Reconciliation of GAAP Financial Results to Non-GAAP Financial Measures
Q2 2026

August 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 six months ended June 28, 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		Six Months Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Net income	**$ 8,700**	**$ 9,671**	**$ 15,638**	**$ 19,014**
Income tax expense	4,971	4,235	9,108	8,778
Net interest expense	9,516	10,584	19,199	20,663
Depreciation and amortization	19,248	18,819	36,977	37,162
Stock-based compensation expense	3,057	3,824	7,466	7,493
Restructuring costs [(a)]	3,438	2,451	7,548	4,631
Other costs [(b)]	3,744	3,031	5,354	4,498
Refranchising transaction expense (gain), net [(c)]	45	-	(808)	-
Adjusted EBITDA	**$ 52,719**	**$ 52,615**	**$ 100,482**	**$ 102,239**

Footnotes to Non-GAAP Financial Measures

(a) For the three and six months ended June 28, 2026, represents costs associated with the Company's Enterprise Transformation Plan. For the three and six months ended June 29, 2025, represents costs associated with the Company's International Transformation Plan.

(b) For the three and six months ended June 28, 2026, represents costs associated with project-based strategic initiatives that are not related to our ongoing operations. For the three and six months ended June 29, 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 additional net transaction expense/(gain), associated with the refranchising of 85 restaurants on November 24, 2025. Net loss attributable to noncontrolling interest for the six months ended June 28, 2026 was approximately $0.4 million.

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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		Six Months Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
General and administrative expenses	**$ 58,954**	**$ 70,118**	**$ 114,950**	**$ 135,285**
Restructuring costs [(a)]	3,613	2,475	7,849	4,631
Other costs [(b)]	3,744	2,838	5,354	4,305
Refranchising transaction expense (gain), net[(c)]	45	-	(808)	-
Adjusted General and administrative expenses	**$ 51,552**	**$ 64,805**	**$ 102,555**	**$ 126,349**

Footnotes to Non-GAAP Financial Measures

(a) For the three and six months ended June 28, 2026, represents costs associated with the Company's Enterprise Transformation Plan. For the three and six months ended June 29, 2025, represents costs associated with the Company's International Transformation Plan.

(b) For the three and six months ended June 28, 2026, represents costs associated with project-based strategic initiatives that are not related to our ongoing operations. For the three and six months ended June 29, 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 additional net transaction expense/(gain), associated with the refranchising of 85 restaurants on November 24, 2025.

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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		Six Months Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Depreciation and amortization	**$ 19,248**	**$ 18,819**	**$ 36,977**	**$ 27,162**
Accelerated software depreciation [(a)]	910	-	910	-
Adjusted Depreciation and amortization	**$ 18,338**	**$ 18,819**	**$ 36,067**	**$ 27,162**

Footnotes to Non-GAAP Financial Measures

(a) Represents incremental accelerated depreciation expense related to the shortened useful life of legacy capitalized software assets due to 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		Six Months Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Net Income attributable to common shareholders	**$ 8,104**	**$ 9,267**	**$ 15,063**	**$ 18,295**
Restructuring costs [(a)]	4,416	2,475	8,706	4,610
Other costs [(b)]	3,744	3,031	5,354	4,498
Refranchising transaction expense (gain), net [(c)]	289	-	(999)	-
Accelerated software depreciation [(d)]	910	-	910	-
Tax effect of adjustments [(e)]	(2,112)	(1,250)	(3,182)	(2,068)
Adjusted net income attributable to common shareholders	**$ 15,351**	**$ 13,523**	**$ 25,852**	**$ 25,335**

Footnotes to Non-GAAP Financial Measures

(a) For the three and six months ended June 28, 2026, represents costs associated with the Company's Enterprise Transformation Plan. These amounts are inclusive of $1.0 million and $1.1 million for the three and six months ended June 28, 2026, respectively, of non-cash stock-based compensation and depreciation expenses. For the three and six months ended June 29, 2025, represents costs associated with the Company's International Transformation Plan.

(b) For the three and six months ended June 28, 2026, represents costs associated with project-based strategic initiatives that are not related to our ongoing operations. For the three and six months ended June 29, 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 additional net transaction expense/(gain), associated with the refranchising of 85 restaurants on November 24, 2025. Net loss attributable to noncontrolling interest for the six months ended June 28, 2026 was approximately $0.4 million.

(d) Represents incremental accelerated depreciation expense related to the shortened useful life of legacy capitalized software assets due to the ongoing development and deployment of our new point-of-sale system and omnichannel platform.

(e) The tax effect on non-GAAP adjustments was calculated by applying the marginal tax rates of 23.2% for the three and six months ended June 28, 2026 and 22.7% for the three and six months ended June 29, 2025. For the three and six months ended June 28, 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.

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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		Six Months Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Diluted earnings per common share	**$ 0.24**	**$ 0.28**	**$ 0.46**	**$ 0.56**
Restructuring costs [(a)]	0.13	0.07	0.26	0.14
Other costs [(b)]	0.11	0.10	0.16	0.13
Refranchising transaction expense (gain), net [(c)]	0.01	-	(0.03)	-
Accelerated software depreciation [(d)]	0.03	-	0.03	-
Tax effect of adjustments [(e)]	(0.06)	(0.04)	(0.10)	(0.06)
Adjusted diluted earnings per common share	**$ 0.46**	**$ 0.41**	**$ 0.78**	**$ 0.77**

Footnotes to Non-GAAP Financial Measures

(a) For the three and six months ended June 28, 2026, represents costs associated with the Company's Enterprise Transformation Plan. For the three and six months ended June 29, 2025, represents costs associated with the Company's International Transformation Plan.

(b) For the three and six months ended June 28, 2026, represents costs associated with project-based strategic initiatives that are not related to our ongoing operations. For the three and six months ended June 29, 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 additional net transaction expense/(gain), associated with the refranchising of 85 restaurants on November 24, 2025. Net loss attributable to noncontrolling interest for the six months ended June 28, 2026 was approximately $0.4 million.

(d) Represents incremental accelerated depreciation expense related to the shortened useful life of legacy capitalized software assets due to the ongoing development and deployment of our new point-of-sale system and omnichannel platform.

(e) The tax effect on non-GAAP adjustments was calculated by applying the marginal tax rates of 23.2% for the three and six months ended June 28, 2026 and 22.7% for the three and six months ended June 29, 2025. For the three and six months ended June 28, 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.

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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	Six Months Ended June 28, 2026	Six Months Ended June 29, 2025
Net cash provided by operating activities	**$ 35,828**	**$ 66,843**
Purchases of property and equipment	(26,356)	(30,305)
Free cash flow	**$ 9,472**	**$ 36,538**

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	YTD	Q1	Q2	YTD
Segment Revenue	$139,671	$138,936	$278,607	$170,795	$175,797	$346,592
Segment Cost of sales	(123,096)	(123,335)	(246,431)	(155,013)	(155,985)	(310,998)
Cost allocation change [(b)]	-	-	-	2,095	2,095	4,190
4-Wall EBITDA [(a)]	**$16,575**	**$15,601**	**$32,176**	**$17,877**	**$21,907**	**$39,784**
4-Wall EBITDA margin [(a)]	11.9%	11.2%	11.5%	10.5%	12.5%	11.5%

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	YTD	Q1	Q2	YTD
Segment adjusted EBITDA	**$ 7,885**	**$ 6,635**	**$14,520**	**$ 5,032**	**$ 9,864**	**$14,896**
Segment G&A	8,690	8,966	17,656	10,750	9,948	20,698
Cost allocation change [(b)]	-	-	-	2,095	2,095	4,190
4-Wall EBITDA [(a)]	**$16,575**	**$15,601**	**$32,176**	**$17,877**	**$21,907**	**$39,784**

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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