MATERIAL CHANGE REPORT
Form 51-102F3

Item 1 Name and Address of Company

MTY Food Group Inc. ("**MTY**" or the "**Corporation**")
8150 autoroute Transcanadienne, suite 200
St-Laurent, Quebec
H4S 1M5

Item 2 Date of Material Change

The material change occurred on August 9, 2022.

Item 3 News Release

A news release with respect to the material change referred to in this report was issued by the Corporation through Canada Newswire on August 9, 2022 and is available at www.sedar.com.

Item 4 Summary of Material Change

On August 9, 2022, the Corporation and BBQ Holdings, Inc. ("**BBQ Holdings**") (NASDAQ: BBQ) announced that they have entered into a definitive merger agreement (the "**Merger Agreement**") under which MTY would acquire all of the issued and outstanding common shares of BBQ Holdings for cash consideration of US$17.25 per BBQ Holdings share representing total transaction value of approximately US$200 million (C$257 million) (the "**Transaction**"), including BBQ Holdings' net debt.

Item 5 Full Description of Material Change

On August 9, 2022, MTY and BBQ Holdings announced that they have entered into the Merger Agreement under which MTY would acquire all of the issued and outstanding common shares of BBQ Holdings for cash consideration of US$17.25 per BBQ Holdings share representing total transaction value of approximately US$200 million (C$257 million), including BBQ Holdings' net debt. The terms and conditions of the Merger Agreement were unanimously approved by the Boards of Directors of both companies. The Transaction is subject to customary closing conditions including receipt of applicable regulatory approvals. Upon completion of the Transaction, BBQ Holdings will become a subsidiary of MTY and the shares of BBQ Holdings will be de-listed from NASDAQ.

BBQ Holdings is a franchisor and operator of casual and fast casual dining restaurants across 37 states in the U.S., Canada, and United Arab Emirates. Its flagship restaurant brands operate under the "Famous Dave's", "Village Inn", "Barrio Queen", and "Granite City", banners. As of August 8, 2022, BBQ Holdings operates over 200 franchised and over 100 corporate-owned restaurants. For the 2022 fiscal year ending January 1, 2023, and as publicly disclosed by BBQ Holdings, the company is expected to generate twelve-month run-rate system sales and cash EBITDA between US$685M to US$725M and US$25.5M and US$27.5M, respectively.

MTY is a leading franchisor in the North American restaurant industry. As of May 31, 2022, its network had 6,660 locations in operation, 99% of which are franchised. The Company established its presence in the U.S. with the acquisition of Kahala Brands in July 2016 and has since continued to grow its footprint in the country through new restaurant openings and acquisitions. With this Transaction, MTY will add leading restaurant brands to its network which will reach a total of approximately 7,000 locations, including over 3,900 in the United States.

Transaction Financing
The Transaction is not subject to any financing condition and the consideration will be 100% funded in cash. MTY will use its cash on hand and its existing credit facility to fund the cash consideration and to repay BBQ Holding's net debt outstanding as of the close of the Transaction.

MTY's pro forma Net Debt / EBITDA (excluding leases) expected to stand at approximately 2.4x upon closing, which remains within a comfortable zone offering good flexibility should more opportunities surface in the near future.

Transaction Details

Under the terms of the Merger Agreement, a subsidiary of MTY will commence a tender offer to purchase all of the outstanding shares of BBQ Holdings common stock for US$17.25 per share in cash. The tender offer is subject to customary conditions, including antitrust clearance and the tender of a majority of the outstanding shares of BBQ Holdings common stock. Following successful completion of the tender offer, MTY would acquire all remaining shares not tendered in the offer through a merger at the same price as in the tender offer. The Transaction is expected to close by Q4, 2022. There is no assurance the Transaction will be completed as described above or at all, or that the anticipated closing date will materialize. Following the close of the Transaction, the shares of BBQ Holdings will be de-listed from NASDAQ, will be a privately held subsidiary of MTY and will continue to be operated as independent brands.

Transaction Approvals & Support

The Transaction has been unanimously approved by the board of directors of MTY and has the unanimous support of the BBQ Holdings board of directors. Certain key shareholders of BBQ Holdings have signed support agreements in favor of the Merger Agreement, representing in aggregate approximately 37% of the shares currently outstanding. The consummation of the Transaction is conditioned upon, among other things, the tender of at least 50% of BBQ Holdings fully-diluted shares of common stock and receipt of applicable regulatory approvals.

Further information regarding the Transaction will be contained in the Merger Agreement, copies of the Agreement will be available on SEDAR at www.sedar.comand EDGAR at www.sec.gov.

All dollar values herein presented in Canadian dollars unless otherwise indicated. US dollar values converted to Canadian dollars at 1.29.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

The following executive officer of the Corporation is knowledgeable about the material change and this report and may be contacted as follows:

Eric Lefebvre, Chief Executive Officer
Phone: (514) 336-8885
Email ir@mtygroup.com

Item 9 Date of Report

August 10, 2022