



Management's Discussion and Analysis
For the 13 and 39-week periods ended August 30, 2026
Quarterly key highlights

GAAP Measures:

- Segment profits were \$59.9 million during the 13-week period ended August 30, 2026 (the "third quarter").
- Net income attributable to owners of \$24.8 million, or \$1.08 per diluted share compared to \$27.9 million, or \$1.22 per diluted share in Q3-25.
- Cash flows provided by operating activities decreased 4% or \$1.4 million to \$37.6 million compared the same period in 2025.
- Long-term debt repayments of \$14.0 million for the quarter with net repayments of \$61.2 million since Q3-25.

Management Key Performance Indicators:

- Free cash flows net of lease payments⁽²⁾ were \$28.5 million or \$1.25 per diluted share compared to \$25.8 million or \$1.13 per diluted share in the same period in 2025.
- 74 net store closures during the 13-week period of which 50 were related to the corporate store closures announced in the second quarter. Corporate store locations now represent 2.6% of the network compared to 3.6% last year.
- Normalized adjusted EBITDA⁽¹⁾ of \$60.8 million during the 13-week period.
- Normalized adjusted EBITDA and EBITDA margins for the franchising and processing, distribution and retail segments remained inline with prior year. Of note, franchising EBITDA increased by 1% with margins stable at 54%. Corporate store profitability was impacted by a decline in sales for some concepts as well as by the strategic closure project announced last quarter.
- Adjusted earnings per share⁽¹⁾ of \$1.26 per diluted share compared to \$1.19 in the same period in 2025.
- System sales⁽³⁾ remained steady at \$1.5 billion during the third quarter compared to last year.
- Same-stores sales⁽³⁾ decreased by 1.9% during the third quarter with Canada remaining relatively flat to prior year, the US segment decreasing by 2.7% and International segment decreasing by 9.1%.

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

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

⁽³⁾ See section "Definition of supplementary financial measures" found in the Supplemental Information section for definition.



Management's Discussion and Analysis

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

General

This Management's Discussion and Analysis of the financial position and financial performance ("MD&A") of MTY Food Group Inc. ("MTY") is supplementary information and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the 13 and 39-week periods ended August 30, 2026 and the audited consolidated financial statements and accompanying notes for the fiscal year ended November 30, 2025.

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

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

This MD&A was prepared as at October 8, 2026. Supplementary information about MTY, including its latest annual and quarterly reports, and press releases, is available on SEDAR+'s website at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS AND USE OF ESTIMATES

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

Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as at October 8, 2026 and, accordingly, are subject to change after such date. Except as may be required by Canadian securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

Forward-looking statements made in this MD&A are based on a number of assumptions that are believed to be reasonable on October 8, 2026. Refer, in particular, to the section of this MD&A entitled "Risks and Uncertainties" for a description of certain key economic, market and operational assumptions the Company has used in making forward-

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

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

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

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

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

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

Except as otherwise indicated by the Company, forward-looking statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after October 8, 2026. The financial impact of these transactions and non-recurring and other special items can be complex and depend on the facts particular to each of them. The Company therefore cannot describe the expected impact in a meaningful way or in the same way that present known risks affecting the business.

CHANGE IN FISCAL YEAR-END

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

As a result of this change, the Company's results for the current fiscal year reflects a 52-week period, whereas prior periods were prepared on a calendar-month basis. Accordingly, certain comparative information may not be directly comparable. For the current quarter ending August 30, 2026, this represents a one day discrepancy in actual results compared to prior year.

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

CORE BUSINESS

MTY franchises and operates quick service, fast casual and casual dining restaurants. MTY aims to be the franchisor of choice in North America and offers the market a range of offering through its many brands. MTY currently operates under the following banners: Tiki-Ming, Sukiyaki, La Cr mi re, Panini Pizza Pasta, Villa Madina, Cultures, Thai Express, Vanellis, Kim Chi, Sushi Shop, Koya Japan, Vie & Nam, Tutti Frutti, Taco Time, Country Style, Valentine, Jugo Juice, Mr. Sub, Koryo Korean Barbeque, Mr. Souvlaki, Sushi Go, Mucho Burrito, Extreme Pita, PurBlendz, ThaiZone, Madisons New York Grill & Bar, Caf  D p t, Muffin Plus, Sushi-Man, Van Houtte, Manchu Wok, Tosto, Big Smoke Burger, Cold Stone Creamery, Blimpie, Surf City Squeeze, The Great Steak & Potato Company, NrGize Lifestyle Caf , Samurai Sam's Teriyaki Grill, Frullati Caf  & Bakery, Johnnie's New York Pizzeria, Ranch One, Tasti D-Lite, Planet Smoothie, Maui Wowi, Pinkberry, Baja Fresh Mexican Grill, La Salsa Fresh Mexican Grill, La D perie, Steak Frites St-Paul, Giorgio Ristorante, The Works Gourmet Burger Bistro, Dagwoods Sandwiches and Salads, The Counter Custom Burgers, Built Custom Burgers, Baton Rouge, Pizza Delight, Scores, Toujours Mikes, Ben & Florentine, Grabbagreen,

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

As at August 30, 2026, MTY had 6,966 locations in operation, of which 6,782 were franchised or under operator agreements and the remaining 184 locations were operated by MTY.

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

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

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

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

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

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

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Non-GAAP measures include:

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

Non-GAAP ratios include:

- Adjusted EBITDA as a % of revenue: the Company believes that adjusted EBITDA as a % of revenue is a useful metric because it is consistent with the indicators management uses internally to measure the Company's profitability from operations, including to gauge the effectiveness of cost management measures.
- Normalized adjusted EBITDA as a % of revenue: the Company believes that normalized adjusted EBITDA as a % of revenue is a useful metric for the same reasons as adjusted EBITDA as a % of revenue; additionally, the Company believes that normalized adjusted EBITDA as a % of revenue provides a measure of the Company's performance that does not include the impact of transaction costs related to acquisitions and strategic review, and SAP project implementation costs, which may vary in occurrence and in amount.
- Free cash flows net of lease payments per diluted share: the Company believes that free cash flows net of lease payments per diluted share is a useful metric because it is used by securities analysts, investors and other interested parties as a measure of the Company's cash flows that are available to be distributed to debt and equity shareholders, including to pay debt, to pay dividends, and to repurchase shares.
- Debt-to-EBITDA: the Company believes that debt-to-EBITDA is a useful metric because it represents a financial covenant that the Company must be in compliance with and, accordingly, a determining factor in the Company's credit availability.

The Company also believes that these measures are used by securities analysts, investors and other interested parties and that these measures allow them to compare the Company's operations and financial performance from period to period and provide them with a supplemental measure of the operating performance and financial position and thus highlight trends in the core business that may not otherwise be apparent when relying solely on GAAP measures.

SUMMARY OF QUARTERLY FINANCIAL METRICS

(In thousands \$, except per share information)	Quarter ended							
	November 2024	February 2025	May 2025	August 2025	November 2025	March 2026	May 2026	August 2026
		<i>Adjusted⁽¹⁾</i>	<i>Adjusted⁽¹⁾</i>	<i>Adjusted⁽¹⁾</i>				
Revenue	284,468	287,408	307,179	298,990	305,395	267,765	279,944	277,726
Net income (loss) attributable to owners	(55,299)	1,743	57,289	27,875	32,085	36,927	15,449	24,755
Total comprehensive income (loss) attributable to owners	(12,203)	36,482	(2,592)	26,042	50,958	6,015	29,079	32,999
Net income (loss) per share and diluted share	(2.34)	0.07	2.49	1.22	1.40	1.62	0.67	1.08
Cash flows provided by operating activities	43,716	64,605	34,357	39,009	46,180	40,903	43,029	37,594

⁽¹⁾ Prior-quarter revenues have been adjusted to reflect the correct amount of promotional funds.

SUMMARY OF QUARTERLY OPERATING METRICS

(In thousands \$, except system sales, # of locations and per share information)	Quarter ended							
	November 2024	February 2025	May 2025	August 2025	November 2025	March 2026	May 2026	August 2026
System sales ^(1 & 2)	1,371.9	1,364.8	1,463.5	1,455.3	1,414.8	1,290.4	Adjusted ⁽⁵⁾ 1,411.6	1,454.7
# of locations	7,079	7,047	7,046	7,061	7,080	7,034	7,040	6,966
Adjusted EBITDA ⁽³⁾	58,796	58,450	69,285	73,204	87,342	59,817	59,924	59,956
Normalized adjusted EBITDA ⁽³⁾	59,419	60,190	70,021	73,964	87,738	60,140	60,594	60,806
Free cash flows net of lease payments ⁽³⁾	27,368	49,330	17,819	25,819	37,650	28,982	32,198	28,475
Free cash flows net of lease payments per diluted share ⁽⁴⁾	1.16	2.12	0.78	1.13	1.65	1.27	1.41	1.25

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

⁽²⁾ In millions \$.

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

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

⁽⁵⁾ Prior-quarter Normalized adjusted EBITDA was adjusted to exclude costs associated with the strategic review.

SEGMENT NOTE DISCLOSURE

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

RESULTS OF OPERATIONS FOR THE 39-WEEK PERIOD ENDED AUGUST 30, 2026

Revenue

During the first 39 weeks of 2026, the Company's total revenue decreased to \$825.4 million, from \$893.6 million a year earlier. Revenues for the two segments of business are broken down as follows:

Segment	Subdivision	August 30, 2026 (\$ millions)	August 31, 2025 (\$ millions)	Variation
Canada	Franchise operation	105.6	108.4	(3%)
	Corporate stores	25.8	31.8	(19%)
	Food processing, distribution and retail	119.8	124.1	(3%)
	Promotional funds	36.0	33.7	7%
	Intercompany transactions	(5.0)	(1.7)	N/A
Total Canada		282.2	296.3	(5%)
US & International	Franchise operation	186.0	188.1	(1%)
	Corporate stores	296.3	344.1	(14%)
	Food processing, distribution and retail	1.9	2.0	(5%)
	Promotional funds ⁽¹⁾	59.4	63.5	(6%)
	Intercompany transactions	(0.4)	(0.4)	N/A
Total US & International		543.2	597.3	(9%)
Total revenue		825.4	893.6	(8%)

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

Canada revenue analysis:

Revenue from franchise locations in Canada decreased to \$105.6 million from \$108.4 million a year earlier. The segment was impacted by several factors listed below:

	(In millions \$)
Revenue, first nine months of 2025	108.4
Decrease in recurring revenue streams ⁽¹⁾	(0.6)
Decrease in initial franchise fees, renewal fees and transfer fees	(0.1)
Decrease in sales of material to franchisees and rent revenues	(2.0)
Other non-material variations	(0.1)
Revenue, first 39 weeks of 2026	105.6

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

During the first 39 weeks of 2026, franchising revenues decreased by \$2.8 million mainly due to a decrease in sale of goods and services to franchisees as well as a decrease in recurring revenue streams which are directly related to system sales.

Revenue from corporate-owned locations decreased by 19% to \$25.8 million during the year due to the announced store closures as well as the franchising of some locations, which reduced locations from 47 to 38.

Food processing, distribution and retail revenues decreased by 3% due to an decrease in retail of 10% which was partially offset by an increase in processing and distribution of 10%. Retail revenues decreased due to delays in promotional activities for some of the top products. During the first 39 weeks of 2026, 173 products were sold in the Canadian retail market (first nine months of 2025 – 164 products).

The promotional fund revenue increase of 7% is attributable to supplier contributions related to a new loyalty program launched during the quarter alongside the various contribution rates and several other contributing elements, including fees charged to brands which had historically never paid promotional fees.

US & International revenue analysis:

Revenue from franchise locations in the US and International decreased to \$186.0 million from \$188.1 million the preceding year. Several factors contributed to the variation, as listed below:

	(In millions \$)
Revenue, first nine months of 2025	188.1
Increase in recurring revenue streams ⁽¹⁾	2.0
Increase in initial franchise fees, renewal fees and transfer fees	0.3
Decrease in sales of material and services to franchisees	(0.8)
Decrease in gift card breakage income	(0.7)
Impact of variation in foreign exchange rates	(2.9)
Revenue, first 39 weeks of 2026	186.0

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

During the first 39 weeks of 2026, franchise revenues decreased by 1% compared to the same period last year, primarily due to an unfavorable foreign exchange variation of \$2.9 million, lower termination fees and sales of materials and services to franchisees as well as lower gift card program related revenues. This was partially offset by an increase in recurring revenue streams attributable to the impact of over-performing brands.

Revenue from corporate-owned locations decreased by 14%, due to the announced store closures as well as the franchising of some locations which reduced locations from 209 to 146.

Promotional funds decreased by 6% attributable to the decrease in systems sales and the impact of the various contribution rates.

Operating expenses

During the first 39 weeks of 2026, operating expenses decreased to \$645.7 million, from \$692.6 million a year ago. Operating expenses for the two business segments were incurred as follows:

Segment	Subdivision	August 30, 2026 (\$ millions)	August 31, 2025 (\$ millions)	Variation
Canada	Franchise operation	64.4	61.2	5%
	Corporate stores	27.2	31.8	(14%)
	Food processing, distribution and retail	109.2	112.0	(3%)
	Promotional funds	36.0	33.7	7%
	Intercompany transactions	(5.4)	(2.0)	N/A
Total Canada		231.4	236.7	(2%)
US & International	Franchise operation	79.3	85.6	(7%)
	Corporate stores	274.7	306.4	(10%)
	Food processing, distribution and retail	0.9	0.5	80%
	Promotional funds ⁽¹⁾	59.4	63.5	(6%)
	Intercompany transactions	—	(0.1)	N/A
Total US & International		414.3	455.9	(9%)
Total operating expenses		645.7	692.6	(7%)

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

Canada operating expenses analysis:

Operating expenses from franchise locations in Canada increased to \$64.4 million from \$61.2 million a year earlier. The Canadian subdivision was impacted by several factors listed below:

	<i>(In millions \$)</i>
Operating expenses, first nine months of 2025	61.2
Decrease in non-controllable expenses ⁽¹⁾	(0.1)
Decrease in cost of sale of material and services to franchisees and rent	(0.8)
Increase in recurring controllable expenses ⁽¹⁾ including wages, professional and consulting services and other office expenses	2.2
Decrease in SAP project implementation costs	(1.1)
Increase in expected credit loss provision	1.4
Increase due to transaction costs related to acquisitions and strategic review	1.1
Increase due to impact of IFRS 16 on rent expense	0.3
Other non-material variations	0.2
Operating expenses, first 39 weeks of 2026	64.4

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

Franchising operating expenses increased by 5% year-over-year, primarily due to a \$2.2 million increase in controllable expenses. This increase was mainly attributable to higher wages, reflecting normal wage inflation as well as higher software licensing fees due to supporting improved systems and infrastructure. The year was also negatively impacted by an increase of \$1.4 million in expected credit loss provision and \$1.1 million related to the strategic review costs. This increase was partially offset by lower SAP implementation costs due to the project being on its last stages of completion.

Expenses from corporate stores decreased by \$4.6 million or 14% compared to the same period last year due to the decrease in corporate store locations.

The increase in food processing, distribution and retail expenses as well as promotional funds expense were tightly correlated to the related revenues. The segment was also negatively impacted by increasing supply chain costs and transport cost.

US & International operating expenses analysis:

Operating expenses from franchise locations in the US & International decreased to \$79.3 million from \$85.6 million a year earlier. Several factors contributed to the variation, as listed below:

	<i>(In millions \$)</i>
Operating expenses, first nine months of 2025	85.6
Decrease in non-controllable expenses ⁽¹⁾	(0.1)
Increase in cost of sale of material and services to franchisees and rent	0.3
Decrease in recurring controllable expenses ⁽¹⁾ including wages, professional and consulting services and other office expenses	(3.5)
Decrease in expected credit loss provision	(0.3)
Decrease due to transaction costs related to acquisitions	(1.4)
Increase due to impact of IFRS 16 on rent expense	0.6
Impact of variation in foreign exchange rates	(1.8)
Other non-material variations	(0.1)
Operating expenses, first 39 weeks of 2026	79.3

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

Operating expenses for franchise locations decreased to \$79.3 million from \$85.6 million during the 39 week period of 2026, mainly attributable to a \$3.5 million decrease in recurring controllable expenses that were mainly due to a decrease in wages as well as lower advertising expenses compared to the same period last year. The Company was also impacted by a \$1.8 million favourable foreign exchange variation and a \$1.4 million decrease in acquisition related costs.

Expenses from corporate stores decreased by \$31.7 million or 10% mainly driven by a lower number of corporate-owned locations, reflecting the Company's continued efforts to optimize its restaurant portfolio and increase the relative contribution of its asset-light franchise operations. This was partially offset by the ERC credits received in 2026 and 2025 which accounted for a \$0.6 million year-over-year increase.

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

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

39-week period ended August 30, 2026			
(In millions \$)	Canada	US & International	Total
Revenue	282.2	543.2	825.4
Operating expenses	231.4	414.3	645.7
Segment profit	50.8	128.9	179.7
Segment profit as a % of Revenue ⁽²⁾	18%	24%	22%
SAP project implementation costs ⁽³⁾	0.7	—	0.7
Transaction costs related to acquisitions and strategic review ⁽⁴⁾	1.1	—	1.1
Normalized adjusted EBITDA ⁽¹⁾	52.6	128.9	181.5
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	19%	24%	22%

Nine months ended August 31, 2025			
(In millions \$)	Canada	US & International	Total
Revenue	296.3	597.3	893.6
Operating expenses	236.7	455.9	692.6
Segment profit	59.6	141.4	201.0
Segment profit as a % of Revenue ⁽²⁾	20%	24%	22%
SAP project implementation costs ⁽³⁾	1.8	—	1.8
Transaction costs related to acquisitions ⁽⁴⁾	—	1.4	1.4
Normalized adjusted EBITDA ⁽¹⁾	61.4	142.8	204.2
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	21%	24%	23%

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

39-week period ended August 30, 2026						
(In millions \$)	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	291.6	322.1	121.7	95.4	(5.4)	825.4
Operating expenses	143.7	301.9	110.1	95.4	(5.4)	645.7
Segment profit ⁽¹⁾	147.9	20.2	11.6	—	—	179.7
Segment profit as a % of Revenue ⁽²⁾	51%	6%	10%	N/A	N/A	22%
SAP project implementation costs ⁽³⁾	0.7	—	—	—	—	0.7
Transaction costs related to acquisitions and strategic review ⁽⁴⁾	1.1	—	—	—	—	1.1
Normalized adjusted EBITDA ⁽¹⁾	149.7	20.2	11.6	—	—	181.5
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	51%	6%	10%	N/A	N/A	22%

Nine months ended August 31, 2025

(In millions \$)	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	296.5	375.9	126.1	97.2	(2.1)	893.6
Operating expenses	146.8	338.2	112.5	97.2	(2.1)	692.6
Segment profit	149.7	37.7	13.6	—	—	201.0
Segment profit as a % of Revenue ⁽²⁾	50%	10%	11%	N/A	N/A	22%
SAP project implementation costs ⁽³⁾	1.8	—	—	—	—	1.8
Transaction costs related to acquisitions ⁽⁴⁾	1.4	—	—	—	—	1.4
Normalized adjusted EBITDA ⁽¹⁾	152.9	37.7	13.6	—	—	204.2
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	52%	10%	11%	N/A	N/A	23%

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

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

⁽³⁾ SAP project implementation costs are included in the Consulting and professional fees, wages and benefits and advertising, travel, meals and entertainment as part of the Operating expenses in the consolidated financial statements.

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

Several factors contributed to the variation, as listed below:

(In millions \$)	Canada	US & International	Total
Segment profit, first nine months of 2025	59.6	141.4	201.0
Variance in recurring revenues and expenses ⁽¹⁾	(2.7)	5.6	2.9
Variance in corporate store recurring revenues and expenses	(1.5)	(15.5)	(17.0)
Variance in retail, distribution and manufacturing recurring revenues and expenses	(1.5)	(0.5)	(2.0)
Variance in sales of material and services to franchisees and rent for franchising unit	(1.3)	(1.1)	(2.4)
Variance in initial franchise fees, renewal fees and transfer fees	(0.1)	0.3	0.2
Variance due to ERC received	—	(0.6)	(0.6)
Variance in expected credit loss provision	(1.4)	0.3	(1.1)
Variance due to SAP project implementation costs	1.1	—	1.1
Variance due to transaction costs related to acquisitions and strategic review	(1.1)	1.4	0.3
Variance due to impact of IFRS 16 on rent revenue & expense	(0.3)	(0.6)	(0.9)
Variance in gift card breakage	—	(0.7)	(0.7)
Impact of variation in foreign exchange rates	—	(1.1)	(1.1)
Segment profit, first 39 weeks of 2026	50.8	128.9	179.7
Normalized adjusted EBITDA ⁽²⁾ , first nine months of 2025	61.4	142.8	204.2
Variances in segment profit	(8.8)	(12.5)	(21.3)
Variance due to SAP project implementation costs	(1.1)	—	(1.1)
Variances in transaction costs related to acquisitions and strategic review	1.1	(1.4)	(0.3)
Normalized adjusted EBITDA ⁽²⁾ , first 39 weeks of 2026	52.6	128.9	181.5

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

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

Total segment profit for the 39-week period ended August 30, 2026 was \$179.7 million, a decrease of 11% compared to the prior year, while normalized adjusted EBITDA decreased from \$204.2 million to \$181.5 million compared to the prior year. US & International contributed 71% of total normalized adjusted EBITDA and a decrease of \$13.9 million compared to the prior year, while the Canada normalized adjusted EBITDA decreased by \$8.8 million. The decrease was mainly attributable lower profitability from corporate operations in the U.S. and International segment. These factors reflected continued pressure from commodity and other operating costs, as well as softer consumer spending in certain markets. The corporate store segment was also adversely impacted by the sale of profitable corporate locations since August 2025, as well as exit costs incurred during the third quarter of 2026 in connection with the closure of underperforming locations. Corporate locations identified for closure this year generated EBITDA losses of \$4.6 million, of which \$2.7 million related to locations that were closed during the quarter.

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

	Period ended August 30, 2026	Period ended August 31, 2025
(In thousands \$)		
Income before taxes	89,236	104,588
Depreciation – property, plant and equipment and right-of-use assets	38,922	44,440
Amortization – intangible assets	23,754	24,615
Interest on long-term debt	21,812	26,809
Net interest expense on leases	7,167	8,222
Impairment charge – right-of-use assets	7,965	(535)
Impairment charge – property, plant and equipment and intangible	4,069	6,676
Unrealized and realized foreign exchange gain	(4,734)	(14,303)
Interest income	(257)	(261)
(Gain) loss on de-recognition/lease modification of lease liabilities	(2,152)	65
Gain on disposal of asset held for sale	(336)	—
(Gain) loss on disposal of property, plant and equipment	(5,791)	(37)
Gain on disposal of intangible assets	(5)	—
Revaluation of financial liabilities and derivatives recorded at fair value	47	660
Segment profit	179,697	200,939
SAP project implementation costs ⁽²⁾	703	1,825
Transaction costs related to acquisitions and strategic review ⁽³⁾	1,140	1,411
Normalized adjusted EBITDA ⁽¹⁾	181,540	204,175

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

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

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

Other income and expenses

Depreciation of property, plant and equipment and right-of-use assets decreased by \$5.5 million during the 39-week period ended August 30, 2026. Depreciation expenses decreased mostly due to the closures and disposal of corporate store restaurants. Depreciation expenses are segregated by business segment and subdivision as follows:

Segment	Subdivision	August 30, 2026 (\$ millions)	August 31, 2025 (\$ millions)	Variation
Canada	Franchise operation	1.5	1.2	25%
	Corporate stores	4.4	5.8	(24%)
	Food processing, distribution and retail	1.0	0.9	11%
Total Canada		6.9	7.9	(13%)
US & International	Franchise operation	2.3	2.8	(18%)
	Corporate stores	29.7	33.7	(12%)
Total US & International		32.0	36.5	(12%)
Total depreciation expense		38.9	44.4	(12%)

Interest on long-term debt decreased by \$5.0 million as a result net repayments of \$61.2 million of long-term debt since August 31, 2025 as well as a lower Canadian Overnight Repo Rate Average, resulting in lower interest.

During the period, the Company has recorded impairment charge on right-of-use assets of \$8.0 million, an increase of \$8.5 million compared to prior year. This represents an impairment loss on certain right-of-use assets associated with corporate restaurants identified for closure. The impairment was recorded following management's decision to exit these locations and reflects the expected economic impact of terminating the related lease arrangements, including estimated lease buy-out costs where applicable.

An impairment charge on property, plant and equipment and intangible assets of \$4.1 million was also recorded during the 39-week period as the results of a reassessment of certain corporately-owned locations in the US compared to an impairment charge of \$6.7 million in the prior year. The impairment charge on property, plant and equipment was the result of the lower performance of some corporate stores. The prior year impairment related to a \$6.5 million impairment on intangible assets on franchise rights and trademarks for one brand in the US & International segment and 3 brands in the Canadian segment.

During the 39-week period ended August 30, 2026, the Company recorded a gain of \$4.7 million as a result of a stronger Canadian dollar relative to the US dollar, compared to \$14.3 million during the nine-month period ended August 31, 2025. Most of this gain relates to intercompany loans and is offset by loss on translation on the consolidated statement of comprehensive income.

Net income

For the 39-week period ended August 30, 2026, net income attributable to owners of \$77.1 million was recorded, or \$3.38 per share compared to a net income attributable to owners of \$86.9 million or \$3.77 per share last year.

Adjusted earnings per share⁽¹⁾ for the 39-week period ended August 30, 2026 was \$3.20 per share compared to \$3.23 per share during the same period last year. The calculation of adjusted earnings per share ⁽¹⁾ is as follows:

Calculation of adjusted earnings per share ⁽¹⁾

	39 weeks ended August 30, 2026	Nine months ended August 31, 2025
<i>(In thousands \$, except number of shares information)</i>		
Net income attributable to owners	77,131	86,907
Unrealized and realized foreign exchange gain	(4,734)	(14,304)
Tax impact on unrealized and realized foreign exchange gain	627	1,895
Adjusted net income attributable to owners	73,024	74,498
Weighted daily average number of common shares – diluted	22,841,361	23,032,680
Adjusted earnings per share ⁽¹⁾	3.20	3.23

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

RESULTS OF OPERATIONS FOR THE 13-WEEK PERIOD ENDED AUGUST 30, 2026

Revenue

During the third quarter of 2026, the Company's total revenue decreased to \$277.7 million, from \$299.0 million a year earlier. Revenues for the two segments of business are broken down as follows:

Segment	Subdivision	August 30, 2026 (\$ millions)	August 31, 2025 (\$ millions)	Variation
Canada	Franchise operation	35.5	36.4	(2%)
	Corporate stores	8.7	10.8	(19%)
	Food processing, distribution and retail	40.8	47.0	(13%)
	Promotional funds	13.3	12.1	10%
	Intercompany transactions	(0.8)	(1.0)	N/A
Total Canada		97.5	105.3	(7%)
US & International	Franchise operation	66.9	64.4	4%
	Corporate stores	92.0	107.7	(15%)
	Food processing, distribution and retail	0.8	0.6	33%
	Promotional funds ⁽¹⁾	21.1	21.1	—%
	Intercompany transactions	(0.6)	(0.1)	N/A
Total US & International		180.2	193.7	(7%)
Total revenue		277.7	299.0	(7%)

⁽¹⁾ Prior - quarter promotional funds have been adjusted to reflect the correct amount.

Canada revenue analysis:

Revenue from franchise locations in Canada decreased by 2%. The variation was primarily attributable to the following factors:

	(In millions \$)
Revenue, third quarter of 2025	36.4
Decrease in recurring revenue streams ⁽¹⁾	(0.5)
Decrease in sales of material to franchisees and rent revenues	(0.4)
Revenue, third quarter of 2026	35.5

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

During the third quarter of 2026, franchising revenues decreased by \$0.9 million, primarily due to lower recurring revenue streams.

Revenue from corporate-owned locations decreased by 19% to \$8.7 million, which is tightly correlated to the decrease in the number of corporate-owned locations as well as the franchising of some locations.

Food processing, distribution and retail revenues decreased by 13% or \$6.2 million due to a decrease in retail sales of 22%. This was partially offset by an increase in food processing and distribution of 12% or \$1.5 million. Retail revenues decreased due to delays in promotional activities for some of the top products. During the third quarter of 2026, the Company sold 167 products in the Canadian retail market (2025 – 157 products), demonstrating the strength of the Company's core products.

The promotional fund revenue increase by 10%, attributable to supplier contributions related to a new loyalty program launched during the quarter alongside the various contribution rates and several other contributing elements, including fees charged to brands which had historically never paid promotional fees.

US & International revenue analysis:

Revenue from franchise locations in the US and International increased to \$66.9 million from a year earlier. Several factors contributed to the variation, as listed below:

	(In millions \$)
Revenue, third quarter of 2025	64.4
Increase in recurring revenue streams ⁽¹⁾	0.5
Increase in sales of material and services to franchisees	0.6
Decrease in gift card breakage income	(0.3)
Impact of variation in foreign exchange rates	1.5
Other non-material variations	0.2
Revenue, third quarter of 2026	66.9

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

During the third quarter of 2026, franchising revenues increased by \$2.5 million, primarily due higher recurring revenues streams and sale of material and services to franchisees related to gift card program as well as a favourable foreign exchange impact of \$1.5 million.

Revenue from corporate-owned locations decreased by 15%. The decrease was mainly driven by the lower number of corporate-owned locations as announced in the second quarter as well as the franchising of some locations, reflecting MTY's continued efforts to optimize its restaurant portfolio and increase the relative contribution of its asset-light franchise operations.

Operating expenses

During the third quarter of 2026, operating expenses decreased by 4% to \$217.8 million, from \$225.8 million a year ago. Operating expenses for the two business segments were incurred as follows:

Segment	Subdivision	August 30, 2026 (\$ millions)	August 31, 2025 (\$ millions)	Variation
Canada	Franchise operation	21.9	20.0	9%
	Corporate stores	9.3	10.9	(15%)
	Food processing, distribution and retail	36.9	42.6	(13%)
	Promotional funds	13.3	12.1	10%
	Intercompany transactions	(1.4)	(1.1)	N/A
Total Canada		80.0	84.5	(5%)
US & International	Franchise operation	26.0	26.6	(2%)
	Corporate stores	90.5	93.5	(3%)
	Food processing, distribution and retail	0.2	0.1	100%
	Promotional funds	21.1	21.1	—%
	Intercompany transactions	—	—	N/A
Total US & International		137.8	141.3	(2%)
Total operating expenses		217.8	225.8	(4%)

Canada operating expenses analysis:

Operating expenses from franchise locations in Canada increased by \$1.9 million, due to several factors listed below:

	<i>(In millions \$)</i>
Operating expenses, third quarter of 2025	20.0
Decrease in non-controllable expenses ⁽¹⁾	(0.1)
Increase in cost of sale of material and services to franchisees and rent	0.4
Increase in recurring controllable expenses ⁽¹⁾ including wages, professional and consulting services and other office expenses	0.7
Decrease in SAP project implementation costs	(0.7)
Increase in expected credit loss provision	0.6
Increase due to transaction costs related to acquisitions and strategic review	0.8
Increase due to impact of IFRS 16 on impairment of lease receivables	0.2
Operating expenses, third quarter of 2026	21.9

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

Operating expenses increased from \$20.0 million to \$21.9 million in the third quarter of 2026. The increase was primarily attributable to \$0.8 million of non-recurring costs incurred in connection with the strategic review, higher wages due to normal inflation and higher expected credit losses of \$0.6 million. This was partially offset by lower SAP implementation costs due to the project being on its last stages of completion.

Expenses from corporate stores decreased by \$1.6 million compared to the same period last year due to the decrease in corporate store locations.

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

US & International operating expenses analysis:

Operating expenses from franchise locations in the US & International decreased by 2%. Several factors contributed to the variation, as listed below:

	<i>(In millions \$)</i>
Operating expenses, third quarter of 2025	26.6
Increase in non-controllable expenses ⁽¹⁾	0.3
Increase in cost of sale of material and services to franchisees and rent	0.8
Decrease in recurring controllable expenses ⁽¹⁾ including wages, professional and consulting services and other office expenses	(2.0)
Decrease in expected credit loss provision	(0.2)
Impact of variation in foreign exchange rates	0.8
Other non-material variations	(0.3)
Operating expenses, third quarter of 2026	26.0

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

Operating expenses for franchise locations decreased to \$26.0 million from \$26.6 million during the third quarter of 2026. The decrease was primarily attributable to a \$2.0 million reduction in recurring controllable expenses, reflecting improved cost efficiencies, including lower wage costs resulting from optimized staffing levels compared to the prior-year period. This was partially offset by higher sale of material and services to franchisees.

Corporate store expenses decreased to \$90.5 million from \$93.5 million compared to the same period last year. The decrease was mainly driven by a lower number of corporate-owned locations, reflecting the Company continued efforts to optimize its restaurant portfolio and increase the relative contribution of its asset-light franchise operations. This was partially offset by the ERC credits received in 2026 and 2025 which accounted for a \$4.6 million year-over-year increase as well as corporate store exit costs incurred in 2026 of \$0.4 million.

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

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

13-week period ended August 30, 2026			
(In millions \$)	Canada	US & International	Total
Revenue	97.5	180.2	277.7
Operating expenses	80.0	137.8	217.8
Segment profit	17.5	42.4	59.9
Segment profit as a % of Revenue ⁽²⁾	18%	24%	22%
SAP project implementation costs ⁽³⁾	0.1	—	0.1
Transaction costs related to acquisitions and strategic review ⁽⁴⁾	0.8	—	0.8
Normalized adjusted EBITDA ⁽¹⁾	18.4	42.4	60.8
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	19%	24%	22%

Three-month period ended August 31, 2025			
(In millions \$)	Canada	US & International	Total
Revenue	105.3	193.7	299.0
Operating expenses	84.5	141.3	225.8
Segment profit	20.8	52.4	73.2
Segment profit as a % of Revenue ⁽²⁾	20%	27%	24%
SAP project implementation costs ⁽³⁾	0.8	—	0.8
Normalized adjusted EBITDA ⁽¹⁾	21.6	52.4	74.0
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	21%	27%	25%

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

13-week period ended August 30, 2026						
(In millions \$)	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	102.4	100.7	41.6	34.4	(1.4)	277.7
Operating expenses	47.9	99.8	37.1	34.4	(1.4)	217.8
Segment profit	54.5	0.9	4.5	—	—	59.9
Segment profit as a % of Revenue ⁽²⁾	53%	1%	11%	N/A	N/A	22%
SAP project implementation costs ⁽³⁾	0.1	—	—	—	—	0.1
Transaction costs related to acquisitions and strategic review ⁽⁴⁾	0.8	—	—	—	—	0.8
Normalized adjusted EBITDA ⁽¹⁾	55.4	0.9	4.5	—	—	60.8
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	54%	1%	11%	N/A	N/A	22%

Three-month period ended August 31, 2025

(In millions \$)	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	100.8	118.5	47.6	33.2	(1.1)	299.0
Operating expenses	46.7	104.3	42.7	33.2	(1.1)	225.8
Segment profit	54.1	14.2	4.9	—	—	73.2
Segment profit as a % of Revenue ⁽²⁾	54%	12%	10%	N/A	N/A	24%
SAP project implementation costs ⁽³⁾	0.8	—	—	—	—	0.8
Normalized adjusted EBITDA ⁽¹⁾	54.9	14.2	4.9	—	—	74.0
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	54%	12%	10%	N/A	N/A	25%

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

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

⁽³⁾ SAP project implementation costs are included in the Consulting and professional fees, wages and benefits and advertising, travel, meals and entertainment as part of the Operating expenses in the condensed interim consolidated financial statements.

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

Several factors contributed to the variation, as listed below:

(In millions \$)	Canada	US & International	Total
Segment profit, third quarter of 2025	20.8	52.4	73.2
Variance in recurring revenues and expenses ⁽¹⁾	(1.1)	2.3	1.2
Variance in corporate store recurring revenues and expenses	(0.4)	(8.3)	(8.7)
Variance in retail, distribution and manufacturing recurring revenues and expenses	(0.7)	—	(0.7)
Variance in turnkey, sales of material and services to franchisees and rent for franchising segment	(0.1)	(0.3)	(0.4)
Variance due to ERC received	—	(4.6)	(4.6)
Variance in expected credit loss provision	(0.6)	0.2	(0.4)
Variance due to SAP Implementation	0.7	—	0.7
Variance due to acquisitions and strategic review	(0.8)	—	(0.8)
Variance due to impact of IFRS 16 on rent revenue & expense	(0.2)	—	(0.2)
Variance in gift card breakage	—	(0.3)	(0.3)
Impact of variation in foreign exchange rates	—	1.0	1.0
Other non-material variations	(0.1)	—	(0.1)
Segment profit, third quarter of 2026	17.5	42.4	59.9
Normalized adjusted EBITDA ⁽²⁾ , third quarter of 2025	21.6	52.4	74.0
Variances in segment profit	(3.3)	(10.0)	(13.3)
Variance due to SAP project implementation costs	(0.7)	—	(0.7)
Variance due to transaction costs related to acquisitions and strategic review	0.8	—	0.8
Normalized adjusted EBITDA ⁽²⁾ , third quarter of 2026	18.4	42.4	60.8

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

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

Total segment profit for the 13-week period ended August 30, 2026 was \$59.9 million, a decrease of \$13.3 million compared to the same period last year, with the US and International segment generating 71% of the profits. Normalized adjusted EBITDA decreased from \$74.0 million to \$60.8 million compared to the prior year. The decrease was mainly attributable lower profitability from corporate operations in the U.S. and International segment. These factors reflected continued pressure from commodity and other operating costs, as well as softer consumer spending in certain markets. The corporate store segment was also adversely impacted by the sale of profitable corporate locations since August 2025, as well as exit costs incurred during the third quarter of 2026 in connection with the closure of underperforming locations. Corporate locations identified for closure this year generated EBITDA losses of \$2.5 million during the quarter, of which \$1.6 million related to locations that were closed during the quarter.

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

	Quarter ended August 30, 2026	Quarter ended August 31, 2025
<i>(In thousands \$)</i>		
Income before taxes	27,401	34,556
Depreciation – property, plant and equipment and right-of-use assets	12,086	14,930
Amortization – intangible assets	7,950	8,126
Interest on long-term debt	7,309	8,751
Net interest expense on leases	2,230	2,640
Impairment charge (reversal) – right-of-use assets	136	(1,030)
Impairment charge – property, plant and equipment and intangible assets	2,366	6,241
Unrealized and realized foreign exchange loss (gain)	4,512	(723)
Interest income	(138)	(71)
Gain on de-recognition/lease modification of lease liabilities	(535)	(427)
Gain on disposal of property, plant and equipment	(3,389)	(119)
Revaluation of financial liabilities and derivatives recorded at fair value	28	330
Segment profit	59,956	73,204
SAP project implementation costs ⁽²⁾	75	760
Transaction costs related to acquisitions and strategic review ⁽³⁾	775	—
Normalized adjusted EBITDA ⁽¹⁾	60,806	73,964

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

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

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

Other income and expenses

Depreciation of property, plant and equipment and right-of-use assets decreased by \$2.8 million during the 13-week period ended August 30, 2026. Depreciation expenses decreased mostly due to the closures and disposal of corporate store restaurants. Depreciation expenses are segregated by business segment and subdivision as follows:

Segment	Subdivision	Quarter ended August 30, 2026 (\$ millions)	Quarter ended August 31, 2025 (\$ millions)	Variation
Canada	Franchise operation	0.5	0.3	67%
	Corporate stores	1.4	2.1	(33%)
	Food processing, distribution and retail	0.3	0.5	(40%)
Total Canada		2.2	2.9	(24%)
US & International	Franchise operation	0.8	0.6	33%
	Corporate stores	9.1	11.4	(20%)
Total US & International		9.9	12.0	(18%)
Total depreciation expense		12.1	14.9	(19%)

Interest on long-term debt decreased by \$1.4 million as a result net repayments of \$61.2 million of long-term debt since August 31, 2025 as well as a lower Canadian Overnight Repo Rate Average, resulting in lower interest.

During the quarter, the Company has recorded impairment charge on right-of-use assets of \$0.1 million, an increase of \$1.2 million compared to prior year's impairment reversals.

The Company recognized impairment charges of \$2.4 million (2025 – 6.2 million) on its property, plant and equipment, primarily related to certain corporate owned locations in the US & International geographical segments. The impairment charge on property, plant and equipment was the result of the lower performance of some corporate stores.

During 13-week period ended August 30, 2026, the Company recorded a loss of \$4.5 million (2025 – a gain of \$0.7 million) as a result of a stronger Canadian dollar relative to the US dollar. Most of this loss relates to intercompany loans and is offset by loss on translation on the consolidated statement of comprehensive income.

Net income

For the 13-week period ended August 30, 2026, a net income attributable to owners of \$24.8 million was recorded, or \$1.08 per share compared to \$27.9 million or \$1.22 per share last year. Net income attributable to owners was mostly impacted by the unrealized and realized foreign exchange gain mentioned in section "Other income and expenses" as well as lower income tax expense.

Adjusted earnings per share⁽¹⁾ increased to \$1.26 for the 13-week period ended August 30, 2026 compared to an adjusted earnings per share of \$1.19 in the prior year period. The calculation of adjusted earnings per share⁽¹⁾ is as follows:

	13 weeks ended August 30, 2026	Three months ended August 31, 2025
<i>(In thousands \$, except number of shares information)</i>		
Net income attributable to owners	24,755	27,875
Unrealized and realized foreign exchange loss (gain)	4,512	(723)
Tax impact on unrealized and realized foreign exchange loss (gain)	(598)	96
Adjusted net income attributable to owners	28,669	27,248
Weighted daily average number of common shares – diluted	22,841,361	22,841,361
Adjusted earnings per share ⁽¹⁾	1.26	1.19

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

CONTRACTUAL OBLIGATIONS

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

	0 – 6	6 – 12	12 – 24	24 – 36	36 – 48	48 – 60	
(In millions \$)	Months	Months	Months	Months	Months	Months	Thereafter
	\$	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	114.4	—	—	—	—	—	—
Long-term debt ⁽¹⁾	—	—	—	586.9	—	—	—
Interest on long-term debt ^(2 & 3)	13.6	13.6	27.1	9.0	—	—	—
Lease liabilities	62.6	62.6	105.7	86.0	65.6	51.0	111.8
Total contractual obligations	190.6	76.2	132.8	681.9	65.6	51.0	111.8

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

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

⁽³⁾ Net of swap arrangement interest revenue.

LIQUIDITY AND CAPITAL RESOURCES

As at August 30, 2026, the Company held \$70.6 million in cash, an increase of \$18.6 million since the end of the 2025 fiscal period.

During the 13 and 39 weeks ended August 30, 2026, MTY paid \$8.5 million and 25.4 million, respectively (three and nine months ended August 31, 2025 – \$7.5 million and \$22.8 million, respectively) in dividends to its shareholders and repurchased and cancelled none of its shares (2025 – none and 584,400, respectively) for nil (2025 – nil and \$26.4 million, respectively) through its NCIB.

During the 13 and 39 weeks ended August 30, 2026, cash flows generated by operating activities were \$37.6 million and \$121.5 million, respectively compared to \$39.0 million and \$138.0 million during the three and nine months ended August 31, 2025. The decrease during the 13-weeks ended August 30, 2026 is mainly attributable to the lower EBITDA generated partially offset by lower taxes and interest paid and a stronger working capital fluctuation. The positive working capital fluctuation is primarily attributable to changes in accounts receivable, driven by improved collections. This was partially offset by timing of payable payments. Excluding the variations in non-cash working capital items, income taxes, interest paid and other, operations generated \$60.1 million and \$180.1 million during the 13 and 39 weeks ended August 30, 2026, compared to \$73.6 million and \$201.6 million, respectively, during the three and nine months ended August 31, 2025.

The Company's revolving credit facility payable to a syndicate of lenders has an authorized amount of \$900.0 million (November 30, 2025 – \$900.0 million), an accordion feature of \$300.0 million (November 30, 2025 – \$300.0 million) that is subject to lenders approval, and matures on November 25, 2028. As at August 30, 2026, CAD\$246.0 million and US\$243.5 million was drawn from the revolving credit facility (November 30, 2025 – CAD\$250.0 million and US\$275.0 million). MTY has at its disposal \$315.8 million (2025 – \$266.2 million) available to meet its working capital requirements should the need arise.

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

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

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

As at August 30, 2026, the Company was in compliance with the covenants of the credit agreement.

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

LOCATION INFORMATION

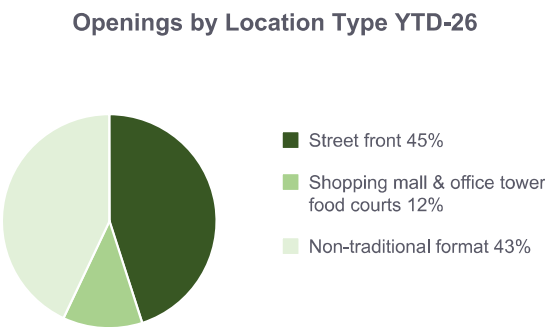
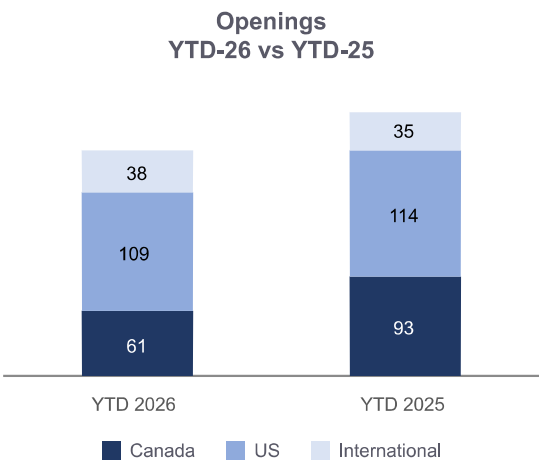
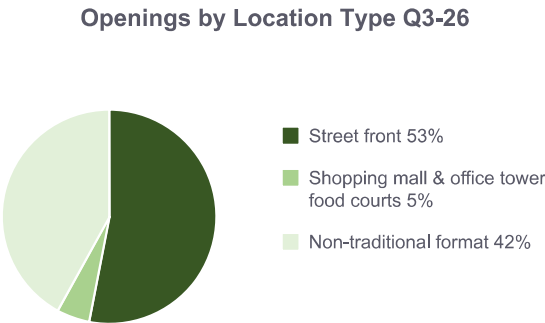
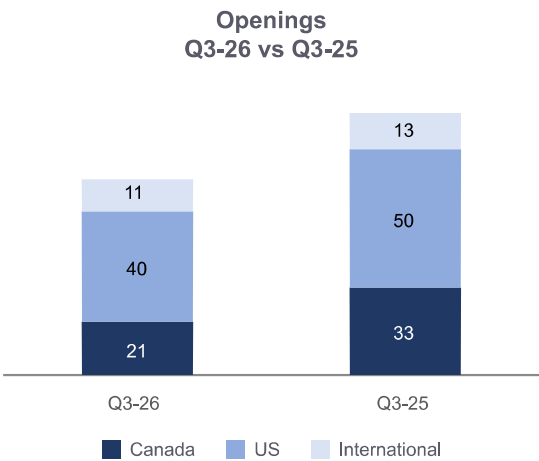
MTY's locations can be found in: i) food courts and shopping malls; ii) street front; and iii) non-traditional format within petroleum retailers, convenience stores, grocery stores, cinemas, amusement parks, in other venues or retailers shared sites, hospitals, universities and airports. The non-traditional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

Number of locations

	13 weeks ended August 30, 2026	Three months ended August 31, 2025	39 weeks ended August 30, 2026	Nine months ended August 31, 2025
Franchises, beginning of the period	6,808	6,791	6,831	6,827
Corporate-owned, beginning of the period				
Canada	42	45	43	52
US	190	210	206	200
Total, beginning of the period	7,040	7,046	7,080	7,079
Opened during the period	72	96	208	242
Closed during the period				
Franchised locations	(96)	(78)	(259)	(246)
Corporate locations	(50)	(3)	(55)	(14)
Disposed of during the period	—	—	(8)	—
Total, end of the period	6,966	7,061	6,966	7,061
Franchises, end of the period			6,782	6,805
Corporate-owned, end of the period				
Canada			38	47
US			146	209
Total, end of the period			6,966	7,061

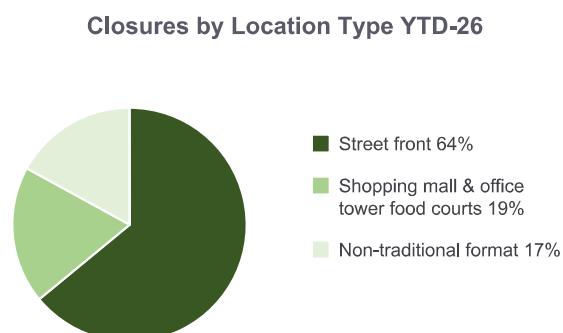
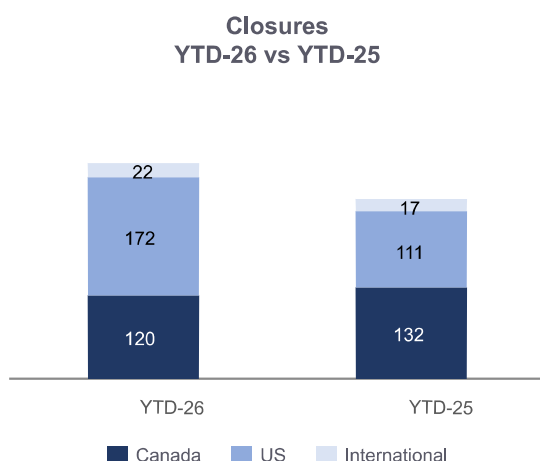
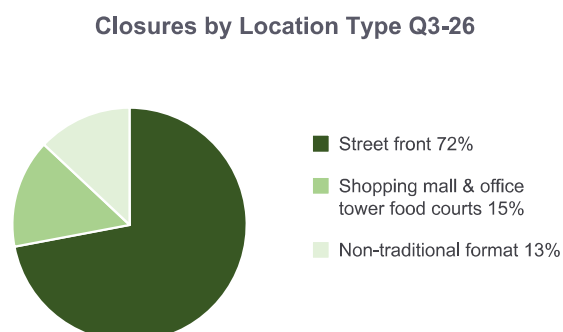
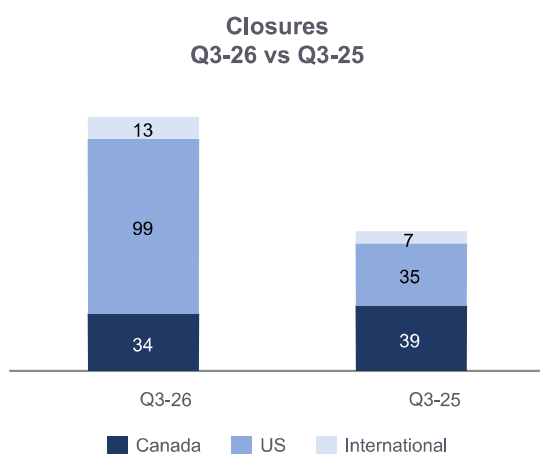
Openings

During the 13 and 39 weeks ended August 30, 2026, the Company's network opened 72 and 208 locations, respectively (2025 – 96 and 242 locations, respectively). The breakdown by geographical location and by location type is as follows:



Closures

During the 13 and 39 weeks ended August 30, 2026, the Company's network closed 146 and 314 locations, respectively (2025 – 81 and 260 locations respectively). The breakdown by geographical location and by location type is as follows:



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

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

Location type	(in thousands \$)	New opening	Closure
Street front		73.3	49.4
Shopping mall & office tower food courts		38.5	31.9
Non-traditional format		46.1	43.7

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

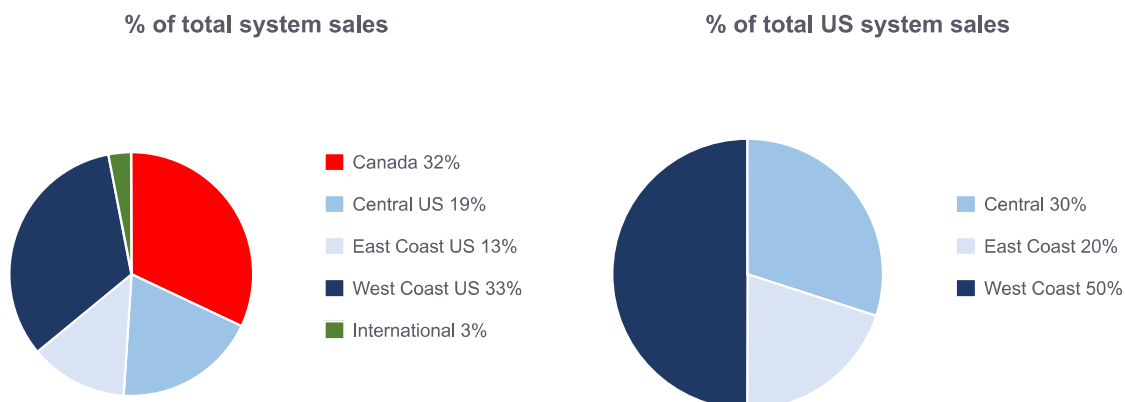
Location type	% of location count		% of system sales	
	39 weeks ended	Nine months ended	39 weeks ended	Nine months ended
	August 30, 2026	August 31, 2025	August 30, 2026	August 31, 2025
Shopping mall & office tower food courts	16%	16%	15%	14%
Street front	61%	62%	73%	76%
Non-traditional format	23%	22%	12%	10%

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

Geographical location	% of location count		% of system sales	
	39 weeks ended	Nine months ended	39 weeks ended	Nine months ended
	August 30, 2026	August 31, 2025	August 30, 2026	August 31, 2025
Canada	35%	35%	32%	31%
US	57%	58%	65%	66%
International	8%	7%	3%	3%

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

The geographical distribution of system sales is as follows:



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

Concept type	% of location count		% of system sales	
	39 weeks ended	Nine months ended	39 weeks ended	Nine months ended
	August 30, 2026	August 31, 2025	August 30, 2026	August 31, 2025
Quick service restaurant	80%	79%	64%	63%
Fast casual	11%	11%	9%	9%
Casual dining	9%	10%	27%	28%

System sales

During the 13 and 39-weeks period ended August 30, 2026, MTY's network generated \$1,454.7 million and \$4,156.7 million in sales, respectively. The breakdown of system sales is as follows:

(millions of \$)	Canada	US	International	TOTAL
First quarter of 2026	411.7	842.5	36.2	1,290.4
First quarter of 2025	419.0	906.9	38.9	1,364.8
Variance	(2%)	(7%)	(7%)	(5%)
Second quarter of 2026	435.4	935.9	40.3	1,411.6
Second quarter of 2025	447.7	976.0	39.8	1,463.5
Variance	(3%)	(4%)	1%	(4%)
Third quarter of 2026	460.8	951.2	42.7	1,454.7
Third quarter of 2025	458.1	956.4	40.8	1,455.3
Variance	1%	(1%)	5%	(0%)
Year-to-date 2026	1,307.9	2,729.6	119.2	4,156.7
Year-to-date 2025	1,324.8	2,839.3	119.5	4,283.6
Variance	(1%)	(4%)	(0%)	(3%)

The overall movement in sales is distributed as follows:

(millions of \$)	13 weeks ended August 30				39 weeks ended August 30			
	Canada	US	International	TOTAL	Canada	US	International	TOTAL
Reported sales – 2025	458.1	956.4	40.8	1,455.3	1,324.8	2,839.3	119.5	4,283.6
Net change resulting from stores opened or closed in the last 18 months	(0.9)	1.8	2.7	3.6	(6.4)	3.2	7.9	4.7
Corporate store closures	(0.1)	(1.3)	—	(1.4)	(0.1)	(1.3)	—	(1.4)
Disposal of brands	(0.3)	—	—	(0.3)	(0.8)	—	—	(0.8)
Organic system sales variance	4.0	(26.8)	(1.7)	(24.5)	(9.6)	(73.4)	(6.7)	(89.7)
Cumulative impact of foreign exchange variation	—	21.1	0.9	22.0	—	(38.2)	(1.5)	(39.7)
Reported sales – 2026	460.8	951.2	42.7	1,454.7	1,307.9	2,729.6	119.2	4,156.7

For the 13-week period ended August 30, 2026, system sales decreased by \$0.6 million compared to the same period last year. Excluding the impact of foreign exchange fluctuation and disposal of brands, organic system sales decreased by 1.5% for the quarter. Organic system sales for Canada increased by 0.7% while the US & International decreased by 2.5%. The decrease in system sales was attributable to several factors, including the timing of the quarter-end, which fell on August 30 compared to August 31 in the prior year, the later timing of the Labour Day weekend, and the

closure of certain corporately-owned restaurants. In the US, both the casual dining and the QSR restaurants were negatively impacted with decreases of 4.2% and 0.3% respectively, as Papa Murphy's continued to face challenges in a highly price-competitive environment, while the performance in some of the brands in the casual segment were impacted by softness in dine-in sales.

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

System wide sales include sales for corporate and franchise locations and excludes sales realized by the distribution centers, by the food processing plants and by the retail division. System sales are converted from the currency in which they are generated into Canadian dollars for presentation purposes; they are therefore subject to variations in foreign exchange rates.

Same-Store Sales ⁽¹⁾

During the quarter ended August 30, 2026, same-store sales decreased by 1.9% over the last year. By region, same-store sales were broken down as follows for the last eight quarters:

Region	13 weeks ended							
	November 2024	February 2025	May 2025	August 2025	November 2025	March 2026	May 2026	August 2026
Canada	(0.1)%	(0.4)%	1.4 %	(0.3)%	0.0 %	(0.8)%	(1.8)%	(0.2)%
US	0.1 %	(2.2)%	(3.8)%	(2.5)%	(2.8)%	(3.6)%	(2.2)%	(2.7)%
International	(2.3)%	(3.5)%	(2.9)%	0.8 %	(3.2)%	(1.3)%	(5.2)%	(9.1)%
Total	0.0 %	(1.5)%	(1.9)%	(1.6)%	(1.7)%	(2.5)%	(2.1)%	(1.9)%

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

For the 13-week period ended August 30, 2026, same-store sales for Canada stayed relatively flat with a slight decrease of 0.2% while the US and International segments decreased by 2.7% and 9.1%, respectively. In Canada, a decrease of 1.1% in the street front casual dining segment was primarily responsible for the decrease while the mall QSR locations saw an increase 2.2%.

The US saw declines in both QSR and casual concept same-store sales of 2.7% and 3.1% respectively. The QSR snack category for the US saw a decrease of 1.2% while the remaining concepts declined by 5.8%. The factors impacting same-store sales were consistent with those discussed above, with Papa Murphy's and some of the brands in the casual segment continuing to face challenging market conditions.

The International region was also adversely impacted by the war in the middle East.

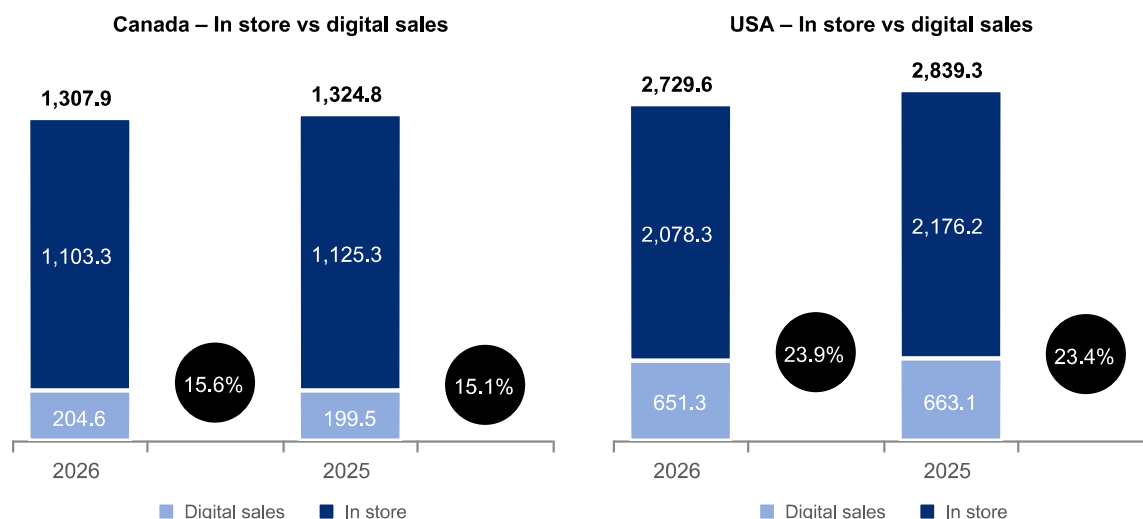
By restaurant type⁽¹⁾, same-store sales were broken down as follows for the 13 and 39 weeks ended August 30, 2026 and 2025:

	13 weeks ended	Three months ended	39 weeks ended	Nine months ended
	August 30, 2026	August 31, 2025	August 30, 2026	August 31, 2025
Quick service restaurant	0.4 %	(0.7)%	(1.5)%	(0.3)%
Fast casual	(0.1)%	0.5 %	— %	(0.7)%
Casual	(1.0)%	(0.2)%	(0.8)%	1.1 %
Canada	(0.2)%	(0.3)%	(0.9)%	0.3 %
Quick service restaurant	(2.7)%	(2.8)%	(2.8)%	(3.2)%
Fast casual	(0.4)%	(2.6)%	2.2 %	(2.5)%
Casual	(3.1)%	(1.5)%	(3.8)%	(1.2)%
US	(2.7)%	(2.5)%	(2.8)%	(2.7)%
Quick service restaurant	(8.4)%	1.4 %	(4.7)%	(1.6)%
Fast casual	(3.1)%	(25.0)%	(1.5)%	(13.9)%
Casual	(37.6)%	(5.2)%	(27.1)%	(4.7)%
International	(9.1)%	0.8 %	(5.4)%	(1.9)%

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

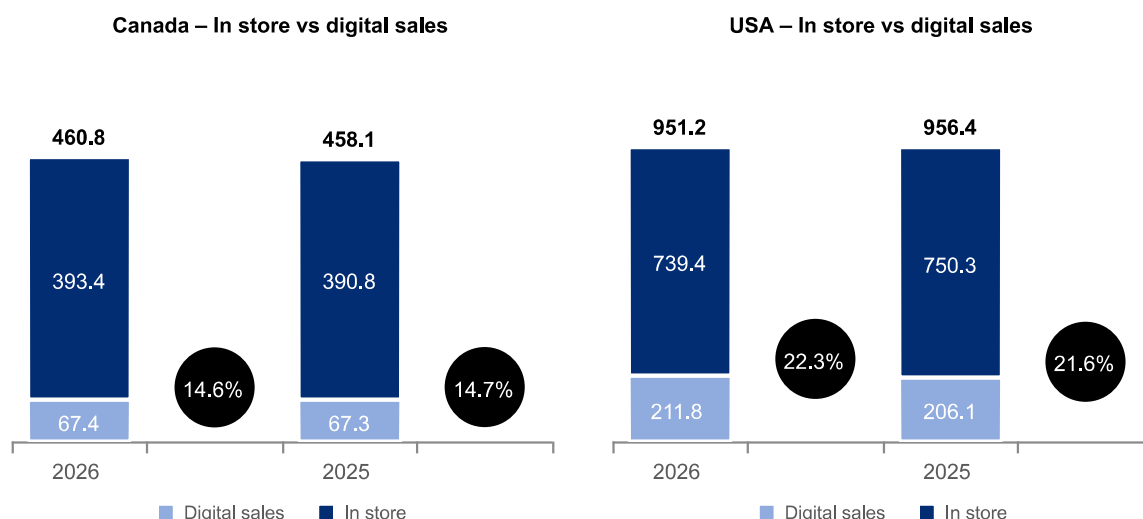
Digital sales

System sales versus digital sales breakdown is as follows for the 39 weeks ended August 30, 2026 and nine months ended August 31, 2025:



Digital sales for the 39-weeks period ended August 30, 2026 decreased compared to the same period last year, including the impact of foreign exchange rates, from \$862.6 million to \$855.9 million, and represented 21.2% of total sales, a slight increase over the 20.7% seen last year. Excluding the impact of foreign exchange, digital sales for the network grew by \$3.2 million. Canada segment digital sales saw an increase of \$5.1 million or 2.5% during the 39 week period as the Company continues to invest in the growth of digital sales through continued in-house technological investment as well as partnerships with third-party aggregators while the US continued to see an improvement with digital sales reaching 23.9% of total sales.

System sales versus digital sales breakdown is as follows for the 13 weeks ended August 30, 2026 and three months ended August 31, 2025:



Digital sales for the 13-week period ended August 30, 2026 increased by 2.1% compared to the same period last year, including the impact of foreign exchange rates, from \$273.4 million to \$279.2 million, and represented 19.8% of total sales, a slight improvement over 19.3% last year. Excluding the impact of foreign exchange, digital sales increased by 0.5% in the period. The US saw an organic increase of \$1.3 million or 0.6% compared to prior year and Canadian digital sales saw an increase of \$0.1 million or 0.1% during the third quarter. The Company continues to invest in the growth of digital sales through continued in-house technological investment as well as partnerships with third-party aggregators.

CAPITAL STOCK INFORMATION

Stock options

As at August 30, 2026, there were 425,000 options outstanding and 389,444 that were exercisable.

Share trading

MTY's stock is traded on the Toronto Stock Exchange ("TSX") under the ticker symbol "MTY". From December 1, 2025 to August 30, 2026, MTY's share price fluctuated between \$32.44 and \$43.83. On August 28, 2026, MTY's shares closed at \$35.40

Capital stock

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

As at October 8, 2026, the Company's issued and outstanding capital stock consisted of 22,841,361 shares (November 30, 2025 – 22,841,361) and 425,000 granted and outstanding stock options (November 30, 2025 – 425,000). During the 13 and 39 weeks ended August 30, 2026, the Company repurchased and cancelled a total of nil common shares in both periods (three and nine months ended August 31, 2025 – nil and 584,400, respectively) for cancellation through its NCIB.

Normal Course Issuer Bid Program

During the 13-week and 39 weeks ended August 30, 2026, the Company repurchased and cancelled a total of nil common shares (three and nine months ended August 31, 2025 – nil and 584,400, respectively) under the current NCIB, at a weighted average price of nil per common share (2025 – \$44.78), for a total consideration of nil (2025 – nil and \$26.4 million, respectively). An excess of nil (2025 – nil million and \$19.1 million, respectively) of the shares' repurchase value over their carrying amount was charged to retained earnings as share repurchase premiums.

SEASONALITY

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

OFF-BALANCE SHEET ARRANGEMENTS

MTY has no off-balance sheet arrangements.

CONTINGENT LIABILITIES

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

The provisions include \$7.6 million (November 30, 2025 – \$3.9 million) for litigations, disputes and other contingencies, representing management's best estimate of the outcome of litigations and disputes that are ongoing at the date of the statement of financial position, as well as self-insured liabilities related to health and workers' compensation and general liability claims. These provisions are made of multiple items; the timing of the settlement of these provisions is unknown given their nature, as the Company does not control the litigation timelines.

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

GUARANTEE

The Company has guaranteed leases on certain franchise stores in the event the franchisees are unable to meet their remaining lease commitments. The maximum amount the Company may be required to pay under these agreements was \$16.1 million as at August 30, 2026 (November 30, 2025 – \$10.7 million). In addition, the Company could be required to make payments for percentage rents, realty taxes and common area costs. As at August 30, 2026, the Company has accrued \$1.8 million (November 30, 2025 – \$1.6 million), included in Accounts payable and accrued liabilities in the condensed interim consolidated financial statements, with respect to these guarantees.

CHANGES IN ACCOUNTING POLICIES

Policies applicable beginning December 1, 2025

IAS 21, The Effects of Changes in Foreign Exchange Rates

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

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

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

FUTURE ACCOUNTING CHANGES

A number of new standards, interpretations and amendments to existing standards were issued by the IASB that are not yet effective for the 13 and 39-week periods ended August 30, 2026 and have not been applied in preparing the condensed interim consolidated financial statements.

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

	Standard	Issue date	Effective date for the Company	Impact
IFRS 9 & IFRS 7	Financial Instruments & Financial Instruments and Disclosures	May 2024	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

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.

RISKS AND UNCERTAINTIES

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

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

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

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

The impacts of a widespread health epidemic or pandemic, including various strains of avian flu or swine flu, such as the avian influenza, H5N1, or COVID-19, particularly if located in regions from which the Company derives a significant amount of revenue or profit could continue to impact the Company in the future. The occurrence of such an outbreak or other adverse public health developments can and could continue to materially disrupt the business and operations. Such events could also significantly impact the industry and cause a temporary closure of restaurants, which could severely disrupt MTY's or the Company's franchisees' operations and have a material adverse effect on the business, financial condition and results of operations.

Outbreaks of avian flu occur from time to time around the world, and such outbreaks have resulted in confirmed human cases. Public concern over avian flu generally may cause fear about the consumption of chicken, eggs and other products derived from poultry, which could cause customers to consume less poultry and related products. Because poultry is a menu offering for many of the Company's concepts, this would likely result in lower revenues and profits to both MTY and franchisee partners. Avian flu outbreaks could also adversely affect the price and availability of poultry, which could negatively impact profit margins and revenues.

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

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

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

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

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

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

ECONOMIC ENVIRONMENT RISK

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

FINANCIAL INSTRUMENTS

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

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

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

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

	(In thousands \$)		November 30, 2025	
	August 30, 2026			
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Loans and other receivables	5,868	5,868	5,896	5,896
Finance lease receivables	324,618	324,618	316,005	316,005
Financial liabilities				
Long-term debt	586,875	586,875	633,767	633,767

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

Company's own credit risk have been taken into account in estimating the fair value of all financial assets and financial liabilities, including derivatives.

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

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

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

Swaps

Cross currency interest rate swaps

On 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 \$2.7 million was recorded as at August 30, 2026 (November 30, 2025 – derivative liability of \$0.7 million) in the current portion of derivative assets (November 30, 2025 – derivative liabilities) 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\$176.2	US\$178.5
Receive – Rate	5.24%	5.72%
Pay – Notional	CA\$242.0	CA\$250.0
Pay – Rate	3.74%	3.96%

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

(In thousands \$)	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)

FINANCIAL RISK EXPOSURE

The Company, through its financial assets and financial liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at August 30, 2026.

Credit risk

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

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

Interest rate risk

Interest rate risk is the Company's exposure to increases and decreases in financial instrument values caused by the fluctuation in interest rates. The Company is exposed to cash flow risk due to the interest rate fluctuation in its floating-rate interest-bearing financial obligations. The Company from time to time may enter into fixed interest rate derivatives to manage its cash flow risk exposure, with long-term commitments requiring Board approval to ensure compliance with the Company's risk management strategy. As at August 30, 2026, the Company holds floating-to-fixed interest rate swaps in order to hedge a portion of the interest rate cash flow risk associated with floating interest rate debt.

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

Long-term debt stems mainly from acquisitions of long-term assets and business combinations. The Company is exposed to interest rate risk with its revolving credit facility which is used to finance the Company's acquisitions. The facility bears interest at a variable rate and as such the interest burden could change materially. \$586.9 million (November 30, 2025 – \$633.8 million) of the credit facility was used as at August 30, 2026. A 100 basis points increase in the bank's prime rate would result in additional interest of \$5.9 million per annum (2025 – \$6.3 million) on the outstanding credit facility.

Liquidity risk

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

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

The following are the contractual maturities of financial liabilities as at August 30, 2026:

(In millions \$)	Carrying amount	Contractual cash flows	0 – 6 Months	6 – 12 Months	12 – 24 Months	Thereafter
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	114.4	114.4	114.4	—	—	—
Long-term debt ⁽¹⁾	585.7	586.9	—	—	—	586.9
Interest on long-term debt ⁽¹⁾	N/A	63.2	13.6	13.6	27.0	9.0
Lease liabilities	475.3	545.4	62.5	62.5	105.7	314.7
	1,175.4	1,309.9	190.5	76.1	132.7	910.6

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

NEAR-TERM OUTLOOK

MTY continues to navigate a dynamic operating environment. The macro-economic conditions continue to create short term headwinds and the Company continues actively implementing a range of strategic initiatives to position the business for growth once the environment improves. These include, and are not limited to, driving menu innovation, leveraging data and AI to improve our understanding of customers and improve communications with existing, lapsed and potential guests, 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 the future.

Management notes that certain macroeconomic and policy-related uncertainties could affect performance. To date MTY has only seen modest direct impacts from tariffs, and although the exact impact is difficult to measure, the increases in oil and gas prices has undoubtedly affected consumer confidence and spending in restaurants.

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.

Following a detailed review of its portfolio, the Company made the decision to close 75 of its corporate locations in the second quarter of 2026, which had combined losses of over \$10 million in the last 12 months. Of these 75 locations, 50 were permanently closed during the third quarter. The early termination of the related leases remains to be negotiated with the landlords and can fluctuate depending on the term left of each specific lease and the terms of those leases. The estimated total cost is expected to range between \$10 million and \$12 million. This will affect free cash flows in the short term, but will help teams focus on healthier, more profitable locations in the future. Estimated completion of all the closures and lease buyout negotiations will take between 6 and 9 months.

CONTROLS & PROCEDURES

Disclosure controls and procedures

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

In the third quarter of 2026, MTY did not make any significant changes in, nor take any significant corrective actions regarding internal controls or other factors that could significantly affect such internal controls. The CEO and CFO periodically review the Company's DC&P for design and operating effectiveness and conduct an evaluation each quarter. As at August 30, 2026, the CEO and CFO were satisfied with the effectiveness of the Company's DC&P.

Internal controls over financial reporting

The CEO and the CFO are responsible for establishing and maintaining internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. The CEO and CFO, together with management, have concluded after having conducted an evaluation and to the best of their knowledge that, there were no changes to the Company's internal control over financial reporting that occurred during the 13 and 39-week periods ended August 30, 2026, that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Limitations of controls and procedures

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

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

Limitation on scope of design

The Company's management, with the participation of its CEO and CFO, has limited the scope of the design of the Company's DC&P and internal controls over financial reporting to exclude controls, policies and procedures and internal controls over financial reporting of certain special purpose entities ("SPEs") on which the Company has the ability to exercise *de facto* control and which have as a result been consolidated in the Company's condensed interim consolidated financial statements. For the period ended August 30, 2026, these SPEs represent 0.2% of the

Company's current assets, 0.0% of its non-current assets, 0.1% of the Company's current liabilities, 0.0% of non-current liabilities, 1.2% of the Company's revenue and 0.0% of the Company's net income.

“Eric Lefebvre”

Eric Lefebvre, CPA, MBA Chief Executive Officer

“Renee St-Onge”

Renee St-Onge, CPA Chief Financial Officer

SUPPLEMENTAL INFORMATION

List of acquisitions

Other banners added through acquisitions include:

Brand	Acquisition year	% ownership	# of franchised locations	# of corporate locations
Fontaine Santé/Veggirama	1999	100%	18	—
La Crémère	2001	100%	71	3
Croissant Plus	2002	100%	18	2
Cultures	2003	100%	24	—
Thai Express	May 2004	100%	6	—
Mrs. Vanelli's	June 2004	100%	103	—
Sushi Shop	September 2006	100%	42	5
Koya Japan	October 2006	100%	24	—
Sushi Shop – existing franchise locations	September 2007	100%	—	15
Tutti Frutti	September 2008	100%	29	—
Taco Time – Canadian master franchise rights	October 2008	100%	117	—
Country Style Food Services Holdings Inc.	May 2009	100%	475	5
Groupe Valentine inc.	September 2010	100%	86	9
Jugo Juice	August 2011	100%	134	2
Mr. Submarine	November 2011	100%	338	—
Koryo Korean BBQ	November 2011	100%	19	1
Mr. Souvlaki	September 2012	100%	14	—
SushiGo	June 2013	100%	3	2
Extreme Pita, PurBlendz and Mucho Burrito ("Extreme Brandz")	September 2013	100%	300 - 34 of which in the US	5
ThaiZone	September 2013 March 2015	80% + 20%	25 and 3 mobile restaurants	—
Madisons	July 2014 September 2018	90% + 10%	14	—
Café Dépôt, Muffin Plus, Sushi-Man and Fabrika	October 2014	100%	88	13
Van Houtte Café Bistros – perpetual franchising license	November 2014	100%	51	1
Manchu Wok, Wasabi Grill & Noodle and SenseAsian	December 2014	100%	115	17
Big Smoke Burger	September 2015 September 2016	60% + 40%	13	4
Kahala Brands Ltd - Cold Stone Creamery, Blimpie, Taco Time, Surf City Squeeze, The Great Steak & Potato Company, NrGize Lifestyle Café, Samurai Sam's Teriyaki Grill, Frullati Café & Bakery, Rollerz, Johnnie's New York Pizzeria, Ranch One, America's Taco Shop, Cerealify, Tasti D-Lite, Planet Smoothie, Maui Wowi and Pinkberry	July 2016	100%	2,839	40
BF Acquisition Holdings, LLC – Baja Fresh Mexican Grill and La Salsa Fresh Mexican Grill	October 2016	100%	167	16
La Duperie	December 2016 March 2019	60%+ 5% + 35%	5	—
Steak Frites St-Paul and Giorgio Ristorante	May 2017 September 2018	83.25% + 9.25%	15	—

Brand	Acquisition year	% ownership	# of franchised locations	# of corporate locations
The Works Gourmet Burger Bistro	June 2017	100%	23	4
Dagwoods Sandwiches and Salads	September 2017	100%	20	2
The Counter Custom Burgers	December 2017	100%	36	3
Built Custom Burgers	December 2017	100%	5	—
Imvescor Restaurant Group - Baton Rouge, Pizza Delight, Scores, Toujours Mikes, and Ben & Florentine	March 2018	100%	253	8
Grabbagreen	March 2018	100%	26	1
SweetFrog Premium Frozen Yogurt	September 2018	100%	331	—
Casa Grecque	December 2018	100%	31	—
South Street Burger	March 2019	100%	24	13
Papa Murphy's	May 2019	100%	1,301	103
Yuzu Sushi	July 2019	100%	129	—
Allô! Mon Coco	July 2019	100%	40	—
Turtle Jack's Muskoka Grill, COOP Wicked Chicken and Frat's Cucina	December 2019	70% + 30%	20	3
Küto Comptoir à Tartares	December 2021	100%	31	—
BBQ Holdings – Famous Dave's, Village Inn, Barrio Queen, Granite City, Real Urban Barbecue, Tahoe Joe's Steakhouse, Bakers Square, Craft Republic, Fox & Hound and Champps	September 2022	100%	198	103
Wetzel's Pretzels	December 2022	100%	328	38
Sauce Pizza and Wine	December 2022	100%	—	13

Definition of non-GAAP measures

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

Adjusted EBITDA	Represents revenue less operating expenses. See reconciliation of adjusted EBITDA to Income (loss) before taxes on page 12 and 19.
Normalized adjusted EBITDA	Represents revenue less operating expenses (excluding transaction costs related to acquisitions and strategic review, and SAP project implementation costs). See reconciliation of normalized adjusted EBITDA to Income (loss) before taxes on page 12 and 19.
Adjusted earnings per share	Represents net income attributable to owners less tax effected unrealized and realized foreign exchange gain (loss) divided by weighted daily average number of common shares – diluted.
Free cash flows net of lease payments	Represents the net cash flows: provided by operating activities; used in additions to property, plant and equipment and intangible assets; provided by proceeds on disposal of property, plant and equipment; and net of lease payments.

Definition of non-GAAP ratios

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

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

Definition of supplementary financial measures

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

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

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

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

(In thousands \$)	Three months ended							
	November	February	May	August	November	March	May	August
	2024	2025	2025	2025	2025	2026	2026	2026
Cash flows provided by operating activities ⁽²⁾	43,716	64,605	34,357	39,009	46,180	40,903	43,029	37,594
Additions to property, plant and equipment	(4,036)	(3,665)	(4,382)	(2,681)	(2,777)	(2,569)	(3,665)	(4,503)
Additions to intangible assets	(1,577)	(889)	(827)	(81)	(242)	(506)	24	68
Proceeds on disposal of assets held for sale	314	—	—	—	—	838	—	—
Proceeds on disposal of intangible assets	—	—	—	—	—	—	41	—
Proceeds on disposal of property, plant and equipment	617	1,109	213	486	5,867	939	3,132	5,274
Net lease payments	(11,666)	(11,830)	(11,542)	(10,914)	(11,378)	(10,623)	(10,363)	(9,958)
Free cash flows net of lease payments ⁽¹⁾	27,368	49,330	17,819	25,819	37,650	28,982	32,198	28,475

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

⁽²⁾ 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.

System sales ⁽¹⁾ to royalties

Sales for the 39 weeks ended August 30, 2026							
(millions of \$)	Canada			US & International			TOTAL
	Corporate	Franchised	Total	Corporate	Franchised	Total	
System sales ⁽¹⁾	25.8	1,282.1	1,307.9	296.3	2,552.5	2,848.8	4,156.7
Franchise royalty income as a % of franchise sales	—	5.20 %	—	—	5.18 %	—	N/A
Royalties	—	66.7	—	—	132.3	—	199.0

Sales for the nine months ended August 31, 2025							
(millions of \$)	Canada			US & International			TOTAL
	Corporate	Franchised	Total	Corporate	Franchised	Total	
System sales ⁽¹⁾	31.8	1,293.0	1,324.8	344.1	2,614.7	2,958.8	4,283.6
Franchise royalty income as a % of franchise sales	—	5.24 %	—	—	5.11 %	—	N/A
Royalties	—	67.7	—	—	133.7	—	201.4

Sales for the 13 weeks ended August 30, 2026							
(millions of \$)	Canada			US & International			TOTAL
	Corporate	Franchised	Total	Corporate	Franchised	Total	
System sales ⁽¹⁾	8.7	452.1	460.8	92.0	901.9	993.9	1,454.7
Franchise royalty income as a % of franchise sales	—	5.18 %	—	—	5.20 %	—	N/A
Royalties	—	23.4	—	—	46.9	—	70.3

Sales for the three months ended August 31, 2025							
(millions of \$)	Canada			US & International			TOTAL
	Corporate	Franchised	Total	Corporate	Franchised	Total	
System sales ⁽¹⁾	10.8	447.3	458.1	107.7	889.5	997.2	1,455.3
Franchise royalty income as a % of franchise sales	—	5.28 %	—	—	5.16 %	—	N/A
Royalties	—	23.6	—	—	45.9	—	69.5

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

Brands per category

Quick service restaurant

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

Fast casual

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

Casual

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