PIZZA PIZZA ROYALTY CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (the "MD&A") is a discussion of the results of operations and financial condition of Pizza Pizza Royalty Corp ("PPRC" or the "Company") for the three months (the "Quarter") and nine months (the "Period") ended September 30, 2026. The September 30, 2026 unaudited interim condensed consolidated financial statements of the Company ("Financial Statements") are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The MD&A has been prepared as of November 2, 2026.

SELECTED FINANCIAL HIGHLIGHTS

The following tables set out selected financial information and other data of the Company and should be read in conjunction with the Financial Statements. Readers should note that the 2026 results are not directly comparable to the 2025 results due to there being 814 restaurants in the 2026 Royalty Pool compared to 794 restaurants in the 2025 Royalty Pool.

(in thousands of dollars, except number of restaurants, days in the period, per share amounts, and noted otherwise)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Restaurants in Royalty Pool[1]	814	794	814	794
Same store sales growth[2]	-2.3%	0.1%	-3.8%	1.1%
Days in the Quarter	92	92	273	273
System Sales reported by Pizza Pizza restaurants in the Royalty Pool[6]	$ 136,111	$ 137,997	$ 394,890	$ 407,164
System Sales reported by Pizza 73 restaurants in the Royalty Pool[6]	21,287	20,812	63,940	64,350
Total System Sales	$ 157,398	$ 158,809	$ 458,830	$ 471,514
Royalty – 6% on Pizza Pizza System Sales	$ 8,166	$ 8,280	$ 23,693	$ 24,430
Royalty – 9% on Pizza 73 System Sales	1,916	1,873	5,755	5,792
Royalty – International operations	4	6	12	14
Royalty income	$ 10,086	$ 10,159	$ 29,460	$ 30,236
Interest expense on borrowings[3]	(444)	(444)	(1,318)	(1,152)
Administrative expenses	(141)	(181)	(455)	(616)
Interest income	20	37	65	166
Adjusted earnings available for distribution to the Company and Pizza Pizza Limited[5]	$ 9,521	$ 9,571	$ 27,752	$ 28,634
Distribution on Class B and Class D Exchangeable Shares[4]	(2,497)	(2,726)	(8,123)	(8,212)
Current income tax expense	(1,685)	(1,706)	(4,896)	(5,069)
Adjusted earnings available for shareholder dividends[5]	$ 5,339	$ 5,139	$ 14,733	$ 15,353
Add back:				
Distribution on Class B and Class D Exchangeable Shares[4]	2,497	2,726	8,123	8,212
Adjusted earnings from operations[5]	$ 7,836	$ 7,865	$ 22,856	$ 23,565
Basic earnings per share	$ 0.227	$ 0.231	$ 0.671	$ 0.700
Adjusted earnings per share[5]	$ 0.232	$ 0.236	$ 0.676	$ 0.707
Dividends declared by the Company	$ 4,985	$ 5,724	$ 15,940	$ 17,171
Dividend per share	$ 0.2025	$ 0.2325	$ 0.6475	$ 0.6975
Payout ratio[5]	93%	111%	108%	112%

	September 30, 2026	December 31, 2025
Working capital[5]	2,604	3,727
Total assets	382,780	377,103
Total liabilities	75,838	75,614

	Q3 2026	Q2 2026	Q1 2026	Q4 2025
(in thousands of dollars, except number of restaurants, days in the quarter, per share amounts and as noted otherwise)				
Restaurants in Royalty Pool[1]	814	814	814	794
Same store sales growth[2]	-2.3%	-5.0%	-4.1%	0.2%
Days in the quarter	92	91	90	92
System Sales reported by Pizza Pizza restaurants in Royalty Pool[6]	$ 136,111	$ 134,253	$ 124,526	$ 140,420
System Sales reported by Pizza 73 restaurants in Royalty Pool[6]	21,287	21,345	21,308	23,580
Total System Sales	$ 157,398	$ 155,598	$ 145,834	$ 164,000
Royalty – 6% on Pizza Pizza System Sales	8,166	8,055	7,471	8,425
Royalty – 9% on Pizza 73 System Sales	1,916	1,921	1,918	2,122
Royalty – International operations	4	4	4	6
Royalty income	$ 10,086	$ 9,980	$ 9,393	$ 10,553
Interest expense on borrowings[3]	(444)	(439)	(435)	(443)
Administrative expenses	(141)	(181)	(132)	(211)
Interest Income	20	20	25	31
Adjusted earnings available for distribution to the Company and to Pizza Pizza Limited[5]	$ 9,521	$ 9,380	$ 8,851	$ 9,930
Distribution on Class B and Class D Exchangeable Shares[4]	(2,497)	(2,616)	(3,010)	(2,725)
Current income tax expense	(1,685)	(1,657)	(1,554)	(1,775)
Adjusted earnings available for shareholder dividends[5]	$ 5,339	$ 5,107	$ 4,287	$ 5,430
Add back:				
Distribution on Class B and Class D Exchangeable Shares[4]	2,497	2,616	3,010	2,725
Adjusted earnings from operations[5]	$ 7,836	$ 7,723	$ 7,297	$ 8,155
Basic earnings per share	$ 0.227	$ 0.224	$ 0.220	$ 0.240
Adjusted earnings per share[5]	$ 0.232	$ 0.228	$ 0.216	$ 0.245
Dividends declared by the Company	$ 4,985	$ 5,231	$ 5,724	$ 5,724
Dividend per share	$ 0.2025	$ 0.2125	$ 0.2325	$ 0.2325
Payout ratio[5]	93%	102%	134%	105%

	Q3 2025	Q2 2025	Q1 2025	Q4 2024
(in thousands of dollars, except number of restaurants, days in the quarter, per share amounts and as noted otherwise)				
Restaurants in Royalty Pool[1]	794	794	794	774
Same store sales growth[2]	0.1%	2.1%	1.2%	-3.8%
Days in the quarter	92	91	90	92
System Sales reported by Pizza Pizza restaurants in Royalty Pool[6]	$ 137,997	$ 139,347	$ 129,820	$ 137,721
System Sales reported by Pizza 73 restaurants in Royalty Pool[6]	20,812	22,035	21,503	22,820
Total System Sales	$ 158,809	$ 161,382	$ 151,323	$ 160,541
Royalty – 6% on Pizza Pizza System Sales	8,280	8,361	7,789	8,264
Royalty – 9% on Pizza 73 System Sales	1,873	1,983	1,936	2,053
Royalty – International operations	6	4	4	-
Royalty income	$ 10,159	$ 10,348	$ 9,729	$ 10,317
Interest expense on borrowings[3]	(444)	(392)	(317)	(326)
Administrative expenses	(181)	(283)	(152)	(221)
Interest Income	37	61	68	70
Adjusted earnings available for distribution to the Company and to Pizza Pizza Limited[5]	$ 9,571	$ 9,734	$ 9,328	$ 9,840
Distribution on Class B and Class D Exchangeable Shares[4]	(2,726)	(2,726)	(2,760)	(2,584)
Current income tax expense	(1,706)	(1,707)	(1,656)	(1,767)
Adjusted earnings available for shareholder dividends[5]	$ 5,139	$ 5,301	$ 4,912	$ 5,489
Add back:				
Distribution on Class B and Class D Exchangeable Shares[4]	2,726	2,726	2,760	2,584
Adjusted earnings from operations[5]	$ 7,865	$ 8,027	$ 7,672	$ 8,073
Basic earnings per share	$ 0.231	$ 0.236	$ 0.233	$ 0.240
Adjusted earnings per share[5]	$ 0.236	$ 0.241	$ 0.230	$ 0.245
Dividends declared by the Company	$ 5,724	$ 5,724	$ 5,724	$ 5,724
Dividend per share	$ 0.2325	$ 0.2325	$ 0.2325	$ 0.2325
Payout ratio[5]	111%	108%	117%	104%

(1) The number of restaurants for which the Pizza Pizza Royalty Limited Partnership (the "Partnership") earns a royalty ("Royalty Pool"), as defined in the amended and restated Pizza Pizza license and royalty agreement (the "Pizza Pizza License and Royalty Agreement") and

the amended and restated Pizza 73 license and royalty agreement (the "Pizza 73 License and Royalty Agreement") (together, the "License and Royalty Agreements"). For the 2026 fiscal year, the Royalty Pool includes 712 Pizza Pizza restaurants and 102 Pizza 73 restaurants. The number of restaurants added to the Royalty Pool each year may differ from the number of restaurant openings and closings reported by Pizza Pizza Limited ("PPL") on an annual basis as the years for which they are reported differ slightly (see "Royalty Pool Adjustments").

(2) Same store sales growth ("SSSG") is a supplementary financial measure under NI 52-112 and therefore may not be comparable to similar measures presented by other issuers. SSSG means the change in Period's gross sales of a particular Pizza Pizza or Pizza 73 restaurant as compared to sales in the previous comparative Period, where the restaurant has been open at least 13 months. Additionally, for a Pizza 73 restaurant whose restaurant territory was adjusted due to an additional restaurant, the sales used to derive the Step-Out Payment (calculated as the difference between the average monthly Pizza 73 Royalty payment attributable to that Adjusted Restaurant in the 12 months immediately preceding the month in which the territory reduction occurs, less the Pizza 73 Royalty payment attributable to the restaurant in the current month) may be added to sales to arrive at SSSG. SSSG does not have any standardized meaning under IFRS as issued by the IASB. See "Reconciliation of Non-IFRS Measures".

(3) The Company, indirectly through the Partnership, incurs interest expense on the $47 million outstanding credit facility. Interest expense also includes amortization of deferred financing fees. See "Interest Expense".

(4) Represents the distribution to PPL from the Partnership on Class B and Class D Units of the Partnership held by PPL. The Class B and D Units are exchangeable into common shares of the Company ("Shares") based on the value of the Class B Exchange Multiplier and the Class D Exchange Multiplier at the time of exchange as defined in the License and Royalty Agreements, respectively, and represent 27.2% of the fully diluted Shares at September 30, 2026 (December 31, 2025 – 26.2%). During the quarter ended March 31, 2026, as a result of the final calculation of the Exchangeable Class B and Class D Share entitlements related to the January 1, 2025 Adjustment to the Royalty Pool, PPL was paid a distribution on additional Exchangeable Shares as if such Shares were outstanding as of January 1, 2025. Included in the three months ended March 31, 2026, is the payment of $153 in distributions to PPL pursuant to the true-up calculation (March 31, 2025 - PPL received $34).

(5) "Adjusted earnings available for distribution to the Company and Pizza Pizza Limited", "Adjusted earnings from operations", "Adjusted earnings available for shareholder dividends", "Adjusted earnings per Share", "Payout Ratio", and "Working Capital" are non-GAAP financial measures under NI 52-112. They do not have any standardized meaning under IFRS as issued by the IASB and therefore may not be comparable to similar measures presented by other issuers. See "Reconciliation of Non-IFRS Measures" and "Interest Expense".

(6) System Sales (as defined in the License and Royalty Agreements) reported by Pizza Pizza and Pizza 73 restaurants include the gross sales of Pizza Pizza company-owned, jointly-controlled and franchised restaurants, and the monthly Make-Whole Payment, Step-out Payment and Recombination Payments, excluding sales and goods and service tax or similar amounts levied by any governmental or administrative authority. System Sales do not represent the consolidated operating results of the Company but are used to calculate the royalties payable to the Partnership as presented above.

OVERVIEW AND BUSINESS OF THE COMPANY

The Company, indirectly through the Partnership, owns the trademarks, trade names and other intellectual property used by PPL in its Pizza Pizza and Pizza 73 restaurants and in its international franchising business. The Pizza Pizza trademarks, trade names and other intellectual property (the "Pizza Pizza Rights") were licensed to PPL in 2005 for 99 years for which PPL pays the Partnership a royalty equal to 6% of the System Sales of its Pizza Pizza restaurants in the Royalty Pool. On July 24, 2007, the Partnership acquired the trademarks, trade names and other intellectual property of Pizza 73 (the "Pizza 73 Rights") from Pizza 73 Inc. and licensed them to PPL for 99 years, for which PPL pays a royalty equal to 9% of the System Sales of the Pizza 73 restaurants in the Royalty Pool. The Partnership is also entitled to receive royalty payments based on PPL's international franchising activities using the Pizza Pizza Rights. For 2026, the Royalty Pool consists of 712 Pizza Pizza restaurants and 102 Pizza 73 restaurants. Additionally, there were four international franchise restaurants for which royalties commenced in October 2024. These royalties are immaterial to the Company's results.

Readers should note that the number of restaurants added to the Royalty Pool each year may differ from the number of restaurant openings and closings reported by PPL on an annual basis as the years for which they are reported differ slightly. See "Royalty Pool Adjustments".

About the Pizza Pizza Brand

Pizza Pizza is a franchise-oriented restaurant business operating primarily in the province of Ontario in which it leads the pizza quick service restaurant ("QSR") segment. Of the 710 Pizza Pizza restaurants at September 30, 2026, 698 are franchised or licensed, and 12 are owned and/or managed as corporate restaurants. Of the 710 restaurants, 207 are non-traditional locations which have limited operating hours and a limited menu.

PPL, a privately-held company, provides a high level of service and operational support to restaurant operators, including turn-key restaurants, a central food distribution centre which supplies all food and non-food items used in Pizza Pizza restaurant operations, and monitoring systems intended to ensure product and service quality and operational consistency across the chain. Pizza Pizza has a modern restaurant system. The centrally-managed

renovation or re-imaging program, funded by PPL's franchisees, allows for the continuous renewal of the Pizza Pizza concept.

About the Pizza 73 Brand

There are 100 Pizza 73 locations operating in the QSR segment, principally in the province of Alberta. The majority of the traditional Pizza 73 restaurants are not franchised, but instead are owned and operated as independent businesses. Of the 90 traditional restaurants at September 30, 2026, 14 are franchised or licensed and 76 are jointly-controlled by PPL and an independent owner/operator. There are 10 non-traditional locations which have limited operating hours and a limited menu. Pizza 73 currently has five traditional locations outside of Alberta; three in Saskatchewan and two in British Columbia. Sales through its centralized call centre and online ordering, together with those on 3rd party delivery apps, account for approximately 84% of Pizza 73's System Sales. The Pizza 73 business also includes a central food distribution centre in Edmonton.

About the International Franchising Business

In November 2021, the Partnership and PPL entered into a licence and royalty agreement for international operations (the "International Agreement"), under which PPL may be granted licences to use the Pizza Pizza Rights in connection with the business of franchising, licensing and/or operating restaurants dedicated to the sale of pizza and related products in designated territories outside of Canada. PPL is currently using the International Agreement in its Mexico expansion. In consideration of the licence for Mexico, PPL is required to pay the Partnership a fee calculated as 12.5% of the royalty received by PPL under PPL's Master Franchise Agreement. The international licence and royalty agreement provides only for a cash royalty payment, and openings and closings of restaurants in Mexico will not result in changes to the Royalty Pool nor to the Class B and Class D Exchange Multipliers. Royalties commenced in October 2024 and as of September 30, 2026 there were four restaurants in Mexico.

System Sales and PPL's Interest

A key attribute of the Company is that revenues are based on top-line System Sales of the restaurants in the Royalty Pool and not on the profitability of either PPL or the restaurants. Moreover, the Company is not subject to the variability of earnings or expenses of either PPL or the restaurants. The Company's only expenses are administration expenses, interest on debt, and income taxes. Thus, its success depends primarily on the ability of PPL to maintain and increase System Sales of the Royalty Pool and to meet its royalty obligations. See "Outlook" and "Risks and Uncertainties of the Company".

Increases in System Sales are derived from both the opening of new Pizza Pizza and Pizza 73 restaurants and SSSG. The key metric for yield growth of the Company is SSSG, which is dependent on maintaining operational excellence within each restaurant, general market conditions, pricing, and marketing programs undertaken by PPL.

As of September 30, 2026, PPL held an effective 27.2% interest in the Company (December 31, 2025 – 26.2%) by holding all Class B and Class D Units of the Partnership. PPL has the right to exchange one Class B or Class D Unit indirectly for that number of Shares equal to the Class B Exchange Multiplier or Class D Exchange Multiplier, respectively, applicable at the date of such exchange, as described under "Royalty Pool Adjustments".

The Class B and Class D Units are entitled to receive monthly distributions established by PPRC's board of directors. A monthly distribution is paid to both PPL and PPRC on a pro rata ownership basis, with PPRC's ownership held through its Class A and Class C limited partnership units of the Partnership.

ROYALTY POOL ADJUSTMENTS

Annually, on January 1 (the "Adjustment Date"), an adjustment is made to the Royalty Pool to include the forecasted System Sales from new Pizza Pizza restaurants opened on or before December 31 of the prior year, less System Sales from any Pizza Pizza restaurants that have been permanently closed during the year. Once adjusted, the Royalty Pool remains fixed for the year, consequently, the number of stores in the Royalty Pool may vary from the number of stores actually open at any given time during the year. As the Royalty Pool does not reflect current year changes until the next Adjustment Date, the change in the amount of the Royalty due to the Partnership as a result of changes in the System Sales of the Royalty Pool will affect PPL's retained interest through an adjustment to the rate at which the Class B Units of the Partnership may ultimately be exchanged for Shares. On the Adjustment Date, the adjustment to the Class B Exchange Multiplier (as defined in the Pizza Pizza License and Royalty

Agreement) involves first calculating the "Determined Amount", which is defined as 92.5% of the royalty revenue added to the Royalty Pool, divided by the prevailing yield of the Shares. Beginning January 1, 2012, the Determined Amounts are multiplied by a number equal to (1-Tax%) where "Tax%" is an estimate of the Company's effective tax rate for the year (determined using the total income taxes expensed by the Company during the fiscal year divided by the total cash received by the Company during that fiscal year) (i.e., for the Adjustment Date of January 1, 2026, it will be the effective Company tax rate for the year ended December 31, 2025). This estimate of the effective tax rate will be subject to an adjustment when the actual effective entity level tax rate of the Company for the year is known. The Determined Amount is multiplied by 80%, then divided by the current market price of the Shares, and then further divided by the number of Class B Units outstanding. This fraction is added to the Class B Exchange Multiplier from the preceding year, which was "one" on the closing of the initial public offering of the Company's predecessor. On the following Adjustment Date, a second adjustment to the Class B Exchange Multiplier will be made in the same manner once the System Sales for new restaurants are known with certainty. The adjustment for new restaurants rolled into the Royalty Pool is designed to be accretive for current shareholders.

In the case where System Sales of the closed restaurants exceed the additional System Sales of the restaurants added to the Royalty Pool, the royalties on the deficit (the "Make-Whole Carryover Amount"), will be paid by PPL to the Partnership in that year, and will be carried over and continue to be paid for subsequent years, until on an Adjustment Date, additional sales of new restaurants are sufficient to offset the System Sales attributable to all closed restaurants. Additionally, per the Pizza Pizza License and Royalty Agreement and the Partnership's Amended and Restated Limited Partnership Agreement (the "Partnership Agreement") whenever the Determined Amount is negative it shall be deemed to be zero.

If, during a year, a Pizza Pizza restaurant is closed, the sales of the restaurant from the closing date would no longer be included in the calculation of the royalty payable to the Partnership by PPL. To compensate for this, in certain circumstances, the Partnership Agreement provides that an amount (the "Make-Whole Payment") reflecting the reduction in the royalty resulting from the restaurant closure will be paid by PPL to the Partnership for the balance of the year in which the restaurant was closed, commencing from the closing date. The Make-Whole Payment will be the sales of the closed restaurant for the first 52-week Year in which it was included in the Royalty Pool multiplied by the royalty rate, one twelfth of which is payable each month until the Adjustment Date.

Similarly, on the Adjustment Date, a separate adjustment is made to the Royalty Pool for the Pizza 73 restaurants. The Royalty Pool is increased to include the forecasted System Sales from new Pizza 73 restaurants opened on or before September 1 of the prior year, less System Sales from any Pizza 73 restaurants that have been permanently closed during the year. On the Adjustment Date, the adjustment to the Class D Exchange Multiplier is calculated in a similar manner as the Class B Exchange Multiplier described above.

Amendment to Pizza 73 Licence and Royalty Agreement in 2025

The amended and restated licence and royalty agreement for Pizza 73 operations (the "Pizza 73 Licence and Royalty Agreement") and the Partnership's amended and restated limited partnership agreement (the "Partnership Agreement") have historically provided for adjustments to the calculation of the Partnership's and PPL's respective economic entitlements in relation to "adjusted restaurants", being those Pizza 73 restaurants whose performance may be temporarily adversely affected by opening a new Pizza 73 restaurant in its territory.

In 2025, the Company and PPL agreed to certain amendments to the Pizza 73 Licence and Royalty Agreement and the Partnership Agreement, which are based on the adjusted restaurant mechanism and will be applicable in relation to certain Pizza 73 restaurants that permanently close during 2025 and 2026. If it is expected that the closed Pizza 73 restaurant's business can be effectively migrated to an adjacent Pizza 73 restaurant, the closed restaurant will be treated as a "transitioned restaurant" and the adjacent restaurant that continues to operate will be treated as a "combined restaurant". In these circumstances, although the transitioned restaurant will not immediately be treated as a closed restaurant for the purposes of the agreements, PPL will make a "recombination payment" to the Partnership in order to "top up" the monthly royalty payments from the combined restaurant, so that the total amount received by the Partnership is not less than the average aggregate monthly royalty payment that had been made in respect of the transitioned restaurant and the combined restaurant in the 12 months preceding the month in which the transitioned restaurant closed. These monthly recombination payments will continue until the end of the year after the year in which the transitioned restaurant closed (i.e., for a 2025 restaurant closure, the last recombination payment will be made in December 2026). On the following Adjustment Date (i.e., for that 2025 restaurant closure, January 1, 2027), the transitioned restaurant will be treated as a closed restaurant for the purposes of the

Amendment to the Pizza 73 Licence and Royalty Agreement and the Partnership Agreement calculations – the System Sales of the transitioned restaurant will be deducted from additional System Sales added to the Royalty Pool at that date, provided that PPL will receive a credit to the extent that the System Sales of the combined restaurant have increased for the year then ended compared to the 52 weeks preceding the month in which the transitioned restaurant closed. This credit is intended to reflect the migration of business from the transitioned restaurant to the combined restaurant. In addition, if the transitioned restaurant was an adjusted restaurant in a prior period, PPL will also receive a credit for any System Sales decreases that it had previously paid for through Royalty Pool adjustments.

The Company and PPL believe that these amendments will help support the effective operation of the Pizza 73 chain, in a manner consistent with the intended treatment of restaurant openings and closures under the agreements, and will provide fair compensation to the Partnership to the extent that System Sales of a transitioned restaurant are not fully migrated to its associated combined restaurant.

RESTAURANTS ADDED TO THE ROYALTY POOL

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 $0.7 million 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.

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 $8.4 million annually, less sales of $4.0 million from the 14 permanently closed Pizza Pizza restaurants. As a result, $4.4 million net, estimated Pizza Pizza sales were added to the Royalty Pool, resulting in an Estimated Determined Amount of $3.1 million.

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.

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 $2.3 million annually, less $0.2 million 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, $2.1 million net, estimated Pizza 73 sales were added to the Royalty Pool and applied against the $0.7 million Make-Whole Carryforward Amount, resulting in an Estimated Determined Amount of $1.5 million.

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.

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.

The chart below shows the Company shares that would be outstanding if all of the Class B and Class D Units held by PPL were converted to Company shares after accounting for their respective multipliers and adjustments as described below, after the impact of the January 1, 2026 Adjustment Date.

Shares outstanding & issuable on January 1, 2026		
Shares outstanding		24,618,392
Class B Exchangeable Shares held by PPL at December 31, 2025	6,490,221	
PPL additional Class B Exchangeable Shares - True-up Holdback as at December 31, 2025	210,078	
Additional PPL Class B Exchangeable Shares as of January 1, 2026	162,536	6,862,835
Class D Exchangeable Shares held by PPL at December 31, 2025	2,244,975	
PPL additional Class D Exchangeable Shares - True-up Holdback as at December 31, 2025	-	
Additional PPL Class D Exchangeable Shares as of January 1, 2026	78,341	2,323,316
Number of fully diluted shares		33,804,543
PPL's ownership		27.2%

SAME STORE SALES GROWTH ("SSSG")

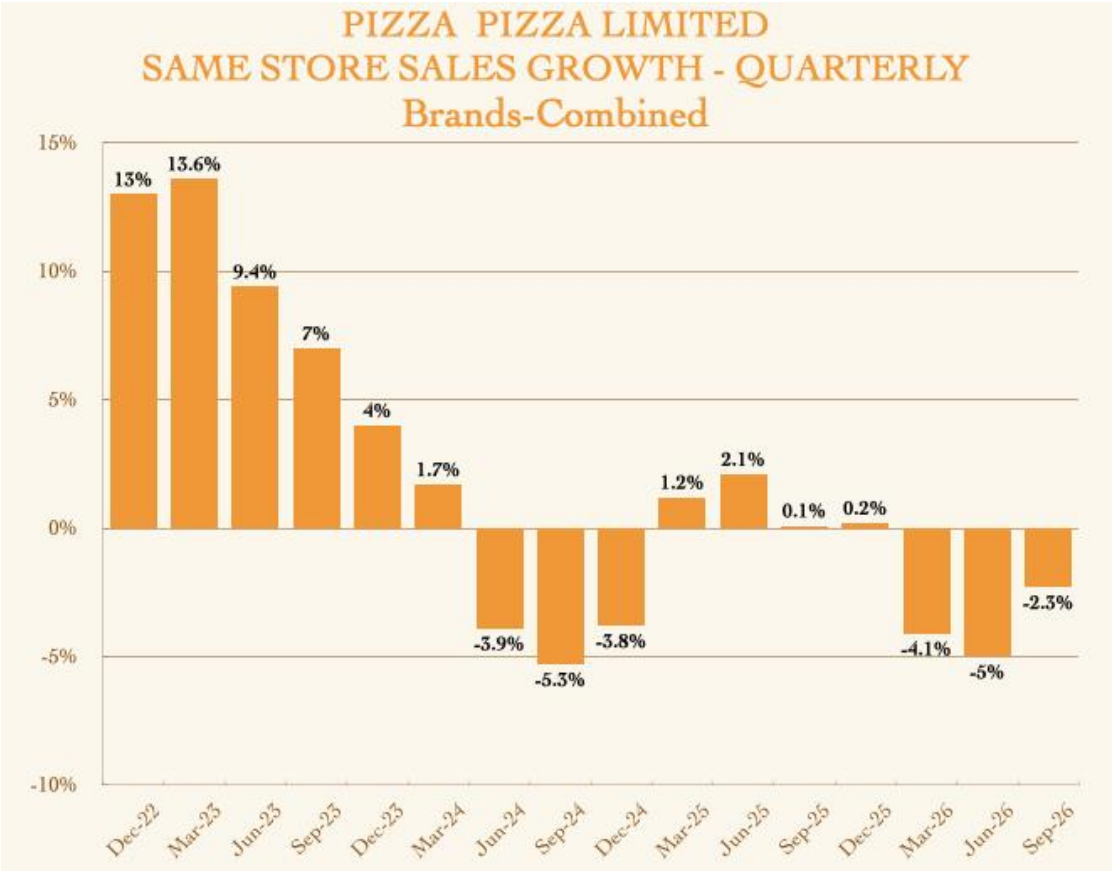
SSSG, the key driver of yield growth for shareholders of the Company, decreased 2.3% (2025 – increased 0.1%) for the Quarter, and decreased 3.8% for the Period (2025 – increased 1.1%). See "Reconciliation of Non-IFRS Measures".

SSSG	Third Quarter (%)		Period (%)	
	2026	2025	2026	2025
Pizza Pizza	-2.7	0.3	-4.0	1.0
Pizza 73	0.0	-1.1	-2.7	1.9
Combined	**-2.3**	**0.1**	**-3.8**	**1.1**

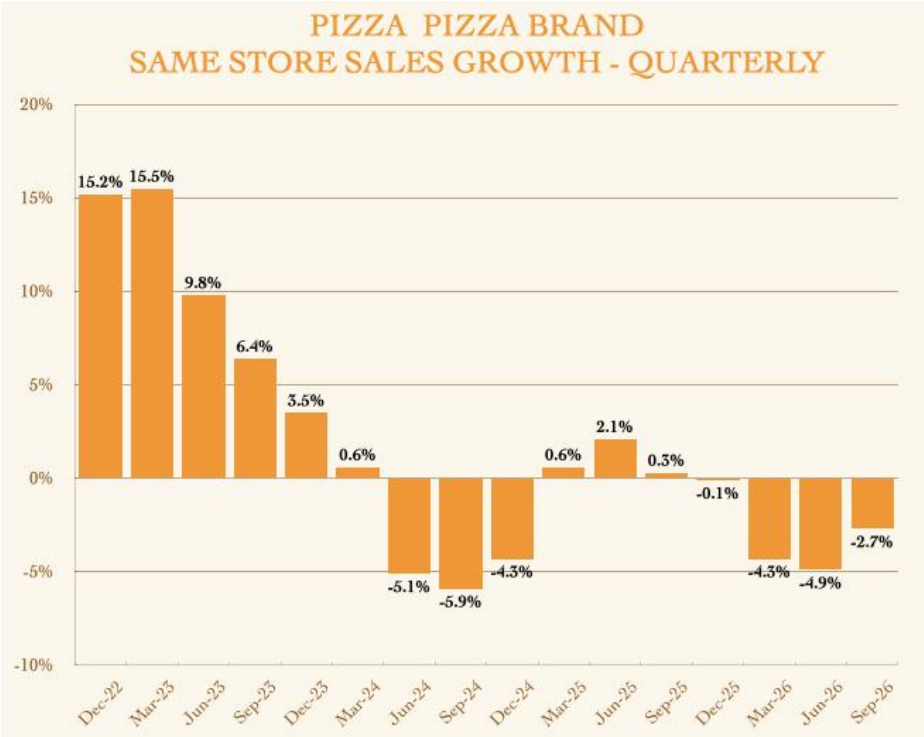
SSSG is driven by the change in the customer check and customer traffic, both of which are affected by changes in pricing and sales mix. During the Quarter and Period, at both brands, restaurant traffic decreased due macroeconomic pressures on consumer discretionary spending, as well as heightened competition for those consumer spending dollars. The average customer check increased slightly, as the brands adjusted retail prices on select offers.

The following charts show historical SSSG performance:

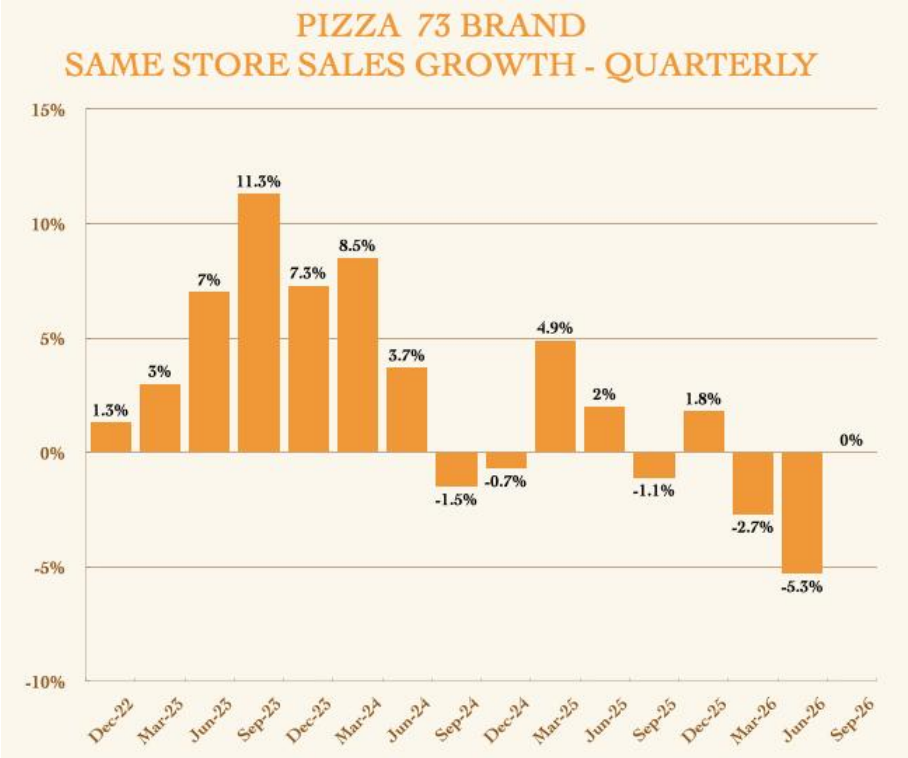
a) Quarterly SSSG, in which both brands are combined:



b) Quarterly SSSG, Pizza Pizza brand only:



c) Quarterly SSSG, Pizza 73 brand only:



ROYALTY POOL SALES

System Sales of the Royalty Pool are affected by the number of restaurants in the Royalty Pool for that respective year. For 2026, the number of restaurants in the Royalty Pool increased to 814 on January 1, 2026 (the "Adjustment Date") to include 39 new restaurants less 19 closed restaurants. In the prior year, the Royalty Pool included 794 restaurants.

Royalty Pool System Sales for the Quarter decreased 0.9% to $157.4 million from $158.8 million in the same quarter last year. By brand, sales from the 712 Pizza Pizza restaurants in the Royalty Pool decreased 1.4% to $136.1 million for the Quarter compared to $138.0 million in the same quarter last year. Sales from the 102 Pizza 73 restaurants increased 2.3% to $21.3 million for the Quarter compared to $20.8 million in the same quarter last year.

Royalty Pool System Sales for the Period decreased 2.7% to $458.8 million from $471.5 million in the same period last year. By brand, sales from the 712 Pizza Pizza restaurants in the Royalty Pool decreased 3.0% to $394.9 million for the Period compared to $407.2 million in the same period last year. Sales from the 102 Pizza 73 restaurants decreased 0.7% to $63.9 million for the Period compared to $64.4 million in the same period last year.

For the Quarter and Period, the decrease in Royalty Pool System Sales is largely driven by the same store sales, offset by new restaurants added to the Royalty Pool on January 1, 2026. See "Same Store Sales Growth", and "Restaurants Added to the Royalty Pool".

The Pizza Pizza and Pizza 73 restaurants are subject to seasonal variations in their business. System Sales for the quarter ended December 31 have generally been the highest relative to other quarters.

COMPANY OPERATING RESULTS

The Financial Statements incorporate the assets and liabilities of the Company and its subsidiaries as at September 30, 2026 and the operating results of the Company and its subsidiaries for the Quarter and Period ended September 30, 2026. The Company's subsidiaries and its respective holdings are outlined below:

Subsidiary	Holding
Pizza Pizza Royalty Limited Partnership	72.8%
Pizza Pizza GP Inc.	72.8%

Royalty income earned by the Partnership decreased 0.7% to $10.1 million for the Quarter and decreased 2.6% to $29.5 million for the Period. A 6% royalty was earned on the Royalty Pool of 712 Pizza Pizza restaurants reporting $136.1 million in System Sales for the Quarter and $394.9 million for the Period, while a 9% royalty was earned on the Royalty Pool of 102 Pizza 73 restaurants reporting $21.3 million in System Sales for the Quarter and $63.9 million for the Period.

Royalty income for the prior year's comparative quarter and nine month period was $10.2 million and $30.2 million, respectively. The 694 Pizza Pizza restaurants in the Royalty Pool reported System Sales of $138.0 million for the comparative quarter and $407.2 million for the nine month period, while the 100 Pizza 73 restaurants reported $20.8 million and $64.4 million for the comparative quarter and period, respectively.

For the Quarter and Period, the decrease in royalty income is due to the decrease in same store sales, slightly offset by the increase in the number of restaurants in the Royalty Pool. See "Same Store Sales Growth", and "Restaurants Added to the Royalty Pool".

Royalty income from the international licence commenced in October 2024. These royalties are not material to the Company's results. As of September 30, 2026, there are four restaurants in Mexico. See "About the International Franchising Business".

Administrative expenses for the Quarter were $141,000 and $455,000 for the Period. For the comparable periods, administrative expenses were $181,000 and $616,000, respectively. Administrative expenses are incurred in the

Partnership, and consist of director fees, audit, legal and public reporting fees as well as directors & officers' insurance. The decrease in the Quarter and Period relates to lower professional fees and directors fees.

The Company's **Operating earnings** for the Quarter decreased 0.3% to $9.9 million and decreased 2.1% to $29.0 million for the Period. The change in earnings primarily reflects the decrease in royalty income. See "Royalty Income".

Interest expense for the Quarter is outlined in the table below.

	Three months ended		Nine months ended	
(in thousands of dollars)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Interest expense	416	416	1,233	1,111
Loan fee amortization	28	28	85	41
Interest expense on borrowings	444	444	1,318	1,152

On March 20, 2025, the credit facility was amended and extended for a three year term and as part of the extension, the credit spread range increased to between 1.0% and 1.5%, depending on certain financial ratios. Additionally, on April 8, 2025, the Partnership entered into two three-year forward swap arrangements commencing April 24, 2025. With the new swaps and credit spread, the resulting effective interest rate increased to 3.51%, comprised of a fixed rate of 2.51% plus a credit spread currently set at 1.0%. See "Credit Facilities".

The previous facility's swap agreements, which matured in April 2025, fixed the interest rate at the CORRA rate of 1.81% plus a 0.875% credit spread, for an overall rate of 2.685%.

Distributions made by the Partnership on the Class B and D Exchangeable Shares on a per share basis decreased in May 2026 and were $0.270 for the Quarter (2025 - $0.3090) and $0.862 for the Period (2025 – $0.927). The increase in the number of Class B exchangeable shares relating to the January 1, 2026 vend-in and 2025 true-up increased the base on which distributions are paid. Additionally, during the quarter ended March 31, 2026, the Company paid $153,000 to PPL for distributions owing on the Class B exchangeable shares related to 2025 true-up, effective January 1, 2025 ($34,000 paid in 2025 for the 2024 true-up).

Distributions to the Company by the Partnership on its Class A and Class C LP units are calculated on a pro rata ownership basis; the Company owns 72.8% of the Partnership and PPL owns 27.2%. Monthly, available Partnership funds are distributed based on the percentage ownership. The Company reserves a portion of its monthly distribution for taxes and, on occasion, replenishment of the cash reserve, prior to paying the shareholder dividend. See "Dividends".

Earnings before income taxes measure operations after financing costs. For the Quarter, the Company's reported earnings decreased to $9.5 million from $9.6 million in the same quarter of 2025; for the Period, earnings before income taxes decreased to $27.8 million from $28.6 million in the prior year comparable period. The decrease in earnings reflects the decrease in royalty income for the respective periods. See "Royalty Income".

Current income tax expense for the Quarter was consistent with the prior year comparable period at $1.7 million, and for the Period, decreased slightly to $4.9 million from $5.1 million.

Of particular note is that the Company's adjusted earnings from operations before income taxes differs significantly from its taxable income due largely to the tax amortization of the Pizza Pizza and Pizza 73 Rights and Marks, as well as the taxable income allocated to PPL. The amount of tax amortization deducted is based on a declining balance basis and will decrease annually.

Deferred tax expense, a non-cash item, for the Quarter and Period remained consistent with the prior year comparable periods at $0.2 million. Deferred tax expense arises from a temporary timing difference between the accounting and tax basis of the Pizza Pizza and Pizza 73 Rights and Marks.

Earnings for the period attributable to shareholders for the Quarter remained consistent with the prior year comparable period at $7.7 million. For the Period, earnings decreased 2.9% to $22.7 million from $23.3 million in the same period of 2025. The decrease for the Period is the result of the decrease in royalty income. See "Royalty Income".

RECONCILIATION OF NON-IFRS MEASURES

The Company's earnings, as presented under IFRS includes non-cash items, such as deferred tax, that do not affect the Company's business operations or its ability to pay dividends to shareholders. The Company believes its earnings are not the only, or most meaningful, measurement of the Company's ability to pay dividends or measure the rate at which the Company is paying out its earnings. Therefore, the Company reports the following non-IFRS measures:

- Adjusted earnings available for distribution to the Company and PPL;
- Adjusted earnings from operations;
- Adjusted earnings available for shareholder dividends;
- Adjusted earnings per share ("EPS");
- Payout Ratio;
- Working Capital; and
- Same Store Sales Growth ("SSSG").

The Company believes that the above noted measures provide investors with more meaningful information regarding the amount of cash that the Company has generated to pay dividends, and, together with SSSG, help illustrate the Company's operating performance and highlight trends in the Company's business. These measures are also frequently used by analysts, investors, and other interested parties in the evaluation of issuers in the Company's sector, particularly those with a royalty-based model. The adjustments to net earnings as recorded under IFRS relate to non-cash items included in earnings and cash payments accounted for on the statement of financial position. Investors are cautioned, however, that this should not be construed as an alternative to net earnings as a measure of profitability. The method of calculating the Company's NI 52-112 non-IFRS financial measures: Adjusted earnings available for distribution to the Company and Pizza Pizza Limited, Adjusted earnings from operations, Adjusted earnings available for shareholder dividends, Adjusted EPS, Payout Ratio, Working Capital and SSSG for the purposes of this MD&A may differ from that used by other issuers and, accordingly, these measures may not be comparable to similar measures used by other issuers.

The table below reconciles the following to "Earnings for the period before income taxes" which is the most directly comparable measure calculated in accordance with IFRS:

- Adjusted earnings available for distribution to the Company and Pizza Pizza Limited;
- Adjusted earnings from operations; and
- Adjusted earnings available for shareholder dividends.

(in thousands of dollars, except number of shares)	Q3 2026	Q2 2026	Q1 2026	Q4 2025
Earnings for the period before income taxes	**9,521**	**9,380**	**8,851**	**9,930**
Adjusted earnings available for distribution to the Company and Pizza Pizza Limited	**9,521**	**9,380**	**8,851**	**9,930**
Current income tax expense	(1,685)	(1,657)	(1,554)	(1,775)
Adjusted earnings from operations	**7,836**	**7,723**	**7,297**	**8,155**
Less: Distribution on Class B and Class D Exchangeable Shares	(2,497)	(2,616)	(3,010)	(2,725)
Adjusted earnings available for shareholder dividends	**5,339**	**5,107**	**4,287**	**5,430**
Weighted average Shares – diluted	33,804,543	33,804,543	33,804,543	33,353,588

(in thousands of dollars, except number of shares)	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Earnings for the period before income taxes	**9,571**	**9,734**	**9,328**	**9,840**
Adjusted earnings available for distribution to the Company and Pizza Pizza Limited	**9,571**	**9,734**	**9,328**	**9,840**
Current income tax expense	(1,706)	(1,707)	(1,656)	(1,767)
Adjusted earnings from operations	**7,865**	**8,027**	**7,672**	**8,073**
Less: Distribution on Class B and Class D Exchangeable Shares	(2,726)	(2,726)	(2,760)	(2,584)
Adjusted earnings available for shareholder dividends	**5,139**	**5,301**	**4,912**	**5,489**
Weighted average Shares – diluted	33,353,588	33,353,588	33,353,588	32,908,631

The **Basic EPS** and the **Adjusted EPS** calculations are based on fully diluted weighted average shares, and both include PPL's Class B and Class D Exchangeable Shares since they are exchangeable into and economically equivalent to the Shares. See "Adjusted EPS".

Adjusted EPS is calculated by dividing Adjusted earnings from operations, as explained above, by the fully diluted weighted average shares. Adjusted EPS for the Quarter decreased to $0.232 and for the Period decreased to $0.676 when compared to the same periods of 2025, and reflect the decrease in royalty income and SSSG. See "Royalty Income" and "Same Store Sales Growth".

Basic EPS is adjusted as follows:	Three months ended		Nine months ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Basic EPS	**$ 0.227**	**$ 0.231**	**$ 0.671**	**$ 0.700**
Adjustments:				
Deferred tax expense	0.005	0.005	0.005	0.007
Adjusted EPS	**$ 0.232**	**$ 0.236**	**$ 0.676**	**$ 0.707**

Payout Ratio illustrates the earnings being returned to shareholders. The Company's Payout Ratio is calculated by dividing the dividends declared to shareholders by the adjusted earnings from operations, after paying the distribution on Class B and Class D Exchangeable Shares, in that same period. The dividend reduction in May 2026 lowered the payout ratio relative to the previous quarters and the same period last year. See "Dividends".

	Three months ended		Nine months ended	
(in thousands of dollars, except as noted otherwise)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Dividends declared to shareholders	4,985	5,724	15,940	17,171
Adjusted earnings available for shareholder dividends	5,339	5,139	14,733	15,353
Payout Ratio	**93%**	**111%**	**108%**	**112%**

Working Capital is defined as total current assets less total current liabilities. The Company views working capital as a measure for assessing overall liquidity and its ability to stabilize dividends and fund unusual expenditures in the event of short- to medium-term variability in Royalty Pool System Sales. The use of the working capital during the Period was to help fund the dividends, with the payout ratio of 108%.

(in thousands of dollars)	September 30, 2026	December 31, 2025
Total current assets	6,010	7,258
Less: Total current liabilities	3,406	3,531
Working Capital	**2,604**	**3,727**

SSSG is a key indicator used by the Company to measure performance against internal targets and prior period results. SSSG is commonly used by financial analysts and investors to compare PPL to other QSR brands. SSSG is defined as the change in period gross sales of Pizza Pizza and Pizza 73 restaurants as compared to sales in the

previous comparative period, where the restaurant has been open at least 13 months. Additionally, for a Pizza 73 restaurant whose restaurant territory was adjusted due to an additional restaurant, the sales used to derive the Step-Out Payment may be added to sales to arrive at SSSG (as defined in footnote 2 on page 3). It is a key performance indicator for the Company as this measure excludes sales fluctuations due to store closings, permanent relocations and chain expansion.

The following table calculates SSSG by reconciling Royalty Pool System Sales, based on calendar periods, to PPL's 13-week sales reporting period used in calculating same store sales.

	Three months ended		Nine months ended	
(in thousands of dollars)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Total Royalty Pool System Sales	157,398	158,809	458,830	471,514
Adjustments for stores not in both periods, Make-Whole Carryover Amount, Step-Out payments, and the impact of calendar reporting	(3,377)	(1,094)	(4,941)	(293)
Same Store Sales	154,021	157,715	453,889	471,807
SSSG	**-2.3%**	**0.1%**	**-3.8%**	**1.1%**

DIVIDENDS

Due to continuing pressure on consumer discretionary spending, softening demand, and a highly competitive promotional environment, System Sales for the Pizza Pizza and Pizza 73 brands have experienced a decline. This decrease in sales has led to a reduction in the Company's royalty income. In response to these market conditions, the Company reduced its monthly dividend from $0.0775 per share to $0.0675 beginning with the May 2026 dividend.

The Company declared shareholder dividends of $5.0 million ($0.2025/share) for the Quarter and $5.7 million ($0.2325/share) for the prior year comparable quarter, and $15.9 million ($0.6475/share) for the Period and $17.2 million ($0.6975/share) for the prior year comparable period. The dividend reduction in May 2026 lowered the payout ratio to 93% for the Quarter compared to 111% in the prior year comparable quarter.

Dividends declared for 2026 are as follows:

Period	Payment Date	Amount/share
January 1-31, 2026	February 13, 2026	7.75¢
February 1-28, 2026	March 13, 2026	7.75¢
March 1-31, 2026	April 15, 2026	7.75¢
April 1-30, 2026	May 15, 2026	7.75¢
May 1-31, 2026	June 13, 2026	6.75¢
June 1-30, 2026	July 15, 2026	6.75¢
July 1-31, 2026	August 14, 2026	6.75¢
August 1-31, 2026	September 15, 2026	6.75¢
September 1-30, 2026	October 15, 2026	6.75¢
Total		64.75¢

The Company will continue to closely monitor sales and royalty income to determine when additional dividend adjustments may be warranted. Dividends were funded by cash flow from operations and the working capital reserve. No debt was incurred during the Quarter to fund dividends.

LIQUIDITY & CAPITAL RESOURCES

The Company's policy is to distribute all available cash in order to maximize returns to shareholders over time, after allowing for reasonable reserves. Despite seasonal variations inherent to the restaurant industry, the Company's policy is to make equal dividend payments to shareholders on a monthly basis in order to smooth out income to

shareholders. After the reduction to the monthly dividend in May 2026, any further change will be implemented with a view of maintaining the continuity of consistent monthly distributions.It is expected that future dividends will continue to be funded entirely by cash flow from operations and the working capital reserve.

The Company's working capital reserve is $2.6 million at September 30, 2026, which is an increase of $0.4 million in the Quarter. The working capital increased this Quarter following the dividend reduction offset by the lower royalty income. The reserve is available to stabilize dividends and fund other expenditures in the event of short- to medium-term variability in System Sales and, thus, the Company's royalty income. The Company has historically targeted a payout ratio at or near 100% on an annualized basis. See "Dividends".

Liquidity risk is managed, in part, through cash flow forecasting by the Company. The Company monitors its forecasts of liquidity requirements to ensure it has the ability to meet operational needs with cash on hand and cash from operations and does not require the use of debt to fund operations. Such forecasting involves a degree of judgement, which takes into consideration current and projected macroeconomic conditions and other efforts by the Company including re-financing the existing debt. The Company's debt facility exists to support the historical purchase of the Pizza Pizza and Pizza 73 Rights and Marks.

Credit Facilities

On March 20, 2025, the Partnership amended and extended its $47.0 million credit facility with a syndicate of chartered banks from April 2025 to April 2028. The new credit facility bears interest at the Canadian Overnight Repo Rate Average ("CORRA") rate plus a credit spread of between 1.0% to 1.5%, depending on the level of certain financial ratios. On April 8, 2025, the Partnership entered into two three-year forward swap arrangements, commencing April 24, 2025; the credit facility has a new effective interest rate of 3.51%, comprised of a fixed rate of 2.51% plus a credit spread currently set at 1.00%.

The credit facility includes affirmative and negative covenants customary for agreements of this nature, and as at September 30, 2026 all covenants have been met. The Partnership is required to maintain a funded debt-to-earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio not to exceed 2.5:1.0 on a four quarter rolling average and an interest coverage ratio of minimum 3:1. The debt-to-EBITDA ratio for the last four-quarter rolling average is 1.19:1 (December 31, 2025 – 1.18:1) and the interest coverage ratio is 23.85:1 (December 31, 2025 – 26.04:1). The Partnership is presently making interest-only payments on the non-revolving credit facility. As the debt-to-EBITDA level changes, the credit spread will change as follows:

Debt:EBITDA	Credit Spread
< 1.5:1	1.00%
1.5 - 2.0:1	1.25%
> 2.0:1	1.50%

OUTLOOK

The success of the Company depends primarily on the ability of Pizza Pizza Limited to maintain and increase restaurant sales and to meet its royalty obligations. Increases in restaurant sales are derived from both the opening of new Pizza Pizza and Pizza 73 restaurants and increases in SSSG. SSSG is the key metric for shareholder yield growth.

The Company's royalty income and shareholder value are driven by Pizza Pizza Limited's exploitation of the Pizza Pizza and Pizza 73 intellectual property owned by the Partnership. As the #1 Canadian owned pizzeria, PPL leverages its market-leading positions by staying top-of-mind with consumers. PPL believes its strong market share is the result of providing a variety of high-quality menu offerings, introducing new products and investing heavily in technological innovation.

The Company's working capital as of September 30, 2026 is $2.6 million, representing a $0.4 million increase during the Quarter. This reserve serves to stabilize dividends and cover other expenses during short- to medium-term fluctuations in System Sales and resulting royalty income. Historically, the Company has targeted an annualized payout ratio at or near 100% and with the dividend adjustment in May 2026, the Company is aligned to meet this target.

New restaurant construction continues across Canada as PPL executes on its national expansion program. Development pace slowed during the Quarter, as a result, PPL management adjusted its full year development outlook to 1% to 2% growth, down from its previous forecast of 2% to 3%.

The QSR industry continues to experience headwinds as it navigates ongoing, reduced consumer spending and its impact on foodservice. In this environment, PPL's sales recovery strategy will leverage its strong everyday value leadership position backed by ongoing enhancement to its menu, restaurants and digital customer experience.

CONTROLS AND PROCEDURES

Internal controls and procedures are designed to provide reasonable assurance that relevant information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer of Pizza Pizza GP Inc., managing general partner of the Partnership and administrator of the Company, on a timely basis so that the appropriate decisions can be made regarding public disclosure. Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with IFRS.

Management carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures, and internal controls over financial reporting as of September 30, 2026. It was determined that the design and operation of the Company's disclosure controls and procedures, and internal controls over financial reporting were effective.

During the Quarter, there was no change in the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

TRANSACTIONS WITH RELATED PARTIES

The Company, through its ownership in the Partnership, has entered into related party transactions with PPL. PPL is considered a related party by virtue of holding Class B and Class D Units that are exchangeable into common shares of PPRC. Transactions with PPL include: the annual vend-in of restaurants into the Royalty Pool, monthly distributions from the Partnership to its partners, and expenses paid by PPL on behalf of the Partnership. These transactions have been entered into in the normal course of business and are measured at the exchange amount. The transactions with PPL are all pursuant to the terms of the Pizza Pizza Royalty Limited Partnership's Partnership Agreement. See note 8 of the Financial Statements of the Company for further details of the related party transactions.

ACCOUNTING JUDGEMENTS AND ESTIMATES OF THE COMPANY

The Company makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed as follows:

Impairment of Rights and Marks
Determining whether the Rights and Marks are impaired requires an estimation of the recoverable amount of the cash generating unit ("CGU") in which the assets are included. The value-in-use calculation requires that the Company estimate the expected future cash flows from royalty income, terminal growth rates and discount rates. The key assumptions used in the impairment tests performed at December 31, 2025 and December 31, 2024 are disclosed in the December 31, 2025 annual audited financial statements.

Consolidation
Determining whether the Partnership is consolidated by the Company or PPL requires judgement. The significant

judgements that were used to apply IFRS 10 *Consolidated Financial Statements* included assessing which party had the power or current ability to direct decisions over the value creation and maintenance of the Pizza Pizza Rights and Marks and Pizza 73 Rights and Marks in the context of the purpose and design of the Partnership. Based on an assessment of the activities of the Partnership it was concluded that the Company controls the Partnership, and therefore consolidates its operations.

Fair value of derivatives
The fair value of the interest rate swaps that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a method and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

RECENT ACCOUNTING PRONOUNCEMENTS

Accounting standards and amendments issued and adopted:

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. The new standard was adopted and had no material impact on the unaudited interim condensed consolidated financial statements.

Accounting standards and amendments issued but not yet adopted:

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 the impact of the new standard on the consolidated financial statements.

RISKS & UNCERTAINTIES OF THE COMPANY

The Company continues to recognize certain risks and uncertainties associated with the ordinary course of business, including those associated with the business and operations of PPL, upon which the Company relies solely for its earnings, liquidity risk and interest rate risk. For a detailed discussion of risks concerning the Company, see "Risk Factors" in the Company's most recent Annual Information Form and note 10 in the Financial Statements, which are available at www.sedarplus.ca, and the PPL financial statements and the related MD&A for the period ended September 27, 2026.

The Restaurant Industry
The performance of the Company is directly dependent upon the royalty and interest payments received from PPL. The amount of royalty received from PPL is dependent on various external factors that may affect the limited-service sector of the restaurant industry. The restaurant industry, generally, is intensely competitive with respect to price, service, location and food quality. Competitors include national and regional chains, as well as independently owned restaurants, third party food delivery services, home meal delivery companies and retailers of frozen pizza. If PPL, Pizza Pizza franchisees and Pizza 73 operators are unable to successfully compete in the limited-service sector, System Sales would adversely affected, the amount of royalty reduced and the ability of PPL to pay the royalty would impaired. Changes in demographic trends, traffic patterns, and the type, number, and location of competing restaurants also affect the restaurant industry. In addition, factors such as government regulations, pandemics and any related restrictions, risk of technology failures and breaches, smoking bylaws, inflation, publicity from any food borne illnesses, increased food, labour and benefits costs, and the availability of experienced management and

hourly employees may adversely affect the restaurant industry in general and therefore, potentially, Pizza Pizza and Pizza 73 System Sales. PPL's success also depends on numerous factors affecting discretionary spending, including economic conditions such as inflation and rising interest rates, disposable consumer income and consumer confidence. Adverse changes in these factors could reduce guest traffic or impose practical limits on pricing, either of which could reduce sales and operating income, which could adversely affect revenue, the royalty and the ability of PPL to pay the royalty to the Company. For additional information concerning the performance of PPL and other risk factors, please refer to the PPL MD&A and PPRC's Annual Information Form which are available at www.sedarplus.ca, www.pizzapizza.ca and www.pizzapizzaroyaltycorp.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this report, including information regarding the Company's dividend policy, its ability to meet covenants and other financial obligations, and their ability to achieve its business objectives, constitute "forward-looking" statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this report, such statements include such words as "may", "will", "expect", "believe", "plan", and other similar terminology in conjunction with a discussion of future events or operating or financial performance. These statements reflect management's current expectations regarding future events and operating and financial performance and speak only as of the date of this MD&A. The Company does not assume any obligation to update any such forward looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. These forward-looking statements involve a number of risks and uncertainties. The following are some factors that could cause actual results to differ materially from those expressed in or underlying such forward-looking statements: changes in national and local business and economic conditions, impacts of legislation and governmental regulation, trade policies, accounting policies and practices, competition, changes in demographic trends and changing consumer preferences, and the results of operations and financial condition of PPL. The foregoing list of factors is not exhaustive and should be read in conjunction with the other information included in the foregoing MD&A, the PPL financial statements for the period ended September 27, 2026 and the related MD&A and the Company's Annual Information Form.

ADDITIONAL INFORMATION

Additional information about the Company, including the Company's most recent Annual Information Form, is available on SEDAR+ at www.sedarplus.ca, www.pizzapizza.ca or at the Company's website www.pizzapizzaroyaltycorp.com.