



MTY FOOD GROUP AND
PAPA MURPHY'S ANNOUNCE
DEFINITIVE MERGER AGREEMENT

APRIL 11, 2019

Legal Disclaimer

This presentation may contain written and oral statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements can generally be identified by the use of forward-looking terminology such as “expect”, “anticipate”, “plan” or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. These forward-looking statements may involve, but are not limited to, comments with respect to our business or financial objectives, our strategies or future actions, our targets, expectations for our financial condition or our outlook for our operations, the expected timing of completion of the transaction discussed in this presentation and the potential impact of such transaction on our future operations.

Forward looking statements are not guarantees of future results, performance, achievements or developments and actual results, performance, achievements or developments may differ materially from those in the forward-looking statements as a result of various factors, including downturns in general economic conditions, consolidation and globalisation of the industry, the highly competitive nature of the quick service restaurant industry, the greater resources available to much larger global players, low entry barriers for new competitors, our ability to successfully integrate our acquired and to-be-acquired businesses and the retention of key management personnel. Assumptions relating to the foregoing involve judgments and risks, all of which are difficult or impossible to predict accurately and many of which are beyond our control.

Although we believe that the expectations reflected in the forward-looking statements are reasonable based on information currently available to us, we cannot assure that the expectations will prove to have been correct. Accordingly you should not place undue reliance on forward-looking statements. In particular, forward-looking statements do not reflect the potential impact of any merger or acquisitions or other business combinations or divestitures that may be announced or completed after such statements are made. Reference should be made to the most recent annual Management’s Discussion and Analysis for an in-depth description of major risk factors.

Unless otherwise indicated, the financial information presented below, including tabular amounts, is expressed in Canadian dollars and prepared in accordance with International Financial Reporting Standards (“IFRS”). MTY uses earnings before interest, taxes, depreciation and amortization (“EBITDA”), because this measure enables management to assess the Company’s operational performance. The Company also discloses same-store sales growth, which are defined as comparative sales generated by stores that have been open for at least thirteen months or that have been acquired more than thirteen months ago, and system sales, which represents the total net sales of the franchised and corporate restaurants of its network.

These measures are widely accepted financial indicators but are not a measurement determined in accordance with GAAP and may not be comparable to those presented by other companies. These non-GAAP measures are intended to provide additional information about the performance of MTY, and should not be considered in isolation or as a substitute for measure of performance prepared in accordance with GAAP.

The Company uses these measures to evaluate the performance of the business as they reflect its ongoing operations. Management believe that certain investors and analysts use EBITDA to measure a company’s ability to meet payment obligations or as a common measurement to value companies in the industry. Similarly, system sales and same-store sales growth provides additional information to investors about the performance of the network that is not available under GAAP. These measures are components in the determination of short-term incentive compensation for some employees.

This presentation should be read in conjunction with the Company’s financial statements and the notes thereto and the Management Discussion and Analysis (MD&A).

The tender offer described in this presentation has not yet commenced. This communication is for informational purposes only and is not a recommendation or an offer to purchase shares of Papa Murphy’s. The solicitation and offer to buy Papa Murphy’s shares will only be made pursuant to an offer to purchase and related materials. The offer to purchase will be available at no charge on the SEC’s website at www.sec.gov. This presentation does not constitute an offering or solicitation of interest with respect to securities in any jurisdiction.

An Exciting New Growth Platform



TRANSACTION SUMMARY

- MTY Food Group Inc. (“MTY”) and Papa Murphy’s Holdings, Inc. (“Papa Murphy’s”) today announced they have entered into a definitive merger agreement
- MTY to acquire all of the issued and outstanding shares of Papa Murphy’s for US\$6.45 per share, representing total transaction value of ~US\$190.0 million (C\$253.2 million), including Papa Murphy’s net debt outstanding
- Implied premium of 31.9% to the Papa Murphy’s closing price on April 10, 2019
- Consideration 100% funded in cash from MTY cash on hand and existing credit facility
- Transaction unanimously approved by the boards of directors of both companies
- Certain Papa Murphy’s shareholders, including each director and executive officer, holding ~52.1% of Papa Murphy’s shares, have agreed to tender their shares into the offer
- Transaction expected to close in the second calendar quarter of 2019

PAPA MURPHY’S OVERVIEW



- Franchisor and operator of the largest Take ‘n’ Bake pizza brand and the 5th largest U.S. pizza chain
- 1,331 franchised and 106 corporate-owned stores in 37 U.S. states, Canada and UAE⁽¹⁾
- LTM System-wide Sales of US\$809 million⁽²⁾
- LTM adjusted EBITDA of US\$22.3 million⁽²⁾
- Support center will continue to be located in Vancouver, WA

Papa Murphy’s leading Take ‘n’ Bake pizza franchising concept offers a compelling strategic fit with MTY

All figures in CAD unless otherwise specified. Papa Murphy’s figures converted at a USDCAD FX rate of 1.3326

(1) As of December 31, 2018

(2) LTM represents the twelve-month period ending December 31, 2018

Rationale for the Transaction



- Strengthens MTY's leading portfolio of brands through the acquisition of the 5th largest pizza chain in the U.S.
- Leading Take 'n' Bake pizza concept serving award-winning, superior quality products made with fresh ingredients
- Complements MTY's U.S. operations and reduces seasonality of its results
- Building momentum after implementation of refreshed corporate strategy and refocus on the brand
- Seasoned management team to continue to operate the brand independently
- Expected to be immediately accretive to MTY's EBITDA and cash flow per share

MTY's pro forma network to have ~7,378 locations and \$4B system sales globally with future runway for growth

Fresh, Hand-Crafted, Ready-to-Bake Pizzas



Pioneer Concept and Leader in a Growing Pizza Category



Differentiated Market Position

- Leading Take 'n' Bake pizza concept serving award-winning, superior quality products made with fresh ingredients
- 5th largest pizza chain in the U.S.
- Awarded best pizza chain for several years by multiple industry sources⁽¹⁾
- Offers a differentiated, customizable experience capitalizing on “dine-in” trends
- Positive momentum from new digital ordering platform launched and other recent initiatives

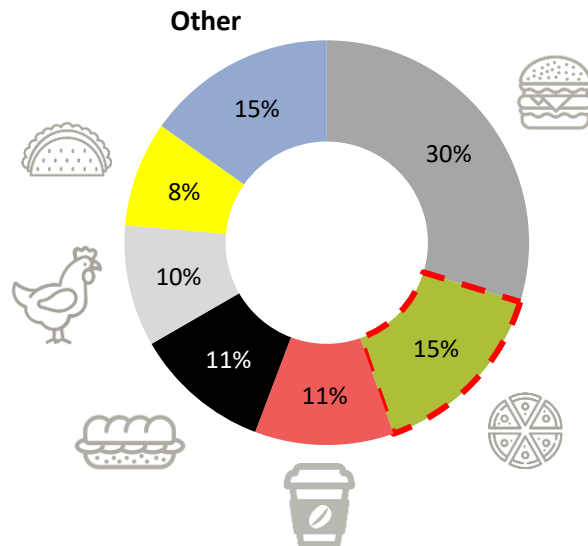
**Unique concept driven by same core values as MTY:
great quality of food, great service and great value**

(1) Papa Murphy's has received over 60 awards from major industry sources since 2001 including from Zagat, Market Force Information, Technomic Inc. and Consumer Reports

Overview of the U.S. Pizza Market



Pizza is the 2nd largest category in US\$280B+ U.S. Limited Service Restaurant Sales



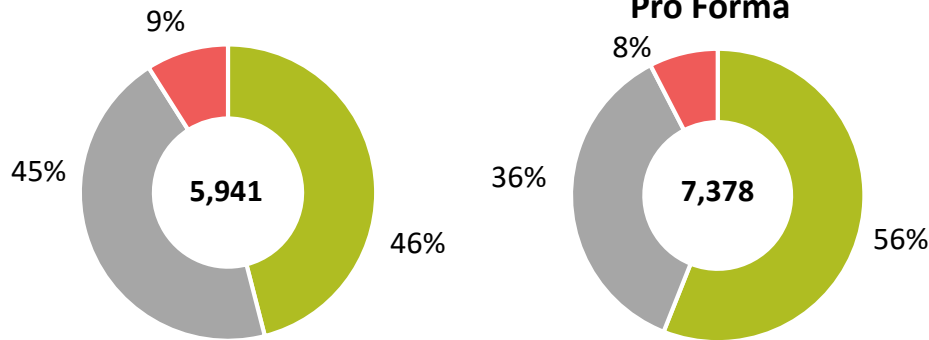
- Favorable consumer trends:
 - Dining in more
 - Increasingly cooking meals at home
 - Heavily focused on quality and fresh ingredients
- U.S. pizza market estimated at US\$42B and growing:
 - **3.7%** sales growth
 - **1.3%** unit growth
- Highly fragmented competitive landscape
 - Top 5 pizza chains account for <50% of market

Pizza market is attractive due to its size, growth and fragmented competitive landscape

Bolstering MTY's U.S. Platform



Locations



Transaction Contribution to MTY's U.S. Network

- + 1,400 new U.S. locations to MTY's 2,733 existing U.S. network
- + \$1.1B of incremental SWS to MTY's existing \$1.2B U.S. LTM SWS

LTM U.S. System-Wide Sales

\$1.2B

\$2.3B




Legend: ■ United States ■ Canada ■ International

Papa Murphy's footprint complementary to MTY's U.S. operations and reduces impact of seasonality

Solid Combined Financials



- Following completion of the transaction, MTY is expected to continue to generate significant cash flow, allowing for deleveraging and providing liquidity to pursue future M&A opportunities
- MTY also anticipates working with Papa Murphy's to make capital investments focused on growing top line sales and increasing franchise partner profitability

	 As of Feb. 28, 2019	 As of Dec. 31, 2018	 Pro Forma
LTM System Sales	\$2.9M	\$1.1B	\$4.0B
# of Locations	5,941	1,437	7,378
<i>% of Network Franchised</i>	99%	93%	97%
LTM Revenue	\$445M	\$169M	\$614M
LTM EBITDA	\$134M	\$30M	\$164M
Net Debt / LTM EBITDA	1.9x	3.4x	3.1x

Expected to be immediately accretive to MTY's EBITDA and cash flow per share



MTYGROUP.COM

