



WELCOME

2026 Annual Meeting

2026 CEO's Report

Stock Data: MHGU

52-Week Range \$1.96 / \$13.49
Avg. Daily Volume 4,369
Market Cap. (MM) \$13.9
Shares Out. 6,704,000
Cash Per Share \$2.87
Lender Debt-to-Equity 56.7%
Book Value Per Share \$8.52
Dividend Yield 0.00%
FY End December
Source: OTCQX / Company
5/10/2026

Agenda

1. Wendy's



- U.S. Consumer backdrop
- Wendy's: where are we, how did we get here
- Bank Forbearance Progress
- Where is the Brand headed

2. Morning Belle & Bo's

3. 2026 Outlook: Better

4. Questions & Answers



SAFE HARBOR STATEMENT

Forward Looking Statements

Certain statements contained in this release and the reports we submit to the OTC, including this release, that are not historical facts constitute forward-looking statements. These statements may be identified by words such as “estimates,” “anticipates,” “hopes,” “projects,” “plans,” “expects,” “believes,” “should,” “would,” “optimistic,” “endeavor,” and similar expressions (including the negative versions), and by the context in which they are used. Such statements are based only upon Meritage’s current expectations. Any forward-looking statement speaks only as of the date made. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, or achievements to differ materially from those expressed or implied. Meritage undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which they are made. Statements concerning expected financial performance, business strategies and actions which Meritage intends to pursue to achieve its strategic objectives, constitute forward-looking statements. Implementation of strategies and achievement of financial performance are subject to numerous conditions, uncertainties, and risk factors, which could cause actual performance to differ materially from the forward-looking statements. These include, without limitation: risks associated with the level of our indebtedness and our ability to meet covenants in our debt and franchise agreements, including modifications and, as necessary, to refinance or seek further modification of such agreements; competition; changes in the national or local economy; trends involving a general decline in consumer transactions across the QSR industry due to economic uncertainty or otherwise; changes in consumer preferences, tastes and eating habits; concerns about the nutritional quality of our restaurant menu items; concerns about the nutritional quality of our restaurant menu items; economic uncertainty, recessions, disruptions to or reductions in business operations, liquidity, prospects or supply chains due to pandemics, epidemics, widespread health emergencies, or outbreaks of infectious diseases, its variants and developments related to these types of events; concerns about the consumption of beef or other menu items due to diseases or other food safety issues, including, without limitation, E. coli bacteria; promotions and price discounting by competitors; atypical or severe weather and natural disasters including, without limitation, tropical storms, hurricanes, or tornadoes; changes in travel patterns; road construction; demographic trends; failure to manage social media trends; inflation, including related increases in the cost of food, labor and energy; supply chain interruptions; the availability and cost of suitable restaurant sites; the ability to finance expansion; interest rates; insurance costs; the availability of adequate managers and hourly-paid employees; risks associated with leasing real property; directives issued by the franchisor regarding operations, menu pricing, advertised pricing, national marketing, advertising, digital programs, and capital commitments; the general reputation of Meritage’s and its franchisors’ restaurants; the relationships between Meritage and its franchisors; legal claims and proceedings, including claims that may result in judgments against the Company requiring the payment of damages or other financial obligations; security, including cyber security and information technology security; credit card fraud; Meritage’s ability to consummate acquisitions or, if consummated, to successfully integrate acquired businesses into Meritage’s operations; Meritage’s execution of growth initiatives; the recurring need for restaurant renovation and capital improvements; government regulations relating to, among other things, zoning, public health, sanitation, alcoholic beverage control, environment, food preparation, minimum and overtime wages and tips, employment of minors, citizenship requirements, working conditions, other labor and employment matters, and the operation of its restaurants; economic changes in the state and local economies where our restaurants are located including, without limitation, Arkansas, Connecticut, Florida, Georgia, Indiana, Massachusetts, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, Tennessee, Texas and Virginia. Please review the Company’s Safe Harbor Statement at <http://www.meritagehospitality.com>.

<http://www.meritagehospitality.com>

Consumer Backdrop: War, Tariffs and Inflation

April's Consumer Sentiment Is the Lowest on Record

By [Matt Grossman](#), Reporter

UMich consumer-sentiment index

Inflation Soared to 3.8% in April, Driven by Gas Prices

Consumer-price index, 12-month change



Measured monthly, energy costs accounted for over 40% of the increase in consumer prices

Affordability Brainstorms, Good and Bad

Cutting the beef tariff is a good idea, but pausing the federal gas tax isn't.

BUSINESS • RETAIL

For 70 Years, Whirlpool Paid a Dividend. Suddenly It Can't Afford One.

Investors question the company's recovery plan and decision to halt quarterly payout

The stock has dropped more than 80% over the past five years as the company's cash flow has shrunk, leaving it without enough to both pay out investors and pay down its debts.

BUSINESS • RETAIL

Kraft Heinz CEO Pushes Value: 'Consumers Are Literally Running Out of Money'

Steve Cahillane says consumers' wallets are strained by month's end; food maker looks to hold down prices while navigating Iran war fallout

People Are Still Eating!

Q1 2026

U.S. Same Restaurant Sales



McDonalds

+3.9%



Burger King

+5.5%



Taco Bell

+8.0%



Wendy's

-7.8%

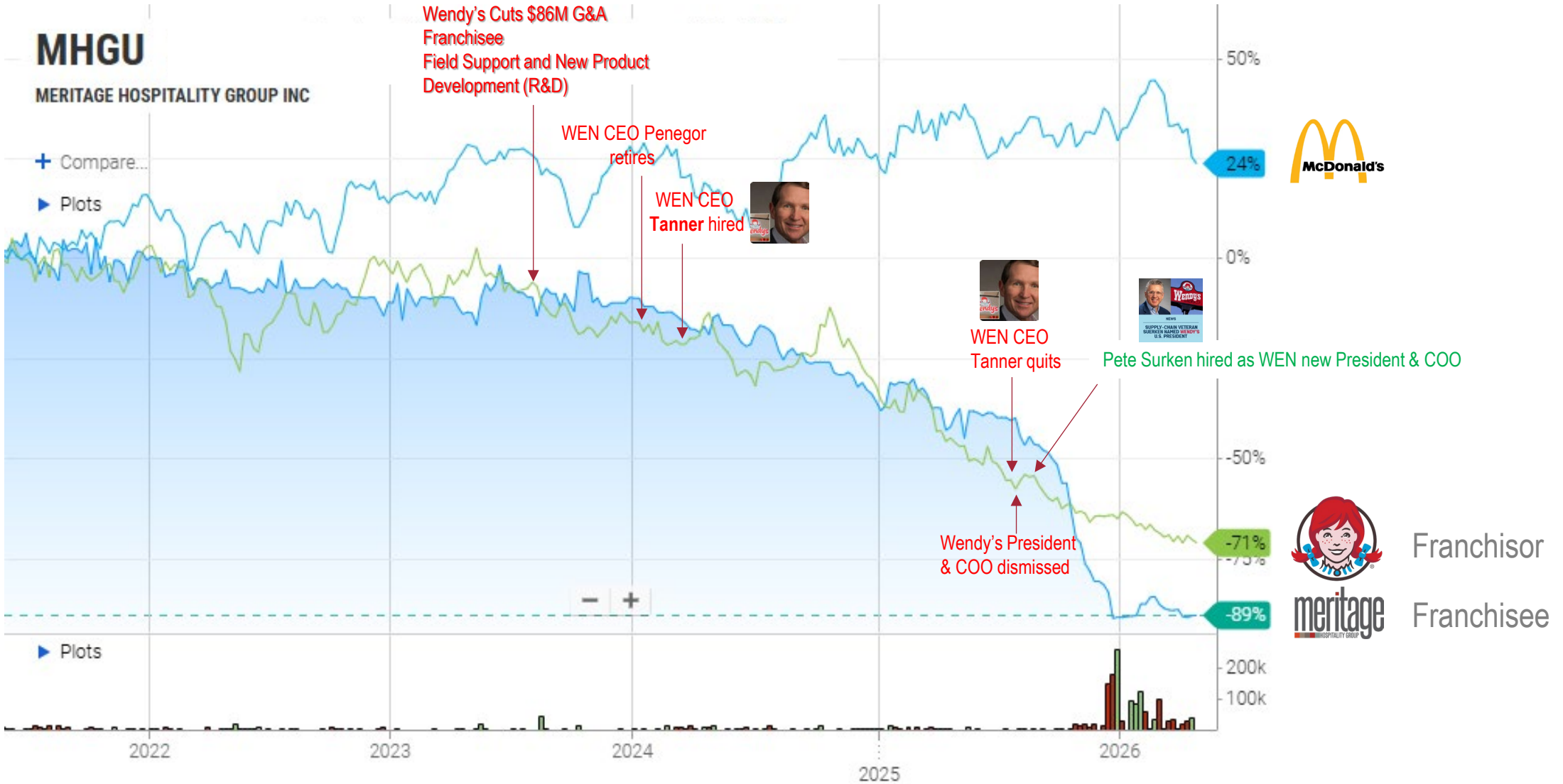


The Wendy's Brand

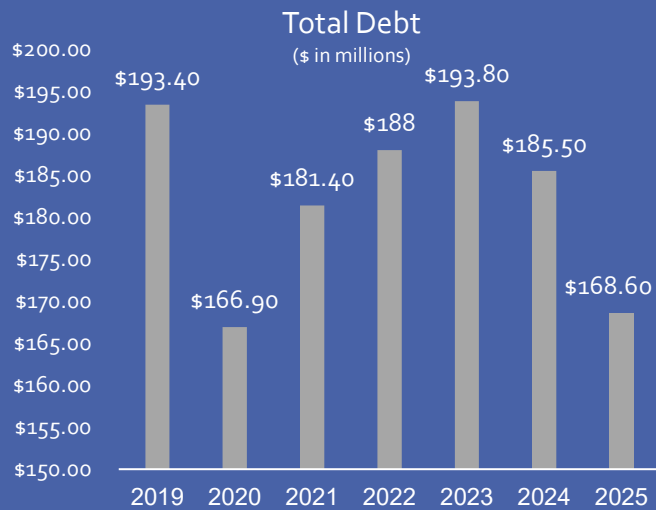
Where are we in the Cycle and how did we get here?



5-Year Stock Performance Compare



2025 Situation Analysis



Actual

Wendy's Store-Level EBITDA (\$ in millions)



Actual

1. Wendy's beef inflation, **deep discounting** (former management team) and marketing misses compressed **franchisee store-level margins to 30 year low**
2. 2025 Meritage financial leverage misaligned to EBITDA trough
3. Store-level EBITDA down 48% & Beverage contact short \$11M in Q1 2026 we Requested Bank payment forbearance

Bank Forbearance



Kevin Cleary : CRO



Key Points



Meritage *progressing* under new lender forbearance, In Q2 2026 we resumed full interest payments



Meritage has cut **\$7.3M** in G&A / operational expenses through internal restructuring



Margins are **improving sequentially**, through **Company cost restructuring efforts + structural brand initiatives**



Goal: Full margin recovery and normalized bank covenants

PROJECT FRESH (Franchisor)

Introduced Q4 2025



1

**BRAND
REVITALIZATION**

2

**OPERATIONAL
EXCELLENCE**

3

**SYSTEM
OPTIMIZATION**

4

**CAPITAL
ALLOCATION**

Brand Revitalization | Wendy's Engages CreedUnCo Q4 2025



GREG CREED



ED DE FERRANTE



BOB FULMER



JENNIFER HENRY



CHRIS ARMBRUSTER *

Note: * Meritage Hospitality Board Member

UNOBTRUSIVE

WHY DO BRANDS OR PRODUCTS FAIL?

Our group has seen products fall short of getting to market or expanding their opportunity because of the fear of failure. By finding the right insights, execution plans, and your leadership, we can help you find the products or services that are **Relevant** to the marketplace...**Easy** to access for your customers...and **Distinctive** to stand out from competition.



Wendy's "Project Fresh" | System Optimization

01

STORE CLOSURES: New Policy

Meritage has closed 60 (+/-) underperforming stores, greatly strengthening our restaurant-level EBITDA base going forward

02

BREAKFAST - COST STRUCTURE RESET

Meritage has exited or altered breakfast daypart in underperforming locations, immediate EBITDA margin benefit

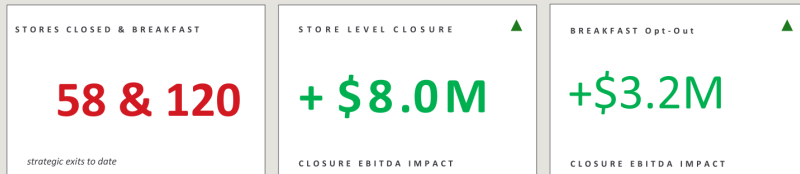
Wendy's made Major Structural Change Options for Franchisees 2026

BETTER vs. Bigger

Fewer stores, generating higher franchisee earnings is a major value-add of Store Closures & Breakfast Adjustments.

WHERE WE STAND

Closing the gap. Not done yet.



meritage
HOSPITALITY GROUP

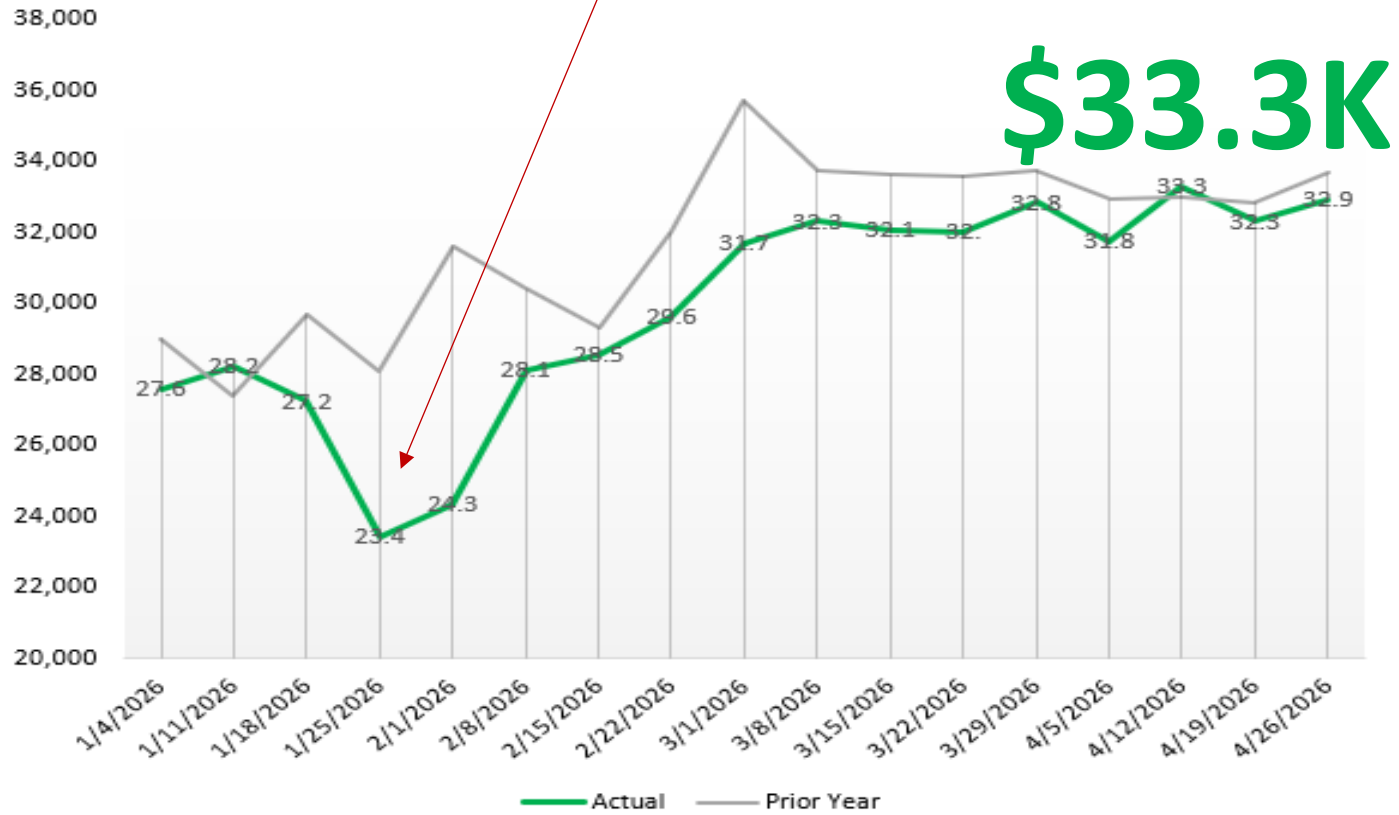
\$11.2M ▲

Annually Going forward

2026 Q1 Extreme Ice Storms Jan|Feb Impacted Weekly Sales



WEEKLY AUV TREND



THE AVERAGE UNIT VOLUME VOLUME REBOUND

Highest weekly AUV of 2026
(week of 4/12)

Figure 3: Reported Ice Damage During Winter Storm Fern January 23-26, 2026



Source: Weather.com and Gordon Haskett Research Advisors

March 2026 (period 3)

Improvements



(\$ in thousands)

Actual

Budget

Variance

Sales

\$44,741

\$41,539

+ \$3,880 ▲

Restaurant Operating Income

\$3,667

\$1,541

+ \$2,126 ▲

Consolidated Net Income <Loss>

<1,147>

<3,238>

+\$2,091 ▲

Prime Cost

62.66%

65.92%

- 3.26% ▲



On March 20th we rolled out EZCater menu adding a test revenue channel.

150 restaurant pilot and full Roll out in May.

Min order is for 10ppl

Avg check is \$500 +



Full Solution Burger Bundle

\$135.00 (\$13.50 / person) Serves 10

Includes ten Dave's single cheeseburgers (quarter-pound burger w/ American cheese, crisp lettuce, ripe tomato, pickle, onion, Heinz ketchup & Heinz mayo all sandwiched between a toasted bun), ten medium fries, ten cookies, and ten waters.

Select quantity:

1 item

Will serve 10 people

[Add special instructions](#)

Add to Cart

\$135.00
\$13.50 / person



Full Solution Spicy Chicken Sandwich Bundle

\$135.00 (\$13.50 / person) Serves 10

Spicy!

Includes ten spicy chicken sandwiches (juicy chicken breast marinated + breaded in fiery blend of peppers + spices to deliver more flavor inside & out, cooled down w/ crisp lettuce, tomato & mayo), ten medium fries, ten cookies, and ten waters.

Select quantity:

1 item

Will serve 10 people

[Add special instructions](#)

Add to Cart

\$135.00
\$13.50 / person



Baked Potato & Chili Bundle

\$56.00 (\$5.60 / person) Serves 10

Includes five small chilis, five baked potatoes, and ten waters.

Select quantity:

1 item

Will serve 10 people

[Add special instructions](#)

Add to Cart

\$56.00
\$5.60 / person



Full Solution Tender Bundle

\$135.00 (\$13.50 / person) Serves 10

Includes ten (3-pc) tenders, ten medium fries, ten cookies, and ten waters.

Select quantity:

1 item

Will serve 10 people

[Add special instructions](#)

Add to Cart

\$135.00
\$13.50 / person

Kimray, Inc
8 NW 42nd St, Oklahoma City, OK, 73118

Setup required ⓘ

Yes

Partner
DoorDash

Location
Kimray, Inc

Qty	Item	Price
-----	------	-------

65	Dave's Single® W/ Cheese @ \$5.69	\$661.05
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[View more details](#)

Packaging: Individual Packaging

Add Side: 65 x Medium Natural-Cut Fries @ \$2.49

Add Dessert: 65 x Sugar Cookies @ \$1.99

1	Cheese Baked Potato @ \$3.19	\$3.19
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[View more details](#)

Packaging: Individual Packaging

1	Cheese Baked Potato @ \$3.19	\$3.19
---	------------------------------	--------

[View more details](#)

Packaging: Individual Packaging

1	Cheese Baked Potato @ \$3.19	\$3.19
---	------------------------------	--------

[View more details](#)

Packaging: Individual Packaging

Tableware

Include: Napkins, Utensils



Subtotal	\$670.62
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Delivery Fee	\$67.06
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Dispatch Charge	-\$67.06
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8.625% Sales Tax	\$57.84
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Sales Tax Remitted by ezcater	-\$57.84
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[Learn more](#)

Tip	\$0.00
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\$670.62

Total	\$670.62
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Caterer Total Due	\$536.18
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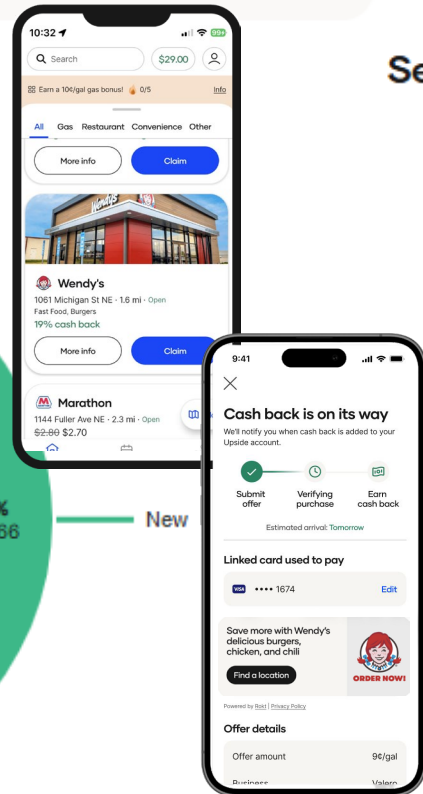
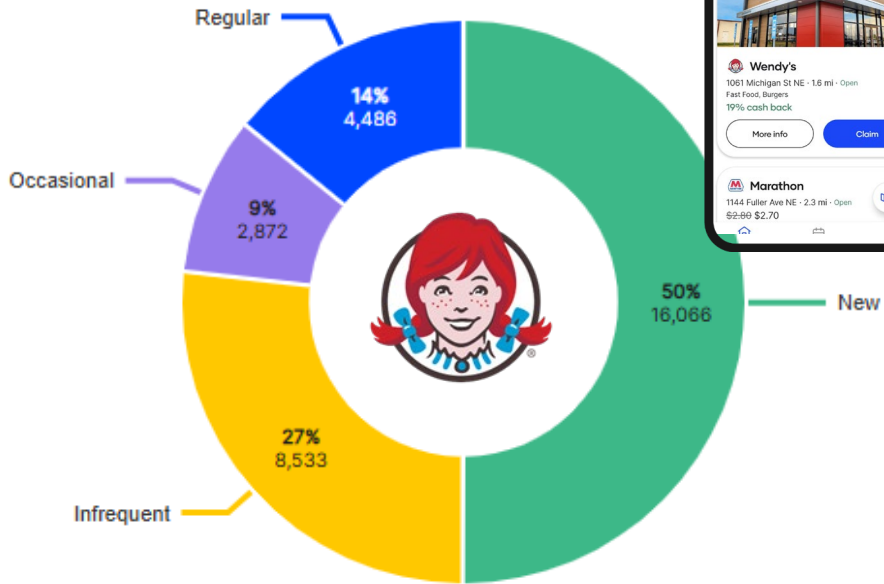
Sales on Upside ⓘ
\$1,017,640
 0.5% of total card sales

Incremental sales ⓘ
\$839,059
 0.4% of total card sales

Total program costs ⓘ
\$293,854
 \$199,785 customer promotions cost

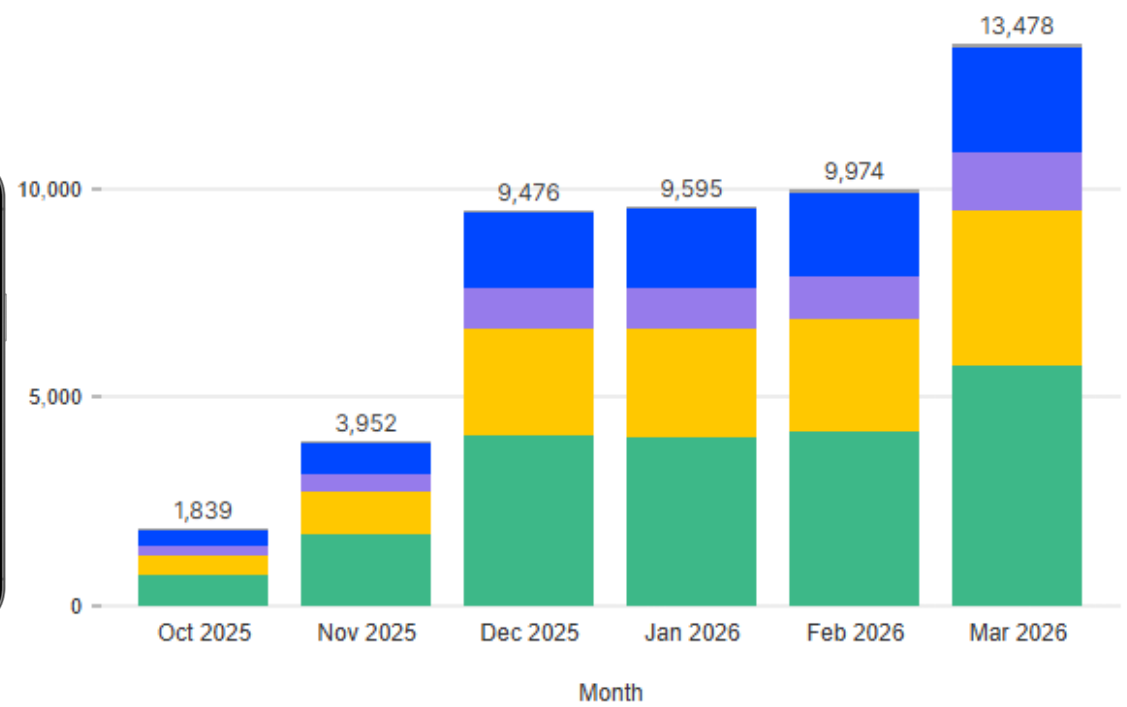
Return on investment ⓘ
59.5%
 \$174,698 incremental net profit

Unique customers transacting by segment



Segment performance over time

Unique users transacting ▾



ⓘ 236 customers were not yet assigned a segment

● New ● Infrequent ● Occasional ● Regular ● Not yet assigned

Morning Belle: Growth Opportunity
Emerging brunch concept with improving unit economics and scalable development potential

MORNING BELLE®
Growth Plan
Breakfast · Brunch · Lunch

Best Breakfast & Best Brunch
Grand Rapids Magazine
Best of GR 2022, 2024, 2025

Growth capital constrained until out of forbearance

Bojangles: Conversion & Growth Opportunity
Highly differentiated chicken concept with strong unit economics and buildings available for conversion

\$950K

All-in Costs verses \$3.18M new build

45 Days

Compared to 90 days for new build

**EFFICIENT
TIMELINE**

**Restaurant Conversions Sites
Michigan & Ohio**

- Grand Rapids, MI (Open)
- Caledonia, MI
- Monroe, MI
- Cadillac, MI
- Kettering, OH
- Chesterfield, OH

IT'S BO TIME!

Taco John's Conversions
Hubert USA 3/26/25

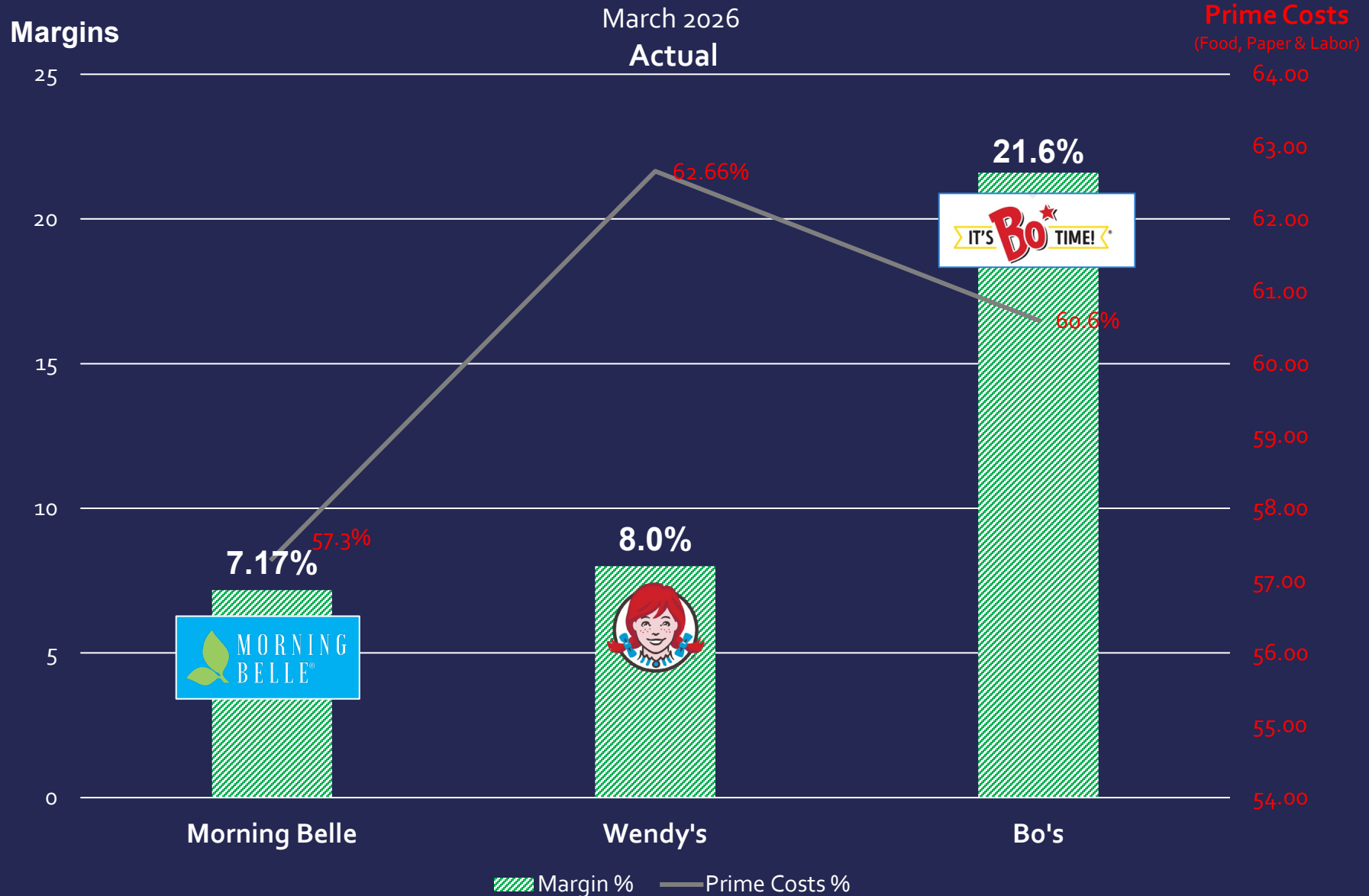
EXISTING

- Paint Nichiha Panels with Bojangles EPS-2 Paint Spec
- Paint Nichiha Panels with Bojangles EPS-1 Paint Spec
- Prod ACM to remain
- Bojangles Chevron Letter Sign and CBE at canopy face (replaces existing sign in the existing encroaching conditions)
- Refresh Metal Framing Bojangles Orange HFL-1
- Refresh Metal Framing Bojangles Orange HFL-1 (replaces existing encroached letters)
- Paint Nichiha Panels with Bojangles EPS-1 Paint Spec
- Paint Nichiha Panels with Bojangles EPS-2 Paint Spec

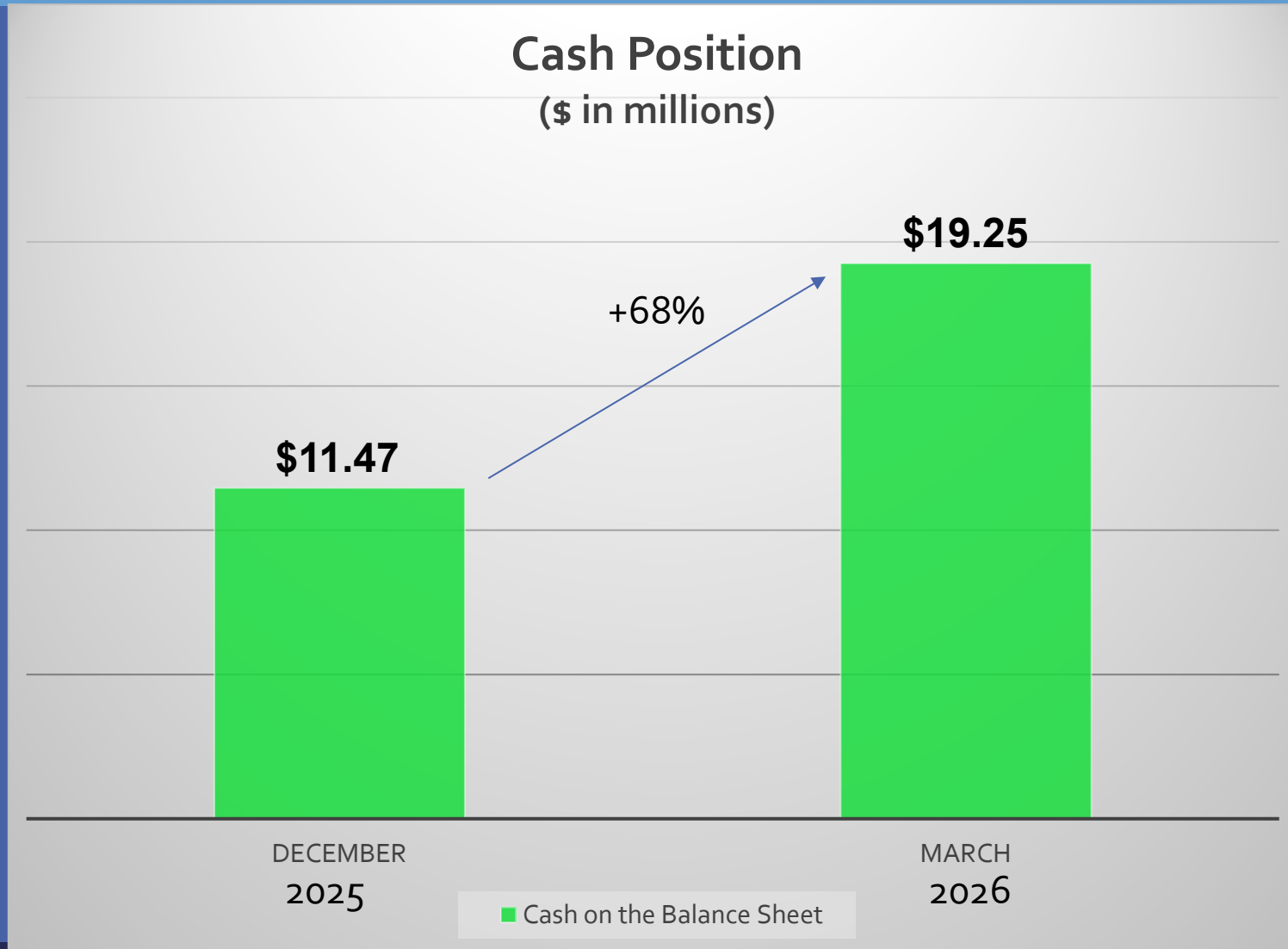
PROPOSED

Seeking new credit facility for conversions

Restaurant Operating Income & Prime Cost Margins



Meritage Cash Position Q1 2026



Company Outlook

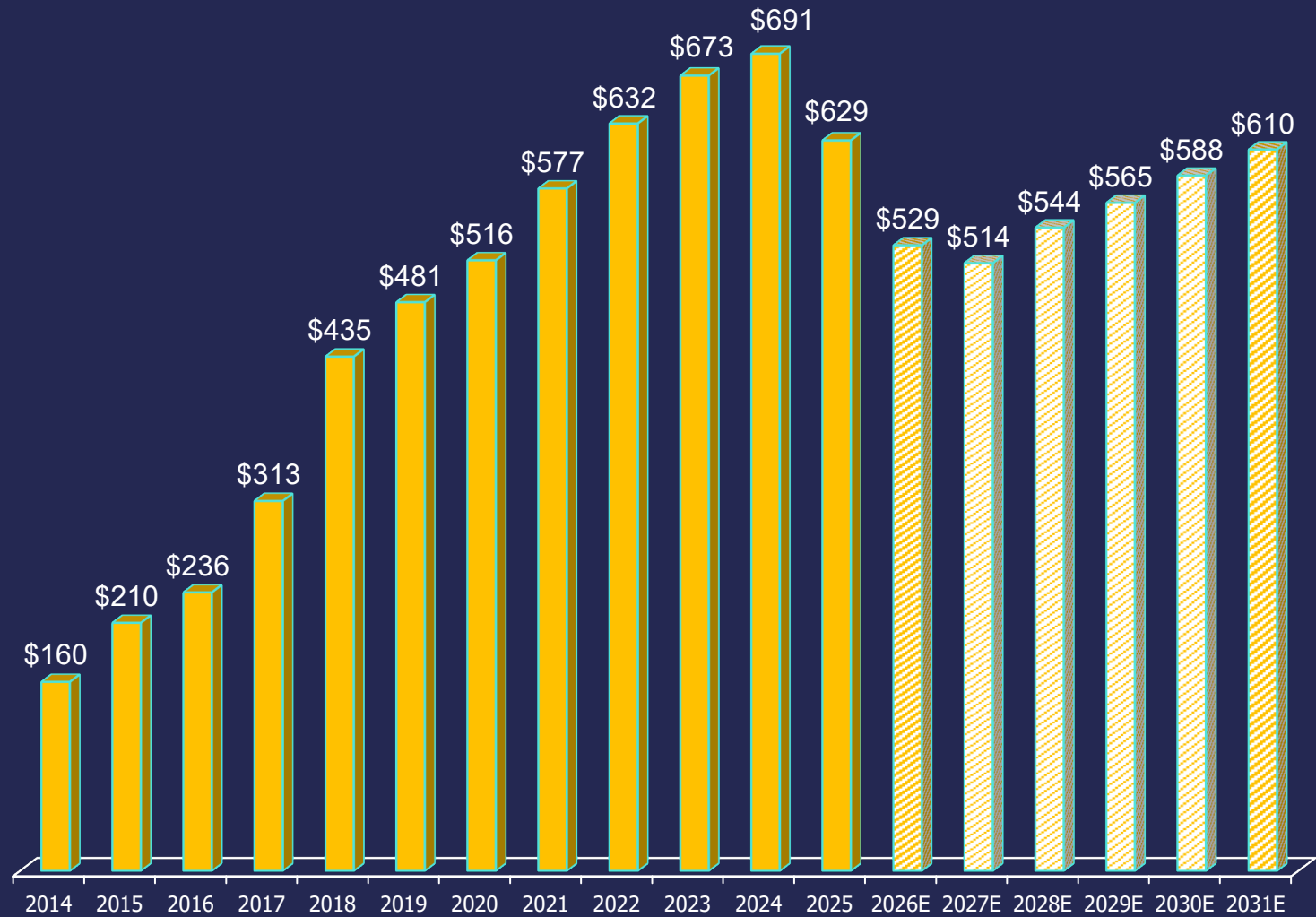
Fewer Stores, Higher Profits



Sales 5-Year Plan

Assumes
2026 Store Closures & Breakfast Adjustments,
Market Sale

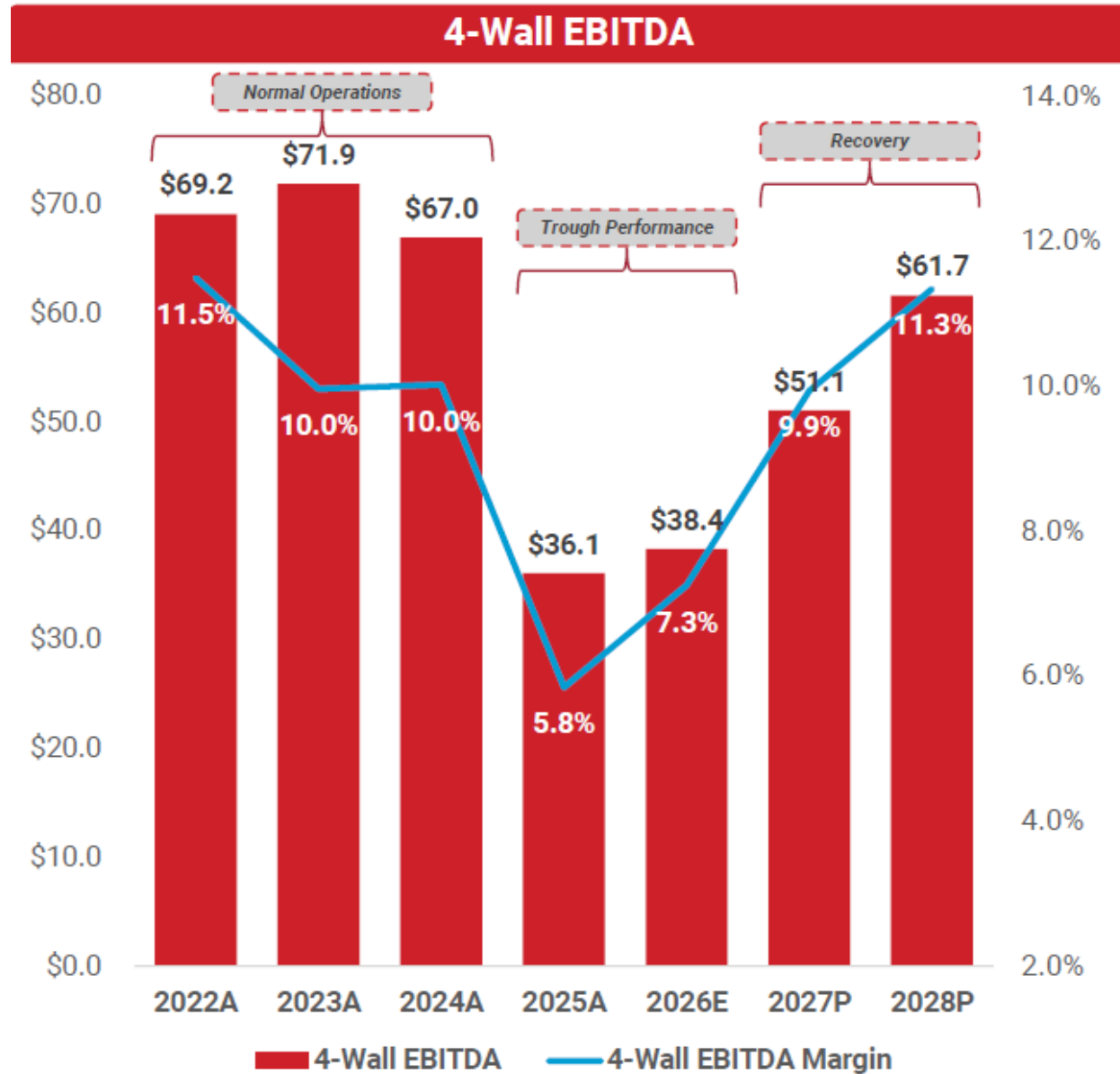
Sales



Actual

Estimate

Consolidated 4-Wall EBITDA



Key Takeaways

Outlook: Better

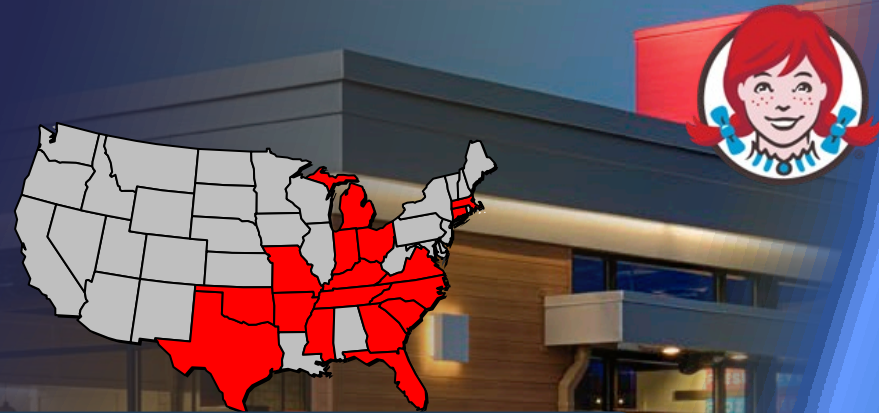
- **Company Cost Restructuring is working, \$18.5M EBITDA benefit going forward**

- **Q2 Forbearance progressing, resumed full interest payments**

- **Project Fresh Major Inflection Point for Wendy's franchisees**

- **Seeking long term debt refinancing next 3-9 months**

- **Reinstatement of Preferred Stock dividends high priority post forbearance.**



2026 new beverage contract, normal discounting, permitted store closures, breakfast adjustments, product innovations, marketing

MORNING
BELLE®

IT'S **Bo** TIME!



2026 CEO's Report



Q & A

Investor Relations:
Meritage Presenting
OTCQX Virtual Investor
Conference June 4th 10:30am

rschermer@mhgi.net