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 second quarter of 2026 of $33.6 million advanced by 11.3 percent from the $30.2 million recorded in the corresponding quarter in 2025. The improvement in gross profit was a key factor, raising Earnings by $6.0 million. Conversely, foreign exchange lowered Earnings by $1.3 million. Furthermore, operating expenses subtracted $1.0 million from Earnings. In combination, all other factors decreased Earnings by $0.3 million.

For the six months ended June 28, 2026, Earnings amounted to $64.6 million, a decrease of only 0.3 percent compared to the 2025 first half result of $64.8 million. The expansion in gross profit elevated Earnings by $3.3 million. In contrast, Earnings declined by $1.9 million due to higher operating expenses. In total, all remaining items dampened Earnings by $1.6 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 second quarter of 2026 was $294.5 million, $21.7 million or 7.9 percent greater than the second quarter of 2025. Volumes progressed by 2.1 percent when compared to the second quarter of 2025. The flexible packaging operating segment recorded a contraction in volumes of 2 percent. Volume growth of 3 percent was attained by the modified atmosphere packaging product group, reflecting healthy gains with processed meat and fresh poultry applications. Due to weaker demand levels at fresh beef and food service customers, specialty films product group volumes retreated by 22 percent. Within the rigid packaging and flexible lidding operating segment, volumes strengthened by 8 percent. The rigid container product group experienced a 1 percent downturn in volumes. Greater condiment container shipments were more than offset by reduced specialty beverage container activity. For the lidding product group, volumes grew by 9 percent because of gains within retort pet food lidding. Exceptional volume growth of more than 60 percent for the specialized printed packaging product group was fuelled by nutraceutical business gains. Packaging machinery volumes decreased by 11 percent as fewer machines were delivered to customers. Selling price and mix changes had a positive effect on revenue of $15.7 million. Foreign exchange raised revenue by an additional $0.4 million.

For the first six months of 2026, revenue grew by 3.0 percent to $574.5 million from $557.6 million in the comparable prior year period. Volumes were virtually unchanged. Within the flexible packaging operating segment, volume losses amounted to 3 percent. For the modified atmosphere packaging product group, muted volume growth of 1 percent reflected the positive inroads made at processed meat and fresh poultry accounts being nearly offset by weakness within the dairy market. Specialty films volumes fell by 17 percent on account of the challenges experienced by fresh beef and food service customers. The rigid packaging and flexible lidding operating segment's volumes expanded by 4 percent. Rigid container volumes decreased by 7 percent due to a reduction in specialty beverage container shipments. For the lidding product group, volumes accelerated by 8 percent. This was driven by retort pet food, condiment and cultured dairy lidding. Largely due to exceptional nutraceutical volumes, the specialized printed packaging product group volumes surged by 49 percent. Packaging machinery volumes declined by 18 percent. Due to the prevailing economic uncertainty, several customers have put potential machine orders on hold. Selling price and mix changes raised revenue by 2.8 percent while foreign exchange boosted revenue by 0.3 percent.

Gross Profit Margins

Gross profit margins in the current quarter of 30.6 percent of revenue ascended by 1.2 percentage points from the 2025 second quarter result of 29.4 percent of revenue. Selling prices rose to a greater extent than raw material costs, generating an increase in Earnings of $6.0 million. This outcome stemmed partly from the implementation of fuel surcharges which served to offset the higher freight expenses included within operating expenses. In addition, the Company successfully shifted the procurement of aluminum foil to more cost efficient regions. In the prior year, personnel expenses included an aggregate of $2.3 million in one-time payments made to every employee to commemorate the 50th anniversary of Winpak's incorporation. Other factors combined to reduce Earnings by $1.7 million. Inflationary forces had a significant impact on personnel expenses.

Gross profit margins in the first six months of 2026 contracted by 0.2 percentage points to 30.1 percent of revenue from the 30.3 percent recorded in the 2025 year-to-date comparative period. In dollar terms, gross profit climbed by 2.5 percent from $168.8 million in 2025 to $172.9 million in 2026 while sales volumes were essentially equivalent. Selling price increases were nearly double the uptick in raw material costs. The discrepancy was a function of fuel surcharges and less costly aluminum foil, raising Earnings by $4.6 million. Other factors combined to reduce Earnings by $1.3 million, the most notable were personnel costs and depreciation expenses.

During the second quarter of 2026, the raw material purchase price index experienced an increase of 17 percent compared to the initial quarter of 2026. The pronounced increase in the index was influenced by the geopolitical conflict in the Middle East, including the closure of the Strait of Hormuz. During the second quarter, polypropylene and polyethylene resins recorded increases of 47 percent and 27 percent, respectively whereas nylon resin and aluminum foil realized increases ranging between 5 and 10 percent. In the past 12 months, the index advanced by 10 percent.

Expenses and Other

Operating expenses in the second quarter of 2026, exclusive of foreign exchange, progressed at a rate of 5.1 percent whereas sales volumes increased by 2.1 percent, resulting in a reduction in Earnings of $1.0 million. This was attributed to the rise in freight costs. Foreign exchange had a negative effect on Earnings of $1.3 million due to the unfavorable translation differences recorded on the revaluation of monetary assets and liabilities in comparison to the favorable translation differences recorded in the same quarter in 2025.

On a year-to-date basis, operating expenses, adjusted for foreign exchange, advanced at a rate of 2.9 percent whereas sales volumes were virtually unchanged, thereby having an unfavorable impact on Earnings of $1.9 million. Contributing to the higher operating expenses were elevated freight costs and the inflationary impact on personnel expenses.

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 June 28, 2026, the Company had not repurchased any common shares under its current NCIB as a result of the significant geopolitical and trade uncertainty.

The Company's cash and cash equivalents balance ended the second quarter of 2026 at $341.5 million, a decrease of $11.8 million from the end of the prior quarter. Winpak generated strong cash flows from operating activities before changes in working capital of $57.3 million. The net investment in working capital increased by $39.0 million. As anticipated, rapidly rising raw material costs had a sizeable impact on trade and other receivables, inventories and trade payables and other liabilities. Cash was used for property, plant and equipment additions of $16.5 million, income tax payments of $11.4 million and other items totaling $4.3 million. Net finance income provided cash of $2.1 million.

For the first half of 2026, the cash and cash equivalents balance declined by $34.1 million. Cash flows generated from operating activities before changes in working capital were solid at $111.5 million. Working capital consumed $70.2 million in cash. Trade and other receivables advanced by $51.0 million due to higher selling prices and the degree to which extended term accounts receivable were sold without recourse to financial institutions in exchange for cash. Despite the large increase in raw material prices since the start of 2026, the increase in inventories was limited to $10.8 million, reflecting the prudent management of quantities on hand. Cash outflows included: property, plant and equipment expenditures of $27.7 million, repurchase of common shares of $27.6 million, income tax payments of $18.6 million, dividend payments of $4.3 million and other items amounting to $2.7 million. Net finance income produced incremental cash of $5.5 million.

Summary of Quarterly Results

	Thousands of US dollars, except per share amounts (US cents)							
	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Revenue	294,466	280,034	284,850	282,967	272,800	284,802	285,143	285,473
Net income attributable to equity holders of the Company	33,607	30,969	36,186	36,375	30,205	34,576	36,622	38,486
EPS	57	53	60	60	49	56	58	61

Looking Forward

Continued uncertainty in the Middle East poses significant risks to the Company and the overall value chain. In response, the Company is actively deploying all available sourcing options and alternate supply channels to maintain continuity of supply to our customers. During the second quarter, Winpak experienced significant market pressure on the prices for both raw materials and outbound transportation. Market expectations are for these pressures to alleviate during the second half of the year. However, the timing and extent of this reversal remains uncertain and therefore the current conditions could continue to materially impact the Company's operating costs, resulting selling prices and investment in working capital.

Although the United States-Mexico-Canada Agreement (USMCA) was not renewed and extended prior to July 1, 2026, with the exception of foil-based products, the Company's entire product portfolio is presently exempt from tariffs. The US government continues to target aluminum and steel with an array of significant tariffs. Nearly all these US import tariffs are passed on to customers. With significant trade uncertainty, Winpak is targeting measures focused on enhancing its cost structure with respect to raw material procurement, lean manufacturing, automation and personnel levels. Given the existing geopolitical, trade and inflationary backdrop, it is difficult to accurately predict the gross profit margin level for the rest of 2026.

During the second half of the year, the Company will be onboarding new poultry, dairy, retort pet food and creamer business awarded by customers over the past twelve to eighteen months. The recently added extrusion capacity at the modified atmosphere packaging facility, in addition to the new converting capacity at the specialized printed packaging facility, will be a key catalyst for growth going forward.

Capital expenditures for 2026 are forecast to be between $70 and $80 million, highlighted by additional converting equipment and the enhancement of existing extrusion equipment. Winpak is currently evaluating acquisition opportunities that align strategically with the Company's core competencies, especially those that are focused on food and medical applications.

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 June 28, 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 June 28, 2026 to provide reasonable assurance that the financial information being reported is materially accurate. During the second quarter ended June 28, 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.