

MTY FOOD GROUP INC.
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TSX Trading Symbol: "MTY"

NEWS RELEASE

MTY ENTERS INTO AN AGREEMENT TO ACQUIRE THE ASSETS OF HOUSTON AVENUE BAR & GRILL AND INDUSTRIA PIZZERIA + BAR

Montreal, June 12, 2017 - MTY Food Group Inc. ("MTY" or the "Company") (TSX: MTY) announced today that one of its subsidiaries has signed an agreement to acquire 80% of the assets of Houston Avenue Bar & Grill ("Houston") (<http://www.houstonresto.com/>) and Industria Pizzeria + Bar ("Industria") (<http://industriapizzeria.com/en/>).

There are currently nine franchised Houston restaurants in operation and three franchised Industria restaurants in operation. One restaurant is located in Ontario and eleven are located in Quebec. There are three new locations under construction that are set to open during 2017; one for Houston and two for Industria. The combined networks of the two brands have generated approximately \$38 million in sales during the last twelve months.

Stanley Ma, Chairman of the Board and Chief Executive Officer of MTY, said: "This is another great addition to MTY's portfolio of brands. Both brands are young and trendy, offer exceptional food and benefit from remarkable leadership. The combination of great food and atmosphere makes the two brands' growth potential very tangible."

Raimondo Messina, Chief Financial Officer of Houston and Industria, said: "It was important for us to associate with a solid, experienced and reputable business partner. In MTY, we found the ideal partner to grow the brands to the next level. We believe both the franchisor and the franchisees will benefit immensely from the association. Houston and Industria are more than brands, they are lifestyles".

The cash consideration paid at closing for the 80% acquired by MTY is expected to be approximately \$13.0 million. The consideration will be adjusted 24 months from closing based on the performance of three of the recently opened restaurants and of the three restaurants that are currently under construction (the "earn-out"). The amount of the earn-out will also serve as a holdback for the transaction.

The transaction is expected to close within 15 days of this announcement and remains subject to multiple conditions, including standard regulatory approvals and other closing conditions customary for a transaction of this nature. There is no assurance the transaction will be completed as described above or at all, or that the anticipated closing date will materialize.

Mr. Raimondo Messina, Mr. Antonino Messina and Mr. Roger Francis, the current owners of Houston and Industria, will continue to lead the two brands following the transaction. MTY expects to relocate the offices of the Houston and Industria in its headquarters in St-Laurent, Québec.

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 completion of the transaction, the potential closing date of the transaction and the potential impact of the transaction on the Company's future operations; opportunities, growth and expansion; the suitability of the acquisition by the Company; the effect of the acquisition on the Houston and Industria stakeholders; the location of MTY's head office and where MTY's operations will be managed; the retention of Houston's and Industria's management team; the expected EBITDA, revenue, system sales and potential growth of the combined entity; potential future acquisition opportunities; and the continuing payment of dividends by the Company. 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, but are not limited to: currency exchange rates used to derive Canadian dollar expectations; market acceptance of the acquisition; the satisfactory fulfilment of all of the conditions precedent to the acquisition; the receipt of all required approvals and consents

including regulatory, TSX, shareholder and any other approvals; acceptable financing to complete the acquisition; future results of Houston's and Industria's business and operations meeting or exceeding historical results; the success of the integration of the operations and management team with the Company's operations and business; and market acceptance of potential future acquisitions by the Company. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: currency exchange rates, general business, economic, competitive, political, capital market and social conditions and uncertainties; the intensity of competitive activity, and the resulting impact on our ability to attract customers' disposable income; our ability to secure advantageous locations and renew our existing leases at sustainable rates; the arrival of foreign concepts; our ability to attract new franchisees; changes in customer tastes, demographic trends and in the attractiveness of our concepts, traffic patterns, occupancy cost and occupancy level of malls and office towers; the level of consumer confidence and spending and the demand for, and prices of, our products; our ability to implement our strategies and plans in order to produce the expected benefits; events affecting the ability of third-party suppliers to provide to us essential products and services; labour availability and cost or the loss of key individuals; stock market volatility; operational constraints and the event of the occurrence of epidemics, pandemics and other health risks; delay or failure to receive board or regulatory approvals; changes in legislation affecting the Company. Expected EBITDA, revenue, system sales and growth could vary due to fluctuations in currency exchange rates.

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. 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. Financial outlooks contained in this News Release were approved by management of the Company on June 8, 2017. The purpose of this information is to provide a potential financial outlook of the combined entity and this information may not be appropriate for other purposes. Additional information is available in the Company's Management Discussion and Analysis, which can be found on SEDAR at www.sedar.com.

**On Behalf of the Board of Directors of
MTY Food Group Inc.**

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, or visit our website: www.mtygroup.com or SEDAR's website at www.sedar.com under the Company's name.