



FOR IMMEDIATE RELEASE:

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**MERITAGE ANNOUNCES RESULTS OF ANNUAL MEETING;
SPECIAL COMMON STOCK CASH DIVIDEND**

GRAND RAPIDS, MI, May 16, 2017– Meritage Hospitality Group, Inc. (OTCQX: MHGU), one of the nation’s premier restaurant operators, today announced that the Company’s Board of Directors approved a special cash dividend of \$.025 per share at the May 16, 2017 Board of Directors meeting following the annual shareholders meeting. The dividend is payable on June 22, 2017, to shareholders of record on June 8, 2017.

“The dividends declared in the first six months of 2017 represent a 50% increase over of the same period last year and are consistent the Company’s stated goal to reward shareholders commensurate with earnings growth. We reported strong earnings growth in the first quarter and believe the earnings momentum will continue to accelerate through 2017 and into 2018, driven by new development, reimaged locations and the future integration of 69 restaurants which will have been acquired during the first half of 2017,” stated Meritage CEO, Robert Schermer, Jr.

During the annual shareholder meeting, the Company’s shareholders elected seven directors: James P Bishop, Duane F. Kluting, Joseph L. Maggini, Gary A. Rose, Robert E. Schermer, Sr., Robert E. Schermer, Jr. and Peter D. Wierenga. Each director will serve until the 2018 Annual Shareholders Meeting.

Additional Proposals passed at the 2017 Annual Meeting;

Proposal 2 – Amendment of Bylaws to decrease the quorum requirement to a one-third threshold, and
Proposal 3 – Approval of the 2017 Management Equity Incentive Plan.

The CEO’s Report (available on the company’s web-site and OTCQX) highlighted the past five-year performance and outlined the new five-year business plan to expand its restaurant operations from 193 to 400 restaurants by 2021. The presentation included an update on the pending acquisition of 57 restaurants located in four Mid-Atlantic states, scheduled to close this week. The management team is planning to accomplish its five-year financial and operational goals through a combination of continued acquisitions, new restaurant development and renovations.

**The Company 2017 Full-Year Outlook: Strong Growth Ahead
(assumes completion of pending 57 restaurant acquisition)**

- **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%**



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.

About Meritage

Meritage Hospitality Group is one of the nation's premier restaurant operators, with 193 restaurants in operation located in Florida, Georgia, Michigan, North Carolina, South Carolina, Ohio, Oklahoma and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of approximately 6,000 employees. The Company has approximately 6.0 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>.

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