

**MTY FOOD GROUP INC.**  
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St-Laurent, Quebec, H4S 1M5

**NEWS RELEASE**

**MTY FILES RESTATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED NOVEMBER 30, 2016**

**CONFIRMS THERE IS NO IMPACT ON CASH FLOWS AND BUSINESS OPERATIONS**

Montreal, December 8, 2017 - MTY Food Group Inc. ("MTY" or the "Company") (TSX: MTY) today announced that pursuant to the news release published on November 22, 2017, the Company has filed its amended and restated consolidated financial statements for the year ended November 30, 2016 (the "Restated Financial Statements") and the corresponding amended and restated management discussion and analysis.

The Company intends to file its amended and restated condensed interim consolidated financial statements for the three and nine-month periods ending August 31, 2017 and 2016 and the corresponding amended and restated management discussion and analysis within the 45-day period as previously mentioned in the November 22, 2017 press release.

On November 22, 2017, the Company announced that its Board of Directors determined that a restatement was required for the amounts its previously reported in its consolidated financial statements with respect to revenues and expenses related to Kahala gift cards ("Kahala Gift Cards or Gift Cards") that resulted from the Kahala Brands acquisition, which closed in July 2016. The restatement had no impact on the past, current and future cash flows of MTY and in no way affected the Company's business operations; the restatement was the result of an erroneous revenue recognition of breakage on the Kahala Gift Cards assumed upon acquisition ("Breakage").

Management determined that the methodology used to calculate the fair value of the liability related to the Kahala Gift Cards at the time of the acquisition was inappropriate, resulting in further inaccuracies in the determination of the revenues and expenses associated to those gift cards. Upon the business combination, the Company assessed that the carrying value of the assumed gift card liability approximated its fair value based on historical redemption patterns and continued to recognize breakage revenue when it was estimated that likelihood of gift cards being redeemed was remote. The assumed gift card liability should have incorporated estimated future breakage, thus no breakage revenue should have been recorded on the assumed gift cards after the acquisition unless there were changes in expected redemption patterns. Although the carrying value of the gift card liability used in the purchase price allocation was not materially different than its fair value and did not require restatement, the breakage revenue recorded for those gift cards and the related expenses required restatement.

For further information on the restatement, please refer to the November 22, 2017 news release.

**Forward looking information**

Certain information in this News Release constitutes "forward-looking" information that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual

results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this News Release, this information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan" or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this News Release contains forward-looking information regarding: the Restated Financial Statements and corresponding management discussion and analysis; the amounts and impact of the restatement of its Restated Financial Statements and corresponding management discussion and analysis; the intended timing for the publication of its Restated Financial Statements and corresponding management discussion and analysis; and the Company's belief that the restatement will not affect past, current and future cash flows of the Company or its business operations. This forward-looking information reflects current expectations and assumptions regarding future events and operating performance and speaks only as of the date of this News Release. These assumptions include: the Company's current understanding of the reasons required for the restatement, the nature and magnitude of the restatement and the accounting work required to complete the restatement of the financial statements and corresponding management discussion and analysis.

A description of additional assumptions used to develop such forward-looking information and a description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this News Release is expressly qualified by this cautionary statement. Except as required by law, the Company assumes no obligation to update or revise forward-looking information to reflect new events or circumstances.

On Behalf of the Board of Directors of

MTY Food Group Inc.

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Stanley Ma, Chairman, President & CEO

For more information please contact Eric Lefebvre, Chief Financial Officer at 1-514-336-8885 x 288 or by email at [ir@mtygroup.com](mailto:ir@mtygroup.com), or visit our website: [www.mtygroup.com](http://www.mtygroup.com) or SEDAR's website at [www.sedar.com](http://www.sedar.com) under the Company's name.