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**MERITAGE REPORTS SECOND QUARTER 2017 RESULTS;
ACCELERATING EARNINGS GROWTH**

Grand Rapids, Michigan, July 18, 2017. Meritage Hospitality Group, Inc. (OTCQX: MHGU), one of the nation's premier restaurant operators, today reported financial results for the second quarter ended July 2, 2017.

Second Quarter Highlights

- **Sales increased 34.3% to \$78.7 million from \$58.6 million for the same period last year.**
- **Earnings from Operations increased 35.8% to \$5.4 million from \$4.0 million for the same period last year.**
- **Net Earnings increased 53.9% to \$3.2 million compared to \$2.1 million for the same period last year**
- **Consolidated EBITDA (a non-GAAP measure) increased 61.8% to \$8.8 million compared to \$5.5 million in 2016**
- **The Company completed the acquisition of 57 Wendy's restaurants located in four states during the second quarter.**

“The Company experienced strong sales and earnings growth in the second quarter, partially driven by the successful integration of 57 newly acquired Wendy's restaurants into our operating platform late in the period. The Company is forecasting earnings acceleration from 69 newly acquired restaurants in the second half of the year, and believes that the Wendy's brand presents a compelling long-term growth opportunity for the Company, as indicated by the continued improvement in our system brand metrics.” stated Meritage CEO, Robert E. Schermer, Jr.

The Company has committed significant capital resources to the Wendy's brand initiatives, and is on schedule to complete a record 27 renovations and/or newly built restaurant locations this year. Same store sales in newly built and re-imaged restaurants continue to deliver with a strong performance, as guests are rewarding restaurants for the upgraded facilities and improved overall consumer experience.

Six Month Highlights

- Sales for the six months increased 24.9% to a record \$140.7 million compared to sales of \$112.7 million for the same period last year.
- Earnings from Operations increased 56.5% to \$8.8 million compared to \$5.6 million last year.
- Net Earnings increased 93.6% to \$5.0 million compared to \$2.6 million for the same period last year.
- Consolidated EBITDA (a non-GAAP measure) increased 68.5% to \$14.1 million compared to \$8.4 million last year.
- Common stock cash dividends increased 50% over the same period last year.

Meritage continues to distinguish itself as a leader and innovator in the quick service restaurant segment, striving for best in class results through a performance based culture committed to operational excellence, strategic acquisitions and real estate development.

Company 2017 Full-Year Financial Targets: Robust Growth Ahead

- Sales growth of +30% to 40%
- Income from Operations growth of +45% to 55%
- Net Earnings growth of +45% to 55%
- EBITDA growth of +35% to 45%
- Common stock dividend growth of +30% to 40%

About the Company

Meritage Hospitality Group is one of the nation's premier restaurant operators, with 249 restaurants located in Arkansas, Florida, Georgia, Michigan, Missouri, Mississippi, North Carolina, South Carolina, Ohio, Oklahoma, Tennessee and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of approximately 7,600 employees. The Company has approximately 6.1 million (basic) common shares outstanding. The Company's public filings can be viewed at www.otcqx.com, under the stock symbol MHGU, or the Company's website www.meritagehospitality.com.

SAFE HARBOR STATEMENT

Certain information in this news release, particularly information regarding future economic performance and finances, and plans, expectations and objectives of management, constitutes 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>.