

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 third quarter of 2026 of \$35.2 million contracted by \$1.2 million or 3.3 percent from the comparable 2025 quarter. Gross profit reduced Earnings by \$2.0 million. Conversely, the increase in sales volumes raised Earnings by \$1.7 million. In total, all remaining items dampened Earnings by \$0.9 million.

For the nine months ended September 27, 2026, Earnings declined by 1.4 percent to \$99.8 million from the corresponding 2025 result of \$101.2 million. Higher operating expenses led to a contraction in Earnings of \$2.2 million. In contrast, improved sales volumes elevated Earnings by \$1.7 million. In combination, all other factors decreased Earnings by \$0.9 million.

Operating Segments and Product Groups

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

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

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

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

Revenue

Revenue in the third quarter of 2026 vaulted to \$312.5 million, reaching an all-time quarterly high, surpassing the prior year level of \$283.0 million by 10.4 percent. Volume growth was healthy at 5.2 percent when compared to the third quarter of 2025. Within the flexible packaging operating segment, volume gains amounted to 3 percent. For the modified atmosphere packaging product group, solid volume growth of 9 percent reflected the recently commercialized extrusion capacity and the resulting uptick in activity at core protein accounts. Specialty films volumes fell by 23 percent on account of the challenges experienced by fresh beef and food service customers. The rigid packaging and flexible lidding operating segment experienced an expansion in volumes of 8 percent. Rigid container volumes increased by 8 percent due to a sizeable rise in snack food and condiment container shipments. For the lidding product group, volumes surpassed the prior year by 1 percent. Increases in cultured dairy and snack food lidding were largely offset by contractions with respect to specialty beverage and retort pet food lidding. Significant volume growth of more than 60 percent for the specialized printed packaging product group stemmed from nutraceutical and pharmaceutical business gains. Packaging machinery volumes decreased by 12 percent as fewer machines were delivered to customers. Several customers have put potential machine orders on hold due to the uncertain economic environment. Selling price and mix changes had a positive effect on revenue of \$15.9 million. This reflected the partial pass-through of the much higher raw material costs incurred over the past six months as well as the implementation of fuel surcharges. Foreign exchange lowered revenue by \$0.6 million.

For the first nine months of 2026, revenue grew by \$46.4 million from the \$840.6 million recorded in the corresponding prior year period. Volumes progressed by 1.6 percent. The flexible packaging operating segment recorded a decline in volumes of 1 percent. Modest volume growth for the modified atmosphere packaging product group of 3 percent reflected business gains at fresh meat accounts. For the biaxially oriented nylon product group, the volume loss of 14 percent was a consequence of off-shore competitive pricing pressures. Due to weaker demand levels at healthcare, fresh beef and food service customers, specialty films product group volumes retreated by 19 percent. Within the rigid packaging and flexible lidding operating segment, volumes advanced by 6 percent. The rigid container product group experienced a 2 percent decline in volumes stemming from lower specialty beverage container shipments. For the lidding product group, volumes ascended by 5 percent because of stronger retort pet food and cultured dairy volumes. Mainly due to exceptional nutraceutical and pharmaceutical volumes, the specialized printed packaging product group volumes surged by 55 percent. Packaging machinery volumes decreased by 15 percent. Selling price and mix changes raised revenue by 3.7 percent while foreign exchange increased revenue by only 0.1 percent.

Gross Profit Margins

Gross profit margins in the third quarter fell by 2.4 percentage points to 28.2 percent of revenue from the 30.6 percent recorded in the same quarter of 2025. Selling prices rose to a greater extent than raw material costs, generating an increase in Earnings of \$2.2 million. This outcome stemmed partly from the implementation of fuel surcharges which served to offset the higher freight expenses included within operating expenses. Conversely, selling price concessions arose due to heightened competitive pressures, most notably within the rigid container product group. Other factors combined to reduce Earnings by \$4.2 million. Inflationary forces had a significant impact on personnel expenses. Additionally, elevated production waste increased the effective cost of production.

For the first nine months of 2026, gross profit margins were 29.4 percent of revenue, shrinking by 1.0 percentage point from the 30.4 percent of revenue achieved during the 2025 year-to-date comparative period. In dollar terms, gross profit climbed by 2.3 percent from \$255.3 million in 2025 to \$261.1 million in 2026 while sales volumes grew by 1.6 percent. Selling price increases exceeded the uptick in raw material costs. The discrepancy was a function of fuel surcharges and opportunistic spot buying of raw materials, raising Earnings by \$6.7 million. In total, all remaining items lowered Earnings by \$5.5 million. The most notable were personnel costs and production waste.

During the third quarter of 2026, the raw material purchase price index experienced an increase of 4 percent compared to the second quarter of 2026. During the third quarter, nylon and polyethylene resins recorded increases of 14 percent and 4 percent, respectively whereas polypropylene resin realized a decrease of 7 percent. In the past 12 months, the index advanced by 15 percent, largely influenced by the geopolitical conflict in the Middle East.

Expenses and Other

Operating expenses in the third quarter of 2026, adjusted for foreign exchange, progressed at a rate of 4.2 percent in comparison to the 5.2 percent advancement in sales volumes, thereby having a positive impact on Earnings. Lower selling and research and technical expenses were partially offset by higher freight costs.

On a year-to-date basis, operating expenses, exclusive of foreign exchange, advanced by 4.2 percent whereas sales volumes grew by only 1.6 percent, resulting in a reduction in Earnings of \$2.2 million. Contributing to the higher operating expenses were elevated freight costs and the inflationary impact on personnel expenses. A higher proportion of earnings attributable to non-controlling interests reduced Earnings by \$1.5 million.

Capital Resources, Cash Flow and Liquidity

The Company's cash and cash equivalents balance ended the third quarter of 2026 at \$366.3 million, an increase of \$24.8 million from the end of the second quarter. Winpak continued to generate strong cash flows from operating activities before changes in working capital of \$56.5 million. The net investment in working capital increased by \$25.5 million. Trade and other receivables escalated by \$21.1 million, coinciding with the significant rise in revenue relative to the preceding quarter. Cash was used for income tax payments of \$4.4 million, property plant and equipment additions of \$2.8 million and other items totaling \$2.6 million. Net finance income provided cash of \$3.6 million.

For the first nine months of 2026, the cash and cash equivalents balance decreased by \$9.3 million. Cash flows generated from operating activities before changes in working capital were solid at \$168.0 million. Investments in working capital amounted to \$95.7 million. Trade and other receivables advanced by \$72.1 million due to higher selling prices, the increase in sales volumes 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 restricted to \$16.9 million, reflecting the successful management of quantities on hand. Cash outflows included: property, plant and equipment expenditures of \$30.5 million, common share repurchases of \$27.6 million, income tax payments of \$23.0 million, dividend payments of \$6.4 million and other items amounting to \$3.2 million. Net finance income produced incremental cash of \$9.1 million.

Summary of Quarterly Results

Thousands of US dollars, except per share amounts (US cents)							
	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenue	312,470	294,466	280,034	284,850	282,967	272,800	284,802
Net income attributable to equity holders of the Company	35,178	33,607	30,969	36,186	36,375	30,205	34,576
EPS	60	57	53	60	60	49	56

Looking Forward

The prolonged geopolitical uncertainty in the Middle East poses significant risks to the Company and the overall value chain. Winpak is leveraging all available sourcing options and alternate supply channels to maintain continuity of supply to our customers. During the third quarter, pricing pressure on both raw materials and outbound transportation intensified. Market expectations are for these pressures to subside over the next year. However, the timing and extent of this reversal remains unclear. Consequently, the current conditions will continue to materially impact the Company's operating costs, resulting selling prices and investment in working capital at least for the short-term and possibly well into 2027.

The Canada-United States-Mexico Agreement (CUSMA) was not renewed and extended prior to July 1, 2026. Both the United States and Canada introduced new tariffs during the third quarter. Most of the Company's product portfolio is presently exempt from tariffs. Nearly all foil-based US import tariffs are passed on to customers. In response to the uncertain trade environment, Winpak is focused on further optimizing its cost structure, namely raw material procurement, lean manufacturing, automation and personnel levels. Due to anticipated improvements in production waste, gross profit margin in the fourth quarter of 2026 should be modestly higher than the immediately preceding quarter.

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 continue to drive growth going forward. In addition, new dairy, poultry, retort pet food and other rigid container business will be onboarded. Volume growth in the fourth quarter of 2026 should be similar to the positive outcome realized in the most recent quarter.

Capital expenditures of approximately \$50 to \$60 million are forecast for 2026, highlighted by additional converting equipment and the potential acquisition of property adjacent to one of the Company's production facilities. Winpak continues to actively pursue acquisition opportunities that align strategically with the Company's core competencies, especially those that are focused on medical and food 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 September 27, 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 September 27, 2026 to provide reasonable assurance that the financial information being reported is materially accurate. During the third quarter ended September 27, 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.