



FOR IMMEDIATE RELEASE

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**MERITAGE REPORTS SECOND QUARTER 2022 RESULTS;
ACCELERATING GROWTH AHEAD**

GRAND RAPIDS, Michigan, Friday, July 15, 2022. Meritage Hospitality Group Inc. (OTCQX: MHGU), the nation's premier franchise operator, today reported financial results for the second quarter ended July 3, 2022.

Second Quarter Highlights

- **Sales increased 9.3% to \$161.0 million compared to \$147.3 million for the same period last year.**
- **Earnings from Operations were \$7.7 million compared to \$8.5 million for the same period last year.**
- **Net Earnings were \$6.0 million compared to \$7.9 million for the same period last year.**
- **Consolidated EBITDA (a non-GAAP measure) was to \$14.5 million compared to \$16.8 million for the same period last year.**

“Our solid sales performance in the second quarter was driven by same restaurant sales growth, increased sales from renovated locations and new store openings. Company restaurant management teams have done a good job managing operations in a volatile commodity and high inflationary environment, which we believe will begin easing for our business in the second half of the year.

The Company recently announced the acquisition of 6 Wendy's restaurants in Florida, which will add approximately \$11 million in annual sales and be accretive to earnings going forward.

Looking ahead, our development pipeline remains strong, as we plan to build a total of 24 new restaurant locations this year, including our first generation of Taco John's restaurants. We have laid the foundation for transformative growth and value creation, as we execute building, renovating and acquiring restaurants with our unique operating platform,” stated Robert E. Schermer, Jr., the Company's CEO.

Six-Month Highlights

- **Sales for the six months increased 8.9% to \$306.1 million compared to sales of \$281.1 million for the same period last year.**
- **Earnings from Operations were \$10.2 million compared to \$14.8 million for the same period last year.**
- **Net Earnings were \$7.9 million compared to \$12.8 million for the same period last year**
- **Consolidated EBITDA (a non-GAAP measure) was \$22.9 million compared to \$29.1 million for the same period last year.**

The Company has committed significant long-term capital resources to support Wendy's brand initiatives, including a newly expanded agreement to build 51 new Wendy's restaurants by the end of 2025 under the Groundbreaking Incentive Program. Newly built and re-imaged restaurants continue to deliver strong sales and earnings results as guests continue to reward us for upgraded restaurant facilities and improved overall customer experience.

The Company's first Taco John's restaurants, scheduled to open later this year, are part of an exclusive 50 store development agreement that includes rights to develop an additional 150 Taco John's restaurants.

Company Full-Year 2022 Outlook: Accelerating Growth Ahead

- **Sales growth of +10% to 15%**
- **Dividend growth +10% to 15%**

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

About the Company

Meritage Hospitality Group is the nation's premier restaurant operator, currently with 348 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 11,000 employees. At fiscal year-end 2021, the Company had total weighted average fully diluted common shares outstanding of 8,417,219.

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.

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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