

## NEWS RELEASE

### Winpak Reports 2025 Fourth Quarter Results

Winnipeg, Manitoba, February 23, 2026 - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the fourth quarter of 2025, which ended on December 28, 2025.

	Quarter Ended		Year Ended	
	December 28 2025	December 29 2024	December 28 2025	December 29 2024
<i>(thousands of US dollars, except per share amounts)</i>				
Revenue	284,850	285,143	1,125,419	1,130,895
Net income	36,288	36,966	137,185	151,069
Income tax expense	13,738	15,580	50,457	58,867
Net finance income	(2,696)	(5,164)	(10,987)	(22,980)
Depreciation and amortization	13,803	13,793	54,980	52,831
Impairment loss on goodwill	-	1,000	-	1,000
EBITDA (1)	61,133	62,175	231,635	240,787
Net income attributable to equity holders of the Company	36,186	36,622	137,342	149,455
Net income (loss) attributable to non-controlling interests	102	344	(157)	1,614
Net income	36,288	36,966	137,185	151,069
Basic and diluted earnings per share (cents)	60	58	225	235

Winpak Ltd. manufactures and distributes high-quality packaging materials and related packaging machines. The Company's products are used primarily for the packaging of perishable foods, beverages and in healthcare applications.

For further information: S.M. Taylor, Vice President and CFO, (204) 831-2254; O.Y. Muggli, President and CEO, (204) 831-2214

<sup>1</sup> EBITDA is not a recognized measure under IFRS Accounting Standards (IFRS). Management believes that in addition to net income, this measure provides useful supplemental information to investors including an indication of cash available for distribution prior to debt service, capital expenditures, payment of lease liabilities and income taxes. Investors should be cautioned, however, that this measure should not be construed as an alternative to net income, determined in accordance with IFRS, as an indicator of the Company's performance. The Company's method of calculating this measure may differ from other companies and, accordingly, the results may not be comparable.

## **Management's Discussion and Analysis**

(presented in US dollars)

Forward-looking statements: Certain statements made in the following Management's Discussion and Analysis contain forward-looking statements including, but not limited to, statements concerning possible or assumed future results of operations of the Company. Forward-looking statements represent the Company's intentions, plans, expectations and beliefs, and are not guarantees of future performance. Such forward-looking statements represent Winpak's current views based on information as at the date of this report. They involve risks, uncertainties and assumptions and the Company's actual results could differ, which in some cases may be material, from those anticipated in these forward-looking statements. Factors that could cause results to differ from those expected include, but are not limited to: economic conditions and geopolitical uncertainty; the terms, availability and costs of acquiring raw materials and the ability to pass on price increases to customers; ability to negotiate contracts with new customers or renew existing customer contracts with less favorable terms; timely response to changes in customer product needs and market acceptance of our products; the potential loss of business or increased costs due to customer or vendor consolidation; competitive pressures, including new product development; industry capacity, and changes in competitors' pricing; ability to maintain or increase productivity levels; ability to contain or reduce costs; the difficulty to attract and retain employees; foreign currency exchange rate fluctuations; changes in governmental regulations, including environmental, health and safety; changes in Canadian and foreign tariff rates; changes in Canadian and foreign income tax rates, income tax laws and regulations. Unless otherwise required by applicable securities law, Winpak disclaims any intention or obligation to publicly update or revise this information, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance upon forward-looking statements.

### Financial Performance

Net income attributable to equity holders of the Company (Earnings) for the fourth quarter of 2025 of \$36.2 million contracted by \$0.4 million or 1.2 percent from the comparable 2024 quarter. Gross profit reduced Earnings by \$3.4 million. Additionally, net finance income dampened Earnings by \$2.1 million. Conversely, operating expenses, foreign exchange and income taxes raised Earnings by \$1.8 million, \$1.3 million and \$1.2 million, respectively. In total, all remaining items boosted Earnings by \$0.8 million.

For the year ended December 28, 2025, Earnings declined by 8.1 percent to \$137.3 million from the corresponding 2024 result of \$149.5 million. The deterioration in gross profit was the most influential factor, subtracting \$11.5 million from Earnings. In addition, net finance income led to a contraction in Earnings of \$8.7 million. Foreign exchange added \$4.1 million to Earnings. In combination, all other factors increased Earnings by \$3.9 million.

### Operating Segments and Product Groups

The Company provides three distinct types of packaging technologies: a) flexible packaging, b) rigid packaging and flexible lidding and c) packaging machinery. Each is deemed to be a separate operating segment.

The flexible packaging segment includes the modified atmosphere packaging, specialty films and biaxially oriented nylon product groups. Modified atmosphere packaging extends the shelf life of perishable foods, while at the same time maintains or improves the quality of the product. The packaging is used for a wide range of markets and applications, including fresh and processed meats, poultry, cheese, medical device packaging, high performance pouch applications and high-barrier films for converting applications. Specialty films include a full line of barrier and non-barrier films which are ideal for converting applications such as printing, laminating and bag making, including shrink bags. Biaxially oriented nylon film is stretched by length and width to add stability for further conversion using printing, metalizing or laminating processes and is ideal for food packaging applications such as cheese, fluid and viscous liquids, and industrial applications such as book covers and balloons.

The rigid packaging and flexible lidding segment includes the rigid containers, lidding and specialized printed packaging product groups. Rigid containers include portion control and single-serve containers, as well as plastic sheet, custom and retort trays, which are used for applications such as food, pet food, beverage, dairy, industrial and healthcare. Lidding products are available in die-cut, daisy chain and rollstock formats and are used for applications such as food, dairy, beverage, pet food, industrial and healthcare. Specialized printed packaging provides packaging solutions to the pharmaceutical, healthcare, nutraceutical, cosmetic and personal care markets.

Packaging machinery includes a full line of horizontal fill/seal machines for preformed containers and vertical form/fill/seal pouch machines for pumpable liquid and semi-liquid products and certain dry products.

### Revenue

Revenue in the fourth quarter of 2025 was \$284.9 million, \$0.3 million lower than the fourth quarter of 2024. Volumes receded by 0.4 percent when compared to the fourth quarter of 2024. Weakened customer demand within several product categories was prevalent again in the current quarter, impacting results. The degree of customer turnover throughout 2025 has been consistent with recent historical experience. Within the flexible packaging operating segment, volume losses amounted to 3 percent. For the modified atmosphere packaging product group, volumes retreated by 1 percent. Weaker protein customer volumes nullified the benefits realized from recently onboarded dairy business. The rigid packaging and flexible lidding operating segment experienced an uptick in volumes of 2 percent. Rigid container volumes decreased by 7 percent due to a sizeable drop in specialty beverage and juice container shipments. For the lidding product group, healthy volume growth of 12 percent was realized mainly on account of higher retort petfood lidding volumes. Selling price and mix changes raised revenue by 0.5 percent while foreign exchange lowered revenue by 0.2 percent.

For 2025, revenue of \$1,125.4 million decreased by 0.5 percent from the 2024 level of \$1,130.9 million. Volumes declined by 1.0 percent. Within the flexible packaging operating segment, volume gains amounted to 1 percent. For the modified atmosphere packaging product group, modest volume growth of 2 percent reflected new dairy business that was partially offset by softer demand levels at several core protein accounts. For the biaxially oriented nylon product group, the volume loss of 14 percent was a reflection of competitive pricing pressures. Specialty film volumes were virtually unchanged. Volumes within the rigid packaging and flexible lidding operating segment narrowed by 3 percent. Rigid container volumes decreased by 5 percent due to the drop in specialty beverage, juice and snack food container shipments. For the lidding product group, volumes grew by 1 percent. Retort pet food lidding advanced significantly but was nearly offset by the downturn in specialty beverage lidding. Largely due to weaker nutraceutical volumes, volumes for the specialized printed packaging product group retreated by 7 percent. Packaging machinery volumes were similar to the prior year. Selling price and mix changes had a positive effect on revenue of \$9.6 million. Foreign exchange lowered revenue by \$3.4 million.

### Gross Profit Margins

Gross profit margins in the current quarter of 30.5 percent of revenue declined by 1.8 percentage points from the 2024 fourth quarter result of 32.3 percent of revenue. Selling prices rose to a lesser extent than raw material costs, generating a decrease in Earnings of \$3.4 million. This arose due to selling price concessions implemented in 2025 along with favourable adjustments made to customer rebate entitlements in the fourth quarter of 2024.

For the current year, gross profit margins were 30.4 percent of revenue, falling short of the 2024 achievement by 1.6 percentage points. Selling price increases outpaced the corresponding raw material cost advancements, elevating Earnings by \$3.4 million. This resulted from tariff pass-through adjustments and the shift in product mix. In total, all other items lowered Earnings by \$14.9 million. The Company's cost structure was negatively impacted by higher production waste and expenses stemming from quality issues. Furthermore, output levels receded in the current year, negatively influencing the effective cost of production. Additionally, personnel and depreciation expenses advanced in the current year. Personnel expenses included an aggregate of \$2.3 million in one-time payments made to every employee to commemorate the 50th anniversary of Winpak's incorporation.

The raw material purchase price index dropped by less than 1 percent compared to the third quarter of 2025. During the fourth quarter, polypropylene resin declined by 11 percent while the prices for other resins and aluminum foil experienced minor fluctuations. Over the past 12 months, the index has fallen by 3 percent.

### Expenses and Other

Operating expenses in the fourth quarter of 2025, exclusive of foreign exchange, contracted at a rate of 3.4 percent whereas sales volumes decreased by 0.4 percent, resulting in a boost to Earnings of \$1.8 million. An insurance claim reimbursement for a 2023 equipment fire was the main contributor. Foreign exchange elevated Earnings by \$1.3 million. On a relative basis, the negative translation differences recorded on the revaluation of monetary assets and liabilities denominated in Canadian dollars in the fourth quarter of 2024 were more substantial. Net finance income lessened Earnings by \$2.1 million as the magnitude of cash invested in short-term deposits and money market accounts was much lower than a year earlier. The lower balance was largely a result of the share buyback program as well as the special dividend paid in early 2025. On a comparative basis, the effective income tax rate in the current quarter decreased by 2.2 percentage points, raising Earnings by \$1.2 million. This stemmed from a cumulative adjustment made to the Company's effective income tax rate in the final quarter of 2024.

For the 2025 fiscal year, operating expenses, exclusive of foreign exchange, declined at a rate of 1.6 percent in comparison to sales volumes which fell by 1.0 percent. Foreign exchange had a positive effect on Earnings of \$4.1 million mainly due to the favorable translation differences recorded on the revaluation of monetary assets and liabilities in comparison to the unfavorable translation differences recorded in 2024. Also impactful was the 2.5 percent depreciation in the average exchange rate of the Canadian dollar in relation to the US dollar. Due to the substantial decrease in the balance of cash invested in short-term deposits and money market accounts, net finance income tempered Earnings by \$8.7 million. The effective income tax rate was lower in 2025 mainly because of permanent differences associated with foreign exchange, advancing Earnings by \$1.9 million. Lastly, the level of net income attributable to non-controlling interests enhanced Earnings by \$1.8 million.



### Capital Resources, Cash Flow and Liquidity

On March 24, 2025, the Toronto Stock Exchange (the “TSX”) accepted a notice filed by Winpak to renew the normal course issuer bid (the “NCIB”) with respect to its outstanding common shares. The notice provided that Winpak may, during the 12-month period commencing March 26, 2025 and ending no later than March 25, 2026, purchase through the facilities of the TSX and other alternative Canadian trading systems up to a maximum of 3,087,500 common shares in total, being 5.0 percent of the issued and outstanding shares of Winpak as of March 18, 2025. The price which Winpak will pay for any common shares will be the market price at the time of acquisition. Daily purchases under the NCIB will be generally limited to 13,761 common shares, other than block purchases. All shares purchased will be canceled. In connection with the NCIB, Winpak has entered into an automatic share purchase plan with CIBC World Markets Inc. to facilitate the purchase of common shares under the NCIB, including at times when Winpak would ordinarily not be permitted to purchase its common shares due to regulatory restrictions or self-imposed blackout periods. As at December 28, 2025, the Company had purchased 2,248,047 common shares under its current NCIB. Subsequent to the year ended December 28, 2025, the Company completed the NCIB program, repurchasing 839,453 common shares at a weighted average price of CDN \$45.00 for aggregate consideration of CDN \$37,772 (US \$27,606).

The Company's cash and cash equivalents balance ended the current year at \$375.6 million, an increase of \$10.3 million from the end of the third quarter. Winpak continued to generate strong cash flows from operating activities before changes in working capital of \$56.0 million. The net investment in working capital decreased by \$17.7 million. The \$7.3 million drop in inventories was impacted by the further drawdown of finished goods that had accumulated during the first half of 2025. Stemming from the timing of capital expenditures, trade payables and other liabilities increased by \$13.1 million. Cash was used for common share repurchases of \$34.5 million, property, plant and equipment additions of \$20.9 million, income tax payments of \$8.1 million and other items totaling \$3.0 million. Net finance income provided cash of \$3.1 million.

For the year, the cash and cash equivalents balance declined by \$121.6 million. Cash flows generated from operating activities before changes in working capital were solid at \$226.1 million. Working capital consumed \$4.6 million in cash. Property, plant and equipment additions were \$84.9 million. Expenditures relating to the multi-year expansion project at the Winnipeg, Manitoba modified atmosphere packaging facility influenced the heightened capital expenditure outlays. Other uses of cash included: dividend payments of \$139.8 million, common share repurchases of \$80.3 million, income tax payments of \$44.3 million and other items amounting to \$4.1 million. Net finance income produced incremental cash of \$10.3 million.

### Summary of Quarterly Results

Thousands of US dollars, except per share amounts (US cents)

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenue	284,850	282,967	272,800	284,802	285,143	285,473	283,496	276,783
Net income attributable to equity holders of the Company	36,186	36,375	30,205	34,576	36,622	38,486	38,825	35,522
EPS	60	60	49	56	58	61	61	55

### Looking Forward

Winpak enters 2026 facing a vast array of opportunities and challenges. Healthy anticipated organic volume growth and substantial cost savings initiatives are in stark contrast to the heightened geopolitical and economic uncertainties.

In the upcoming year, the Company is expecting the recently added extrusion capacity at the modified atmosphere packaging facility to be a key catalyst for growth, particularly with respect to recycle-ready products. During the past year, the Company landed sizeable new business at key consumer packaged goods companies. Other opportunities at these companies are being aggressively pursued, especially those that are a value driver from a sustainability perspective, including the minimization of the financial exposure relating to Extended Producer Responsibility. The Company is projecting sales volume growth in the range of 2 to 4 percent for 2026.

For 2026, market expectations are for overall raw material prices to be relatively stable. The majority of the US foil import tariffs should continue to be passed along to customers. However, changes or elimination of the USMCA could significantly impact the Company's cost structure. In response, Winpak will continue to undertake measures focused on optimizing its cost structure with respect to manufacturing performance, automation, product formulations, raw material procurement and personnel levels. Excluding the potential impact of changes to the trading relationship with the United States, gross profit margins should be within the range of 30 to 31 percent.



Capital expenditures of approximately \$80 to \$100 million are forecast for 2026, highlighted by additional in-mold-label capacity and converting equipment. Concurrently, Winpak will investigate synergistic acquisition opportunities that align strategically with the Company's core strengths, especially those that are focused on medical and pharmaceutical applications. Driven by the positive results achieved on the NCIB initiative over the past two years, the Company is assessing its renewal, effective March 2026.

### Accounting Changes - Future Changes to Accounting Standards

#### (a) Amendments to the Classification and Measurement of Financial Instruments:

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)", that clarify the recognition date and derecognition date of certain financial assets and liabilities, clarify and add guidance to assess whether a financial asset meets the solely payments of principal and interest criteria. The amendments include additional disclosure requirements for certain instruments with contractual terms that could change cash flows and updates the disclosure requirements relating to equity instruments at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company does not expect the amendments to have a significant impact on the consolidated financial statements when they are adopted in 2026.

#### (b) Presentation and Disclosure of Financial Statements:

In April 2024, the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements" to improve reporting of financial performance. IFRS 18 replaces IAS 1 "Presentation of Financial Statements". It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted. The Company is currently assessing the impact of this new standard and does not intend to early adopt IFRS 18 in its consolidated financial statements.

### Controls and Procedures

#### Disclosure Controls

Management is responsible for establishing and maintaining disclosure controls and procedures in order to provide reasonable assurance that material information relating to the Company is made known to them in a timely manner and that information required to be disclosed is reported within time periods prescribed by applicable securities legislation. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based on management's evaluation of the design of the Company's disclosure controls and procedures, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are designed as of December 28, 2025 to provide reasonable assurance that the information being disclosed is recorded, summarized and reported as required.

#### Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal control systems, no matter how well designed, have inherent limitations and therefore can only provide reasonable assurance as to the effectiveness of internal controls over financial reporting, including the possibility of human error and the circumvention or overriding of the controls and procedures. Management used the Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") as the control framework in designing its internal controls over financial reporting. Based on management's design of the Company's internal controls over financial reporting, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are designed as of December 28, 2025 to provide reasonable assurance that the financial information being reported is materially accurate. During the fourth quarter ended December 28, 2025, there have been no changes to the design of the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.



**Winpak Ltd.**  
**Interim Condensed Consolidated Financial Statements**  
**Fourth Quarter Ended: December 28, 2025**

These interim condensed consolidated financial statements have not been audited or reviewed by the Company's independent external auditors, KPMG LLP.

**Winpak Ltd.**
**Condensed Consolidated Balance Sheets**
*(thousands of US dollars) (unaudited)*

	Note	December 28 2025	December 29 2024
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents		375,621	497,261
Trade and other receivables	14	217,099	220,201
Income taxes receivable		8,948	8,749
Inventories	7	252,402	250,383
Prepaid expenses		8,711	6,710
Derivative financial instruments		721	-
		<u>863,502</u>	<u>983,304</u>
<b>Non-current assets:</b>			
Property, plant and equipment	8	657,638	622,666
Intangible assets and goodwill		29,270	29,709
Employee benefit plan assets	9	12,595	11,405
		<u>699,503</u>	<u>663,780</u>
<b>Total assets</b>		<u>1,563,005</u>	<u>1,647,084</u>
<b>Equity and Liabilities</b>			
<b>Current liabilities:</b>			
Trade payables and other liabilities		135,551	252,134
Contract liabilities		466	1,747
Income taxes payable		48	6,879
Derivative financial instruments		47	4,175
		<u>136,112</u>	<u>264,935</u>
<b>Non-current liabilities:</b>			
Employee benefit plan liabilities	9	2,637	4,774
Deferred income		23,710	19,721
Provisions and other long-term liabilities		14,551	16,781
Deferred tax liabilities		63,238	56,999
		<u>104,136</u>	<u>98,275</u>
<b>Total liabilities</b>		<u>240,248</u>	<u>363,210</u>
<b>Equity:</b>			
Share capital	11	26,348	27,735
Reserves		494	(3,174)
Retained earnings		1,260,856	1,224,097
<b>Total equity attributable to equity holders of the Company</b>		<u>1,287,698</u>	<u>1,248,658</u>
<b>Non-controlling interests</b>		<u>35,059</u>	<u>35,216</u>
<b>Total equity</b>		<u>1,322,757</u>	<u>1,283,874</u>
<b>Total equity and liabilities</b>		<u>1,563,005</u>	<u>1,647,084</u>

See accompanying notes to condensed consolidated financial statements.

**Winpak Ltd.****Condensed Consolidated Statements of Income***(thousands of US dollars, except per share amounts) (unaudited)*

	Note	Quarter Ended		Year Ended	
		December 28	December 29	December 28	December 29
		2025	2024	2025	2024
Revenue	5	284,850	285,143	1,125,419	1,130,895
Cost of sales		(198,032)	(193,126)	(783,266)	(769,269)
Gross profit		86,818	92,017	342,153	361,626
Sales, marketing and distribution expenses		(23,508)	(24,284)	(94,305)	(98,591)
General and administrative expenses		(12,083)	(12,098)	(49,912)	(48,864)
Research and technical expenses		(5,726)	(5,641)	(22,245)	(21,593)
Pre-production expenses		-	-	(397)	-
Other income (expenses)	6	1,829	(2,612)	1,361	(5,622)
<b>Income from operations</b>		47,330	47,382	176,655	186,956
Finance income		3,664	6,111	15,408	27,572
Finance expense		(968)	(947)	(4,421)	(4,592)
Income before income taxes		50,026	52,546	187,642	209,936
Income tax expense		(13,738)	(15,580)	(50,457)	(58,867)
<b>Net income for the period</b>		36,288	36,966	137,185	151,069
<b>Attributable to:</b>					
Equity holders of the Company		36,186	36,622	137,342	149,455
Non-controlling interests		102	344	(157)	1,614
		36,288	36,966	137,185	151,069
<b>Basic and diluted earnings per share - cents</b>	12	60	58	225	235

**Condensed Consolidated Statements of Comprehensive Income***(thousands of US dollars) (unaudited)*

	Note	Quarter Ended		Year Ended	
		December 28	December 29	December 28	December 29
		2025	2024	2025	2024
<b>Net income for the period</b>		36,288	36,966	137,185	151,069
<u>Items that will not be reclassified to the statements of income:</u>					
Cash flow hedge (losses) gains recognized		-	(663)	57	(1,582)
Cash flow hedge losses transferred to property, plant and equipment		-	254	378	283
Employee benefit plan remeasurements		3,627	3,048	3,627	3,048
Income tax effect		(992)	(836)	(992)	(836)
		2,635	1,803	3,070	913
<u>Items that are or may be reclassified subsequently to the statements of income:</u>					
Cash flow hedge gains (losses) recognized		1,155	(4,319)	2,404	(5,198)
Cash flow hedge (gains) losses transferred to the statements of income	6	(127)	286	2,010	780
Income tax effect		(275)	1,079	(1,181)	1,182
		753	(2,954)	3,233	(3,236)
<b>Other comprehensive income (loss) for the period - net of income tax</b>		3,388	(1,151)	6,303	(2,323)
<b>Comprehensive income for the period</b>		39,676	35,815	143,488	148,746
<b>Attributable to:</b>					
Equity holders of the Company		39,574	35,471	143,645	147,132
Non-controlling interests		102	344	(157)	1,614
		39,676	35,815	143,488	148,746

See accompanying notes to condensed consolidated financial statements.

**Winpak Ltd.**
**Condensed Consolidated Statements of Changes in Equity**
*(thousands of US dollars) (unaudited)*

	Note	Attributable to equity holders of the Company					Total equity
		Share capital	Reserves	Retained earnings	Total	Non-controlling interests	
<b>Balance at January 1, 2024</b>		29,195	1,361	1,319,491	1,350,047	33,602	1,383,649
<b>Comprehensive (loss) income for the year</b>							
Cash flow hedge losses, net of tax		-	(5,390)	-	(5,390)	-	(5,390)
Cash flow hedge losses transferred to the statements of income, net of tax		-	572	-	572	-	572
Cash flow hedge losses transferred to property, plant and equipment		-	283	-	283	-	283
Employee benefit plan remeasurements, net of tax		-	-	2,212	2,212	-	2,212
<b>Other comprehensive (loss) income</b>		-	(4,535)	2,212	(2,323)	-	(2,323)
<b>Net income for the year</b>		-	-	149,455	149,455	1,614	151,069
<b>Comprehensive (loss) income for the year</b>		-	(4,535)	151,667	147,132	1,614	148,746
<b>Dividends</b>	11	-	-	(138,395)	(138,395)	-	(138,395)
<b>Repurchase of common shares</b>	11	(1,460)	-	(108,666)	(110,126)	-	(110,126)
<b>Balance at December 29, 2024</b>		27,735	(3,174)	1,224,097	1,248,658	35,216	1,283,874
<b>Balance at December 30, 2024</b>		27,735	(3,174)	1,224,097	1,248,658	35,216	1,283,874
<b>Comprehensive income (loss) for the year</b>							
Cash flow hedge gains, net of tax		-	1,818	-	1,818	-	1,818
Cash flow hedge losses transferred to the statements of income, net of tax		-	1,472	-	1,472	-	1,472
Cash flow hedge losses transferred to property, plant and equipment		-	378	-	378	-	378
Employee benefit plan remeasurements, net of tax		-	-	2,635	2,635	-	2,635
<b>Other comprehensive income</b>		-	3,668	2,635	6,303	-	6,303
<b>Net income (loss) for the year</b>		-	-	137,342	137,342	(157)	137,185
<b>Comprehensive income (loss) for the year</b>		-	3,668	139,977	143,645	(157)	143,488
<b>Dividends</b>	11	-	-	(8,748)	(8,748)	-	(8,748)
<b>Repurchase of common shares</b>	11	(1,387)	-	(94,470)	(95,857)	-	(95,857)
<b>Balance at December 28, 2025</b>		26,348	494	1,260,856	1,287,698	35,059	1,322,757

See accompanying notes to condensed consolidated financial statements.

**Winpak Ltd.****Condensed Consolidated Statements of Cash Flows***(thousands of US dollars) (unaudited)*

	Note	Quarter Ended		Year Ended	
		December 28 2025	December 29 2024	December 28 2025	December 29 2024
<b>Cash provided by (used in):</b>					
<b>Operating activities:</b>					
Net income for the period		36,288	36,966	137,185	151,069
Items not involving cash:					
Depreciation		13,876	13,893	55,417	52,972
Amortization - deferred income		(412)	(451)	(1,815)	(1,727)
Amortization - intangible assets		339	351	1,378	1,586
Impairment loss on goodwill		-	1,000	-	1,000
Employee defined benefit plan expenses		506	709	2,483	2,821
Net finance income		(2,696)	(5,164)	(10,987)	(22,980)
Income tax expense		13,738	15,580	50,457	58,867
Other		(5,605)	(3,403)	(8,005)	(6,771)
Cash flow from operating activities before the following		56,034	59,481	226,113	236,837
Change in working capital:					
Trade and other receivables		(1,984)	3,096	1,912	(10,901)
Inventories		7,294	(17,832)	(2,019)	(30,620)
Prepaid expenses		(54)	1,434	(2,001)	2,232
Trade payables and other liabilities		13,063	(4,700)	(1,187)	15,913
Contract liabilities		(654)	699	(1,281)	269
Employee defined benefit plan contributions		(21)	(18)	(1,280)	(1,210)
Income tax paid		(8,118)	(8,880)	(44,254)	(53,024)
Interest received		4,031	5,756	14,415	26,621
Interest paid		(927)	(836)	(4,072)	(4,201)
Net cash from operating activities		68,664	38,200	186,346	181,916
<b>Investing activities:</b>					
Acquisition of property, plant and equipment - net		(20,943)	(22,098)	(84,895)	(123,312)
Acquisition of intangible assets		(225)	(424)	(939)	(462)
Net cash used in investing activities		(21,168)	(22,522)	(85,834)	(123,774)
<b>Financing activities:</b>					
Payment of lease liabilities		(534)	(409)	(1,990)	(1,617)
Dividends paid	11	(2,174)	(2,333)	(139,818)	(6,622)
Repurchase of common shares	11	(34,504)	(31,634)	(80,344)	(94,512)
Net cash used in financing activities		(37,212)	(34,376)	(222,152)	(102,751)
<b>Change in cash and cash equivalents</b>		10,284	(18,698)	(121,640)	(44,609)
<b>Cash and cash equivalents, beginning of period</b>		365,337	515,959	497,261	541,870
<b>Cash and cash equivalents, end of period</b>		375,621	497,261	375,621	497,261

See accompanying notes to condensed consolidated financial statements.

## 1. General

Winpak Ltd. (the “Company” or “Winpak”) is incorporated under the Canada Business Corporations Act. The Company manufactures and distributes high-quality packaging materials and related packaging machines. The Company’s products are used primarily for the packaging of perishable foods, beverages and in healthcare applications. The address of the Company’s registered office is 100 Saulteaux Crescent, Winnipeg, Manitoba, Canada R3J 3T3.

## 2. Basis of Presentation

### **Statement of compliance**

The unaudited interim condensed consolidated financial statements were prepared in accordance with IFRS Accounting Standards (IFRS). The unaudited interim condensed consolidated financial statements are in compliance with IAS 34. Accordingly, certain information and note disclosures normally included in annual consolidated financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) have been omitted or condensed. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 28, 2025, which are included in the Company’s 2025 Annual Report.

The fiscal year of the Company ends on the last Sunday of the calendar year. As a result, the Company’s fiscal year is usually 52 weeks in duration, but includes a 53<sup>rd</sup> week every five to six years. The 2025 and 2024 fiscal years are both comprised of 52 weeks and each quarter of 2025 and 2024 are comprised of 13 weeks.

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on February 23, 2026.

## 3. Future Accounting Standards

### **(a) Amendments to the Classification and Measurement of Financial Instruments**

In May 2024, the IASB issued “Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)”, that clarify the recognition date and derecognition date of certain financial assets and liabilities, clarify and add guidance to assess whether a financial asset meets the solely payments of principal and interest criteria. The amendments include additional disclosure requirements for certain instruments with contractual terms that could change cash flows and updates the disclosure requirements relating to equity instruments at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company does not expect the amendments to have a significant impact on the consolidated financial statements when they are adopted in 2026.

### **(b) Presentation and Disclosure of Financial Statements:**

In April 2024, the IASB issued IFRS 18 “Presentation and Disclosure in Financial Statements” to improve reporting of financial performance. IFRS 18 replaces IAS 1 “Presentation of Financial Statements”. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted. The Company is currently assessing the impact of this new standard and does not intend to early adopt IFRS 18 in its consolidated financial statements.

## 4. Segment Reporting

### **Operating segments and product groups**

The Company provides three distinct types of packaging technologies: a) flexible packaging, b) rigid packaging and flexible lidding and c) packaging machinery. Each is deemed to be a separate operating segment.

The flexible packaging segment includes the modified atmosphere packaging, specialty films and biaxially oriented nylon product groups. Modified atmosphere packaging extends the shelf life of perishable foods, while at the same time maintains or improves the quality of the product. The packaging is used for a wide range of markets and applications, including fresh and processed meats, poultry, cheese, medical device packaging, high performance pouch applications and high-barrier films for converting applications. Specialty films include a full line of barrier and non-barrier films which are ideal for converting applications such as printing, laminating and bag making, including shrink bags. Biaxially oriented nylon film is stretched by length and width to add stability for further conversion using printing, metalizing or laminating processes and is ideal for food packaging applications such as cheese, fluid and viscous liquids, and industrial applications such as book covers and balloons.

The rigid packaging and flexible lidding segment includes the rigid containers, lidding and specialized printed packaging product groups. Rigid containers include portion control and single-serve containers, as well as plastic sheet, custom and retort trays, which are used for applications such as food, pet food, beverage, dairy, industrial and healthcare. Lidding products are available in die-cut, daisy chain and rollstock formats and are used for applications such as food, dairy, beverage, pet food, industrial and healthcare. Specialized printed packaging provides packaging solutions to the pharmaceutical, healthcare, nutraceutical, cosmetic and personal care markets.

Packaging machinery includes a full line of horizontal fill/seal machines for preformed containers and vertical form/fill/seal pouch machines for pumpable liquid and semi-liquid products and certain dry products.

**Notes to Condensed Consolidated Financial Statements**  
For the periods ended December 28, 2025 and December 29, 2024  
(thousands of US dollars, unless otherwise indicated) (Unaudited)

Due to similar economic characteristics, including long-term sales volume growth and long-term average gross profit margins, and having similar products, production processes, types of customers and distribution methods, the flexible packaging and rigid packaging and flexible lidding operating segments have been aggregated as one reportable segment. In addition, the packaging machinery operating segment has been aggregated with these two segments as the segment's revenue and assets represents less than 3 percent of total Company revenue and assets.

The Company operates principally in Canada and the United States. See note 5 for a breakdown of revenue by operating and geographic segment. The following summary presents property, plant and equipment, intangible assets and goodwill information by geographic segment:

	December 28 2025	December 29 2024
United States	272,139	274,630
Canada	395,637	360,499
Mexico	19,132	17,246
	<u>686,908</u>	<u>652,375</u>

## 5. Revenue

Most of the Company's contracts have a single performance obligation as the promise to transfer the individual goods. Revenue for each of the three operating segments is recognized at a point in time when the customer obtains control of a product, which typically takes place when legal title and physical possession of the product is transferred to the customer. These conditions are usually fulfilled upon shipment, however, in some instances, upon delivery. Invoices are generated when control has transferred and are usually payable within 30 to 60 days.

### Disaggregation of Revenue

	Quarter Ended		Year Ended	
	December 28 2025	December 29 2024	December 28 2025	December 29 2024
<b>Operating segment</b>				
Flexible packaging	142,319	150,804	591,853	597,976
Rigid packaging and flexible lidding	133,196	124,704	500,121	499,314
Packaging machinery	9,335	9,635	33,445	33,605
	<u>284,850</u>	<u>285,143</u>	<u>1,125,419</u>	<u>1,130,895</u>
<b>Geographic segment</b>				
United States	223,101	229,531	887,485	902,468
Canada	35,386	35,231	143,255	146,625
Mexico and other	26,363	20,381	94,679	81,802
	<u>284,850</u>	<u>285,143</u>	<u>1,125,419</u>	<u>1,130,895</u>

The Company's products are primarily used for the packaging of perishable foods and beverages. Other markets include medical, pharmaceutical, nutraceutical, personal care, industrial and other consumer goods.

## 6. Other Income (Expenses)

	Quarter Ended		Year Ended	
	December 28 2025	December 29 2024	December 28 2025	December 29 2024
<b>Amounts shown on a net basis</b>				
Foreign exchange (losses) gains	(181)	(1,326)	1,488	(3,842)
Cash flow hedge gains (losses) transferred from other comprehensive income	127	(286)	(2,010)	(780)
	(54)	(1,612)	(522)	(4,622)
Proceeds from insurance claim reimbursement	1,883	-	1,883	-
Impairment loss on goodwill	-	(1,000)	-	(1,000)
	<u>1,829</u>	<u>(2,612)</u>	<u>1,361</u>	<u>(5,622)</u>

In 2025, the Company received reimbursement proceeds of \$1,883 for an insurance claim related to an equipment fire in 2023.

## 7. Inventories

	December 28 2025	December 29 2024
Raw materials	77,018	79,142
Work-in-process	65,979	54,297
Finished goods	87,635	96,889
Spare parts	21,770	20,055
	252,402	250,383

During the fourth quarter of 2025, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of \$2,810 (2024 - \$4,449) and reversals of previously written-down items of \$694 (2024 - \$143). During 2025, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of \$14,758 (2024 - \$12,784) and reversals of previously written-down items of \$4,669 (2024 - \$5,021).

## 8. Property, Plant and Equipment

At December 28, 2025, the Company has commitments to purchase property, plant and equipment of \$18,967 (December 29, 2024 - \$41,777). No impairment losses or impairment reversals were recognized during 2025 and 2024.

## 9. Employee Benefit Plans

During 2024, the Company converted \$20,392 of qualifying annuity buy-in contracts purchased in the 2022 fiscal year for two defined benefit pension plans relating to the retired and deferred vested members to qualifying annuity buy-out contracts to complete the full transfer of these obligations. These annuity buy-out contracts eliminated all further legal or constructive obligations to the Company. Accordingly, the Company derecognized the buy-in annuity assets and corresponding defined benefit obligations previously recognized on a net basis. The transactions did not result in a settlement charge as the defined benefit obligations being settled and the qualifying annuity buy-in contracts were of equal value.

## 10. Leases

### Extension Options

Some leases of office and manufacturing facilities contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. At December 28, 2025, potential future lease payments not included in lease liabilities totalled \$4,989 on a discounted basis.

## 11. Share Capital

The following table presents changes in the Company's share capital:

	Quarter Ended		Year Ended	
	December 28 2025	December 29 2024	December 28 2025	December 29 2024
<b>Number of common shares</b>				
Issued and outstanding, beginning of period	60,633,131	63,050,000	62,145,874	65,000,000
Repurchase of common shares	(1,131,178)	(904,126)	(2,643,921)	(2,854,126)
Issued and outstanding, end of period	59,501,953	62,145,874	59,501,953	62,145,874
<b>Share capital amount</b>				
Beginning of period	27,034	28,319	27,735	29,195
Repurchase of common shares	(686)	(584)	(1,387)	(1,460)
End of period	26,348	27,735	26,348	27,735

Repurchase of common shares during 2025 does not include the shares that may be repurchased subsequent to the end of the year under the automatic share purchase plan ("ASPP"), which is described below. However, the ending share capital balance reflects a reduction of \$377 (2024 - \$178) related to the ASPP.

### Dividends

During the fourth quarter of 2025, dividends in Canadian dollars of 5 cents per common share were declared (2024 - 5 cents) and during 2025, 20 cents per common share were declared (2024 - 16 cents). In addition, on December 12, 2024, the Company declared a special dividend in Canadian dollars of \$3.00 per common share, which was paid on January 10, 2025.

### Share Redemptions

On March 24, 2025, the Toronto Stock Exchange (the "TSX") accepted a notice filed by Winpak to renew the normal course issuer bid (the "NCIB") with respect to its outstanding common shares. The notice provided that Winpak may, during the 12-month period commencing March 26, 2025 and ending no later than March 25, 2026, purchase through the facilities of the TSX and other alternative Canadian trading systems up to a maximum of 3,087,500 common shares in total, being 5.0 percent of the issued and outstanding shares of Winpak as of March 18, 2025. The price which Winpak will pay for any common shares will be the market price at the time of acquisition. Daily purchases under the NCIB will be generally limited to 13,761 common shares, other than block purchases. All shares purchased will be canceled. In connection with the NCIB, Winpak has entered into an ASPP with CIBC World Markets Inc. to facilitate the purchase of common shares under the NCIB, including at times when Winpak would ordinarily not be permitted to purchase its common shares due to regulatory restrictions or self-imposed blackout periods. As at December 28, 2025, the Company had purchased 2,248,047 common shares under its current NCIB.

During the fourth quarter of 2025, 1,131,178 common shares were repurchased under the NCIB program for cancellation at a weighted average price of CDN \$42.69 for aggregate consideration of CDN \$48,290 (US \$34,504) of which \$508 was recorded to share capital and the remaining \$33,996 was recorded to retained earnings. During the fourth quarter of 2024, 904,126 common shares were repurchased under the NCIB program for cancellation at a weighted average price of CDN \$49.28 for aggregate consideration of CDN \$44,555 (US \$31,634) of which \$406 was recorded to share capital and the remaining \$31,228 was recorded to retained earnings. During 2025, 2,643,921 common shares were repurchased under the NCIB program for cancellation at a weighted average price of CDN \$42.57 for aggregate consideration of CDN \$112,543 (US \$80,344) of which \$1,188 was recorded to share capital and the remaining \$79,156 was recorded to retained earnings. During 2024, 2,854,126 common shares were repurchased under the NCIB program for cancellation at a weighted average price of CDN \$45.55 for aggregate consideration of CDN \$129,992 (US \$94,512) of which \$1,282 was recorded to share capital and the remaining \$93,230 was recorded to retained earnings.

At December 28, 2025, the Company recorded an obligation to repurchase common shares of \$27,634 (2024 - \$13,727) under the ASPP in trade payables and other liabilities of which \$377 (2024 - \$178) was recorded to share capital and the remaining \$27,257 (2024 - \$13,549) was recorded to retained earnings. Subsequent to the year ended December 28, 2025, the Company completed the NCIB program, repurchasing 839,453 common shares at a weighted average price of CDN \$45.00 for aggregate consideration of CDN \$37,772 (US \$27,606).

At December 28, 2025, the Company recorded an obligation totaling \$1,606 (2024 - \$1,887) for a two percent Canadian federal tax on the net value of equity repurchased during the year. The liability was recognized within 'Trade payables and other liabilities' and the corresponding amount was recorded to retained earnings.

### 12. Earnings Per Share

	Quarter Ended		Year Ended	
	December 28 2025	December 29 2024	December 28 2025	December 29 2024
Net income attributable to equity holders of the Company	36,186	36,622	137,342	149,455
Weighted average shares outstanding (000's)	59,927	62,718	61,098	63,614
Basic and diluted earnings per share - cents	60	58	225	235

### 13. Financial Instruments

The Company measures assets and liabilities under the following fair value hierarchy in accordance with IFRS. The inputs used for fair value measurements, including their classification within the required three levels of the fair value hierarchy that prioritizes the inputs used for fair value measurement, are as follows:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - inputs that are not based on observable market data.

The fair value of cash and cash equivalents, trade and other receivables, including trade and other receivables subject to factoring arrangements and classified as measured at fair value through other comprehensive income (FVOCI), trade payables and other liabilities approximate their carrying value because of the short-term maturity of these instruments. The fair value of foreign currency forward contracts, designated as cash flow hedges, has been determined by valuing those contracts to market against prevailing forward foreign exchange rates as at the reporting date.

The following table presents the classification of financial instruments within the fair value hierarchy:

Financial Assets (Liabilities)	Level 1	Level 2	Level 3	Total
<u>At December 28, 2025</u>				
Foreign currency forward contracts - net	-	674	-	674
<u>At December 29, 2024</u>				
Foreign currency forward contracts - net	-	(4,175)	-	(4,175)

When the Company has a legally enforceable right to set off supplier rebates accounts receivable against supplier trade payables and intends to settle the amount on a net basis or simultaneously, the balance is presented as an offset within 'Trade payables and other liabilities' on the consolidated balance sheet. At December 28, 2025, the supplier rebate receivable balance that was offset was \$4,546 (2024 - \$7,327).

#### 14. Financial Risk Management

In the normal course of business, the Company has risk exposures consisting primarily of foreign exchange risk, interest rate risk, commodity price risk, liquidity risk, and credit risk. The Company manages its risks and risk exposures through a combination of derivative financial instruments, insurance, a system of internal and disclosure controls and sound business practices. The Company does not purchase any derivative financial instruments for speculative purposes.

Financial risk management is primarily the responsibility of the Company's corporate finance function. Significant risks are regularly monitored and actions are taken, when appropriate, according to the Company's approved policies, established for that purpose. In addition, as required, these risks are reviewed with the Company's Board of Directors.

##### **Foreign Exchange Risk**

Translation differences arise when foreign currency monetary assets and liabilities are translated at foreign exchange rates that change over time. These foreign exchange gains and losses are recorded in other income (expenses). As a result of the Company's CDN dollar net asset monetary position as at December 28, 2025, a one-cent change in the period-end foreign exchange rate from 0.7312 to 0.7212 (CDN to US dollars) would have decreased net income by \$164 for 2025. Conversely, a one-cent change in the period-end foreign exchange rate from 0.7313 to 0.7412 (CDN to US dollars) would have increased net income by \$164 for 2025.

The Company's Foreign Exchange Policy requires that between 50 and 80 percent of the Company's net requirement of CDN dollars for the ensuing 9 to 15 months will be hedged at all times with a combination of cash and cash equivalents and forward or zero-cost option foreign currency contracts. The Company may also enter into foreign currency forward contracts when equipment purchases, share repurchases and special dividend payments will be settled in foreign currencies. Transactions are only conducted with certain approved 'AA' rated or higher Schedule 1 CDN financial institutions. All foreign currency contracts are designated as cash flow hedges of the highly probable CDN dollar expenditures. These derivatives meet the hedge effectiveness criteria as a result of the following factors:

- a) An economic relationship exists between the hedged item and the hedging instrument as notional amounts match and both the hedged item and hedging instrument fair values move in response to the same risk - foreign exchange rates. There are no significant reasons or causes for the designated hedged item and hedging instrument to be mismatched since the hedging instrument matures during the same month as the expected hedged expenditures are incurred. The correlation between the foreign exchange rate of the hedged item and the hedging instrument should be highly correlated and closely aligned as the maturity and the notional amount are the same.
- b) The hedge ratio is one to one for this hedging relationship as the hedged item is foreign currency risk that is hedged with a foreign currency hedging instrument.
- c) Credit risk is not material in the fair value of the hedging instrument.

The Company has identified two sources of potential ineffectiveness: a) the timing of cash flow differences between the expenditure and the related derivative and b) the inclusion of credit risk in the fair value of the derivative not replicated in the hedged item. The Company expects the impact of these sources of hedge ineffectiveness to be minimal. The timing of hedge settlements and incurred expenditures are closely aligned as they are expected to occur within 30 days of each other. Credit risk is not a material component of the fair value of the Company's hedging instruments as all counterparties are 'AA' rated or higher Schedule 1 CDN financial institutions.

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(thousands of US dollars, unless otherwise indicated) (Unaudited)

Certain foreign currency forward contracts matured during the fourth quarter of 2025 and the Company realized pre-tax foreign exchange gains of \$127 (year-to-date losses - \$2,388). Of these foreign exchange differences, gains of \$127 were recorded in other income (expenses) (year-to-date losses - \$2,010) and no amount was recorded in property, plant and equipment (year-to-date losses - \$378). During the fourth quarter of 2024, the Company realized pre-tax foreign exchange losses of \$540 (year-to-date losses - \$1,260). Of these foreign exchange differences, losses of \$286 were recorded in other (expenses) income (year-to-date losses - \$780), losses of \$254 were recorded in property, plant and equipment (year-to-date losses - \$283), and losses of \$0 were recorded directly to equity (year-to-date losses - \$197).

As at December 28, 2025, the Company had US to CDN dollar foreign currency forward contracts outstanding with a notional amount of \$63,000 at an average exchange rate of 1.3726 maturing between January and December 2026. The fair value of these financial instruments was \$674 and the corresponding unrealized gain has been recorded in other comprehensive income.

**Interest Rate Risk**

The Company's interest rate risk arises from interest rate fluctuations on the finance income that it earns on its cash invested in money market accounts and short-term deposits. The Company developed and implemented an investment policy, which was approved by the Company's Board of Directors, with the primary objective to preserve capital, minimize risk and provide liquidity. Regarding the December 28, 2025 cash and cash equivalents balance of \$375.6 million, a 1.0 percent increase/decrease in interest rate fluctuations would increase/decrease income before income taxes by \$3,756 annually.

**Commodity Price Risk**

The Company's manufacturing costs are affected by the price of raw materials, namely petroleum-based and natural gas-based plastic resins and aluminum. In order to manage its risk, the Company has entered into selling price-indexing programs with certain customers. Changes in raw material prices for these customers are reflected in selling price adjustments but there is a slight time lag. For 2025, 74 percent of revenue was generated from customers with selling price-indexing programs. For all other customers, the Company's preferred practice is to match raw material cost changes with selling price adjustments, albeit with a slight time lag. This matching is not always possible, as customers react to selling price pressures related to raw material cost fluctuations according to conditions pertaining to their markets.

**Liquidity Risk**

Liquidity risk is the risk that the Company would not be able to meet its financial obligations as they come due. Management believes that the liquidity risk is low due to the strong financial condition of the Company. This risk assessment is based on the following: (a) cash and cash equivalents amounts of \$375.6 million, (b) no outstanding bank loans, (c) unused credit facilities comprised of unsecured operating lines of \$38 million, (d) the ability to obtain term-loan financing to fund an acquisition, if needed, (e) an informal investment grade credit rating and (f) the Company's ability to generate positive cash flows from ongoing operations. Management believes that the Company's cash flows are more than sufficient to cover its operating costs, working capital requirements, capital expenditures, payment of lease liabilities, share repurchases and dividend payments in 2026. The Company's trade payables and other liabilities and derivative financial instrument liabilities are all due within twelve months.

**Credit Risk**

The Company is exposed to credit risk from its cash and cash equivalents held with banks and financial institutions, derivative financial instruments (foreign currency forward contracts), as well as credit exposure to customers, including outstanding trade and other receivable balances.

The following table details the maximum exposure to the Company's counterparty credit risk which represents the carrying value of the financial asset:

	December 28 2025	December 29 2024
Cash and cash equivalents	375,621	497,261
Trade and other receivables	217,099	220,201
Foreign currency forward contracts	721	-
	593,441	717,462

Credit risk on cash and cash equivalents and other financial instruments arises in the event of non-performance by the counterparties when the Company is entitled to receive payment from the counterparty who fails to perform. The Company has established an investment policy to manage its cash. The policy requires that the Company manage its risk by investing its excess cash on hand on a short-term basis, up to a maximum of six months, with several financial institutions and/or governmental bodies that must be rated 'AA' or higher for CDN financial institutions and 'A-1' or higher for US financial institutions by recognized international credit rating agencies or insured 100 percent by the US government or a 'AAA' rated CDN federal or provincial government. The Company manages its counterparty risk on its financial instruments by only dealing with 'AA' rated or higher Schedule 1 CDN financial institutions.

In the normal course of business, the Company is exposed to credit risk on its trade and other receivables from customers. To mitigate such risk, the Company performs ongoing customer credit evaluations and assesses their credit quality by taking into account their financial position, past experience and other pertinent factors. Management regularly monitors customer credit limits, performs credit reviews and, in certain cases insures trade and other receivables against credit losses.

As at December 28, 2025, the Company believes that the credit risk for trade and other receivables is mitigated due to the following: a) a broad customer base which is dispersed across varying market sectors and geographic locations, b) 98 percent of the gross trade and other receivables balance is within 30 days of the agreed upon payment terms with customers, c) the sale of certain extended term trade receivables without recourse to a third party and d) 23 percent of the trade and other receivables balance is insured against credit losses.

The following table sets out the aging details of the Company's trade and other receivables balances outstanding based on when the receivable was due and payable and related allowance for expected credit losses:

	December 28 2025	December 29 2024
Current (not past due)	198,086	192,326
1 - 30 days past due	16,707	23,295
31 - 60 days past due	1,498	3,265
More than 60 days past due	2,619	3,552
	218,910	222,438
Less: Allowance for expected credit losses	(1,811)	(2,237)
Total trade and other receivables, net	217,099	220,201

#### 15. Seasonality

The Company experiences seasonal variation in revenue, with revenue typically being the highest in the second and fourth quarters, and lowest in the first quarter.