



FOR IMMEDIATE RELEASE

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**MERITAGE REPORTS ACQUISITION OF
25 WENDY'S RESTAURANTS
IN NORTH CAROLINA & VIRGINIA**

GRAND RAPIDS, Michigan, May 10, 2023, Meritage Hospitality Group Inc. (OTCQX: MHGU), the nation's premier franchise operator, announced today that it has acquired an additional 25 Wendy's restaurants located in the North Carolina and Virginia market areas.

"The acquisition of these 25 Wendy's restaurants is consistent with the Company's 5-year growth plan to acquire an operating base up to 400 Wendy's and build new Wendy's restaurants. With today's acquisition, the Company is operating 385 restaurants across 16 states. We will immediately integrate the new restaurants into our operating and accounting platforms as well as include them in our Wendy's remodeling program, designed to modernize restaurants and enhance the overall guest experience," stated Chief Executive Officer, Robert Schermer, Jr.

The Company funded the acquisition with a combination of cash, equity and bank financing and expects the 25 additional restaurants to add approximately \$42.0 million in annual sales and be accretive to earnings going forward.

"The Company is a leader in new-restaurant development within the Wendy's system and has a commitment to build 52 new Wendy's restaurants by the end of 2025 under the Wendy's Ground Breaker development program. New Wendy's restaurants continue to provide the Company with a strong return on investment, as guests reward us for contemporary restaurant designs and digital enhancements. Restaurant acquisitions, renovations and new restaurant development are important components of our growth-oriented business model, providing unique long-term opportunities to employees and investors," added Schermer.

2023 Outlook: Strong Growth Ahead:

- Sales **+10% to +20%**
- Earnings from Operations. **+90% to +100%**
- Net Income **+35% to +45%**
- EBITDA **+20% to +30%**

The Company's has opened four Taco John's restaurants to-date and is planning to open an additional 10-12 locations this year. The Company holds exclusive development rights in 7 states as part of a 55-store development agreement with additional rights to develop more than 205 Taco John's restaurants. The Company continues to leverage its strategic operating platform, unique in-house restaurant development expertise and investments in digital technology to build the best-of-class QSR brands focused on quality, convenience, and affordability.

The Company's 5-year, 500 restaurant growth plan includes expanding its Wendy's operations, the development of Taco John's and Morning Belle, a breakfast-brunch brand owned by the Company.

About the Company

Meritage Hospitality Group is the nation's premier restaurant operator, currently with approximately 385 restaurants in operation located in Arkansas, Connecticut, Florida, Georgia, Indiana, Massachusetts, Michigan, Missouri, Mississippi, North Carolina, South Carolina, Ohio, Oklahoma, Tennessee, Texas and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of approximately 12,000 employees.

The Company continues to distinguish itself as a leader and innovator in the restaurant industry, striving for best-in-class results through a performance-based culture committed to operational excellence.

The Company's current and publicly available information pursuant to amended SEC Rule 15c2-11 and FINRA Rule 6432 can be found at www.otcmarkets.com, under the stock symbol MHGU/Disclosures or the Company's website, www.meritagehospitality.com. The Company had 8,694,000 diluted weighted average shares outstanding as of 1/1/2023.

SAFE HARBOR STATEMENT

Certain information in this new release, particularly information regarding future economic performance and finances, and plans, expectations and objectives of management, constitute forward-looking statements. Factors set forth in our Safe Harbor Statement, in addition to other possible factors not listed, could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. Please review the Company's Safe Harbor Statement at <http://www.meritagehospitality.com>.

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