

Condensed
interim consolidated financial statements of
MTY Food Group Inc.

For the 13 and 39-week periods ended August 30, 2026 and the three and nine-month
periods ended August 31, 2025

MTY Food Group Inc.

Condensed interim consolidated statements of income

For the 13 and 39-week periods ended August 30, 2026 and the three and nine month-periods ended August 31, 2025

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

(Unaudited)

		13-week period ended August 30, 2026	Three months ended August 31, 2025	39-week period ended August 30, 2026	Nine months ended August 31, 2025
Notes		\$	\$	\$	\$
Revenue	11 & 13	277,726	298,990	825,435	893,577
Expenses					
Operating expenses	12 & 13	217,770	225,786	645,738	692,638
Depreciation – property, plant and equipment and right-of-use assets		12,086	14,930	38,922	44,440
Amortization – intangible assets		7,950	8,126	23,754	24,615
Interest on long-term debt		7,309	8,751	21,812	26,809
Net interest expense on leases	7	2,230	2,640	7,167	8,222
Impairment charge (reversal) – right-of-use assets	7	136	(1,030)	7,965	(535)
Impairment charge – property, plant and equipment and intangible assets		2,366	6,241	4,069	6,676
		249,847	265,444	749,427	802,865
Other income (expenses)					
Unrealized and realized foreign exchange (loss) gain		(4,512)	723	4,734	14,303
Interest income		138	71	257	261
Gain (loss) on de-recognition/lease modification of lease liabilities		535	427	2,152	(65)
Gain on disposal of asset held for sale		—	—	336	—
Gain on disposal of property, plant and equipment		3,389	119	5,791	37
Gain on disposal of intangible		—	—	5	—
Revaluation of financial liabilities and derivatives recorded at fair value	10	(28)	(330)	(47)	(660)
		(478)	1,010	13,228	13,876
Income before taxes		27,401	34,556	89,236	104,588
Income tax expense (recovery)					
Current		10,352	8,514	25,569	23,685
Deferred		(7,733)	(2,103)	(13,524)	(6,336)
		2,619	6,411	12,045	17,349
Net income		24,782	28,145	77,191	87,239
Net income attributable to:					
Owners		24,755	27,875	77,131	86,907
Non-controlling interests		27	270	60	332
Net income		24,782	28,145	77,191	87,239
Net income per share	9				
Basic and diluted		1.08	1.22	3.38	3.77

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 39-week periods ended August 30, 2026 and and the three and nine month-periods ended August 31, 2025

(In thousands of Canadian dollars)

(Unaudited)

		13-week period ended	Three months ended	39-week period ended	Nine months ended
		August 30, 2026	August 31, 2025	August 30, 2026	August 31, 2025
Notes		\$	\$	\$	\$
Net income		24,782	28,145	77,191	87,239
Other comprehensive (loss) income					
Items that may be reclassified subsequently to net income					
Translation adjustments					
Unrealized gain (loss) on translation of foreign operations		8,894	(1,753)	(9,282)	(26,500)
Cash flow hedges					
Change in fair value of financial instruments	10	23	58	556	(873)
Gain (loss) realized on financial instruments transferred to earnings	10	190	(685)	(723)	(2,890)
Deferred tax (expense) recovery on foreign currency translation adjustments and cash flow hedges		(862)	547	411	3,288
		8,244	(1,833)	(9,038)	(26,975)
Total comprehensive income		33,026	26,312	68,153	60,264
Total comprehensive income attributable to:					
Owners		32,999	26,042	68,093	59,932
Non-controlling interests		27	270	60	332
		33,026	26,312	68,153	60,264

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 39-week period ended August 30, 2026 and the nine month-periods ended August 31, 2025

(In thousands of Canadian dollars)

(Unaudited)

For the 39-week period ended August 30, 2026

Balance, beginning of period

Net income

Other comprehensive loss

Total comprehensive income

Dividends

Share-based compensation

Balance, end of period

Reserves								
Capital stock	Other	Contributed surplus	Accumulated other comprehensive income	Total reserves	Retained earnings	Equity attributable to owners	Equity attributable to non-controlling interests	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$
283,283	—	6,712	51,603	58,315	514,818	856,416	603	857,019
—	—	—	—	—	77,131	77,131	60	77,191
—	—	—	(9,038)	(9,038)	—	(9,038)	—	(9,038)
						68,093	60	68,153
—	—	—	—	—	(25,354)	(25,354)	(75)	(25,429)
—	—	109	—	109	—	109	—	109
283,283	—	6,821	42,565	49,386	566,595	899,264	588	899,852

For the nine months ended August 31, 2025

Balance, beginning of period

Net income

Other comprehensive loss

Total comprehensive income

Shares repurchased and cancelled

Dividends

Share-based compensation

Balance, end of period

Reserves								
Capital stock	Other	Contributed surplus	Accumulated other comprehensive income	Total reserves	Retained earnings	Equity attributable to owners	Equity attributable to non-controlling interests	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$
290,593	(850)	6,295	59,705	65,150	446,094	801,837	1,613	803,450
—	—	—	—	—	86,907	86,907	332	87,239
—	—	—	(26,975)	(26,975)	—	(26,975)	—	(26,975)
						59,932	332	60,264
(7,310)	—	—	—	—	(19,088)	(26,398)	—	(26,398)
—	—	—	—	—	(22,764)	(22,764)	(96)	(22,860)
—	—	375	—	375	—	375	—	375
283,283	(850)	6,670	32,730	38,550	491,149	812,982	1,849	814,831

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 August 30, 2026 and November 30, 2025

(In thousands of Canadian dollars)

(Unaudited)

		August 30, 2026	November 30, 2025
	Notes	\$	\$
Assets			
Current assets			
Cash		70,552	51,989
Accounts receivable	6	96,199	92,056
Inventories		17,150	17,518
Assets held for sale		—	1,125
Current portion of loans and other receivables		997	2,164
Current portion of finance lease receivables	7	75,638	74,693
Income taxes receivable		5,950	7,871
Current portion of derivative assets	10	2,774	106
Other assets		7,616	6,904
Prepaid expenses and deposits		16,987	15,195
		293,863	269,621
Loans and other receivables		4,871	3,732
Finance lease receivables	7	248,980	241,312
Contract cost asset		8,365	8,268
Deferred income taxes		1,086	1,979
Derivative assets	10	—	12
Property, plant and equipment		68,721	81,662
Right-of-use assets	7	127,580	162,815
Intangible assets		1,019,896	1,048,325
Goodwill		689,573	692,752
		2,462,935	2,510,478
Liabilities and Shareholders' equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		114,386	123,600
Provisions		7,571	3,922
Gift card and loyalty program liabilities		141,302	142,236
Income taxes payable		11,480	12,807
Current portion of deferred revenue and deposits		12,438	14,868
Current portion of derivative liabilities	10	241	1,415
Current portion of lease liabilities	7	105,350	106,472
Liabilities held for sale		—	616
		392,768	405,936
Long-term debt	8	585,679	632,172
Lease liabilities	7	369,974	392,365
Deferred revenue and deposits		67,703	60,024
Deferred income taxes		146,939	162,329
Derivative liabilities	10	21	633
		1,563,084	1,653,459

MTY Food Group Inc.**Condensed interim consolidated statements of financial position**

As at August 30, 2026 and November 30, 2025

(In thousands of Canadian dollars)

(Unaudited)

	Notes	August 30, 2026	November 30, 2025
		\$	\$
Shareholders' equity			
Equity attributable to owners			
Capital stock		283,283	283,283
Reserves		49,386	58,315
Retained earnings		566,595	514,818
		899,264	856,416
Equity attributable to non-controlling interests		588	603
		899,852	857,019
		2,462,936	2,510,478

Approved by the Board on October 8, 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 39-week periods ended August 30, 2026 and and the three and nine month-periods ended

August 31, 2025

(In thousands of Canadian dollars)

(Unaudited)

		13-week period ended August 30, 2026	Three months ended August 31, 2025	39-week period ended August 30, 2026	Nine months ended August 31, 2025
	Notes	\$	\$ <i>Adjusted ⁽¹⁾</i>	\$	\$
Operating activities					
Net income		24,782	28,145	77,191	87,239
Adjusting items:					
Interest on long-term debt		7,309	8,751	21,812	26,809
Net interest expense on leases	7	2,230	2,640	7,167	8,222
Depreciation – property, plant and equipment and right-of-use assets		12,086	14,930	38,922	44,440
Amortization – intangible assets		7,950	8,126	23,754	24,615
Impairment charge (reversal) – right-of-use assets	7	136	(1,030)	7,965	(535)
Impairment charge – property, plant and equipment and intangible assets		2,366	6,241	4,069	6,676
Unrealized foreign exchange loss (gain)		4,512	(723)	(4,734)	(14,303)
(Gain) loss on de-recognition/lease modification of lease liabilities		(535)	(427)	(2,152)	65
Gain on disposal of asset held for sale		—	—	(336)	—
(Gain) loss on disposal of property, plant and equipment		(3,389)	(119)	(5,791)	(37)
Gain on disposal of intangible asset		—	—	(5)	—
Revaluation of financial liabilities and derivatives recorded at fair value	10	28	330	47	660
Income tax expense		2,619	6,411	12,045	17,349
Share-based compensation		28	275	109	375
		60,122	73,550	180,063	201,575
Income taxes paid		(2,743)	(7,725)	(24,279)	(17,741)
Interest paid		(7,317)	(9,032)	(23,067)	(28,100)
Other		(1,636)	123	(6,469)	802
Changes in non-cash working capital items	14	(10,832)	(17,907)	(4,722)	(18,565)
Cash provided by operating activities		37,594	39,009	121,526	137,971
Investing activities					
Repayment of loans and other receivables		28	1,047	27	584
Additions to property, plant and equipment		(4,503)	(2,681)	(10,737)	(10,728)
Additions to intangible assets		68	(81)	(414)	(1,797)
Proceeds on disposal of assets held for sale		—	—	838	—
Proceeds on disposal of intangible assets		—	—	41	—
Proceeds on disposal of property, plant and equipment		5,274	486	9,345	1,808
Cash used in investing activities		867	(1,229)	(900)	(10,133)

MTY Food Group Inc.

Condensed interim consolidated statements of cash flows (continued)

For the 13 and 39-week periods ended August 30, 2026 and and the three and nine month-periods ended

August 31, 2025

(In thousands of Canadian dollars)

(Unaudited)

		13-week period ended August 30, 2026	Three months ended August 31, 2025	39-week period ended August 30, 2026	Nine months ended August 31, 2025
		\$	\$		
			<i>Adjusted ⁽¹⁾</i>		
Financing activities					
Repayment of long-term debt		(14,036)	(30,353)	(47,475)	(56,112)
Net lease payments	7	(9,958)	(10,914)	(30,944)	(34,286)
Shares repurchased and cancelled		—	—	—	(26,398)
Dividends paid to non-controlling shareholders of subsidiaries		—	—	(75)	(96)
Dividends paid		(8,451)	(7,538)	(25,354)	(22,764)
Cash used in financing activities		(32,445)	(48,805)	(103,848)	(139,656)
Net increase (decrease) in cash		6,016	(11,025)	16,778	(11,818)
Effect of foreign exchange rate loss (gain) on cash		1,558	890	1,785	(1,522)
Cash, beginning of period		62,978	47,204	51,989	50,409
Cash, end of period		70,552	37,069	70,552	37,069

⁽¹⁾ Prior period 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.

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MTY Food Group Inc.

Notes to the condensed interim consolidated financial statements

For the 13 and 39-week periods ended August 30, 2026 and three and nine month-periods ended August 31, 2025

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

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*. Accordingly, certain information and note disclosures normally included in the audited annual consolidated financial statements have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2025.

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 39 weeks ending August 30, 2026 and the three and nine-month periods ending August 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 October 8, 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.

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 39-week periods ended August 30, 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	November 30, 2026	In assessment
IFRS 10	Consolidated Financial Statements	July 2024	November 30, 2026	In assessment
IFRS 18	Presentation and Disclosure in Financial Statements	April 2024	November 29, 2027	In assessment

MTY Food Group Inc.

Notes to the condensed interim consolidated financial statements

For the 13 and 39-week periods ended August 30, 2026 and three and nine month-periods ended August 31, 2025

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

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 November 30, 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 November 30, 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 November 29, 2027.

6. Accounts receivable

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

	August 30, 2026	November 30, 2025
	\$	\$
Total accounts receivable	103,064	99,137
Less: Allowance for credit losses	6,865	7,081
Total accounts receivable, net	96,199	92,056
Of which:		
Not past due	74,032	68,374
Past due for more than one day but no more than 30 days	2,499	4,115
Past due for more than 31 days but no more than 60 days	2,762	4,183
Past due for more than 61 days	16,906	15,384
Total accounts receivable, net	96,199	92,056

MTY Food Group Inc.

Notes to the condensed interim consolidated financial statements

For the 13 and 39-week periods ended August 30, 2026 and three and nine month-periods ended August 31, 2025

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

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 39-week period ended August 30, 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	6,199	—	—	6,199
Depreciation expense	(23,937)	(376)	(93)	(24,406)
Impairment charge	(7,965)	—	—	(7,965)
De-recognition/lease modification of lease liabilities	(7,703)	(486)	(91)	(8,280)
Foreign exchange	(773)	(8)	(2)	(783)
Balance as at August 30, 2026	123,840	3,444	296	127,580

Finance lease receivables

The following table provides the carrying amount of the finance lease receivables and the changes in the 39-week period ended August 30, 2026

	2026
	\$
Balance as at November 30, 2025	316,005
Additions	29,067
Lease renewals and modifications	43,319
Lease terminations	(4,282)
Other adjustments	1,870
Interest income	10,129
Receipts	(70,772)
Foreign exchange	(718)
Balance as at August 30, 2026	324,618

MTY Food Group Inc.**Notes to the condensed interim consolidated financial statements**

For the 13 and 39-week periods ended August 30, 2026 and three and nine month-periods ended August 31, 2025

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

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	75,638
Long-term portion	248,980
Balance as at August 30, 2026	324,618

Lease liabilities

The following table provides the carrying amount of the lease liabilities and the changes in the 39-week period ended August 30, 2026:

	2026
	\$
Balance as at November 30, 2025	498,837
Additions	20,227
Lease renewals and modifications	55,555
Lease terminations	(15,544)
Other adjustments	2,388
Interest expense	17,296
Payments	(101,716)
Foreign exchange	(1,719)
Balance as at August 30, 2026	475,324

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	105,350
Long-term portion	369,974
Balance as at August 30, 2026	475,324

MTY Food Group Inc.

Notes to the condensed interim consolidated financial statements

For the 13 and 39-week periods ended August 30, 2026 and three and nine month-periods ended August 31, 2025

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

8. Long-term debt

	August 30, 2026	November 30, 2025
	\$	\$
Revolving credit facility payable to a syndicate of lenders ⁽¹⁾	586,875	633,767
Credit facility financing costs	(1,196)	(1,595)
	585,679	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 August 30, 2026, the Company had drawn CAD\$246,000 and US\$243,500 (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-week period ended August 30, 2026	Three months ended August 31, 2025	39-week period ended August 30, 2026	Nine months ended August 31, 2025
Weighted daily average number of common shares – basic	22,841,361	22,841,361	22,841,361	23,031,868
Assumed exercise of stock options ⁽¹⁾	—	—	—	812
Weighted daily average number of common shares – basic and diluted ⁽¹⁾	22,841,361	22,841,361	22,841,361	23,032,680

⁽¹⁾ The number of excluded options for the 13 and 39-week periods ended August 30, 2026 was 425,000 for both periods (August 31, 2025 – 425,000 for both periods).

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(In thousands of Canadian dollars, except per share amounts and stock options)
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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 August 21, 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 asset at fair value of \$2,702 was recorded as at August 30, 2026 (November 30, 2025 – derivative liability of \$656) in the current portion of derivative assets in the condensed interim consolidated statements of financial position. The Company has classified this as level 2 in the fair value hierarchy.

	August 30, 2026	November 30, 2025
	1-month	3-month
Receive – Notional	US\$176,200	US\$178,508
Receive – Rate	5.24%	5.72%
Pay – Notional	CA\$242,000	CA\$250,000
Pay – Rate	3.74%	3.96%

The swaps were recorded in the condensed interim consolidated statements of financial position as at August 30, 2026 as follows:

	Cross currency interest rate swaps	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	2,702	72	—	—	2,774
Total derivative assets	2,702	72	—	—	2,774
Current portion of derivative liabilities	—	—	(167)	(74)	(241)
Long-term portion of derivative liabilities	—	—	(14)	(7)	(21)
Total derivative liabilities	—	—	(181)	(81)	(262)

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For the 13 and 39-week periods ended August 30, 2026 and three and nine month-periods ended August 31, 2025

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

10. Financial instruments (continued)

Fair value of recognized financial instruments (continued)

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.

11. Revenue

	13-week period ended			Three months ended		
	August 30, 2026			August 31, 2025		
	US &			US &		
	Canada	International	TOTAL	Canada	International	TOTAL
	\$	\$	\$	\$	\$	\$
Royalties	23,178	47,089	70,267	23,602	45,962	69,564
Franchise and transfer fees	1,462	2,252	3,714	1,492	2,183	3,675
Retail, food processing and distribution revenues	39,642	714	40,356	46,015	643	46,658
Sale of goods, including construction revenue	9,794	93,002	102,796	11,538	107,311	118,849
Gift card breakage income	89	2,030	2,119	84	2,149	2,233
Promotional funds	13,314	21,089	34,403	12,124	21,072	33,196
Other franchising revenue	10,052	12,336	22,388	9,602	11,530	21,132
Other	1	1,682	1,683	843	2,840	3,683
	97,532	180,194	277,726	105,300	193,690	298,990

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For the 13 and 39-week periods ended August 30, 2026 and three and nine month-periods ended August 31, 2025

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

11. Revenue (continued)

	39-week period ended			Nine months ended		
	August 30, 2026			August 31, 2025		
	US &			US &		
	Canada	International	TOTAL	Canada	International	TOTAL
	\$	\$	\$	\$	\$	\$
Royalties	66,744	132,340	199,084	67,670	133,703	201,373
Franchise and transfer fees	4,475	6,278	10,753	4,612	6,052	10,664
Retail, food processing and distribution revenues	114,890	1,856	116,746	122,645	2,013	124,658
Sale of goods, including construction revenue	28,811	298,363	327,174	36,184	344,222	380,406
Gift card breakage income	426	6,242	6,668	379	6,341	6,720
Promotional funds	36,029	59,373	95,402	33,744	63,540	97,284
Other franchising revenue	29,812	33,738	63,550	29,434	32,253	61,687
Other	1,005	5,053	6,058	1,587	9,198	10,785
	282,192	543,243	825,435	296,255	597,322	893,577

12. Operating expenses

	13-week period ended			Three months ended		
	August 30, 2026			August 31, 2025		
	US &			US &		
	Canada	International	TOTAL	Canada	International	TOTAL
	\$	\$	\$	\$	\$	\$
Cost of goods sold and rent	5,385	32,283	37,668	5,685	34,586	40,271
Retail, food processing and distribution costs	35,954	218	36,172	41,761	144	41,905
Wages and benefits	16,506	51,174	67,680	17,035	53,357	70,392
Other corporate store expenses	729	12,081	12,810	517	12,387	12,904
Consulting and professional fees	1,834	2,137	3,971	1,006	1,932	2,938
Acquisition and strategic review costs	775	—	775	—	—	—
Insurance and taxes	297	1,260	1,557	116	1,674	1,790
Utilities, repairs and maintenance	416	5,540	5,956	678	6,101	6,779
Advertising, travel, meals and entertainment	1,150	3,941	5,091	953	4,494	5,447
Gift cards – related costs	—	1,622	1,622	—	1,728	1,728
Royalties	781	2,681	3,462	1,811	2,615	4,426
Promotional funds ⁽¹⁾	13,314	21,089	34,403	12,124	21,072	33,196
Impairment for expected credit losses	653	94	747	154	3	157
Other ⁽²⁾	2,208	3,648	5,856	2,635	1,218	3,853
	80,002	137,768	217,770	84,475	141,311	225,786

⁽¹⁾ Promotional fund expenses include wages and benefits.

⁽²⁾ Other operating expenses are comprised mainly of supplies and administration expenses.

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

12. Operating expenses (continued)

	39-week period ended August 30, 2026			Nine months ended August 31, 2025		
	Canada	US & International	TOTAL	Canada	US & International	TOTAL
	\$	\$	\$	\$	\$	\$
Cost of goods sold and rent	15,900	101,507	117,407	18,030	111,423	129,453
Retail, food processing and distribution costs	104,307	862	105,169	110,934	503	111,437
Wages and benefits	51,681	159,416	211,097	51,606	174,682	226,288
Other corporate store expenses	2,018	35,538	37,556	2,864	41,242	44,106
Consulting and professional fees	3,716	6,153	9,869	5,655	6,182	11,837
Acquisition and strategic review costs	1,140	—	1,140	—	1,411	1,411
Insurance and taxes	1,000	4,231	5,231	29	6,099	6,128
Utilities, repairs and maintenance	1,429	16,004	17,433	1,812	18,378	20,190
Advertising, travel, meals and entertainment	2,960	9,425	12,385	2,876	12,248	15,124
Gift cards – related costs	—	6,288	6,288	—	6,353	6,353
Royalties	2,093	6,470	8,563	1,907	6,992	8,899
Promotional funds ⁽¹⁾	36,029	59,373	95,402	33,744	63,540	97,284
Impairment (reversal) for expected credit losses	1,307	575	1,882	(83)	509	426
Other ⁽²⁾	7,810	8,506	16,316	7,305	6,397	13,702
	231,390	414,348	645,738	236,679	455,959	692,638

⁽¹⁾ Promotional fund expenses include wages and benefits.

⁽²⁾ Other operating expenses are comprised mainly of supplies and administration expenses.

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Notes to the condensed interim consolidated financial statements

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

(Unaudited)

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 39-week periods ended August 30, 2026.

13-week period ended August 30, 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	35,585	8,722	40,755	13,314	(844)	97,532	66,907	92,018	715	21,089	(535)	277,726
Operating expenses	21,856	9,288	36,923	13,314	(1,379)	80,002	26,023	90,438	218	21,089	—	217,770
Segment profit (loss)	13,729	(566)	3,832	—	535	17,530	40,884	1,580	497	—	(535)	59,956

39-week period ended August 30, 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	105,644	25,762	119,769	36,029	(5,012)	282,192	186,015	296,344	1,856	59,373	(345)	825,435
Operating expenses	64,360	27,204	109,154	36,029	(5,357)	231,390	79,345	274,768	862	59,373	—	645,738
Segment profit (loss)	41,284	(1,442)	10,615	—	345	50,802	106,670	21,576	994	—	(345)	179,697

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

(Unaudited)

Segmented information (continued)

Below is a summary of each geographical and operating segment's performance for the three and nine-month periods ended August 31, 2025.

3-month period ended August 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue ⁽¹⁾	36,355	10,801	47,066	12,125	(1,047)	105,300	64,329	107,750	643	21,072	(105)	193,690
Operating expenses ^{(1) & (2)}	20,060	10,874	42,565	12,125	(1,149)	84,475	26,587	93,510	144	21,072	(3)	141,311
Segment profit (loss)	16,295	(73)	4,501	—	102	20,825	37,742	14,240	499	—	(102)	52,379
												73,204
9-month period ended August 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue ⁽¹⁾	108,355	31,774	124,098	33,744	(1,716)	296,255	188,039	344,104	2,013	63,540	(374)	597,322
Operating expenses ^{(1) & (2)}	61,212	31,696	112,027	33,744	(2,000)	236,679	85,566	306,440	503	63,540	(90)	455,959
Segment profit (loss)	47,143	78	12,071	—	284	59,576	102,473	37,664	1,510	—	(284)	141,363
												200,939

⁽¹⁾ Prior-year Promotional funds have been adjusted to reflect the correct amount.

⁽²⁾ Prior-year rent has been adjusted for a reclassification between the US Franchising and Corporate segments.

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For the 13 and 39-week periods ended August 30, 2026 and three and nine month-periods ended August 31, 2025

(In thousands of Canadian dollars, except per share amounts)
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14. Statements of cash flows

Changes in non-cash operating activities are as follows:

	13-week period ended August 30, 2026	Three months ended August 31, 2025	39-week period ended August 30, 2026	Nine months ended August 31, 2025
	\$	\$	\$	\$
Accounts receivable	3,095	(14,501)	(3,914)	(19,233)
Inventories	(343)	110	313	3,998
Other assets	1,577	146	(749)	(1,286)
Prepaid expenses and deposits	(183)	547	365	(2,101)
Accounts payable and accrued liabilities	(11,987)	194	(10,095)	(5,221)
Provisions	2,708	(621)	3,649	(268)
Gift card and loyalty program liabilities	(5,433)	(3,599)	149	3,787
Deferred revenue and deposits	(266)	(183)	5,560	1,759
	(10,832)	(17,907)	(4,722)	(18,565)

For the 13 and 39-week periods ended August 30, 2026, non-cash items amounting to \$178 and \$1,677 (three and nine-month periods ended August 31, 2025 – \$(140) and \$165, 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.