



FOR IMMEDIATE RELEASE

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**MERITAGE ANNOUNCED 2024 PRELIMINARY UNAUDITED RESULTS;
2025 OUTLOOK: ACCELERATING EARNING GROWTH**

GRAND RAPIDS, Michigan, January 17, 2025. Meritage Hospitality Group Inc. (OTCQX: MHGU), the nation's premier franchise restaurant operator, today reported preliminary financial results for the fourth quarter and fiscal year ended December 29, 2024, ahead of presenting at the Sidoti Micro-Cap Conference.

2024 Fourth Quarter Highlights:

- **Sales increased 0.5% to \$168.7 million compared to sales of \$167.9 million for the same period last year.**
- **Earnings (Loss) from Operations were \$(0.1) million compared to \$4.8 million for the same period last year.**
- **Net Income increased 227% to \$5.2 million compared to \$1.6 million for the same period last year.**
- **Consolidated EBITDA (a non-GAAP measure) increased 40.8% to \$13.7 million compared to \$9.7 million for the same period last year.**

2024 Full-Year Highlights:

- **Sales were \$668.8 million compared to \$672.5 million last year.**
- **Earnings from Operations were \$10.9 million compared to \$17.8 million last year. The current fiscal year included operational and one-time charges of \$8.6 million associated with non-Wendy's restaurant closings and dispositions.**
- **Net Earnings increased 33.1% to \$8.0 million compared to \$6.0 million last year.**
- **Consolidated EBITDA (a non-GAAP measure) increased 9.0% to \$42.4 million compared to \$38.9 million last year.**

"New Wendy's restaurants and reworked locations continue to drive strong returns on investment, highlighting the strength and resilience of the Wendy's restaurant brand. Earnings from operations this year included operational and one-time charges of approximately \$8.6 million associated with non-Wendy's restaurant closings and disposition costs. Our restaurant operations and real estate development teams continued to execute at a best-in-class standards, supported by our robust operating and technology platform." stated Meritage CEO, Robert E. Schermer, Jr.

Looking ahead, the Company is forecasting strong earnings growth for fiscal 2025, driven by Wendy's restaurant reimagining and continued margin improvements as commodity and labor inflation moderate. In Q1 2025 we will be rolling out our first Wendy's FreshAI – the Wendy's generative AI technology that brings a digital automated



ordering experience to the drive-thru customer. The Company is committed to leveraging technology and delivery options designed to improve customer experience and employee efficiency in the restaurants. The company ended the year with 379 restaurants across fifteen states and has an exciting development pipeline of 35-40 new and reimaged locations planned throughout 2025, including additions to our Morning Belle restaurant portfolio, the Company's growing single shift, breakfast/brunch concept.

2025 Full-Year Outlook: Accelerating Earnings Growth:

- **Sales growth of +5% to +10%**
- **Earnings from Operations growth of +90% to +100%**
- **Net Earnings growth of +75% to +85%**
- **EBITDA growth of +15% to +25%**

The Company's strategic priorities are focused on developing a culture of leadership, leveraging our operating platform and unique in-house development expertise to deliver consumers the highest level of quality, convenience, and affordability.

As we plan for the next generation of franchise platform growth, the Company remains actively engaged in expanding its strategic partnerships and legacy shareholder liquidity opportunities.

About the Company:

Meritage Hospitality Group is the nation's premier restaurant operator, currently with 379 restaurants in operation located in Arkansas, Connecticut, Florida, Georgia, Indiana, Massachusetts, Michigan, Missouri, Mississippi, North Carolina, Ohio, Oklahoma, Tennessee, Texas and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of over 11,000 employees. At fiscal year-end 2024, the Company had total weighted average fully diluted common shares outstanding of 8,520,095.

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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