



**FOR IMMEDIATE RELEASE:**

**CONTACT:**

Robert E. Schermer, Jr., CEO  
Meritage Hospitality Group, Inc.  
616-776-2600 Ext 1012

**MERITAGE COMMENCES CONSTRUCTION ON FIRST TACO JOHN'S  
RESTAURANT UNDER 50 UNIT DEVELOPMENT AGREEMENT**

---

GRAND RAPIDS, Michigan, August 2, 2022. Meritage Hospitality Group, Inc. (OTCQX: MHGU), the nation's premier franchise operator, today announced it has commenced construction on its first Taco John's location in Wyoming, Michigan.

"We are pleased to begin construction on our first Taco John's location, an important milestone, located in the greater Grand Rapids, Michigan designated market area. This first location will ultimately become a certified training facility, supporting our multi-state Taco John's roll-out plans," stated CEO Robert Schermer, Jr.

The Company, under terms of a development agreement, will initially build 50 new Taco John's restaurants by 2026, with options to develop an additional 150 restaurants. The development agreement grants the Company exclusive development rights to operate in multiple states and provides for significant economic incentives.

The Company estimates it will invest approximately \$100 million in the initial 50 Taco John's store roll-out through a combination of cash on hand and credit facilities.

"The Company has people and resources in position to scale Taco John's across multiple states, leveraging our best-in-class technology and accounting platforms. This is an exciting new quick service restaurant brand addition for the Company and one we believe will provide long-term profitable growth for investors and many new career opportunities for employees. Meritage is also uniquely positioned as the only publicly traded company associated with the privately held Taco John's brand, thereby providing investors a means to participate in the Taco John's national expansion story," added Schermer.

**2022 Full-Year Outlook: Accelerating Sales Momentum**

- **Sales growth of +10% to 15%**
- **Dividend growth +10% to 15%**

**Strong Growth Ahead**

The Company has allocated significant capital resources to the Wendy's and Taco John's brands. The Company's combined development agreements include a remaining commitment to build 77 new locations through 2026.

Meritage is forecasting strong sales growth in 2023 and 2024, driven by Wendy's and Taco John's new restaurant development, reimaged restaurants, and acquisitions. The Company is committed to delivering on its capital allocation strategy of reinvesting in the business to drive profitable growth and return free cash flow to shareholders through a combination of dividend growth and share repurchases.

Meritage continues to distinguish itself as a leader and innovator in the quick service restaurant segment, through a performance-based culture committed to operational excellence, strategic acquisitions, and real estate development.

### **About the Company**

Meritage Hospitality Group is the nation's premier franchise operator, currently with 351 restaurants in operation 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 2021, the Company had total Diluted Weighted Average Shares Outstanding of 9,631,000 and Fully Diluted EPS of \$1.81.

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

*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>.*

###