

Reconciliation of GAAP Financial Results to Non-GAAP Financial Measures
Q3 2026

November 2026

NON-GAAP FINANCIAL MEASURES

In addition to the results provided in accordance with U.S. GAAP, we provide certain non-GAAP measures, which present results on an adjusted basis. These are supplemental measures of performance that are not required by or presented in accordance with U.S. GAAP and include the following: adjusted EBITDA, adjusted G&A, adjusted D&A, adjusted net income attributable to common shareholders, adjusted diluted earnings per common share, free cash flow, 4-wall EBITDA, and 4-wall EBITDA margin. We believe that our non-GAAP financial measures enable investors to assess the operating performance of our business relative to our performance based on U.S. GAAP results and relative to other companies. We believe that the disclosure of these non-GAAP measures is useful to investors as they reflect metrics that our management team and Board utilize to evaluate our operating performance, allocate resources, and administer employee incentive plans. The most directly comparable U.S. GAAP measures to adjusted EBITDA, adjusted G&A, adjusted D&A, adjusted net income attributable to common shareholders, adjusted diluted earnings per common share, free cash flow, and 4-wall EBITDA are net income, general and administrative expenses, depreciation and amortization, net income attributable to common shareholders, diluted earnings per common share, net cash provided by operating activities, and segment adjusted EBITDA, respectively. These non-GAAP measures should not be construed as a substitute for or a better indicator of the Company's performance than the Company's U.S. GAAP results.

Adjusted EBITDA represents Net income before Net interest expense, Income tax expense, Depreciation and amortization, Stock-based compensation expense, and other adjustments that vary from period to period in accordance with the Company's Non-GAAP policy. The Company believes adjusted EBITDA is a meaningful measure as it is widely used by analysts and investors to value the Company and its restaurants on a consistent basis. Our measure of adjusted EBITDA might not be comparable to similarly titled measures used by other companies.

Adjusted General and administrative expenses ("adjusted G&A") excludes the one-time items from adjusted EBITDA that impact G&A expense in the above definition but does not exclude stock-based compensation.

Adjusted Depreciation and amortization ("adjusted D&A") represents depreciation and amortization expense excluding incremental depreciation expense related to the shortened useful life of legacy capitalized software assets due to the ongoing development and deployment of our new omnichannel platforms and other technology improvements.

Free cash flow represents net cash provided by operating activities (from the Consolidated Statements of Cash Flows) less purchases of property and equipment, excluding purchases of property and equipment related to damages from natural disasters.

4-wall EBITDA represents segment revenue less segment cost of sales of our Domestic Company-owned restaurants. Segment revenues and costs of sales used in our 4-wall EBITDA calculation are derived from our GAAP segment footnote disclosures. 4-wall EBITDA margin is defined as 4-wall EBITDA divided by segment revenue for our Domestic Company-owned restaurants segment.

The Company may discuss forward-looking projections for certain non-GAAP financial measures, including adjusted EBITDA, adjusted G&A, adjusted D&A, and 4-wall EBITDA. The Company excludes certain expenses and benefits from adjusted EBITDA, adjusted G&A, adjusted D&A, and 4-wall EBITDA that, due to the uncertainty and variability of the nature and amount of those expenses and benefits, the Company is unable to, without unreasonable effort or expense, provide a reconciliation of those projected measures.

Refer to the Company's Form 10-Q for the three and nine months ended September 27, 2026 for additional details on each of the measures presented.

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RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP FINANCIAL MEASURES

The following table reconciles Net income to adjusted EBITDA.

in $ thousands	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net income	**$ 3,281**	**$ 4,473**	**$ 18,919**	**$ 23,487**
Income tax expense	1,556	1,753	10,664	10,531
Net interest expense	9,396	9,945	28,595	30,608
Depreciation and amortization	19,236	24,914	56,213	62,076
Stock-based compensation expense	3,797	4,639	11,263	12,132
Restructuring costs [(a)]	580	231	8,128	4,862
Other costs [(b)]	1,243	1,321	6,597	5,789
Refranchising transaction (gain) expense, net[(c)]	(1,743)	483	(2,551)	513
Technology Transformation costs[(d)]	739	-	739	-
Adjusted EBITDA	**$ 38,085**	**$ 47,759**	**$ 138,567**	**$ 149,998**

Footnotes to Non-GAAP Financial Measures

(a) For the three and nine months ended September 27, 2026, represents costs associated with the Company's Enterprise Transformation Plan. These amounts are inclusive of $0.6 million and $1.8 million for the three and nine months ended September 27, 2026, respectively, of non-cash stock-based compensation expense and depreciation expense which are excluded from adjusted EBITDA above but are reflected as adjustments to non-GAAP diluted EPS. For the three and nine months ended September 28, 2025, represents costs associated with the Company's International Transformation Plan.

(b) For the three and nine months ended September 27, 2026, represents costs associated with project-based strategic initiatives that are not related to our ongoing operations as well as realizable insurance recoveries arising from tornadoes that damaged the Texas QC Center as well as the restaurant support center and QC Center in Louisville, Kentucky. For the three and nine months ended September 28, 2025, other costs is comprised of the following:

i. Losses on disposal of equipment incurred in connection with the termination of a COVID-era program that pre-purchased store equipment due to supply chain challenges;
ii. Costs associated with project-based strategic initiatives that are not related to our ongoing operations; and
iii. Costs incurred, net of anticipated insurance recoveries, arising from tornadoes that damaged the Texas QC Center as well as the restaurant support center and QC Center in Louisville, Kentucky.

(c) Represents refranchising (gain) expense associated with refranchising transactions, including net (gain) loss attributable to noncontrolling interest of approximately ($0.1) and $0.3 million for the three and nine months ended September 27, 2026, respectively, and $0.1 million for both the three and nine months ended September 28, 2025.

(d) Represents cost associated with the ongoing development and deployment of our new point-of-sale system and omnichannel platform. These amounts are inclusive of $1.1 million and $2.0 million for the three and nine months ended September 27, 2026, respectively, of non-cash accelerated depreciation expense related to the shortened useful life of legacy capitalized software assets which are excluded from adjusted EBITDA above but are reflected as adjustments to non-GAAP diluted EPS.

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RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP FINANCIAL MEASURES

The following table reconciles General and administrative expenses to adjusted General and administrative expenses.

in $ thousands	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
General and administrative expenses	**$ 55,840**	**$ 56,478**	**$ 170,790**	**$ 191,763**
Restructuring costs [(a)]	577	231	8,426	4,841
Other costs[(b)]	1,243	1,321	6,597	5,789
Refranchising transaction (gain) expense, net[(c)]	(1,743)	483	(2,550)	513
Adjusted General and administrative expenses	**$ 55,763**	**$ 54,443**	**$ 158,317**	**$ 180,620**

Footnotes to Non-GAAP Financial Measures

(a) For the three and nine months ended September 27, 2026, represents costs associated with the Enterprise Transformation Plan. For the three and nine months ended September 28, 2025, represents costs associated with the International Transformation Plan.

(b) For the three and nine months ended September 27, 2026, represents costs associated with project-based strategic initiatives not related to our ongoing operations as well as realizable insurance recoveries arising from tornadoes that damaged the Texas QC Center as well as the restaurant support center and QC Center in Louisville, Kentucky. For the three and nine months ended September 28, 2025, other costs were comprised of the following:

i. Losses on disposal of equipment incurred in connection with the termination of a COVID-era program that pre-purchased store equipment due to supply chain challenges;
ii. Costs associated with project-based strategic initiatives that are not related to our ongoing operations; and
iii. Costs incurred, net of anticipated insurance recoveries, arising from tornadoes that damaged the Texas QC Center as well as the restaurant support center and QC Center in Louisville, Kentucky.

(c) Represents refranchising transaction (gain) expense associated with the Domestic Company-owned restaurant refranchising transactions.

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RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP FINANCIAL MEASURES

The following table reconciles Depreciation and amortization to adjusted Depreciation and amortization.

in $ thousands	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Depreciation and amortization	**$ 19,236**	**$ 24,914**	**$ 56,213**	**$ 62,076**
Restructuring costs [(a)]	747	-	1,436	-
Technology Transformation costs [(b)]	1,095	6,091	2,005	6,091
Adjusted Depreciation and amortization	**$ 17,394**	**$ 18,823**	**$ 52,772**	**$ 55,985**

Footnotes to Non-GAAP Financial Measures

(a) Represents costs associated with the Company's Enterprise Transformation Plan.

(b) Represents costs associated with the ongoing development and deployment of our new point-of-sale system and omnichannel platform.

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RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP FINANCIAL MEASURES

The following table reconciles Net income attributable to common shareholders to adjusted net income attributable to common shareholders.

in $ thousands	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net Income attributable to common shareholders	**$ 3,137**	**$ 4,447**	**$ 18,200**	**$ 22,742**
Restructuring costs [(a)]	1,209	231	9,915	4,841
Other costs [(b)]	1,243	1,321	6,597	5,789
Refranchising transaction (gain) expense, net [(c)]	(1,643)	338	(2,642)	368
Technology Transformation costs [(d)]	1,834	6,091	2,744	6,091
Tax effect of adjustments [(e)]	(613)	(1,812)	(3,795)	(3,879)
Adjusted net income attributable to common shareholders	**$ 5,167**	**$ 10,616**	**$ 31,019**	**$ 35,952**

Footnotes to Non-GAAP Financial Measures

(a) For the three and nine months ended September 27, 2026, represents costs associated with the Enterprise Transformation Plan. These amounts are inclusive of $0.6 million and $1.8 million for the three and nine months ended September 27, 2026, respectively, of non-cash stock-based compensation expense and depreciation expenses, which are excluded from adjusted EBITDA above but are reflected as adjustments to non-GAAP diluted EPS. For the three and nine months ended September 28, 2025, represents costs associated with the International Transformation Plan.

(b) For the three and nine months ended September 27, 2026, represents costs associated with project-based strategic initiatives not related to our ongoing operations as well as realizable insurance recoveries arising from tornadoes that damaged the Texas QC Center as well as the restaurant support center and QC Center in Louisville, Kentucky. For the three and nine months ended September 28, 2025, other costs were comprised of the following:

- i. Losses on disposal of equipment incurred in connection with the termination of a COVID-era program that pre-purchased store equipment due to supply chain challenges;
- ii. Costs associated with project-based strategic initiatives that are not related to our ongoing operations; and
- iii. Costs incurred, net of anticipated insurance recoveries, arising from tornadoes that damaged the Texas QC Center as well as the restaurant support center and QC Center in Louisville, Kentucky.

(c) Represents refranchising (gain) expense associated with refranchising transactions, including net (gain) loss attributable to noncontrolling interest of approximately ($0.1) and $0.3 million for the three and nine months ended September 27, 2026, respectively, and $0.1 million for both the three and nine months ended September 28, 2025.

(d) Represents costs associated with the ongoing development and deployment of our new point-of-sale system and omnichannel platform. These amounts are inclusive of $1.1 million and $2.0 million of non-cash accelerated depreciation expense related to the shortened useful life of legacy capitalized software assets for the three and nine months ended September 27, 2026, respectively.

(e) The tax effect on non-GAAP adjustments was calculated by applying the marginal tax rates of 23.2% for the three and nine months ended September 27, 2026, and 22.7% for the three and nine months ended September 28, 2025. For the nine months ended September 27, 2026, the income tax effect excludes $0.3 million of additional state income tax expense included as a separate non-GAAP adjustment that was classified within Income tax expense in the Condensed Consolidated Statements of Operations.

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RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP FINANCIAL MEASURES

The following table reconciles Diluted earnings per common share to adjusted diluted earnings per common share.

	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Diluted earnings per common share	**$ 0.09**	**$ 0.13**	**$ 0.55**	**$ 0.69**
Restructuring costs [(a)]	0.04	0.01	0.30	0.15
Other costs [(b)]	0.04	0.04	0.20	0.18
Refranchising transaction (gain) expense, net [(c)]	(0.05)	0.01	(0.08)	0.01
Technology Transformation costs [(d)]	0.06	0.18	0.08	0.18
Tax effect of adjustments [(e)]	(0.02)	(0.05)	(0.11)	(0.12)
Adjusted diluted earnings per common share	**$ 0.16**	**$ 0.32**	**$ 0.94**	**$ 1.09**

Footnotes to Non-GAAP Financial Measures

(a) For the three and nine months ended September 27, 2026, represents costs associated with the Enterprise Transformation Plan. These amounts are inclusive of $0.6 million and $1.8 million for the three and nine months ended September 27, 2026, respectively, of non-cash stock-based compensation expense and depreciation expenses, which are excluded from adjusted EBITDA above but are reflected as adjustments to non-GAAP diluted EPS. For the three and nine months ended September 28, 2025, represents costs associated with the International Transformation Plan.

(b) For the three and nine months ended September 27, 2026, represents costs associated with project-based strategic initiatives not related to our ongoing operations as well as realizable insurance recoveries arising from tornadoes that damaged the Texas QC Center as well as the restaurant support center and QC Center in Louisville, Kentucky. For the three and nine months ended September 28, 2025, other costs were comprised of the following:

- i. Losses on disposal of equipment incurred in connection with the termination of a COVID-era program that pre-purchased store equipment due to supply chain challenges;
- ii. Costs associated with project-based strategic initiatives that are not related to our ongoing operations; and
- iii. Costs incurred, net of anticipated insurance recoveries, arising from tornadoes that damaged the Texas QC Center as well as the restaurant support center and QC Center in Louisville, Kentucky.

(c) Represents refranchising (gain) expense associated with refranchising transactions, including net (gain) loss attributable to noncontrolling interest of approximately ($0.1) and $0.3 million for the three and nine months ended September 27, 2026, respectively, and $0.1 million for both the three and nine months ended September 28, 2025.

(d) Represents costs associated with the ongoing development and deployment of our new point-of-sale system and omnichannel platform. These amounts are inclusive of $1.1 million and $2.0 million of non-cash accelerated depreciation expense related to the shortened useful life of legacy capitalized software assets for the three and nine months ended September 27, 2026, respectively.

(e) The tax effect on non-GAAP adjustments was calculated by applying the marginal tax rates of 23.2% for the three and nine months ended September 27, 2026, and 22.7% for the three and nine months ended September 28, 2025. For the nine months ended September 27, 2026, the income tax effect excludes $0.3 million of additional state income tax expense included as a separate non-GAAP adjustment that was classified within Income tax expense in the Condensed Consolidated Statements of Operations.

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RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP FINANCIAL MEASURES

The following table reconciles Net cash provided by operating activities to free cash flow.

in $ thousands	Nine Months Ended	
	September 27, 2026	September 28, 2025
Net cash provided by operating activities	**$ 58,509**	**$ 106,192**
Purchases of property and equipment	(39,307)	(47,002)
Free cash flow	**$ 19,202**	**$ 59,190**

Footnotes to Non-GAAP Financial Measures

Free cash flow is a non-GAAP financial measure representing net cash provided by operating activities (from the Consolidated Statements of Cash Flows) less the purchases of property and equipment, excluding purchases of property and equipment related to damages from natural disasters.

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4-WALL EBITDA: A NON-GAAP MEASURE

The following table represents our calculation of Domestic Company-owned Restaurant 4-wall EBITDA.

Domestic Company-owned Restaurants	2026				2025			
in $ thousands	Q1	Q2	Q3	YTD	Q1	Q2	Q3	YTD
Segment Revenue	$139,671	$138,936	$128,049	$406,656	$170,795	$175,797	$165,194	$511,786
Segment Cost of sales	(123,096)	(123,335)	(118,220)	(364,651)	(155,013)	(155,985)	(150,917)	(461,915)
Cost allocation change [(b)]	-	-	-	-	2,095	2,095	2,095	6,285
4-Wall EBITDA [(a)]	**$ 16,575**	**$ 15,601**	**$ 9,829**	**$ 42,005**	**$ 17,877**	**$ 21,907**	**$ 16,372**	**$ 56,156**
4-Wall EBITDA margin [(a)]	11.9%	11.2%	7.7%	10.3%	10.5%	12.5%	9.9%	11.0%

RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP FINANCIAL MEASURES

The following table reconciles Domestic Company-owned Restaurant Segment adjusted EBITDA to 4-wall EBITDA.

Domestic Company-owned Restaurants	2026				2025			
in $ thousands	Q1	Q2	Q3	YTD	Q1	Q2	Q3	YTD
Segment adjusted EBITDA	**$ 7,885**	**$ 6,635**	**$ 1,081**	**$ 15,601**	**$ 5,032**	**$ 9,864**	**$ 3,942**	**$ 18,838**
Segment G&A	8,690	8,966	8,748	26,404	10,750	9,948	10,335	31,033
Cost allocation change [(b)]	-	-	-	-	2,095	2,095	2,095	6,285
4-Wall EBITDA [(a)]	**$ 16,575**	**$ 15,601**	**$ 9,829**	**$ 42,005**	**$ 17,877**	**$ 21,907**	**$ 16,372**	**$ 56,156**

Footnotes to Non-GAAP Financial Measures

(a) 4-wall EBITDA represents segment revenue less segment cost of sales of our Domestic Company-owned restaurants. Segment revenues and costs of sales used in our 4-wall EBITDA calculation are derived from our GAAP segment footnote disclosures. 4-wall EBITDA margin is defined as 4-wall EBITDA divided by segment revenue for our Domestic Company-owned restaurants segment.

(b) During the current year, the Company updated its internal cost allocation methodology for certain centrally incurred costs. As a result, a portion of costs previously allocated to the Domestic Company-owned restaurants segment is now reflected within Unallocated corporate expenses and the North America commissaries segment. The change is prospective and does not affect total reported expenses. We have included a conforming adjustment in the historical period when reconciling segment adjusted EBITDA to 4-wall EBITDA to ensure comparability.

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