MERITAGE REPORTS NOTICE OF DEFAULT UNDER CREDIT AGREEMENT

GRAND RAPIDS, Michigan, Monday, September 29, 2025. Meritage Hospitality Group Inc. (OTCQX: MHGU) today reported receipt of a notice of event of default (the "Notice") from City National Bank, as administrative agent for the lenders party to Meritage's Third Amended and Restated Credit Agreement. The Notice dated September 19, 2025 states that the borrowers under the Credit Agreement are in default under certain terms of the agreement for failing to maintain liquidity covenants, failing to pay obligations as they become due, including to Company's franchisor, and for closing one location in Georgia. The Notice states that borrowers have 30 days to cure their defaults under the franchise agreements. As of September 29, 2025, Meritage estimates that its financial obligations under the Credit Agreement are approximately $150 million.

The Company has contested certain alleged defaults contained in the Notice and specifically maintains that it is not in default under its franchise agreements. The Company, which intends to continue making interest payments under the Credit Agreement, has met with its banking partners and is optimistic that it will resolve the events of default.

About the Company

Meritage Hospitality Group currently operates 384 restaurants located in Arkansas, Connecticut, Florida, Georgia, Indiana, Massachusetts, Michigan, Missouri, Mississippi, North Carolina, Ohio, Oklahoma, Tennessee, Texas and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of approximately 12,000 employees. As of June 29, 2025, the Company had fully diluted weighted average common shares outstanding of 6,694,000.

The Company's current and publicly available information pursuant to amended SEC Rule 15c2-11 and FINRA Rule 6432 can be found at www.otcmarkets.com, under the stock symbol MHGU/Disclosures or the Company's website, www.meritagehospitality.com.