

For immediate release

Transcontinental Inc. enters into Agreement to Sell its Packaging Business

MONTREAL, Quebec, December 8, 2025 – Transcontinental Inc. (“TC Transcontinental” or the “Corporation”) (TSX: TCL.A, TCL.B) today announced that it has entered into a stock purchase agreement (the “Stock Purchase Agreement”) with ProAmpac Holdings Inc. (“ProAmpac”) and certain of its subsidiaries (collectively, the “Buyer”), pursuant to which the Buyer has agreed to purchase all of the issued and outstanding shares of capital stock of entities which carry on the business of the Corporation’s Packaging Sector (“TC Transcontinental Packaging” or the “Packaging Business”) (the “Transaction”). The Transaction will result in the divestiture of the Corporation’s entire interest in the Packaging Sector. All amounts in this press release are in Canadian dollars, unless indicated otherwise.

The aggregate purchase price payable to the Corporation, which implies an enterprise value of approximately \$2.22 billion⁽¹⁾ inclusive of assumed indebtedness and lease obligations under IFRS, is approximately \$2.10 billion⁽¹⁾, subject to customary adjustments for debt and debt-like items, cash, and net working capital. The Corporation expects to make a cash distribution to its shareholders of approximately \$20.00 per share on Class A Shares and Class B Shares (based on the Corporation’s current issued and outstanding Class A Shares and Class B Shares as of December 5, 2025).

⁽¹⁾ Converted at an exchange rate of 1.38 CAD/USD.

The Transaction is subject to shareholder approval, regulatory approvals and other customary conditions.

Immediate Value Realization

Based on the agreed consideration and anticipated net proceeds, the Transaction represents a compelling valuation for the Packaging Business and is expected to deliver a meaningful return to TC Transcontinental’s shareholders.

“This transaction delivers immediate and significant value to our shareholders, with net proceeds representing a substantial premium to the value of the Packaging Business within TC Transcontinental’s share price. In this period of industry consolidation, we are maximizing shareholder value by acting decisively and from a position of strength. It highlights the quality of our Packaging assets, and the talented people who helped us build this business — whom I want to sincerely thank for their dedication and contribution,” said Isabelle Marcoux, Executive Chair of the Board. “I believe that TC Transcontinental Packaging has found an exciting new home, and I am confident that ProAmpac will be a strong cultural fit for our employees and that the combination will be well positioned to deliver increased value to customers.”

“As we approach our 50th anniversary, TC Transcontinental is once again reinventing itself. We are excited to open a new chapter in our history, with a sharp focus on advancing the transformation of our Retail Services & Printing and Educational Publishing businesses. The new TC Transcontinental will be a strong Canadian company, with its head office in Montreal, fully committed to growing its presence in Canada — both organically and through acquisitions — and to creating long-term value for its shareholders,” she added.

“This agreement is in the best interests of the Corporation and of our shareholders, as well as the customers and employees of TC Transcontinental Packaging,” said Thomas Morin, President and Chief Executive Officer, TC Transcontinental. “Our packaging colleagues will be joining a flexible packaging industry leader with an entrepreneurial culture and a shared commitment to safety, customer service, sustainability, and innovation. I am grateful for the dedication and engagement of our teams in proudly building this business over the past 11 years. This transaction will allow us to concentrate our resources on our Retail Services & Printing and Educational Publishing activities.”

“This acquisition is a transformative milestone for ProAmpac and TC Transcontinental Packaging. Through TC Transcontinental Packaging, ProAmpac is broadening its end-market focus to include protein, dairy, and medical segments, and expanding its geographic presence. Together we are committed to delivering high-performing and increasingly sustainable packaging solutions to customers,” said Greg Tucker, Founder, Vice Chairman, and Chief Executive Officer of ProAmpac. “TC Transcontinental Packaging and ProAmpac share the same dedication to excellence, customer focus, and doing business the right way. We are thrilled to welcome the TC Transcontinental Packaging team into the ProAmpac family.”

For immediate release

Transaction Details

The Transaction implies an enterprise value of approximately \$2.22 billion⁽¹⁾ which represents an acquisition multiple of approximately 8.7x the Packaging Sector's LTM adjusted operating earnings before depreciation and amortization⁽²⁾ as of July 27, 2025 on an IFRS basis, or 9.0x the Packaging Sector's LTM adjusted operating earnings before depreciation and amortization⁽²⁾ as of July 27, 2025 on a Pre-IFRS basis⁽³⁾. The aggregate purchase price payable to the Corporation in cash is approximately \$2.10 billion⁽¹⁾ and is subject to customary adjustments for debt and debt-like items, cash, and net working capital. Completion of the Transaction is subject to shareholder approval, applicable regulatory approvals and other customary closing conditions. The Stock Purchase Agreement contains, among other things, customary provisions that allow the Board to consider unsolicited superior proposals, subject to standard "right to match" and break fee provisions.

⁽¹⁾ Converted at an exchange rate of 1.38 CAD/USD.

⁽²⁾ Please refer to the section entitled "Non-IFRS Financial Measures" in this press release for a definition of these measures.

⁽³⁾ The Pre-IFRS basis excludes approximately \$14 million operating lease expenses from LTM Adjusted EBITDA and approximately \$58 in lease liabilities from the enterprise value.

The Transaction will constitute the sale of all or substantially all of the assets of the Corporation pursuant to the *Canada Business Corporations Act*, and accordingly will require the approval of at least two thirds (66 2/3%) of the votes cast by holders of Class A Subordinate Voting Shares (the "Class A Shares") and Class B Multiple Voting Shares (the "Class B Shares"). The Corporation will seek approval of the Transaction by its shareholders at a special meeting of shareholders (the "Meeting"). The Corporation currently expects to mail the management proxy circular in connection with the Meeting to shareholders on or before December 19, 2025, and to hold the Meeting by the end of January 2026. Subject to the satisfaction (or waiver) of applicable closing conditions and the receipt of applicable regulatory approvals, the Transaction is expected to close in the first quarter of calendar year 2026.

Board Recommendation

The Board of Directors of the Corporation (with one interested director abstaining) has unanimously determined that the Transaction is in the best interest of the Corporation and will unanimously recommend that shareholders vote in favour of the Transaction at the Meeting. Capinabel Inc., the Corporation's largest shareholder, has entered into a voting agreement to vote in favour of the Transaction at the Meeting. As of December 5, 2025, Capinabel beneficially owns 8 714 884 Class B Multiple Voting Shares, in the aggregate carrying approximately 65.96 % of the votes attached to all of the outstanding shares of the Corporation.

CIBC Capital Markets and RBC Capital Markets each provided an opinion to the Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by the Corporation pursuant to the Transaction was fair, from a financial point of view, to the Corporation. Copies of such fairness opinions will be available in the management proxy circular that will be prepared for the Meeting. The opinions of CIBC and RBC are not recommendations as to whether or not any shareholder of the Corporation should vote to approve the Transaction or any other matter.

Further information regarding the Transaction will be included in the management proxy circular that will be prepared for the Meeting. The description of the Transaction in this news release does not purport to be complete and is subject to, and qualified in its entirety by reference to, the contents of the management proxy circular. Shareholders are encouraged to carefully review the management proxy circular when it becomes available.

Use of Proceeds

In the event the Transaction is ultimately approved at the Meeting, the Corporation expects to distribute approximately \$20.00 (the "Distribution") to shareholders upon closing, through: (i) a reduction of stated capital (the "Capital Reduction") of approximately \$7.00 per Class A Share, and less than \$1.00 per Class B Share, and (ii) a cash dividend distribution for the balance of the expected Distribution. Any Capital Reduction is subject to shareholder approval.

The Corporation expects a pro forma Net indebtedness ratio of approximately 1.7x post-Transaction, reflecting deleveraging from the sale and prudent capital allocation.⁽¹⁾

For immediate release

Following the Distribution, the Corporation expects to maintain a strong liquidity position to support disciplined investments, subject to Board approval and market conditions.

Further details regarding the Distribution and the Capital Reduction will be disclosed in the management proxy circular.

⁽¹⁾ Please refer to the section entitled "Non-IFRS Financial Measures" in this press release for a definition of these measures.

Financial Outlook

Detailed information regarding the Transaction, including pro forma financial information showing the expected impact of the Transaction on the Corporation's continuing operations, will be included in the management proxy circular that will be prepared for the Meeting.

Management has made preliminary estimates of selected financial information regarding the Packaging Sector and the Corporation's continuing operations following the closing of the Transaction to provide shareholders with an indication of the relative size of the remaining business. These preliminary estimates are based on the last twelve months ended July 27, 2025, including an estimate of the impact of the Transaction.

These preliminary estimates have not been audited or reviewed by any third party, have been derived from internal management reporting, and reflect sales, cost and expense allocations, including with respect to corporate expenses, as well as other estimates and adjustments, each of which is preliminary in nature and subject to change. See "non-IFRS financial measures" for further important information on these estimates and the associated calculations. Each of these figures is expected to be refined prior to closing of the Transaction, with full financial details to be presented in the management proxy circular to be filed in connection with the Transaction.

For the twelve months ended July 27, 2025, the Packaging Sector generated revenues of approximately \$1.6 billion, operating earnings of approximately \$157 million and adjusted operating earnings before depreciation and amortization of approximately \$255 million⁽¹⁾. Post-Transaction, the Corporation expects a more streamlined profile with robust free cash flow generation.

For the twelve months ended July 27, 2025, adjusted operating earnings before depreciation and amortization is approximately \$470 million for the Corporation, and approximately \$215 million for the Corporation excluding the Packaging Sector⁽¹⁾. For the same period, operating earnings is approximately \$276 million for the Corporation, and approximately \$119 million for the Corporation excluding the Packaging Sector. For the same period, pro forma revenues for the Corporation excluding the Packaging Sector would have been approximately \$1.2 billion.

The Corporation will update its outlook at or following closing to account for the Transaction.

⁽¹⁾ Please refer to the section entitled "Non-IFRS Financial Measures" in this press release for a definition of these measures.

Advisors

CIBC Capital Markets and RBC Capital Markets are serving as financial advisors to TC Transcontinental, and Stikeman Elliott LLP and Morgan Lewis & Bockius LLP are serving as legal counsel.

Conference call

The Corporation will host a conference call at 8:30 a.m. on December 8, 2025 to discuss the Transaction. The call can be accessed by dialing 1-289-514-5100. A live audio webcast and replay will be available on TC Transcontinental's website.

For immediate release

Non-IFRS financial measures

This press release makes reference to non-IFRS financial measures, including Adjusted operating earnings before depreciation and amortization and Net indebtedness ratio. Adjusted operating earnings before depreciation and amortization is defined as operating earnings before depreciation and amortization and excluding items such as restructuring and other costs, impairment charges, and gains or losses on asset disposals. Net indebtedness ratio is defined as net debt divided by trailing twelve-month adjusted operating earnings before depreciation and amortization. These measures are used by management to assess operating performance, financial flexibility, and leverage. These measures do not have standardized meaning under IFRS. They may be calculated differently by other companies and may not be comparable to similar measures presented by other companies. We believe that many of our readers analyze the financial performance of the Corporation's activities based on these non-IFRS financial measures as such measures may allow for easier comparisons between periods. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

Reconciliation of operating earnings - LTM ended July 27, 2025 for the Packaging and Retail Services & Printing Sectors and Other

(in millions of dollars)	LTM ended July 27, 2025		Total
	Packaging	Retail Services & Printing Sector and Other	
Operating earnings	\$157.1	\$119.4	\$276.5
<i>Including:</i>			
Realized gains on non-designated foreign exchange contracts	1.2	-	1.2
<i>Excluding:</i>			
Restructuring and other costs (revenues)	(39.6)	13.5	(26.1)
Amortization of intangible assets arising from business combinations ⁽¹⁾	55.5	4.1	59.6
Impairment of assets	-	9.0	9.0
Adjusted operating earnings	\$174.2	\$146.0	\$320.2
Depreciation and amortization ⁽²⁾	81.2	69.4	150.6
Adjusted operating earnings before depreciation and amortization	\$255.4	\$215.4	470.8

(1) Amortization of intangible assets arising from business combinations includes our customer relationships.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Forward-looking statements

This press release contains forward-looking statements which are based on the expectations of management and inherently subject to a certain number of risks and uncertainties, known and unknown. By their very nature, forward-looking statements are derived from both general and specific assumptions. The Corporation cautions against undue reliance on such statements since actual results or events may differ materially from the expectations expressed or implied in them. Forward-looking statements include, among others, statements with respect to the anticipated benefits of the completion of the Transaction, the anticipated timing for completion of the Transaction, the estimated funds that will be available to the Corporation upon completion of the Transaction, the anticipated distribution of approximately \$20.00 per share, the anticipated use of proceeds by the Corporation, the Corporation's ability to obtain shareholder approval, the anticipated timing of the Meeting, and the parties' ability to satisfy closing conditions and receive necessary approvals, the Corporation's future performance, including pro forma net indebtedness, future financial flexibility, capital allocation plans, and strategic initiatives. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Corporation. Although such statements are based on assumptions management considers reasonable, there can be no assurance: (i) that the Transaction will be completed; (ii) if the Transaction is completed, that it will be completed on the terms described above; (iii) that the proposed cash distribution will be made; or (iv) if the proposed cash distribution is made, as to the amount or terms of such distribution.

For immediate release

Forward-looking statements are based on assumptions and are subject to risks and uncertainties that could cause actual results to differ materially, including the risk that required approvals are not obtained or closing conditions are not satisfied, integration and separation risks, market conditions, and those described in the Corporation's filings on SEDAR+ at www.sedarplus.ca.

The Corporation disclaims any obligation to update forward-looking statements except as required by law.

About Transcontinental

TC Transcontinental is a North American leader in flexible packaging, a Canadian retail marketing services provider, Canada's largest printer, and the Canadian leader in French-language educational publishing. Since 1976, TC Transcontinental's mission has been to create quality products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are the strong values held by the Corporation and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has approximately 7,600 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental generated revenues of \$2.8 billion during the fiscal year ended October 27, 2024. For more information, visit TC Transcontinental's website at www.tc.tc.

– 30 –

For Information:**Financial Community**

Yan Lapointe
Senior Director, Investor Relations and Treasury
TC Transcontinental
514-954-3574
yan.lapointe@tc.tc

Media

Serge Vallières
NATIONAL Public Relations
438-372-3575
svallieres@national.ca