



December 31, 2023

Dear Fellow Shareholders,

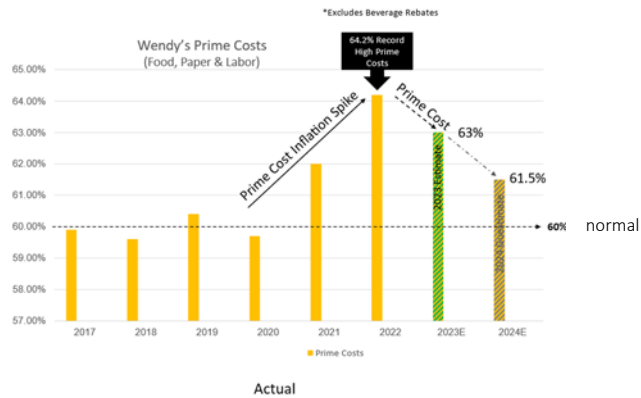
I hope this memo finds you well. Over the last two years, our company has faced many unusual challenges associated with high inflation, presenting hurdles that have required strategic adaptation.

One interesting observation I would make based on the fact that McDonalds, the world's largest QSR hamburger brand, just held its first Investor Day meeting with analysts since 2020. I would suggest this delayed timing was due

Looking Ahead:

Biggest Opportunity

Wendy's Prime Costs (Food, Paper & Labor)



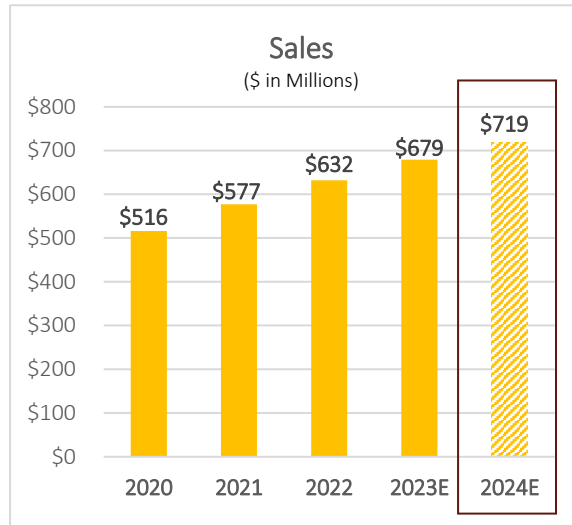
to management's lack of confidence and visibility in forecasting growth metrics during a period of unprecedented disruption in supply chains around the world. Fortunately, this is beginning to change.

Despite the same labor and supply chain difficulties we have faced in the Wendy's system, it is crucial to acknowledge the resilience and proactive measures undertaken by our management team to mitigate these challenges. We believe our commitment to cost efficiency and prudent financial management has enabled us to navigate this two-year period of heightened prime cost inflation successfully.

Looking ahead, we see promising signs of improvement in the restaurant landscape. In our view market supply chain dynamics are stabilizing, creating the opportunity for restaurant operating margins to begin a reversion back to a normalized prime cost range (noted in graph above). The lessons learned from managing cost inflation over the last two years should further strengthen our ability to capitalize on opportunities and resume growth with greater confidence.

Our focus remains on innovation, operational excellence, and maintaining a strong financial foundation for growth. We are optimistic that the strategic cost initiatives we've implemented will position the Company for stronger days ahead.

As described in previous shareholder communications, our 5-Year Plan is focused on growing the business and creating one or more liquidity events for long-term investors.



preliminary
2024
guidance

As we plan for the next generation of growth and new capital partners, we remain actively engaged in planning for future strategic events to enhance shareholder value and create an exit opportunity for those that may be interested in selling shares. Transparency and open communication have been the foundation over our 25-year journey, and you can expect the same from us going forward.

Thank you for your trust and the opportunity to serve.

Robert E. Schermer, Jr.
CEO

Certain information in this Meritage shareholder letter, particularly information regarding future economic performance and finances, targets 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>