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**PRESS RELEASE
FOR IMMEDIATE PUBLICATION**

MTY REPORTS FOURTH QUARTER RESULTS FOR FISCAL 2024

- Normalized adjusted EBITDA⁽¹⁾ remained relatively stable at \$59.4 million in the quarter, compared to \$60.4 million in Q4-23.
- System sales⁽²⁾ for the quarter improved by 2% or \$30.3 million to reach \$1,371.9 million compared to \$1,341.6 million in Q4-23 mostly due to organic growth.
- Ended the quarter with 7079 locations with net positive openings of 13 locations for the quarter.
- Franchising segment normalized adjusted EBITDA⁽¹⁾ increased 8% to reach \$49.3 million in the quarter, compared to \$45.7 million in Q4-23 with normalized adjusted EBITDA as a % of revenue⁽²⁾ of 51% compared to 47% in Q4-23.
- Cash flows provided by operating activities were \$43.7 million compared to \$47.8.
- Free cash flows net of lease payments⁽¹⁾ of \$27.4 million in the quarter, compared to \$33.4 million in Q4-23. Free cash flows net of lease payments per diluted share⁽³⁾ were \$1.16 for the quarter compared to \$1.37 in Q4-23.
- Net (loss) income attributable to owners of \$(55.3) million, or \$(2.34) per diluted share compared to \$16.4 million, or \$0.67 per diluted share in Q4-23.
- Repurchased and cancelled 314,700 shares for a consideration of \$14.0 million in Q4-24, bringing the year-to-date total to 906,900 shares for a consideration of \$41.8 million.
- Long-term debt repayments of \$9.5 million for the quarter with net repayments of \$79.5 million since Q4-23.
- Quarterly dividend payment of \$0.33 per share on February 14, 2025.

⁽¹⁾ This is a non-GAAP measure. Please refer to the “Non-GAAP Measures” section at the end of this press release.

⁽²⁾ See section “Definition of supplementary financial measures” found at the end of this press release.

⁽³⁾ See section “Definition of non-GAAP ratios” found in the Supplemental Information section for definition.

Montreal, February 14, 2025 – MTY Food Group Inc. (“MTY”, “MTY Group” or the “Company”) (TSX: MTY), one of the largest franchisors and operators of multiple restaurant concepts worldwide, reported today financial results for its fourth quarter of fiscal 2024 ended November 30, 2024.

“I’m happy to share that we expanded our footprint in the fourth quarter, ending strong with a net store opening of 13 locations. This positive store count is the result of diligent team efforts at MTY, and we’re proud to be strengthening our presence and increasing our availability to guests,” Eric Lefebvre stated.

“Year over year, the fourth quarter saw organic growth of system sales, with an improvement of 2% compared to Q4 2023,” Lefebvre continued. “These results were mainly attributable to the impressive performance of our snack brands in the US and our casual dining segment in Canada.”

“With regards to normalized adjusted EBITDA, I would like to highlight the performance from our franchising segment this quarter, with an 8% increase compared to Q4 2023. It is a pleasure to see the dedicated work of our franchise owners and MTY team reflected in these results,” Lefebvre noted.

Financial Highlights	Q4-2024	Q4-2023	12 Months 2024	12 Months 2023
(in thousands of \$, except per share information)				
Revenue	284,468	280,032	1,159,604	1,169,334
Adjusted EBITDA ⁽¹⁾	58,796	60,365	263,037	270,746
Normalized adjusted EBITDA ⁽¹⁾	59,419	60,365	264,532	271,904
Net (loss) income attributable to owners	(55,299)	16,444	24,170	104,082
Cash flows from operations	43,716	47,764	204,807	184,586
Free cash flows net of lease payments ⁽¹⁾	27,368	33,357	137,882	110,467
Free cash flows net of lease payments per diluted share ⁽²⁾	1.16	1.37	5.75	4.52
Net (loss) income per share, basic	(2.34)	0.67	1.01	4.26
Net (loss) income per share, diluted	(2.34)	0.67	1.01	4.25
System sales ⁽³⁾	1,371,900	1,341,600	5,635,700	5,641,200
Digital sales ⁽³⁾	286,900	265,400	1,118,500	1,027,400

⁽¹⁾ This is a non-GAAP measure. Please refer to the “Non-GAAP Measures” section at the end of this press release.

⁽²⁾ This is a non-GAAP ratio. Please refer to the “Non-GAAP Ratios” section at the end of this press release.

⁽³⁾ This is a supplementary financial measure. Please refer to the “Supplementary Financial Measures” section at the end of this press release.

FOURTH QUARTER RESULTS

Network

- At the end of the fourth quarter of 2024, MTY’s network had 7,079 locations in operation, of which 6,827 were franchised or under operator agreements and 252 were corporate-owned. The geographical split among MTY’s locations remained stable year-over-year at 57% in the US, 35% in Canada and 8% International.
- During the fourth quarter of 2024, MTY’s network opened 92 locations (Q4 2023 – 94 locations) and closed 79 others (Q4 2023 – 97 locations) for a net organic increase of 13 locations (Q4 2023 – decrease of 3 locations).
- System sales increased by 2% year-over-year to reach \$1.37 billion in the fourth quarter of 2024 compared to \$1.34 billion in prior year. The US segment achieved overall sales growth, due to positive organic growth of 2% as well as a positive impact of foreign exchange rates while Canada achieved organic growth of 1% compared to prior year.
- Same-store sales⁽¹⁾ remained steady year-over-year in the fourth quarter with the US showing a slight improvement of 0.1%.

⁽¹⁾ This is a supplementary financial measure. Please refer to the “Supplementary Financial Measures” section at the end of this press release.

Financial

- Company revenue increased by 2% to reach \$284.5 million in the fourth quarter, primarily due to higher revenues from corporate stores. In Canada, revenues from corporate stores almost doubled to reach \$13.9 million year-over-year due to a net increase in such locations while franchise operations decreased by 5% and food processing, distribution and retail sales dropped by 10%. In the U.S. and International segment, revenues increased mainly due to a 10% increase from promotional funds and a 2% increase from franchise operations.
- Normalized adjusted EBITDA, which excludes acquisition-related expenses and SAP project implementation costs, decreased by 2% year-over-year to \$59.4 million in the fourth quarter of 2024 primarily due to a decrease in corporate store EBITDA resulting from higher wages and supply chain costs due to inflation.
- Net (loss) income attributable to owners totaled \$(55.3) million, or \$(2.34) per share (\$(2.34) per diluted share), in the fourth quarter compared to \$16.4 million, or \$0.67 per share (\$0.67 per diluted share), for the same period in 2023. The year-over-year decrease can mainly be attributed to impairment charges on property, plant and equipment, intangibles assets and goodwill and foreign exchange losses of \$26.3 million taken primarily on intercompany loans which is offset by gain on translation on the consolidated statement of comprehensive income
- Impairment charges on property, plant and equipment, intangible assets and goodwill of \$64.6 million were taken mostly on goodwill related to the Papa Murphy's brand due to lower than expected past performance and lower expected future growth.

LIQUIDITY AND CAPITAL RESOURCES

- In the fourth quarter of 2024, cash flows generated by operating activities amounted to \$43.7 million compared to \$47.8 million in the fourth quarter of 2023. The decrease was mainly driven by lower segment EBITDA and slightly higher incomes taxes paid.
- MTY reimbursed \$17.5 million of its long-term debt, paid \$6.6 million in dividends to shareholders, and repurchased 314,700 shares for a total consideration of \$14.0 million in the fourth quarter of 2024.
- As at November 30, 2024, MTY had \$50.4 million of cash on hand and long-term debt of \$706.6 million, mainly in the form of bank facilities and promissory notes on acquisitions. The Company also had a revolving credit facility with an authorized amount of \$900.0 million, of which CAD\$8.0 million and US\$497.2 million had been drawn at quarter-end. Hedging strategies, including three three-year and one two-year fixed interest rate swaps, have provided the Company with quarterly savings of approximately \$0.8 million on interest payments.

DIVIDEND PAYMENT

On January 22, 2025, MTY declared a quarterly dividend payment of \$0.33 per common share. The dividend will be paid on February 14, 2025 to shareholders registered in the Company's records at the end of the business day on February 4, 2025.

CONFERENCE CALL

The MTY Group will hold a conference call to discuss its results on February 14, 2025, at 8:30 AM Eastern Time. Interested parties can join the call by dialing 1-866-777-2509 (North America callers) or 1-412-317-5413 (International callers). Parties unable to call in at this time may access a recording by calling 1-855-669-9658 (Canada toll free) 1-877-344-7529 (US Toll Free) or 1-412-317-0088 (International participants) and entering the passcode 2833596.

ABOUT MTY FOOD GROUP INC.

MTY Group franchises and operates quick-service, fast casual and casual dining restaurants under 85 different banners in Canada, the US and Internationally. Based in Montreal, MTY is a family whose heart beats to the rhythm of its brands, the very soul of its multi-branded strategy. For over 45 years, it has been increasing its presence by delivering new concepts of restaurants, making acquisitions, and forging strategic alliances, which have allowed it to reach new heights year after year. By combining new trends with operational know-how, the brands forming the MTY Group now touch the lives of millions of people every year. With 7,079 locations, the many flavours of the MTY Group hold the key to responding to the different tastes and needs of today's consumers as well as those of tomorrow.

NON-GAAP MEASURES

Adjusted EBITDA (revenue less operating expenses), normalized adjusted EBITDA (revenue less operating expenses excluding transaction costs related to acquisitions and SAP project implementation costs) and free cash flows net of lease payments (net cash flows provided by operating activities, used in additions to property, plant and equipment and intangible assets and provided by proceeds on disposal of property, plant and equipment; and net of lease payments) are non-GAAP (generally accepted accounting principles) measures, do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

The Company believes that adjusted EBITDA is a useful metric because it is consistent with the indicators management uses internally to measure the Company's performance, to prepare operating budgets and to determine components of executive compensation. The Company believes that normalized adjusted EBITDA is a useful metric for the same reasons as adjusted EBITDA, without including the impact of transaction costs related to acquisitions or SAP project implementation costs, which vary in occurrence and in amount. The Company believes that free cash flows net of lease payments is a useful metric because they provide the Company with a measure related to decision-making about cash-intensive matters such as capital expenditures, compensation, and potential acquisitions. The Company also believes that these measures are used by securities analysts, investors and other interested parties and that these measures allow them to compare the Company's operations and financial performance from period to period. These measures provide them with a supplemental measure of the operating performance and financial position and thus highlight trends in the core business that may not otherwise be apparent when relying solely on GAAP measures.

Refer to the "Compliance with International Financial Reporting Standards" section of the Company's Management's Discussion and Analysis of the financial position and financial performance ("MD&A").

NON-GAAP RATIOS

Free cash flows net of lease payments per diluted share (free cash flows net of lease payments divided by diluted shares) and normalized adjusted EBITDA as a % of revenue (normalized adjusted EBITDA divided by revenue) are non-GAAP ratios, do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. The Company believes that free cash flows net of lease payments per diluted share is a useful metric because it is used by securities analysts, investors and other interested parties as a measure of the Company's cash flows that are available to be distributed to debt and equity shareholders, including to pay debt, to pay dividends, and to repurchase shares. The Company believes that normalized adjusted EBITDA as a % of revenue is a useful metric because it is consistent with the indicators management uses internally to measure the Company's profitability from operations, including to gauge the effectiveness of cost management measures, as well as provides a measure of the Company's performance that does not include the impact of transaction costs related to acquisitions, which may vary in occurrence and in amount. Refer to the "Compliance with International Financial Reporting Standards" section of the Company's MD&A.

SUPPLEMENTARY FINANCIAL MEASURES

Management discloses supplementary financial measures as they have been identified as relevant metrics to evaluate the performance of the Company. These include system sales (sales of all existing restaurants including those that have closed or have opened during the period, as well as the sales of new concepts acquired from the closing date of the transaction and forward), digital sales (sales made by customers through online ordering platforms), and same-store sales (comparative sales generated by stores that have been open for at least 13 months or that have been acquired more than 13 months ago).

FORWARD-LOOKING STATEMENTS

Certain information in this press release may constitute "forward-looking" information that involves known and unknown risks, uncertainties, future expectations and other factors, which may cause the actual results, performance or achievements of the Company or industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this press release, this information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan" and other terminology.

This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this press release. Except as required by law, the Company assumes no obligation to update or revise forward-looking information to reflect new events or circumstances. Additional information is available in the Company's MD&A, which can be found on SEDAR+ at www.sedarplus.ca.

Note to readers: The MD&A, condensed interim consolidated financial statements and notes thereto for the fourth quarter ended November 30, 2024, are available on the SEDAR+ website at www.sedarplus.ca and on the Company's website at www.mtygroup.com.