

NEWS RELEASE

Winpak Reports 2026 First Quarter Results

Winnipeg, Manitoba, April 29, 2026 - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the first quarter of 2026, which ended on March 29, 2026.

| | Quarter Ended | |
|---|------------------|------------------|
| | March 29 2026 | March 30 2025 |
| <i>(thousands of US dollars, except per share amounts)</i> | | |
| Revenue | 280,034 | 284,802 |
| Net income | 30,973 | 34,445 |
| Income tax expense | 11,739 | 12,849 |
| Net finance income | (3,012) | (2,760) |
| Depreciation and amortization | 14,059 | 13,570 |
| EBITDA (1) | 53,759 | 58,104 |
| Net income attributable to equity holders of the Company | 30,969 | 34,576 |
| Net income (loss) attributable to non-controlling interests | 4 | (131) |
| Net income | 30,973 | 34,445 |
| Basic and diluted earnings per share (cents) | 53 | 56 |

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

¹ 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 first quarter of 2026 of \$31.0 million declined by \$3.6 million or 10.4 percent from the comparable 2025 quarter. The contraction in gross profit reduced Earnings by \$2.7 million. Additionally, weaker sales volumes led to a drop in Earnings of \$0.6 million. In total, all remaining items lowered Earnings by \$0.3 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 first quarter of 2026 was \$280.0 million, \$4.8 million or 1.7 percent less than the initial quarter of 2025. Volumes fell by 2.1 percent when compared to the first quarter of 2025. Weakened customer demand within several product categories contributed to the result. In the prior year, certain customers shifted orders from the second quarter of 2025 to the first quarter of 2025 in order to mitigate the impact of potential tariffs. Within the flexible packaging operating segment, volume losses amounted to 3 percent. For the modified atmosphere packaging product group, volumes retreated by 2 percent. New dairy business was overshadowed by muted demand levels at the core protein accounts. The rigid packaging and flexible lidding operating segment experienced a gain in volumes of 1 percent. Rigid container volumes decreased by 12 percent due to a sizeable drop in specialty beverage container shipments. For the lidding product group, volumes surpassed the prior year by 8 percent predominantly because of higher applesauce, yogurt and retort petfood lidding volumes. Exceptional volume growth of more than 30 percent for the specialized printed packaging product group was fuelled by nutraceutical business gains. Packaging machinery volumes declined by 22 percent due to the timing of machine shipments. Selling price and mix changes had a negative effect on revenue of \$0.1 million. Foreign exchange raised revenue by \$1.4 million.

Gross Profit Margins

Gross profit margins in the first quarter fell by 1.5 percentage points to 29.6 percent of revenue from the 31.1 percent recorded in the same quarter of 2025. Selling prices were relatively unchanged whereas raw material costs rose slightly, generating a decrease in Earnings of \$1.2 million. This outcome resulted from selling price concessions that were implemented over the past twelve months. Tariffs raised selling prices and raw material costs, but on an overall basis, had a limited impact on Earnings. Other factors combined to reduce Earnings by \$1.5 million. Higher personnel costs and diminished output levels elevated the effective cost of production. This was partially offset by improvements in production waste.

In the first quarter of the year, the raw material purchase price index declined by 5 percent compared to the fourth quarter of 2025. Aluminum foil increased by 7 percent while polyethylene and nylon resins experienced decreases of 10 percent and 7 percent, respectively. In the past 12 months, the index contracted by 6 percent.

Expenses and Other

Operating expenses in the first quarter of 2026, adjusted for foreign exchange, increased at a rate of 0.7 percent in comparison to the 2.1 percent drop in sales volumes, thereby having an unfavorable impact on Earnings of \$0.9 million. Despite the continued inflationary impact on personnel expenses, cost containment in most other spending categories was achieved. Foreign exchange had a modest positive effect on Earnings of \$0.7 million. This was due to the gains recorded on the foreign currency forward contracts that matured in the period compared to the losses recorded in 2025. In combination, all other factors dampened Earnings by \$0.1 million.

Capital Resources, Cash Flow and Liquidity

On March 24, 2026, the Toronto Stock Exchange (the "TSX") accepted a notice filed by Winpak to renew its 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, 2026 and ending no later than March 25, 2027, purchase through the facilities of the TSX and other alternative Canadian trading systems up to a maximum of 2,933,125 common shares in total, being 5.0 percent of the issued and outstanding shares of Winpak as of March 13, 2026. 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 13,836 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 March 29, 2026, the Company had not repurchased any common shares under its current NCIB.

The Company's cash and cash equivalents balance ended the first quarter of 2026 at \$353.3 million, a decrease of \$22.3 million from the end of the prior year. Winpak continued to generate strong cash flow from operating activities before changes in working capital of \$54.2 million. Working capital consumed \$31.1 million in cash. Trade and other receivables advanced by \$20.0 million due to the acceleration of customer shipments in the second half of the quarter as well as the reduction in extended term accounts receivable that were sold without recourse to financial institutions in exchange for cash. Stemming from the timing of inventory and equipment purchases, trade payables and other liabilities declined by \$12.0 million. Cash was utilized for common share repurchases of \$27.6 million, property, plant and equipment expenditures of \$11.2 million, income tax payments of \$7.1 million and other items totaling \$2.8 million. Net finance income provided incremental cash of \$3.3 million.

Summary of Quarterly Results

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

| | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenue | 280,034 | 284,850 | 282,967 | 272,800 | 284,802 | 285,143 | 285,473 | 283,496 |
| Net income attributable to equity holders of the Company | 30,969 | 36,186 | 36,375 | 30,205 | 34,576 | 36,622 | 38,486 | 38,825 |
| EPS | 53 | 60 | 60 | 49 | 56 | 58 | 61 | 61 |

Looking Forward

Geopolitical developments, including the closure of the Strait of Hormuz and damage to the petrochemical industries, have forced some producers to declare force majeure or implement equivalent emergency measures. While these events remain outside Winpak's control, the Company is actively deploying all available sourcing options and alternate supply channels to maintain continuity of supply to our customers. At the same time, Winpak is experiencing significant market pressure, including increased raw material costs, potential reduced availability and higher transportation costs. The duration and extent of these conditions remain uncertain and could materially impact the Company's operating costs, resulting selling prices and the investment in working capital.



With the exception of foil-based products, the Company's entire product portfolio is presently exempt from tariffs under the United States-Mexico-Canada Agreement (USMCA). Similarly, nearly all raw materials sourced within North America are exempt from tariffs. The majority of the US foil import tariffs will continue to be passed along to customers even with the modifications by the US government in early April that specifically targeted aluminum, steel and copper. In the coming months, there is a possibility that the USMCA could be modified or eliminated, potentially having a significant impact on the Company. In response, Winpak is implementing measures focused on enhancing its cost structure with respect to manufacturing performance, automation, product formulations, raw material procurement and personnel levels. Given the scale of uncertainties facing the Company, it is difficult to accurately predict the gross profit margin level for the balance of 2026.

The Company will be onboarding new business awarded by key consumer packaged goods companies over the past twelve to eighteen months. Furthermore, the financial exposure these same companies face with respect to Extended Producer Responsibility is immense. Additional commercial opportunities have emerged whereby Winpak can assist in the minimization of this impact. The recently added extrusion capacity at the modified atmosphere packaging facility will be a key catalyst for growth going forward, commencing around mid-year 2026.

Capital expenditures for 2026 are forecast to be between \$80 and \$90 million, highlighted by additional converting equipment and the enhancement of existing extrusion equipment. Winpak is currently examining acquisition opportunities that align strategically with the Company's core competencies, especially those that are focused on medical and pharmaceutical applications. The Company's NCIB provides an opportunity to return value to shareholders and will be assessed based on both the current share price and available liquidity.

Accounting Changes - Accounting Standards Implemented in 2026

(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 were implemented effective January 1, 2026. The amendments had no impact on the Company's unaudited interim condensed consolidated financial statements.

Accounting Changes - Future Changes to Accounting Standards

(a) 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. The Company is currently assessing the impact of this new standard to 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 March 29, 2026 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 March 29, 2026 to provide reasonable assurance that the financial information being reported is materially accurate. During the first quarter ended March 29, 2026, 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
First Quarter Ended: March 29, 2026

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 | March 29 2026 | December 28 2025 |
|---|------|------------------|---------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | | 353,307 | 375,621 |
| Trade and other receivables | 14 | 237,080 | 217,099 |
| Income taxes receivable | | 6,172 | 8,948 |
| Inventories | 8 | 248,271 | 252,402 |
| Prepaid expenses | | 11,727 | 8,711 |
| Derivative financial instruments | | 7 | 721 |
| | | <u>856,564</u> | <u>863,502</u> |
| Non-current assets: | | | |
| Property, plant and equipment | 9 | 654,475 | 657,638 |
| Intangible assets and goodwill | | 29,088 | 29,270 |
| Employee benefit plan assets | | 12,129 | 12,595 |
| | | <u>695,692</u> | <u>699,503</u> |
| Total assets | | <u>1,552,256</u> | <u>1,563,005</u> |
| Equity and Liabilities | | | |
| Current liabilities: | | | |
| Trade payables and other liabilities | | 96,645 | 135,551 |
| Contract liabilities | | 220 | 466 |
| Income taxes payable | | - | 48 |
| Derivative financial instruments | | 873 | 47 |
| | | <u>97,738</u> | <u>136,112</u> |
| Non-current liabilities: | | | |
| Employee benefit plan liabilities | | 2,942 | 2,637 |
| Deferred income | | 23,123 | 23,710 |
| Provisions and other long-term liabilities | | 14,163 | 14,551 |
| Deferred tax liabilities | | 64,323 | 63,238 |
| | | <u>104,551</u> | <u>104,136</u> |
| Total liabilities | | <u>202,289</u> | <u>240,248</u> |
| Equity: | | | |
| Share capital | 11 | 26,348 | 26,348 |
| Reserves | | (634) | 494 |
| Retained earnings | | 1,289,190 | 1,260,856 |
| Total equity attributable to equity holders of the Company | | <u>1,314,904</u> | <u>1,287,698</u> |
| Non-controlling interests | | <u>35,063</u> | <u>35,059</u> |
| Total equity | | <u>1,349,967</u> | <u>1,322,757</u> |
| Total equity and liabilities | | <u>1,552,256</u> | <u>1,563,005</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 | |
|---|------|------------------|------------------|
| | | March 29 2026 | March 30 2025 |
| Revenue | 6 | 280,034 | 284,802 |
| Cost of sales | | (197,177) | (196,257) |
| Gross profit | | 82,857 | 88,545 |
| Sales, marketing and distribution expenses | | (24,547) | (24,323) |
| General and administrative expenses | | (13,192) | (12,589) |
| Research and technical expenses | | (5,610) | (5,578) |
| Pre-production expenses | | (4) | (153) |
| Other income (expenses) | 7 | 196 | (1,368) |
| Income from operations | | 39,700 | 44,534 |
| Finance income | | 3,569 | 4,135 |
| Finance expense | | (557) | (1,375) |
| Income before income taxes | | 42,712 | 47,294 |
| Income tax expense | | (11,739) | (12,849) |
| Net income for the period | | 30,973 | 34,445 |
| Attributable to: | | | |
| Equity holders of the Company | | 30,969 | 34,576 |
| Non-controlling interests | | 4 | (131) |
| | | 30,973 | 34,445 |
| Basic and diluted earnings per share - cents | 12 | 53 | 56 |

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

| | Note | Quarter Ended | |
|--|------|------------------|------------------|
| | | March 29 2026 | March 30 2025 |
| Net income for the period | | 30,973 | 34,445 |
| <u>Items that will not be reclassified to the statements of income:</u> | | | |
| Cash flow hedge gains recognized | | - | 57 |
| Cash flow hedge losses transferred to property, plant and equipment | | - | 378 |
| | | - | 435 |
| <u>Items that are or may be reclassified subsequently to the statements of income:</u> | | | |
| Cash flow hedge (losses) gains recognized | | (1,189) | 292 |
| Cash flow hedge (gains) losses transferred to the statements of income | 7 | (351) | 846 |
| Income tax effect | | 412 | (305) |
| | | (1,128) | 833 |
| Other comprehensive (loss) income for the period - net of income tax | | (1,128) | 1,268 |
| Comprehensive income for the period | | 29,845 | 35,713 |
| Attributable to: | | | |
| Equity holders of the Company | | 29,841 | 35,844 |
| Non-controlling interests | | 4 | (131) |
| | | 29,845 | 35,713 |

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 | | | | | Non-controlling interests | Total equity |
|--|------|---|----------|-------------------|-----------|--------|---------------------------|--------------|
| | | Share capital | Reserves | Retained earnings | Total | | | |
| Balance at December 30, 2024 | | 27,735 | (3,174) | 1,224,097 | 1,248,658 | 35,216 | 1,283,874 | |
| Comprehensive income (loss) for the period | | | | | | | | |
| Cash flow hedge gains, net of tax | | - | 270 | - | 270 | - | 270 | |
| Cash flow hedge losses transferred to the statements of income, net of tax | | - | 620 | - | 620 | - | 620 | |
| Cash flow hedge losses transferred to property, plant and equipment | | - | 378 | - | 378 | - | 378 | |
| Other comprehensive income | | - | 1,268 | - | 1,268 | - | 1,268 | |
| Net income (loss) for the period | | - | - | 34,576 | 34,576 | (131) | 34,445 | |
| Comprehensive income (loss) for the period | | - | 1,268 | 34,576 | 35,844 | (131) | 35,713 | |
| Dividends | 11 | - | - | (2,155) | (2,155) | - | (2,155) | |
| Repurchase of common shares | 11 | (231) | - | (13,984) | (14,215) | - | (14,215) | |
| Balance at March 30, 2025 | | 27,504 | (1,906) | 1,242,534 | 1,268,132 | 35,085 | 1,303,217 | |
| Balance at December 29, 2025 | | 26,348 | 494 | 1,260,856 | 1,287,698 | 35,059 | 1,322,757 | |
| Comprehensive (loss) income for the period | | | | | | | | |
| Cash flow hedge losses, net of tax | | - | (871) | - | (871) | - | (871) | |
| Cash flow hedge gains transferred to the statements of income, net of tax | | - | (257) | - | (257) | - | (257) | |
| Other comprehensive loss | | - | (1,128) | - | (1,128) | - | (1,128) | |
| Net income for the period | | - | - | 30,969 | 30,969 | 4 | 30,973 | |
| Comprehensive (loss) income for the period | | - | (1,128) | 30,969 | 29,841 | 4 | 29,845 | |
| Dividends | 11 | - | - | (2,111) | (2,111) | - | (2,111) | |
| Repurchase of common shares | 11 | - | - | (524) | (524) | - | (524) | |
| Balance at March 29, 2026 | | 26,348 | (634) | 1,289,190 | 1,314,904 | 35,063 | 1,349,967 | |

See accompanying notes to condensed consolidated financial statements.

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

| | Quarter Ended | |
|--|------------------|------------------|
| | March 29 2026 | March 30 2025 |
| | Note | |
| Cash provided by (used in): | | |
| Operating activities: | | |
| Net income for the period | 30,973 | 34,445 |
| Items not involving cash: | | |
| Depreciation | 14,242 | 13,686 |
| Amortization - deferred income | (512) | (466) |
| Amortization - intangible assets | 329 | 350 |
| Employee defined benefit plan expenses | 693 | 681 |
| Net finance income | (3,012) | (2,760) |
| Income tax expense | 11,739 | 12,849 |
| Other | (229) | (362) |
| Cash flow from operating activities before the following | 54,223 | 58,423 |
| Change in working capital: | | |
| Trade and other receivables | (19,981) | 1,054 |
| Inventories | 4,131 | (10,182) |
| Prepaid expenses | (3,016) | (2,533) |
| Trade payables and other liabilities | (12,021) | (7,583) |
| Contract liabilities | (246) | (551) |
| Employee defined benefit plan contributions | (22) | (18) |
| Income tax paid | (7,134) | (14,979) |
| Interest received | 3,776 | 3,806 |
| Interest paid | (433) | (1,231) |
| Net cash from operating activities | 19,277 | 26,206 |
| Investing activities: | | |
| Acquisition of property, plant and equipment - net | (11,181) | (19,397) |
| Acquisition of intangible assets | (148) | (268) |
| Net cash used in investing activities | (11,329) | (19,665) |
| Financing activities: | | |
| Payment of lease liabilities | (482) | (402) |
| Dividends paid | 11 (2,174) | (133,244) |
| Repurchase of common shares | 11 (27,606) | (13,698) |
| Net cash used in financing activities | (30,262) | (147,344) |
| Change in cash and cash equivalents | (22,314) | (140,803) |
| Cash and cash equivalents, beginning of period | 375,621 | 497,261 |
| Cash and cash equivalents, end of period | 353,307 | 356,458 |

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 53rd week every five to six years. The 2026 and 2025 fiscal years are both comprised of 52 weeks and each quarter of 2026 and 2025 are comprised of 13 weeks.

The unaudited interim condensed consolidated financial statements were approved by the Audit Committee on behalf of the Board of Directors on April 29, 2026.

3. Accounting standards implemented in 2026

(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 were implemented effective January 1, 2026. The amendments had no impact on the Company’s unaudited interim condensed consolidated financial statements.

4. Future accounting standards

(a) 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. The Company is currently assessing the impact of this new standard to its consolidated financial statements.

5. 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.

Notes to Condensed Consolidated Financial Statements
For the periods ended March 29, 2026 and March 30, 2025
(thousands of US dollars, unless otherwise indicated) (Unaudited)

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.

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 6 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:

| | March 29 2026 | December 28 2025 |
|---------------|------------------|---------------------|
| United States | 272,395 | 272,139 |
| Canada | 392,254 | 395,637 |
| Mexico | 18,914 | 19,132 |
| | <u>683,563</u> | <u>686,908</u> |

6. 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 | |
|--------------------------------------|------------------|------------------|
| | March 29 2026 | March 30 2025 |
| Operating segment | | |
| Flexible packaging | 142,515 | 153,420 |
| Rigid packaging and flexible lidding | 130,802 | 122,742 |
| Packaging machinery | 6,717 | 8,640 |
| | <u>280,034</u> | <u>284,802</u> |
| Geographic segment | | |
| United States | 227,364 | 227,696 |
| Canada | 31,314 | 34,664 |
| Mexico and other | 21,356 | 22,442 |
| | <u>280,034</u> | <u>284,802</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.

7. Other income (expenses)

| | Quarter Ended | |
|--|------------------|------------------|
| | March 29 2026 | March 30 2025 |
| Amounts shown on a net basis | | |
| Foreign exchange losses | (155) | (522) |
| Cash flow hedge gains (losses) transferred from other comprehensive income | 351 | (846) |
| | <u>196</u> | <u>(1,368)</u> |

8. Inventories

| | March 29 2026 | December 28 2025 |
|-----------------|------------------|---------------------|
| Raw materials | 87,092 | 77,018 |
| Work-in-process | 51,440 | 65,979 |
| Finished goods | 86,504 | 87,635 |
| Spare parts | 23,235 | 21,770 |
| | 248,271 | 252,402 |

During the first quarter of 2026, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of \$4,303 (2025 - \$4,392) and reversals of previously written-down items of \$2,085 (2025 - \$2,149).

9. Property, plant and equipment

At March 29, 2026, the Company has commitments to purchase property, plant and equipment of \$17,295 (December 28, 2025 - \$18,967). No impairment losses or impairment reversals were recognized in the first quarter of 2026 or 2025.

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 March 29, 2026, potential future lease payments not included in lease liabilities totalled \$4,897 on a discounted basis.

11. Share capital

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

| | Quarter Ended | |
|--|------------------|------------------|
| | March 29 2026 | March 30 2025 |
| Number of common shares | | |
| Issued and outstanding, beginning of period | 59,501,953 | 62,145,874 |
| Repurchase of common shares | (839,453) | (434,996) |
| Issued and outstanding, end of period | 58,662,500 | 61,710,878 |
| Share capital amount | | |
| Beginning of period | 26,348 | 27,735 |
| Reversal of prior period automatic share purchase plan ("ASPP") obligation | 377 | 178 |
| Repurchase of common shares | (377) | (195) |
| Current period ASPP obligation | - | (214) |
| End of period | 26,348 | 27,504 |

Dividends

During the first quarter of 2026, dividends in Canadian dollars of 5 cents per common share were declared (2025 - 5 cents). In addition, on December 12, 2024, the Company declared a special dividend in Canadian dollars of \$3.00 per common share, paid on January 10, 2025.

Share redemptions

On March 24, 2026, the Toronto Stock Exchange (the "TSX") accepted a notice filed by Winpak to renew its 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, 2026 and ending no later than March 25, 2027, purchase through the facilities of the TSX and other alternative Canadian trading systems up to a maximum of 2,933,125 common shares in total, being 5.0 percent of the issued and outstanding shares of Winpak as of March 13, 2026. 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 13,836 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 March 29, 2026, the Company had not repurchased any common shares under its current NCIB.

Notes to Condensed Consolidated Financial Statements
For the periods ended March 29, 2026 and March 30, 2025
(thousands of US dollars, unless otherwise indicated) (Unaudited)

The following table presents the Company's NCIB activities for the periods ended:

| | Quarter Ended | |
|--|------------------|------------------|
| | March 29 2026 | March 30 2025 |
| Common shares repurchased under the NCIB for cancelation | 839,453 | 434,996 |
| Weighted average price of common shares repurchased under NCIB (CDN) | \$45.00 | \$45.36 |
| Reduction in share capital | 377 | 195 |
| Premium charged to retained earnings | 27,229 | 13,503 |
| Aggregate consideration | 27,606 | 13,698 |
| Aggregate consideration (CDN) | 37,772 | 19,732 |
| ASPP obligation at the end of the period: | | |
| Reduction in share capital | - | 214 |
| Premium charged to retained earnings | - | 13,756 |
| Trade payables and other liabilities | - | 13,970 |

12. Earnings per share

| | Quarter Ended | |
|--|------------------|------------------|
| | March 29 2026 | March 30 2025 |
| Net income attributable to equity holders of the Company | 30,969 | 34,576 |
| Weighted average shares outstanding (000's) | 58,856 | 61,792 |
| Basic and diluted earnings per share - cents | 53 | 56 |

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 March 29, 2026</u> | | | | |
| Foreign currency forward contracts - net | - | (866) | - | (866) |
| <u>At December 28, 2025</u> | | | | |
| Foreign currency forward contracts - net | - | 674 | - | 674 |

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 March 29, 2026, the supplier rebate receivable balance that was offset was \$6,913 (December 28, 2025 - \$4,546).

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 March 29, 2026, a one-cent change in the period-end foreign exchange rate from 0.7197 to 0.7097 (CDN to US dollars) would have decreased net income by \$173 for the first quarter of 2026. Conversely, a one-cent change in the period-end foreign exchange rate from 0.7197 to 0.7297 (CDN to US dollars) would have increased net income by \$173 for the first quarter of 2026.

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.

Certain foreign currency forward contracts matured during the first quarter of 2026 and the Company realized pre-tax foreign exchange gains of \$351 which were recorded in other income (expenses). During the first quarter of 2025, the Company realized pre-tax foreign exchange losses of \$1,224. Of these foreign exchange differences, losses of \$846 were recorded in other income (expenses) and losses of \$378 were recorded in property, plant and equipment.

As at March 29, 2026, the Company had US to CDN dollar foreign currency forward contracts outstanding with a notional amount of \$72.0 million at an average exchange rate of 1.3617 maturing between April 2026 and April 2027. The fair value of these financial instruments was negative \$866 and the corresponding unrealized loss 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 March 29, 2026 cash and cash equivalents balance of \$353.3 million, a 1.0 percent increase/decrease in interest rate fluctuations would increase/decrease income before income taxes by \$3,533 annually.

Notes to Condensed Consolidated Financial Statements
For the periods ended March 29, 2026 and March 30, 2025
(thousands of US dollars, unless otherwise indicated) (Unaudited)

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 the quarter ended March 29, 2026, 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 \$353.3 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 the next twelve months. 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:

| | March 29 2026 | December 28 2025 |
|------------------------------------|------------------|---------------------|
| Cash and cash equivalents | 353,307 | 375,621 |
| Trade and other receivables | 237,080 | 217,099 |
| Foreign currency forward contracts | 7 | 721 |
| | 590,394 | 593,441 |

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 March 29, 2026, 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) 21 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:

| | March 29 2026 | December 28 2025 |
|--|------------------|---------------------|
| Current (not past due) | 214,957 | 198,086 |
| 1 - 30 days past due | 18,897 | 16,707 |
| 31 - 60 days past due | 1,915 | 1,498 |
| More than 60 days past due | 3,207 | 2,619 |
| | 238,976 | 218,910 |
| Less: Allowance for expected credit losses | (1,896) | (1,811) |
| Total trade and other receivables, net | 237,080 | 217,099 |

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.