by the expropriation of its current facility for the Royalmount project. The Company will incur one-time costs for the move.

In terms of capital deployment for 2022, the Company expects to pay quarterly dividends, continue to buy back shares in line with its NCIB and invest in capital expenditures. The Company also continues to look for strategic acquisitions in the packaging segment.

February 24, 2022 – Fourth Quarter and fiscal year 2021 Results Conference Call:

A conference call to discuss the Company's results for the fourth quarter and fiscal year ended December 31, 2021 will be held Thursday, February 24, 2022 at 11:00 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, please dial the following numbers. We suggest that participants call-in at least 5 minutes prior to the scheduled start time:

- Confirmation Number: 8256335
- Local participants (Montreal area), dial: 438 803-0546
- International participants, dial: 438 803-0546
- North-American participants, dial toll-free: 1 888 440-2009

A replay of the conference call will be available on the Company's website in the Investors section under Webcast. To listen to a recording of the conference call, please call toll-free 1 800 770-2030 or 647-362-9199 and enter the code 8256335 #. The recording will be available until Thursday, March 3, 2022.

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 EBITDA, Adjusted EBITDA, Adjusted Net Earnings, Adjusted Net Earnings, Free Cash Flow 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 the MD&A for the twelve-month period ended December 31, 2021. Supremex cautions that such assumptions may not materialize and that current economic conditions, including all of the current uncertainty resulting from the ongoing COVID-19 health

crisis and its broader repercussions on the global economy, render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty.

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: global health crisis, decline in envelope consumption, increase of competition, economic cycles, key personnel, labor shortage, contributions to employee benefits plans, raw material price increases and availability, operational disruption, exchange rate fluctuation, growth by acquisition, concerns about protection of the environment, availability of capital, credit risks with respect to trade receivables, interest rate fluctuation, potential risk of litigation, cyber security and data protection and no guarantee to pay dividends. In addition, risks and uncertainties arising as a result of the COVID-19 pandemic that could cause results to differ from those expected include, but are not limited to: potential government actions, changes in consumer behaviors and demand, changes in customer requirements, disruptions of the Company's suppliers and supply chain, availability of personnel and uncertainty about the extent and duration of the pandemic. Such risks and uncertainties are discussed throughout the MD&A for the twelve-month period ended December 31, 2021, in particular, in "Risk Factors". Consequently, the Company 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 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 three manufacturing facilities in the United States employing approximately 825 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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