PIZZA PIZZA LIMITED

Unaudited Interim Condensed Consolidated Financial Statements
For the 13-weeks ended March 29, 2026

Pizza Pizza Limited
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NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of unaudited interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements.

Paul Goddard
Chief Executive Officer

Christine D'Sylva
Chief Financial Officer

Pizza Pizza Limited

Unaudited Interim Condensed Consolidated Statements of Financial
As at March 29, 2026 and December 28, 2025
(Expressed in thousands of Canadian dollars)

	March 29, 2026 $	December 28, 2025 $
Current assets		
Cash and cash equivalents	4,857	6,399
Short-term investment	3,500	5,500
Trade, other receivables and prepayments	20,470	19,293
Inventories	9,625	9,712
Lease receivable (note 5)	14,385	14,218
Receivables from jointly-controlled companies (note 12)	2,060	2,566
Total current assets	**54,897**	**57,688**
Non-current assets		
Property, plant and equipment	10,205	10,520
Notes receivable	1,743	1,912
Renovation funds	7,184	7,604
Receivables from jointly-controlled companies (note 12)	1,983	1,973
Advances to related party (note 12)	731	1,106
Investment in Pizza Pizza Royalty Limited Partnership (note 3)	19,852	20,533
Investment in jointly-controlled companies (note 4)	15,109	15,407
Deferred tax asset	60,185	60,215
Lease receivable (note 5)	22,106	21,672
Right-of-use asset (note 6)	65,111	63,479
Intangible assets	532	601
Total non-current assets	**204,741**	**205,022**
Total assets	**259,638**	**262,710**
Liabilities and shareholders' deficiency		
Current liabilities		
Trade and other payables	33,980	39,862
Deposits from franchisees	1,301	1,398
Borrowings (note 7)	271	269
Lease liability (note 5)	24,950	24,493
Total current liabilities	**60,502**	**66,022**
Non-current liabilities		
Advances from related party (note 12)	8,567	7,589
Borrowings (note 7)	866	935
Deferred franchise fees	2,363	2,484
Renovation funds	4,131	3,836
Lease liability (note 5)	86,527	85,187
Deferred gain	182,326	182,909
Total non-current liabilities	**284,780**	**282,940**
Shareholders' deficiency		
Common shares and special voting shares	-	-
Accumulated other comprehensive income	493	459
Deficit	(86,137)	(86,711)
Total shareholders' deficiency attributable to the shareholders	**(85,644)**	**(86,252)**
Total liabilities and shareholders' deficiency	**259,638**	**262,710**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.
Approved by the Directors on May 1, 2026.

Pizza Pizza Limited
Unaudited Interim Condensed Consolidated Statements of Income (Loss)
For the 13-week period ended March 29, 2026 and March 30, 2025
(Expressed in thousands of Canadian dollars)

	March 29, 2026 $	March 30, 2025 (note 2f) $
Revenue		
Food sales (note 8)	41,889	42,529
Royalties, franchise fees and other revenue (note 9)	11,407	11,423
Store service contributions (note 10)	21,207	21,210
Total revenue	**74,503**	**75,162**
Cost of food sales	(34,520)	(35,063)
Store service expenditures (note 10)	(22,644)	(23,271)
General and administrative expenses (note 11)	(10,797)	(9,558)
Royalty payments	(9,393)	(9,729)
Gain (loss) on impairment of lease receivable (note 5)	36	(331)
Gain on lease remeasurement	60	1,045
Equity income from Pizza Pizza Royalty Limited Partnership (note 3)	2,282	2,324
Equity income from jointly-controlled companies (note 4)	576	501
Gain (loss) on sale of Company-owned restaurants	136	(190)
Operating income	**239**	**890**
Interest and other income	1,036	1,011
Amortization of deferred gain	583	583
Interest expense on borrowings and other liabilities	(1,267)	(1,185)
Income for the period before income taxes	**591**	**1,299**
Deferred tax expense	(17)	(1,002)
Income for the period attributable to the shareholders of Pizza Pizza Limited	**574**	**297**

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

Pizza Pizza Limited

Unaudited Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the 13-week period ended March 29, 2026 and March 30, 2025
(Expressed in thousands of Canadian dollars)

	March 29, 2026 $	March 30, 2025 $
Income for the period	**574**	**297**
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net income:		
Share of other comprehensive income (loss) of the Pizza Pizza Royalty Limited Partnership (note 3)	47	(51)
Deferred tax impact of share of other comprehensive income of Pizza Pizza Royalty Limited Partnership	(13)	13
Total comprehensive income attributable to shareholders	**608**	**259**

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

Pizza Pizza Limited

Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Deficiency

For the 13-week period ended March 29, 2026 and March 30, 2025

(Expressed in thousands of Canadian dollars)

	Common shares and special voting shares $	Accumulated other comprehensive income (loss) $	Deficit $	Total $
As at December 29, 2025	**-**	**459**	**(86,711)**	**(86,252)**
Comprehensive income (loss)				
Income for the 13-week period ended March 29, 2026	-	-	574	574
Share of other comprehensive loss on Pizza Pizza Royalty Limited Partnership's cash flow hedge	-	47	-	47
Tax effect of cash flow hedge	-	(13)	-	(13)
Total comprehensive income (loss)	**-**	**34**	**574**	**608**
As at March 29, 2026	**-**	**493**	**(86,137)**	**(85,644)**
As at December 29, 2024	**-**	**434**	**(94,137)**	**(93,703)**
Comprehensive income (loss)				
Income for the 13-week period ended March 30, 2025	-	-	297	297
Share of other comprehensive loss on Pizza Pizza Royalty Limited Partnership's cash flow hedge	-	(51)	-	(51)
Tax effect of cash flow hedge	-	13	-	13
Total comprehensive income (loss)	**-**	**(38)**	**297**	**259**
As at March 30, 2025	**-**	**396**	**(93,840)**	**(93,444)**

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

Pizza Pizza Limited
Unaudited Interim Condensed Consolidated Statements of Cash Flows
For the 13-week period ended March 29, 2026 and March 30, 2025
(Expressed in thousands of Canadian dollars)

	March 29, 2026 $	March 30, 2025 $
Operating activities		
Income for the period	574	297
Depreciation of property, plant and equipment	587	506
Depreciation of right-of-use asset (note 6)	2,645	1,873
Amortization of intangible assets	69	69
Amortization of deferred franchise fees	(122)	(60)
Amortization of deferred gain	(583)	(583)
(Gain) loss on sale of Company-owned restaurants	(136)	190
(Gain) loss on impairment of lease receivable (note 5)	(36)	331
Gain on remeasurement of lease modification (note 5)	(60)	(1,045)
Equity income from Pizza Pizza Royalty Limited Partnership (note 3)	(2,282)	(2,324)
Equity income from jointly-controlled companies (note 4)	(576)	(501)
Interest expense on leases, net (note 5)	759	701
Deferred income tax recovery	17	1,002
	856	**456**
Changes in non-cash operating elements of working capital (note 13)	(6,573)	(587)
Cash used in operating activities	**(5,717)**	**(131)**
Investing activities		
Additions to property, plant and equipment	(647)	(370)
Proceeds from sale of Company-owned restaurants	510	526
Distributions from Pizza Pizza Royalty Limited Partnership (note 3)	3,010	2,760
Dividends from jointly-controlled companies (note 4)	874	662
Repayment of notes receivable	312	444
Issuance of notes receivable	(143)	(507)
Contributions to renovation funds	2,008	2,174
Disbursement from renovation funds	(1,293)	(2,029)
Withdrawals from (additions to) short-term investments	2,000	(6)
Rent payments collected on lease receivables - principal (note 5)	3,499	3,499
Rent payments collected on lease receivables - interest (note 5)	455	422
Cash provided by investing activities	**10,585**	**7,575**
Financing activities		
Repayments of borrowings	(68)	(124)
Lease payments – principal (note 5)	(6,483)	(6,338)
Lease payments – interest, net (note 5)	(1,214)	(1,124)
Repayment of advances from related party (note 12)	(2,092)	(381)
Advances from related party (note 12)	3,447	172
Cash used in financing activities	**(6,410)**	**(7,795)**
Decrease in cash and cash equivalents	**(1,542)**	**(351)**
Cash and cash equivalents, beginning of period	6,399	4,262
Cash and cash equivalents, end of period	**4,857**	**3,911**

See supplementary cash flow information (note 13)
The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Pizza Pizza Limited

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the 13-week period ended March 29, 2026
(In thousands of Canadian dollars except common shares, special voting shares and number of shares)

1. Nature of Business

Pizza Pizza Limited ("PPL" or the "Company"), a privately-held corporation incorporated by Articles of Incorporation under the Business Corporations Act (Canada) on December 27, 1989, operates in the food service industry throughout Canada and primarily franchises and operates quick-service restaurant ("QSR") businesses under the brand names of Pizza Pizza and Pizza 73. The Company derives revenue from franchises through the sale of franchise restaurants, food and beverages, and royalties. The Company also derives revenue from Company-owned and managed restaurants through the sale of food products to retail customers.

The Company is incorporated and domiciled in Canada and the address of its registered office is 500 Kipling Avenue, Toronto, Ontario, Canada. The ultimate parent of the Company is 1373153 Ontario Limited, a private Corporation that does not prepare and make available financial statements for public use.

Below are the number of traditional and non-traditional franchisees and licensees as at:

	March 29, 2026	March 30, 2025
Franchisees and licensees	735	711
Jointly-controlled restaurants	76	80
Company-owned and managed restaurants	11	6
International Restaurants	4	4

2. Material Accounting Policies

The material accounting policies applied in the preparation of these unaudited interim condensed consolidated financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

a) Fiscal year-end and interim period

The Company has a floating year-end on the Sunday closest to December 31; accordingly, interim periods consist of four 13-week periods with an additional week added to the last interim period every 5 to 6 years.

b) Statement of compliance

The Company prepares its unaudited interim condensed consolidated financial statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Accounting Standard ("IAS") 34, *Interim Financial Reporting* ("IAS 34"). Accordingly, these unaudited interim condensed consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended December 28, 2025.

The Company's preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unaudited interim condensed consolidated financial statements, were the same as those that applied to the Company's consolidated financial statements as at and for the year ended December 28, 2025.

The policies applied in these unaudited interim condensed consolidated financial statements are based on IFRS standards and are consistent with those followed in the preparation of the Company's annual consolidated financial statements as at and for the year ended December 28, 2025.

These unaudited interim condensed consolidated financial statements were issued and effective as of May 1, 2026, the date the Directors approved the unaudited interim condensed consolidated financial statements.

c) Accounting standards and amendments issued but not yet adopted

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by PPL:

Amendments to IFRS 9 Financial Instruments & IFRS 7 Financial Instruments
On May 30, 2024, the IASB issued targeted amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments*. The amendments include clarifying the date of recognition and derecognition of certain financial assets and liabilities with an optional exception for the derecognition of a financial liability settled through electronic cash transfer. These new amendments are effective for annual periods beginning on or after January 1, 2026. Given the standard is effective January 1, 2026 and the Company's fiscal year commenced on December 29, 2025, the Company did not early adopt the standard. The Company is currently assessing whether the new standard will have a material impact on the consolidated financial statements.

Enhanced presentation and disclosure of financial statements (IFRS 18)
On April 9, 2024, the IASB issued a new standard IFRS 18 *Presentation and Disclosure in Financial Statements* to improve the usefulness and comparability of financial statement information. The new standard replaces IAS 1 and introduces three sets of new presentation and disclosure requirements: (1) it codifies the reporting structure of the income statement and requires defined subtotals; (2) disclosure of management-defined performance measures that relate to the income statement; and (3) enhanced guidance on how to organize information in the financial statements and whether to provide it in the primary financial statements or in the notes. The new standard is effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing whether the new standard will have a material impact on the consolidated financial statements.

d) Basis of measurement

The unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of the interest rate swap to fair value through the consolidated statement of comprehensive income.

e) Basis of consolidation

These unaudited interim condensed consolidated financial statements incorporate the assets and liabilities of the Company and its subsidiaries as at March 29, 2026 and December 28, 2025 and the results of these entities for the 13-week periods ended March 29, 2026 and March 30, 2025.

The Company consolidates the results of its investments over which it exercises control. Specifically, an investor controls an investee when it has power over the investee, it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and deconsolidated from the date that control ceases. Inter-entity transactions, balances and unrealized gains/losses on transactions between entities are eliminated.

Investment in associate
An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Company accounts for its 27.2% (December 28, 2025 – 26.2%) share interest in the Pizza Pizza Royalty Limited Partnership (the "Partnership") as an investment in an associate and applies equity accounting whereby the Company's investment is increased by its 27.2% share of income for the period of the Partnership and reduced for distributions received during the Partnership's fiscal period. The Partnership's financial and fiscal periods differ from the Company's, as the Partnership operates on a calendar year-end.

The Company assesses at each period-end whether there is any objective evidence that its interest in the Partnership is impaired. If impaired, the carrying value of the Company's share of the underlying assets of the Partnership is written down to its estimated recoverable amount, being the higher of fair value less cost to sell and value in use, and the write-down is charged to the unaudited interim consolidated statements of income.

Investments in joint ventures
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company accounts for its 50% (December 28, 2025 – 50%) share interest in the 76 jointly controlled companies as an investment in joint ventures and applies equity accounting whereby the Company's investment is increased by its 50% share of income for the period of the joint ventures and reduced for distributions received during the joint ventures' fiscal period. The jointly controlled companies' financial and fiscal periods differ from the Company's, as the joint ventures have a floating year-end of the Saturday immediately preceding July 31.

The Company assesses at each period-end whether there is any objective evidence that its interest in the joint ventures is impaired. If impaired, the carrying value of the Company's share of the underlying assets of the joint ventures is written down to its estimated recoverable amount, being the higher of fair value less cost to sell and value in use, and the write-down is charged to the unaudited interim consolidated statements of income.

f) Comparative Information - Reclassification

During the current year, the Company revised the presentation of interest and other income and interest expense on borrowings and other liabilities in the consolidated statements of income to present these items on a gross basis, rather than on a net basis as previously reported. This change was made to improve the clarity and transparency of the Company's financing activities and to enhance comparability. Accordingly, comparative amounts of $423 have been reclassified to conform with the current year presentation. The reclassification had no impact on income for the period before income taxes, income for the period attributable to shareholders of Pizza Pizza Limited, total comprehensive income attributable to shareholders, or shareholders' deficiency for the comparative period.

3. Investment in Pizza Pizza Royalty Limited Partnership

The Company owns Class B and Class D Partnership Units that are exchangeable for Pizza Pizza Royalty Corp. ("PPRC") Shares based on the exchange multiplier applicable at the exchange date and represent an effective 27.2% interest in the Partnership as at March 29, 2026 (December 28, 2025 – 26.2%).

The business of the Partnership is the ownership and licensing of the Pizza Pizza and Pizza 73 Rights and Marks through two separate License and Royalty Agreements with the Company. Additionally, the Partnership will collect the royalty payable by the Company under each License and Royalty Agreement, as well as performing the administration of PPRC pursuant to the Administration Agreement.

The table below reconciles the balance of the Company's investment in the Partnership, which is accounted for using equity accounting.

(In thousands of Canadian dollars except common shares, special voting shares and number of shares)

	For the 13-week period ended March 29, 2026	For the 52-week period ended December 28, 2025
Balance – beginning of period	20,533	21,782
Equity income of the Partnership	2,282	9,752
Distributions received from Partnership	(3,010)	(10,937)
Share of Partnership other comprehensive loss	47	(64)
Balance – end of period	**19,852**	**20,533**

A breakdown of the Partnership's aggregated assets, liabilities, revenue and profits is as follows:

	As at March 29, 2026	As at December 31, 2025
Total assets	385,067	381,435
Total liabilities	49,612	50,856

	For the 13-week period ended March 29, 2026	For the 52-week period ended December 28, 2025
Revenue	9,393	40,789
Profit for the period	8,847	38,397

a. 2025 Royalty Pool Adjustment

In early January 2026, a second adjustment was made to the royalty payments and PPL's Class B Exchange Multiplier based on the actual performance of the 44 new restaurants added to the Royalty Pool on January 1, 2025. As a result of the adjustments, PPL obtained an additional 210,078 shares, the Class B Exchange Multiplier is 2.671316 and Class B Units can be exchanged for 6,700,299 shares effective January 1, 2025.

In early January 2026, a second adjustment was made to the royalty payments and PPL's Class D Exchange Multiplier based on the actual performance of the one Pizza 73 restaurant added to the Royalty Pool on January 1, 2025. The final 2025 Pizza 73 Royalty Pool adjustment confirmed that a Make-Whole Payment for 2025 is to be paid and calculated as a percentage of $720 Royalty Pool sales. The Make-Whole Payment will continue to be paid for subsequent years, until on an Adjustment Date, additional system sales of additional restaurants are sufficient to offset the Pizza 73 system sales attributable to all closed Pizza 73 restaurants. As a result of the adjustments, the Class D Exchange Multiplier is unchanged at 22.44976 and Class D Units can be exchanged for 2,244,975 shares effective January 1, 2025.

b. 2026 Royalty Pool Adjustment – Class B Exchange Multiplier

On January 1, 2026, 18 net Pizza Pizza restaurants were added to the Royalty Pool as a result of 32 new restaurants opening and 14 closing from January 1, 2025 to December 31, 2025. The total number of Pizza Pizza restaurants in the Royalty Pool has increased to 712. The additional system sales from the 32 new restaurants are estimated at $8,404 annually, less sales of $4,011 from the 14 permanently closed Pizza Pizza restaurants. As a result, $4,393 net, estimated Pizza Pizza sales were added to the Royalty Pool, resulting in an Estimated Determined Amount of $3,121.

The yield of the shares was determined to be 6.05% calculated using $15.36 as a weighted average share price.

Weighted average share price is calculated based on the market price of the shares traded on the Toronto Stock Exchange during the period of twenty consecutive days ending on the fifth trading day before January 1, 2026. As a result of the contribution of the additional net sales to the Royalty Pool, the Class B Exchange Multiplier increased fractionally by 80% of the total adjustment or 0.064801 (representing 162,536 additional exchangeable shares); the new Class B Multiplier is 2.736117. This adjustment will also increase the entitlement of the holders of the Class B units to distributions of cash and allocations of income from the Partnership. The second adjustment to the Class B Exchange Multiplier will be adjusted to be effective January 1, 2026, once the actual performance of the new restaurants is determined in early 2027.

c. 2026 Royalty Pool Adjustment – Class D Exchange Multiplier

On January 1, 2026, two net Pizza 73 restaurants were added to the Royalty Pool as a result of seven new restaurants opening between September 2, 2024 and September 1, 2025 and five restaurants closing between January 1, 2025 and December 31, 2025. The total number of Pizza 73 restaurants in the Royalty Pool has increased to 102. The forecasted additional system sales from the seven new restaurants is estimated at $2,332 annually, less $200 in system sales attributable to the one permanently closed Pizza 73 restaurant. The other four closed restaurants had their territories recombined with the adjacent restaurants, and will be adjusted for on the next Adjustment Date as per the Amendment to the Pizza 73 Licence and Royalty Agreement signed in 2025 to reflect the recombination of territories. As a result, $2,132 net, estimated Pizza 73 sales were added to the Royalty Pool and applied against the $720 Make-Whole Carryforward Amount, resulting in an Estimated Determined Amount of $1,504.

The yield of the shares was determined to be 6.05% calculated using $15.36 as a weighted average share price. Weighted average share price is calculated based on the market price of the shares traded on the Toronto Stock Exchange during the period of twenty consecutive days ending on the fifth trading day before January 1, 2026. As a result of the contribution of the additional net sales to the Royalty Pool, the Class D Exchange Multiplier increased fractionally by 80% of the total adjustment or 0.78341 (representing 78,341 additional exchangeable shares); the new Class D Multiplier is 23.23316. This adjustment will also increase the entitlement of the holders of the Class D units to distributions of cash and allocations of income from the Partnership. The second adjustment to the Class D Exchange Multiplier will be adjusted to be effective January 1, 2026, once the actual performance of the new restaurants is determined in early 2027.

d. Pizza Pizza Royalty Corp. Outstanding Shares

In exchange for adding the forecasted Pizza Pizza system sales to the Royalty Pool, PPL has received 162,536 additional equivalent shares (through the change to the Class B Exchange Multiplier). These represent 80% of the forecasted equivalent shares entitlement to be received (203,170 equivalent shares represent 100%), with the final equivalent shares entitlement to be determined when the new restaurants' 2026 actual sales performance is known with certainty in early 2027.

In exchange for adding the forecasted Pizza 73 system sales to the Royalty Pool, PPL has received 78,341 additional equivalent shares (through the change to the Class D Exchange Multiplier). These represent 80% of the forecasted equivalent shares entitlement to be received (97,926 equivalent shares represent 100%), with the final equivalent shares entitlement to be determined when the new restaurants' 2026 actual sales performance is known with certainty in early 2027.

After giving effect to PPL's entitlement to additional equivalent shares at January 1, 2026, PPL owns equivalent shares representing 27.2% of the Company's fully diluted shares.

4. Investment in Jointly Controlled Companies

Jointly-controlled companies are joint ventures, consisting of the Company's 50% interest in 76 Pizza 73 restaurants (December 28, 2025 – 76 Pizza 73 restaurants). Jointly-controlled restaurants are companies, owned and operated as an independent business, equally owned by the Company and an Owner/Operator. Licensing, consulting and other agreements govern the relationship of the Company and the Owner/Operator as shareholders of these jointly-controlled restaurants, and establish a framework under which each restaurant is operated.

(In thousands of Canadian dollars except common shares, special voting shares and number of shares)

The financial statements of all jointly controlled companies have a floating year-end of the Saturday immediately preceding July 31 and all operations are continuing.

The following table reconciles the balance of the Company's investment in the jointly controlled companies, which is accounted for using equity accounting.

	For the 13-week period ended March 29, 2026	For the 52-week period ended December 28, 2025
Balance – beginning of period	15,407	15,876
Equity income from jointly-controlled companies	576	2,258
Dividends received from jointly-controlled companies	(874)	(2,727)
Balance – end of period	**15,109**	**15,407**

A breakdown of the Company's share in jointly-controlled companies' comprehensive income is as follows:

	For the 13-week period ended March 29, 2026	For the 13-week period ended March 30, 2025
Revenue	9,363	9,757
Expenses	(8,787)	(9,256)
Income for the period after income taxes	**576**	**501**

5. Leases

Lease receivable	As at March 29, 2026	As at December 28, 2025
Opening balance	35,890	31,211
Lease additions and remeasurements	4,064	17,566
Reversal of impairment of lease receivable	36	393
Rent payments collected	(3,954)	(15,284)
Interest income	455	2,004
Total lease receivable	**36,491**	**35,890**
Less: current portion	(14,385)	(14,218)
Total non-current lease receivable	**22,106**	**21,672**

Lease receivables are reviewed for impairment based on expected losses at each balance sheet date in accordance with IFRS 9 – Financial Instruments. An impairment loss is recorded when the credit risk is assessed to have increased for the lease receivables. The Company has developed a probability-weighted model that is used to assess the credit risk of lease receivables. The Company recorded a credit loss reversal on lease receivables of $36 for the 13-week period ended March 29, 2026 (13-week period ended March 30, 2025 – loss of $331).

(In thousands of Canadian dollars except common shares, special voting shares and number of shares)

Lease Liability	As at March 29, 2026	As at December 28, 2025
Opening balance	109,680	99,942
Lease additions and remeasurement	8,280	33,843
Lease payments	(7,697)	(29,186)
Accretion of interest expense	1,214	5,081
Total lease liability	**111,477**	**109,680**
Less: current portion	(24,950)	(24,493)
Total non-current lease liability	**86,527**	**85,187**

6. Right-of-Use Asset

	As at March 29, 2026	As at December 28, 2025
Opening balance	63,479	58,777
Lease additions and remeasurements	4,277	15,909
Depreciation of right-of-use asset	(2,645)	(11,207)
Total right-of-use asset	**65,111**	**63,479**

7. Borrowings

	As at March 29, 2026	As at December 28, 2025
Notes payable, bearing interest from 4.45% to 8.09%, repayable in varying monthly principal amounts, maturing between 2027 and 2033. These notes were secured by specific company-owned restaurant assets. The effective interest rate as at March 29, 2026 was 5.65% (December 28, 2025 – 5.63%).	1,137	1,204
Less: current portion	(271)	(269)
Total non-current borrowings	**866**	**935**

The Company's borrowings are not subject to any financial covenants.

8. Food sales

Food sales include the following:

	For the 13-week period ended March 29, 2026	For the 13-week period ended March 30, 2025
Food sales	40,828	41,842
Company-owned restaurant sales	1,061	687
Total food sales	**41,889**	**42,529**

(In thousands of Canadian dollars except common shares, special voting shares and number of shares)

9. Royalties, franchise fees and other revenue

Royalties, franchise fees and other revenue include the following:

	For the 13-week period ended March 29, 2026	For the 13-week period ended March 30, 2025
Royalties	7,730	7,767
Rental income	2,303	2,159
Initial and renewal franchise fees	647	422
Construction fees	120	455
Administration and accounting fees	607	620
Total royalties, franchise fees and other revenue	**11,407**	**11,423**

10. Store service contributions and expenditures

Store service contributions include the following:

	For the 13-week period ended March 29, 2026	For the 13-week period ended March 30, 2025
Advertising services	8,654	8,528
Order processing services	3,798	3,785
Commissary food services	8,755	8,897
Total store service contributions	**21,207**	**21,210**

Store service expenditures include the following:

	For the 13-week period ended March 29, 2026	For the 13-week period ended March 30, 2025
Advertising services	10,073	10,854
Order processing services	3,995	3,644
Commissary food services	8,576	8,773
Total store service expenditures	**22,644**	**23,271**

11. Expenses by nature

The following table summarizes significant general and administrative expenses:

	For the 13-week period ended March 29, 2026	For the 13-week period ended March 30, 2025
Depreciation of property, plant and equipment	542	471
Depreciation of right-of-use asset	2,645	1,873
Amortization of intangible assets	69	69
Company store expenses	1,326	964
Employee benefit expense	5,089	5,139

(In thousands of Canadian dollars except common shares, special voting shares and number of shares)

12. Related party transactions

As at March 29, 2026, trade, other receivables and prepayments includes $3,245 from the Partnership (December 28 2025 - $1,009), and trade and other payables includes amounts payable of $1,198 to the Partnership (as at December 28, 2025 - $3,606), which were settled subsequent to the end of the period.

In addition, the Company has the following advances to and from related parties:

	As at March 29, 2026	As at December 28, 2025
Receivable from jointly-controlled companies	4,043	4,539
Advances to related party	731	1,106
Advances from related party	8,567	7,589

Advances to and from related party are with the parent company. Advances to related party and receivables from jointly-controlled companies are non-interest bearing, have no specified terms of repayment and are unsecured.

The following table summarizes the Company's transactions with related parties in the normal course of business:

	For the 13-week period ended March 29, 2026	For the 13-week period ended March 30, 2025
Lease payments[(i)]	636	639
Recovery of expenses[(i)]	150	150
Administration and accounting fee revenue[(ii)]	607	620
Store service contributions[(ii)]	10,693	10,879
Dividends from jointly-controlled companies[(ii)]	874	662
Distributions from Pizza Pizza Royalty Limited Partnership [(iii)]	3,010	2,760
Royalty payments[(iii)]	9,393	9,724

[(i)] Transactions with commonly controlled companies
[(ii)] Transactions with jointly-controlled companies
[(iii)] Transactions with an associate

13. Statements of cash flow information

	For the 13-week period ended March 29, 2026	For the 13-week period ended March 30, 2025
Trade and other receivables	(1,177)	101
Inventories	87	(265)
Receivables from jointly-controlled companies	496	(380)
Trade and other payables	(5,882)	(376)
Deposits from franchisees	(97)	333
Changes in non-cash operating elements of working capital	**(6,573)**	**(587)**
Interest paid	(54)	(62)

(In thousands of Canadian dollars except common shares, special voting shares and number of shares)

14. Financial risk management

The Company's objective is to minimize risk with respect to financial instruments by monitoring the performance of its franchisees and jointly-controlled companies, maintaining restaurants in different geographic regions and having the ability to assume the operations of franchisees for inadequate financial performance and/or default under the franchise agreement.

Fair Values

The carrying amounts of cash and cash equivalents, short term investments, trade, other receivables and prepayments and trade and other payables approximate fair values given the short-term maturity of these instruments.

A reasonable estimate of fair value could not be made for receivables from jointly-controlled companies, advances from related party, renovation funds and deposits from franchisees as there are no fixed terms of repayment; therefore, they are measured at exchange value.

The fair value of the non-current notes receivable is based on the estimated future discounted cash flows using a comparable market rate of interest as at March 29, 2026 of 4.94% (December 28, 2025 – 4.93%).

The fair value of the borrowings is based on the estimated future discounted cash flows using a comparable market rate of interest as at March 29, 2026 of prime plus a spread varying by loan (December 28, 2025 of prime plus a spread varying by loan). The Company has no plans to prepay these instruments prior to maturity. The fair value of the borrowings was determined using Level 2 inputs, which are observable inputs or inputs that can be corroborated by observable market data for substantially the full term of the asset or liability.

The carrying value and fair value of the Company's financial instruments are as follows:

		As at March 29, 2026		As at December 28, 2025	
	Category	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Notes receivable	AC	1,743	1,783	1,912	1,944
Borrowings	AC	1,137	964	1,204	1,014

Financial instruments category guide:
AC Amortized cost
FVOCI Fair value through other comprehensive income

The different fair value hierarchy levels are as follows:
- Level 1: Quoted prices (unadjusted) in active markets for identical financial assets or financial liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the financial asset or financial liability, either directly or indirectly; and
- Level 3: Inputs for the financial asset or financial liability that are not based on observable market data.

The Company's financial instruments have been assessed at level 2 in the fair value hierarchy (2025 – Level 2).

Credit Risk

The Company is exposed to credit risk as all of the franchisees and jointly-controlled companies operate within the same segment: commercial food service. The Company is also exposed to credit risk in the event of non-payment by its franchisees and jointly-controlled companies of its trade receivables, notes receivable, receivables from jointly-controlled companies, lease receivables and renovation funds receivable. The Company's credit risk is mitigated by the large number of franchisees and jointly-controlled companies operating in different geographical markets and by the Company's ultimate ability to assume operations of the franchisees if there is inadequate financial performance and/or default under the franchisee agreement.

(In thousands of Canadian dollars except common shares, special voting shares and number of shares)

The aging of trade receivable balances that are past due, but not impaired are as follows:

	As at March 29, 2026	As at December 28, 2025
Past due 0-30 days	247	739
Past due 31-120 days	883	860
Total trade receivables past due, but not impaired	**1,130**	**1,599**

Liquidity Risk

The Company is subject to liquidity risk with respect to the items outlined in the table below. The risk is mitigated as the majority of the Company's revenue is earned from franchisees and jointly-controlled companies, which have agreements with the Company and whose activities are closely monitored by the Company. In the case of franchisees, the majority of the Company's business, the Company is able to assume operations of the franchises if there is inadequate financial performance and/or default under the franchise agreement. Liquidity requirements are monitored by the Company's head office functions in order to guarantee effective access to financial resources.

Management believes that currently available funds, apart from those that will be generated by operating and financing activities, will allow the Company to satisfy its requirements for investment, working capital management, and borrowing repayment at maturity.

The following are the contractual undiscounted cash flows of financial liabilities as at March 29, 2026:

	Carrying amount	0 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Trade and other payables	33,980	33,980	-	-	-
Deposits from franchisees	1,301	1,301	-	-	-
Borrowings	1,137	271	246	574	46

Interest Rate Risk

The Company is exposed to interest rate risk from its borrowings. All borrowings are based on floating interest rates.