

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-38250



**FAT Brands Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

82-1302696

(I.R.S. Employer  
Identification No.)

9720 Wilshire Blvd. , Suite 500  
Beverly Hills , CA 90212

(Address of principal executive offices, including zip code)

(310) 319-1850

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	FAT	The Nasdaq Stock Market LLC
Class B Common Stock, par value \$0.0001 per share	FATBB	The Nasdaq Stock Market LLC
Series B Cumulative Preferred Stock, par value \$0.0001 per share	FATBP	The Nasdaq Stock Market LLC
Warrants to purchase Class A Common Stock	FATBW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>
Emerging growth company	<input type="radio"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

As of April 29, 2024, there were 15,731,817 shares of Class A common stock and 1,270,805 shares of Class B common stock outstanding.

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FAT BRANDS INC.  
QUARTERLY REPORT ON FORM 10-Q  
March 31, 2024

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**PART I — FINANCIAL INFORMATION (UNAUDITED)**
**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

FAT BRANDS INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands, except share data)

	March 31, 2024	December 31, 2023
		Audited
<b>Assets</b>		
Current assets		
Cash	\$ 39,886	\$ 37,044
Restricted cash	39,486	39,271
Accounts receivable, net	19,729	21,146
Inventory	9,184	9,306
Assets classified as held-for-sale	2,678	3,756
Other current assets	12,899	10,486
Total current assets	123,862	121,009
Non-current restricted cash	16,460	15,588
Operating lease right-of-use assets	217,728	220,035
Goodwill	305,089	305,089
Other intangible assets, net	616,672	620,622
Property and equipment, net	98,803	100,524
Other assets	6,081	5,371
Total assets	\$ 1,384,695	\$ 1,388,238
<b>Liabilities and Stockholders' Deficit</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 23,778	\$ 21,809
Accrued expenses and other liabilities	50,519	58,903
Deferred income, current portion	2,462	2,490
Accrued advertising	6,773	7,992
Accrued interest payable	26,946	24,961
Dividend payable on preferred shares	1,334	1,325
Liabilities related to assets classified as held-for-sale	2,309	3,421
Operating lease liability, current portion	17,596	17,254
Redeemable preferred stock	91,836	91,836
Long-term debt, current portion	42,822	42,611
Acquisition purchase price payable	—	4,000
Total current liabilities	266,375	276,602
Deferred income, net of current portion	21,443	21,958
Deferred income tax liabilities, net	21,588	18,805
Operating lease liability, net of current portion	209,493	211,744
Long-term debt, net of current portion	1,158,060	1,110,308
Other liabilities	4,502	4,684
Total liabilities	1,681,461	1,644,101

## Commitments and contingencies (Note 14)

## Stockholders' deficit

Preferred stock, \$ 0.0001 par value; 15,000,000 shares authorized; 3,650,587 shares issued and outstanding at March 31, 2024 and 3,591,804 shares issued and outstanding at December 31, 2023; liquidation preference \$ 25 per share	43,083	44,103
Class A common stock and Class B common stock and additional paid-in capital as of March 31, 2024: \$ 0.0001 par value per share; 51,600,000 shares authorized (Class A 50,000,000 , Class B 1,600,000 ); 16,972,270 shares issued and outstanding (Class A 15,701,465 , Class B 1,270,805 ). Common stock and additional paid-in capital as of December 31, 2023: \$ 0.0001 par value; 51,600,000 shares authorized; 16,900,099 shares issued and outstanding (Class A 15,629,294 , Class B 1,270,805 )	( 32,756 )	( 31,189 )
Accumulated deficit	( 307,093 )	( 268,777 )
Total stockholders' deficit	( 296,766 )	( 255,863 )
Total liabilities and stockholders' deficit	\$ 1,384,695	\$ 1,388,238

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except share data)

	Thirteen Weeks Ended	
	March 31, 2024	March 26, 2023
Revenue		
Royalties	\$ 21,947	\$ 22,485
Restaurant sales	105,938	62,601
Advertising fees	9,796	9,351
Factory revenues	9,474	9,165
Franchise fees	1,481	802
Other revenue	3,331	1,287
Total revenue	151,967	105,691
Costs and expenses		
General and administrative expense	30,005	28,415
Cost of restaurant and factory revenues	99,050	59,087
Depreciation and amortization	10,194	7,116
Refranchising loss	1,508	159
Advertising fees	12,592	10,527
Total costs and expenses	153,349	105,304
(Loss) income from operations	( 1,382 )	387
Other (expense) income, net		
Interest expense	( 29,623 )	( 25,090 )
Interest expense related to preferred shares	( 4,418 )	( 5,043 )
Net gain on extinguishment of debt	427	—
Other income, net	204	156
Total other expense, net	( 33,410 )	( 29,977 )
Loss before income tax provision	( 34,792 )	( 29,590 )
Income tax provision	( 3,524 )	( 2,536 )
Net loss	\$ ( 38,316 )	\$ ( 32,126 )
Net loss	\$ ( 38,316 )	\$ ( 32,126 )
Dividends on preferred shares	( 1,881 )	( 1,755 )
	\$ ( 40,197 )	\$ ( 33,881 )
Basic and diluted loss per common share	\$ ( 2.37 )	\$ ( 2.05 )
Basic and diluted weighted average shares outstanding	16,947,400	16,487,119
Cash dividends declared per common share	\$ 0.14	\$ 0.14

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT  
(in thousands)

For the Thirteen Weeks Ended March 31, 2024

	Common Stock						Preferred Stock					
	Class A Shares	Class B Shares	Class A	Class B	Additional	Total	Shares	Par Value	Additional	Total	Accumulated Deficit	Total
			Par Value	Par Value	Paid-In Capital	Common Stock			Paid-In Capital	Preferred Stock		
						( 31,191 )						( 255,863 )
Balance at December 31, 2023	15,629,294	1,270,805	\$ 2	\$ —	\$ —	\$ 31,189	3,591,804	\$ —	\$ 44,103	\$44,103	\$ ( 268,777 )	\$ —
Net loss	—	—	—	—	—	—	—	—	—	—	( 38,316 )	( 38,316 )
Issuance of common and preferred stock	72,171	—	—	—	63	63	58,783	—	861	861	—	924
Share-based compensation	—	—	—	—	745	745	—	—	—	—	—	745
Dividends paid on common stock	—	—	—	—	( 2,375 )	( 2,375 )	—	—	—	—	—	( 2,375 )
Dividends paid on Series B preferred stock	—	—	—	—	—	—	—	—	( 1,881 )	( 1,881 )	—	( 1,881 )
						( 32,758 )						( 296,766 )
Balance at March 31, 2024	15,701,465	1,270,805	\$ 2	\$ —	\$ —	\$ 32,756	3,650,587	\$ —	\$ 43,083	\$43,083	\$ ( 307,093 )	\$ —

For the Thirteen Weeks Ended March 26, 2023

	Common Stock						Preferred Stock					
	Class A Shares	Class B Shares	Class A	Class B	Additional	Total	Shares	Par Value	Additional	Total	Accumulated Deficit	Total
			A Par Value	B Par Value	Paid-In Capital	Common Stock			Paid-In Capital	Preferred Stock		
						( 26,017 )						( 159,178 )
Balance at December 25, 2022	15,300,870	1,270,805	\$ 2	\$ —	\$ —	\$ ( 26,015 )	3,252,154	\$ —	\$ 45,504	\$45,504	\$ ( 178,667 )	\$ —
Net loss	—	—	—	—	—	—	—	—	—	—	( 32,126 )	( 32,126 )
Issuance of common and preferred stock	40,952	—	—	—	57	57	20,826	—	382	382	—	439
Share-based compensation	—	—	—	—	1,095	1,095	—	—	—	—	—	1,095
Dividends paid on common stock	—	—	—	—	( 2,320 )	( 2,320 )	—	—	—	—	—	( 2,320 )
Dividends paid on Series B preferred stock	—	—	—	—	—	—	—	—	( 1,755 )	( 1,755 )	—	( 1,755 )
						( 27,185 )						( 193,845 )
Balance at March 26, 2023	15,341,822	1,270,805	\$ 2	\$ —	\$ —	\$ ( 27,183 )	3,272,980	\$ —	\$ 44,131	\$44,131	\$ ( 210,793 )	\$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)

For the Thirteen Weeks Ended March 31, 2024 and March 26, 2023

	2024	2023
Cash flows from operating activities:		
Net loss	\$ ( 38,316 )	\$ ( 32,126 )
Adjustments to reconcile net loss to net cash used in operations:		
Deferred income taxes	2,783	1,119
Depreciation and amortization	10,194	7,116
Share-based compensation	745	1,095
Accretion of loan fees and interest	4,379	4,978
Net gain on extinguishment of debt	( 427 )	—
Provision (recovery) for bad debts	168	( 206 )
Change in:		
Accounts receivable	1,248	7,193
Inventory	123	155
Other current and noncurrent assets	( 3,167 )	( 1,031 )
Operating lease assets and liabilities	230	302
Deferred income	( 543 )	( 551 )
Accounts payable	1,969	1,741
Accrued expenses and other liabilities	( 8,399 )	( 5,078 )
Accrued advertising	( 1,218 )	( 1,491 )
Accrued interest payable	1,985	4,754
Other current and noncurrent liabilities	( 155 )	315
Total adjustments	9,915	20,411
Net cash used in operating activities	( 28,401 )	( 11,715 )
Cash flows from investing activities:		
Purchases of property and equipment	( 4,126 )	( 2,031 )
Payments received on notes receivable	80	70
Payment of acquisition purchase price payable	( 4,000 )	—
Net cash used in investing activities	( 8,046 )	( 1,961 )
Cash flows from financing activities:		
Proceeds from borrowings, net of issuance costs	80,012	35,891
Repayments of borrowings	( 36,304 )	( 51 )
Proceeds from issuance of common and preferred shares	924	439
Dividends paid on common shares	( 2,375 )	( 2,320 )
Dividends paid on preferred shares	( 1,881 )	( 1,755 )
Net cash provided by financing activities	40,376	32,204
Net increase in cash and restricted cash	3,929	18,528
Cash and restricted cash at beginning of the period	91,903	68,763
Cash and restricted cash at end of the period	\$ 95,832	\$ 87,291
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 29,359	\$ 17,662
Cash paid for income taxes	\$ 288	\$ 321

The accompanying notes are an integral part of these condensed consolidated financial statements.



## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. ORGANIZATION AND RELATIONSHIPS

#### *Organization and Nature of Business*

FAT Brands Inc. (the "Company" or "FAT") is a leading multi-brand restaurant company that develops, markets, acquires and manages quick-service, fast casual, casual dining and polished casual dining restaurant concepts around the world. As of March 31, 2024, the Company owned eighteen restaurant brands: Round Table Pizza, Fatburger, Marble Slab Creamery, Johnny Rockets, Fazoli's, Twin Peaks, Smokey Bones, Great American Cookies, Hot Dog on a Stick, Buffalo's Cafe & Express, Hurricane Grill & Wings, Pretzelmaker, Elevation Burger, Native Grill & Wings, Yalla Mediterranean and Ponderosa and Bonanza Steakhouses. As of March 31, 2024, the Company had approximately 2,300 locations open and under construction, of which approximately 92 % were franchised.

Each franchising subsidiary licenses the right to use its brand name and provides franchisees with operating procedures and methods of merchandising. Upon signing a franchise agreement, the franchisor is committed to provide training, some supervision and assistance and access to operations manuals. As needed, the franchisor will also provide advice and written materials concerning techniques of managing and operating the restaurants.

The Company's operations have historically been comprised primarily of franchising a growing portfolio of restaurant brands. This growth strategy is centered on expanding the footprint of existing brands and acquiring new brands through a centralized management organization which provides substantially all executive leadership, marketing, training and accounting services. As part of these ongoing franchising efforts, the Company will, from time to time, make opportunistic acquisitions of operating restaurants and may convert them to franchise locations. During the refranchising period the Company may operate the restaurants and classifies the operational activities as refranchising gains or losses and the assets and associated liabilities as held-for sale. Through recent acquisitions, the Company also operates "company-owned" restaurant locations of certain brands.

#### *Liquidity*

The Company recognized loss from operations of \$ 1.4 million during the thirteen weeks ended March 31, 2024 and income from operations of \$ 0.4 million during the thirteen weeks ended March 26, 2023. The Company has a history of net losses and an accumulated deficit of \$ 307.1 million as of March 31, 2024. Additionally, the Company had negative working capital of \$ 142.5 million. Of this amount, \$ 91.8 million represents redeemable preferred stock as discussed in Note 9. Since the Company did not deliver the applicable cash proceeds at the related due dates, the amount accrues interest until the payments are completed. The Company had \$ 39.9 million of unrestricted cash at March 31, 2024 and plans on the combination of cash flows from operations, cash on hand, \$ 87.0 million of issued but not sold aggregate principal amount of fixed rate secured notes and \$ 105.2 million aggregate principal amount of repurchased but not re-sold fixed rate secured notes (see Note 8) to be sufficient to cover any working capital requirements for the next twelve months from the date of this report. If the Company does not achieve its operating plan, additional forms of financing may be required through the issuance of debt or equity. Although management believes it will have access to financing, no assurances can be given that such financing will be available on acceptable terms, in a timely manner or at all.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of presentation* – The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. Our revenues are derived primarily from two sales channels, franchised restaurants and company-owned locations, which we operate as one reportable segment.

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America ("GAAP") for complete financial statements. In the opinion of the Company, all adjustments considered necessary for the fair presentation of the Company's results of operations, financial position and cash flows for the periods presented have been included and are of a normal, recurring nature. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's 2023 Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on March 12, 2024.

*Nature of operations* – The Company operates on a 52-week calendar and its fiscal year ends on the last Sunday of the calendar year. Consistent with industry practice, the Company measures its stores' performance based upon 7-day work weeks. Using the 52-week cycle ensures consistent weekly reporting for operations and ensures that each week has the same days since certain days are more profitable than others. The use of this fiscal year means a 53rd week is added to the fiscal year every 5 or 6 years. In a 52-week year, all four quarters are comprised of 13 weeks. In a 53-week year, one extra week is added to the fourth quarter. Fiscal year 2023 was a 53-week year and 2024 is a 52-week year.

*Use of estimates in the preparation of the condensed consolidated financial statements* – The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Significant estimates include the determination of fair values of goodwill and other intangible assets, allowances for uncollectible notes receivable and accounts receivable, and the valuation allowance related to deferred tax assets. Estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Recently Issued Accounting Standards Not Yet Adopted*

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*. The amendments require that public business entities on an annual basis disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. The amendments also require that all entities disclose on an annual basis the income taxes paid disaggregated by jurisdiction. The amendments eliminate the requirement for all entities to disclose the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months or make a statement that an estimate of the range cannot be made. The amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied on a prospective basis. Retrospective application is permitted. The Company is still evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): *Improvements to Reportable Segment Disclosures*. The amendments improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments require that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition. The other segment items category is the difference between segment revenue less the segment expenses disclosed under the significant expense principle and each reported measure of segment profit or loss. The amendments improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. A public entity should apply the amendments retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company is still evaluating the impact the adoption of this standard will have on its consolidated financial statements.

**NOTE 3. MERGERS AND ACQUISITIONS**

*Acquisition of Barbeque Integrated, Inc.*

On September 25, 2023, the Company completed the acquisition of Barbeque Integrated, Inc. from Barbeque Holding LLC. Barbeque Integrated Inc. is the operator of a chain of barbeque restaurants located in the Eastern and Midwest United States. The net purchase price was \$31.8 million (after certain customary adjustments), comprised of cash, and is subject to further adjustments with respect to working capital.

### Pro Forma Information

The table below presents the combined pro forma revenue and net loss of the Company and Barbeque Integrated Inc. for the thirteen weeks ended March 26, 2023, respectively, assuming the acquisition had occurred on December 27, 2022 (the beginning of the Company's 2023 fiscal year) (in millions). This pro forma information does not purport to represent what the actual results of operations of the Company would have been had the acquisition of Barbeque Integrated Inc. occurred on this date nor does it purport to predict the results of operations for future periods.

	Thirteen Weeks Ended March 26, 2023	
Revenue	\$	152.9
Net loss	\$	( 31.9 )

### **NOTE 4. REFRANCHISING**

As part of its ongoing franchising efforts, the Company may, from time to time, sell operating restaurants built or acquired by the Company in order to convert them to franchise locations or acquire existing franchised locations to resell them to another franchisee across all of its brands.

The following assets used in the operation of certain restaurants meet all of the criteria requiring that they be classified as held-for-sale, and have been classified accordingly in the accompanying condensed consolidated balance sheets as of March 31, 2024 and December 31, 2023 (in millions):

	March 31, 2024		December 31, 2023	
Property and equipment	\$	0.5	\$	0.7
Operating lease right-of-use assets		2.2		3.1
Total	\$	2.7	\$	3.8

Operating lease liabilities related to the assets classified as held-for-sale in the amount of \$ 2.3 million and \$ 3.4 million have been classified as current liabilities in the accompanying condensed consolidated balance sheets as of March 31, 2024 and December 31, 2023, respectively.

The following table highlights the operating results of the Company's refranchising program (in millions):

	Thirteen Weeks Ended	
	March 31, 2024	March 26, 2023
Restaurant costs and expenses, net of revenue	\$ 1.0	\$ 0.3
Gains on store sales or closures	—	( 0.1 )
Loss on store sales or closures	0.5	—
Refranchising loss	\$ 1.5	\$ 0.2

**NOTE 5. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consists of the following (in millions):

	March 31, 2024	December 31, 2023
Real estate	\$ 84.4	\$ 83.5
Equipment	48.1	44.9
	132.5	128.4
Accumulated depreciation	( 33.7 )	( 27.9 )
Property and equipment, net	\$ 98.8	\$ 100.5

Depreciation expense during the thirteen weeks ended March 31, 2024 and March 26, 2023 was \$ 5.8 million and \$ 3.3 million, respectively.

Upon retirement or other disposal of property and equipment, the cost and related amounts of accumulated depreciation are eliminated from the asset and accumulated depreciation accounts, respectively. The difference, if any, between the net asset value and the proceeds, is recorded in earnings.

**NOTE 6. GOODWILL AND OTHER INTANGIBLE ASSETS, NET**

Changes in Carrying Value of Goodwill and Other Intangible Assets (in millions)

	Amortizing Intangible Assets	Non-Amortizing Intangible Assets	
		Goodwill	Trademarks
December 31, 2023	\$ 157.9	\$ 305.1	\$ 462.7
Amortization	( 3.9 )	—	—
Acquisition	—	—	—
March 31, 2024	\$ 154.0	\$ 305.1	\$ 462.7

Gross Carrying Value and Accumulated Amortization of Other Intangible Assets (in millions)

	March 31, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets						
Franchise agreements	\$ 118.3	\$ ( 26.7 )	\$ 91.6	\$ 109.5	\$ ( 24.2 )	\$ 85.3
Customer relationships	73.9	( 15.2 )	58.7	73.9	( 13.7 )	60.2
Other	4.1	( 0.4 )	3.7	12.9	( 0.5 )	12.4
	\$ 196.3	\$ ( 42.3 )	\$ 154.0	\$ 196.3	\$ ( 38.4 )	\$ 157.9
Non-amortizing intangible assets						
Trademarks			462.7			462.7
Total amortizing and non-amortizing intangible assets, net			\$ 616.7			\$ 620.6

Amortization expense for the thirteen weeks ended March 31, 2024 and March 26, 2023 was \$ 3.9 million and \$ 3.8 million, respectively.

The expected future amortization of definite-life intangible assets by fiscal year (in millions):

<b>Fiscal Year:</b>		
Remainder of 2024	\$	11.5
2025		15.2
2026		15.2
2027		15.2
2028		15.2
Thereafter		81.7
Total	\$	<u>154.0</u>

#### NOTE 7. INCOME TAXES

The following table presents the Company's provision for income taxes (in millions):

	Thirteen Weeks Ended	
	March 31, 2024	March 26, 2023
Provision for income taxes	\$ ( 3.5 )	\$ ( 2.5 )
Effective tax rate	10.1 %	8.6 %

The difference between the statutory tax rate of 21 % and the effective tax rates of 10.1 % and 8.6 % in the thirteen weeks and thirteen weeks ended March 31, 2024 and March 26, 2023, respectively, was primarily due to increases in the valuation allowance, nondeductible expenses and the impact of state income taxes.

#### NOTE 8. LEASES

The Company recognized lease expense of \$ 8.2 million and \$ 4.8 million for the thirteen weeks ended March 31, 2024 and March 26, 2023, respectively.

Operating lease right-of-use assets and operating lease liabilities relating to the operating leases are as follows (in millions):

	March 31, 2024	December 31, 2023
Operating lease right-of-use assets	\$ 217.7	\$ 220.0
Right-of-use assets classified as held-for-sale	2.2	3.1
Total right-of-use assets	<u>\$ 219.9</u>	<u>\$ 223.1</u>
Operating lease liabilities	\$ 227.1	\$ 229.0
Lease liabilities related to assets held-for-sale	2.3	3.4
Total operating lease liabilities	<u>\$ 229.4</u>	<u>\$ 232.4</u>

The contractual future maturities of the Company's operating lease liabilities as of March 31, 2024, including anticipated lease extensions, are as follows (in millions):

<b>Fiscal year:</b>		
Remainder of 2024	\$	24.2
2025		29.0
2026		27.5
2027		27.3
2028		27.2
Thereafter		338.3
Total lease payments	\$	473.5
Less: imputed interest		( 246.4 )
Total	\$	227.1

The current portion of the operating lease liability as of March 31, 2024 was \$ 17.6 million.

Supplemental cash flow information for the thirteen weeks ended March 31, 2024 related to leases was as follows (in millions):

	Thirteen Weeks Ended	
	March 31, 2024	March 26, 2023
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows from operating leases	\$ 7.7	\$ 4.4

#### NOTE 9. DEBT

Long-term debt consisted of the following (in millions):

	March 31, 2024					December 31, 2023
	Final Maturity	Anticipated Call Date	Rate	Face Value	Book Value	Book Value
<b>Senior Debt</b>						
FB Royalty Securitization	4/25/2051	7/25/2026	4.75 %	\$ 139.8	\$ 135.5	\$ 135.9
GFG Royalty Securitization	7/25/2051	7/25/2026	6.00 %	276.8	267.1	267.7
Twin Peaks Securitization	7/25/2051	1/25/2025	7.00 %	236.8	230.1	193.7
Fazoli's/Native Securitization	7/25/2051	1/25/2025	6.00 %	128.8	125.9	126.0
FB Resid Securitization	7/25/2027		10.00 %	52.9	52.7	52.7
<b>Senior Subordinated Debt</b>						
FB Royalty Securitization	4/25/2051	7/25/2026	8.00 %	39.2	37.9	42.1
GFG Royalty Securitization	7/25/2051	7/25/2026	7.00 %	104.3	99.2	95.9
Twin Peaks Securitization	7/25/2051	1/25/2025	9.00 %	50.0	48.6	48.6
Fazoli's/Native Securitization	7/25/2051	1/25/2025	7.00 %	21.0	20.2	17.4
FB Resid Securitization	7/25/2027		10.00 %	52.9	52.7	52.7
<b>Subordinated Debt</b>						
FB Royalty Securitization	4/25/2051	7/25/2026	9.00 %	16.1	15.6	18.6
GFG Royalty Securitization	7/25/2051	7/25/2026	9.50 %	47.3	43.4	43.4
Twin Peaks Securitization	7/25/2051	1/25/2025	10.00 %	68.4	63.9	29.4
Fazoli's/Native Securitization	7/25/2051	1/25/2025	9.00 %	—	0.3	20.7
<b>Total Securitized Debt</b>				1,234.3	1,193.1	1,144.8
<b>Elevation Note</b>	7/19/2026	N/A	6.00 %	3.5	2.7	3.0
<b>Equipment Notes</b>	5/5/2027 to 3/7/2029	N/A	7.99 % to 8.49 %	1.2	2.2	1.9
	8/5/2023 with One Six-Month Extension	N/A				
<b>Twin Peaks Construction Loan</b>		N/A	8.00 %	2.2	—	—
<b>Twin Peaks Construction Loan II</b>	1/9/2024	N/A	10.83 %	1.5	—	—
	12/28/2023 with One One-Year Extension	N/A				
<b>Twin Peaks Construction Loan III</b>		N/A	Prime + 1 %	2.2	2.2	2.2
<b>Twin Peaks Promissory Note</b>	10/4/2024	N/A	5.30 %	1.0	0.7	1.0
<b>Total Debt</b>				<u>\$ 1,245.9</u>	<u>1,200.9</u>	<u>1,152.9</u>
Current portion of long-term debt					( 42.8 )	( 42.6 )
<b>Long-term Debt</b>					<u>\$ 1,158.1</u>	<u>\$ 1,110.3</u>

#### Terms of Outstanding Debt

##### FB Royalty Securitization

On April 26, 2021, FAT Brands Royalty I, LLC ("FB Royalty"), a special purpose, wholly-owned subsidiary of FAT Brands Inc., completed the issuance and sale of three tranches of fixed rate secured notes with a total aggregate principal amount of \$ 144.5 million.

On July 6, 2022, FB Royalty issued an additional \$ 76.5 million aggregate principal amount of three tranches of fixed rate secured notes. Of the \$ 76.5 million aggregate principal amount, \$ 30.0 million was sold privately during the third quarter of 2022, resulting in net proceeds of \$ 27.1 million (net of debt offering costs of \$ 0.6 million and original issue discount of \$ 2.3 million). The remaining \$ 46.5 million in aggregate principal was sold privately on October 21, 2022, when the Company entered into an Exchange Agreement with the Twin Peaks sellers and redeemed 1,821,831 shares of the Company's 8.25 % Series B Cumulative Preferred Stock at a price of \$ 23.69 per share, plus accrued and unpaid dividends to the date of redemption, in exchange for \$ 46.5 million aggregate principal amount of secured debt (\$ 43.2 million net of debt offering costs and original issue discount) as discussed in Note 10.

Prior to the redemption, the Twin Peaks sellers held 2,847,393 shares of Series B Cumulative Preferred Stock.

Pursuant to the Exchange Agreement, (i) at any time prior to July 25, 2023, the Company may call from the Twin Peaks sellers all or a portion of the Class M-2 Notes at the outstanding principal balance multiplied by 0.86 , plus any accrued plus unpaid interest thereon; (ii) at any time on or after the date of the Exchange Agreement, the Company may call from the Twin Peaks sellers, and at any time on or after July 25, 2023, the Twin Peaks sellers may put to the Company, all or a portion of the Class A-2 Notes and/or Class B-2 Notes at the outstanding principal balance multiplied by 0.94 , plus any accrued plus unpaid interest thereon; and (iii) at any time on or after July 25, 2023, the Company may call from the Twin Peaks sellers, and the Twin Peaks sellers may put to the Company, all or a portion of the Class M-2 Notes at the outstanding principal balance multiplied by 0.91 , plus any accrued plus unpaid interest thereon. If the Company does not remit the applicable call price or put price upon a duly exercised call or put, as applicable, the amount owed by the Company will accrue interest at 10 % per annum, which interest is due and payable in cash monthly by the Company. On July 13, 2023, pursuant to the Exchange Agreement, the Twin Peaks sellers exercised their put option. During the first quarter of 2024, the Company paid \$ 1.0 million to settle the 10 % per annum interest in perpetuity and to settle the put option. As a result, as of March 31, 2024, the outstanding principal balance owned by the Twin Peaks sellers is no longer subject to the put option.

The FB Royalty securitization notes are generally secured by a security interest in substantially all the assets of FB Royalty and its subsidiaries.

#### GFG Royalty Securitization

In connection with the acquisition of GFG, on July 22, 2021, FAT Brands GFG Royalty I, LLC ("GFG Royalty"), a special purpose, wholly-owned subsidiary of FAT Brands, completed the issuance and sale in a private offering of three tranches of fixed rate secured notes with a total aggregate principal amount of \$ 350.0 million. Immediately following the closing of the acquisition of GFG the Company contributed the franchising subsidiaries of GFG to GFG Royalty, pursuant to a Contribution Agreement.

On December 15, 2022, GFG Royalty issued an additional \$ 113.5 million aggregate principal amount of three tranches of fixed rate secured notes. Of the \$ 113.5 million aggregate principal amount, \$ 25.0 million was sold privately during the fourth quarter of 2022. In January 2023, an additional \$ 40.0 million aggregate principal amount was sold privately, resulting in net proceeds of \$ 34.8 million. On September 20, 2023, an additional \$ 2.8 million aggregate principal amount was sold privately resulting in net proceeds of \$ 2.5 million. In October 2023, \$ 20.2 million aggregate principal amount previously issued to FAT Brands Inc. was sold privately resulting in net proceeds of \$ 18.1 million. The remaining \$ 25.3 million in aggregate principal amount remains issued to FAT Brands, Inc., pending sale to third party investors.

The GFG Royalty securitization notes are generally secured by a security interest in substantially all the assets of GFG Royalty and its subsidiaries.

#### Twin Peaks Securitization

In connection with the acquisition of Twin Peaks on October 1, 2021, the Company completed the issuance and sale in a private offering through its special purpose, wholly-owned subsidiary, FAT Brands Twin Peaks I, LLC, of three tranches of fixed rate secured notes with a total aggregate principal amount of \$ 250.0 million. Immediately following the closing of the acquisition of Twin Peaks the Company contributed the franchising subsidiaries of Twin Peaks to FAT Brands Twin Peaks I, LLC, pursuant to a Contribution Agreement. The Twin Peaks securitization notes are generally secured by a security interest in substantially all the assets of FAT Brands Twin Peaks I, LLC and its subsidiaries.



On September 8, 2023, FAT Brands Twin Peaks I, LLC issued an additional \$ 98.0 million aggregate principal amount of two tranches of fixed rate secured notes to FAT Brands Inc., pending sale to third party investors. Of the \$ 98.0 million aggregate principal amount, \$ 48.0 million was sold privately during the third quarter of 2023 resulting in net proceeds of \$ 45.2 million. A portion of the proceeds was used to purchase \$ 14.9 million aggregate principal amount of outstanding Securitization Notes, which will be held pending re-sale to third party investors. The remaining \$ 50.0 million in aggregate principal of notes issued by FAT Twin Peaks I, LLC was issued to a wholly-owned subsidiary of FAT Brands, Inc., pending sale to third party investors.

On March 20, 2024, FAT Brands Twin Peaks I, LLC issued an additional \$ 50.0 million aggregate principal amount of one tranche of fixed rate secured notes to FAT Brands Inc., pending sale to third party investors. Of the \$ 50.0 million aggregate principal amount, \$ 38.8 million was sold privately during the first quarter of 2024 resulting in net proceeds of \$ 36.4 million. A portion of the proceeds was used to purchase \$ 7.4 million aggregate principal amount of outstanding Securitization Notes, which will be held pending re-sale to third party investors. In connection with the bonds repurchased, the Company recognized a \$ 0.4 million net gain on extinguishment of debt. As of March 31, 2024, the remaining \$ 11.2 million in aggregate principal of notes issued by FAT Twin Peaks I, LLC was issued to a wholly-owned subsidiary of FAT Brands, Inc., pending sale to third party investors. On April 16, 2024, the remaining \$ 11.2 million was sold privately to a third party investor resulting in net proceeds of \$ 10.7 million.

#### Fazoli's / Native Securitization

In connection with the acquisition of Fazoli's and Native Grill & Wings on December 15, 2021, the Company completed the issuance and sale in a private offering through its special purpose, wholly-owned subsidiary, FAT Brands Fazoli's Native I, LLC, of three tranches of fixed rate secured notes with a total aggregate principal amount of \$ 193.8 million. Immediately following the closing of the acquisition of Fazoli's and Native the Company contributed the franchising subsidiaries of these entities to FAT Brands Fazoli's Native I, LLC, pursuant to a Contribution Agreement. The Fazoli's/Native securitization notes are generally secured by a security interest in substantially all the assets of FAT Brands Fazoli's Native I, LLC and its subsidiaries.

#### FB Resid Holdings 1, LLC

On July 8, 2023, FB Resid Holdings I, LLC ("FB Resid"), a special purpose, wholly-owned subsidiary of FAT Brands, completed the issuance of two tranches of fixed rate secured notes with a total aggregate principal amount of \$ 150.0 million. Of the \$ 150.0 million aggregate principal amount, \$ 105.8 million was sold privately, resulting in net proceeds of \$ 105.3 million. A portion of the proceeds was used to purchase \$ 64.6 million of outstanding Securitization Notes, which will be held pending re-sale to third party investors. The remaining \$ 44.2 million in aggregate principal of notes issued by FB Resid was issued to a wholly-owned subsidiary of FAT Brands, Inc., pending sale to third party investors.

#### Terms and Debt Covenant Compliance

The FAT Royalty securitization notes, the GFG Royalty securitization notes, the Twin Peaks securitization notes, the Fazoli's/Native securitization notes and the FB Resid notes (collectively, the "Securitization Notes") require that the principal (if any) and interest obligations be segregated to ensure appropriate funds are reserved to pay the quarterly principal and interest amounts due. The amount of monthly cash flow that exceeds the required monthly interest reserve is generally remitted to the Company. Interest payments are required to be made on a quarterly basis. Beginning July 26, 2023, additional interest equal to 1.0 % per annum and principal payments equal to 2.0 % per annum of the initial principal amount on the FAT Royalty securitization notes, the GFG Royalty securitization notes, the Twin Peaks securitization notes and the Fazoli's/Native securitization notes will be made on the scheduled quarterly payment dates.

The material terms of the Securitization Notes contain covenants which are standard and customary for these types of agreements, including the following financial covenants: (i) debt service coverage ratio, (ii) leverage ratio and (iii) senior leverage ratio. As of March 31, 2024, the Company was in compliance with these covenants.

Elevation Note

On June 19, 2019, the Company completed the acquisition of Elevation Burger. A portion of the purchase price included the issuance to the Seller of a convertible subordinated promissory note (the "Elevation Note") with a principal amount of \$ 7.5 million, bearing interest at 6.0 % per annum and maturing in July 2026. The Elevation Note is convertible, under certain circumstances, into shares of the Company's common stock at \$ 12.00 per share.

The Elevation Note is a general unsecured obligation of Company and is subordinated in right of payment to all indebtedness of the Company arising under any agreement or instrument to which Company or any of its Affiliates is a party that evidences indebtedness for borrowed money that is senior in right of payment.

Equipment Financing (Twin Peaks)

During fiscal year 2022, an indirect subsidiary of the Company entered into certain equipment financing arrangements to borrow up to \$ 1.4 million, the proceeds of which will be used to purchase certain equipment for a new Twin Peaks restaurant and to retrofit existing restaurants with equipment (the "Equipment Financing"). The Equipment Financing has maturity dates between August 10, 2027 and April 1, 2028, and bear interest at fixed rates between 7.99 % and 8.49 % per annum. The Equipment Financing is secured by certain equipment of the Twin Peaks restaurant.

Construction Loan Agreement (Twin Peaks)

On December 5, 2022, an indirect subsidiary of the Company entered into a construction loan agreement to borrow up to \$ 4.5 million, the proceeds of which will be used for a new corporate Twin Peaks restaurant (the "Construction Loan"). The Construction Loan has an initial maturity of August 5, 2023, with an optional six-month extension, bearing interest at the greater of the 3-month Secured Overnight Financing Rate (SOFR) plus 360 basis points, or 8 % per year, and is secured by land and building. In August 2023, management extended the maturity to February 5, 2024. On December 26, 2023, the loan was paid in full as part of a sale leaseback transaction.

On March 9, 2023, an indirect subsidiary of the Company entered into a construction loan agreement to borrow up to \$ 4.5 million, the proceeds of which will be used for a new corporate Twin Peaks in Sarasota, Florida (the "Sarasota Construction Loan"). The Sarasota Construction Loan has an initial maturity of January 9, 2024, with an optional three-month extension, bearing interest at the greater of the 3-month Overnight Financing Rate (SOFR) plus 575 basis points or 4 % per year and is secured by land and building. On September 27, 2023, the loan was paid in full as part of a sale leaseback transaction.

On December 28, 2023, an indirect subsidiary of the Company entered into a construction loan agreement to borrow up to \$ 4.75 million, the proceeds of which will be used for a new corporate Twin Peaks in McKinney, TX (the "McKinney Construction Loan"). The McKinney Construction Loan has an initial maturity of December 28, 2024, with an optional 12 -month extension, bearing interest at Wall Street Journal Prime plus 100 basis per year and is secured by land and building.

Promissory Note (Twin Peaks)

On December 4, 2023, an indirect subsidiary of the Company purchased all member interest units of a joint venture entity for \$ 1.3 million in the form of a \$ 0.3 million cash payment and 10 equal monthly payments of \$ 0.1 million beginning in January 2024. The \$ 1.0 million promissory note bears interest of 5.3 %.

**NOTE 10. REDEEMABLE PREFERRED STOCK**

GFG Preferred Stock Consideration

On July 22, 2021, the Company completed the acquisition of GFG. A portion of the consideration paid included 3,089,245 newly issued shares of the Company's Series B Cumulative Preferred Stock valued at \$ 67.3 million (the "GFG Preferred Stock Consideration"). Additionally, on July 22, 2021, the Company entered into a put/call agreement with the GFG sellers, pursuant to which the Company may purchase, or the GFG Sellers may require the Company to purchase, the GFG Preferred Stock Consideration for \$ 67.5 million plus any accrued but unpaid dividends on or before August 20, 2022 (extended from the original date of April 22, 2022), subject to the other provisions of the Put/Call Agreement. Since the Company did not deliver the applicable cash proceeds to the GFG Sellers by that date, the amount accrues interest at the rate of 5 % per annum until repayment is completed. On March 22, 2022, the Company received a put notice on the GFG Preferred Stock Consideration and reclassified the GFG Preferred Stock Consideration from redeemable preferred stock to current liabilities on its consolidated balance sheet. As of March 31, 2024, the carrying value of the redeemable preferred stock was \$ 67.5 million.

On September 16, 2022, the Company entered into an agreement with one of the GFG sellers who held 1,544,623 put preferred shares. Pursuant to the agreement, effective August 23, 2022, the interest rate applicable to such holder's 1,544,623 put shares was increased from 5 % to 10 % per annum, payable monthly in arrears. During the thirteen weeks ended March 31, 2024, the Company paid \$ 0.8 million of interest.

On March 9, 2023, the Company entered into an agreement with the second GFG seller who held 1,544,623 put preferred shares. Pursuant to the agreement, effective August 23, 2022, the interest rate applicable to such holder's 1,544,623 put shares was increased from 5 % to 10 % per annum, payable on the date of redemption.

#### *Twin Peaks Preferred Stock Consideration*

On October 1, 2021, the Company completed the acquisition of Twin Peaks. A portion of the consideration paid included 2,847,393 shares of the Company's 8.25 % Series B Cumulative Preferred Stock (the "Twin Peaks Preferred Stock Consideration") valued at \$ 67.5 million.

On October 1, 2021, the Company and the Twin Peaks Seller entered into a Put/Call Agreement (the "Put/Call Agreement") pursuant to which the Company was granted the right to call from the Twin Peaks Seller, and the Twin Peaks Seller was granted the right to put to the Company, the Initial Put/Call Shares at any time until March 31, 2022 for a cash payment of \$ 42.5 million, and the Secondary Put/Call Shares at any time until September 30, 2022 for a cash payment of \$ 25.0 million (the Initial Put/call Shares together with the Secondary Put/Call Shares total \$ 67.5 million), plus any accrued but unpaid dividends on such shares. Unpaid balances, when due, accrue interest at a rate of 10.0 % per annum until repayment is completed. On October 7, 2021, the Company received a put notice on the Initial Put/Call Shares and the Secondary Put/Call Shares.

On October 21, 2022, the Company entered into an Exchange Agreement with the Twin Peaks Seller and redeemed 1,821,831 shares of the Company's 8.25 % Series B Cumulative Preferred Stock at a price of \$ 23.69 per share, plus accrued and unpaid dividends to the date of redemption in exchange for \$ 46.5 million aggregate principal amount of secured debt (\$ 43.2 million net of debt offering costs and original issue discount) as discussed in Note 9.

As of March 31, 2024, the carrying value of the Twin Peaks Preferred Stock Consideration totaled \$ 24.3 million. The Company recognized interest expense relating to the Twin Peaks Preferred Stock Consideration for the thirteen weeks ended March 31, 2024 in the amount of \$ 0.6 million.

#### **NOTE 11. SHARE-BASED COMPENSATION**

Effective September 30, 2017, the Company adopted the 2017 Omnibus Equity Incentive Plan (the "Plan"). The Plan was amended on December 20, 2022 to increase the number of shares available for issuance under the Plan. The Plan is a comprehensive incentive compensation plan under which the Company can grant equity-based and other incentive awards to officers, employees and directors of, and consultants and advisers to, FAT Brands Inc. and its subsidiaries. The Plan provides a maximum of 5,000,000 shares available for grant.

The Company has periodically issued stock options under the Plan. All of the stock options issued by the Company to date have included a vesting period of three years , with one-third of each grant vesting annually. As of March 31, 2024, there were 2,870,172 shares of stock options outstanding with a weighted average exercise price of \$ 9.31 .

There were no new grants or stock options exercised during the thirteen weeks ended March 31, 2024 and March 26, 2023.

The Company recognized share-based compensation expense in the amount of \$ 0.7 million and \$ 1.1 million during the thirteen weeks ended March 31, 2024 and March 26, 2023, respectively. As of March 31, 2024, there remains \$ 1.6 million of related share-based compensation expense relating to non-vested grants, which will be recognized over the remaining vesting period, subject to future forfeitures.

## NOTE 12. WARRANTS

The Company's warrant activity for the thirteen weeks ended March 31, 2024 was as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Warrants exercisable at December 31, 2023	1,048,438	\$ 2.95	1.6
Exercised	( 47,171 )	\$ 2.73	1.3
Warrants outstanding and exercisable at March 31, 2024	1,001,267	\$ 2.83	1.3

During the thirteen weeks ended March 31, 2024, 47,171 warrants were exercised in exchange for 47,171 shares of common stock with net proceeds to the Company of \$ 0.1 million.

## NOTE 13. COMMON STOCK

On January 9, 2024, the Board of Directors declared a cash dividend of \$ 0.14 per share of Class A common stock and Class B common stock, payable on March 1, 2024 to stockholders of record as of February 15, 2024, for a total of \$ 2.4 million.

On November 14, 2022, we entered into an ATM Sales Agreement (the "Sales Agreement") with ThinkEquity LLC (the "Agent"), pursuant to which we may offer and sell from time to time through the Agent up to \$ 21,435,000 maximum aggregate offering price of shares of our Class A Common Stock and/or 8.25 % Series B Preferred Stock. During the three months ended March 31, 2024 pursuant to the Sales Agreement, the Company sold and issued 58,783 shares of Series B Cumulative Preferred Stock, at a weighted average share price of \$ 15.21 , paid the Agent commissions of \$ 26,831 for such sales and received net proceeds of \$ 0.9 million (net of fees and commissions) for such sales.

## NOTE 14. COMMITMENTS AND CONTINGENCIES

### Litigation and Investigations

***James Harris and Adam Vignola, derivatively on behalf of FAT Brands, Inc. v. Squire Junger, James Neuhauser, Edward Rensi, Andrew Wiederhorn, Fog Cutter Holdings, LLC and Fog Cutter Capital Group, Inc., and FAT Brands Inc., nominal defendant (Delaware Chancery Court, Case No. 2021-0511)***

On June 10, 2021, plaintiffs James Harris and Adam Vignola ("Plaintiffs"), putative stockholders of the Company, filed a shareholder derivative action in the Delaware Court of Chancery nominally on behalf of the Company against the Company's current and former directors (Squire Junger, James Neuhauser, Edward Rensi and Andrew Wiederhorn (the "Individual Defendants")), and the Company's majority stockholders, Fog Cutter Holdings, LLC and Fog Cutter Capital Group, Inc. (collectively with the Individual Defendants, "Defendants"). Plaintiffs assert claims of breach of fiduciary duty, unjust enrichment and waste of corporate assets arising out of the Company's December 2020 merger with Fog Cutter Capital Group, Inc. Defendants filed a motion to dismiss Plaintiffs' complaint, which the Court denied in an oral ruling on February 11, 2022 and subsequent written order on May 25, 2022. On April 7, 2022, the Court entered a Scheduling Order setting forth the key dates and deadlines that would govern the litigation, including a discovery cutoff of March 24, 2023 and trial date of February 5-9, 2024. To date, the parties have engaged in substantial written discovery, though no depositions have been taken. On February 3, 2023, the Company's board of directors appointed a Special Litigation Committee ("SLC"), which retained independent counsel and moved for a six-month stay of the action pending resolution of the SLC's investigation, which the Court granted on February 17, 2023. On April 5, 2023, the Court granted Plaintiffs' motion to lift the stay of the proceedings, and entered a Second Amended Pre-Trial Scheduling Order resetting key dates and deadlines, including a fact discovery cutoff of August 4, 2023, and a trial date to be set sometime after May 10, 2024. On May 4, 2023, a new SLC was appointed, and on May 8, 2023, the new SLC moved for a six-month stay of the action pending resolution of its investigation. Two days later, on May 10, 2023, the United States of America moved for a partial stay of discovery pending its own investigation. On May 31, 2023, the Court granted the United States of America's Motion, except that it granted a six-month stay of all proceedings in the action, and on that basis deemed the SLC's motion to be moot. On December 4, 2023, the stay of all proceedings was extended through March 3, 2024, and on March 1, 2024, the stay of all proceedings was extended to June 3, 2024. Defendants dispute the allegations of the lawsuit and intend to vigorously defend against the claims. We cannot predict the outcome of this lawsuit. This lawsuit does not assert any claims against the Company. However, subject to certain limitations, we are obligated to indemnify our directors in connection with defense costs for the lawsuit and any related litigation, which may exceed coverage

provided under our insurance policies, and thus could have an adverse effect on our financial condition. The lawsuit and any related litigation also may be time-consuming and divert the attention and resources of our management.

***James Harris and Adam Vignola, derivatively on behalf of FAT Brands, Inc. v. Squire Junger, James Neuhauser, Edward Rensi, Andrew Wiederhorn and Fog Cutter Holdings, LLC, and FAT Brands Inc., nominal defendant (Delaware Chancery Court, Case No. 2022-0254)***

On March 17, 2022, plaintiffs James Harris and Adam Vignola ("Plaintiffs"), putative stockholders of the Company, filed a shareholder derivative action in the Delaware Court of Chancery nominally on behalf of the Company against the Company's current and former directors (Squire Junger, James Neuhauser, Edward Rensi and Andrew Wiederhorn (the "Individual Defendants")), and the Company's majority stockholder, Fog Cutter Holdings, LLC (collectively with the Individual Defendants, "Defendants"). Plaintiffs assert claims of breach of fiduciary duty in connection with the Company's June 2021 recapitalization transaction. On May 27, 2022, Defendants filed a motion to dismiss Plaintiff's complaint (the "Motion"). Argument on the Motion was heard on November 17, 2022, and again on February 23, 2023, and the Court took its decision under advisement. The Court denied the motion on April 5, 2023. On May 2, 2023, the Court entered a pre-trial scheduling order setting key dates and deadlines that will govern the litigation, including a fact discovery cutoff of February 2, 2024, and a trial date to be set sometime after October 15, 2024. On July 21, 2023, the Company's board of directors appointed a Special Litigation Committee ("SLC"), which retained independent counsel and moved for a six-month stay of the action pending resolution of the SLC's investigation. On August 10, 2023, the parties filed a stipulation to stay the case for six months, conditioned upon Defendants continuing to review the documents in response to Plaintiffs' First Requests for Production and to produce non-privileged responsive documents to the SLC and to Plaintiffs no later than December 1, 2023. The Court granted the stipulation the same day. In accordance with the stipulation, Defendants produced documents to the SLC and Plaintiffs by the December 1, 2023 deadline. On February 7, 2024, the SLC requested, and the Court granted, an extension of the stay of all proceedings through May 6, 2024, granting the SLC an additional 90 days to complete its investigation. Defendants dispute the allegations of the lawsuit and intend to vigorously defend against the claims. As this matter is still in the early stages, we cannot predict the outcome of this lawsuit. This lawsuit does not assert any claims against the Company. However, subject to certain limitations, we are obligated to indemnify our directors in connection with defense costs for the lawsuit and any related litigation, which may exceed coverage provided under our insurance policies, and thus could have an adverse effect on our financial condition. The lawsuit and any related litigation also may be time-consuming and divert the attention and resources of our management.

***Government Investigations***

In December 2021, the U.S. Attorney's Office for the Central District of California (the "U.S. Attorney") and the U.S. Securities and Exchange Commission (the "SEC") informed the Company that they had opened investigations relating to the Company and our former Chief Executive Officer, Andrew Wiederhorn, and were formally seeking documents and materials concerning, among other things, the Company's December 2020 merger with Fog Cutter Capital Group Inc., transactions between those entities and Mr. Wiederhorn, as well as compensation, extensions of credit and other benefits or payments received by Mr. Wiederhorn or his family from those entities prior to the merger. From August 23, 2022 until March 28, 2023, our Board of Directors maintained a Special Review Committee comprised of directors other than Mr. Wiederhorn to oversee a review of the issues raised by the U.S. Attorney and SEC investigations. The Company intends to cooperate with the U.S. Attorney and the SEC regarding these matters and is continuing to actively respond to inquiries and requests from the U.S. Attorney and the SEC. At this stage, we are not able to reasonably estimate or predict the outcome or duration of either of the U.S. Attorney's or the SEC's investigations.

On February 15, 2024, the Company, Andrew Wiederhorn and one current and one former officer of the Company each received a "Wells Notice" from the Staff of the SEC. The Wells Notice issued to the Company alleges violations of Securities Act Section 17(a)(2), and Exchange Act Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(k), and 14(a) and Rules 10b-5(b), 12b-20, 13a-1, 13a-13, 14a-3, and 14a-9 thereunder, relating solely to conduct occurring during or prior to fiscal year 2020. A Wells Notice is neither a formal charge of wrongdoing nor a determination that the recipient has violated any law. The Company is continuing its efforts to cooperate with the SEC and maintains that its actions were appropriate, and is pursuing the Wells Notice process, including submitting a formal response to the SEC.

***Stratford Holding LLC v. Foot Locker Retail Inc. (U.S. District Court for the Western District of Oklahoma, Case No. 5:12-cv-772-HE)***

In 2012 and 2013, two property owners in Oklahoma City, Oklahoma sued numerous parties, including Foot Locker Retail Inc. and our subsidiary Fog Cutter Capital Group Inc. (now known as Fog Cutter Acquisition, LLC), for alleged environmental contamination on their properties, stemming from dry cleaning operations on one of the properties. The property owners seek damages in the range of \$ 12.0 million to \$ 22.0 million. From 2002 to 2008, a former Fog Cutter subsidiary managed a lease portfolio, which included the subject property. Fog Cutter denies any liability, although it did not timely respond to one of the property owners' complaints and several of the defendants' cross-complaints and thus is in default. The parties are currently

conducting discovery. The court has vacated the current trial date and has not yet reset the trial date. The Company is unable to predict the ultimate outcome of this matter, however, reserves have been recorded on the balance sheet of FAT Brands relating to this litigation. There can be no assurance that the defendants will be successful in defending against these actions.

***SBN FCCG LLC v FCCGI (Los Angeles Superior Court, Case No. BS172606)***

SBN FCCG LLC ("SBN") filed a complaint against Fog Cutter Capital Group, Inc. ("FCCG") in New York state court for an indemnification claim (the "NY case") stemming from an earlier lawsuit in Georgia regarding a certain lease portfolio formerly managed by a former FCCG subsidiary. In February 2018, SBN obtained a final judgment in the NY case for a total of \$ 0.7 million, which included \$ 0.2 million in interest dating back to March 2012. SBN then obtained a sister state judgment in Los Angeles Superior Court, Case No. BS172606 (the "California case"), which included the \$ 0.7 million judgment from the NY case, plus additional statutory interest and fees, for a total judgment of \$ 0.7 million. In May 2018, SBN filed a cost memo, requesting an additional \$ 12,411 in interest to be added to the judgment in the California case, for a total of \$ 0.7 million. In May 2019, the parties agreed to settle the matter for \$ 0.6 million, which required the immediate payment of \$ 0.1 million, and the balance to be paid in August 2019. FCCG wired \$ 0.1 million to SBN in May 2019, but has not yet paid the remaining balance of \$ 0.5 million. The parties have not entered into a formal settlement agreement, and they have not yet discussed the terms for the payment of the remaining balance.

***SBN FCCG LLC v FCCGI (Supreme Court of the State of New York, County of New York, Index No. 650197/2023)***

On January 13, 2023, SBN filed another complaint against FCCG in New York state court for an indemnification claim stemming from a lawsuit in Oklahoma City regarding the same lease portfolio formerly managed by Fog Cap (the "OKC Litigation"), and a bankruptcy proceeding involving Fog Cap (the "Bankruptcy Proceeding"). SBN alleges that under a February 2008 stock purchase agreement, Fog Cutter is required to indemnify SBN and its affiliates. According to the complaint, SBN has, at the time of filing the complaint, incurred costs subject to indemnification of approximately \$ 12 million. On March 11, 2024, the court issued an order granting FCCG's motion to dismiss SBN's complaint without prejudice to refile the complaint, if at all, once the underlying proceedings (the OKC Litigation and the Bankruptcy Proceeding) were complete. On April 10, 2024, SBN filed a notice of appeal of the trial court's order dismissing SBN's complaint. We are unable at this time to express any opinion as to the eventual outcome of this matter or the possible range of loss, if any.

The Company is involved in other claims and legal proceedings from time-to-time that arise in the ordinary course of business, including those involving the Company's franchisees. The Company does not believe that the ultimate resolution of these actions will have a material adverse effect on its business, financial condition, results of operations, liquidity or capital resources. As of March 31, 2024, the Company had accrued an aggregate of \$ 5.1 million for the specific matters mentioned above and claims and legal proceedings involving franchisees as of that date.

**NOTE 15. GEOGRAPHIC INFORMATION**

Revenue by geographic area was as follows (in millions):

	Thirteen Weeks Ended	
	March 31, 2024	March 26, 2023
United States	\$ 149.7	\$ 102.7
Other countries	2.3	3.0
Total revenue	\$ 152.0	\$ 105.7

Revenue is shown based on the geographic location of our company-owned and franchisees' restaurants. All assets are located in the United States.

During the thirteen weeks ended March 31, 2024 and March 26, 2023, no individual franchisee accounted for more than 10% of the Company's revenue.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our results of operations, financial condition, and liquidity and capital resources should be read in conjunction with our financial statements and related notes for the thirteen weeks ended March 31, 2024 and March 26, 2023, as applicable. Certain statements made or incorporated by reference in this report and our other filings with the Securities and Exchange Commission, in our press releases, and in statements made by or with the approval of authorized personnel constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are subject to the safe harbor created thereby. Forward-looking statements reflect intent, belief, current expectations, estimates or projections about, among other things, our industry, management's beliefs, and future events and financial trends affecting us. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "will", and variations of these words or similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Although we believe the expectations reflected in any forward-looking statements are reasonable, such statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. These differences can arise as a result of the risks described in the section entitled "Item 1A. Risk Factors" in our Annual Report on Form 10-K filed on March 12, 2024 "Item 1A. Risk Factors" and elsewhere in this report, as well as other factors that may affect our business, results of operations, or financial condition. Forward-looking statements in this report speak only as of the date hereof, and forward-looking statements in documents incorporated by reference speak only as of the date of those documents. Unless otherwise required by law, we undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, we cannot assure you that the forward-looking statements contained in this report will, in fact, transpire.*

### Executive Overview

#### Business overview

FAT Brands Inc. is a leading multi-brand restaurant franchising company that develops, markets, and acquires primarily quick-service, fast casual, casual dining and polished casual restaurant concepts around the world. As of March 31, 2024, the Company owned 18 restaurant brands: Round Table Pizza, Fatburger, Marble Slab Creamery, Johnny Rockets, Fazoli's, Twin Peaks, Smokey Bones, Great American Cookies, Hot Dog on a Stick, Buffalo's Cafe & Express, Hurricane Grill & Wings, Pretzelmaker, Elevation Burger, Native Grill & Wings, Yalla Mediterranean and Ponderosa and Bonanza Steakhouses. As of March 31, 2024, the Company had approximately 2,300 locations open or under construction, of which approximately 92% were franchised.

Under our franchised business model, we generate revenue by charging franchisees an initial franchise fee as well as ongoing royalties. This asset light franchisor model provides the opportunity for strong profit margins and an attractive free cash flow profile while minimizing restaurant operating company risk, such as long-term real estate commitments or capital investments. Our scalable management platform enables us to add new stores and restaurant concepts to our portfolio with minimal incremental corporate overhead cost, while taking advantage of significant corporate overhead synergies. The acquisition of additional brands and restaurant concepts as well as expansion of our existing brands are key elements of our growth strategy.

Our revenues are derived primarily from two sales channels, franchised restaurants and company owned restaurants, which we operate as one segment. The primary sources of revenues are the sale of food and beverages at our company restaurants and the collection of royalties, franchise fees and advertising revenue from sales of food and beverages at our franchised restaurants.

### Results of Operations

We operate on a 52-week or 53-week fiscal year ending on the last Sunday of the calendar year. In a 52-week fiscal year, each quarter contains 13 weeks of operations. In a 53-week fiscal year, each of the first, second and third quarters includes 13 weeks of operations and the fourth quarter includes 14 weeks of operations, which may cause our revenue, expenses and other results of operations to be higher due to an additional week of operations. The 2024 fiscal year is a 52-week year. The 2023 fiscal year was a 53-week year.



Results of Operations of FAT Brands Inc.

The following table summarizes key components of our condensed consolidated results of operations for the thirteen weeks ended March 31, 2024 and March 26, 2023.

(dollars in thousands)

	Thirteen Weeks Ended	
	March 31, 2024	March 26, 2023
Statements of Operations Data:		
Revenue		
Royalties	\$ 21,947	\$ 22,485
Restaurant sales	105,938	62,601
Advertising fees	9,796	9,351
Factory revenues	9,474	9,165
Franchise fees	1,481	802
Other revenue	3,331	1,287
Total revenue	151,967	105,691
Costs and expenses		
General and administrative expense	30,005	28,415
Cost of restaurant and factory revenues	99,050	59,087
Depreciation and amortization	10,194	7,116
Refranchising loss	1,508	159
Advertising fees	12,592	10,527
Total costs and expenses	153,349	105,304
(Loss) income from operations	(1,382)	387
Total other expense, net	(33,410)	(29,977)
Loss before income tax provision	(34,792)	(29,590)
Income tax provision	(3,524)	(2,536)
Net loss	<u>\$ (38,316)</u>	<u>\$ (32,126)</u>

For the Thirteen Weeks Ended March 31, 2024 and March 26, 2023:

Revenue - Revenue consists of royalties, franchise fees, advertising fees, restaurant sales, factory revenue and other revenue. Total revenue increased \$46.3 million, or 43.8%, in the first quarter of 2024 to \$152.0 million compared to \$105.7 million in the same period of 2023, driven by the acquisition of Smokey Bones in September 2023 and revenues from new restaurant openings.

Costs and expenses – Costs and expenses consist of general and administrative expense, cost of restaurant and factory revenues, depreciation and amortization, refranchising net loss and advertising fees. Costs and expenses increased \$48.0 million, or 45.6%, in the first quarter of 2024 to \$153.3 million compared to the same period in the prior year, primarily due to the acquisition of Smokey Bones in September 2023 and increased activity from Company-owned restaurants and the Company's factory.



General and administrative expense increased \$1.6 million, or 5.6%, in the first quarter of 2024 compared to \$28.4 million in the same period in the prior year, primarily due to the acquisition of Smokey Bones in September 2023.

Cost of restaurant and factory revenues was related to the operations of the company-owned restaurant locations and dough factory and increased \$40.0 million, or 67.6%, in the first quarter of 2024, primarily due to the acquisition of Smokey Bones in September 2023 and higher company-owned restaurant and factory sales.

Depreciation and amortization increased \$3.1 million, or 43.3% in the first quarter of 2024 compared to the same period in the prior year, primarily due to the acquisition of Smokey Bones in September 2023 and depreciation of new property and equipment at company-owned restaurant locations.

Refranchising net loss in the first quarter of 2024 of \$1.5 million was comprised of \$1.0 million in restaurant operating costs, net of food sales, and \$0.5 million in net loss related to the sale or closure of refranchised restaurants. Refranchising net loss in the first quarter of 2023 of \$0.2 million was comprised of \$0.1 million in net gains related to the sale or closure of refranchised restaurants, offset by \$0.3 million in restaurant operating costs, net of food sales.

Advertising expenses increased \$2.1 million in the first quarter of 2024 compared to the prior year period. These expenses vary in relation to advertising revenues.

Total other expense, net, for the first quarter of 2024 and 2023 was \$33.4 million and \$30.0 million, respectively, which is inclusive of interest expense of \$34.0 million and \$30.1 million, respectively. This increase is primarily due to new debt offerings which occurred in the second half of fiscal year 2022 and first three quarters of 2023. Total other expense, net for the first quarter of 2024 also consisted of a \$0.4 million net loss on the extinguishment of debt.

Income tax provision – The effective rate was 10.1% and 8.6% for the first quarter of 2024 and 2023, respectively. The difference in effective rate was primarily due to increases in our valuation allowance.

#### **Liquidity and Capital Resources**

Liquidity is a measurement of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund business operations, acquisitions and expansion of franchised restaurant locations and for other general business purposes. Our primary sources of funds for liquidity during the thirteen weeks ended March 31, 2024 consisted of cash on hand at the beginning of the period and net proceeds of \$49.8 million from the sale of secured debt as discussed in Note 9 of the accompanying condensed consolidated financial statements.

We are involved in a world-wide expansion of franchise locations, which will require significant liquidity, primarily from our franchisees. If real estate locations of sufficient quality cannot be located and either leased or purchased, the timing of restaurant openings may be delayed. Additionally, if we or our franchisees cannot obtain capital sufficient to fund this expansion, the extent or timing of restaurant openings may be reduced or delayed.

We also may acquire additional restaurant concepts. These acquisitions typically require capital investments in excess of our normal cash on hand. We would expect that future acquisitions will necessitate financing with additional debt or equity transactions. If we are unable to obtain acceptable financing, our ability to acquire additional restaurant concepts likely would be negatively impacted.

We have liabilities of \$91.8 million relating to put options exercised by others on our Series B Cumulative Preferred Stock. The Company has contractual options pursuant to the put/call agreements to extend this repayment via incremental interest payments and there are capital market options that the Company may consider. We believe that we have sufficient liquidity to meet our liquidity needs and capital resource requirements for at least the next twelve months primarily through currently available cash and cash equivalents, cash flows from operations and access to the capital markets.

Comparison of Cash Flows

Our cash and restricted cash balance was \$95.8 million as of March 31, 2024, compared to \$91.9 million as of December 31, 2023.

The following table summarizes key components of our condensed consolidated cash flows for the 13 weeks ended March 31, 2024 and March 26, 2023:

For the Thirteen Weeks Ended (in millions)		
	March 31, 2024	March 26, 2023
Net cash used in operating activities	\$ (28.5)	\$ (11.7)
Net cash used in investing activities	(8.0)	(2.0)
Net cash provided by financing activities	40.4	32.2
Net cash flows	<u>\$ 3.9</u>	<u>\$ 18.5</u>

Operating Activities

Net cash used in operating activities increased \$16.7 million in the thirteen weeks ended March 31, 2024 compared to 2023, primarily due to higher debt service costs associated with our securitizations and by changes in working capital.

Investing Activities

Net cash used in investing activities was \$8.0 million in the thirteen weeks ended March 31, 2024, compared to net cash used in investing activities of \$2.0 million in the comparable period of 2023, primarily driven increases in purchases of property and equipment in connection with company-owned restaurants.

Financing Activities

Net cash provided by financing activities was \$40.4 million in the thirteen weeks ended March 31, 2024 and primarily comprised of proceeds from borrowings, partially offset by repayments of borrowings and dividends paid on our Class A and Class B Common Stock and our Series B Cumulative Preferred Stock.

Dividends

On January 9, 2024, the Board of Directors declared a cash dividend of \$0.14 per share of Class A and Class B Common Stock, payable on March 1, 2024 to stockholders of record as of February 15, 2024, for a total of \$2.4 million.

The declaration and payment of future dividends, as well as the amount thereof, are subject to the discretion of our Board of Directors. The amount and size of any future dividends will depend upon our future results of operations, financial condition, capital levels, cash requirements, and other factors. There can be no assurance that we will declare and pay dividends in future periods.

Capital Expenditures

As of March 31, 2024, we do not have any material commitments for capital expenditures.

**Critical Accounting Policies and Estimates**

Our condensed consolidated financial statements and accompanying notes are prepared in accordance with GAAP. Preparing condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by the application of our accounting policies. Our significant accounting policies are described in our Annual Report on Form 10-K for the year ended December 31, 2023 filed on March 12, 2024. Critical accounting estimates are those that require application of management's most difficult, subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. While we apply our judgment based on assumptions believed to be reasonable under the circumstances, actual results

could vary from these assumptions. It is possible that materially different amounts would be reported using different assumptions. Our critical accounting estimates are identified and described in our annual consolidated financial statements and the related notes included in our Annual Report on Form 10-K for our fiscal year ended December 31, 2023 filed on March 12, 2024.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Required.

### ITEM 4. CONTROLS AND PROCEDURES

#### Evaluation of Disclosure Controls and Procedures

Our principal executive officers and principal financial officer, after evaluating the effectiveness of the Company's "Disclosure Controls and Procedures" (as defined in the Securities and Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) as of March 31, 2024, have concluded that, in regard to the segregation of duties and the financial close process, our Disclosure Controls and Procedures were effective.

#### Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting in connection with an evaluation that occurred during the thirteen weeks ended March 31, 2024 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

#### Inherent Limitations Over Internal Controls

We do not expect that our Disclosure Controls and Procedures will prevent all error and all fraud. A control procedure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control procedures are met. Because of the inherent limitations in all control procedures, no evaluation of controls can provide absolute assurance that all control issues and instances of frauds, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

## PART II — OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, please see Note 14, *Commitments and Contingencies*, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, which Note is incorporated by reference in this Item 1.

### ITEM 1A. RISK FACTORS

You should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" and elsewhere in our Annual Report on Form 10-K filed on March 12, 2024, which could materially affect our business, financial condition, cash flows or future results. There have been no material changes in such factors discussed in our Annual Report. The risks described in our Annual Report are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

During the fiscal quarter ended March 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10-b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**ITEM 6. EXHIBITS**

Exhibit Number	Description	Incorporated By Reference to			Filed Herewith
		Form	Exhibit	Filing Date	
4.1	<a href="#">Series 2024-1 Supplement to Base Indenture, dated March 21, 2024, by and among FAT Brands Twin Peaks I, LLC, and UMB Bank, N.A., as trustee and securities intermediary</a>				X
31.1	<a href="#">Co-Chief Executive Officer and Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
31.2	<a href="#">Co-Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
32.1	<a href="#">Certifications of the Co-Chief Executive Officers and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
101.INS	Inline XBRL Instance Document				X (Furnished)
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X (Furnished)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X (Furnished)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X (Furnished)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X (Furnished)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X (Furnished)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FAT BRANDS INC.

May 2, 2024

By /s/ Kenneth J. Kuick

Kenneth J. Kuick

Co-Chief Executive Officer and Chief Financial Officer

*(Principal Financial Officer and duly authorized signatory for the registrant)*

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**FAT BRANDS TWIN PEAKS I, LLC,**  
**as Issuer**  
**and**  
**UMB BANK, N.A.,**  
**as Trustee**

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**SERIES 2024-1 SUPPLEMENT**  
**Dated as of March 21, 2024**  
**to**  
**BASE INDENTURE**  
**Dated as of October 1, 2021**

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**\$50,000,000 Series 2024-1 7.00% Fixed Rate Senior Secured Notes, Class A-2**

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## **ANNEXES**

Annex A Series 2024-1 Supplemental Definitions List

Annex B Schedule of Relevant Dates

## **EXHIBITS**

Exhibit A-1 Form of Rule 144A Global Note

Exhibit A-2 Form of Temporary Regulation S Global Note

Exhibit A-3 Form of Permanent Regulation S Global Note

Exhibit B-1 Transfer Certificate (Rule 144A Global Note to Temporary Regulation S Global Note)

Exhibit B-2 Transfer Certificate (Rule 144A Global Note to Permanent Regulation S Global Note)

Exhibit B-3 Transfer Certificate (Regulation S Global Note to Rule 144A Global Note)

Exhibit C Form of Quarterly Noteholders' Report



SERIES 2024-1 SUPPLEMENT, dated as of March 21, 2024 (this "Series Supplement"), by and among FAT BRANDS TWIN PEAKS I, LLC (the "Issuer"), and UMB Bank, N.A., as trustee (in such capacity, the "Trustee"), to the Base Indenture, dated as of October 1, 2021 (as the same may be amended, amended and restated, modified or supplemented from time to time, exclusive of Series Supplements, the "Base Indenture"), by and among the Issuer and UMB Bank, N.A., as Trustee and as Securities Intermediary.

#### PRELIMINARY STATEMENT

WHEREAS, Sections 2.2 and 13.1 of the Base Indenture provide, among other things, that the Issuer and the Trustee may at any time and from time to time enter into a Series Supplement to the Base Indenture for the purpose of authorizing the issuance of one or more Series of Notes (as defined in Annex A of the Base Indenture) upon satisfaction of the conditions set forth therein; and

WHEREAS, all such conditions have been met or waived by the Control Party (as directed by the Controlling Class Representative) for the issuance of the Series of Notes authorized hereunder.

NOW, THEREFORE, the parties hereto agree as follows:

#### DESIGNATION

There is hereby created a Series of Notes to be issued pursuant to the Base Indenture and the Series 2024-1 Supplement, and such Series of Notes shall be designated as the "Series 2024-1 Notes". On the Series 2024-1 Closing Date, one (1) Class of Series 2024-1 Notes shall be issued: Series 2024-1 7.00% Fixed Rate Senior Secured Notes, Class A-2 (as referred to herein, such Class or Notes thereof, as the context requires, the "Series 2024-1 Class A-2 Notes").

#### ARTICLE I

##### DEFINITIONS; RULES OF CONSTRUCTION

All capitalized terms used herein (including in the preamble and the recitals hereto) and not otherwise defined herein shall have the meanings assigned to such terms in the Series 2024-1 Supplemental Definitions List attached hereto as Annex A (the "Series 2024-1 Supplemental Definitions List") as such Series 2024-1 Supplemental Definitions List may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof. All capitalized terms not otherwise defined herein or therein, and the term "written" or "in writing", shall have the meanings assigned thereto in the Base Indenture or the Base Indenture Definitions List attached to the Base Indenture as Annex A thereto, as such Base Indenture or Base Indenture Definitions List may be amended, supplemented or otherwise modified from time to time in accordance with the terms of the Base Indenture. Unless otherwise specified herein, all Article, Exhibit, Section or Subsection references herein shall refer to Articles, Exhibits, Sections or Subsections of the Series 2024-1 Supplement. Unless otherwise stated herein, as the context otherwise requires or if such term is otherwise defined in the Base Indenture, each capitalized

term used or defined herein shall relate only to the Series 2024-1 Notes and not to any other Series of Notes issued by the Issuer. The rules of construction set forth in Section 1.4 of the Base Indenture shall apply for all purposes under the Series 2024-1 Supplement.

## ARTICLE II

### AUTHORIZATION AND DETAILS

Section 2.1 Authorization of the Series 2024-1 Notes The following Series 2024-1 Notes are hereby authorized to be issued in the form of typewritten Notes representing Book-Entry Notes: the Series 2024-1 Class A-2 Notes in the aggregate principal amount of \$50,000,000.00.

Section 2.2 Details of the Series 2024-1 Notes The Series 2024-1 Notes shall be subject to the terms of the Base Indenture applicable to the Notes as described therein, as modified herein, and shall bear interest as set forth in Section 3.4 of this Series 2024-1 Supplement.

Section 2.3 Denominations. The Series 2024-1 Class A-2 Notes shall be issued in minimum denominations of \$1,000,000.00 and integral multiples of \$1,000 in excess thereof.

Section 2.4 Monthly Allocation Dates. For the avoidance of doubt, the Monthly Allocation Dates and the date of delivery of the Monthly Manager's Certificate through the Series 2024-1 Class A-2 Legal Final Maturity Date is as set forth in Annex B of this Series 2024-1 Supplement.

## ARTICLE III

### SERIES 2024-1 ALLOCATIONS; PAYMENTS

With respect to the Series 2024-1 Notes only, the following shall apply:

#### Section 3.1 Allocations of Net Proceeds with Respect to the Series 2024-1 Notes

(a) On the Series 2024-1 Closing Date, (i) the net proceeds from the issuance and sale of the Series 2024-1 Class A-2 Notes to the Initial Purchaser shall be deposited into the Collection Account and disbursed by the Trustee in accordance with the instructions of the Issuer set forth in the Flow of Funds Memorandum of the Issuer dated as of the Series 2024-1 Closing Date and (ii) the Issuer shall ensure that the cash on deposit in the Reserve Account is equal to the Required Reserve Amount.

(b) On and after the Series 2024-1 Closing Date, proceeds of the Series 2024-1 Notes may be used for general corporate purposes of the Issuer and FAT Brands Inc., including the making of distributions and the funding of acquisitions, subject to the terms of the Base Indenture, including Section 8.18 thereof, and for the disbursements described in Section 3.1(a) above.

Section 3.2 Reserved.

Section 3.3 Certain Distributions to Series 2024-1 Noteholders. On each Quarterly Payment Date, based solely upon the most recent Quarterly Noteholders' Report in the form attached hereto as Exhibit C and as required under Section 4.1(c) of the Base Indenture, the Trustee shall, in accordance with Section 6.1 of the Base Indenture, remit to the Series 2024-1 Noteholders the amounts withdrawn from the Senior Notes Interest Payment Account, Senior Notes Principal Payment Account or otherwise, as applicable, pursuant to Section 5.11 of the Base Indenture or otherwise, for the payment of interest and fees and, to the extent applicable, principal or other amounts in respect of the Series 2024-1 Class A-2 Notes on such Quarterly Payment Date.

Section 3.4 Series 2024-1 Interest

(a) Series 2024-1 Class A-2 Notes Interest. From the Series 2024-1 Closing Date until the Outstanding Principal Amount of the Series 2024-1 Class A-2 Notes has been paid in full, the Outstanding Principal Amount of the Series 2024-1 Class A-2 Notes will accrue interest for each Interest Accrual Period (after giving effect to all payments of principal made to the Noteholders as of the first day of such Interest Accrual Period, and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class A-2 Notes during such Interest Accrual Period) at the Series 2024-1 Class A-2 Note Rate. Such accrued interest will be due and payable in arrears on each Quarterly Payment Date, from amounts that are made available for payment thereof (i) on any related Monthly Allocation Date in accordance with the Priority of Payments and (ii) on such Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture, commencing on the Initial Quarterly Payment Date; provided that in any event all accrued but unpaid interest shall be due and payable in full on the Series 2024-1 Class A-2 Legal Final Maturity Date or on any other day on which all of the Series 2024-1 Class A-2 Outstanding Principal Amount is required to be paid in full. To the extent any interest accruing at the applicable Series 2024-1 Class A-2 Note Rate is not paid when due, such unpaid interest will accrue interest at the Series 2024-1 Class A-2 Note Rate. All computations of interest at the Series 2024-1 Class A-2 Note Rate shall be made on a 30/360 Day Basis.

(b) Series 2024-1 Post-Anticipated Call Date Additional Interest

(i) Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest and Series 2024-1 Class A-2 Quarterly Post-Anticipated Repayment Date Additional Interest. From and after the Quarterly Payment Date in July 2023 (the "Series 2024-1 Class A-2 Anticipated Call Date") until the calendar day preceding the Quarterly Payment Date in January 2025, if the Series 2024-1 Final Payment of the Class A-2 Notes has not been made, then additional interest will accrue on the Series 2024-1 Class A-2 Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest Rate") equal to 1.0% (such additional interest, the "Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest"). From and after the Series 2024-1 Class A-2 Anticipated Repayment Date, if the Series 2024-1 Final Payment of the Class A-2 Notes has not been made, then additional interest will accrue on the Series 2024-1 Class A-2 Outstanding Principal Amount at a per annum rate (the "Series 2024-1 Class A-2 Quarterly Post-

Anticipated Repayment Date Additional Interest Rate") equal to 2.5% (such additional interest, the Series 2024-1 Class A-2 Quarterly Post-Anticipated Repayment Date Additional Interest"). All computations of Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest and Series 2024-1 Class A-2 quarterly Post-Anticipated Repayment Date Additional Interest shall be made on a 30/360 Day Basis and will be due and payable on any Quarterly Payment Date to the extent allocated in accordance with the Priority of Payments.

(ii) Payment of Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest Any Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest and Series 2024-1 Class A-2 Quarterly Post-Anticipated Repayment Date Additional Interest will be due and payable on each applicable Quarterly Payment Date from amounts that are made available for payment thereof (A) on any related Monthly Allocation Date in accordance with the Priority of Payments and (B) on such Quarterly Payment Date in accordance with the Priority of Payments and Section 5.11 of the Base Indenture, in the amount so made available. The failure to pay any Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest or Series 2024-1 Class A-2 Quarterly Post-Anticipated Repayment Date Additional Interest in excess of available amounts in accordance with the foregoing (including on the Series 2024-1 Class A-2 Legal Final Maturity Date) will not be an Event of Default and interest will not accrue on any unpaid portion thereof; provided that in any event all accrued but unpaid Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest and Series 2024-1 Class A-2 Quarterly Post-Anticipated Repayment Date Additional Interest shall be due and payable in full on the Series 2024-1 Class A-2 Legal Final Maturity Date, on any Series 2024-1 Prepayment Date with respect to a prepayment in full of the Series 2024-1 Class A-2 Notes or otherwise as part of any Series 2024-1 Final Payment.

(c) Initial Interest Accrual Period. The initial Interest Accrual Period for the Series 2024-1 Notes shall commence on (and include) the Series 2024-1 Closing Date and end on (but exclude) April 25, 2024.

#### Section 3.5 Payment of Principal.

(a) Payment of Series 2024-1 Class A-2 Note Principal

(i) Principal Payment at Legal Maturity. The Series 2024-1 Class A-2 Outstanding Principal Amount shall be due and payable in full on the Series 2024-1 Class A-2 Legal Final Maturity Date. The Series 2024-1 Class A-2 Outstanding Principal Amount is not prepayable, in whole or in part, except as set forth in the Base Indenture and this Section 3.5.

(ii) Series 2024-1 Class A-2 Anticipated Repayment Date. The Series 2024-1 Class A-2 Final Payment Date is anticipated to occur on the Quarterly Payment Date occurring in January 2025 (such date, the "Series 2024-1 Class A-2 Anticipated Repayment Date").

(iii) Payment of Series 2024-1 Class A-2 Notes Scheduled Principal Payment Amounts Series 2024-1 Class A-2 Notes Scheduled Principal Payment Amounts will

be due and payable on each applicable Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture.

(b) [reserved].

(c) [reserved]

(d) Rapid Amortization of Series 2024-1 Notes. During any Rapid Amortization Period, principal payments shall be due and payable on each Quarterly Payment Date on the Series 2024-1 Notes as and when amounts are made available for payment thereof (i) on any related Monthly Allocation Date, in accordance with the Priority of Payments and (ii) on such Quarterly Payment Date in accordance with Section 5.11 of the Base Indenture. Such payments shall be ratably allocated among the Series 2024-1 Noteholders within based on their respective portion of the Series 2024-1 Class A-2 Outstanding Principal Amount.

(e) Optional Prepayment.

(i) Optional Prepayment of Series 2024-1 Class A-2 Notes. Subject to Section 3.5(h), the Issuer shall have the option to prepay (including with the proceeds of equity contributions) the Outstanding Principal Amount of the Series 2024-1 Class A-2 Notes in whole or in part (each such prepayment, a "Series 2024-1 Class A-2 Prepayment") on any Quarterly Payment Date that is specified as the Series 2024-1 Prepayment Date in the applicable Prepayment Notice (each, an "Class A-2 Optional Prepayment Date"); provided that no such optional prepayment of the Series 2024-1 Class A-2 Notes may be made unless the below conditions shall be satisfied:

(A) subject to Section 5.12(b) of the Base Indenture, in the case of a prepayment of the Series 2024-1 Class A-2 Notes in part:

a. the amounts on deposit in the Indenture Trust Accounts, the Senior Notes Interest Payment Account, the Senior Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class A-2 Notes, are sufficient to pay the amount of such prepayment as of Quarterly Payment Date, and

b. the amounts on deposit in, or allocable to the Senior Notes Interest Payment Account and the Senior Notes Principal Payment Account and other available amounts to be distributed on the Quarterly Payment Date which coincides with such Class A-2 Optional Prepayment Date are sufficient to pay the Senior Prepayment Condition Amounts on such Quarterly Payment Date; and

(B) subject to Section 5.12(b) of the Base Indenture, in the case of an optional prepayment of the Series 2024-1 Class A-2 Notes in whole:

a. the amounts on deposit in the Indenture Trust Accounts, the Senior Notes Interest Payment Account, the Senior Notes Principal Payment Account or other available amounts, in each case allocable to Series 2024-1 Class A-2 Notes, are

sufficient to pay all outstanding monetary Obligations (including unreimbursed Advances) in respect of the Series 2024-1 Class A-2 Notes set forth in the Priority of Payments after giving effect to the applicable allocations set forth therein on such Class A-2 Optional Prepayment Date, including unpaid interest accrued in respect of the period prior to such Class A-2 Optional Prepayment Date and the Senior Prepayment Condition Amounts on such Quarterly Payment Date, and

b. the amounts on deposit in the Collection Account, the Indenture Trust Accounts or otherwise available are reasonably expected by the Manager to be sufficient to pay the Senior Prepayment Condition Amounts, other than with respect to the Series 2024-1 Class A-2 Notes, on such Class A-2 Optional Prepayment Date, if such date is a Quarterly Payment Date,

or, in each case, any shortfalls in such amounts (in a. or b. above) have been deposited to the applicable accounts.

(f) Notices of Prepayments.

(i) The Issuer shall give prior written notice (each, a "Prepayment Notice") at least fifteen (15) Business Days but not more than twenty (20) Business Days prior to any Series 2024-1 Class A-2 Prepayment with respect to any Class pursuant to Section 3.5(g) to each Series 2024-1 Noteholder affected by such Series 2024-1 Class A-2 Prepayment, the Trustee and the Control Party; provided that at the request of the Issuer, such notice to the affected Series 2024-1 Noteholders shall be given by the Trustee in the name and at the expense of the Issuer.

(ii) With respect to each such Series 2024-1 Class A-2 Prepayment, the related Prepayment Notice shall, in each case, specify (A) the Series 2024-1 Prepayment Date on which such prepayment will be made, which in all cases shall be a Business Day, and (B) the Series 2024-1 Class A-2 Prepayment Amount.

(iii) Any such optional prepayment and Prepayment Notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control. The Issuer shall have the option to provide in any Prepayment Notice that the payment of the amounts set forth in Section 3.5(g) and the performance of the Issuer's obligations with respect to such optional prepayment may be performed by another Person.

(iv) The Issuer shall have the option, by written notice to the Trustee, the Control Party and the affected Noteholders, to revoke, or amend the Series 2024-1 Prepayment Date set forth in, any Prepayment Notice relating to an optional prepayment at any time up to the fifth Business Day before the Series 2024-1 Prepayment Date set forth in such Prepayment Notice; provided that at the request of the Issuer, such notice to the affected Series 2024-1 Noteholders shall be given by the Trustee in the name and at the expense of the Issuer.

(g) Series 2024-1 Prepayments. Subject to Section 3.5(h), on each Series 2024-1 Prepayment Date with respect to any Series 2024-1 Class A-2 Prepayment, the Series 2024-1 Class A-2 Prepayment Amount shall be due and payable.

(h) Distributions of Optional Prepayments

(i) Distributions of Optional Prepayments of Series 2024-1 Notes.

(A) No later than five (5) Business Days prior to the Series 2024-1 Prepayment Date for each Series 2024-1 Class A-2 Prepayment to be made pursuant to Section 3.5(g), the Issuer shall provide the Trustee with a written report instructing the Trustee to deposit the amounts set forth in such report, which shall include such amounts set forth in Section 3.5(e)(i)(B)a and in each case due and payable to the applicable Noteholders on such Series 2024-1 Prepayment Date. Such written report may be consolidated with additional payment instructions as necessary to effect other distributions occurring on, or substantially concurrently with, such Series 2024-1 Prepayment Date.

(B) On the Series 2024-1 Prepayment Date for each Series 2024-1 Class A-2 Prepayment to be made pursuant to Section 3.5(e), the Trustee shall, in accordance with Section 6.1 of the Base Indenture (except that, notwithstanding anything to the contrary therein, references to the distributions being made on a Quarterly Payment Date shall be deemed to be references to distributions made on such Series 2024-1 Prepayment Date and references to the Record Date shall be deemed to be references to the Prepayment Record Date), distribute to the Series 2024-1 Noteholders of record on the preceding Prepayment Record Date on a pro rata basis, based on their respective portion of the Series 2024-1 Class A-2 Outstanding Principal Amount the amount specified in the written report delivered in accordance with Section 3.5(h)(i)(A) in order to pay (without duplication) (A) the applicable portion of such Outstanding Principal Amount, and (B) in the case of an optional prepayment in whole, the outstanding monetary Obligations described in Section 3.5(e)(i)(B)a in each case due and payable on such Series 2024-1 Prepayment Date.

(i) Series 2024-1 Notices of Final Payment. The Issuer shall notify the Trustee and the Manager of the Series 2024-1 Final Payment Date on or before the Prepayment Record Date preceding such Series 2024-1 Prepayment Date; provided, however, that with respect to any Series 2024-1 Final Payment that is made in connection with any mandatory or optional prepayment in full, the Issuer shall not be obligated to provide any additional notice to the Trustee of such Series 2024-1 Final Payment beyond the notice required to be given in connection with such prepayment pursuant to Section 3.5(f). The Trustee shall provide any written notice required under this Section 3.5(i) to each Person in whose name such Series 2024-1 Notes are registered at the close of business on such Prepayment Record Date of the Series 2024-1 Prepayment Date that will be the Series 2024-1 Final Payment Date. Such written notice to be sent to the Series 2024-1 Noteholders shall be made at the expense of the Issuer and shall be mailed by the Trustee within five (5) Business Days of receipt of notice from the Issuer indicating that the Series 2024-1 Final Payment will be made and shall specify that such Series 2024-1 Final Payment will be payable only upon presentation and surrender of the related Series 2024-1 Notes, which such surrender shall also constitute a general release by the applicable

Noteholder from any claims against the Issuer, the Manager, the Trustee and their affiliates, and shall specify the place where the related Series 2024-1 Notes may be presented and surrendered for such Series 2024-1 Final Payment.

Section 3.6 Manager(a). Pursuant to the Management Agreement, the Manager has agreed to provide certain reports, notices, instructions and other services on behalf of the Issuer. The Series 2024-1 Noteholders by their acceptance of the Series 2024-1 Notes consent to the provision of such reports and notices to the Trustee by the Manager in lieu of the Issuer.

Section 3.7 Other Agreements. In accordance with Section 8.22 of the Base Indenture, for the avoidance of doubt, the Securitization Entities shall be permitted to enter into or be a party to certain letters of credit relating to self-insurance in respect of Company Restaurants and any other Company Restaurant Expenses.

## ARTICLE IV

### FORM OF SERIES 2024-1

#### Section 4.1 Issuance of Series 2024-1 Global Notes

(a) The Series 2024-1 Class A-2 Notes may be offered and sold in the applicable Series 2024-1 Class A-2 Initial Principal Amount on the 2024-1 Closing Date by the Issuer. The Series 2024-1 Notes will be “restricted securities” issued pursuant to the provisions of Rule 506 (b) of Regulation D under Section 4(a)(2) of the 1933 Act sold only to QIBs purchasing for their own account or the account of one or more Persons, each of which is a QIB. The Series 2024-1 Notes will be resold only to the Issuer or its Affiliates or (A) in the United States, to Persons who are not Competitors and who are QIBs purchasing for their own account or the account of one or more other Persons, each of which is a QIB, in reliance on Rule 144A and (B) outside the United States, to Persons who are not Competitors and who are not a U.S. person (as defined in Regulation S) (a “U.S. Person”) in reliance on Regulation S, purchasing for their own account or the account of one or more other Persons, each of which is a non-U.S. Person. The Series 2024-1 Notes may thereafter be transferred in reliance on Rule 144 A and/or Regulation S and in accordance with the procedure described herein. The Series 2024-1 Notes will be Book-Entry Notes and DTC will be the Depository for such Series 2024-1 Notes. The Applicable Procedures shall be applicable to transfers of beneficial interests in the Series 2024-1 Notes.

(b) Global Notes.

(i) Rule 144A Global Notes. The Series 2024-1 Notes of each Class offered and sold in their initial distribution in reliance upon Rule 144A will be issued in the form of one or more global notes in fully registered form, without coupons, substantially in the form set forth in Exhibit A-1 hereto, registered in the name of Cede & Co. (Cede”), as nominee of DTC, and deposited with the Trustee, as custodian for DTC (collectively, for purposes of this Section 4.1 and Section 4.2, the “Rule 144A Global Notes”). The aggregate initial principal amount of the Rule 144A Global Notes of each Class may from time to time be increased or



decreased by adjustments made on the records of the Trustee, as custodian for DTC, in connection with a corresponding decrease or increase in the aggregate initial principal amount of the corresponding Class of Temporary Regulation S Global Notes or Permanent Regulation S Global Notes, as hereinafter provided.

(ii) Regulation S Global Notes. The Series 2024-1 Notes offered and sold on the Series 2024-1 Closing Date in reliance upon Regulation S will be issued in the form of one or more global notes in fully registered form, without coupons, substantially in the form set forth in Exhibit A-2 hereto, registered in the name of Cede, as nominee of DTC, and deposited with the Trustee, as custodian for DTC, for credit to the respective accounts at DTC of the designated agents holding on behalf of Euroclear or Clearstream. Until such time as the Restricted Period shall have terminated with respect to any Series 2024-1 Note, such Series 2024-1 Notes shall be referred to herein collectively, for purposes of this Section 4.1 and Section 4.2, as the "Temporary Regulation S Global Notes." After such time as the Restricted Period shall have terminated, the Temporary Regulation S Global Notes shall be exchangeable, in whole or in part, for interests in one or more permanent global notes in registered form without interest coupons, substantially in the form set forth in Exhibit A-3 hereto, as hereinafter provided (collectively, for purposes of this Section 4.1 and Section 4.2, the "Permanent Regulation S Global Notes"). The aggregate principal amount of the Temporary Regulation S Global Notes or the Permanent Regulation S Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC, in connection with a corresponding decrease or increase of aggregate principal amount of the corresponding Rule 144A Global Notes, as hereinafter provided.

(c) Definitive Notes. The Series 2024-1 Global Notes of each Class shall be exchangeable in their entirety for one or more definitive notes in registered form, without interest coupons (collectively, for purposes of this Section 4.1 and Section 4.2, the "Definitive Notes") pursuant to Section 2.13 of the Base Indenture and this Section 4.1(c) in accordance with their terms and, upon complete exchange thereof, such Series 2024-1 Global Notes shall be surrendered for cancellation at the applicable Corporate Trust Office.

#### Section 4.2 Transfer Restrictions of Series 2024-1 Global Notes

(a) A Series 2024-1 Global Note may not be transferred, in whole or in part, to any Person other than DTC or a nominee thereof, or to a successor Depository or to a nominee of a successor Depository, and no such transfer to any such other Person may be registered; provided, however, that this Section 4.4(a) shall not prohibit any transfer of any Series 2024-1 Note that is issued in exchange for a Series 2024-1 Global Note in accordance with Section 2.8 of the Base Indenture and shall not prohibit any transfer of a beneficial interest in a Series 2024-1 Global Note effected in accordance with the other provisions of this Section 4.2.

(b) The transfer by a Series 2024-1 Note Owner holding a beneficial interest in a Series 2024-1 Note in the form of a Rule 144A Global Note to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note shall be made upon the deemed representation of the transferee that it is purchasing for its own account or an account with respect to which it exercises sole investment discretion and that it and any such

account is a QIB and not a Competitor, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as such transferee has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(c) If a Series 2024-1 Note Owner holding a beneficial interest in a Series 2024-1 Note of any Class in the form of a Rule 144A Global Note wishes at any time to exchange its interest in such Rule 144A Global Note for an interest in the Temporary Regulation S Global Note, or to transfer such interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Temporary Regulation S Global Note, such exchange or transfer may be effected, subject to the Applicable Procedures, only in accordance with the provisions of this Section 4.2(c). Upon receipt by the Note Registrar, at the applicable Corporate Trust Office, of (i) written instructions given in accordance with the Applicable Procedures from a Clearing Agency Participant directing the Note Registrar to credit or cause to be credited to a specified Clearing Agency Participant's account a beneficial interest in the Temporary Regulation S Global Note, in a principal amount equal to that of the beneficial interest in such Rule 144A Global Note to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the Clearing Agency Participant (and the Euroclear or Clearstream account, as the case may be) to be credited with, and the account of the Clearing Agency Participant to be debited for, such beneficial interest and (iii) a certificate in substantially the form set forth in Exhibit B-1 hereto given by the Series 2024-1 Note Owner holding such beneficial interest in such Rule 144A Global Note, the Note Registrar shall instruct the Trustee, as custodian of DTC, to reduce the principal amount of the Rule 144A Global Note, and to increase the principal amount of the Temporary Regulation S Global Note, by the principal amount of the beneficial interest in such Rule 144A Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions (which shall be the Clearing Agency Participant for Euroclear or Clearstream or both, as the case may be) a beneficial interest in the Temporary Regulation S Global Note having a principal amount equal to the amount by which the principal amount of such Rule 144A Global Note was reduced upon such exchange or transfer.

(d) If a Series 2024-1 Note Owner holding a beneficial interest in a Rule 144A Global Note of any Class wishes at any time to exchange its interest in such Rule 144A Global Note for an interest in the Permanent Regulation S Global Note, or to transfer such interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Permanent Regulation S Global Note, such exchange or transfer may be effected, subject to the Applicable Procedures, only in accordance with the provisions of this Section 4.2(d). Upon receipt by the Note Registrar, at the applicable Corporate Trust Office, of (i) written instructions given in accordance with the Applicable Procedures from a Clearing Agency Participant directing the Note Registrar to credit or cause to be credited to a specified Clearing Agency Participant's account a beneficial interest in the Permanent Regulation S Global Note in a principal amount equal to that of the beneficial interest in such Rule 144A Global Note to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures

containing information regarding the account of the Clearing Agency Participant (and the Euroclear or Clearstream account, as the case may be) to be credited with, and the account of the Clearing Agency Participant to be debited for, such beneficial interest and (iii) a certificate in substantially the form of Exhibit B-2 hereto given by the Series 2024-1 Note Owner holding such beneficial interest in such Rule 144A Global Note, the Note Registrar shall instruct the Trustee, as custodian of DTC, to reduce the principal amount of such Rule 144A Global Note, and to increase the principal amount of the Permanent Regulation S Global Note, by the principal amount of the beneficial interest in such Rule 144A Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions (which shall be the Clearing Agency Participant for Euroclear or Clearstream or both, as the case may be) a beneficial interest in the Permanent Regulation S Global Note having a principal amount equal to the amount by which the principal amount of such Rule 144A Global Note was reduced upon such exchange or transfer.

(e) If a Series 2024-1 Note Owner holding a beneficial interest in a Temporary Regulation S Global Note or a Permanent Regulation S Global Note wishes at any time to exchange its interest in such Temporary Regulation S Global Note or such Permanent Regulation S Global Note for an interest in the Rule 144A Global Note, or to transfer such interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note, such exchange or transfer may be effected, subject to the Applicable Procedures, only in accordance with the provisions of this Section 4.2(e). Upon receipt by the Note Registrar, at the applicable Corporate Trust Office, of (i) written instructions given in accordance with the Applicable Procedures from a Clearing Agency Participant directing the Note Registrar to credit or cause to be credited to a specified Clearing Agency Participant's account a beneficial interest in the Series 2024-1 Rule 144A Global Note in a principal amount equal to that of the beneficial interest in such Temporary Regulation S Global Note or such Permanent Regulation S Global Note, as the case may be, to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the Clearing Agency Participant (and the Euroclear or Clearstream account, as the case may be) to be credited with, and the account of the Clearing Agency Participant to be debited for, such beneficial interest and (iii) with respect to a transfer of a beneficial interest in such Temporary Regulation S Global Note (but not such Permanent Regulation S Global Note), a certificate in substantially the form set forth in Exhibit B-3 hereto given by such Series 2024-1 Note Owner holding such beneficial interest in such Temporary Regulation S Global Note, the Note Registrar shall instruct the Trustee, as custodian of DTC, to reduce the principal amount of such Temporary Regulation S Global Note or such Permanent Regulation S Global Note, as the case may be, and to increase the principal amount of such Rule 144A Global Note, by the principal amount of the beneficial interest in such Temporary Regulation S Global Note or such Permanent Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions (which shall be the Clearing Agency Participant for DTC) a beneficial interest in such Rule 144A Global Note having a principal amount equal to the amount by which the principal amount of such Temporary Regulation S Global Note or such Permanent Regulation S Global Note, as the case may be, was reduced upon such exchange or transfer.

(f) In the event that a Series 2024-1 Global Note or any portion thereof is exchanged for a Series 2024-1 Note other than Series 2024-1 Global Notes, such other Series 2024-1 Notes may in turn be exchanged (upon transfer or otherwise) for Series 2024-1 Notes that are not Series 2024-1 Global Notes or for a beneficial interest in a Series 2024-1 Global Note (if any is then outstanding) only in accordance with such procedures as may be adopted from time to time by the Issuer and the Note Registrar, which shall be substantially consistent with the provisions of Section 4.4(a) through Section 4.4(e) and Section 4.4(g) (including the certification requirement intended to ensure that transfers and exchanges of beneficial interests in a Series 2024-1 Global Note comply with Rule 144A or Regulation S under the 1933 Act, as the case may be) and any Applicable Procedures.

(g) Until the termination of the Restricted Period with respect to any Series 2024-1 Note, interests in the Temporary Regulation S Global Notes representing such Series 2024-1 Note may be held only through Clearing Agency Participants acting for and on behalf of Euroclear and Clearstream; provided that this Section 4.4(g) shall not prohibit any transfer in accordance with Section 4.4(d). After the expiration of the applicable Restricted Period, interests in the Permanent Regulation S Global Notes may be transferred without requiring any certifications other than those set forth in this Section 4.4.

(h) The Series 2024-1 Notes Rule 144A Global Notes, the Series 2024-1 Notes Temporary Regulation S Global Notes and the Series 2024-1 Notes Permanent Regulation S Global Notes shall bear the following legend:

THE ISSUANCE AND SALE OF THIS [RULE 144A] [TEMPORARY REGULATION S] [PERMANENT REGULATION S] SERIES 2024-1 CLASS A-2 NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER RELEVANT JURISDICTION, AND FAT BRANDS TWIN PEAKS I, LLC (THE "ISSUER") HAVE NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"). THIS NOTE OR ANY INTEREST HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER OR AN AFFILIATE THEREOF, (B) IN THE UNITED STATES, TO A PERSON WHO IS NOT A COMPETITOR AND IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE 1933 ACT (" RULE 144A"), ACTING FOR ITS OWN ACCOUNT OR ONE OR MORE ACCOUNTS WITH RESPECT TO WHICH SUCH PERSON EXERCISES SOLE INVESTMENT DISCRETION OR (C) OUTSIDE THE UNITED STATES, TO A PERSON WHO IS NOT A COMPETITOR AND IS NOT A "U.S. PERSON" AS DEFINED IN REGULATION S UNDER THE 1933 ACT ("REGULATION S"), ACTING FOR ITS OWN ACCOUNT OR ONE OR MORE ACCOUNTS WITH RESPECT TO WHICH SUCH PERSON EXERCISES SOLE INVESTMENT DISCRETION, NONE OF WHICH ARE A U.S. PERSON, IN OFFSHORE TRANSACTIONS IN RELIANCE ON

REGULATION S, AND, IN EACH CASE, IN COMPLIANCE WITH THE CERTIFICATIONS AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR THE UNITED STATES AND ANY OTHER RELEVANT JURISDICTION.

BY ITS ACQUISITION OR ACCEPTANCE HEREOF, THE HOLDER (IF NOT THE ISSUER OR AN AFFILIATE OF THE ISSUER) REPRESENTS THAT (A) IT IS NOT A COMPETITOR AND IS (X) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A OR (Y) NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION, AS APPLICABLE, (B) IT IS NOT A COMPETITOR AND IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER PERSON WHICH IS EITHER (X) A QUALIFIED INSTITUTIONAL BUYER OR (Y) NOT A U.S. PERSON, AND IN EACH CASE WITH RESPECT TO WHICH IT EXERCISES SOLE INVESTMENT DISCRETION, (C) IT AND EACH ACCOUNT FOR WHICH IT IS PURCHASING WILL HOLD AND TRANSFER AT LEAST THE MINIMUM DENOMINATION OF NOTES, (D) IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS NOTES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (E) IT WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREES.

EACH PERSON (IF NOT THE ISSUER OR AN AFFILIATE OF THE ISSUER) TAKING DELIVERY OF THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO HAVE MADE THE APPLICABLE REPRESENTATIONS AND AGREEMENTS REFERRED TO IN THE INDENTURE. EACH PERSON TAKING DELIVERY OF THIS NOTE OR AN INTEREST IN THIS NOTE IN THE FORM OF AN INTEREST IN A [TEMPORARY REGULATION S GLOBAL NOTE] [RULE 144A GLOBAL NOTE] OR [PERMANENT REGULATION S GLOBAL NOTE] WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE REQUIRED TO MAKE THE APPLICABLE REPRESENTATIONS AND AGREEMENTS REFERRED TO IN THE INDENTURE.

ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT AND WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO ANY PERSON CAUSING SUCH VIOLATION, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY; PROVIDED, HOWEVER, THAT THE PRECEDING PORTION OF THIS SENTENCE SHALL NOT OPERATE TO INVALIDATE ANY OTHERWISE BONA FIDE TRANSFER TO AN ELIGIBLE

TRANSFeree WHERE A PREVIOUS ERRONEOUSLY REGISTERED TRANSFEROR IN THE CHAIN OF TITLE OF SUCH TRANSFeree WOULD HAVE BEEN INELIGIBLE SOLELY ON ACCOUNT OF BEING A COMPETITOR.

IF THIS NOTE WAS ACQUIRED IN THE UNITED STATES, AND THE HOLDER IS DETERMINED TO BE A COMPETITOR OR NOT TO HAVE BEEN A QUALIFIED INSTITUTIONAL BUYER AT THE TIME OF ACQUISITION OF THIS NOTE, THE ISSUER HAS THE RIGHT TO REQUIRE SUCH HOLDER TO SELL THIS NOTE TO A PURCHASER WHO IS NOT A COMPETITOR AND IS A QUALIFIED INSTITUTIONAL BUYER. THE ISSUER ALSO HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER TO A PERSON WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER OR WHO IS A COMPETITOR.

IF THIS NOTE WAS ACQUIRED OUTSIDE THE UNITED STATES, AND THE HOLDER IS DETERMINED TO BE A COMPETITOR OR TO HAVE BEEN A "U.S. PERSON" AT THE TIME OF ACQUISITION OF THIS NOTE, THE ISSUER HAS THE RIGHT TO REQUIRE SUCH HOLDER TO SELL THIS NOTE TO A PURCHASER WHO IS NOT A COMPETITOR AND IS NOT A "U.S. PERSON." THE ISSUER ALSO HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER TO A PERSON WHO IS A "U.S. PERSON" OR WHO IS A COMPETITOR.

BY ACCEPTING THIS NOTE, EACH HOLDER COVENANTS THAT IT WILL NOT AT ANY TIME PRIOR TO THE DATE WHICH IS ONE (1) YEAR AND ONE (1) DAY AFTER THE PAYMENT IN FULL OF THE LATEST MATURING NOTE, INSTITUTE AGAINST, OR JOIN WITH ANY OTHER PERSON IN INSTITUTING AGAINST, ANY SECURITIZATION ENTITY ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS, OR OTHER PROCEEDINGS, UNDER ANY FEDERAL OR STATE BANKRUPTCY OR SIMILAR LAW.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY ("DTC"), A NEW YORK CORPORATION, 55 WATER STREET, NEW YORK, NEW YORK 10041, OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE ISSUER OR

THE NOTE REGISTRAR, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE THE REGISTERED OWNER, CEDE & CO., HAS AN INTEREST HEREIN.

[THIS [RULE 144A][TEMPORARY REGULATION S] [PERMANENT REGULATION S] GLOBAL SERIES 2024-1 CLASS A-2 NOTE WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT" AS DEFINED IN SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. YOU MAY OBTAIN INFORMATION REGARDING THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, THE ISSUE PRICE, THE ISSUE DATE AND THE YIELD TO MATURITY BY CONTACTING THE MANAGER AT FAT BRANDS INC., 9720 WILSHIRE BLVD., SUITE 500, BEVERLY HILLS, CA 90212, ATTN: ROBERT G. ROSEN.]

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

- (i) The Series 2024-1 Temporary Regulation S Global Notes shall also bear the following legend:

UNTIL FORTY (40) DAYS AFTER THE ORIGINAL ISSUE DATE OF THE NOTES (THE "RESTRICTED PERIOD") IN CONNECTION WITH THE OFFERING OF THE NOTES IN THE UNITED STATES FROM OUTSIDE OF THE UNITED STATES, THE SALE, PLEDGE OR TRANSFER OF THIS NOTE IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE ACQUIRING THIS NOTE, ACKNOWLEDGES THAT SUCH HOLDER IS EITHER NOT A "U.S. PERSON" OR THE ISSUER OR AN AFFILIATE OF THE ISSUER, AND THAT THIS NOTE HAS NOT BEEN REGISTERED UNDER THE 1933 ACT, AND AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY BE TRANSFERRED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A HOLDER THAT IS NOT A "U.S. PERSON" OR TO THE ISSUER OR AN AFFILIATE OF THE ISSUER AND IN COMPLIANCE WITH THE 1933 ACT AND OTHER APPLICABLE LAWS OF THE STATES, TERRITORIES AND POSSESSIONS OF THE UNITED STATES GOVERNING THE OFFER AND SALE OF SECURITIES, AND

PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD, ONLY (I) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE 1933 ACT OR (II) PURSUANT TO AND IN ACCORDANCE WITH RULE 144A UNDER THE 1933 ACT.

(j) The required legends set forth above shall not be removed from the applicable Series 2024-1 Notes except as provided herein. The legend required for a Series 2024-1 Rule 144A Global Note may be removed from such Series 2024-1 Notes Rule 144A Global Note if there is delivered to the Issuer and the Note Registrar such satisfactory evidence, which may include an Opinion of Counsel, as may be reasonably required by the Issuer that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers of such Series 2024-1 Notes Rule 144A Global Note will not violate the registration requirements of the 1933 Act. Upon provision of such satisfactory evidence, the Trustee at the direction of the Issuer (or the Manager, on its behalf), shall authenticate and deliver in exchange for such Series 2024-1 Class A-2 Rule 144A Global Note a Series 2024-1 Class A-2 Note having an equal aggregate principal amount that does not bear such legend. If such a legend required for a Series 2024-1 Rule 144A Global Note has been removed from a Series 2024-1 Note as provided above, no other Series 2024-1 Note issued in exchange for all or any part of such Series 2024-1 Note shall bear such legend, unless the Issuer have reasonable cause to believe that such other Series 2024-1 Note is a “restricted security” within the meaning of Rule 144 under the 1933 Act and instructs the Trustee to cause a legend to appear thereon.

**Section 4.3 Note Owner Representations and Warranties.** Each Person who becomes a Note Owner of a beneficial interest in a Series 2024-1 Note pursuant to the Offering Memorandum will be deemed to represent, warrant and agree on the date such Person acquires any interest in any such Series 2024-1 Note as follows:

(a) With respect to any sale of Series 2024-1 Notes pursuant to Rule 144A, it is a QIB pursuant to Rule 144A, and is aware that any sale of Series 2024-1 Notes to it will be made in reliance on Rule 144A. Its acquisition of Series 2024-1 Notes in any such sale will be for its own account or for the account of another QIB.

(b) With respect to any sale of Series 2024-1 Notes pursuant to Regulation S, at the time the buy order for such Series 2024-1 Notes was originated, it was outside the United States and the offer was made to a Person who is not a U.S. Person, and was not purchasing for the account or benefit of a U.S. Person.

(c) It will, and each account for which it is purchasing will, hold and transfer at least the minimum denomination of Series 2024-1 Notes set forth in Section 2.3 of this Series 2024-1 Supplement.

(d) It understands that the Issuer and the Manager may receive a list of participants holding positions in the Series 2024-1 Notes from one or more book-entry depositories.



(e) It understands that the Manager and the Issuer may receive (i) a list of Note Owners that have requested access to the Trustee's password-protected website or that have voluntarily registered as a Note Owner with the Trustee and (ii) copies of Noteholder confirmations of representations and warranties executed to obtain access to the Trustee's password-protected website.

(f) It will provide to each person to whom it transfers Series 2024-1 Notes notices of any restrictions on transfer of such Series 2024-1 Notes.

(g) It understands that (i) the Series 2024-1 Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the 1933 Act, (ii) the Series 2024-1 Notes have not been registered under the 1933 Act, (iii) the Series 2024-1 Notes may be offered, resold, pledged or otherwise transferred only to (a) in the United States, Persons who are not Competitors and who are QIBs, purchasing for their own account or the account of one or more other Persons, each of which is a QIB, (b) outside the United States, Persons who are not Competitors and who are not "U.S. Persons" in offshore transactions in reliance on Regulation S under the 1933 Act, purchasing for their own account or the account of one or more other Persons, each of which is a non-U.S. Person, or (c) the Issuer or an Affiliate of the Issuer, in each case, in accordance with any applicable securities laws of any state of the United States and any other relevant jurisdiction, and (iv) it will, and each subsequent holder of a Series 2024-1 Note is required to, notify any subsequent purchaser of a Series 2024-1 Note of the resale restrictions set forth in clause (iii) above.

(h) It understands that the certificates evidencing the Rule 144A Global Notes will bear legends substantially similar to those set forth in Section 4.2(h).

(i) It understands that the certificates evidencing the Temporary Regulation S Global Notes will bear legends substantially similar to those set forth in Sections 4.2(h) and Section 4.2(i), as applicable.

(j) It understands that the certificates evidencing the Permanent Regulation S Global Notes will bear legends substantially similar to those set forth in Section 4.2(h).

(k) Either (i) it is not, and it is not acquiring or holding the Series 2024-1 Notes (or any interest therein) for or on behalf of, or with the assets of, a Plan or a governmental, church or non-U.S. plan that is subject to any Similar Law, or (ii) for Series 2024-1 Class A-2 Notes only, its acquisition, holding and disposition of the Series 2024-1 Class A-2 Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, a violation of any Similar Law, as applicable.

(l) It understands that any subsequent transfer of the Series 2024-1 Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and it agrees to be bound by, and not to resell, pledge or otherwise transfer the Series 2024-1 Notes or any interest therein except in compliance with, such restrictions and conditions and the 1933 Act.

- (m) It is not a Competitor.

Section 4.4 Limitation on Liability. None of the Issuer, the Manager, the Trustee or any Paying Agent or any of their respective Affiliates shall have any responsibility or liability with respect to (i) any aspects of the records maintained by DTC or its nominee or any of the Agent Members relating to or for payments made thereby on account of beneficial interests in a Rule 144A Global Note or a Regulation S Global Note or (ii) any records maintained by the Noteholder with respect to the beneficial holders thereof or payments made thereby on account of beneficial interests held therein. Notwithstanding anything to the contrary contained herein or in the Base Indenture, the Trustee (including in its capacity as Note Registrar and Paying Agent) shall have no responsibility or liability with respect to (i) transfers of beneficial interests within a Rule 144A Global Note or a Regulation S Global Note or (ii) monitoring or inquiring into or verifying compliance by a Noteholder or Note Owner with the representations, covenants or restrictions set forth in this Series 2024-1 Supplement, the Base Indenture or the Notes.

## ARTICLE V

### GENERAL

Section 5.1 Information. On or before the third (3<sup>d</sup>) Business Day prior to each Quarterly Payment Date, the Issuer shall furnish, or cause to be furnished, a Quarterly Noteholders' Report with respect to the Series 2024-1 Notes to the Trustee and the Back-Up Manager, substantially in the form of Exhibit C hereto, setting forth, inter alia, the following information with respect to such Quarterly Payment Date and all other information required pursuant to Section 5.11 of the Base Indenture:

- (i) the total amount available to be distributed to Series 2024-1 Noteholders on such Quarterly Payment Date;
- (ii) the amount of such distribution allocable to the payment of interest on each Class of the Series 2024-1 Notes;
- (iii) the amount of such distribution allocable to the payment of principal of each Class of the Series 2024-1 Notes;
- (iv) whether, to the Actual Knowledge of the Issuer, any Potential Rapid Amortization Event, Rapid Amortization Event, Default, Event of Default, Potential Manager Termination Event or Manager Termination Event has occurred and is continuing as of the related Quarterly Calculation Date or any Cash Flow Sweeping Period is in effect, as of such Quarterly Calculation Date;
- (v) the P&I DSCR for such Quarterly Payment Date and the three Quarterly Payment Dates immediately preceding such Quarterly Payment Date;
- (vi) the amount of FAT Brands TP Systemwide Sales as of the related Quarterly Calculation Date; and

(vii) the amount on deposit in the Reserve Account as of the close of business on the last Business Day of the preceding Quarterly Collection Period.

Any Series 2024-1 Noteholder may obtain copies of each Quarterly Noteholders' Report in accordance with the procedures set forth in Section 4.4 of the Base Indenture.

Section 5.2 Exhibits. The annexes, exhibits and schedules attached hereto and listed on the table of contents hereto supplement the annexes, exhibits and schedules included in the Base Indenture.

Section 5.3 Ratification of Base Indenture. As supplemented by the Series 2024-1 Supplement, the Base Indenture is in all respects ratified and confirmed and the Base Indenture as so supplemented by the Series 2024-1 Supplement shall be read, taken and construed as one and the same instrument.

Section 5.4 [Reserved].

Section 5.5 Counterparts. The Series 2024-1 Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

Section 5.6 Governing Law. THE 2024 -1 SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

Section 5.7 Amendments. The Series 2024-1 Supplement may not be modified or amended except in accordance with the terms of the Base Indenture.

Section 5.8 Termination of Series Supplement; Defeasance

(a) The Series 2024-1 Supplement shall cease to be of further effect when (i) all Outstanding Series 2024-1 Notes theretofore authenticated and issued have been delivered (other than destroyed, lost, or stolen Series 2024-1 Notes that have been replaced or paid) to the Trustee for cancellation and (ii) the Issuer has paid all sums payable hereunder; provided that any provisions of the Series 2024-1 Supplement required for the Series 2024-1 Final Payment to be made shall survive until the Series 2024-1 Final Payment is paid to the Series 2024-1 Noteholders. In accordance with Section 6.1(a) of the Base Indenture, the final principal payment due on each Series 2024-1 Note shall only be paid upon due presentment and surrender of such Note for cancellation in accordance with the provisions of such Note at the applicable Corporate Trust Office, which such surrender shall also constitute a general release by the applicable Noteholder from any claims against the Issuer, the Manager, the Trustee and their affiliates.

(b) In addition to (and notwithstanding) the terms of Section 12.1 of the Base Indenture, upon the payment in full (whether optional or mandatory) or a redemption in full of

the Series 2024-1 Notes as provided hereunder, the Obligations of the Issuer and the Guarantors under the Transaction Documents in respect of the Series 2024-1 Notes shall be terminated.

Section 5.9 Limited Recourse. The obligations of the Issuer under this 2024-1 Series Supplement are solely the limited liability company obligations of the Issuer, and the Issuer shall be liable for claims hereunder only to the extent that funds or assets are available to pay such claims pursuant to this 2024-1 Series Supplement.

Section 5.10 Entire Agreement. The Series 2024-1 Supplement, together with the exhibits and schedules hereto and the other Indenture Documents, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all previous oral statements and other writings with respect thereto.

Section 5.11 Control Party Protections. In taking or refraining from taking any action hereunder, the Control Party shall be entitled to the rights, protections, benefits, immunities and indemnities afforded to the Control Party under this Series 2024-1 Supplement and the other Transaction Documents *mutatis mutandis*.

**[Signature Pages Follow]**

IN WITNESS WHEREOF, each of the Issuer and the Trustee have caused the Series 2024-1 Supplement to be duly executed by its respective duly authorized officer as of the day and year first written above.

FAT BRANDS TWIN PEAKS I, LLC, as  
Issuer

By: FAT Brands Inc.  
Its: Manager

By: /s/ Robert G. Rosen  
Name: Robert G. Rosen  
Title: Co-Chief Executive Officer

Signature Page to Series 2024-1 Supplement to the Base Indenture

FAT Brands Twin Peaks I, LLC

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UMB BANK, N.A., in its capacity as Trustee

By: /s/ Michele Voon

Name: Michele Voon

Title: Senior Vice President

Signature Page to Series 2024-1 Supplement to the Base Indenture

FAT Brands Twin Peaks I, LLC

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CONSENT OF CONTROL PARTY:

The undersigned, as Control Party, hereby consents to the execution and delivery of this Series 2024-1 Supplement by the parties hereto, and as Control Party hereby directs the Trustee to execute and deliver this Series 2024-1 Supplement.

CITADEL SPV LLC, in its capacity as Control Party

By: /s/ Orlando Figueroa  
Name: Orlando Figueroa  
Title: President

Signature Page to Series 2024-1 Supplement to the Base Indenture

FAT Brands Twin Peaks I, LLC

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SERIES 2024-1SUPPLEMENTAL DEFINITIONS LIST

"30/360 Day Basis" means the accrual of interest calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Agent Members" means members of, or participants in, DTC.

"Change in Law" means (a) any law, rule or regulation or any change therein or in the interpretation or application thereof (whether or not having the force of law), in each case, adopted, issued or occurring after the Series 2024-1 Closing Date or (b) any request, guideline or directive (whether or not having the force of law) from any government or political subdivision or agency, authority, bureau, central bank, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, or any accounting board or authority (whether or not a Governmental Authority) which is responsible for the establishment or interpretation of national or international accounting principles, in each case, whether foreign or domestic (each, an "Official Body") charged with the administration, interpretation or application thereof, or the compliance with any request or directive of any Official Body (whether or not having the force of law) made, issued or occurring after the Series 2024-1 Closing Date.

"Change of Control" has the meaning ascribed to such term in the Management Agreement.

"Clearstream" means Clearstream Luxembourg.

"Definitive Notes" has the meaning set forth in Section 4.1(c) of the Series 2024-1 Supplement.

"DTC" means The Depository Trust Company, and any successor thereto.

"Euroclear" Euroclear Bank, S.A./N.A., or any successor thereto, as operator of Euroclear System.

"Initial Purchaser" means Percent Securities, LLC.

"Initial Quarterly Payment Date" means April 25, 2024.

"Offering Memorandum" means the Offering Memorandum for the offering of the Series 2024-1 Notes, dated March 20, 2024, prepared by the Issuer.

"Official Body" has the meaning set forth in the definition of "Change in Law."



“Outstanding Principal Amount” means with respect to any one or more Series, Classes, Subclasses or Tranches of Notes, as applicable at any time, the aggregate principal amount Outstanding of such Notes at such time.

“Permanent Regulation S Global Notes” has the meaning set forth in Section 4.1(b) of the Series 2024-1 Supplement.

“Prepayment Notice” has the meaning set forth in Section 3.5(f) of the Series 2024-1 Supplement.

“Prepayment Record Date” means, with respect to the date of any Series 2024-1 Class A-2 Prepayment, the last day of the calendar month immediately preceding the date of such Series 2024-1 Class A-2 Prepayment unless such last day is less than ten (10) Business Days prior to the date of such Series 2024-1 Class A-2 Prepayment, in which case the “Prepayment Record Date” will be the date that is ten (10) Business Days prior to the date of such Series 2024-1 Class A-2 Prepayment.

“Qualified Institutional Buyer” or “QIB” means a Person who is a “qualified institutional buyer” as defined in Rule 144A.

“Regulation S” means Regulation S promulgated under the 1933 Act.

“Regulation S Global Notes” means, collectively, the Temporary Regulation S Global Notes and the Permanent Regulation S Global Notes.

“Required Reserve Amount” means, as of each Quarterly Calculation Date, the quotient of: (A) the sum of (i)(a) the Class A-2 Outstanding Principal Amount (after giving effect to all principal payments made on the related Quarterly Payment Date), times (b) the Class A-2 Note Rate, plus (ii)(a) the Class B-2 Outstanding Principal Amount (after giving effect to all principal payments made on the related Quarterly Payment Date), times (b) the Class B-2 Note Rate, divided by (B) 4.

“Restricted Period” means, with respect to any Series 2024-1 Class A-2 Notes sold pursuant to Regulation S, the period commencing on such Series 2024-1 Closing Date and ending on the 40th day after the Series 2024-1 Closing Date.

“Rule 144A” means Rule 144A promulgated under the 1933 Act.

“Rule 144A Global Notes” has the meaning set forth in Section 4.1(b) of the Series 2024-1 Supplement.

“Senior Prepayment Condition Amounts” means, as of any Quarterly Payment Date, the aggregate amount due and payable to all of the Senior Noteholders as of such Quarterly Payment Date.

“Series 2024-1 Class A-2 Anticipated Call Date” has the meaning set forth in Section 3.4(b)(i) of the Series 2024-1 Supplement.

"Series 2024-1 Class A-2 Anticipated Repayment Date" has the meaning set forth in Section 3.5(a)(ii) of the Series 2024-1 Supplement. For purposes of the Base Indenture, the "Series 2024-1 Class A-2 Anticipated Repayment Date" shall be deemed to be a "Series Anticipated Repayment Date".

"Series 2024-1 Class A-2 Initial Principal Amount" means, the aggregate initial outstanding principal amount of the Class A-2 Notes as of the 2024-1 Closing Date, which is \$50,000,000.

"Series 2024-1 Class A-2 Legal Final Maturity Date" means the Quarterly Payment Date occurring in July 2051. For purposes of the Base Indenture, the "Series 2024-1 Class A-2 Legal Final Maturity Date" shall be deemed to be a "Series Legal Final Maturity Date."

"Series 2024-1 Class A-2 Note Rate" means, (i) prior to the Series 2024-1 Class A-2 Anticipated Repayment Date, 7.00% per annum, compounded quarterly and (ii) on and after the Series 2024-1 Class A-2 Anticipated Repayment Date, 9.00% per annum, compounded quarterly.

"Series 2024-1 Class A-2 Noteholder" means the Person in whose name a Series 2024-1 Class A-2 Note is registered in the Note Register.

"Series 2024-1 Class A-2 Notes" has the meaning specified in the "Designation" of the Series 2024-1 Supplement.

"Series 2024-1 Class A-2 Notes Scheduled Principal Payment Amount" means, on each Quarterly Payment Date following the Series 2024-1 Class A-2 Anticipated Call Date, an amount equal to one-half percent (0.5%) of the Series 2024-1 Class A-2 Initial Principal Amount. For purposes of the Base Indenture, the "Series 2024-1 Class A-2 Notes Scheduled Principal Payment Amounts" shall be deemed to be "Scheduled Principal Payments".

"Series 2024-1 Class A-2 Notes Scheduled Principal Payment Deficiency Amount" means, with respect to any Quarterly Payment Date, if on any Quarterly Calculation Date, (a) the sum of (i) the amount of funds on deposit in the Senior Notes Principal Payment Account with respect to the Series 2024-1 Class A-2 Notes and (ii) any other funds on deposit in the Indenture Trust Accounts that are available to pay the Series 2024-1 Class A-2 Notes Scheduled Principal Payments with respect to the Series 2024-1 Class A-2 Notes on such Quarterly Payment Date is less than (b) the sum of (i) the Series 2024-1 Class A-2 Notes Scheduled Principal Payment Amount due and payable, if any, on such Quarterly Payment Date plus any Series 2024-1 Class A-2 Notes Scheduled Principal Payment Amounts due but unpaid from any previous Quarterly Payment Dates and (ii) the amount of funds on deposit in the Senior Notes Principal Payment Account with respect to such amounts set forth in clause (b)(i) and allocated to the Series 2024-1 Class A-2 Notes, the amount of such deficiency. For purposes of the Base Indenture, the "Series 2024-1 Class A-2 Notes Scheduled Principal Payment Deficiency Amount" shall be deemed to be "Senior Notes Scheduled Principal Payment Deficiency Amount".

“Series 2024-1 Class A-2 Outstanding Principal Amount” means, on any date, an amount equal to (a) the Series 2024-1 Class A-2 Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to the payment of Series 2024-1 Class A-2 Notes Scheduled Principal Payments Amounts, a prepayment, a purchase and cancellation, a redemption or otherwise) made to Series 2024-1 Class A-2 Noteholders on or prior to such date. For purposes of the Base Indenture, the “Series 2024-1 Class A-2 Outstanding Principal Amount” shall be deemed to be an “Outstanding Principal Amount.”

“Series 2024-1 Class A-2 Prepayment” has the meaning set forth in Section 3.5(e)(i) of the Series 2024-1 Supplement.

“Series 2024-1 Class A-2 Prepayment Amount” means the aggregate principal amount of Series 2024-1 Class A-2 Notes to be prepaid on any Series 2024-1 Prepayment Date, together with all accrued and unpaid interest thereon to such date.

“Series 2024-1 Class A-2 Quarterly Interest Amount” means, for each Interest Accrual Period, an amount equal to the accrued interest at the applicable Series 2024-1 Class A-2 Note Rate on the Series 2024-1 Class A-2 Outstanding Principal Amount (as of the first day of such Interest Accrual Period after giving effect to all payments of principal (if any) made to such Series 2024-1 Class A-2 Noteholders as of such day and also giving effect to prepayments, repurchases and cancellations of Series 2024-1 Class A-2 Notes during such Interest Accrual Period). For purposes of the Base Indenture, “Series 2024-1 Class A-2 Quarterly Interest Amount” shall be deemed to be a “Senior Notes Quarterly Interest Amount.”

“Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest” has the meaning set forth in Section 3.4(d)(i) of the Series 2024-1 Supplement. For purposes of the Base Indenture, Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest shall be deemed to be “Senior Notes Quarterly Post-Anticipated Call Date Additional Interest.”

“Series 2024-1 Class A-2 Quarterly Post-Anticipated Call Date Additional Interest Rate” has the meaning set forth in Section 3.4(d)(i) of the Series 2024-1 Supplement.

“Series 2024-1 Class A-2 Quarterly Post-Anticipated Repayment Date Additional Interest” has the meaning set forth in Section 3.4(d)(i) of the Series 2024-1 Supplement. For purposes of the Base Indenture, Series 2024-1 Class A-2 Quarterly Post-Anticipated Repayment Date Additional Interest shall be deemed to be “Senior Notes Quarterly Post-Anticipated Repayment Date Additional Interest.”

“Series 2024-1 Class A-2 Quarterly Post-Anticipated Repayment Date Additional Interest Rate” has the meaning set forth in Section 3.4(d)(i) of the Series 2024-1 Supplement.

“Series 2024-1 Closing Date” means March 21, 2024.

“Series 2024-1 Final Payment” means the payment of all accrued and unpaid interest on and principal of all Outstanding Series 2024-1 Notes.

“Series 2024-1 Final Payment Date” means the date on which the Series 2024-1 Final Payment is made.

“Series 2024-1 Global Notes” means, collectively, the Regulation S Global Notes and the Rule 144A Global Notes.

“Series 2024-1 Noteholders” means the Series 2024-1 Class A-2 Noteholders.

“Series 2024-1 Note Owner” means, with respect to a Series 2024-1 Note that is a Book-Entry Note, the Person who is the beneficial owner of such Book-Entry Note, as reflected on the books of the Clearing Agency that holds such Book-Entry Note, or on the books of a Person maintaining an account with such Clearing Agency (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

“Series 2024-1 Notes” means the Series 2024-1 Class A-2 Notes.

“Series 2024-1 Prepayment Date” means the date on which any prepayment on the Series 2024-1 Class A-2 Notes is made pursuant to Section 3.5(e) of the Series 2024-1 Supplement, which shall be, with respect to any Series 2024-1 Class A-2 Prepayment Amount pursuant to Section 3.5(e), the Quarterly Payment Date specified as such in the applicable Prepayment Notice.

“Series 2024-1 Senior Notes” means the Series 2024-1 Class A-2 Notes.

“Series 2024-1 Supplement” means this Series 2024-1 Supplement, dated as of the Series 2024-1 Closing Date by and among the Issuer and Trustee, as amended, supplemented or otherwise modified from time to time.

“Similar Law” means any federal, state, local, or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

“Temporary Regulation S Global Notes” has the meaning set forth in Section 4.1(b) of the Series 2024-1 Supplement.

“U.S. Person” has the meaning set forth in Regulation S under the Securities Act.

# ANNEX B

<u>Fiscal QE Date</u>	<u>Prior Three Monthly Collection Period End Dates</u>			<u>Record Date</u>	<u>Quarterly Calculation Date</u>	<u>Quarterly Noteholders' Report Date</u>	<u>Quarterly Payment Date</u>
Last Sunday of Each 13 Week Quarter (Except for one 14 week quarter ending December 31, 2023)	All included in each respective quarterly collection period			20 <sup>th</sup> Calendar Day of Month in which Quarterly Payment Date Falls	4 Business Days Prior to Quarterly Payment Date	3 Business Days Prior to Quarterly Payment Date	25 <sup>th</sup> Calendar Day of the following Months (April, July October January) (if not Business Day, following Business Day)
	Month 1	Month 2	Month 3				
Sunday, March 31, 2024	Sunday, January 28, 2024	Sunday, February 25, 2024	Sunday, March 31, 2024	Saturday, April 20, 2024	Friday, April 19, 2024	Monday, April 22, 2024	Thursday, April 25, 2024
Sunday, June 30, 2024	Sunday, April 28, 2024	Sunday, May 26, 2024	Sunday, June 30, 2024	Saturday, July 20, 2024	Friday, July 19, 2024	Monday, July 22, 2024	Thursday, July 25, 2024
Sunday, September 29, 2024	Sunday, July 28, 2024	Sunday, August 25, 2024	Sunday, September 29, 2024	Sunday, October 20, 2024	Monday, October 21, 2024	Tuesday, October 22, 2024	Friday, October 25, 2024
Sunday, December 29, 2024	Sunday, October 27, 2024	Sunday, November 24, 2024	Sunday, December 29, 2024	Monday, January 20, 2025	Tuesday, January 21, 2025	Wednesday, January 22, 2025	Monday, January 27, 2025
Sunday, March 30, 2025	Sunday, January 26, 2025	Sunday, February 23, 2025	Sunday, March 30, 2025	Sunday, April 20, 2025	Monday, April 21, 2025	Tuesday, April 22, 2025	Friday, April 25, 2025
Sunday, June 29, 2025	Sunday, April 27, 2025	Sunday, May 25, 2025	Sunday, June 29, 2025	Sunday, July 20, 2025	Monday, July 21, 2025	Tuesday, July 22, 2025	Friday, July 25, 2025
Sunday, September 28, 2025	Sunday, July 27, 2025	Sunday, August 24, 2025	Sunday, September 28, 2025	Monday, October 20, 2025	Tuesday, October 21, 2025	Wednesday, October 22, 2025	Monday, October 27, 2025
Sunday, December 28, 2025	Sunday, October 26, 2025	Sunday, November 23, 2025	Sunday, December 28, 2025	Tuesday, January 20, 2026	Tuesday, January 20, 2026	Wednesday, January 21, 2026	Monday, January 26, 2026
Sunday, March 29, 2026	Sunday, January 25, 2026	Sunday, February 22, 2026	Sunday, March 29, 2026	Monday, April 20, 2026	Tuesday, April 21, 2026	Wednesday, April 22, 2026	Monday, April 27, 2026
Sunday, June 28, 2026	Sunday, April 26, 2026	Sunday, May 24, 2026	Sunday, June 28, 2026	Monday, July 20, 2026	Tuesday, July 21, 2026	Wednesday, July 22, 2026	Monday, July 27, 2026

Monthly Manager Certificate Date	Monthly Allocation Date
5 Business Days Prior to Monthly Allocation Date	2nd Friday Following Fiscal Month End (if not Business Day, following Business Day)
Friday, April 5, 2024	Friday, April 12, 2024
Friday, May 3, 2024	Friday, May 10, 2024
Friday, May 31, 2024	Friday, June 7, 2024
Friday, July 5, 2024	Friday, July 12, 2024
Friday, August 2, 2024	Friday, August 9, 2024
Friday, August 30, 2024	Friday, September 6, 2024
Friday, October 4, 2024	Friday, October 11, 2024
Friday, November 1, 2024	Friday, November 8, 2024
Friday, November 29, 2024	Friday, December 6, 2024
Friday, January 3, 2025	Friday, January 10, 2025
Friday, January 31, 2025	Friday, February 7, 2025
Friday, February 28, 2025	Friday, March 7, 2025

Friday, April 4, 2025	Friday, April 11, 2025
Friday, May 2, 2025	Friday, May 9, 2025
Friday, May 30, 2025	Friday, June 6, 2025
Thursday, July 3, 2025	Friday, July 11, 2025
Friday, August 1, 2025	Friday, August 8, 2025
Friday, August 29, 2025	Friday, September 5, 2025
Friday, October 3, 2025	Friday, October 10, 2025
Friday, October 31, 2025	Friday, November 7, 2025
Friday, November 28, 2025	Friday, December 5, 2025
Friday, January 2, 2026	Friday, January 9, 2026
Friday, January 30, 2026	Friday, February 6, 2026
Friday, February 27, 2026	Friday, March 6, 2026
Friday, April 3, 2026	Friday, April 10, 2026
Friday, May 1, 2026	Friday, May 8, 2026
Friday, May 29, 2026	Friday, June 5, 2026
Thursday July 2, 2026	Friday July 10, 2026

**Exhibit A-1**

**Form of Rule 144A Global Note**

(Attached.)

Exh. A-1-1

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**Exhibit A-2**

**Form of Temporary Regulation S Global Note**

(Attached.)

Exh. A-2-1

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**Exhibit A-3**

**Form of Permanent Regulation S Global Note**

(Attached.)

Exh. A-3-1

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**Exhibit B-1**

**Form of Transfer Certificate  
(Rule 144A Global Note to Temporary Regulation S Global Note)**

(Attached.)

Exh. B-1-1

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**Exhibit B-2**

**Form of Transfer Certificate  
(Rule 144A Global Note to Permanent Regulation S Global Note)**

(Attached.)

Exh. B-2-1

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**Exhibit B-3**

**Form of Transfer Certificate  
(Regulation S Global Note to Rule 144A Global Note)**

(Attached.)

Exh. B-3-1

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**Exhibit C**

**Form of Quarterly Noteholders' Report**

(Attached.)

Exh. C-1-1

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

I, Kenneth J. Kuick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FAT Brands Inc.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Kenneth J. Kuick

Kenneth J. Kuick

Co-Chief Executive Officer and Chief Financial Officer

(Principal Executive and Financial Officer)

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

I, Robert G. Rosen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FAT Brands Inc.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Robert G. Rosen

Robert G. Rosen

Co-Chief Executive Officer

(Principal Executive Officer)



**CERTIFICATIONS OF THE CO-CHIEF EXECUTIVE OFFICERS AND CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of FAT Brands Inc., that, to his or her knowledge, the Quarterly Report of FAT Brands Inc. on Form 10-Q for the period ended March 31, 2024 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operation of the company.

Date: May 2, 2024

By /s/ Kenneth J. Kuick

Kenneth J. Kuick

Co-Chief Executive Officer and Chief Financial Officer

*(Principal Executive, Financial and Accounting Officer)*

Date: May 2, 2024

By /s/ Robert G. Rosen

Robert G. Rosen

Co-Chief Executive Officer

*(Principal Executive Officer)*

A signed original of this written statement required by Section 906 has been provided to FAT Brands Inc. and will be retained by FAT Brands Inc. and furnished to the Securities and Exchange Commission or its staff upon request.