Condensed interim consolidated financial statements of MTY Food Group Inc.

For the 13 and 26-week periods ended May 31, 2026 and 2025

MTY Food Group Inc.

Condensed interim consolidated statements of income

For the 13 and 26-week periods ended May 31, 2026 and 2025

(In thousands of Canadian dollars, except per share amounts)

(Unaudited)

		13 weeks ended May 31		26 weeks ended May 31	
		2026	2025	**2026**	2025
	Notes	**$**	$	**$**	$
Revenue	11 & 13	**279,944**	304,874	**547,709**	589,666
Expenses					
Operating expenses	12 & 13	**220,020**	235,589	**427,968**	461,931
Depreciation – property, plant and equipment and right-of-use assets		**13,149**	14,608	**26,836**	29,510
Amortization – intangible assets		**7,884**	8,175	**15,804**	16,489
Interest on long-term debt		**7,340**	8,929	**14,503**	18,058
Net interest expense on leases	7	**2,398**	2,744	**4,937**	5,582
Impairment charge – right-of-use assets	7	**7,542**	205	**7,829**	495
Impairment charge – property, plant and equipment and intangible assets		**1,703**	—	**1,703**	435
		260,036	270,250	**499,580**	532,500
Other income (expenses)					
Unrealized and realized foreign exchange (loss) gain		**(7,643)**	35,040	**9,246**	13,580
Interest income		**54**	95	**119**	190
Gain (loss) on de-recognition/lease modification of lease liabilities		**449**	(358)	**1,617**	(492)
Gain on disposal of asset held for sale		**—**	—	**336**	—
Gain (loss) on disposal of property, plant and equipment		**2,973**	168	**2,402**	(82)
Gain on disposal of intangible		**5**	—	**5**	—
Revaluation of financial liabilities and derivatives recorded at fair value	10	**4**	(31)	**(19)**	(330)
		(4,158)	34,914	**13,706**	12,866
Income before taxes		**15,750**	69,538	**61,835**	70,032
Income tax expense (recovery)					
Current		**5,937**	12,832	**15,217**	15,171
Deferred		**(5,663)**	(563)	**(5,791)**	(4,233)
		274	12,269	**9,426**	10,938
Net income		**15,476**	57,269	**52,409**	59,094
Net income (loss) attributable to:					
Owners		**15,449**	57,289	**52,376**	59,032
Non-controlling interests		**27**	(20)	**33**	62
Net income		**15,476**	57,269	**52,409**	59,094
Net income per share	9				
Basic and diluted		**0.67**	2.49	**2.29**	2.55

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

MTY Food Group Inc.

Condensed interim consolidated statements of comprehensive (loss) income

For the 13 and 26-week periods ended May 31, 2026 and 2025
(In thousands of Canadian dollars)
(Unaudited)

		13 weeks ended May 31		26 weeks ended May 31	
		2026	2025	**2026**	2025
	Notes	**$**	$	**$**	$
Net income		**15,476**	57,269	**52,409**	59,094
Other comprehensive income					
Items that may be reclassified subsequently to net income					
Translation adjustments					
Unrealized gain (loss) on translation of foreign operations		**15,011**	(65,264)	**(18,175)**	(24,748)
Cash flow hedges					
Change in fair value of financial instruments	10	**400**	398	**533**	(930)
Loss realized on financial instruments transferred to earnings	10	**(7)**	(1,108)	**(913)**	(2,205)
Deferred tax (expense) recovery on foreign currency translation adjustments and cash flow hedges		**(1,774)**	6,093	**1,273**	2,741
		13,630	(59,881)	**(17,282)**	(25,142)
Total comprehensive (loss) income		**29,106**	(2,612)	**35,127**	33,952
Total comprehensive (loss) income attributable to:					
Owners		**29,079**	**(2,592)**	**35,094**	33,890
Non-controlling interests		**27**	**(20)**	**33**	62
		29,106	(2,612)	**35,127**	33,952

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

MTY Food Group Inc.

Condensed interim consolidated statements of changes in shareholders' equity

For the 26-week period ended May 31, 2026 and 2025

(In thousands of Canadian dollars)

(Unaudited)

	Capital stock	Other	Contributed surplus	Accumulated other comprehensive income	Total reserves	Retained earnings	Equity attributable to owners	Equity attributable to non-controlling interests	Total
		Reserves							
	$	$	$	$	$	$	$	$	$
For the 26 weeks ended May 31, 2026									
Balance, beginning of period	**283,283**	**—**	**6,712**	**51,603**	**58,315**	**514,818**	**856,416**	**603**	**857,019**
Net income	**—**	**—**	**—**	**—**	**—**	**52,376**	**52,376**	**33**	**52,409**
Other comprehensive loss	**—**	**—**	**—**	**(17,282)**	**(17,282)**	**—**	**(17,282)**	**—**	**(17,282)**
Total comprehensive income							**35,094**	**33**	**35,127**
Dividends	**—**	**—**	**—**	**—**	**—**	**(16,903)**	**(16,903)**	**(75)**	**(16,978)**
Share-based compensation	**—**	**—**	**81**	**—**	**81**	**—**	**81**	**—**	**81**
Balance, end of period	**283,283**	**—**	**6,793**	**51,603**	**58,396**	**497,915**	**874,688**	**561**	**875,249**

	Capital stock	Other	Contributed surplus	Accumulated other comprehensive income	Total reserves	Retained earnings	Equity attributable to owners	Equity attributable to non-controlling interests	Total
		Reserves							
	$	$	$	$	$	$	$	$	$
For the 26 weeks ended May 31, 2025									
Balance, beginning of period	290,593	(850)	6,295	59,705	65,150	446,094	801,837	1,613	803,450
Net income	—	—	—	—	—	59,032	59,032	62	59,094
Other comprehensive loss	—	—	—	(25,142)	(25,142)	—	(25,142)	—	(25,142)
Total comprehensive income							33,890	62	33,952
Shares repurchased and cancelled	(7,310)	—	—	—	—	(19,088)	(26,398)	—	(26,398)
Dividends	—	—	—	—	—	(15,226)	(15,226)	(96)	(15,322)
Share-based compensation	—	—	100	—	100	—	100	—	100
Balance, end of period	283,283	(850)	6,395	34,563	40,108	470,812	794,203	1,579	795,782

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

MTY Food Group Inc.

Condensed interim consolidated statements of financial position

As at May 31, 2026 and November 30, 2025

(In thousands of Canadian dollars)

(Unaudited)

	Notes	May 31, 2026	November 30, 2025
		$	$
Assets			
Current assets			
Cash		**62,978**	51,989
Accounts receivable	6	**98,508**	92,056
Inventories		**16,763**	17,518
Assets held for sale		**—**	1,125
Current portion of loans and other receivables		**2,582**	2,164
Current portion of finance lease receivables	7	**75,065**	74,693
Income taxes receivable		**14,434**	7,871
Current portion of derivative assets	10	**61**	106
Other assets		**9,147**	6,904
Prepaid expenses and deposits		**16,788**	15,195
		296,326	269,621
Loans and other receivables		**3,311**	3,732
Finance lease receivables	7	**244,131**	241,312
Contract cost asset		**8,255**	8,268
Deferred income taxes		**579**	1,979
Derivative assets	10	**41**	12
Property, plant and equipment		**72,903**	81,662
Right-of-use assets	7	**141,413**	162,815
Intangible assets		**1,022,738**	1,048,325
Goodwill		**686,428**	692,752
		2,476,125	2,510,478
Liabilities and Shareholders' equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**123,111**	123,600
Provisions		**4,863**	3,922
Gift card and loyalty program liabilities		**145,767**	142,236
Income taxes payable		**12,385**	12,807
Current portion of deferred revenue and deposits		**12,120**	14,868
Current portion of derivative liabilities	10	**611**	1,415
Current portion of lease liabilities	7	**108,062**	106,472
Liabilities held for sale		**—**	616
		406,919	405,936
Long-term debt	8	**594,126**	632,172
Lease liabilities	7	**379,289**	392,365
Deferred revenue and deposits		**67,954**	60,024
Deferred income taxes		**152,467**	162,329
Derivative liabilities	10	**121**	633
		1,600,876	1,653,459

(In thousands of Canadian dollars)

	Notes	May 31, 2026	November 30, 2025
		$	$
Shareholders' equity			
Equity attributable to owners			
Capital stock		**283,283**	283,283
Reserves		**41,114**	58,315
Retained earnings		**550,291**	514,818
		874,688	856,416
Equity attributable to non-controlling interests		**561**	603
		875,249	857,019
		2,476,125	2,510,478

Approved by the Board on July 9, 2026

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

MTY Food Group Inc.
Condensed interim consolidated statements of cash flows
For the 13 and 26-week periods ended May 31, 2026 and 2025
(In thousands of Canadian dollars)
(Unaudited)

		13 weeks ended May 31		26 weeks ended May 31	
		2026	2025	**2026**	2025
	Notes	**$**	$	**$**	$
			Adjusted (1)		
Operating activities					
Net income		**15,476**	57,269	**52,409**	59,094
Adjusting items:					
Interest on long-term debt		**7,340**	8,929	**14,503**	18,058
Net interest expense on leases	7	**2,398**	2,744	**4,937**	5,582
Depreciation – property, plant and equipment and right-of-use assets		**13,149**	14,608	**26,836**	29,510
Amortization – intangible assets		**7,884**	8,175	**15,804**	16,489
Impairment charge – right-of-use assets	7	**7,542**	205	**7,829**	495
Impairment charge – property, plant and equipment and intangible assets		**1,703**	—	**1,703**	435
Unrealized foreign exchange loss (gain)		**7,643**	(35,040)	**(9,246)**	(13,580)
(Gain) loss on de-recognition/lease modification of lease liabilities		**(449)**	358	**(1,617)**	492
Gain on disposal of asset held for sale		**—**	—	**(336)**	—
(Gain) loss on disposal of property, plant and equipment		**(2,973)**	(168)	**(2,402)**	82
Gain on disposal of intangible		**(5)**	—	**(5)**	—
Revaluation of financial liabilities and derivatives recorded at fair value	10	**(4)**	31	**19**	330
Income tax expense		**274**	12,269	**9,426**	10,938
Share-based compensation		**38**	40	**81**	100
		60,016	69,420	**119,941**	128,025
Income taxes paid		**(14,102)**	(7,965)	**(21,536)**	(10,016)
Interest paid		**(7,543)**	(9,174)	**(15,750)**	(19,068)
Other		**(1,277)**	855	**(4,833)**	679
Changes in non-cash working capital items	14	**5,935**	(18,779)	**6,110**	(658)
Cash provided by operating activities		**43,029**	34,357	**83,932**	98,962
Investing activities					
Repayment (issuance) of loans and other receivables		**434**	(694)	**(1)**	(463)
Additions to property, plant and equipment		**(3,665)**	(4,382)	**(6,234)**	(8,047)
Additions to intangible assets		**24**	(827)	**(482)**	(1,716)
Proceeds on disposal of assets held for sale		**—**	—	**838**	—
Proceeds on disposal of intangible assets		**41**	—	**41**	—
Proceeds on disposal of property, plant and equipment		**3,132**	213	**4,071**	1,322
Cash used in investing activities		**(34)**	(5,690)	**(1,767)**	(8,904)

(In thousands of Canadian dollars)

		13 weeks ended May 31		26 weeks ended May 31	
		2026	2025	**2026**	2025
		$	$		
			Adjusted [1]		
Financing activities					
Repayment of long-term debt		**(15,720)**	(17,017)	**(33,439)**	(25,759)
Net lease payments	7	**(10,363)**	(11,542)	**(20,986)**	(23,372)
Shares repurchased and cancelled		**—**	(12,586)	**—**	(26,398)
Dividends paid to non-controlling shareholders of subsidiaries		**—**	(21)	**(75)**	(96)
Dividends paid		**(8,452)**	(7,561)	**(16,903)**	(15,226)
Cash used in financing activities		**(34,535)**	(48,727)	**(71,403)**	(90,851)
Net increase (decrease) in cash		**8,460**	(20,060)	**10,762**	(793)
Effect of foreign exchange rate loss (gain) on cash		**(1,443)**	(1,517)	**227**	(2,412)
Cash, beginning of period		**55,961**	68,781	**51,989**	50,409
Cash, end of period		**62,978**	47,204	**62,978**	47,204

(1) Prior year amounts have been adjusted to reflect a reclassification between foreign exchange rate loss (gain) on cash and changes in non-cash working capital items.

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Table of contents

1. Description of the business

MTY Food Group Inc. (the "Company") is a franchisor in the quick service and casual dining food industry. Its activities consist of franchising and operating corporate-owned locations as well as the sale of retail products under a multitude of banners. The Company also operates two distribution centers and two food processing plants, all of which are located in the province of Quebec.

The Company is incorporated under the *Canada Business Corporations Act* and is listed on the Toronto Stock Exchange ("TSX"). The Company's head office is located at 8210 Trans-Canada Highway, Ville Saint-Laurent, Quebec.

2. Notice of no auditor review of the interim financial statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity's auditor.

3. Basis of preparation

Measurement basis

The Company's unaudited condensed interim consolidated financial statements ("financial statements") have been 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, specifically International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

During the current year, the Company changed its fiscal year-end from November 30 to a 52-week reporting cycle ending on the Sunday closest to November 30. The change is effective beginning December 1, 2025 and was made to better align the Company's reporting calendar with industry practices and to improve comparability of operating results across reporting periods.

As a result of this change, the Company's condensed interim consolidated financial statements for the current period cover the 13 and 26 weeks ending May 31, 2026 and the three and six-month periods ending May 31, 2025. Comparative information continues to be presented on a calendar-month basis.

Accordingly, amounts presented for the current period are not entirely comparable with those of the prior year due to differences in the reporting calendar and the impact of a 52-week fiscal year. Management believes that the new reporting cycle provides more meaningful information to users of the consolidated financial statements.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on July 9, 2026.

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for:

- leasing transactions, that are within the scope of IFRS 16, Leases; and
- measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2, Inventories, or value in use in IAS 36, Impairment of Assets.

3. Basis of preparation (continued)

Measurement basis (continued)

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company, and tabular amounts are rounded to the nearest thousand ($000) except when otherwise indicated.

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.

4. Changes in accounting policies

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.

5. 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 13 and 26-week periods ended May 31, 2026 and have not been applied in preparing these financial statements.

The following amendments may have a material impact on the 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

(In thousands of Canadian dollars, except per share amounts and stock options)

5. Future accounting changes (continued)

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.

6. Accounts receivable

The following table provides details on trade accounts receivable not past due, past due and the related credit loss allowance.

	May 31, 2026	November 30, 2025
	$	$
Total accounts receivable	**105,682**	99,137
Less: Allowance for credit losses	**7,174**	7,081
Total accounts receivable, net	**98,508**	92,056
Of which:		
Not past due	**68,204**	68,374
Past due for more than one day but no more than 30 days	**9,523**	4,115
Past due for more than 31 days but no more than 60 days	**3,072**	4,183
Past due for more than 61 days	**17,709**	15,384
Total accounts receivable, net	**98,508**	92,056

(In thousands of Canadian dollars, except per share amounts and stock options)

7. Leases

Leases as a lessee relate primarily to leases of premises in relation to the Company's operations and its corporate store locations. For many of the leases related to its franchised locations, the Company is on the head lease of the premises and a corresponding sublease contract was entered into between the Company and its unrelated franchisee. The sublease contract is substantially based on the same terms and conditions as the head lease.

Leases and subleases typically have terms ranging between five and 10 years at inception. The Company has options to purchase the premises on some of its leases.

Right-of-use assets

The following table provides the net carrying amounts of the right-of-use assets by class of underlying asset and the changes in the 26-week period ended May 31, 2026:

	Offices, corporate and dark stores	Store locations subject to operating subleases	Other	Total
	$	$	$	$
Balance as at November 30, 2025	158,019	4,314	482	162,815
Additions	**4,477**	**—**	**—**	**4,477**
Depreciation expense	**(16,630)**	**(250)**	**(62)**	**(16,942)**
Impairment charge	**(7,829)**	**—**	**—**	**(7,829)**
De-recognition/lease modification of lease liabilities	**1,301**	**(486)**	**(91)**	**724**
Foreign exchange	**(1,822)**	**(8)**	**(2)**	**(1,832)**
Balance as at May 31, 2026	**137,516**	**3,570**	**327**	**141,413**

Finance lease receivables

The following table provides the carrying amount of the finance lease receivables and the changes in the 26-week period ended May 31, 2026

	2026
	$
Balance as at November 30, 2025	316,005
Additions	**18,936**
Lease renewals and modifications	**27,227**
Lease terminations	**(3,387)**
Other adjustments	**1,862**
Interest income	**6,638**
Receipts	**(46,743)**
Foreign exchange	**(1,342)**
Balance as at May 31, 2026	**319,196**

(In thousands of Canadian dollars, except per share amounts and stock options)

7. Leases (continued)

Finance lease receivables (continued)

Recorded in the condensed interim consolidated statements of financial position as follows:

	Finance lease receivables
	$
Current portion	74,693
Long-term portion	241,312
Balance as at November 30, 2025	316,005
Current portion	**75,065**
Long-term portion	**244,131**
Balance as at May 31, 2026	**319,196**

Lease liabilities

The following table provides the carrying amount of the lease liabilities and the changes in the 26-week period ended May 31, 2026:

	2026
	$
Balance as at November 30, 2025	498,837
Additions	**13,550**
Lease renewals and modifications	**37,752**
Lease terminations	**(5,663)**
Other adjustments	**2,388**
Interest expense	**11,575**
Payments	**(67,729)**
Foreign exchange	**(3,359)**
Balance as at May 31, 2026	**487,351**

Recorded in the condensed interim consolidated statements of financial position as follows:

	Lease liabilities
	$
Current portion	106,472
Long-term portion	392,365
Balance as at November 30, 2025	498,837
Current portion	**108,062**
Long-term portion	**379,289**
Balance as at May 31, 2026	**487,351**

(In thousands of Canadian dollars, except per share amounts and stock options)

8. Long-term debt

	May 31, 2026	November 30, 2025
	$	$
Revolving credit facility payable to a syndicate of lenders [1]	**595,454**	633,767
Credit facility financing costs	**(1,328)**	(1,595)
	594,126	632,172

[1] Under the revolving credit facility, the Company has the option to draw funds in Canadian or in US dollars, at its discretion. The facility's maturity is November 25, 2028 and must be repaid in full at that time. The revolving credit facility has an authorized amount of $900,000 (November 30, 2025 – $900,000). As at May 31, 2026, the Company had drawn CAD$248,000 and US$252,000 (November 30, 2025 – CAD$250,000 and US$275,000) on the facility and has elected to pay interest based on the Canadian Overnight Repo Rate Average ("CORRA") and the Secured Overnight Financing Rate ("SOFR") plus applicable margins. The credit facility bears interest at Canadian prime rate, US prime rate, CORRA, and SOFR plus an applicable margin that will vary depending on the type of advances. The Company pays a commitment fee on the available unused credit facility.

9. Net income per share

The following table provides the weighted average number of common shares used in the calculation of basic income per share and used for the purpose of diluted income per share:

	13 weeks ended May 31		**26 weeks ended May 31**	
	2026	2025	**2026**	2025
Weighted daily average number of common shares – basic	**22,841,361**	22,972,861	**22,841,361**	23,126,075
Assumed exercise of stock options [1]	**—**	262	**—**	1,614
Weighted daily average number of common shares – basic and diluted [1]	**22,841,361**	22,973,123	**22,841,361**	23,127,689

[1] The number of excluded options for the 13 and 26-week periods ended May 31, 2026 was 425,000 for both periods (2025 – 425,000 for both periods).

(In thousands of Canadian dollars, except per share amounts and stock options)

10. 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.

Fair value of recognized financial instruments

Swaps

Cross currency interest rate swaps

On May 29, 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 $256 was recorded as at May 31, 2026 (November 30, 2025 – $656) 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.

	May 31, 2026	**November 30, 2025**
	1-month	3-month
Receive – Notional	**US$179,567**	US$178,508
Receive – Rate	**5.17%**	5.72%
Pay – Notional	**CA$248,000**	CA$250,000
Pay – Rate	**3.66%**	3.96%

Range bonus accumulator (“RBA”)

On March 13, 2026, 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$1,000 if rates move outside defined limits. A derivative liability of $3 was recorded as at May 31, 2026. The Company has classified this as level 2 in the fair value hierarchy.

(In thousands of Canadian dollars, except per share amounts and stock options)

10. Financial instruments (continued)

Fair value of recognized financial instruments (continued)

The swaps were recorded in the condensed interim consolidated statements of financial position as at May 31, 2026 as follows:

	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	—	—	61	—	—	61
Long-term portion of derivative assets	—	—	41	—	—	41
Total derivative assets	**—**	**—**	**102**	**—**	**—**	**102**
Current portion of derivative liabilities	(256)	—	—	(244)	(111)	(611)
Long-term portion of derivative liabilities	—	(3)	—	(81)	(37)	(121)
Total derivative liabilities	**(256)**	**(3)**	**—**	**(325)**	**(148)**	**(732)**

Fair value hierarchy

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.

Determination of fair value

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.

(In thousands of Canadian dollars, except per share amounts and stock options)

11. Revenue

	13 weeks ended					
	May 31, 2026			May 31, 2025		
	Canada	**US & International**	**TOTAL**	Canada	US & International	TOTAL
	$	**$**	**$**	$	$	$
Royalties	**22,004**	**44,673**	**66,677**	22,801	46,280	69,081
Franchise and transfer fees	**1,579**	**2,078**	**3,657**	1,571	1,998	3,569
Retail, food processing and distribution revenues	**37,152**	**631**	**37,783**	39,319	714	40,033
Sale of goods, including construction revenue	**10,334**	**102,104**	**112,438**	13,966	120,804	134,770
Gift card breakage income	**108**	**1,907**	**2,015**	106	2,009	2,115
Promotional funds	**11,731**	**20,236**	**31,967**	11,511	19,407	30,918
Other franchising revenue	**10,549**	**11,584**	**22,133**	9,907	10,982	20,889
Other	**647**	**2,627**	**3,274**	193	3,306	3,499
	94,104	**185,840**	**279,944**	99,374	205,500	304,874

	26 weeks ended					
	May 31, 2026			May 31, 2025		
	Canada	**US & International**	**TOTAL**	Canada	US & International	TOTAL
	$	**$**	**$**	$	$	$
Royalties	**43,338**	**85,437**	**128,775**	44,068	87,741	131,809
Franchise and transfer fees	**3,013**	**4,026**	**7,039**	3,120	3,869	6,989
Retail, food processing and distribution revenues	**75,035**	**1,142**	**76,177**	76,630	1,370	78,000
Sale of goods, including construction revenue	**19,037**	**204,395**	**223,432**	24,646	236,911	261,557
Gift card breakage income	**337**	**4,212**	**4,549**	295	4,192	4,487
Promotional funds	**22,715**	**38,284**	**60,999**	21,620	37,547	59,167
Other franchising revenue	**19,760**	**20,793**	**40,553**	19,832	20,723	40,555
Other	**1,425**	**4,760**	**6,185**	744	6,358	7,102
	184,660	**363,049**	**547,709**	190,955	398,711	589,666

(In thousands of Canadian dollars, except per share amounts and stock options)

12. Operating expenses

	13 weeks ended					
	May 31, 2026			May 31, 2025		
	Canada	**US & Internatio**	**TOTAL**	Canada	US & International	TOTAL
	$	**$**	**$**	$	$	$
Cost of goods sold and rent	**5,574**	**39,435**	**45,009**	7,284	38,819	46,103
Retail, food processing and distribution costs	**33,841**	**400**	**34,241**	35,225	137	35,362
Wages and benefits	**17,337**	**56,245**	**73,582**	17,488	61,419	78,907
Other corporate store expenses	**775**	**12,160**	**12,935**	1,143	14,889	16,032
Consulting and professional fees	**1,593**	**2,451**	**4,044**	2,418	2,618	5,036
Insurance and taxes	**358**	**607**	**965**	(540)	2,228	1,688
Utilities, repairs and maintenance	**530**	**5,265**	**5,795**	608	6,093	6,701
Advertising, travel, meals and entertainment	**1,075**	**2,947**	**4,022**	962	3,897	4,859
Gift cards – related costs	**—**	**2,123**	**2,123**	—	3,214	3,214
Royalties	**707**	**2,456**	**3,163**	74	2,574	2,648
Promotional funds (1)	**11,731**	**20,236**	**31,967**	11,511	19,407	30,918
Impairment (reversal) for expected credit losses	**710**	**436**	**1,146**	(177)	153	(24)
Other (2)	**3,213**	**(2,185)**	**1,028**	2,546	1,599	4,145
	77,444	**142,576**	**220,020**	78,542	157,047	235,589

(In thousands of Canadian dollars, except per share amounts and stock options)

12. Operating expenses (continued)

	26 weeks ended					
	May 31, 2026			May 31, 2025		
	Canada	**US & International**	**TOTAL**	Canada	US & International	TOTAL
	$	**$**	**$**	$	$	$
Cost of goods sold and rent	**10,515**	**73,505**	**84,020**	12,345	76,837	89,182
Retail, food processing and distribution costs	**68,353**	**644**	**68,997**	69,173	359	69,532
Wages and benefits	**35,175**	**108,242**	**143,417**	34,571	121,325	155,896
Other corporate store expenses	**1,289**	**23,457**	**24,746**	2,347	28,855	31,202
Consulting and professional fees	**2,247**	**4,016**	**6,263**	4,649	4,250	8,899
Acquisition-related transaction costs	**—**	**—**	**—**	—	1,411	1,411
Insurance and taxes	**703**	**2,971**	**3,674**	(87)	4,425	4,338
Utilities, repairs and maintenance	**1,013**	**10,464**	**11,477**	1,134	12,277	13,411
Advertising, travel, meals and entertainment	**1,810**	**5,484**	**7,294**	1,923	7,754	9,677
Gift cards – related costs	**—**	**4,666**	**4,666**	—	4,625	4,625
Royalties	**1,312**	**3,789**	**5,101**	96	4,377	4,473
Promotional funds (1)	**22,715**	**38,284**	**60,999**	21,620	37,547	59,167
Impairment (reversal) for expected credit losses	**654**	**481**	**1,135**	(237)	506	269
Other (2)	**5,602**	**577**	**6,179**	4,670	5,179	9,849
	151,388	**276,580**	**427,968**	152,204	309,727	461,931

(1) Promotional fund expenses include wages and benefits.
(2) Other operating expenses are comprised mainly of supplies and administration expenses.

(In thousands of Canadian dollars, except per share amounts)

13. Segmented information

Management monitors and evaluates results of the Company 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; processing, distribution and retail; and promotional fund revenues and expenses. This information is disclosed below.

Below is a summary of each geographical and operating segment's performance for the 13 and 26-week periods ended May 31, 2026.

	CANADA						US & INTERNATIONAL						
	Franchising	Corporate	Processing, distribution and retail	Promotional funds	Interco	Total Canada	Franchising	Corporate	Processing, distribution and retail	Promotional funds	Interco	Total US & International	Total consolidated
	$	$	$	$	$	$	$	$	$	$	$	$	$
Revenue	36,116	9,201	38,758	11,730	(1,701)	94,104	62,453	102,456	630	20,236	65	185,840	279,944
Operating expenses	22,447	9,537	35,336	11,730	(1,606)	77,444	25,643	96,326	401	20,236	(30)	142,576	220,020
Segment profit (loss)	13,669	(336)	3,422	—	(95)	16,660	36,810	6,130	229	—	95	43,264	59,924

	CANADA						US & INTERNATIONAL						
	Franchising	Corporate	Processing, distribution and retail	Promotional funds	Interco	Total Canada	Franchising	Corporate	Processing, distribution and retail	Promotional funds	Interco	Total US & International	Total consolidated
	$	$	$	$	$	$	$	$	$	$	$	$	$
Revenue	70,059	17,040	79,014	22,715	(4,168)	184,660	119,108	204,326	1,141	38,284	190	363,049	547,709
Operating expenses	42,504	17,916	72,231	22,715	(3,978)	151,388	53,322	184,330	644	38,284	—	276,580	427,968
Segment profit (loss)	27,555	(876)	6,783	—	(190)	33,272	65,786	19,996	497	—	190	86,469	119,741

(In thousands of Canadian dollars, except per share amounts)

13. Segmented information (continued)

Below is a summary of each geographical and operating segment's performance for the 13 and 26-week periods ended May 31, 2025.

	CANADA						US & INTERNATIONAL						
	Franchising	Corporate	Processing, distribution and retail	Promotional funds	Interco	Total Canada	Franchising	Corporate	Processing, distribution and retail	Promotional funds	Interco	Total US & International	Total consolidated
	$	$	$	$	$	$	$	$	$	$	$	$	$
Revenue	37,537	11,140	39,549	11,510	(362)	99,374	65,259	120,263	714	19,406	(142)	205,500	304,874
Operating expenses	21,448	10,672	35,368	11,510	(456)	78,542	28,070	109,482	137	19,406	(48)	157,047	235,589
Segment profit (loss)	16,089	468	4,181	—	94	20,832	37,189	10,781	577	—	(94)	48,453	69,285

	CANADA						US & INTERNATIONAL						
	Franchising	Corporate	Processing, distribution and retail	Promotional funds	Interco	Total Canada	Franchising	Corporate	Processing, distribution and retail	Promotional funds	Interco	Total US & International	Total consolidated
	$	$	$	$	$	$	$	$	$	$	$	$	$
Revenue	72,000	20,973	77,032	21,619	(669)	190,955	123,710	236,354	1,370	37,546	(269)	398,711	589,666
Operating expenses	41,152	20,822	69,462	21,619	(851)	152,204	58,979	212,930	359	37,546	(87)	309,727	461,931
Segment profit (loss)	30,848	151	7,570	—	182	38,751	64,731	23,424	1,011	—	(182)	88,984	127,735

(In thousands of Canadian dollars, except per share amounts)

14. Statements of cash flows

Changes in non-cash operating activities are as follows:

	13 weeks ended May 31		26 weeks ended May 31	
	2026	2025	**2026**	2025
	$	$	**$**	$
		Adjusted [(1)]		
Accounts receivable	**873**	(5,604)	**(7,009)**	(4,732)
Inventories	**(1,011)**	2,017	**656**	3,888
Other assets	**(2,610)**	1,292	**(2,326)**	(1,432)
Prepaid expenses and deposits	**2,653**	(267)	**548**	(2,648)
Accounts payable and accrued liabilities	**7,117**	(11,856)	**1,892**	(5,415)
Provisions	**1,442**	(421)	**941**	353
Gift card and loyalty program liabilities	**(4,093)**	(4,326)	**5,582**	7,386
Deferred revenue and deposits	**1,564**	386	**5,826**	1,942
	5,935	(18,779)	**6,110**	(658)

(1) Prior year amounts have been adjusted to reflect a reclassification between foreign exchange rate loss (gain) on cash and changes in non-cash working capital items.

For the 13 and 26-week periods ended May 31, 2026, non-cash items amounting to nil (2025 – $579 and $305, respectively) are included in proceeds on disposal of property, plant and equipment, primarily related to commitments made as part of the disposal of a portfolio of corporately-owned locations.