

## **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.

