



FOR IMMEDIATE RELEASE:

CONTACT: Robert E. Schermer, Jr., CEO
Meritage Hospitality Group, Inc.
616-776-2600

**MERITAGE ANNOUNCES COMMON STOCK CASH DIVIDEND;
33.3% INCREASE OVER SAME PERIOD LAST YEAR**

GRAND RAPIDS, MI, February 23, 2017 – Meritage Hospitality Group, Inc. (OTCQX: MHGU), one of the nation’s premier restaurant operators, today announced that the Company’s Board of Directors approved a special quarterly dividend of \$.02 per share at the February 21, 2017 Directors meeting. The dividend is payable on March 20, 2017, to shareholders of record on March 8, 2017.

“The increased dividend distribution is consistent with our stated philosophy to reward shareholders commensurate with earnings growth. We recently reported preliminary 2016 results which included EBITDA growth of 17.9% in the fourth quarter, completion of 15 Wendy’s modernizations and a new \$97 million credit facility for continued expansion,” stated Meritage CEO, Robert Schermer, Jr.

Subsequently, the Company announced it 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 regions of the U.S. The acquisitions are subject to standard due diligence and scheduled to be completed during the first and second quarter of 2017. Management expects the 69 restaurants will add approximately \$90 million in annual sales and be accretive to earnings.

The Company believes it is in the early stages of a major consolidation and investment cycle driven by Wendy’s acquisitions, restaurant renovations and the development of new locations.

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 growing workforce of approximately 6,200 employees. 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 news 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>.

###