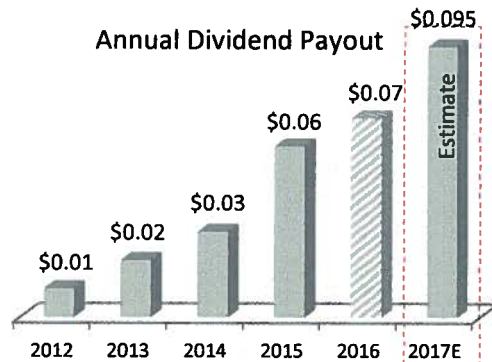




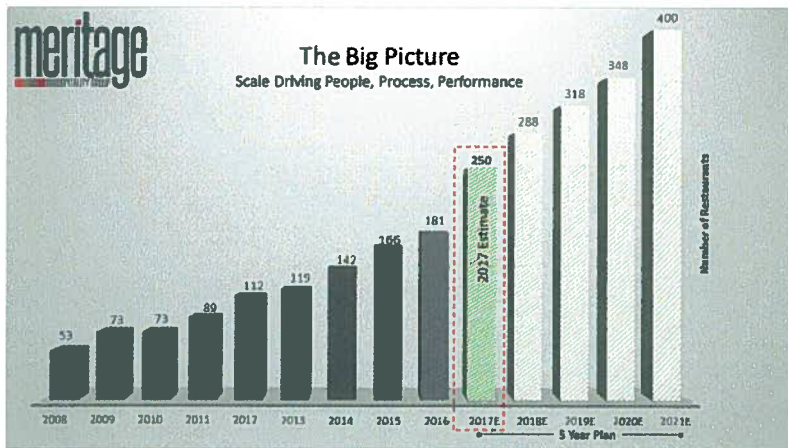
June 22, 2017

Dear Meritage Shareholder:

Enclosed please find a common stock dividend issued in the amount of \$0.025 per share for the second quarter of the year. Dividends declared in the first six months of 2017 represent a 50% increase over the same period last year. We have routinely communicated our intent to deliver “dividend growth commensurate with earnings growth” and we are continuing to build on that key shareholder objective. The Company reported strong earnings growth in the first quarter and believes the earnings momentum will continue throughout 2017 and 2018. Earnings growth continues to be driven by new restaurant development, increased performance from reimaged locations and the integration of acquired restaurants.



At the core of our business strategy remains a discipline focused on “profitable growth” through acquisitions and new restaurant development. In the first six months of 2017 we completed three Wendy’s acquisitions, acquiring a total of 69 restaurants located in Arkansas, Michigan, Missouri, Mississippi and Tennessee. These recent acquisitions bring our total restaurant count to 249 locations today. Our vision for restaurant growth over the next 5 years is illustrated on the graph below. Our Big Picture growth plan is both “ambitious and achievable”, similar to our previous 5 year-plan. The successful delivery of this plan will require a steady blend of restaurant acquisitions, renovations and new construction, all of which we are highly efficient at executing within the Wendy’s system.



Recruiting, retaining, developing and rewarding high performance continues to be a leading factor in our ability to grow profitably. This focus is supported by an Organizational Development team charged with building industry-leading talent across our markets.

Company Full-Year 2017 Outlook:  
**Robust Growth Ahead**  
 Sales +30% to 40%  
 Income from Operations +45% to 55%  
 Net Earnings of +45% to 55%  
 EBITDA +35% to 45%

The Company continues to distinguish itself as a leader and innovator in the quick service restaurant segment, striving for best in class results through a performance based culture committed to operational excellence, strategic acquisitions and real estate development which I believe will continue to add value to the Company.

Thank-you for your continued interest in Meritage Hospitality Group

Robert E Schermer, Jr.  
 CEO