

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

NEWS RELEASE

**MTY ENTERS INTO AN AGREEMENT TO ACQUIRE
SWEET FROG PREMIUM FROZEN YOGURT**

Montreal, September 4, 2018- MTY Food Group Inc. (“MTY” or the “Company”) (TSX: MTY) announced today that one of its wholly-owned subsidiaries has signed an agreement to acquire most of the assets of the sweetFrog Premium Frozen Yogurt franchise system (“sweetFrog”) (www.sweetfrog.com), for an estimated consideration of USD \$35 million.

“sweetFrog is an exciting brand serving premium quality frozen yogurt and will fit perfectly within our portfolio of brands.” said Jeff Smit, COO of MTY’s U.S. operations. “We are extremely happy about everything this brand has to offer and the growth potential ahead.”

“With an executive of Jeff Smit’s caliber leading U.S. operations, MTY is the perfect organization to lead sweetFrog during its next chapter of success. I am excited to see what Smit and his team of restaurant industry experts can do as we become the largest sweetFrog multi-unit franchisee.” said Patrick Galleher, Chairman & CEO of SweetFrog Enterprises, LLC and Managing Partner of Boxwood Capital.

sweetFrog currently has 254 franchised locations and 78 corporate-owned locations. Of those 332 restaurants, 324 are located in the United States and 8 are located internationally. As part of the deal, the current 78 corporate-owned locations will transition to franchised locations under current ownership. In the last 12 months, the sweetFrog network has generated over USD \$92 million in system sales.

The transaction is expected to close within 30 days of this news release but remains subject to multiple 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.

The acquisition of sweetFrog will solidify MTY as a dominant force in the frozen treat category and represents another major milestone for MTY as it continues to expand its presence in the United States.

Following the closing of the transaction, MTY expects to consolidate operations and run the franchising platform from its U.S. headquarters in Scottsdale, Arizona under the leadership of Jeff Smit

Financing

Total consideration for the transaction will be financed using MTY’s cash on hand and existing credit facilities.

Insert MTY Food Group Inc.

MTY Food Group Inc. is a Canadian public company (TSE:MTY) headquartered in Montreal, Quebec. MTY has grown to become a North American market leader in the casual, fast casual and quick service restaurant dining industry and now franchises over 70 different concepts with approximately 5,400 locations. Excellence, devotion and innovation are the key values that drive the success of MTY Group (www.mtygroup.com).

About sweetFrog Frozen Yogurt:

Founded in 2009, sweetFrog (<http://www.sweetfrog.com>) is one of the fastest growing self-serve frozen yogurt brands in the United States. With a wide selection of premium frozen yogurt flavors and fresh toppings choices, sweetFrog was named Best Frozen Yogurt in the USA by The Daily Meal in 2014 and 2016. sweetFrog prides itself on providing a family-friendly environment where customers can enjoy soft-serve frozen yogurt, ice cream, gelato and sorbets with the toppings of their choice.

For more information about MTY Food Group, Inc., please visit <https://mtygroup.com>.

For more information about sweetFrog Frozen Yogurt, please visit <http://www.sweetfrog.com>.

Non-IFRS Measures

This News Release makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures including "System Sales" to provide investors with supplemental measures of its operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. The Company's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets, and to determine components of management compensation.

"System Sales" represents the net sales received from restaurant guests at both corporate and franchise restaurants including take-out and delivery customer orders. System Sales includes sales from both established restaurants as well as new restaurants. Management believes System Sales provides meaningful information to investors regarding the size of MTY's restaurant network, the total market share of the Company's brands and the overall financial performance of its brands and restaurant owner base, which ultimately impacts MTY's consolidated financial performance.

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 acquisition, the potential closing date of the acquisition and the potential impact of the acquisition on the Company's future operations; opportunities, growth and United States expansion; the suitability of the acquisition by the Company; the effect of the acquisition on sweetFrog stakeholders; the location of MTY's United States head office and where MTY's United States operations will be managed; the potential retention of sweetFrog 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 the sweetFrog 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 September 4, 2018. 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 , or visit our website: or SEDAR's website at www.sedar.com under the Company's name.