GROUPE MTY GROUP

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PRESS RELEASE
FOR IMMEDIATE PUBLICATION

MTY REPORTS THIRD QUARTER RESULTS FOR FISCAL 2025

GAAP Measures:

- **Segment profits increased by 2% to reach $73.2 million during the quarter.**
- **Net income attributable to owners decreased to $27.9 million, or $1.22 per diluted share compared to $34.9 million, or $1.46 per diluted share in Q3-24.**
- **Cash flows provided by operating activities were $39.0 million compared to $66.4 million in Q3-24, a decrease of $27.4 million mainly attributable to timing of collection on accounts receivable related to our retail segment and higher income taxes paid. Excluding non-cash working capital items, income taxes, interest paid and other, cash flows were $73.6 million compared to $71.4 million in Q3-24.**

Management Key Performance Indicators:

- **Normalized adjusted EBITDA(1) increased 3% to reach $74.0 million in the quarter, compared to $71.9 million in Q3-24.**
- **Net store openings of 15 locations in Q3-25 compared to net closure of 41 location in Q3-24. Ended the quarter with 7,061 locations**
- **System sales(2) for the quarter remained steady at $1.5 billion for the quarter.**
- **Same stores sales improved sequentially with a decline of 1.6% during the quarter compared to decline of 1.9% in Q2-25.**
- **Adjusted earnings per share(1) of $1.19 per diluted share compared to $1.19 in Q3-24.**
- **Long-term debt repayments of $30.4 million for the quarter with net repayments of $65.6 million since Q3-24.**

(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, October 10, 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 third quarter of fiscal 2025 ended August 31, 2025 and declared a quarterly dividend of 33.0¢ per share, payable on **November 14, 2025** to shareholders registered in the Company's records at the end of the business day on November 4, 2025.

"While Q3 reflected ongoing macroeconomic volatility, we are encouraged by the sequential improvement at some of our larger banners, including Cold Stone Creamery and Wetzel's Pretzels," said Eric Lefebvre, CEO of MTY. "These results support our confidence in the resilience of our brands, and we remain focused on executing initiatives that will strengthen our position as conditions improve".

"Positive net store openings this quarter demonstrate the demand for our leading concepts and the outstanding execution of our teams. These new locations reinforce our brand strength and position us for continued financial

growth," Lefebvre continued. "I also want to acknowledge our teams' dedication in successfully implementing the ERP system across Canada, with the U.S. rollout underway and well on track."

Financial Highlights	Q3-2025	Q3-2024	9 Months 2025	9 Months 2024
Revenue	296,989	292,753	886,655	875,136
Adjusted EBITDA(1)	73,204	71,781	200,939	204,241
Normalized adjusted EBITDA(1)	73,964	71,895	204,175	205,113
Net income attributable to owners	27,875	34,886	86,907	79,469
Cash flows from operations	39,009	66,355	137,971	161,091
Free cash flows net of lease payments(1)	25,819	49,271	92,968	110,514
Free cash flows net of lease payments per diluted share(2)	1.13	2.06	4.03	4.59
Earnings per share, basic	1.22	1.46	3.77	3.30
Earnings per share, diluted	1.22	1.46	3.77	3.30
System sales(3)	1,455,300	1,472,700	4,283,600	4,263,800
Digital sales(3)	273,400	270,700	862,600	831,600

(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.

THIRD QUARTER RESULTS

Network

- At the end of the third quarter of 2025, MTY's network had 7,061 locations in operation, of which 6,805 were franchised or under operator agreements and 256 were corporate-owned. The geographical split among MTY's locations remained stable year-over-year at 58% in the US, 35% in Canada and 7% International.
- During the third quarter of 2025, MTY's network opened 96 locations (Q3 2024 – 67 locations) and closed 81 others (Q3 2024 – 108 locations) for a net positive store growth of 15 locations.
- System sales reached $1.46 billion in the third quarter of 2025, representing a modest year-over-year decrease. The US segment experienced an overall sales decrease of 2%, due to a decline in same store sales, slightly offset by the positive impact of foreign exchange rates while Canada was largely flat compared to prior year.
- Same-store sales(1) decreased 1.6% year-over-year in the third quarter. By region, Canada fell by 0.3%, the US dropped 2.5%, while International saw an increase of 0.8%.
- Digital sales increased by 1% for the quarter to reach $273.4 million compared to $270.7 million in Q3-24 mainly due to an improvement of 8% in the Canadian segment.

(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 1% to reach $297.0 million in the third quarter, driven by growth in the processing, distribution and retail segment, partially offset by a decline in the franchise and corporate segments.
- Net income attributable to owners totaled $27.9 million, or $1.22 per share ($1.22 per diluted share), in the third quarter compared to $34.9 million, or $1.46 per share ($1.46 per diluted share), for the same period in 2024. The year-over-year decrease can mainly be attributed to impairment losses of $6.2 million on its

intangible assets related to the franchise rights and trademarks for one brand in the US & International geographical segment and 3 brands in the Canadian segment.

- Normalized adjusted EBITDA, which excludes acquisition-related expenses and SAP project implementation costs, increased by $2.1 million year-over-year to reach $74.0 million in the third quarter of 2025 primarily due primarily to the recognition of a $5.8 million Employee Retention Credit received (ERC) from the U.S. government during the quarter. Excluding the ERC, normalized adjusted EBITDA would have reflected a modest year-over-year decline.

Calculation of Adjusted EBITDA [(1)] and Normalized adjusted EBITDA [(1)]

(In thousands $)	Q3-2025	Q3-2024	9 Months 2025	9 Months 2024
Income before taxes	34,556	37,847	104,588	87,010
Depreciation – property, plant and equipment and right-of-use assets	14,930	15,031	44,440	44,673
Amortization – intangible assets	8,126	7,934	24,615	23,617
Interest on long-term debt	8,751	12,119	26,809	36,088
Net interest expense on leases	2,640	2,776	8,222	8,384
(Reversal of) impairment charge – right-of-use assets	(1,030)	—	(535)	114
Impairment charge – property, plant and equipment, intangible assets	6,241	2,986	6,676	8,382
Unrealized and realized foreign exchange gain	(723)	(7,374)	(14,303)	(4,521)
Interest income	(71)	(255)	(261)	(527)
Loss (gain) on de-recognition/lease modification of lease liabilities	(427)	(319)	65	(148)
Gain on disposal of property, plant and equipment	(119)	(826)	(37)	(746)
Revaluation of financial liabilities and derivatives recorded at fair value	330	1,015	660	356
Gain on extinguishment of debt	—	—	—	(131)
Restructuring	—	847	—	1,690
Segment profit	**73,204**	**71,781**	**200,939**	**204,241**
SAP project implementation costs [(2)]	760	114	1,825	872
Transaction costs related to acquisitions [(3)]	—	—	1,411	—
Normalized adjusted EBITDA	**73,964**	**71,895**	**204,175**	**205,113**

(1) *See section "Definition of non-GAAP measures" found in the Supplemental Information section for definition.*

(2) *SAP project implementation costs are included in the Consulting and professional fees, wages and benefits and advertising, travel, meals and entertainment as part of the Operating expenses in the condensed interim consolidated financial statements.*

(3) *Transaction costs related to acquisitions are included in Consulting and professional fees and Other as part of Operating expenses in the condensed interim consolidated financial statements.*

Segment Performance

- The franchise segment revenues decreased by 2% reflecting lower sales to franchisees in both Canada and the US and unfavorable foreign exchange. Operating expenses were up 1% driven by higher wages in Canada and the US, partly offset by a favorable $0.7 million foreign exchange impact. Normalized adjusted EBITDA decreased by 2% to reach $56.0 million compared to $57.4 million in prior year.
- Corporate segment revenues decreased by 2% to $118.5 million, due mainly to lower system sales and lower number of corporate stores in Canada. Normalized adjusted EBITDA came in at $13.1 million, a $3.8 million increase year-over-year. The increase was largely.attributable to the recognition of a $5.8 million Employee Retention Credit. Normalized adjusted EBITDA margin was 11%, compared to 8% last year.
- Food processing, distribution and retail revenues grew by 18% to $47.6 million, driven by a 29% rise in retail sales supported by strong promotional activities and higher sales volumes of core product. Normalized adjusted EBITDA came in at $4.9 million, down from $5.2 million last year due to higher food costs. Normalized adjusted EBITDA margin decreased to 10%, from 13% last year.

Three-month period ended August 31, 2025						
(In millions $)	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	100.8	118.5	47.6	31.2	(1.1)	297.0
Operating expenses	45.6	105.4	42.7	31.2	(1.1)	223.8
Segment profit [1]	55.2	13.1	4.9	—	—	73.2
Segment profit as a % of Revenue [2]	55%	11%	10%	N/A	N/A	25%
SAP project implementation costs [3]	0.8	—	—	—	—	0.8
Normalized adjusted EBITDA [1]	56.0	13.1	4.9	—	—	74.0
Normalized adjusted EBITDA as a % of Revenue [2]	56%	11%	10%	N/A	N/A	25%

Three-month period ended August 31, 2024						
(In millions $)	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	102.6	120.4	40.4	30.0	(0.6)	292.8
Operating expenses	45.3	111.1	35.2	30.0	(0.6)	221.0
Segment profit [1]	57.3	9.3	5.2	—	—	71.8
Segment profit as a % of Revenue [2]	56%	8%	13%	N/A	N/A	25%
SAP project implementation costs [3]	0.1	—	—	—	—	0.1
Normalized adjusted EBITDA [1]	57.4	9.3	5.2	—	—	71.9
Normalized adjusted EBITDA as a % of Revenue [2]	56%	8%	13%	N/A	N/A	25%

(1) *See section "Definition of non-GAAP measures" found in the Supplemental Information section for definition.*
(2) *See section "Definition of non-GAAP ratios" found in the Supplemental Information section for definition.*
(3) *SAP project implementation costs are included in the Consulting and professional fees, wages and benefits and advertising, travel, meals and entertainment as part of the Operating expenses in the condensed interim consolidated financial statements.*

LIQUIDITY AND CAPITAL RESOURCES

- In the third quarter of 2025, cash flows generated by operating activities amounted to $39.0 million compared to $66.4 million in the third quarter of 2024. The decrease is mainly attributable to higher accounts receivable from Canadian retail partners, driven by planned invoicing delays related to SAP implementation.
- MTY reimbursed $30.4 million of its long-term debt, paid $7.5 million in dividends to shareholders. No shares were repurchased during the third quarter of 2025.

- As at August 31, 2025, MTY had $37.1 million of cash on hand and long-term debt of $638.9 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$253.0 million and US$281.0 million had been drawn at quarter-end.

Free cash flows net of lease payments[1] loop to cash flows provided by operating activities.

(In thousands $)	Q3-2025	Q3-2024	9 Months 2025	9 Months 2024
Cash flows provided by operating activities	39,009	66,355	137,971	161,091
Additions to property, plant and equipment	(2,681)	(6,375)	(10,728)	(20,651)
Additions to intangible assets	(81)	(808)	(1,797)	(1,462)
Proceeds on disposal of property, plant and equipment	486	801	1,808	3,685
Net lease payments	(10,914)	(10,702)	(34,286)	(32,149)
Free cash flows net of lease payments [1]	**25,819**	**49,271**	**92,968**	**110,514**

[1] *See section "Definition of non-GAAP measures" found in the Supplemental Information section for definition.*

OUTLOOK

- MTY continues to navigate a dynamic operating environment. Third-quarter performance showed a sequential improvement at MTY's larger banners. That said, macro-economic conditions continue to create short-term headwinds and the Company continues actively implementing a range of strategic initiatives to position the business for growth once the environment improves. These include, and are not limited to, driving menu innovation, maintaining product quality and consistency, enhancing both online and in-store customer experiences, and reinforcing a strong value proposition across its banners.
- The pipeline of future locations remains strong. This quarter's positive net openings was in line with expectations. MTY continues to anticipates an improvement in the pace of openings in the coming quarters and continues to see strong demand for its brands, especially the larger ones.
- Management notes certain macroeconomic and policy-related uncertainties could affect performance. If the U.S. government shutdown continues for a prolonged period, the availability and timing of Small Business Administration ("SBA") loan funding could be disrupted, which may in turn reduce the pace of new restaurant openings. In addition, potential disruptions in Supplemental Nutrition Assistance Program ("SNAP") benefits could negatively affect discretionary spending for some consumers, which may impact sales in banners serving value-oriented guests.
- To date MTY has only seen modest direct impacts from tariffs. In both Canada and the US, the Company primarily sources products domestically, which helps limit the potential exposure. Management remains confident in its ability to navigate potential impacts through its strong supply chain and procurement capabilities, strategic menu adjustments, and, when necessary, pricing actions.
- Management expects stability in normalized adjusted EBITDA margins across all three of its segments, though the Company may experience some fluctuations in corporate store margins, such as this quarter. Overall, management remains confident about its ability to drive margin improvement through positive unit growth, enhanced efficiencies, and an ongoing reduction in the number of less profitable corporate stores.
- Management expects to drive strong free cash flows in 2025. This will be supported by lower capex over prior year.

DIVIDEND PAYMENT

On October 10, 2025, MTY declared a quarterly dividend payment of $0.33 per common share. The dividend will be paid on November 14, 2025 to shareholders registered in the Company's records at the end of the business day on November 4, 2025.

CONFERENCE CALL

The MTY Group will hold a conference call to discuss its results on October 10, 2025, at 8:30 AM Eastern Time. All interested parties can instantly join the call by phone, by following the URL https://emportal.ink/4pRAWLA to easily register and be connected into the conference call automatically or the conventional method by dialing 1-416-945-7677 or 1-888-699-1199 with the conference identification of 89958#. Parties unable to call in at this time may access a recording by calling 1-888-660-6345 (North American Toll Free) or 1-289-819-1450 (International participants) and entering the passcode 89958#.

ABOUT MTY FOOD GROUP INC.

MTY Group franchises and operates quick-service, fast casual and casual dining restaurants over 80 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 7,061 locations, the many flavors 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), adjusted earnings per share (net income attributable to owners less tax effected unrealized and realized foreign exchange gain (loss) divided by weighted daily average number of common shares – diluted) 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 third quarter ended August 31, 2025, are available on the SEDAR+ website at **www.sedarplus.ca** and on the Company's website at **www.mtygroup.com**.