MTY FOOD GROUP INC.
8150 route Transcanadienne, Suite 200
St-Laurent, Quebec, H4S 1M5

NEWS RELEASE

MTY ANNOUNCES ITS INTENTION TO RESTATE ITS FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS

NO IMPACT ON CASH FLOWS AND BUSINESS OPERATIONS

Montreal, November 22, 2017 - MTY Food Group Inc. ("MTY" or the "Company") (TSX: MTY) has announced today that it intends to restate its consolidated financial statements (the "Restated Financial Statements") and corresponding management discussion and analysis for the year ended November 2016 as well as for three and nine-month period ended August 31, 2017.

The Board of Directors of MTY has determined that a restatement is required for the amounts presented in the originally filed financial statements in respect of 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 has no impact on the past, current and future cash flows of MTY and in no way affects the Company's business operations; the restatement is the result of an erroneous revenue recognition of breakage on the Kahala Gift Cards assumed upon acquisition ("Breakage").

Management has 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 been recorded at fair value which would 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 does not require to be restated, breakage revenue recorded for those gift cards and the related expenses need to be restated.

All of the amounts in respect of the restatement remain subject to audit. The restated amounts presented below are an estimate, are preliminary in nature and may change as a result of additional work in the preparation of the Restated Financial Statements. In addition, there may be other items in the Restated Financial Statements that may be impacted by the restatement. All amounts are subject to change when the Restated Financial Statements are refiled on SEDAR.

The impact of the restatement is as follows:

(in $000 Canadian dollars)	Year ended November 30, 2016			Quarter ended February 28, 2017			Quarter ended May 31, 2017			Quarter ended August 31, 2017		
	Restated	Previously reported	Restatement	Restated	Previously reported	Restatement	Restated	Previously reported	Restatement	Restated	Previously reported	Restatement
Revenue	191,275	196,382	(5,107)	64,016	68,232	(4,216)	69,962	72,063	(2,101)	72,372	73,605	(1,233)
Expenses												
Operating expenses	125,434	125,650	(216)	47,680	47,781	(101)	45,367	45,462	(95)	46,796	46,882	(86)
Depreciation - property, plant and equipment	2,065	2,065	-	986	986	-	571	571	-	591	591	-
Amortization - intangible assets	10,779	10,779	-	5,554	5,554	-	5,713	5,713	-	5,525	5,525	-
Interest on long-term debt	3,855	3,855	-	2,701	2,701	-	2,444	2,444	-	2,699	2,699	-
	142,133	142,349	(216)	56,921	57,022	(101)	54,095	54,190	(95)	55,611	55,697	(86)
Other income (charges)	19,544	19,544	-	(4,979)	(4,979)	-	6,561	6,561	-	2,227	2,227	-
Income before taxes	68,686	73,577	(4,891)	2,116	6,231	(4,115)	22,428	24,434	(2,006)	18,988	20,135	(1,147)
Income taxes												
Current	13,930	13,930	-	1,934	1,934	-	5,920	5,920	-	5,918	5,918	-
Deferred	(111)	1,806	(1,917)	(1,893)	(280)	(1,613)	479	1,265	(786)	(1,404)	(954)	(450)
	13,819	15,736	(1,917)	41	1,654	(1,613)	6,399	7,185	(786)	4,514	4,964	(450)
	54,867	57,841	(2,974)	2,075	4,577	(2,502)	16,029	17,249	(1,220)	14,474	15,171	(697)
Net income attributable to:												
Owners	54,421	57,395	(2,974)	2,015	4,517	(2,502)	15,910	17,130	(1,220)	14,387	15,084	(697)
Non-controlling interest	446	446	-	60	60	-	119	119	-	87	87	-
	54,867	57,841	(2,974)	2,075	4,577	(2,502)	16,029	17,249	(1,220)	14,474	15,171	(697)
Earning per share, basic and diluted	$ 2.73	$ 2.88		$ 0.09	$ 0.21		$ 0.74	$ 0.80		$ 0.67	$ 0.71	

In addition, considering the significant amount of historical information available regarding the Kahala Gift Cards, the Company is able to make a more accurate estimate of the future usage of gift cards at the time of activation. Therefore, MTY intends to change the way Breakage is estimated on the Kahala Gift Cards issued after acquisition and apply the proportionate method starting in the fourth quarter of 2017. The Company previously recognized breakage revenue when gift cards had been inactive for over 3 years as it was then considered remote that they would be used. Under the proportionate method, Breakage is estimated based on historical redemption patterns and recognized on a pro rata basis as cards are redeemed. This change in estimate will be applied prospectively and will result in a cumulative favorable adjustment of revenue in the fourth quarter of 2017 of approximately $3,403,000. This adjustment is calculated solely on the gift cards issued and redeemed following the acquisition of Kahala Brands by MTY. Over the lifespan of the cards, it is expected that the two methods will yield similar results.

Stanley Ma, Chairman of the Board and Chief Executive Officer of MTY, said, "We take seriously our obligation to provide accurate financial statements and we have acted accordingly in providing this information”.

The Company intends to file its Restated Financial Statements and corresponding management discussion and analysis within the next 45 days.

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; the Company's belief that the restatement will not affect past, current and future cash flows of the Company or its business operations; the Company's belief that the preliminary findings in respect of the restatement could change prior to the filing of the Restated Financial Statements; and the Company's expectation that the effect of the restatement will be to reduce historical reported revenue. 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; and the Company's belief that the final results and impact of restatement will not be substantially different from the preliminary impact of the restatement set forth above.

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, if any, were approved by management of the Company on November 22, 2017. The purpose of this information is to provide a potential financial outlook of the combined entity based on the Restated Financial Statements discussed above 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.