

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 Wipak'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: 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; 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, Wipak 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 third quarter of 2025 of \$36.4 million contracted by \$2.1 million or 5.5 percent from the comparable 2024 quarter. Net finance income dampened Earnings by \$1.7 million. Additionally, gross profit reduced Earnings by \$1.5 million. The decrease in sales volumes lowered Earnings by \$1.2 million. Conversely, operating expenses raised Earnings by \$1.0 million. In total, all remaining items boosted Earnings by \$1.3 million.

For the nine months ended September 28, 2025, Earnings declined by 10.3 percent to \$101.2 million from the corresponding 2024 result of \$112.8 million. The deterioration in gross profit was a key factor, subtracting \$8.0 million from Earnings. In addition, net finance income led to a contraction in Earnings of \$6.3 million. Foreign exchange added \$2.8 million to Earnings. In combination, all other factors decreased Earnings by \$0.1 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 third quarter of 2025 was \$283.0 million, \$2.5 million or 0.9 percent less than the third quarter of 2024. Volumes fell by 3.0 percent when compared to the third quarter of 2024. Weakened customer demand within several product categories contributed to the result. The level of customer turnover thus far in 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, the recent growth path reversed and volumes retreated by 3 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 drop in volumes of 3 percent. Rigid container volumes decreased by 10 percent due to a sizeable drop in specialty beverage and snack food container shipments. For the lidding product group, volumes surpassed the prior year by 5 percent predominantly because of higher retort petfood lidding volumes. Driven by the expansion in replacement parts sales, packaging machinery volumes advanced by 7 percent. Selling price and mix changes had a positive effect on revenue of \$6.2 million. Foreign exchange lowered revenue by \$0.2 million.

For the first nine months of 2025, revenue decreased by \$5.2 million from the \$845.8 million recorded in the corresponding prior year period. Volumes receded by 1.2 percent. The flexible packaging operating segment recorded an uptick in volumes of 2 percent. Modest volume growth for the modified atmosphere packaging product group reflected business gains pertaining to dairy and healthcare packaging. For the biaxially oriented nylon product group, the volume loss of 11 percent was a reflection of competitive pricing pressures. Specialty film volumes were virtually unchanged. Within the rigid packaging and flexible lidding operating segment, volumes dropped by 5 percent. The rigid container product group experienced a 5 percent decline in volumes stemming from lower snack food, applesauce and juice container shipments. For the lidding product group, volumes declined by 4 percent because of softer specialty beverage volumes. Packaging machinery volumes were on par with the prior year. Selling price and mix changes raised revenue by 1.0 percent while foreign exchange lowered revenue by 0.3 percent.

Gross Profit Margins

Gross profit margins in the third quarter fell by 1.4 percentage points to 30.6 percent of revenue from the 32.0 percent recorded in the same quarter of 2024. Selling prices rose to a greater extent than raw material costs, generating an increase in Earnings of \$1.2 million. This outcome stemmed from the positive shift in product mix and tariff mitigation strategies which was only partially offset by selling price concessions stemming from heightened competitive pressures. Other factors combined to reduce Earnings by \$2.7 million. The most notable were quality-related and depreciation expenses.

For the first nine months of 2025, gross profit margins were 30.4 percent of revenue, shrinking by 1.5 percentage points from the 31.9 percent of revenue achieved during the 2024 year-to-date comparative period. Higher selling prices, resulting from the change in product mix and tariff pass-through adjustments, combined with relatively flat raw material costs, raised Earnings by \$6.9 million. In total, all remaining items lowered Earnings by \$14.9 million. The most prominent were production waste and expenses relating to inventory disposals on account of quality issues. The Company's cost structure was also adversely affected by higher personnel and depreciation expenses. Personnel expenses included an aggregate of \$2.3 million in one-time payments made to every employee to commemorate the 50th anniversary of Wipak's incorporation. Lastly, diminished output levels elevated the effective cost of production.

The raw material purchase price index decreased by 1 percent compared to the second quarter of 2025. During the third quarter, polypropylene resin declined by 11 percent while the prices for other specialty resins increased moderately. Over the past 12 months, the index dropped by 8 percent.

Expenses and Other

Operating expenses in the third quarter of 2025, adjusted for foreign exchange, decreased at a rate of 6.3 percent in comparison to the 3.0 percent reduction in sales volumes, thereby having a favorable impact on Earnings of \$1.0 million. Improved freight costs were the main contributor. Net finance income softened Earnings by \$1.7 million as the magnitude of cash invested in short-term deposits and money market accounts was much lower than a year earlier. The change was largely a result of the share buyback program as well as the special dividend paid in early 2025.

On a year-to-date basis, operating expenses, exclusive of foreign exchange, were virtually unchanged whereas sales volumes fell by 1.2 percent, resulting in a reduction in Earnings of \$0.9 million. One-time employee payments amounted to \$0.8 million. Foreign exchange had a positive effect on Earnings of \$2.8 million due to the favorable translation differences recorded on the revaluation of monetary assets and liabilities in comparison to the unfavorable translation differences recorded in the first nine months of 2024. 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 \$6.3 million.

Capital Resources, Cash Flow and Liquidity

On March 24, 2025, the Toronto Stock Exchange (the "TSX") accepted a notice filed by Winpak of its intention 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, 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 September 28, 2025, the Company had purchased 1,116,869 common shares under its current NCIB.

The Company's cash and cash equivalents balance ended the third quarter of 2025 at \$365.3 million, an increase of \$9.3 million from the end of the second quarter. Winpak continued to generate strong cash flows from operating activities before changes in working capital of \$60.8 million. The net investment in working capital increased by \$0.5 million. The \$11.0 million decrease in inventories was impacted by the systematic unwinding of raw materials and finished goods that had accumulated during the first half of 2025. Stemming from the timing of equipment and inventory purchases, trade payables and other liabilities decreased by \$9.1 million. Cash was used for common share repurchases of \$26.7 million, property, plant and equipment additions of \$18.0 million, income tax payments of \$5.2 million and other items totaling \$3.1 million. Net finance income provided cash of \$2.0 million.

For the first nine months of 2025, the cash and cash equivalents balance decreased by \$131.9 million. Cash flows generated from operating activities before changes in working capital were solid at \$170.1 million. Investments in working capital amounted to \$22.2 million. The \$9.3 million build up of inventories was largely due to the measures taken since early 2025 to minimize the effect of cross-border import tariffs. Influenced by the timing of supplier payments relating to inventory, equipment and building additions, trade payables and other liabilities decreased by \$14.3 million. Cash outflows included: dividend payments of \$137.6 million, property, plant and equipment expenditures of \$64.0 million, common share repurchases of \$45.8 million, income tax payments of \$36.1 million and other items amounting to \$3.5 million. Net finance income produced incremental cash of \$7.2 million.

Summary of Quarterly Results

	Thousands of US dollars, except per share amounts (US cents)							
	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Revenue	282,967	272,800	284,802	285,143	285,473	283,496	276,783	275,637
Net income attributable to equity holders of the Company	36,375	30,205	34,576	36,622	38,486	38,825	35,522	34,846
EPS	60	49	56	58	61	61	55	54

Looking Forward

With the exception of foil-based products, the Company's entire product portfolio is currently exempt from tariffs under the United States-Mexico-Canada Agreement (USMCA). Furthermore, nearly all raw materials sourced within North America are exempt from tariffs. However, these exemptions could lapse within the next nine months with modifications to the USMCA or the introduction of a complementary bilateral trade agreement with the United States. This could have a sizeable impact on the Company's growth aspirations and manufacturing costs. The Company is keenly focused on mobilizing strategic capital investments that enhance its resilience to a more protectionist trade environment.

Restrained customer demand, which is mainly attributed to persistent inflation and trade uncertainty, has had a significant impact on sales volumes thus far in 2025. These dynamics will likely persist throughout the fourth quarter and accordingly, the Company is projecting flat volume growth relative to the fourth quarter of 2024. Looking ahead to 2026, the Company is optimistic that the commercialization of new extrusion capacity at the modified atmosphere packaging facility will fuel solid growth, particularly with respect to recycle-ready products. Additionally, during 2025, the Company has secured new business awards at large Consumer Packaged Goods companies. Other opportunities at these companies are being aggressively pursued, and in combination with recent gains, will be a key driver for growth in 2026 and over the long-term.

Raw material costs have been consistent over the past six months. Market expectations are that overall resin and foil prices will be relatively stable for the balance of the year. The majority of the foil import tariffs should continue to be passed along to customers. Going forward, Winpak is focused on optimizing its cost structure with respect to manufacturing performance, automation, product formulations, raw material procurement and personnel levels. Gross profit margin in the fourth quarter of 2025 should be comparable to the immediately preceding quarter.



Capital expenditures of approximately \$80 to \$90 million are forecast for 2025, highlighted by the completion of the extensive expansion of the Winnipeg, Manitoba modified atmosphere packaging facility. Simultaneously, Winpak will investigate potential acquisition opportunities that align strategically with the Company's core strengths, especially those that are focused on medical and pharmaceutical applications.

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 September 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 September 28, 2025 to provide reasonable assurance that the financial information being reported is materially accurate. During the third quarter ended September 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.