



FOR IMMEDIATE RELEASE:

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**MERITAGE ANNOUNCES MAJOR DEVELOPMENT AGREEMENT
WITH TACO JOHNS RESTAURANTS**

GRAND RAPIDS, MI, August 18, 2021 – Meritage Hospitality Group, Inc. (OTCQX: MHGU), the nation’s premier restaurant operator, today announced it has entered into an exclusive multi-unit development agreement with Taco John’s to build 50 Taco John’s restaurants in the U.S.

The terms of the development agreement call for the Company to build 50 new Taco John’s restaurants by 2026, with exclusive options to develop an additional 150 restaurants. The development agreement provides for significant economic incentives, including royalty and marketing fee benefits, subject to the Company fulfilling its development schedule and customary Taco John’s real estate approvals. The Company has also been granted exclusive rights to develop in several states, subject to fulfilling certain development agreement criteria.

The Company estimates that it will invest approximately \$100 million in the initial 50-store development agreement through a combination of cash on hand and credit facilities.

“We are honored to join the Taco John’s franchise community and look forward to beginning our journey with new store openings beginning next year. Our initial attraction to Taco John’s was its high food quality positioning within the Mexican QSR segment and its long successful operating history in the midwest. New restaurant development is one of our core competencies and remains important to our culture of providing growth and opportunity for employees and investors,” stated CEO Robert Schermer, Jr

For the first half of 2021, Meritage reported strong sales and earnings growth and substantially increased its common stock dividends, driven by renovations and new restaurant development.

2021 Full-Year Outlook: Strong Growth Ahead

- **Sales growth of +10% to 15%**
- **Earnings from Operations growth of +20% to 30%**
- **Net Earnings growth of +20% to 30%**
- **EBITDA growth of +15% to 20%**
- **Dividend growth +100% to 125%**

About the Company

Meritage Hospitality Group the nation's premier restaurant operators, currently with 345 restaurants in operation across 16 states located in Arkansas, Connecticut, Florida, Georgia, Indiana, Massachusetts, Michigan, Missouri, Mississippi, North Carolina, South Carolina, Ohio, Oklahoma, Tennessee, Texas and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of approximately 11,000 employees. At fiscal year-end 2020, the Company had total weighted average fully diluted common shares outstanding of 9,407,417 and Fully Diluted EPS of \$1.58.

The Company's current and publicly available information pursuant to 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.

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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