



Management's Discussion and Analysis
For the 13-week period ended March 1, 2026
Quarterly key highlights

GAAP Measures:

- Segment profits increased by 2% to reach \$59.8 million during the quarter.
- Net income attributable to owners increased to \$36.9 million, or \$1.62 per diluted share compared to \$1.7 million, or \$0.07 per diluted share in Q1-25.
- Cash flows provided by operating activities of \$40.9 million compared to \$64.6 million in Q1-25, a decrease of \$23.7 million.
- Long-term debt repayments \$17.7 million more than doubled compared to the period in the prior year.

Management Key Performance Indicators:

- Normalized adjusted EBITDA⁽¹⁾ remained steady at \$60.1 million in the quarter, compared to \$60.2 million in Q1-25.
- Adjusted earnings per share⁽¹⁾ of \$0.98 per diluted share, an increase of 13% compared to \$0.87 in Q1-25.
- Free cash flows net of lease payments⁽²⁾ were \$29.0 million or \$1.27 per diluted share.
- System sales⁽³⁾ were \$1.3 billion for the quarter.
- Same stores sales⁽³⁾ decreased by 2.5% during the quarter.

⁽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⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.



Management's Discussion and Analysis For the 13-week period ended March 1, 2026

General

This Management's Discussion and Analysis of the financial position and financial performance ("MD&A") of MTY Food Group Inc. ("MTY") is supplementary information and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the 13-week period ended March 1, 2026 and the audited consolidated financial statements and accompanying notes for the fiscal year ended November 30, 2025.

In the MD&A, "MTY Food Group Inc.", "MTY", or the "Company", designates, as the case may be, MTY Food Group Inc. and its Subsidiaries, or MTY Food Group Inc., or one of its subsidiaries.

The disclosures and values in this MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements under International Accounting Standard ("IAS") 34, *Interim Financial Reporting* and with current issued and adopted interpretations applied to fiscal years beginning on or after December 1, 2025.

This MD&A was prepared as at April 9, 2026. Supplementary information about MTY, including its latest annual and quarterly reports, and press releases, is available on SEDAR+'s website at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS AND USE OF ESTIMATES

This MD&A and, in particular but without limitation, the sections of this MD&A entitled "Near-Term Outlook", "Same-Store Sales" and "Contingent Liabilities", contain forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to certain aspects of the business outlook of the Company during the course of 2026. Forward-looking statements also include any other statements that do not refer to independently verifiable historical facts. A statement made is forward-looking when it uses what is known and expected today to make a statement about the future. Forward-looking statements may include words such as "aim", "anticipate", "assumption", "believe", "could", "expect", "goal", "guidance", "intend", "may", "objective", "outlook", "plan", "project", "seek", "should", "strategy", "strive", "target" and "will". All such forward-looking statements are made pursuant to the "safe harbour" provisions of applicable Canadian securities laws.

Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as at April 9, 2026 and, accordingly, are subject to change after such date. Except as may be required by Canadian securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, which give rise to the possibility that actual results or events could differ materially from the expectations expressed in or implied by such forward-looking statements and that the business outlook, objectives, plans and strategic priorities may not be achieved. As a result, the Company cannot guarantee that any forward-looking statement will materialize, and readers are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements are provided in this MD&A for the purpose of giving information about management's current strategic priorities, expectations and plans and allowing investors and others to get a better understanding of the business outlook and operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes.

Forward-looking statements made in this MD&A are based on a number of assumptions that are believed to be reasonable on April 9, 2026. Refer, in particular, to the section of this MD&A entitled "Risks and Uncertainties" for a description of certain key economic, market and operational assumptions the Company has used in making forward-

looking statements contained in this MD&A. If the assumptions turn out to be inaccurate, the actual results could be materially different from what is expected.

In preparing the unaudited condensed interim consolidated financial statements in accordance with IFRS Accounting Standards and the MD&A, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, sales and expenses reported and information on contingent liabilities and contingent assets provided. The gift card liability and the associated gift card breakage is an example of a judgment made when determining fair value and can vary depending on circumstances.

Unless otherwise indicated in this MD&A, the strategic priorities, business outlooks and assumptions described in the previous MD&A remain substantially unchanged.

Important risk factors that could cause actual results or events to differ materially from those expressed in or implied by the above-mentioned forward-looking statements and other forward-looking statements included in this MD&A include, but are not limited to: the intensity of competitive activity and the resulting impact on the ability to attract customers' disposable income; the Company's ability to secure advantageous locations and renew existing leases at sustainable rates; the arrival of foreign concepts; the ability to attract new franchisees; changes in customer tastes, demographic trends and in the attractiveness of concepts, traffic patterns, occupancy cost and occupancy level of malls and office towers; general economic and financial market conditions, the level of consumer confidence and spending, and the demand for, and prices of, the products; the ability to implement strategies and plans in order to produce the expected benefits; events affecting the ability of third-party suppliers to provide essential products and services; labour availability and cost; stock market volatility; volatility in foreign exchange rates or borrowing rates; foodborne illness; operational constraints, government orders and the event of the occurrence of epidemics, other pandemics and health risks.

These and other risk factors that could cause actual results or events to differ materially from the expectations expressed in or implied by these forward-looking statements are discussed in this MD&A.

Readers are cautioned that the risks described above are not the only ones that could impact the Company. Additional risks and uncertainties not currently known or that are currently deemed to be immaterial may also have a material adverse effect on the business, financial condition or results of operations.

Except as otherwise indicated by the Company, forward-looking statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after April 9, 2026. The financial impact of these transactions and non-recurring and other special items can be complex and depend on the facts particular to each of them. The Company therefore cannot describe the expected impact in a meaningful way or in the same way that present known risks affecting the business.

Change in Fiscal Year-End

Effective December 1, 2025, the Company transitioned from a fiscal year ending November 30 to a 52-week reporting calendar ending on the Sunday closest to November 30. This change was made to better align the Company's financial reporting with industry practices and to improve comparability of operating results across reporting periods.

As a result of this change, the Company's results for the current fiscal year reflects a 52-week period, whereas prior periods were prepared on a calendar-month basis. Accordingly, certain comparative information may not be directly comparable. For the current quarter ending March 1, 2026, this means a one day discrepancy in actual results compared to prior year.

Under the new reporting structure, each fiscal quarter comprises 13 weeks, with an additional week included in the fiscal year approximately every five to six years.

CORE BUSINESS

MTY franchises and operates quick service, fast casual and casual dining restaurants. MTY aims to be the franchisor of choice in North America and offers the market a range of offering through its many brands. MTY currently operates under the following banners: Tiki-Ming, Sukiyaki, La Crémère, Panini Pizza Pasta, Villa Madina, Cultures, Thai Express, Vanellis, Kim Chi, Sushi Shop, Koya Japan, Vie & Nam, Tutti Frutti, Taco Time, Country Style, Valentine, Jugo Juice, Mr. Sub, Koryo Korean Barbeque, Mr. Souvlaki, Sushi Go, Mucho Burrito, Extreme Pita, PurBlendz, ThaiZone, Madisons New York Grill & Bar, Café Dépôt, Muffin Plus, Sushi-Man, Van Houtte, Manchu Wok, Tosto, Big Smoke Burger, Cold Stone Creamery, Blimpie, Surf City Squeeze, The Great Steak & Potato Company, NrGize Lifestyle Café, Samurai Sam's Teriyaki Grill, Frullati Café & Bakery, Johnnie's New York Pizzeria, Ranch One, Tasti D-Lite, Planet Smoothie, Maui Wowi, Pinkberry, Baja Fresh Mexican Grill, La Salsa Fresh Mexican Grill, La Diperie, Steak Frites St-Paul, Giorgio Ristorante, The Works Gourmet Burger Bistro, Dagwoods Sandwiches and Salads, The Counter Custom Burgers, Built Custom Burgers, Baton Rouge, Pizza Delight, Scores, Toujours Mikes, Ben & Florentine, Grabbagreen,

Timothy's World Coffee, SweetFrog, Casa Grecque, South Street Burger, Papa Murphy's, Yuzu Sushi, Allô! Mon Coco, Turtle Jack's Muskoka Grill, COOP Wicked Chicken, Kûto Comptoir à Tartares, Famous Dave's, Village Inn, Barrio Queen, Granite City, Real Urban Barbecue, Tahoe Joe's Steakhouse, Bakers Square, Champps, Wetzel's Pretzels, Sauce Pizza and Wine, Spice Bros and Cakes N Shakes.

As at March 1, 2026, MTY had 7,034 locations in operation, of which 6,786 were franchised or under operator agreements and the remaining locations were operated by MTY.

MTY's locations can be found in: i) mall and office tower food courts and shopping malls; ii) street front; and, iii) non-traditional format within airports, petroleum retailers, convenience stores, cinemas, amusement parks, in other venues or retailers shared sites, hospitals, universities, grocery stores, and food trucks or carts. Certain locations also offer catering services. Over more than 45 years, MTY has developed several restaurant concepts, including Tiki-Ming, which was the first concept it franchised. Details on other banners added through acquisitions can be found in the supplemental section of this MD&A.

MTY has also launched multiple ghost kitchens in existing restaurant locations. These ghost kitchens and the pre-existing MTY restaurant locations are benefiting from the synergies of shared costs, streamlined workflows as well as being able to respond to the increase in delivery and takeout orders.

Revenues from franchise locations are generated from royalty fees, franchise fees, sales of turnkey projects, rent, sign rental, supplier contributions, gift card breakage and program fees and sales of other goods and services. Operating expenses related to franchising include salaries, general and administrative costs associated with existing and new franchisees, expenses in the development of new markets, costs of setting up turnkey projects, rent, supplies, finished products and equipment sold.

Revenues and expenses from corporate-owned locations include sales generated and cost incurred from their operations.

Promotional funds contributions are based on a percentage of gross sales as reported by the franchisees. The Company is not entitled to retain these promotional fund payments received and is obligated to transfer these funds to be used solely in promotional and marketing-related costs for specific restaurant banners.

MTY generates revenues from the food processing businesses discussed herein. The two plants produce various products that range from ingredients and ready to eat food sold to restaurants or other food processing plants to prepared food sold in retail stores. The plants generate most of their revenues selling their products to distributors, retailers and franchisees. The Company also generates revenue from its distribution centers that serve primarily the Valentine and Casa Grecque franchisees. Furthermore, the Company generates revenues from the sale of retail products under various brand names, which are sold at a variety of retailers.

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Unless otherwise indicated, the financial information presented below, including tabular amounts, is prepared in accordance with IFRS Accounting Standards. Definitions of all non-GAAP ("generally accepted accounting principles") measures, non-GAAP ratios and supplemental financial measures can be found in the supplemental information section of this MD&A. The non-GAAP measures, non-GAAP ratios and supplemental financial measures used within the context of this MD&A do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

Non-GAAP measures include:

- Adjusted EBITDA: the Company believes that adjusted earnings before interest, taxes, depreciation and amortization ("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.
- Normalized adjusted EBITDA: the Company believes that normalized adjusted EBITDA is a useful metric for the same reasons as adjusted EBITDA; additionally, the Company believes that normalized adjusted EBITDA provides a measure of the Company's performance that does not include the impact of transaction costs related to acquisitions and SAP project implementation costs, which may vary in occurrence and in amount.
- Adjusted earnings per share: the Company believes adjusted earnings per share provides investors and management with a clearer view of operational performance by eliminating variability caused by foreign exchange fluctuations, which may vary significantly in occurrence and magnitude.
- Free cash flows net of lease payments: the Company believes that free cash flows net of lease payments is a useful metric because it provides the Company with a measure related to decision-making about cash-intensive matters such as capital expenditures, compensation, and potential acquisitions.

Non-GAAP ratios include:

- Adjusted EBITDA as a % of revenue: the Company believes that 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.
- Normalized adjusted EBITDA as a % of revenue: the Company believes that normalized adjusted EBITDA as a % of revenue is a useful metric for the same reasons as adjusted EBITDA as a % of revenue; additionally, the Company believes that normalized adjusted EBITDA as a % of revenue provides a measure of the Company's performance that does not include the impact of transaction costs related to acquisitions and SAP project implementation costs, which may vary in occurrence and in amount.
- Free cash flows net of lease payments per diluted share: 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.
- Debt-to-EBITDA: the Company believes that debt-to-EBITDA is a useful metric because it represents a financial covenant that the Company must be in compliance with and, accordingly, a determining factor in the Company's credit availability.

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 and 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.

SUMMARY OF QUARTERLY FINANCIAL METRICS

<i>(In thousands \$, except per share information)</i>	Quarter ended							
	May-31 2024	Aug-31 2024	Nov-30 2024	Feb-28 2025	May-31 2025	Aug-31 2025	Nov-30 2025	Mar-1 2026
				<i>Adjusted⁽¹⁾</i>		<i>Adjusted⁽²⁾</i>		
Revenue	303,739	292,753	284,468	284,792	304,874	295,108	305,395	267,765
Net income (loss) attributable to owners	27,278	34,886	(55,299)	1,743	57,289	27,875	32,085	36,927
Total comprehensive income (loss) attributable to owners	33,796	22,723	(12,203)	36,482	(2,592)	26,042	50,958	6,015
Net income (loss) per share	1.13	1.46	(2.34)	0.07	2.49	1.22	1.40	1.62
Net income (loss) per diluted share	1.13	1.46	(2.34)	0.07	2.49	1.22	1.40	1.62
Cash flows provided by operating activities	40,558	66,355	43,716	64,605	40,160	39,009	46,180	40,903

⁽¹⁾ Prior quarter cash flows provided by operating activities have been adjusted to reflect a reclassification between effect of foreign exchange rate changes on cash and changes in non-cash working capital items.

⁽²⁾ Prior quarter revenues have been adjusted to reflect a reclassification between revenue and operating expenses.

SUMMARY OF QUARTERLY OPERATING METRICS

<i>(In thousands \$, except system sales, # of locations and per share information)</i>	Quarter ended							
	May-31 2024	Aug-31 2024	Nov-30 2024	Feb-28 2025	May-31 2025	Aug-31 2025	Nov-30 2025	Mar-1 2026
				<i>Adjusted</i> ⁽⁵⁾				
System sales ^(1 & 2)	1,459.4	1,472.7	1,371.9	1,364.8	1,463.5	1,455.3	1,414.8	1,290.4
# of locations	7,107	7,066	7,079	7,047	7,046	7,061	7,080	7,034
Adjusted EBITDA ⁽³⁾	73,198	71,781	58,796	58,450	69,285	73,204	87,342	59,817
Normalized adjusted EBITDA ⁽³⁾	73,683	71,895	59,419	60,190	70,021	73,964	87,738	60,140
Free cash flows net of lease payments ⁽³⁾	24,321	49,271	27,368	49,330	23,622	25,819	37,650	28,982
Free cash flows net of lease payments per diluted share ⁽⁴⁾	1.01	2.06	1.16	2.12	1.03	1.13	1.65	1.27

⁽¹⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.

⁽²⁾ In millions \$.

⁽³⁾ See section "Definition of non-GAAP measures" found in the Supplemental Information section for definition.

⁽⁴⁾ See section "Definition of non-GAAP ratios" found in the Supplemental Information section for definition.

⁽⁵⁾ Prior quarter cash flows provided by operating activities have been restated to reflect a reclassification between effect of foreign exchange rate changes on cash and changes in non-cash working capital items.

SEGMENT NOTE DISCLOSURE

Management monitors and evaluates the Company's results based on geographical segments; these two segments being Canada and US & International. The Company and its chief operating decision maker assess the performance of each operating segment based on its segment profit and loss, which is equal to revenue less operating expenses. Within those geographical segments, the Company's chief operating decision maker also assesses the performance of subdivisions based on the type of product or service provided. These subdivisions include franchising, corporate stores, retail, food processing and distribution and promotional funds revenues and expenses.

RESULTS OF OPERATIONS FOR THE 13-WEEK PERIOD ENDED MARCH 1, 2026

Revenue

During the first quarter of 2026, the Company's total revenue decreased to \$267.8 million, from \$284.8 million a year earlier. Revenues for the two segments of business are broken down as follows:

Segment	Subdivision	March 1, 2026 (\$ millions)	February 28, 2025 (\$ millions)	Variation
Canada	Franchise operation	34.0	34.5	(1%)
	Corporate stores	7.8	9.8	(20%)
	Food processing, distribution and retail	40.3	37.5	7%
	Promotional funds	11.0	10.1	9%
	Intercompany transactions	(2.5)	(0.3)	N/A
Total Canada		90.6	91.6	(1%)
US & International	Franchise operation	56.7	58.4	(3%)
	Corporate stores	101.9	116.1	(12%)
	Food processing, distribution and retail	0.5	0.7	(29%)
	Promotional funds	18.0	18.1	(1%)
	Intercompany transactions	0.1	(0.1)	N/A
Total US & International		177.2	193.2	(8%)
Total revenue		267.8	284.8	(6%)

Canada revenue analysis:

Revenue from franchise locations in Canada decreased by 1%. Several factors contributed to the variation, as listed below:

	<i>(In millions \$)</i>
Revenue, first quarter of 2025	34.5
Decrease in recurring revenue streams ⁽¹⁾	(0.3)
Decrease in initial franchise fees, renewal fees and transfer fees	(0.1)
Decrease in sales of material to franchisees and rent revenues	(0.1)
Revenue, first quarter of 2026	34.0

⁽¹⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.

During the first quarter of 2026, franchising revenues decreased by \$0.5 million mainly due to a decrease in recurring revenue streams as well as a decrease in sales of material to franchisees. The decrease in recurring revenue streams were tightly correlated to the decrease in systems sales compared to prior year.

Revenue from corporate-owned locations decreased by 20% to \$7.8 million, primarily attributable to a mix of underperforming locations with lower than average same store sales, with the number of corporate locations remaining stable year over year.

Food processing, distribution and retail revenues increased by 7% or \$2.8 million due to an increase in retail sales of 5% as well as an increase in food processing and distribution of 11%. The increase in retail sales was due primarily to a shift in the Company's retail model from a licensing agreement to vendor on record for some of the products. In the first quarter of 2026, the Company sold 167 products in the Canadian retail market (2025 – 162 products), demonstrating the strength of the Company's core products.

The promotional fund revenue increase of 9% is attributable to the impact of the various contribution rates and several other contributing elements, including fees charged to a brand which had historically never paid promotional fees.

US & International revenue analysis:

Revenue from franchise locations in the US and International decreased to \$56.7 million from a year earlier. Several factors contributed to the variation, as listed below:

	<i>(In millions \$)</i>
Revenue, first quarter of 2025	58.4
Increase in recurring revenue streams ⁽¹⁾	1.3
Increase in initial franchise fees, renewal fees and transfer fees	0.1
Decrease in sales of material and services to franchisees	(1.1)
Decrease in gift card breakage income	(0.1)
Impact of variation in foreign exchange rates	(2.2)
Other non-material variations	0.3
Revenue, first quarter of 2026	56.7

⁽¹⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.

During the first quarter of 2026, franchising revenues decreased by \$1.7 million, primarily due to an unfavorable foreign exchange variation of \$2.2 million as well as lower sales of services to franchisees primarily due to gift card program related revenues, partially offset by an increase in recurring revenue streams attributable to the impact of over-performing brands with higher royalty rates outweighing under-performing brands with lower royalty rates.

Revenue from corporate-owned locations decreased by 12%, which is tightly correlated to lower system sales and a decrease in the number of corporate-owned locations.

Promotional funds increased by 1% attributable to the impact of the various contribution rates combined with an increase in vendor contributions and other advertising fund program revenues.

Operating expenses

During the first quarter of 2026, operating expenses decreased by 8% to \$208.0 million, from \$226.3 million a year ago. Operating expenses for the two business segments were incurred as follows:

Segment	Subdivision	March 1, 2026 (\$ millions)	February 28, 2025 (\$ millions)	Variation
Canada	Franchise operation	20.1	19.7	2%
	Corporate stores	8.4	10.2	(18%)
	Food processing, distribution and retail	36.9	34.0	9%
	Promotional funds	11.0	10.1	9%
	Intercompany transactions	(2.4)	(0.4)	N/A
Total Canada		74.0	73.6	1%
US & International	Franchise operation	27.7	30.9	(10%)
	Corporate stores	88.1	103.5	(15%)
	Food processing, distribution and retail	0.2	0.2	—%
	Promotional funds	18.0	18.1	(1%)
Total US & International		134.0	152.7	(12%)
Total operating expenses		208.0	226.3	(8%)

Canada operating expenses analysis:

Operating expenses from franchise locations in Canada increased by \$0.4 million, due to several factors listed below:

	<i>(In millions \$)</i>
Operating expenses, first quarter of 2025	19.7
Increase in cost of sale of material and services to franchisees and rent	0.3
Increase in recurring controllable expenses ⁽¹⁾ including wages, professional and consulting services and other office expenses	0.1
Decrease in expected credit loss provision	(0.1)
Increase due to impact of IFRS 16 on impairment of lease receivables	0.1
<u>Operating expenses, first quarter of 2026</u>	<u>20.1</u>

⁽¹⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.

Operating expenses increased modestly by \$0.4 million to \$20.1 million in the first quarter of 2026. The increase was primarily driven by higher cost of sale of material and services to franchisees.

Expenses from corporate stores decreased by \$1.8 million compared to the same period last year due to the decrease in corporate store system sales and directly related expenses as well as better cost management.

The increase in food processing, distribution and retail expenses and promotional funds expense were tightly correlated to the related revenues.

US & International operating expenses analysis:

Operating expenses from franchise locations in the US & International decreased by 10%. Several factors contributed to the variation, as listed below:

	<i>(In millions \$)</i>
Operating expenses, first quarter of 2025	30.9
Decrease in non-controllable expenses ⁽¹⁾	(0.4)
Decrease in cost of sale of material and services to franchisees and rent	(1.6)
Increase in recurring controllable expenses ⁽¹⁾ including wages, professional and consulting services and other office expenses	1.1
Decrease in expected credit loss provision	(0.3)
Decrease due to transaction costs related to acquisitions	(1.4)
Increase due to impact of IFRS 16 on rent expense	0.6
Impact of variation in foreign exchange rates	(1.1)
Other non-material variations	(0.1)
<u>Operating expenses, first quarter of 2026</u>	<u>27.7</u>

⁽¹⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.

Operating expenses for franchise locations decreased to \$27.7 million from \$30.9 million during the first quarter of 2026. The decrease was mainly driven by a \$1.6 million favourable variation in the cost of sale of material and services to franchisees and rent, primarily due to lower expenses related to the gift card program and resale materials compared to the prior year period. These favourable variations were partially offset by a \$1.1 million increase in recurring controllable expenses, primarily reflecting higher wages of \$0.5 million as a result of normal inflation and franchise development expenses to support future growth.

Corporate store expenses decreased to \$88.1 million from \$103.5 million compared to the same period last year, due to the recognition of a \$5.5 million Employee Retention Credit (ERC) related to 2020 – 2022 fiscal year received from the US government during the year as well as lower wages and supply chain costs, reflecting a reduced number of corporate store locations.

The variations of promotional funds expense were tightly correlated to the related revenues.

Segment profit, Adjusted EBITDA ⁽¹⁾ and Normalized adjusted EBITDA ⁽¹⁾

13-week period ended March 1, 2026			
<i>(In millions \$)</i>	Canada	US & International	Total
Revenue	90.6	177.2	267.8
Operating expenses	74.0	134.0	208.0
Segment profit	16.6	43.2	59.8
Segment profit as a % of Revenue ⁽²⁾	18%	24%	22%
SAP project implementation costs ⁽³⁾	0.3	—	0.3
Normalized adjusted EBITDA ⁽¹⁾	16.9	43.2	60.1
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	19%	24%	22%

Three-month period ended February 28, 2025			
<i>(In millions \$)</i>	Canada	US & International	Total
Revenue	91.6	193.2	284.8
Operating expenses	73.6	152.7	226.3
Segment profit	18.0	40.5	58.5
Segment profit as a % of Revenue ⁽²⁾	20%	21%	21%
SAP project implementation costs ⁽³⁾	0.3	—	0.3
Transaction costs related to acquisitions ⁽⁴⁾	—	1.4	1.4
Normalized adjusted EBITDA ⁽¹⁾	18.3	41.9	60.2
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	20%	22%	21%

Below is a summary of performance segmented by product/service:

13-week period ended March 1, 2026						
<i>(In millions \$)</i>	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	90.7	109.7	40.8	29.0	(2.4)	267.8
Operating expenses	47.8	96.5	37.1	29.0	(2.4)	208.0
Segment profit	42.9	13.2	3.7	—	—	59.8
Segment profit as a % of Revenue ⁽²⁾	47%	12%	9%	N/A	N/A	22%
SAP project implementation costs ⁽³⁾	0.3	—	—	—	—	0.3
Normalized adjusted EBITDA ⁽¹⁾	43.2	13.2	3.7	—	—	60.1
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	48%	12%	9%	N/A	N/A	22%

Three-month period ended February 28, 2025

<i>(In millions \$)</i>	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	92.9	125.9	38.2	28.2	(0.4)	284.8
Operating expenses	50.6	113.7	34.2	28.2	(0.4)	226.3
Segment profit	42.3	12.2	4.0	—	—	58.5
Segment profit as a % of Revenue ⁽²⁾	46%	10%	10%	N/A	N/A	21%
SAP project implementation costs ⁽³⁾	0.3	—	—	—	—	0.3
Transaction costs related to acquisitions ⁽⁴⁾	1.4	—	—	—	—	1.4
Normalized adjusted EBITDA ⁽¹⁾	44.0	12.2	4.0	—	—	60.2
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	47%	10%	10%	N/A	N/A	21%

⁽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.

⁽⁴⁾ Transaction costs related to acquisitions are included in the Consulting and professional fees as part of the Operating expenses in the condensed interim consolidated financial statements.

Several factors contributed to the variation, as listed below:

<i>(In millions \$)</i>	Canada	US & International	Total
Segment profit, first quarter of 2025	18.0	40.5	58.5
Variance in recurring revenues and expenses ⁽¹⁾	(0.4)	0.6	0.2
Variance in corporate store recurring revenues and expenses	(0.3)	(4.2)	(4.5)
Variance in retail, distribution and manufacturing recurring revenues and expenses	(0.1)	(0.1)	(0.2)
Variance in sales of material and services to franchisees and rent for franchising unit	(0.4)	0.5	0.1
Variance in initial franchise fees, renewal fees and transfer fees	(0.1)	0.1	—
Variance in expected credit loss provision	0.1	0.4	0.5
Variance due to transaction costs related to acquisitions	—	1.4	1.4
Variance due to impact of IFRS 16 on rent revenue & expense	(0.1)	(0.6)	(0.7)
Variance in gift card breakage	—	(0.1)	(0.1)
Variance due to ERC received	—	5.5	5.5
Impact of variation in foreign exchange rates	—	(1.2)	(1.2)
Other non-material variations	(0.1)	0.4	0.3
Segment profit, first quarter of 2026	16.6	43.2	59.8
Normalized adjusted EBITDA ⁽²⁾ , first quarter of 2025	18.3	41.9	60.2
Variances in segment profit	(1.4)	2.7	1.3
Variance due to transaction costs related to acquisitions ⁽³⁾	—	(1.4)	(1.4)
Normalized adjusted EBITDA ⁽²⁾ , first quarter of 2026	16.9	43.2	60.1

⁽¹⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.

⁽²⁾ See section "Definition of non-GAAP measures" found in the Supplemental Information section for definition.

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

Total segment profit for the 13-week period ended March 1, 2026 was \$59.8 million, an increase of \$1.3 million compared to the same period last year, with the US and International segment generating 72% of the profits. The overall increase was primarily impacted by the recognition of a \$5.5 million ERC related to 2020 – 2022 fiscal year received from the US government during the quarter.

Normalized adjusted EBITDA was \$60.1 million, an increase of \$0.1 million. US & International contributed 72% of total normalized adjusted EBITDA and an increase of 3% or \$1.3 million compared to the same period last year, mostly due to recognition of ERC, partially offset by a \$1.4 million decrease in Canada.

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

<i>(In thousands \$)</i>	Quarter ended March 1, 2026	Quarter ended February 28, 2025
Income before taxes	46,085	494
Depreciation – property, plant and equipment and right-of-use assets	13,687	14,902
Amortization – intangible assets	7,920	8,314
Interest on long-term debt	7,163	9,129
Net interest expense on leases	2,539	2,838
Impairment reversal – right-of-use assets	287	290
Impairment charge – property, plant and equipment and intangible assets	—	435
Unrealized and realized foreign exchange (gain) loss	(16,889)	21,460
Interest income	(65)	(95)
(Gain) loss on de-recognition/lease modification of lease liabilities	(1,168)	134
Gain on disposal of asset held for sale	(336)	—
Loss on disposal of property, plant and equipment	571	250
Revaluation of financial liabilities and derivatives recorded at fair value	23	299
Segment profit	59,817	58,450
SAP project implementation costs ⁽²⁾	323	329
Transaction costs related to acquisitions ⁽³⁾	—	1,411
Normalized adjusted EBITDA ⁽¹⁾	60,140	60,190

⁽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 the Consulting and professional fees as part of the Operating expenses in the condensed interim consolidated financial statements.

Other income and expenses

Depreciation of property, plant and equipment and right-of-use assets decreased by \$1.2 million during the 13-week period ended March 1, 2026. Depreciation expenses are segregated by business segment and subdivision as follows:

Segment	Subdivision	Quarter ended March 1, 2026 (\$ millions)	Quarter ended February 28, 2025 (\$ millions)	Variation
Canada	Franchise operation	0.5	0.9	(44%)
	Corporate stores	1.5	1.4	7%
	Food processing, distribution and retail	0.3	0.3	—%
Total Canada		2.3	2.6	(12%)
US & International	Franchise operation	0.8	1.0	(20%)
	Corporate stores	10.6	11.3	(6%)
Total US & International		11.4	12.3	(7%)
Total depreciation expense		13.7	14.9	(8%)

Interest on long-term debt decreased by \$2.0 million as a result net repayments of \$78.8 million of long-term debt since February 28, 2025 as well as a lower Canadian Overnight Repo Rate Average, resulting in lower interest.

During the first quarter of 2026, the Company did not recognize any impairment charges (2025 – \$0.4 million) on its property, plant and equipment. Prior year impairment primarily related to certain corporate owned locations in the US & International geographical segments.

During the first quarter of 2026, the Company recorded a gain of \$16.9 million (2025 – a loss of \$21.5 million) as a result of a weaker Canadian dollar relative to the US dollar. Most of this loss relates to intercompany loans and is offset by loss on translation on the consolidated statement of comprehensive income.

Net income

For the 13-week period ended March 1, 2026, a net income attributable to owners of \$36.9 million was recorded, or \$1.62 per share compared to \$1.7 million or \$0.07 per share last year. Net income attributable to owners was mostly impacted by the unrealized and realized foreign exchange gain mentioned in section “Other income and expenses”.

Adjusted earnings per share ⁽¹⁾ improved to \$0.98 for the 13-week period ended March 1, 2026 compared to an adjusted earnings per share of \$0.87 in the prior year period. The calculation of adjusted earnings per share ⁽¹⁾ is as follows:

	Quarter ended	
	March 1, 2026	February 28, 2025
(In thousands \$, except number of shares information)		
Net income (loss) attributable to owners	36,927	1,743
Unrealized and realized foreign exchange loss	(16,889)	21,460
Tax impact on unrealized and realized foreign exchange loss	2,238	(2,843)
Adjusted net income attributable to owners	22,276	20,360
Weighted daily average number of common shares – diluted	22,841,361	23,282,694
Adjusted earnings per share ⁽¹⁾	0.98	0.87

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

CONTRACTUAL OBLIGATIONS

The obligations pertaining to the long-term debt and the minimum payments for the leases are as follows:

	0 – 6	6 – 12	12 – 24	24 – 36	36 – 48	48 – 60	Thereafter
	Months	Months	Months	Months	Months	Months	
(In millions \$)	\$	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	115.8	—	—	—	—	—	—
Long-term debt ⁽¹⁾	—	—	—	606.5	—	—	—
Interest on long-term debt ^(2 & 3)	14.9	14.9	29.8	24.7	—	—	—
Lease liabilities	63.9	63.9	108.7	88.6	67.9	50.6	116.9
Total contractual obligations	194.6	78.8	138.5	719.8	67.9	50.6	116.9

⁽¹⁾ Amounts shown represent the total amount payable at maturity and are therefore undiscounted. Long-term debt includes revolving credit facility payable to a syndicate of lenders.

⁽²⁾ When future interest cash flows are variable, they are calculated using the interest rates prevailing at the end of the reporting period.

⁽³⁾ Net of swap arrangement interest revenue.

LIQUIDITY AND CAPITAL RESOURCES

As at March 1, 2026, the Company held \$56.0 million in cash, an increase of \$4.0 million since the end of the 2025 fiscal period.

During the first quarter of 2026, MTY paid \$8.5 million (2025 – \$7.7 million) in dividends to its shareholders and repurchased and cancelled none of its shares (2025 – 287,400) for nil (2025 – \$13.8 million) through its NCIB.

During the first quarter of 2026, cash flows generated by operating activities were \$40.9 million, compared to \$64.6 million in the same period last year. The decrease is mainly attributable to fluctuations in income taxes paid offset by lower interest paid. The negative working capital fluctuation is the result of the variance in accounts receivable, accounts payable and accrued liabilities partly due to timing of payroll and benefit accruals and lower interest expense accruals, timing of payments made and an increase in royalties and vendor rebates receivables. Excluding the variations in non-cash working capital items, income taxes, interest paid and other, operations generated \$59.9 million, compared to \$58.6 million last year.

The Company's revolving credit facility payable to a syndicate of lenders has an authorized amount of \$900.0 million (November 30, 2025 – \$900.0 million), an accordion feature of \$300.0 million (November 30, 2025 – \$300.0 million) that is subject to lenders approval, and matures on November 25, 2028. As at March 1, 2026, CAD\$250.0 million and US\$262.0 million was drawn from the revolving credit facility (November 30, 2025 – CAD\$250.0 million and US\$275.0 million). MTY has at its disposal \$293.5 million (2025 – \$266.2 million) available to meet its working capital requirements should the need arise.

Under this facility, the Company is required to comply with certain financial covenants, including:

- a debt to EBITDA ratio ⁽¹⁾ that must be less than or equal to 3.50:1.00;
- a debt to EBITDA ratio ⁽¹⁾ that must be less than or equal to 4.00:1.00 in the twelve months following acquisitions with a consideration exceeding \$150.0 million; and
- an interest and rent coverage ratio that must be at least 2.00:1.00 at all times.

The revolving credit facility is repayable without penalty with the balance due on the date of maturity November 25, 2028.

As at March 1, 2026, the Company was in compliance with the covenants of the credit agreement.

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

LOCATION INFORMATION

MTY's locations can be found in: i) food courts and shopping malls; ii) street front; and iii) non-traditional format within petroleum retailers, convenience stores, grocery stores, cinemas, amusement parks, in other venues or retailers shared sites, hospitals, universities and airports. The non-traditional locations are typically smaller in size, require lower investment and generate lower revenue than the shopping malls, food courts and street front locations.

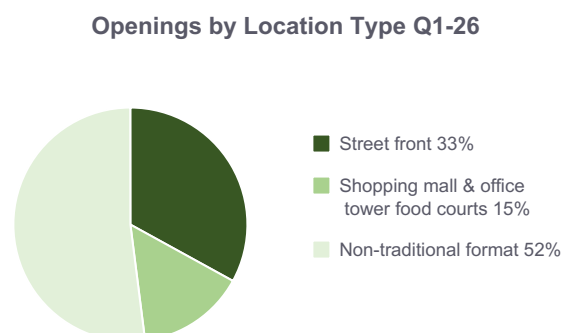
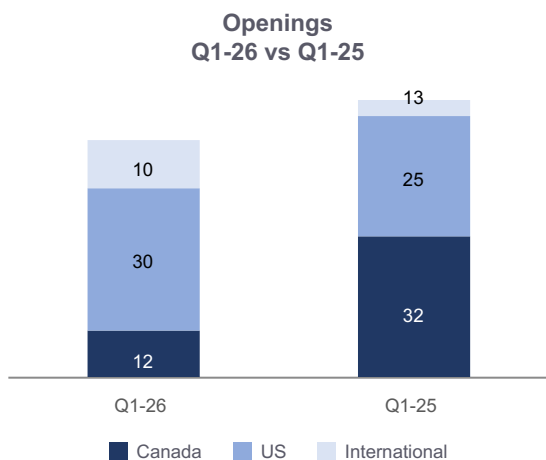
Number of locations

	March 1, 2026	February 28, 2025
Franchises, beginning of the period	6,831	6,827
Corporate-owned, beginning of the period		
Canada	43	52
US	206	200
Total, beginning of the period	7,080	7,079
Opened during the period	52	70
Closed during the period	(90)	(102)
Disposed of during the period ⁽¹⁾	(8)	—
Total, end of the period	7,034	7,047
Franchises, end of the period	6,786	6,791
Corporate-owned, end of the period		
Canada	47	47
US	201	209
Total, end of the period	7,034	7,047

⁽¹⁾ End of master franchise licensing agreement with TCBY.

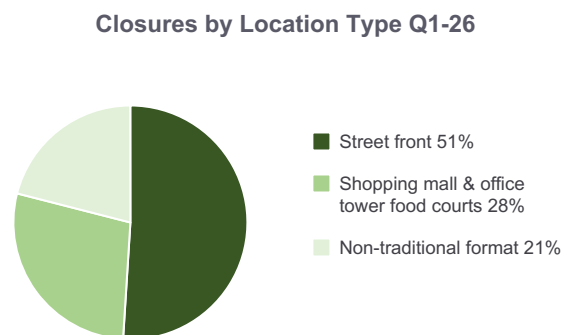
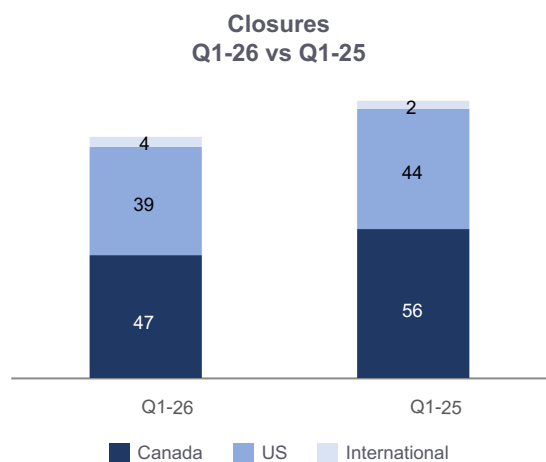
Openings

During the first quarter of 2026, the Company's network opened 52 locations (2025 – 70 locations). The breakdown by geographical location and by location type is as follows:



Closures

During the first quarter of 2026, the Company's network closed 90 (2025 – 102 locations). The breakdown by geographical location and by location type is as follows:



Effective December 31, 2025, the Company's Canadian master agreement for the TCBY brand expired, increasing closures for the quarter by 8. Accordingly, all remaining TCBY franchise agreements and operating locations in Canada were transferred back to master franchisor as at that date. Subsequent to the expiry, the Company ceased all franchising activities related to the TCBY brand in Canada, other than the collection of outstanding amounts receivable arising prior to December 31, 2025.

The average monthly sales in the last twelve months of a newly opened location compared to a closed location by type is as follows:

Location type	(in thousands \$)	New opening	Closure
Street front		68.0	54.4
Shopping mall & office tower food courts		127.6	22.9
Non-traditional format		45.4	68.7

The table below provides the breakdown of MTY's locations and system sales by type:

Location type	% of location count		% of system sales	
	March 1, 2026	February 28, 2025	13 weeks ended March 1, 2026	Three months ended February 28, 2025
Shopping mall & office tower food courts	16%	16%	16%	16%
Street front	62%	62%	74%	74%
Non-traditional format	22%	22%	10%	10%

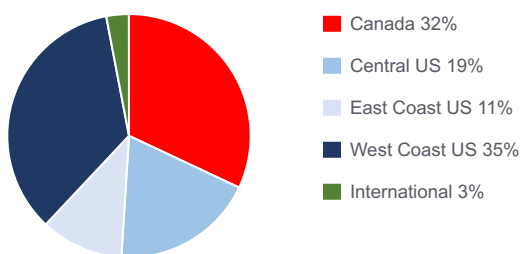
The geographical breakdown of MTY's locations and system sales is as follows:

Geographical location	% of location count		% of system sales	
	March 1, 2026	February 28, 2025	13 weeks ended March 1, 2026	Three months ended February 28, 2025
Canada	35%	35%	32%	31%
US	57%	57%	65%	66%
International	8%	8%	3%	3%

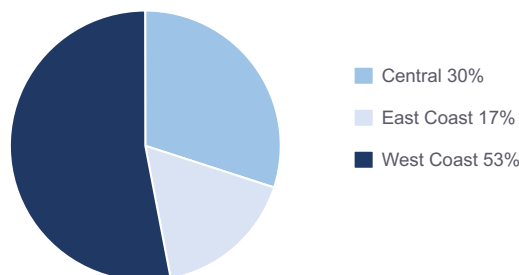
The territories that had the largest portions of total system sales were Quebec (Canada) with 17%, California (US) with 12%, Ontario (Canada) with 7%, Arizona (US), Washington (US), Florida (US) and Oregon (US) with 4% each.

The geographical distribution of system sales is as follows:

% of total system sales



% of total US system sales



The breakdown by the types of concepts for MTY's locations and system sales is as follows:

Concept type	% of location count		% of system sales	
	March 1, 2026	February 28, 2025	13 weeks ended March 1, 2026	Three months ended February 28, 2025
	Quick service restaurant	79%	79%	63%
Fast casual	11%	11%	9%	9%
Casual dining	10%	10%	28%	29%

System sales

During the 13-week period ended March 1, 2026 and three-month period ended February 28, 2025, MTY's network generated \$1,290.4 million and \$1,364.8 million in sales, respectively. The breakdown of system sales is as follows:

(millions of \$)	Canada	US	International	TOTAL
First quarter of 2026	411.7	842.5	36.2	1,290.4
First quarter of 2025	419.0	906.9	38.9	1,364.8
Variance	(2%)	(7%)	(7%)	(5%)

The overall movement in sales is distributed as follows:

	(millions of \$)	13-week period sales ended March 1, 2026			
		Canada	US	International	TOTAL
Reported sales – 2025		419.0	906.9	38.9	1,364.8
Net change resulting from stores opened or closed in the last 15 months		(2.0)	(1.3)	1.9	(1.4)
Disposal of brands		(0.2)	—	—	(0.2)
Organic system sales variance		(5.1)	(28.1)	(3.1)	(36.3)
Cumulative impact of foreign exchange variation		—	(35.0)	(1.5)	(36.5)
Reported sales – 2026		411.7	842.5	36.2	1,290.4

For the 13-week period ended March 1, 2026, system sales decreased by \$74.4 million, or 5% compared to the same period last year. Excluding the impact of foreign exchange fluctuation, organic system sales decreased by 3% for the quarter. Canada system sales decreased by 2% primarily driven by a decrease in the casual and quick service restaurant (QSR) concepts. The casual concepts street locations accounted for the full decrease with a decrease of 2% while the QSR concepts were mostly impacted due to a decrease of 5% in mall locations. The decrease in mall locations was partially offset by an improvement of 1% in street front locations. Prior year sales were positively impacted by a temporary federal sales tax exemption between December 14, 2024 and February 15, 2025, with no comparable benefit in 2026.

In the US segment, organic system sales decreased by 3%, caused partly by higher instances of severe storms across the country which led to higher number of days closed as well as lower traffic during and after the storms. The comparable periods were also impacted by the timing of US Thanksgiving and the sales billing periods, whereby prior year had \$7.2 million higher reported system sales due to the holiday. The quarter was also impacted by the Company's decision to discontinue the sale of gift cards for some of our brands at third-party vendors. Some regions saw more than double the closure days compared to prior year. The casual concepts street front locations saw the largest decrease in organic system sales while Papa Murphy's continued to struggle with organic system sales decreases of 7.9% compared to prior years. The decline was partially offset by continued growth in the snack category brands.

Papa Murphy's and Cold Stone Creamery continue to be the only concepts that currently represent more than 10% of system sales, generating approximately 18% and 15% respectively of the total sales of MTY's network. Wetzel's Pretzels, Famous Dave's and Village Inn are the third, fourth and fifth largest concepts in terms of systems sales, generating less than 10% each of the network's sales.

System wide sales include sales for corporate and franchise locations and excludes sales realized by the distribution centers, by the food processing plants and by the retail division. System sales are converted from the currency in which

they are generated into Canadian dollars for presentation purposes; they are therefore subject to variations in foreign exchange rates.

Same-Store Sales ⁽¹⁾

During the 13-week period ended March 1, 2026, same-store sales decreased by 2.5% over the last year. By region, same-store sales were broken down as follows for the last eight quarters:

Region	Quarter ended							
	May-31 2024	Aug-31 2024	Nov-30 2024	Feb-28 2025	May-31 2025	Aug-31 2025	Nov-30 2025	Mar-1 2026
Canada	(3.6)%	(3.9)%	(0.1)%	(0.4)%	1.4 %	(0.3)%	0.0 %	(0.8)%
US	(1.0)%	(1.1)%	0.1 %	(2.2)%	(3.8)%	(2.5)%	(2.8)%	(3.6)%
International	(8.1)%	(7.0)%	(2.3)%	(3.5)%	(2.9)%	0.8 %	(3.2)%	(1.3)%
Total	(2.1)%	(2.3)%	0.0 %	(1.5)%	(1.9)%	(1.6)%	(1.7)%	(2.5)%

⁽¹⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.

In the first quarter of 2026, same-store sales for Canada saw a slight decrease of 0.8% while the US and International segments decreased by 3.6% and 1.3%, respectively. In Canada, the QSR concepts contributed primarily to the decrease with softness in both mall and street front locations. Prior year sales in Canada were positively impacted by a temporary federal sales tax exemption between December 14, 2024 and February 15, 2025, with no comparable benefit in 2026.

The US, similar to systems sales, saw declines in casual concept same-store sales of 6% while the QSR concepts saw an overall decrease of 3%. The QSR snack category for the US saw a decline of 2% while the remaining concepts declined by 5%. The US was also impacted by the timing of US Thanksgiving and the sales billing periods, whereby prior year had \$7.2 million higher reported system sales due to the holiday. The quarter was also impacted by the Company's decision to discontinue the sale of gift cards for some of our brands at third-party vendors.

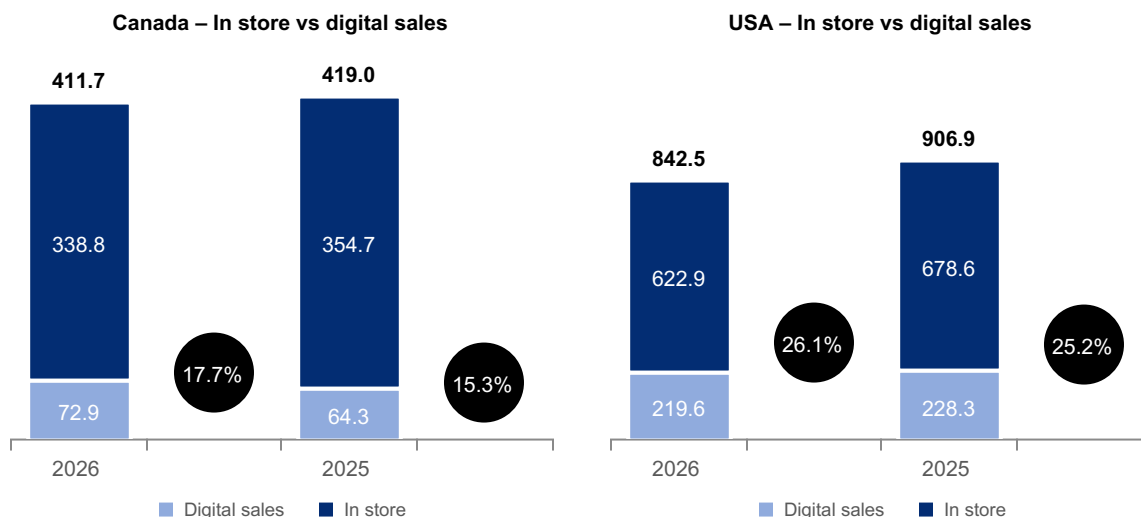
By restaurant type⁽¹⁾, same-store sales were broken down as follows for the 13-week period ended March 1, 2026 and the three months ended February 28, 2025:

	March 1, 2026	February 28, 2025
Quick service restaurant	(2.5)%	(1.3)%
Fast casual	1.3 %	(2.6)%
Casual	0.0 %	1.4 %
Canada	(0.8)%	(0.4)%
Quick service restaurant	(3.4)%	(3.1)%
Fast casual	5.7 %	(1.6)%
Casual	(5.6)%	0.2 %
US	(3.6)%	(2.2)%
Quick service restaurant	(0.5)%	(4.1)%
Fast casual	7.4 %	(2.2)%
Casual	(20.9)%	8.7 %
International	(1.3)%	(3.5)%

⁽¹⁾ Refer to the Supplemental Information section for a list of brands included in each category.

Digital sales

System sales versus digital sales breakdown is as follows for the 13-week period ended March 1, 2026 and the three months ended February 28, 2025:



Digital sales for the 13-week period ended March 1, 2026 remained steady compared to the same period last year, including the impact of foreign exchange rates, from \$292.6 million to \$292.5 million, and represented 23% of total sales, a slight increase over the 22% seen last year. Excluding the impact of foreign exchange, digital sales for the network grew by 3% while the US stayed relatively flat with a slight increase of US\$0.2 million compared to prior year. Canadian digital sales saw an increase of \$8.6 million or 13% during the 13-week period as the Company continues to invest in the growth of digital sales through continued in-house technological investment as well as partnerships with third-party aggregators.

CAPITAL STOCK INFORMATION

Stock options

As at March 1, 2026, there were 425,000 options outstanding and 353,887 that were exercisable.

Share trading

MTY's stock is traded on the Toronto Stock Exchange ("TSX") under the ticker symbol "MTY". From December 1, 2025 to March 1, 2026, MTY's share price fluctuated between \$37.00 and \$43.83. On March 1, 2026, MTY's shares closed at \$41.40

Capital stock

The Company's outstanding share capital is comprised of common shares. An unlimited number of common shares are authorized.

As at April 9, 2026, the Company's issued and outstanding capital stock consisted of 22,841,361 shares (November 30, 2025 – 22,841,361) and 425,000 granted and outstanding stock options (November 30, 2025 – 425,000). During the 13-week period ended March 1, 2026, the Company repurchased and cancelled a total of nil common shares (2025 – 287,400) for cancellation through its NCIB.

Normal Course Issuer Bid Program

On June 30, 2025, the Company announced the renewal of the NCIB. The NCIB began on July 3, 2025 and will end on July 2, 2026 or on such earlier date when the Company completes its purchases or elects to terminate the NCIB. The renewed period allows the Company to purchase 1,142,068 of its common shares. These purchases will be made on the open market plus brokerage fees through the facilities of the TSX and/or alternative trading systems at the prevailing market price at the time of the transaction, in accordance with the TSX's applicable policies. All common shares purchased pursuant to the NCIB will be cancelled.

During the 13-week period ended March 1, 2026, the Company repurchased and cancelled a total of nil common shares (2025 – 287,400) under the current NCIB, at a weighted average price of nil per common share (2025 –

\$48.06), for a total consideration of nil (2025 – \$13.8 million). An excess of nil (2025 – \$10.2 million) of the shares' repurchase value over their carrying amount was charged to retained earnings as share repurchase premiums.

SEASONALITY

Results of operations for any interim period are not necessarily indicative of the results of operations for the full year. The Company expects that seasonality will continue to be a factor in the quarterly variation of its results. For example, the Frozen treat category, which is a significant category in the United States ("US") market, varies significantly during the winter season as a result of weather conditions. This risk is offset by other brands that have better performance during the winter season such as Papa Murphy's. Sales for shopping mall locations are also higher than average in December during the holiday shopping period.

OFF-BALANCE SHEET ARRANGEMENTS

MTY has no off-balance sheet arrangements.

CONTINGENT LIABILITIES

The Company is involved in legal claims associated with its current business activities. The timing of the outflows, if any, is out of the control of the Company and is as a result undetermined at the moment. Contingent liabilities are disclosed as provisions on the consolidated statement of financial position.

The provisions include \$3.4 million (November 30, 2025 – \$3.9 million) for litigations, disputes and other contingencies, representing management's best estimate of the outcome of litigations and disputes that are ongoing at the date of the statement of financial position, as well as self-insured liabilities related to health and workers' compensation and general liability claims. These provisions are made of multiple items; the timing of the settlement of these provisions is unknown given their nature, as the Company does not control the litigation timelines.

The provisions also varied in part due to foreign exchange fluctuations related to the US subsidiaries.

GUARANTEE

The Company has guaranteed leases on certain franchise stores in the event the franchisees are unable to meet their remaining lease commitments. The maximum amount the Company may be required to pay under these agreements was \$11.7 million as at March 1, 2026 (November 30, 2025 – \$10.7 million). In addition, the Company could be required to make payments for percentage rents, realty taxes and common area costs. As at March 1, 2026, the Company has accrued \$1.6 million (November 30, 2025 – \$1.6 million), included in Accounts payable and accrued liabilities in the condensed interim consolidated financial statements, with respect to these guarantees.

CHANGES IN ACCOUNTING POLICIES

Policies applicable beginning December 1, 2025

IAS 21, The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB published Lack of Exchangeability (Amendments to IAS 21). The amendments specify when a currency is exchangeable into another currency and when it is not, specify how an entity determines the exchange rate to apply when a currency is not exchangeable, and require the disclosure of additional information when a currency is not exchangeable.

The amendments to IAS 21 are effective for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

The amendments to IAS 21 were adopted effective December 1, 2025 and resulted in no significant adjustment.

FUTURE ACCOUNTING CHANGES

A number of new standards, interpretations and amendments to existing standards were issued by the IASB that are not yet effective for the period ended March 1, 2026 and have not been applied in preparing the condensed interim consolidated financial statements.

The following amendments may have a material impact on the condensed interim consolidated financial statements of the Company:

Standard	Issue date	Effective date for the Company	Impact
IFRS 9 & IFRS 7 Financial Instruments & Financial Instruments and Disclosures	May 2024	December 1, 2026	In assessment
IFRS 10 Consolidated Financial Statements	July 2024	December 1, 2026	In assessment
IFRS 18 Presentation and Disclosure in Financial Statements	April 2024	December 1, 2027	In assessment

IFRS 9, Financial Instruments and IFRS 7 Financial Instrument Disclosures

In May 2024, the IASB published Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures). The amendments to IFRS 9 clarify de-recognition and classification of specific financial assets and liabilities respectively while the amendments to IFRS 7 clarify the disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows on the occurrence or non-occurrence of a contingent event. The amendments to IFRS 9 and IFRS 7 are effective for annual reporting beginning on or after January 1, 2026. Earlier application is permitted. The Company will adopt the amendments on December 1, 2026.

IFRS 10, Consolidated Financial Statements

In July 2024, the IASB issued the Annual Improvements to IFRS Accounting Standards—Volume 11, which included amendments to IFRS 10 Consolidated Financial Statements. These amendments aim to clarify the determination of a 'de facto agent' in the context of control assessment. A 'de facto agent' refers to an entity that, although not formally designated as an agent, acts on behalf of another entity due to its specific circumstances, such as holding a significant portion of voting rights without practical exercise. The amendments to IFRS 10 are effective for annual reporting beginning on or after January 1, 2026. The Company will adopt the amendments on December 1, 2026.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB published a new standard: IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements. New requirements have been introduced for presentation in the statement of profit and loss, increased disclosure of management defined performance measures and defining the way information is aggregated and disaggregated in the financial statements. The application of IFRS 18 is effective for annual reporting beginning on or after January 1, 2027. Earlier application is permitted. The Company will adopt the amendments on December 1, 2027.

RISKS AND UNCERTAINTIES

Despite the fact that the Company has various numbers of concepts, diversified in type of locations and geographies across Canada and the US, the performance of the Company is also influenced by changes in demographic trends, traffic patterns, occupancy level of malls and office towers and the type, number, and location of competing restaurants. In addition, factors such as innovation, increased food costs, labour and benefits costs, occupancy costs and the availability of experienced management and hourly employees may adversely affect the Company. Changing consumer preferences and discretionary spending patterns could oblige the Company to modify or discontinue concepts and/or menus and could result in a reduction of revenue and operating income. Even if the Company was able to compete successfully with other restaurant companies with similar concepts, it may be forced to make changes in one or more of its concepts in order to respond to changes in consumer tastes or dining patterns. If the Company changes a concept, it may lose additional customers who do not prefer the new concept and menu, and it may not be able to attract a sufficient new customer base to produce the revenue needed to make the concept profitable. Similarly, the Company may have different or additional competitors for its intended customers as a result of such a concept change and may not be able to successfully compete against such competitors. The Company's success also depends on numerous factors affecting discretionary consumer spending, including economic conditions, disposable consumer income and consumer confidence. Adverse changes in these factors could reduce customer traffic or impose practical limits on pricing, either of which could reduce revenue and operating income.

The growth of MTY is dependent on maintaining the current franchise system, which is subject to many factors including but not limited to the renewal of existing leases at sustainable rates, MTY's ability to continue to expand by obtaining acceptable store sites and lease terms, obtaining qualified franchisees, increasing comparable store sales

and completing acquisitions. The time, energy and resources involved in the integration of the acquired businesses into the MTY system and culture could also have an impact on MTY's results.

Labour is a key factor in the success of the Company. If the Company was unable to attract, motivate and retain a sufficient number of qualified individuals, this could materially disrupt the Company's business and operations and adversely impact its operating results, including the delay of planned restaurant openings, the Company's ability to grow sales at existing restaurants and expand its concepts effectively. A shortage of qualified workers has been felt since 2021, as well as an increase in labour costs due to competition and increased wages which have persisted into 2026. These conditions have resulted in aggressive competition for talent, wage inflation and pressure to improve benefits and workplace conditions to remain competitive and attract talent affecting the Company and its franchisees. Restaurants in the Company's network could be short staffed, the ability to meet customer demand could be limited and operational efficiency could also be adversely impacted.

The impacts of a widespread health epidemic or pandemic, including various strains of avian flu or swine flu, such as H1N1, or COVID-19, particularly if located in regions from which the Company derives a significant amount of revenue or profit could continue to impact the Company in the future. The occurrence of such an outbreak or other adverse public health developments can and could continue to materially disrupt the business and operations. Such events could also significantly impact the industry and cause a temporary closure of restaurants, which could severely disrupt MTY's or the Company's franchisees' operations and have a material adverse effect on the business, financial condition and results of operations.

Outbreaks of avian flu occur from time to time around the world, and such outbreaks have resulted in confirmed human cases. Public concern over avian flu generally may cause fear about the consumption of chicken, eggs and other products derived from poultry, which could cause customers to consume less poultry and related products.

Because poultry is a menu offering for many of the Company's concepts, this would likely result in lower revenues and profits to both MTY and franchisee partners. Avian flu outbreaks could also adversely affect the price and availability of poultry, which could negatively impact profit margins and revenues.

Furthermore, other viruses may be transmitted through human contact or through the consumption of foods. The risk of contracting viruses transmitted through human contact could cause employees or guests to avoid gathering in public places, which could adversely affect restaurant guest traffic or the ability to adequately staff restaurants.

MTY could also be adversely affected if government authorities impose mandatory closures, seek voluntary closures, impose restrictions on operations of restaurants, impose restrictions on customers via a vaccine passport to dine-in, or restrict the import or export of products, or if suppliers issue mass recalls of products. Even if such measures are not implemented and a virus or other disease does not spread significantly, the perceived risk of infection or health risk may adversely affect the business and operating results. Viruses transmitted through the consumption of foods, such as salmonella, could cause guests to have negative views of a brand, which could cause severe reputational and potentially irreversible damages and, similar to viruses transmitted through human contact, may adversely affect the business and operating results.

The Company's operating results substantially depend upon its ability to obtain frequent deliveries of sufficient quantities of products such as beef, chicken, and other products used in the production of items served and sold to customers. Geopolitical events, such as trade tariffs, public health or pandemic outbreaks, war or hostilities in countries in which suppliers or operations are located, terrorist or military activities, or natural disasters such as hurricanes, tornadoes, floods, earthquakes and others, could lead to interruptions in the supply chain. Disruptions in supply chain could impact delivery of food or other supplies to the Company's restaurants. Delays or restrictions on shipping or manufacturing, closures of supplier or distributor facilities or financial distress or insolvency of suppliers or distributors could disrupt operations or the operations of one or more suppliers or could severely damage or destroy one of more of the stores or distribution centers located in the affected area. These delays or interruptions could impact the availability of certain food and packaging items at the Company's restaurants, including beef, chicken, pork and other core menu products and could require the Company's restaurants to serve a limited menu. The Company's results of operations and those of its franchisees could be adversely affected if its key suppliers or distributors are unable to fulfill their responsibilities and the Company were unable to identify alternative suppliers or distributors in a timely manner or effectively transition the impacted business to new suppliers or distributors. If a disruption of service from any of its key suppliers or distributors were to occur, the Company could experience short-term increases in costs while supply and distribution channels were adjusted and may be unable to identify or negotiate with new suppliers or distributors on terms that are commercially reasonable.

Changes to interest rates could also impact MTY's borrowing capacity, thereby affecting its ability to make accretive acquisitions. Rising interest rates would also negatively impact franchisees' borrowing capacity as well as their available cash flows, thereby slowing down the build of new locations and causing cash flow strains on existing franchisees.

Geopolitical events such as the occurrence of war or hostilities between countries, or threat of terrorist activities and the responses to and results of these activities could also adversely impact the operations of the Company or its franchisee network. These events could lead to supply chain interruptions, closures or destruction of restaurants, increases in inflation and labour shortages.

Please refer to the November 30, 2025 Annual Information Form for further discussion on all risks and uncertainties.

ECONOMIC ENVIRONMENT RISK

The business of the Company is dependent upon numerous aspects of a healthy general economic environment, from strong consumer spending to provide sales revenue, to available credit to finance the franchisees and the Company. In case of turmoil in economic, credit and capital markets, the Company's performance and market price may be adversely affected. The Company's current planning assumptions forecast that the restaurant industry will be impacted by the current economic uncertainty in certain regions in which it operates. Exposure to health epidemics and pandemics, as well as other geopolitical events, such as war or hostilities between countries, and rising interest rates are risks to the Company and its franchise partners. Within a normal economic cycle, management is of the opinion that these risks will not have a major impact on the Company due to the following reasons: 1) the Company generates strong cash flows and has a healthy balance sheet; and 2) the Company has several concepts offering affordable dining out options for consumers in an economic slowdown. During extreme economic turmoil, management believes that the Company has the ability to overcome these risks until the economy re-establishes itself.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company uses various financial instruments, which by their nature involve risk, including market risk and the credit risk of non-performance by counterparties. These financial instruments are subject to normal credit standards, financial controls, risk management and monitoring procedures.

The Company has determined that the fair values of its financial assets and financial liabilities with short-term and long-term maturities approximate their carrying value. These financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, deposits and other liabilities. The table below shows the fair value and the carrying amount of other financial instruments as at March 1, 2026 and November 30, 2025.

Since estimates are used to determine fair value, they must not be interpreted as being realizable in the event of a settlement of the instruments.

The classification, carrying value and fair value of financial instruments are as follows:

	<i>(In thousands \$)</i>		November 30, 2025	
	March 1, 2026			
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Loans and other receivables	6,252	6,252	5,896	5,896
Finance lease receivables	310,169	310,169	316,005	316,005
Financial liabilities				
Long-term debt	606,523	606,523	633,767	633,767

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is established based on market information available at the date of the consolidated statement of financial position. In the absence of an active market for a financial instrument, the Company uses the valuation methods described below to determine the fair value of the instrument. To make the assumptions required by certain valuation models, the Company relies mainly on external, readily observable market inputs. Assumptions or inputs that are not based on observable market data are used in the absence of external data. These assumptions or factors represent management's best estimates of the assumptions or factors that would be used by market participants for these instruments. The credit risk of the counterparty and the Company's own credit risk have been taken into account in estimating the fair value of all financial assets and financial liabilities, including derivatives.

The following methods and assumptions were used to estimate the fair values of each class of financial instrument:

Loans and other receivables and Finance lease receivables – The carrying amount for these financial instruments approximates fair value due to the short-term maturity of these instruments and/or the use of market interest rates.

Long-term debt – The fair value of long-term debt is determined using the present value of future cash flows under current financing agreements based on the Company's current estimated borrowing rate for similar debt.

Swaps

Cross currency interest rate swaps

On February 27, 2026, the Company entered into one floating to floating 1-month cross currency interest rate swap (November 30, 2025 – one floating to floating 3-month cross currency interest rate swap). A derivative liability at fair value of \$0.9 million was recorded as at March 1, 2026 (November 30, 2025 – \$0.7 million) in the current portion of derivative liabilities in the condensed interim consolidated statements of financial position. The Company has classified this as level 2 in the fair value hierarchy.

	March 1, 2026	November 30, 2025
	1-month	3-month
Receive – Notional	US\$182.6 million	US\$178.5 million
Receive – Rate	5.47%	5.72%
Pay – Notional	CA\$250.0 million	CA\$250.0 million
Pay – Rate	4.04%	3.96%

Fixed interest rate swap

On March 24, 2023, the Company entered into a three-year SOFR fixed interest rate swap for a notional amount of US\$200.0 million. On June 4, 2024, the Company sold the swap, realizing proceeds of \$6.6 million from this transaction. The cumulative gain on the hedging instrument, which was previously recognized in other comprehensive income during the effective hedging period, will continue to be recognized in equity and will be amortized to the condensed interim consolidated statement of income until the termination of the hedged item on April 10, 2026. For the 13-week period ended March 1, 2026, the Company recorded a gain of \$0.9 million in the Company's condensed interim consolidated statement of income related to this amortization (February 28, 2025 – gain of \$0.9 million).

On May 30, 2023, the Company entered into a two-year SOFR fixed interest rate swap for a notional amount of US\$100.0 million. The period of two years ended on May 30, 2025. Under the terms of this swap, the interest rate was fixed at 3.64%, unless the 1-month term SOFR exceeds 5.50%; if the 1-month term SOFR exceeds 5.50%, the Company would pay the 1-month term SOFR. The Company had classified this as level 2 in the fair value hierarchy. A fair value remeasurement of nil was recorded in the Company's interim condensed consolidated statement of income for the 13-week period ended March 1, 2026 (February 28, 2025 – fair value remeasurement loss of \$0.3 million).

On January 22, 2024, the Company entered into a three-year SOFR fixed interest rate swap for a notional amount of US\$50.0 million. The period of three years ends on January 22, 2027. Under the terms of this swap, the Company will receive 0.25% unless the 1-month term SOFR falls below 2.95% or exceeds 5.50%. If the term SOFR falls below 2.95%, the Company will pay the difference between the current rate and 2.95%. A derivative asset of less than \$0.1 million was recorded as at March 1, 2026 (November 30, 2025 – \$82). The Company has classified this as level 2 in the fair value hierarchy. A fair value remeasurement gain of less than \$0.1 million was recorded in the Company's condensed interim consolidated statement of income for the 13-week period ended March 1, 2026 (February 28, 2025 – fair value remeasurement loss of less than \$0.1 million).

On September 19, 2024, the Company entered into a three-year CORRA fixed interest rate swap for a notional amount of \$100.0 million. The period of three years ends on September 17, 2027. Under the terms of this swap, the interest rate is fixed at 2.79%. A derivative liability of \$0.8 million was recorded as at March 1, 2026 (November 30, 2025 – derivative asset of \$0.9 million). The Company has classified this as level 2 in the fair value hierarchy. A fair value remeasurement gain of less than \$0.1 million was recorded in the Company's condensed interim consolidated statement of condensed interim comprehensive income for the 13-week period ended March 1, 2026 (February 28, 2025 – fair value remeasurement loss of \$1.0 million).

On September 24, 2024, the Company entered into a three-year CORRA fixed interest rate swap for a notional amount of \$50.0 million. The period of three years ends on September 24, 2027. Under the terms of this swap, the interest rate is fixed at 2.77%. A derivative liability of \$0.4 million was recorded as at March 1, 2026 (November 30, 2025 – derivative liability of \$0.5 million). The Company has classified this as level 2 in the fair value hierarchy. A fair value remeasurement gain of less than \$0.1 million was recorded in the Company’s condensed interim consolidated statement of comprehensive income for the 13-week period ended March 1, 2026 (February 28, 2025 – fair value remeasurement loss of \$0.5 million).

Range bonus accumulator

On April 8, 2025, the Company entered a one-year range bonus accumulator (“RBA”) agreement, which is a written option that provides incremental returns if the foreign exchange rate remains within a predetermined range. The contract involves monthly observations of the USD/CAD exchange rate and may trigger an obligation of a notional amount of US\$1.0 million if rates move outside defined limits. A derivative asset of \$6 was recorded as at March 1, 2026 (November 30, 2025 – less than \$0.1 million). The Company has classified this as level 2 in the fair value hierarchy. A fair value loss of less than \$0.1 million was recorded in the Company’s condensed interim consolidated statement of income for the 13-week period ended March 1, 2026 (February 28, 2025 - nil).

The swaps were recorded in the consolidated statements of financial position as follows:

<i>(In thousands \$)</i>	Cross currency interest rate swaps	1-year SOFR fixed interest rate swap (RBA)	3-year SOFR fixed interest rate swap	3-year CORRA fixed interest rate swap	3-year CORRA fixed interest rate swap	Total
	\$	\$	\$	\$	\$	\$
Current portion of derivative assets	—	6	88	—	—	94
Total derivative assets	—	6	88	—	—	94
Current portion of derivative liabilities	(897)	—	—	(534)	(261)	(1,692)
Long-term portion of derivative liabilities	—	—	—	(312)	(152)	(464)
Total derivative liabilities	(897)	—	—	(846)	(413)	(2,156)

FINANCIAL RISK EXPOSURE

The Company, through its financial assets and financial liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at March 1, 2026.

Credit risk

The Company’s credit risk is primarily attributable to its trade receivables and finance lease receivables. The amounts disclosed in the consolidated statement of financial position represent the maximum exposure to credit risk for each respective financial asset as at the relevant dates. The Company believes that the credit risk of accounts receivable and finance lease receivables is limited as other than receivables from international locations, the Company’s broad client base is spread mostly across Canada and the US, which limits the concentration of credit risk.

The credit risk on the Company’s loans and other receivables is similar to that of its accounts receivable and finance lease receivables.

Interest rate risk

Interest rate risk is the Company’s exposure to increases and decreases in financial instrument values caused by the fluctuation in interest rates. The Company is exposed to cash flow risk due to the interest rate fluctuation in its floating-rate interest-bearing financial obligations. The Company from time to time may enter into fixed interest rate derivatives to manage its cash flow risk exposure, with long-term commitments requiring Board approval to ensure compliance with the Company’s risk management strategy. As at March 1, 2026, the Company holds floating-to-fixed interest rate swaps in order to hedge a portion of the interest rate cash flow risk associated with floating interest rate debt.

Furthermore, upon refinancing of a borrowing, depending on the availability of funds in the market and lender perception of the Company's risk, the margin that is added to the reference rate, such as SOFR, CORRA or prime rates, could vary and thereby directly influence the interest rate payable by the Company.

Long-term debt stems mainly from acquisitions of long-term assets and business combinations. The Company is exposed to interest rate risk with its revolving credit facility which is used to finance the Company's acquisitions. The facility bears interest at a variable rate and as such the interest burden could change materially. \$606.5 million (November 30, 2025 – \$633.8 million) of the credit facility was used as at March 1, 2026. A 100 basis points increase in the bank's prime rate would result in additional interest of \$6.1 million per annum (2025 – \$6.3 million) on the outstanding credit facility.

Liquidity risk

Liquidity risk refers to the possibility of the Company not being able to meet its financial obligations when they become due. The Company has contractual and fiscal obligations as well as financial liabilities and is therefore exposed to liquidity risk. Such risk can result, for example, from a market disruption or a lack of liquidity. The Company actively maintains its credit facility to ensure it has sufficient available funds to meet current and foreseeable financial requirements at a reasonable cost.

As at March 1, 2026, the Company had an authorized revolving credit facility for which the available amount may not exceed \$900.0 million (November 30, 2025 – \$900.0 million) and including an accordion feature amounting to \$300.0 million (November 30, 2025 – \$300.0 million) that is subject to lenders approval, to ensure that sufficient funds are available to meet its financial requirements.

The following are the contractual maturities of financial liabilities as at March 1, 2026:

<i>(In millions \$)</i>	Carrying amount	Contractual cash flows	0 – 6 Months	6 – 12 Months	12 – 24 Months	Thereafter
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	115.8	115.8	115.8	—	—	—
Long-term debt ⁽¹⁾	605.1	606.5	—	—	—	606.5
Interest on long-term debt ⁽¹⁾	N/A	84.3	14.9	14.9	29.8	24.7
Lease liabilities	484.8	560.5	63.9	63.9	108.7	324.0
	1,205.7	1,367.1	194.6	78.8	138.5	955.2

⁽¹⁾ When future interest cash flows are variable, they are calculated using the interest rates prevailing at the end of the reporting period.

NEAR-TERM OUTLOOK

MTY continues to navigate a dynamic operating environment. The 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 as MTY continues to see strong demand for its brands. It anticipates an improvement in the pace of openings in the coming quarters and remains confident in its ability to achieve net location growth in 2026 despite the slow start to the year as it.

Management notes certain macroeconomic and policy-related uncertainties could affect performance. To date MTY has only seen modest direct impacts from tariffs and increases in oil and gas prices. In both Canada and the US, the Company primarily sources products domestically, which helps limit the potential exposure to tariffs. Oil and gas prices may have longer impacts should the war in the middle East continue primarily impacting supply chain costs and margins for franchisees, corporate stores and the retail segment. 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 each of its segments, though the Company may experience some fluctuations in corporate store margins. 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.

CONTROLS & PROCEDURES

Disclosure controls and procedures

The Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”). The Company’s DC&P are designed to provide reasonable assurance that material information relating to the Company is made known to Management in a timely manner to allow the information required to be disclosed under securities legislation to be recorded, processed, summarized and reported within the time periods specified in securities legislation.

In the first quarter of 2026, MTY did not make any significant changes in, nor take any significant corrective actions regarding internal controls or other factors that could significantly affect such internal controls. The CEO and CFO periodically review the Company’s DC&P for design and operating effectiveness and conduct an evaluation each quarter. As at March 1, 2026, the CEO and CFO were satisfied with the effectiveness of the Company’s DC&P.

Internal controls over financial reporting

The CEO and the CFO are responsible for establishing and maintaining internal control over financial reporting. The Company’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. The CEO and CFO, together with management, have concluded after having conducted an evaluation and to the best of their knowledge that, there were no changes to the Company’s internal control over financial reporting that occurred during the year ended March 1, 2026, that have materially affected or are reasonably likely to materially affect the Company’s internal control over financial reporting.

Limitations of controls and procedures

There are inherent limitations in the effectiveness of any control system, including the potential for human error and the possible circumvention or overriding of controls and procedures. Additionally, judgments in decision-making can be faulty and breakdowns can occur because of a simple error or mistake. An effective control system can provide only reasonable, not absolute, assurance that the control objectives of the system are adequately met. Accordingly, the management of the Company, including its CEO and CFO, does not expect that the control system can prevent or detect all error or fraud.

Finally, projections of any evaluation or assessment of effectiveness of a control system to future periods are subject to the risks that, over time, controls may become inadequate because of changes in an entity’s operating environment or deterioration in the degree of compliance with policies or procedures.

Limitation on scope of design

The Company’s management, with the participation of its CEO and CFO, has limited the scope of the design of the Company’s DC&P and internal controls over financial reporting to exclude controls, policies and procedures and internal controls over financial reporting of certain special purpose entities (“SPEs”) on which the Company has the ability to exercise *de facto* control and which have as a result been consolidated in the Company’s condensed interim consolidated financial statements. For the period ended March 1, 2026, these SPEs represent 0.1% of the Company’s current assets, 0.0% of its non-current assets, 0.1% of the Company’s current liabilities, 0.0% of non-current liabilities, 0.9% of the Company’s revenue and 0.0% of the Company’s net income.

“Eric Lefebvre”

Eric Lefebvre, CPA, MBA Chief Executive Officer

“Renee St-Onge”

Renee St-Onge, CPA Chief Financial Officer

SUPPLEMENTAL INFORMATION

List of acquisitions

Other banners added through acquisitions include:

Brand	Acquisition year	% ownership	# of franchised locations	# of corporate locations
Fontaine Santé/Veggirama	1999	100%	18	—
La Crémère	2001	100%	71	3
Croissant Plus	2002	100%	18	2
Cultures	2003	100%	24	—
Thai Express	May 2004	100%	6	—
Mrs. Vanelli's	June 2004	100%	103	—
Sushi Shop	September 2006	100%	42	5
Koya Japan	October 2006	100%	24	—
Sushi Shop – existing franchise locations	September 2007	100%	—	15
Tutti Frutti	September 2008	100%	29	—
Taco Time – Canadian master franchise rights	October 2008	100%	117	—
Country Style Food Services Holdings Inc.	May 2009	100%	475	5
Groupe Valentine inc.	September 2010	100%	86	9
Jugo Juice	August 2011	100%	134	2
Mr. Submarine	November 2011	100%	338	—
Koryo Korean BBQ	November 2011	100%	19	1
Mr. Souvlaki	September 2012	100%	14	—
SushiGo	June 2013	100%	3	2
Extreme Pita, PurBlendz and Mucho Burrito ("Extreme Brandz")	September 2013	100%	300 - 34 of which in the US	5
ThaiZone	September 2013 March 2015	80% + 20%	25 and 3 mobile restaurants	—
Madisons	July 2014 September 2018	90% + 10%	14	—
Café Dépôt, Muffin Plus, Sushi-Man and Fabrika	October 2014	100%	88	13
Van Houtte Café Bistros – perpetual franchising license	November 2014	100%	51	1
Manchu Wok, Wasabi Grill & Noodle and SenseAsian	December 2014	100%	115	17
Big Smoke Burger	September 2015 September 2016	60% + 40%	13	4
Kahala Brands Ltd - Cold Stone Creamery, Blimpie, Taco Time, Surf City Squeeze, The Great Steak & Potato Company, NrGize Lifestyle Café, Samurai Sam's Teriyaki Grill, Frullati Café & Bakery, Rollerz, Johnnie's New York Pizzeria, Ranch One, America's Taco Shop, Cereality, Tasti D-Lite, Planet Smoothie, Maui Wowi and Pinkberry	July 2016	100%	2,839	40
BF Acquisition Holdings, LLC – Baja Fresh Mexican Grill and La Salsa Fresh Mexican Grill	October 2016	100%	167	16
La Diperie	December 2016 March 2019	60%+ 5%	5	—
Steak Frites St-Paul and Giorgio Ristorante	May 2017 September 2018	83.25% + 9.25%	15	—

Brand	Acquisition year	% ownership	# of franchised locations	# of corporate locations
The Works Gourmet Burger Bistro	June 2017	100%	23	4
Dagwoods Sandwiches and Salads	September 2017	100%	20	2
The Counter Custom Burgers	December 2017	100%	36	3
Built Custom Burgers	December 2017	100%	5	—
Imvescor Restaurant Group - Baton Rouge, Pizza Delight, Scores, Toujours Mikes, and Ben & Florentine	March 2018	100%	253	8
Grabbagreen	March 2018	100%	26	1
Timothy's World Coffee and Mmmuffins - perpetual franchising license	April 2018	100%	32	7
SweetFrog Premium Frozen Yogurt	September 2018	100%	331	—
Casa Grecque	December 2018	100%	31	—
South Street Burger	March 2019	100%	24	13
Papa Murphy's	May 2019	100%	1,301	103
Yuzu Sushi	July 2019	100%	129	—
Allô! Mon Coco	July 2019	100%	40	—
Turtle Jack's Muskoka Grill, COOP Wicked Chicken and Frat's Cucina	December 2019	70%	20	3
Küto Comptoir à Tartares	December 2021	100%	31	—
BBQ Holdings – Famous Dave's, Village Inn, Barrio Queen, Granite City, Real Urban Barbecue, Tahoe Joe's Steakhouse, Bakers Square, Craft Republic, Fox & Hound and Champps	September 2022	100%	198	103
Wetzel's Pretzels	December 2022	100%	328	38
Sauce Pizza and Wine	December 2022	100%	—	13

Definition of non-GAAP measures

The following non-GAAP measures can be found in the analysis of the MD&A:

Adjusted EBITDA	Represents revenue less operating expenses. See reconciliation of adjusted EBITDA to Income (loss) before taxes on page 12.
Normalized adjusted EBITDA	Represents revenue less operating expenses (excluding transaction costs related to acquisitions and SAP project implementation costs). See reconciliation of normalized adjusted EBITDA to Income (loss) before taxes on page 12.
Adjusted earnings per share	Represents 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.
Free cash flows net of lease payments	Represents the net cash flows: provided by operating activities; used in additions to property, plant and equipment and intangible assets; provided by proceeds on disposal of property, plant and equipment; and net of lease payments.

Definition of non-GAAP ratios

The following non-GAAP ratios can be found in the analysis of the MD&A:

Adjusted EBITDA as a % of revenue	Represents adjusted EBITDA divided by revenue.
Normalized adjusted EBITDA as a % of revenue	Represents normalized adjusted EBITDA divided by revenue.
Free cash flows net of lease payments per diluted share	Represents free cash flows net of lease payments divided by diluted shares.
Debt-to-EBITDA	Defined as current and long-term debt divided by EBITDA as defined in the credit agreement.

Definition of supplementary financial measures

Management discloses the following supplementary financial measures as they have been identified as relevant metrics to evaluate the performance of the Company.

The following supplementary financial measures can be found in the analysis of the MD&A:

Recurring revenue streams	Comprised of royalties and other franchising revenues that are earned on a regular basis in accordance with franchise agreements in place.
Non-controllable expenses	Comprised of government subsidies that are not directly in control of management and royalties paid to third parties.
Controllable expenses	Comprised of wages, professional and consulting services and other office expenses, that are directly in the control of management.
Variance in recurring revenue and expenses	Comprised of recurring revenue streams, controllable expenses, royalties paid to third parties, rent (excluding impact of IFRS 16), food processing, distribution and retail revenue and expenses, promotional fund revenue and expenses.
Same-store sales	Comparative sales generated by stores that have been open for at least thirteen months or that have been acquired more than thirteen months ago.
System sales	System sales are 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	Digital sales are sales made by customers through online ordering platforms.

Free cash flows net of lease payments⁽¹⁾ loop to cash flows provided by operating activities

	Three months ended								
	May 2024	August 2024	November 2024	February 2025	May 2025	August 2025	November 2025	March 2026	
<i>(In thousands \$)</i>									
Cash flows provided by operating activities	40,558	66,355	43,716	64,605	40,160	39,009	46,180	40,903	
Additions to property, plant and equipment	(7,265)	(6,375)	(4,036)	(3,665)	(4,382)	(2,681)	(2,777)	(2,569)	
Additions to intangible assets	(356)	(808)	(1,577)	(889)	(827)	(81)	(242)	(506)	
Proceeds on disposal of assets held for sale	—	—	314	—	—	—	—	838	
Proceeds on disposal of property, plant and equipment	2,320	801	617	1,109	213	486	5,867	939	
Net lease payments	(10,936)	(10,702)	(11,666)	(11,830)	(11,542)	(10,914)	(11,378)	(10,623)	
Free cash flows net of lease payments⁽¹⁾	24,321	49,271	27,368	49,330	23,622	25,819	37,650	28,982	

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

System sales⁽¹⁾ to royalties

Sales for the 13-week period ended ended March 1, 2026							
<i>(millions of \$)</i>	Canada			US & International			TOTAL
	Corporate	Franchised	Total	Corporate	Franchised	Total	
System sales ⁽¹⁾	7.8	403.9	411.7	101.9	776.8	878.7	1,290.4
Franchise royalty income as a % of franchise sales	—	5.27 %	—	—	5.25 %	—	N/A
Royalties	—	21.3	—	—	40.8	—	62.1

Sales for the three months ended February 28, 2025							
<i>(millions of \$)</i>	Canada			US & International			TOTAL
	Corporate	Franchised	Total	Corporate	Franchised	Total	
System sales ⁽¹⁾	9.8	409.2	419.0	116.1	829.7	945.8	1,364.8
Franchise royalty income as a % of franchise sales	—	5.21 %	—	—	5.00 %	—	N/A
Royalties	—	21.3	—	—	41.5	—	62.8

⁽¹⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.

Brands per category

Quick service restaurant

America's Taco Shop
Blimpie
Built Custom Burgers
Bubble Tea Shop
Cakes'N'Shakes by La Dip
Café Dépôt
Chicken Strips and Dips
Cold Stone Creamery
Country Style
Cultures
Dagwoods Sandwiches and Salads
Extreme Pita
Frullati Café & Bakery
Jugo Juice
Kahala Coffee Traders
Kim Chi
Koryo Korean Barbeque
Koya Japan
La Crémère
La Diperie
Manchu Wok
Maui Wowi
Mr. Souvlaki
Mr. Sub
Muffin Plus
NrGize Lifestyle Café
Papa Murphy's
Planet Smoothie
Ranch One
Rocky Mountain Chocolate Factory
SenseAsian
Spice Bros
Sukiyaki
Surf City Squeeze
SweetFrog
Taco Time
Tasti D-Lite
The Great Steak & Potato Company
Tiki Ming
Valentine
Van Houtte
Ms. Vanellis
Vie & Nam
Villa Madina
Wasabi Grill & Noodle
Wetzel's Pretzels

Fast casual

Baja Fresh Mexican Grill
Big Smoke Burger
Grabbagreen
Küto Comptoir à Tartares
La Salsa Fresh Mexican Grill
Mucho Burrito
Pinkberry
Real Urban Barbecue
Samurai Sam's Teriyaki Grill
South Street Burger
Sushi Go
Sushi Shop
Sushi-Man
Thai Express
ThaiZone
Timothy's World Coffee
Tosto Quickfire Pizza Pasta
Yuzu Sushi

Casual

Allô! Mon Coco
Bakers Square
Barrio Queen
Baton Rouge
Ben & Florentine
Casa Grecque
Champps
COOP Wicked Chicken
Famous Dave's
Giorgio Ristorante
Granite City
Johnnie's New York Pizzeria
Madisons New York Grill & Bar
Pizza Delight
Sauce Pizza & Wine
Scores
Steak Frites St-Paul
Tahoe Joe's Steakhouse
The Counter Custom Burgers
The Works Gourmet Burger Bistro
Toujours Mikes
Turtle Jack's Muskoka Grill
Tutti Frutti
Village Inn