



FOR IMMEDIATE RELEASE:

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**MERITAGE ANNOUNCES THIRD QUARTER DIVIDEND:
AND 7 BREW COFFEE DEVELOPMENT OPPORTUNITY**

GRAND RAPIDS, Michigan, August 15, 2023. Meritage Hospitality Group Inc. (OTCQX: MHGU), the nation's premier franchise operator, announced today the Company's Board of Directors approved a quarterly special dividend of \$0.09 per share. The dividend is payable on October 1, 2023, to shareholders of record as of September 15, 2023.

The Board also authorized the Company to proceed with final due diligence to engage as a franchisee to develop and operate 7 Brew Coffee drive-thru locations in the Mid-West. The preliminary terms of the agreement call for the Company to build up to 64 restaurant locations by the end of 2030. 7 Brew Coffee is a double drive thru concept, rolling out across the U.S. with many trade areas currently committed for development by franchisees. The 7 Brew concept is part of the Company's plan for growth and development of emerging brands, including Morning Belle and Taco Johns.

2023 Full-Year Outlook: Improving Food & Labor Cost Second Half

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

The Company has committed significant long-term capital resources to support Wendy's brand initiatives, including a newly expanded agreement to build a total of 52 new Wendy's restaurants by the end of 2026 under the Groundbreaker Incentive Program. Newly built and re-imaged Wendy's restaurants continue to deliver strong sales as guests continue to reward us for upgraded restaurant facilities and improved overall customer experience.

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

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 second quarter ended July 2, 2023, the Company had fully diluted weighted average common shares outstanding of 9,392,000 and reported EPS of \$0.65 for the second quarter ending July 2, 2023.

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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