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**PRESS RELEASE  
FOR IMMEDIATE PUBLICATION**

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## **MTY REPORTS FIRST QUARTER RESULTS FOR FISCAL 2026**

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

<sup>(1)</sup> This is a non-GAAP measure. Please refer to the "Non-GAAP Measures" section at the end of this press release.

<sup>(2)</sup> See section "Definition of supplementary financial measures" found at the end of this press release.

<sup>(3)</sup> See section "Definition of non-GAAP ratios" found in the Supplemental Information section for definition.

**Montreal, April 10, 2026** – MTY Food Group Inc. ("MTY", "MTY Group" or the "Company") (TSX: MTY), one of the largest franchisors and operators of multiple restaurant concepts worldwide, reported today financial results for its first quarter of fiscal 2026 ended March 1, 2026 and declares a quarterly dividend of 37.0¢ per share, payable on May 15, 2026 to shareholders registered in the Company's records at the end of the business day on May 5, 2026.

*"Our asset-light, well diversified model continues to demonstrate its strong cash flow profile despite persistent macro economic headwinds," said Eric Lefebvre, CEO of MTY. "Our results in the quarter reflect the depressed consumer sentiment during the period which is starting to show early signs of improvement in March. We continue to navigate this challenging environment, investing where appropriate and demonstrating cost discipline to put the business in a stronger position once consumer demand normalizes and improves.*

*Same store sales reflect this environment with a headwind of 2.5% as our Canadian operations showed greater resilience than the US and International segments. Our pipeline of store locations remains robust for 2026, with the normal seasonal activity in Q1 of higher closures post the holiday season.*

*We believe store locations will be a bright spot for 2026, continuing the trend from the second half of 2025. These new store locations are increasingly underpinned by experienced operators choosing to expand their footprint under*

MTY banners. We believe the strength of our brands and the experience of our team and franchise operators set us up to perform well once the consumer rebound is underway.”

| <b>Financial Highlights</b>  | <b>Q1 2026</b> | <b>Q1 2025</b> |
|--|----------------|----------------|
| <b>(in thousands of \$, except per share information)</b>              |                |                |
| Revenue  | 267,765        | 284,792        |
| Adjusted EBITDA <sup>(1)</sup>   | 59,817         | 58,450         |
| Normalized adjusted EBITDA <sup>(1)</sup>                              | 60,140         | 60,190         |
| Net income attributable to owners                                      | 36,927         | 1,743          |
| Cash flows from operations   | 40,903         | 64,605         |
| Free cash flows net of lease payments <sup>(1)</sup>                   | 28,982         | 49,330         |
| Free cash flows net of lease payments per diluted share <sup>(2)</sup> | 1.27           | 2.12           |
| Earnings per share, basic and diluted                                  | 1.62           | 0.07           |
| System sales <sup>(3)</sup>  | 1,290,400      | 1,364,800      |
| Digital sales <sup>(3)</sup>   | 292,500        | 292,600        |

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

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

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

## FIRST QUARTER RESULTS

### Network

- At the end of the first quarter of 2026, MTY’s network had 7,034 locations in operation, of which 6,786 were franchised or under operator agreements and 248 were corporate-owned. The geographical split among MTY’s locations remained stable year-over-year at 57% in the US, 35% in Canada and 8% International.
- During the first quarter of 2026, MTY’s network opened 52 locations (Q1 2025 – 70 locations) and closed 90 others (Q4 2024 – 102 locations). The company also ended a master franchise licensing agreement with TCBY, leading to an 8 stores location reduction.
- System sales<sup>(1)</sup> reached \$1.3 billion in the first quarter of 2026. The US and International segments experienced an overall sales decrease of 7.1%, while Canada demonstrated resilience with a more modest decrease of 1.7%. Half of the decrease in the US and international segments was the result of foreign exchange variation.
- Same-store sales<sup>(1)</sup> decreased 2.5% year-over-year in the first quarter. By region, Canada remained relatively stable with a modest 0.8% decrease, while the US and International segments recorded declines of 3.6% and 1.3%, respectively.
- Digital sales<sup>(1)</sup> remained resilient in the first quarter at \$292.5 million, including the impact of foreign exchange rates, compared to \$292.6 million in Q1-25. Excluding the impact of foreign exchange, Canada delivered strong digital sales growth of 13%, while the US remained steady.

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

### Financial

- Company revenue was \$267.8 million in the first quarter, a decrease of 6.0%, primarily attributable to lower revenue from corporate stores in the US, while Canada remained resilient, supported by growth in food processing, distribution and retail.
- Net income attributable to owners totaled \$36.9 million, or \$1.62 per share, in the first quarter compared to \$1.7 million, or \$0.07 per share, for the same period in 2025. The year-over-year improvement was mainly

attributable to a foreign exchange gain related to the revaluation of US-dollar denominated intercompany debt.

- Normalized adjusted EBITDA, which excludes acquisition-related expenses and SAP project implementation costs, remained steady year-over-year to reach \$60.1 million in the first quarter of 2026 positively impacted by a \$5.5 million Employee Retention Credit related to 2020 – 2022 fiscal year received from the US government.

#### Calculation of Adjusted EBITDA <sup>(1)</sup> and Normalized adjusted EBITDA <sup>(1)</sup>

| <i>(In thousands \$)</i>   | Q1 2026       | Q1 2025       |
|--|---------------|---------------|
| Income before taxes  | 46,085        | 494           |
| Depreciation – property, plant and equipment and                 | 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 charge – right-of-use assets                          | 287           | 290           |
| Impairment charge – property, plant and equipment and intangible | —             | 435           |
| Unrealized and realized foreign exchange (gain) loss             | (16,889)      | 21,460        |
| Interest income  | (65)          | (95)          |
| Loss (gain) on de-recognition/lease modification of lease        | (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    | 23            | 299           |
| <b>Segment profit</b>  | <b>59,817</b> | <b>58,450</b> |
| SAP project implementation costs <sup>(2)</sup>                  | 323           | 329           |
| Transaction costs related to acquisitions <sup>(3)</sup>         | —             | 1,411         |
| <b>Normalized adjusted EBITDA <sup>(1)</sup></b>                 | <b>60,140</b> | <b>60,190</b> |

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

<sup>(2)</sup> 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.

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

#### Segment Performance

- The franchise segment delivered resilient performance in the first quarter, with revenues decreasing modestly by 2.4% year over year. Canada showed a decrease of 1.4%, while the US and International were down 2.9%. Operating expenses for the franchise segment decreased 5.5% primarily attributable to lower expenses related to the gift card program and the impacts of variations in foreign exchange compared to the prior year period. These favourable items were partially offset by a \$1.1 million increase in recurring controllable expenses, reflecting higher wages due to normal inflation, as well as increased franchise development costs incurred to support future growth. Normalized adjusted EBITDA decreased modestly to \$43.2 million in the quarter, compared to \$44.0 million in Q1-25.
- Corporate segment revenues were \$109.7 million, a decrease of 13%, due mainly to lower system sales referenced above and a lower number of corporate stores in the US due to the franchising of some corporate locations since prior year. Operating expenses showed a correlated decrease of 15% largely attributable to the recognition of a \$5.5 million Employee Retention Credit related to 2020 – 2022 fiscal year

received from the US government. Normalized adjusted EBITDA came in at \$13.2 million, a \$1.0 million increase year-over-year with margin of 12%, compared to 10% last year.

- Food processing, distribution and retail revenues grew by 7% to \$40.8 million, driven by a 5.3% increase in retail sales and a 11.5% in food processing and distribution. The increase was the result of a shift in the retail model from a licensing agreement to vendor on record for some of the products. Normalized adjusted EBITDA came in at \$3.7 million compared to \$4.0 million last year with margins remaining steady.

| 13-week period ended March 1, 2026                          |           |           |   |                      |                              |       |  |
|---|-----------|-----------|---|----------------------|------------------------------|-------|--|
| (In millions \$)  | Franchise | Corporate | Processing,<br>distribution<br>and retail | Promotional<br>funds | Intercompany<br>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 <sup>(2)</sup>             | 47%       | 12%       | 9%  | N/A                  | N/A                          | 22%   |  |
| SAP project implementation costs <sup>(3)</sup>             | 0.3       | —         | —   | —                    | —                            | 0.3   |  |
| Normalized adjusted EBITDA <sup>(1)</sup>                   | 43.2      | 13.2      | 3.7                                       | —                    | —                            | 60.1  |  |
| Normalized adjusted EBITDA as a % of Revenue <sup>(2)</sup> | 48%       | 12%       | 9%  | N/A                  | N/A                          | 22%   |  |

| Three-month period ended February 28, 2025                  |           |           |   |                      |                              |       |  |
|---|-----------|-----------|---|----------------------|------------------------------|-------|--|
| (In millions \$)  | Franchise | Corporate | Processing,<br>distribution<br>and retail | Promotional<br>funds | Intercompany<br>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 <sup>(2)</sup>             | 46%       | 10%       | 10%                                       | N/A                  | N/A                          | 21%   |  |
| SAP project implementation costs <sup>(3)</sup>             | 0.3       | —         | —   | —                    | —                            | 0.3   |  |
| Transaction costs related to acquisitions <sup>(4)</sup>    | 1.4       | —         | —   | —                    | —                            | 1.4   |  |
| Normalized adjusted EBITDA <sup>(1)</sup>                   | 44.0      | 12.2      | 4.0                                       | —                    | —                            | 60.2  |  |
| Normalized adjusted EBITDA as a % of Revenue <sup>(2)</sup> | 47%       | 10%       | 10%                                       | N/A                  | N/A                          | 21%   |  |

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

<sup>(2)</sup> 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 consolidated financial statements.

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

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

## LIQUIDITY AND CAPITAL RESOURCES

- In the first quarter of 2026, cash flows generated by operating activities amounted to \$40.9 million compared to \$64.6 million in the first quarter of 2025. The change was primarily attributable to lower working capital 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, as well as higher income taxes paid. 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.
- MTY reimbursed \$17.7 million of its long-term debt and paid \$8.5 million in dividends to shareholders.
- As at March 1, 2026, MTY had \$56.0 million of cash on hand and long-term debt of \$605.1 million, mainly in the form of bank facilities and promissory notes on acquisitions. The Company also had a revolving credit facility with an authorized amount of \$900.0 million, of which CAD\$250.0 million and US\$262.0 million had been drawn at quarter-end.

### Free cash flows net of lease payments<sup>(1)</sup> related to cash flows provided by operating activities.

|   | (In thousands \$) | Q1 2026       | Q1 2025       |
|---|-------------------|---------------|---------------|
| Cash flows provided by operating activities <sup>(2)</sup>  |                   | 40,903        | 64,605        |
| Additions to property, plant and equipment                  |                   | (2,569)       | (3,665)       |
| Additions to intangible assets                              |                   | (506)         | (889)         |
| Proceeds on disposal of assets held for sale                |                   | 838           | —             |
| Proceeds on disposal of property, plant and equipment       |                   | 939           | 1,109         |
| Net lease payments  |                   | (10,623)      | (11,830)      |
| <b>Free cash flows net of lease payments <sup>(1)</sup></b> |                   | <b>28,982</b> | <b>49,330</b> |

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

<sup>(2)</sup> 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.

## STRATEGIC REVIEW

On November 17, 2025, MTY Group announced that the Board of Directors of the Company had initiated a strategic review process and engaged a financial advisor to identify, review and evaluate potential strategic alternatives with a view toward continuing to enhance shareholder value. While the Company cannot provide a specific timeline or assurance that any transaction will result, we confirm that the process referred to in our previous press release is ongoing. The Company will provide an update or make an announcement as appropriate or as required by law.

## 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.

## **DIVIDEND PAYMENT**

On April 10, 2026 MTY declared a quarterly dividend payment of \$0.37 per common share. The dividend will be paid on May 15, 2026 to shareholders registered in the Company's records at the end of the business day on May 5, 2026.

## **CONFERENCE CALL**

The MTY Group will hold a conference call to discuss its results on April 10, 2026, at 8:30 AM Eastern Time. All interested parties can instantly join the call by phone, by following the URL <https://emportal.ink/416UrVA> to easily register and be connected into the conference call automatically or the conventional method by dialing 1-416-945-7677 or 1-888-699-1199 with the conference identification of 33884#. Parties unable to call in at this time may access a recording by calling 1-888-660-6345 (North American Toll Free) or 1-289-819-1450 (International participants) and entering the passcode 33884#.

## **ABOUT MTY FOOD GROUP INC.**

MTY Group franchises and operates quick-service, fast casual and casual dining restaurants over 80 different banners in Canada, the US and Internationally. Based in Montreal, MTY is a family whose heart beats to the rhythm of its brands, the very soul of its multi-branded strategy. For over 45 years, it has been increasing its presence by delivering new concepts of restaurants, making acquisitions, and forging strategic alliances, which have allowed it to reach new heights year after year. By combining new trends with operational know-how, the brands forming the MTY Group now touch the lives of millions of people every year. With 7,034 locations, the many flavors of the MTY Group hold the key to responding to the different tastes and needs of today's consumers as well as those of tomorrow.

## **NON-GAAP MEASURES**

Adjusted EBITDA (revenue less operating expenses), normalized adjusted EBITDA (revenue less operating expenses excluding transaction costs related to acquisitions and SAP project implementation costs), adjusted earnings per share (net income attributable to owners less tax effected unrealized and realized foreign exchange gain (loss) divided by weighted daily average number of common shares – diluted) and free cash flows net of lease payments (net cash flows provided by operating activities, used in additions to property, plant and equipment and intangible assets and provided by proceeds on disposal of property, plant and equipment; and net of lease payments) are non-GAAP (generally accepted accounting principles) measures, do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

The Company believes that adjusted EBITDA is a useful metric because it is consistent with the indicators management uses internally to measure the Company's performance, to prepare operating budgets and to determine components of executive compensation. The Company believes that normalized adjusted EBITDA is a useful metric for the same reasons as adjusted EBITDA, without including the impact of transaction costs related to acquisitions or SAP project implementation costs, which vary in occurrence and in amount. The Company believes that free cash flows net of lease payments is a useful metric because they provide the Company with a measure related to decision-making about cash-intensive matters such as capital expenditures, compensation, and potential acquisitions. The Company also believes that these measures are used by securities analysts, investors and other interested parties

and that these measures allow them to compare the Company's operations and financial performance from period to period.

These measures provide them with a supplemental measure of the operating performance and financial position and thus highlight trends in the core business that may not otherwise be apparent when relying solely on GAAP measures.

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

## **NON-GAAP RATIOS**

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

## **SUPPLEMENTARY FINANCIAL MEASURES**

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

## **FORWARD-LOOKING STATEMENTS**

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

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

**Note to readers:** The MD&A, condensed interim consolidated financial statements and notes thereto for the first quarter ended March 1, 2026 are available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.mtygroup.com](http://www.mtygroup.com).