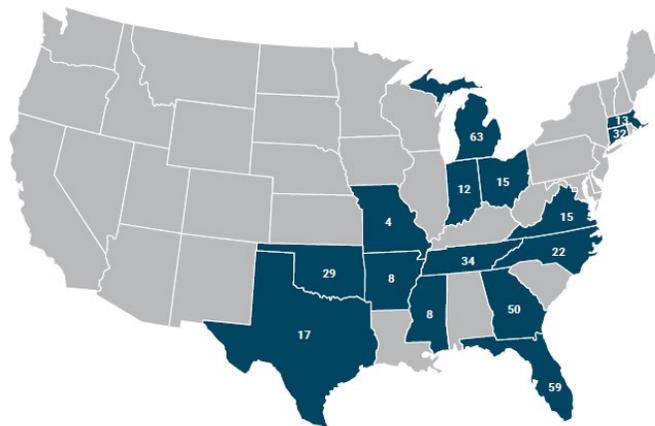


March 24, 2025

Dear Meritage Shareholder,

Thank you for your continued partnership while we have navigated through the last five unprecedented years, which included Covid and slowing economic conditions as we entered into 2025. Today we are thinking about our business differently and setting the stage for a new chapter of growth.

Meritage at a Glance



The Company reported fiscal year 2024 sales of \$668.8 million as compared to \$672.5 million in the prior year, and diluted earnings per share of \$0.75 as compared to \$0.56 in the prior year, representing an increase of 33.9%.

We started 2025 with extreme weather in the southern United States, which resulted in record snow, ice and floods. With the weather behind us, restaurant sales are normalizing and we forecast 30% to 40% growth in our diluted earnings per share for the 2025 reporting year.

MORNING BELLE®

Exciting things are happening in this segment of our business. Our self-created breakfast, brunch and lunch concept continues to win local accolades and build customer loyalty. Morning Belle won 'The Best of Grand Rapids: Best Breakfast & Brunch' in 2025 for the second year in a row. With same store sales up +14% year-to-date, we are planning to add 3 - 5 new locations in 2025 in both East and West Michigan as we fine-tune the concept for future expansion opportunities.





While the past several years had external challenges for many industries in the capital markets, it also provided specific difficulties for franchisees in the Wendy's system, including transitioning to a new CEO at The Wendy's Company. Kirk Tanner, the newest CEO, will be our 8th CEO over the last 27 years as a franchisee in the Wendy's franchise system. As Wendy's CEOs come and go, franchisees play the long game and speaking from historical experience, a new CEO requires a minimum of 12 months before an actionable 5-Year Plan can be developed and implemented in a system the size of Wendy's. We are now at that one-year juncture, and we have **high aspirations** for the plans laid out at Wendy's March 6, 2025 Investor Day.

WENDY'S INVESTOR DAY 2025

On March 6, 2025, we virtually attended the long-awaited Wendy's Investor Day, hosted by new CEO, Kirk Tanner. The new management team laid out its strategic plans to accelerate restaurant economics and growth as it leans into relevant and unique innovation, marketing, value, incremental visits, digital and operational enhancements. The brand set sensible targets for average US unit sales and a meaningful improvement in the restaurant's economic model.



Our financial guidance for 2025 and the next five years underscores our confidence in the new Wendy's business plan for franchisee store-level economic growth and prospects ahead. We believe Investor Day reinforces a positive view on underlying brand strength and a significant store-level economic growth opportunity ahead for franchisees.



As a franchisee, we still have important work to continue advancing our technology platform and ensure long-term development success in our Wendy's business. Our hope and aspirations for this new Wendy's executive team is to deliver on its potential, significantly improving the franchisee unit-level economics (a stated goal of Wendy's CEO) allowing Meritage to create liquidity events and consistent cash distributions for its shareholders.

LOOKING AHEAD

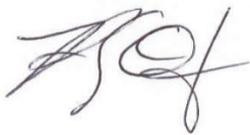
The company continues to position itself to capitalize on Wendy's and other QSR growth opportunities through reimagining, new unit growth, mergers and acquisitions, operational efficiencies (including AI) and platform innovation.

2025 Full-Year Outlook:

- Sales growth of +0% to +3%
- Earnings from Operations growth of +40% to +50%
- Net Earnings growth of +40% to +50%
- EBITDA growth of +10% to +20%
- Diluted EPS growth of +30% to +40%

Meritage is committed to a balanced capital allocation strategy between investment capital spend in the business and returning capital to shareholders as free cash flow or future liquidity events allow. Thank you for the opportunity to serve.

Sincerely,



Robert E. Schermer, Jr
CEO