



FOR IMMEDIATE RELEASE:

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**MERITAGE REPORTS FIRST QUARTER 2022 RESULTS;
STRONG SALES RECOVERY FOLLOWING OMICRON IMPACT**

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

First Quarter Highlights

- **Sales increased 8.4% to \$145.1 million compared to \$133.8 million for the same period last year.**
- **Earnings from Operations were \$2.2 million compared to \$6.3 million for the same period last year.**
- **Net Earnings were \$1.7 million compared to \$4.9 million for the same period last year.**
- **Consolidated EBITDA (a non-GAAP measure) was \$8.2 million compared to \$12.4 million for the same period last year.**

“The Company anticipated a slower start to 2022 as a result of the dynamic inflation experienced in the second half of 2021. Additionally, the Omicron breakout in January 2022 significantly impacted staffing and food costs, but earnings have since stabilized. We expect margins to continue improving throughout the remainder of the year and are thankful for our management teams who continue to successfully navigate the evolving market. Our outlook remains positive as we move forward with new restaurant development, including the Company's first Taco John's restaurants scheduled to open later this year,” stated Meritage CEO, Robert E. Schermer, Jr.

Strategic Growth

- Consistent with its strategic growth plans to accelerate multi-unit franchise restaurant development, the Company sold one of its casual dining brands during the quarter.
- 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 additional rights to develop more than 200 Taco John's restaurants.
- Newly built Wendy's restaurants continue to provide the Company with a strong return on investment, as guests reward us for contemporary restaurant designs and digital enhancements.
- The Company continues to leverage its strategic operating platform, unique in-house restaurant development expertise and investments in digital technology to build the best-of-class QSR brands focused on quality, convenience, and affordability.

About the Company

Meritage Hospitality Group is the nation's premier restaurant operators, currently with 345 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 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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