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**MERITAGE REPORTS THIRD QUARTER 2023 RESULTS
OPERATING MARGIN IMPROVEMENTS AHEAD**

GRAND RAPIDS, Michigan, October 20, 2023. Meritage Hospitality Group Inc. (OTCQX: MHGU), the nation's premier franchise operator, today reported financial results for the third quarter and the nine months ended October 1, 2023.

2023 Third Quarter Highlights:

- **Sales increased +6.1% to \$170.3 million compared to \$160.6 million for the same period last year.**
- **Earnings from Operations increased +6.4% to \$3.2 million compared to \$3.0 million for the same period last year.**
- **Net Earnings were \$0.0 million compared to \$1.8 million for the same period last year.**
- **Consolidated EBITDA (a non-GAAP measure) was \$8.1 million compared to \$8.8 million for the same period last year.**

"Company restaurant sales remained solid in the third quarter, increasing to a record \$170.3 million. Our key ongoing metric, Earnings from Operations increased +6.4% over last year. While we are still impacted by highly inflated supply chain costs, we did experience quarterly improvement in both food and labor costs over the same period in the prior year. We anticipate food and operating margins to continue to improve in the fourth quarter and throughout 2024, as the rate of commodity inflation slowly subsides. Consumer demand in our Wendy's restaurants continues to demonstrate resiliency and new store opening sales remain robust," stated Meritage CEO, Robert E. Schermer, Jr.

2023 Year-To-Date Highlights:

- **Sales for the nine months increased +8.1% to \$504.6 million compared to \$466.6 million for the same period last year.**
- **Earnings from Operations were \$13.0 million compared to \$13.2 million for the same period last year.**
- **Net Earnings were \$4.4 million compared to \$9.8 million for the same period last.**
- **Consolidated EBITDA (a non-GAAP measure) was \$29.1 million compared to \$31.7 million for the same period last year.**
- **The Company finished the third quarter with 385 restaurants in operation.**

Outlook: Strong Sales Growth & Operating Momentum Ahead

The Company has committed significant long-term capital resources to Wendy's brand initiatives, including an agreement to build 51 new Wendy's restaurants by the end of 2025 under the Groundbreaker Incentive Program, and build Taco John's restaurants under a development agreement which includes multiple economic

incentives including royalty and marketing fee benefits, subject to the Company fulfilling a modified development schedule.

Looking forward, Meritage is forecasting steady sales and operating earnings growth, driven by newly developed Wendy's, Taco John's, and Morning Belle restaurants, as well as reimaged restaurants and acquisitions. The Company is committed to delivering on its capital allocation strategy of reinvesting in the business to drive profitable growth and return free cash flow to shareholders through a combination of dividend growth and share repurchases.

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 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. As of the second quarter in 2023, the Company had total weighted average fully diluted common shares outstanding of 8,565,000 shares.

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 new 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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