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**MERITAGE REPORTS PRELIMINARY 2016 RESULTS;
2017 OUTLOOK: SIGNIFICANT SALES AND EARNINGS GROWTH AHEAD**

GRAND RAPIDS, Michigan, February 22, 2017. Meritage Hospitality Group Inc. (OTCQX: MHGU), one of the nation's premier restaurant operators, today reported preliminary financial results for 2016 fiscal year ended January 1, 2017.

2016 Full-Year Highlights:

- **Sales increased 12.3% to \$235.8 million compared to \$210.0 million last year.**
- **Earnings from Operations increased 5.0% to \$11.4 million compared to \$10.8 million last year.**
- **Net Income was \$6.45 million compared to \$7.0 million last year. 2016 included one-time finance related charges and expenses of approximately \$1.0 million associated with a new \$97 million credit facility.**
- **Consolidated EBITDA (a non-GAAP measure) increased 8.3% to \$18.5 million compared to \$17.1 million last year.**
- **Common stock cash dividends increased 16.7% over the previous year.**
- **The Company developed or acquired net 15 additional restaurants during the year to finish with 181 restaurants in operation.**

Chief Executive Officer Robert Schermer, Jr., stated, "During the year we completed the renovation and modernization of 15 Wendy's restaurants, opened 4 new locations and secured a new \$97.0 million credit facility in anticipation of a multi-year acquisition run. The Company's new Five Year Plan targets expansion up to 400 restaurants by 2021. Our core strategy remains focused on "profitable growth" driven by acquisitions, renovations and new development, allowing us to leverage our unique operating systems and performance based culture"

Fourth Quarter 2016 Highlights:

- **Sales increased 3.7% to \$61.4 million compared to sales of \$59.2 million for the same period last year.**
- **Earnings from Operations were \$2.9 million compared to \$3.1 million for the same period last year.**
- **Net Income was \$1.9 million compared to \$2.3 million for the same period last year. 2016 included a one-time charge of approximately \$1.0 million related to financing.**
- **Consolidated EBITDA (a non-GAAP measure) increased 17.9% to \$5.2 million compared to \$4.4 million last year.**

Company 2017 Outlook: Robust Growth Ahead

Meritage plans to accelerate capital investment in 2017 including the renovation or new construction of approximately 25 Wendy's restaurants during the year.

Subsequently, the Company has entered into three independent definitive asset purchase agreements to acquire a total of 69 Wendy's restaurants located across five states in the Midwest and Mid-Atlantic region of the U.S. These acquisitions are subject to standard due diligence and approvals. The Company expects the 69 restaurants will add approximately \$90 million in annual sales and be accretive to earnings.

Company's financial targets will be updated at the end of the second quarter to reflect the 2017 acquisitions.

Meritage Hospitality Group is one of the nation's premier restaurant operators, with 181 restaurants in operation located in Florida, Georgia, Michigan, North Carolina, South Carolina, Ohio, Oklahoma and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of approximately 6,200 employees. The Company has approximately 5,979,371 (basic) common shares outstanding. The Company's public filings can be viewed at www.otcqx.com, under the stock symbol MHGU, 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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