



## **MERITAGE REPORTS NOTICE OF DEFAULT UNDER FRANCHISE AGREEMENTS**

GRAND RAPIDS, Michigan, Friday, October 31. Meritage Hospitality Group Inc. (OTCQX: MHGU) today reported receipt of a notice of event of default (the “Notice”) from its franchisor, Quality Is Our Recipe LLC (“QIOR”). By the Notice dated October 24, 2025, the Company is in default under certain terms of its Franchise Agreements for failing to remit payments when due. The Notice states the Company has 30 to 90 days to cure their defaults under the Franchise Agreements according to state laws, and that QIOR maintains the right upon notice to cancel and terminate the Franchise Agreements if not cured.

The Company is actively partnering with its franchisor and is optimistic about its ability to 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 September 28, 2025, the Company had fully diluted weighted average common shares outstanding of 6,695,000.

The Company’s current and publicly available information pursuant to amended SEC Rule 15c2-11 and FINRA Rule 6432 can be found at [www.otcm Markets.com](http://www.otcm Markets.com), under the stock symbol MHGU/Disclosures or the Company’s website, [www.meritagehospitality.com](http://www.meritagehospitality.com).

### **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. 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>.*