



FOR IMMEDIATE RELEASE

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**MERITAGE REPORTS SECOND QUARTER 2023 RESULTS;
CONTINUED SOLID GROWTH AHEAD**

GRAND RAPIDS, Michigan, Friday, July 14, 2023. Meritage Hospitality Group Inc. (OTCQX: MHGU), the nation's premier franchise operator, today reported financial results for the second quarter ended July 2, 2023.

Second Quarter Highlights

- **Sales increased 9.7% to \$176.6 million compared to \$161.0 million for the same period last year.**
- **Earnings from Operations increased 14.9% to \$8.9 million compared to \$7.7 million for the same period last year.**
- **Net Earnings were \$5.9 million compared to \$6.0 million for the same period last year.**
- **Consolidated EBITDA (a non-GAAP measure) increased 7.6% to \$15.6 million compared to \$14.5 million for the same period last year.**

“The increase in sales during the second quarter was driven by a combination of same store sales growth, newly acquired locations, and new store openings. Our restaurant teams continue to focus on managing controllable expenses, while our primary costs are forecasted to steadily improve over the next 12 months as inflation moderates.

The Company recently closed on the acquisition of 25 Wendy's restaurants in North Carolina and Virginia, which will add approximately \$42.0 million in annual sales and be accretive to earnings going forward.

The Company remains focused on growth and value creation as we continue seeking accretive restaurant opportunities for our operating platform,” stated Robert E. Schermer, Jr., the Company's CEO.

Six-Month Highlights

- **Sales for the six months increased 9.2% to \$334.3 million compared to sales of \$306.1 million for the same period last year.**
- **Earnings from Operations were \$9.8 million compared to \$10.2 million for the same period last year.**
- **Net Earnings were \$4.5 million compared to \$7.9 million for the same period last year.**
- **Consolidated EBITDA (a non-GAAP measure) was \$21.0 million compared to \$22.9 million for the same period last year.**

The Company has committed significant long-term capital resources to support Wendy's brand initiatives, including continued expansion under the Groundbreaker 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.

2023 Outlook: Solid Growth Ahead:

- Sales **+10% to +20%**
- Earnings from Operations. **+20% to +30%**
- Net Income **+15% to +25%**
- EBITDA **+15% to +25%**

Meritage continues to distinguish itself as a national leader and innovator in the quick service industry, 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 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. At fiscal year-end 2022, the Company had fully diluted weighted average common shares outstanding of 8,694,000.

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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