
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13E-3

RULE 13E-3 TRANSACTION STATEMENT UNDER SECTION 13(E)
OF THE SECURITIES ACT OF 1934

CARROLS RESTAURANT GROUP, INC.

(Name of the Issuer)

Carrols Restaurant Group, Inc.
Restaurant Brands International Inc.
BK Cheshire Corp.
(Names of Persons Filing Statement)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

14574X104
(CUSIP Number of Class of Securities)

Carrols Restaurant Group, Inc.
968 James Street
Syracuse, New York 13203
Tel: (315) 424-0513

Restaurant Brands International Inc. and BK Cheshire Corp.
130 King Street West, Suite 300
Toronto, Ontario
Canada, M5X 1E1
Tel: (905) 845-6511

(Name, Address, and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of the Persons Filing Statement)

With copies to

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This statement is filed in connection with (check the appropriate box):

- a. ☒ The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- b. ☐ The filing of a registration statement under the Securities Act of 1933.
- c. ☐ A tender offer.
- d. ☐ None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies: ☒

Check the following box if the filing is a final amendment reporting the results of the transaction: ☐

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction, passed upon the merits or fairness of this transaction, or passed upon the adequacy or accuracy of the disclosure in this transaction statement on Schedule 13E-3. Any representation to the contrary is a criminal offense.

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INTRODUCTION

This Transaction Statement on Schedule 13E-3 (this “**Transaction Statement**”) is being filed with the U.S. Securities and Exchange Commission (the “**SEC**”) pursuant to Section 13(e) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), jointly by the following persons (each, a “**Filing Person**,” and collectively, the “**Filing Persons**”): (1) Carrols Restaurant Group, Inc., a Delaware corporation (“**Carrols**” or the “**Company**”) and the issuer of the common stock, par value \$0.01 per share (the “**Company Common Stock**”) that is the subject of the Rule 13e-3 transaction; (2) Restaurant Brands International Inc., a corporation existing under the laws of Canada (“**Parent**”); and (3) BK Cheshire Corp., a Delaware corporation and a subsidiary of Parent (“**Merger Sub**”, and together with Parent, the “**Buyer Parties**”).

This Transaction Statement relates to the Agreement and Plan of Merger, dated January 16, 2024 (including all exhibits and documents attached thereto, and as it may be amended, supplemented or modified, from time to time, the “**Merger Agreement**”), by and among Carrols, Parent and Merger Sub. The Merger Agreement provides that, subject to the terms and conditions set forth in the Merger Agreement, Merger Sub will merge with and into Carrols (the “**Merger**”), with Carrols surviving the Merger as a subsidiary of Parent (such entity sometimes referred to herein as the “**Surviving Corporation**”).

At the effective time of the Merger (the “**Effective Time**”):

- (i) each share of common stock, par value \$0.001 per share, of Merger Sub that is outstanding as of immediately prior to the Effective Time will be converted into one validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation;
- (ii) each share of Company Common Stock outstanding as of immediately prior to the Effective Time (other than (a) Owned Company Shares (as defined below), (b) shares of Company Common Stock that are issued and outstanding as of immediately prior to the Effective Time and held by Company stockholders who have neither voted in favor of the Merger nor consented thereto in writing and who have properly and validly exercised their statutory rights of appraisal in respect of such shares of Company Common Stock in accordance with Section 262 of the General Corporation Law of the State of Delaware (the “**DGCL**”) (such shares being referred to collectively as the “**Dissenting Company Shares**” until such time as the holder thereof fails to perfect, withdraws or otherwise loses such holder’s appraisal rights under the Laws of the State of Delaware with respect to such shares), and (c) Company RSAs and Company PSAs (each as defined below), which will be treated as set forth below) will be cancelled and extinguished and automatically converted into the right to receive cash in an amount equal to \$9.55, without interest thereon (the “**Per Share Price**”), in accordance with the provisions of the Merger Agreement;

- (iii) each share of Company Common Stock that is (a) held by the Company and its subsidiaries, (b) owned by the Buyer Parties, or (c) owned by any direct or indirect subsidiary of the Buyer Parties as of immediately prior to the Effective Time (each, an “**Owned Company Share**”) shall remain issued and outstanding as a share of common stock of the Surviving Corporation; and
- (iv) each share of Series D convertible preferred stock, par value \$0.01 per share, of the Company (the “**Series D Preferred Stock**”) that is outstanding as of immediately prior to the Effective Time shall remain issued and outstanding as a share of Series D Preferred Stock of the Surviving Corporation, on the terms set forth in the Series D Preferred Stock Certificate of Designation, dated December 20, 2022.

The Merger Agreement also provides that, at the Effective Time, by virtue of the Merger:

- (i) each award of restricted stock of the Company issued under the Carrols Restaurant Group, Inc. 2016 Stock Incentive Plan, as amended and restated effective June 16, 2023, and the Carrols Restaurant Group, Inc. 2006 Stock Incentive Plan (as amended from time to time) (collectively, the “**Company Equity Plans**”), other than a Company PSA (as defined below) (“**Company RSA**”), whether vested or unvested, that is outstanding as of immediately prior to the Effective Time will fully vest, be cancelled, and automatically convert into the right to receive an amount in cash equal to the product of (a) the aggregate number of shares of Company Common Stock subject to such Company RSA, multiplied by (b) the Per Share Price, subject to any applicable withholding taxes payable in respect thereof;
- (ii) each award of restricted stock of the Company granted under the Company Equity Plans whose vesting is conditioned in full or in part based on achievement of performance goals or metrics (“**Company PSA**”), whether vested or unvested, that is outstanding as of immediately prior to the Effective Time will fully vest, be cancelled, and automatically convert into the right to receive an amount in cash equal to the product of (a) the aggregate number of shares of Company Common Stock subject to such Company PSA (with any performance conditions deemed to be earned at “target” performance), multiplied by (b) the Per Share Price, subject to any applicable withholding taxes payable in respect thereof;
- (iii) each restricted stock unit award granted under the Company Equity Plans, other than a Company PSU (as defined below) (“**Company RSU**”), whether vested or unvested, that is outstanding as of immediately prior to the Effective Time will fully vest, be cancelled, and automatically convert into the right to receive an amount in cash equal to the product of (a) the aggregate number of shares of Company Common Stock subject to such Company RSU (together with any accrued and unpaid dividends or dividend equivalents corresponding to such Company RSU), multiplied by (b) the Per Share Price, subject to any applicable withholding taxes payable in respect thereof;
- (iv) each restricted stock unit award granted under the Company Equity Plans whose vesting is conditioned in full or in part based on achievement of performance goals or metrics (“**Company PSU**”), whether vested or unvested, that is outstanding as of immediately prior to the Effective Time will fully vest, be cancelled, and automatically converted, into the right to receive an amount in cash equal to the product of (a) the aggregate number of shares of Company Common Stock subject to such Company PSU (together with any accrued and unpaid dividend or dividend equivalents corresponding to such Company PSU) (with any performance conditions deemed to be earned based on the greater of “target” or “actual” performance, as measured through the Effective Time and extrapolated over the full performance period; provided, that, if the Effective Time occurs on or prior to December 31, 2024, the performance conditions for the Company PSUs granted in 2024 shall be deemed to be earned based on “target” performance), multiplied by (b) the Per Share Price, subject to any applicable withholding taxes payable in respect thereof; and
- (v) each option to purchase shares of Company Common Stock granted under the Company Equity Plans (“**Company Option**”), whether vested or unvested, that is unexpired, unexercised, and outstanding as of immediately prior to the Effective Time will fully vest, be cancelled, and automatically convert into the right to receive an amount in cash equal to the product of (a) the aggregate number of shares of Company Common Stock subject to such Company Option, multiplied by (b) the excess, if any, of the Price Per Share over the applicable exercise price per share applicable to such Company Option, subject to any applicable withholding taxes in respect thereof. Each Company Option with an exercise price per share that is equal to or greater than the Per Share Price will be cancelled immediately upon the Effective Time for no consideration.

Upon completion of the Merger, the Company Common Stock will be delisted from the Nasdaq Stock Market, will be deregistered under the Exchange Act and will no longer be publicly traded. At such time, the Company's stockholders will cease to have any ownership interest in the Company.

The board of directors of the Company (the "**Board**") formed a special committee of the Board comprised solely of independent and disinterested directors (the "**Special Committee**") to engage with Parent to consider other potential value creation opportunities and to take other actions that the Special Committee deemed appropriate. The Special Committee, as more fully described in the preliminary Proxy Statement (as defined below), evaluated the Merger, with the assistance of its own independent financial and legal advisors. At the conclusion of its review, the Special Committee, among other things, unanimously, pursuant to resolutions adopted at a meeting of the Special Committee held on January 15, 2024, unanimously (1) determined that it is in the best interests of Carrols and Carrols Stockholders (including the Unaffiliated Company Stockholders), and declared it advisable, to enter into the Merger Agreement and consummate the Merger and the transactions contemplated therein, (2) recommended that the Board approve and adopt the execution and delivery of the Merger Agreement by Carrols, the performance by Carrols of its covenants and other obligations thereunder, and the consummation of the Merger and the transactions contemplated therein upon the terms and conditions set forth therein, in accordance with the DGCL, and (3) resolved to recommend to the Board that it recommend that the Carrols Stockholders adopt the Merger Agreement in accordance with the DGCL. For this purpose, "**Unaffiliated Company Stockholders**" means the holders of Company Common Stock other than (i) Parent, Merger Sub and their affiliates, (ii) any members of the Board who are employees of Parent or its affiliates, (iii) any officer of the Company and (iv) any "immediate family" (as defined in Rule 16a-1 of the Exchange Act) member of any person described in the foregoing clauses (i) to (iii), or any "affiliate" or "associate" (as defined in Rule 12b-2 of the Exchange Act) of any person described in the foregoing clauses (i) to (iii).

The Board, acting upon the unanimous recommendation of the Special Committee, unanimously (1) determined that it is in the best interests of the Company and the Company stockholders (including the Unaffiliated Company Stockholders), and declared it advisable, to enter into the Merger Agreement and consummate the Merger and the transactions contemplated therein, (2) approved and adopted the execution and delivery of the Merger Agreement by the Company, the performance by the Company of its covenants and other obligations thereunder, and the consummation of the Merger and the transactions contemplated therein, upon the terms and conditions set forth therein, in accordance with the DGCL, and (3) resolved to recommend that the Company stockholders adopt the Merger Agreement in accordance with the DGCL.

The Merger cannot be completed without the affirmative vote of (1) the holders of a majority of the voting power of the outstanding Company Common Stock and Carrols preferred entitled to vote thereon, voting together as a single class; and (2) the holders of a majority of the outstanding Company Common Stock held by the Unaffiliated Company Stockholders, in each case, to adopt and approve the Merger Agreement and the Merger.

Concurrently with the filing of this Transaction Statement, the Company is filing a preliminary proxy statement (the "**Proxy Statement**") under Regulation 14A of the Exchange Act with the SEC, pursuant to which the Company is soliciting proxies from the Company's stockholders in connection with the Merger. The Proxy Statement is attached hereto as Exhibit (a)(1) and is incorporated herein. A copy of the Merger Agreement is attached to the Proxy Statement as Annex A. As of the date hereof, the Proxy Statement is in preliminary form, and is subject to completion or amendment. Terms used but not defined in this Transaction Statement have the meanings assigned to them in the Proxy Statement.

Pursuant to General Instruction F to Schedule 13E-3, the information in the Proxy Statement, including all annexes thereto, is expressly incorporated by reference herein in its entirety, and responses to each item herein are qualified in their entirety by the information contained in the Proxy Statement. The cross-references below are being supplied pursuant to General Instruction G to Schedule 13E-3 and show the location in the Proxy Statement of the information required to be included in response to the items of Schedule 13E-3.

While each of the Filing Persons acknowledges that the Merger is a "going private" transaction for purposes of Rule 13e-3 under the Exchange Act, the filing of this Transaction Statement shall not be construed as an admission by any Filing Person, or by any affiliate of a Filing Person, that the Company is "controlled" by any of the Filing Persons and/or their respective affiliates.

The information concerning the Company contained in, or incorporated by reference into, this Transaction Statement and the Proxy Statement was supplied by the Company. Similarly, all information concerning each other Filing Person contained in, or incorporated by reference into, this Transaction Statement and the Proxy Statement was supplied by such Filing Person. No Filing Person, including the Company, is responsible for the accuracy of any information supplied by any other Filing Person.

SCHEDULE 13E-3 ITEMS

Item 1. Summary Term Sheet

The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

Item 2. Subject Company Information

(a) *Name and address*. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet—The Parties to the Merger”

“The Parties to the Merger—Carrols”

“Important Information Regarding Carrols”

“Questions and Answers”

(b) *Securities*. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet—The Special Meeting—Record Date; Shares Entitled to Vote”

“Summary Term Sheet—The Special Meeting—Quorum”

“The Special Meeting—Record Date; Shares Entitled to Vote; Quorum”

“Questions and Answers”

“Important Information Regarding Carrols—Security Ownership of Certain Beneficial Owners and Management”

(c) *Trading market and price*. The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

“Important Information Regarding Carrols—Market Price of Carrols Common Stock”

(d) *Dividends*. The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

“Important Information Regarding Carrols—Dividends”

(e) **Prior public offerings.** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

“Important Information Regarding Carrols—Prior Public Offerings”

(f) **Prior stock purchases.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Important Information Regarding Carrols—Other Carrols Transactions of Note

“Important Information Regarding Carrols—Transactions by Carrols and the Buyer Parties”

Item 3. Identity and Background of Filing Person

(a) – (c) **Name and address; Business and background of entities; Business and background of natural persons.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet—The Parties to the Merger”

“The Parties to the Merger”

“Important Information Regarding Carrols”

“Important Information Regarding the Buyer Parties”

Item 4. Terms of the Transaction

(a)-(1) **Material terms. Tender offers.** Not applicable

(a)-(2) **Material terms. Mergers or similar transactions.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Plans for Carrols After the Merger”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Certain Effects on Carrols if the Merger is Not Completed”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Special Factors—Certain U.S. Federal Income Tax Consequences of the Merger”

“Special Factors—Accounting Treatment”

“The Special Meeting—Votes Required”

“The Merger Agreement—Exchange and Payment Procedures”

“The Merger Agreement—Merger Consideration”

“The Merger Agreement—Conditions to the Closing of the Merger”

Annex A—Agreement and Plan of Merger

(c) ***Different terms.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Financing of the Merger”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“The Merger Agreement—Merger Consideration”

“The Merger Agreement—Exchange and Payment Procedures”

“The Merger Agreement—Employee Benefits”

“The Merger Agreement—Indemnification and Insurance”

“The Voting Agreement”

“Proposal 2: The Compensation Proposal”

Annex A—Agreement and Plan of Merger

Annex C—Voting Agreement

(d) ***Appraisal rights.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet—Appraisal Rights”

“Questions and Answers”

“The Special Meeting—Appraisal Rights”

“Special Factors—Certain Effects of the Merger”

“Appraisal Rights”

(e) ***Provisions for unaffiliated security holders.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Provisions for Unaffiliated Company Stockholders”

(f) ***Eligibility for listing or trading.*** Not applicable.

Item 5. Past Contacts, Transactions, Negotiations and Agreements

(a)(1) – (2) ***Transactions.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Background of the Merger”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Special Factors—Financing of the Merger”

“The Merger Agreement”

“The Voting Agreement”

“Important Information Regarding Carrols—Prior Public Offerings”

“Important Information Regarding Carrols—Other Carrols Transactions of Note

“Important Information Regarding Carrols—Transactions by Carrols and the Buyer Parties”

“Important Information Regarding Carrols—Past Contracts, Transactions, Negotiations and Agreements”

“Important Information Regarding the Buyer Parties”

“Proposal 2: The Compensation Proposal”

Annex A—Agreement and Plan of Merger

Annex C—Voting Agreement

(b) – (c) ***Significant corporate events; Negotiations or contacts.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“The Merger Agreement”

“The Voting Agreement”

Annex A—Agreement and Plan of Merger

Annex C—Voting Agreement

(e) ***Agreements involving the subject company’s securities.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Intent of Carrols’ Directors and Executive Officers to Vote in Favor of the Merger”

“Special Factors—Intent of Certain Stockholders to Vote in Favor of the Merger”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Special Factors—Financing of the Merger”

“The Merger Agreement”

“The Special Meeting—Votes Required”

“The Voting Agreement”

“Important Information Regarding Carrols—The Stockholders Agreement”

“Proposal 2: The Compensation Proposal”

Annex A—Agreement and Plan of Merger

Annex C—Voting Agreement

Item 6. Purposes of the Transaction and Plans or Proposals

(b) *Use of securities acquired.* The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Plans for Carrols After the Merger”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Certain Effects on Carrols if the Merger is Not Completed”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Special Factors—Delisting and Deregistration of Carrols Common Stock”

“Special Factors—Financing of the Merger”

“The Merger Agreement—Effect of the Merger”

“The Merger Agreement—Directors and Officers; Certificate of Incorporation; Bylaws”

“The Merger Agreement—Merger Consideration”

“The Merger Agreement—Exchange and Payment Procedures”

Annex A—Agreement and Plan of Merger

(c)(1) – (8) *Plans.* The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Opinion of the Special Committee’s Financial Advisor”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Plans for Carrols After the Merger”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Certain Effects on Carrols if the Merger Is Not Completed”

“Special Factors—Intent of Carrols’ Directors and Executive Officers to Vote in Favor of the Merger”

“Special Factors—Intent of Certain Stockholders to Vote in Favor of the Merger”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Special Factors—Financing of the Merger”

“The Merger Agreement—Effect of the Merger”

“The Merger Agreement—Directors and Officers; Certificate of Incorporation; Bylaws”

“The Merger Agreement—Merger Consideration”

“The Voting Agreement”

“Important Information Regarding Carrols”

Annex A—Agreement and Plan of Merger

Annex B—Opinion of Jefferies LLC

Item 7. Purposes, Alternatives, Reasons and Effects

(a) **Purposes.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Opinion of the Special Committee’s Financial Advisor”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Plans for Carrols After the Merger”

“Special Factors—Certain Effects of the Merger”

Annex B—Opinion of Jefferies LLC

(b) **Alternatives.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Plans for Carrols After the Merger”

“Special Factors—Certain Effects on Carrols if the Merger is Not Completed”

(c) **Reasons.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Opinion of the Special Committee’s Financial Advisor”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Plans for Carrols After the Merger”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Certain Effects on Carrols if the Merger is Not Completed”

“Special Factors—Unaudited Prospective Financial Information”

Annex B—Opinion of Jefferies LLC

(d) **Effects.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Opinion of the Special Committee’s Financial Advisor”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Plans for Carrols After the Merger”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Certain Effects on Carrols if the Merger is Not Completed”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Special Factors—Certain U.S. Federal Income Tax Consequences of the Merger”

“Special Factors—Financing of the Merger”

“Special Factors—Fees and Expenses”

“Special Factors—Delisting and Deregistration of Carrols Common Stock”

“The Merger Agreement—Effect of the Merger”

“The Merger Agreement—Directors and Officers; Certificate of Incorporation; Bylaws”

“The Merger Agreement—Merger Consideration”

“The Merger Agreement—Indemnification and Insurance”

“The Merger Agreement—Employee Benefits”

“Appraisal Rights”

“Proposal 2: The Compensation Proposal”

Annex A—Agreement and Plan of Merger

Annex B—Opinion of Jefferies LLC

Item 8. Fairness of the Transaction

(a) – (b) **Fairness; Factors considered in determining fairness.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Opinion of the Special Committee’s Financial Advisor”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Certain Effects of the Merger”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

Annex B—Opinion of Jefferies LLC

(c) **Approval of security holders.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Reasons for the Merger; Recommendations of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“The Special Meeting—Record Date; Shares Entitled to Vote; Quorum”

“The Special Meeting—Votes Required”

“The Special Meeting—Voting of Proxies”

“The Special Meeting—Revocability of Proxies”

“The Merger Agreement—Conditions to the Closing of the Merger”

“Proposal 1: The Merger Proposal”

Annex A—Agreement and Plan of Merger

(d) **Unaffiliated representative.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Opinion of the Special Committee’s Financial Advisor”

Annex B—Opinion of Jefferies LLC

(e) **Approval of directors.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Special Factors—Intent of Carrols’ Directors and Executive Officers to Vote in Favor of the Merger”

(f) **Other offers.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

Item 9. Reports, Opinions, Appraisals and Negotiations

(a) – (b) **Report, opinion or appraisal; Preparer and summary of the report, opinion or appraisal.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Opinion of the Special Committee’s Financial Advisor”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Where You Can Find Additional Information”

Annex B—Opinion of Jefferies LLC

(c) **Availability of documents.** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

“Where You Can Find Additional Information”

The reports, opinions or appraisals referenced in this Item 9 will be made available for inspection and copying at the principal executive offices of the Company during its regular business hours by any interested equity holder of the Company Common Stock or by a representative who has been so designated in writing.

Item 10. Source and Amounts of Funds or Other Consideration

(a) – (b) **Source of funds; Conditions.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Financing of the Merger”

“The Merger Agreement—Other Covenants”

“The Merger Agreement—Conditions to the Closing of the Merger”

“The Merger Agreement—Conduct of Business Pending the Merger”

Annex A—Agreement and Plan of Merger

(c) **Expenses.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Certain Effects on Carrols if the Merger is Not Completed”

“Special Factors—Fees and Expenses”

“The Special Meeting—Solicitation of Proxies”

“The Merger Agreement—Fees and Expenses”

“The Merger Agreement—Company Termination Fee”

Annex A—Agreement and Plan of Merger

(d) **Borrowed funds.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Financing of the Merger”

“The Merger Agreement—Other Covenants”

The Commitment Letter, dated January 16, 2024, by and among 1011778 B.C. Unlimited Liability Company, JPMorgan Chase Bank, N.A. and the other parties joined to the Commitment Letter from time to time, is attached hereto as Exhibit (b)(i) and is incorporated herein by reference.

Item 11. Interest in Securities of the Subject Company

(a) ***Securities ownership.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Important Information Regarding Carrols—Security Ownership of Certain Beneficial Owners and Management”

“Important Information Regarding the Buyer Parties”

“The Voting Agreement”

Annex C—Voting Agreement

(b) ***Securities transactions.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Special Factors—Background of the Merger”

“Important Information Regarding Carrols—Other Carrols Transactions of Note

“Important Information Regarding Carrols—Transactions by Carrols and the Buyer Parties”

“Important Information Regarding Carrols—Prior Public Offerings”

“The Merger Agreement”

“The Voting Agreement”

Annex A—Agreement and Plan of Merger

Annex C—Voting Agreement

Item 12. The Solicitation or Recommendation

(d) ***Intent to tender or vote in a going-private transaction.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Intent of Carrols’ Directors and Executive Officers to Vote in Favor of the Merger”

“Special Factors—Intent of Certain Stockholders to Vote in Favor of the Merger”

“The Special Meeting—Votes Required”

“The Voting Agreement”

Annex C—Voting Agreement

(e) **Recommendation of others.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Proposal 1: The Merger Proposal”

Item 13. Financial Information

(a) **Financial statements.** The audited consolidated financial statements set forth in Item 8 of the Company’s Annual Report on Form 10-K for the fiscal year ended January 1, 2023, the financial statements set forth in Item 1 of the Company’s Quarterly Report on Form 10-Q for the quarterly period ended April 2, 2023, the financial statements set forth in Item 1 of the Company’s Quarterly Report on Form 10-Q for the quarterly period ended July 2, 2023 and the financial statements set forth in Item 1 of the Company’s Quarterly Report on Form 10-Q for the quarterly period ended October 1, 2023 are incorporated herein by reference.

The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Special Factors—Certain Effects of the Merger”

“Special Factors—Unaudited Prospective Financial Information”

“Important Information Regarding Carrols—Book Value Per Share”

“Where You Can Find Additional Information”

(b) **Pro forma information.** Not applicable.

Item 14. Persons/Assets, Retained, Employed, Compensated or Used

(a) – (b) **Solicitations or recommendations; Employees and corporate assets.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and the Carrols Board”

“Special Factors—Position of the Buyer Parties as to the Fairness of the Merger”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“Special Factors—Fees and Expenses”

“The Special Meeting—Solicitation of Proxies”

Item 15. Additional Information

(b) **Golden Parachute Compensation.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Special Factors—Interests of Carrols’ Directors and Executive Officers in the Merger”

“The Merger Agreement—Merger Consideration”

“Proposal 2: The Compensation Proposal”

Annex A—Agreement and Plan of Merger

(c) **Other material information.** The information set forth in the Proxy Statement, including all annexes thereto, is incorporated herein by reference.

Item 16. Exhibits

The following exhibits are filed herewith:

Exhibit No.	Description
(a)(2)(i)	Preliminary Proxy Statement of Carrols Restaurant Group, Inc. (the “Proxy Statement”) (included in the Schedule 14A filed on March 4, 2024 and incorporated herein by reference).
(a)(2)(ii)	Form of Proxy Card (included in the Proxy Statement and incorporated herein by reference).
(a)(2)(iii)	Letter to Stockholders (included in the Proxy Statement and incorporated herein by reference).
(a)(2)(iv)	Notice of Special Meeting of Stockholders (included in the Proxy Statement and incorporated herein by reference).
(a)(2)(v)	Current Report on Form 8-K, dated January 16, 2024 (included in Schedule 14A filed by Carrols Restaurant Group, Inc. on January 16, 2024 and incorporated herein by reference).
(a)(2)(vi)	Recorded Communication by Joseph Hoffman, Chief Restaurant Officer of Carrols Restaurant Group, Inc., to Popeyes Employees, dated January 16, 2024 (included in Schedule 14A filed by Carrols Restaurant Group, Inc. on January 17, 2024 and incorporated herein by reference).
(a)(2)(vii)	E-mail from Deborah Derby, the President and Chief Executive Officer of Carrols Restaurant Group, Inc., to Carrols Employees, dated January 16, 2024 (included in Schedule 14A filed by Carrols Restaurant Group, Inc. on January 17, 2024 and incorporated herein by reference).
(a)(2)(viii)	Presentation shared with Investors of Restaurant Brands International, Inc., dated January 16, 2024 (included in Schedule 14A filed by Carrols Restaurant Group, Inc. on January 17, 2024 and incorporated herein by reference).
(a)(2)(ix)	Recorded Communication, featuring Deborah Derby, the President and Chief Executive Officer of Carrols Restaurant Group, Inc., and Tom Curtis, President, Burger King U.S. & Canada of Restaurant Brands International Inc., shared with Carrols Employees, dated January 16, 2024 (included in Schedule 14A filed by Carrols Restaurant Group, Inc. on January 17, 2024 and incorporated herein by reference).
(b)(i)	Commitment Letter, dated January 16, 2024, by and among 1011778 B.C. Unlimited Liability Company, JPMorgan Chase Bank, N.A. and the other parties joined to the Commitment Letter from time to time.
(c)(i)	Opinion of Jefferies LLC, dated January 15, 2024 (included as Annex B to the Proxy Statement and incorporated herein by reference).
(c)(ii)	Discussion Materials of Jefferies LLC to the Special Committee, dated January 11, 2024.
(c)(iii)	Discussion Materials of Jefferies LLC to the Special Committee, dated January 15, 2024.
(d)(i)	Agreement and Plan of Merger, dated as of January 16, 2024, by and among the Company, Parent and Merger Sub (included as Annex A to the Proxy Statement and incorporated herein by reference).
(d)(ii)	Voting Agreement, dated as of January 16, 2024, by and among Parent, Cambridge Franchise Holdings, LLC, Matthew Perelman and Alexander Sloane (included as Annex C to the Proxy Statement and incorporated herein by reference).
(f)	Section 262 of the Delaware General Corporation Law (included as Annex D to the Proxy Statement and incorporated herein by reference).
107	Filing Fee Table.

SIGNATURES

After due inquiry and to the best of the undersigned's knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: March 4, 2024

CARROLS RESTAURANT GROUP, INC.

By: /s/ Deborah M. Derby

Name: Deborah M. Derby

Title: President and Chief Executive Officer

[Signature Page to SC 13E-3]

After due inquiry and to the best of the undersigned’s knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: March 4, 2024

RESTAURANT BRANDS INTERNATIONAL INC.

By: /s/ Jill Granat
Name: Jill Granat
Title: General Counsel and Secretary

BK CHESHIRE CORP.

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

[Signature Page to SC 13E-3]

JPMORGAN CHASE BANK,
N.A. 383 Madison Avenue
New York, New York 10179

CONFIDENTIAL

January 16, 2024

1011778 B.C. Unlimited Liability Company
130 King Street West,
Toronto, Ontario M5X 1E1
Attention: Matthew Dunnigan

Project Wonderland
Commitment Letter

Ladies and Gentlemen:

You have advised JPMorgan Chase Bank, N.A. (“**JPMCB**”, “**we**”, “**our**”, “**us**” or the “**Commitment Parties**”) that 1011778 B.C. Unlimited Liability Company, an unlimited liability company organized under the laws of British Columbia (“**you**” or the “**Parent Borrower**”) intends to enter into transactions pursuant to which it will acquire (the “**Acquisition**”), directly or indirectly the capital stock of an entity previously identified to us by you as “Wonderland” (the “**Target**” and, together with the Parent Borrower, New Red Finance, Inc., a Delaware corporation (the “**Subsidiary Borrower**”, and together with the Parent Borrower, the “**Borrowers**”), Restaurant Brands International Limited Partnership, a limited partnership organized under the laws of British Columbia (“**Holdings**”) and the other subsidiaries of Holdings, the “**Companies**”). You have further advised us that, in connection with the foregoing, the Companies intend to consummate the other Transactions described in the Transaction Description attached hereto as Exhibit A (the “**Transaction Description**”). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Transaction Description or the Summary of Principal Terms and Conditions attached hereto as Exhibit B (the “**Senior Term Sheet**”; this commitment letter, the Transaction Description, the Senior Term Sheet and the Summary of Additional Conditions attached hereto as Exhibit C, collectively, the “**Commitment Letter**”).

1. Commitments.

In connection with the Transactions, JPMCB (together with any other initial lender that becomes a party hereto, each an “**Initial Lender**” and, collectively, the “**Initial Lenders**”) is pleased to advise you of its commitment, jointly and severally, to (and hereby agree to provide the same percentage of any Incremental Term Loan Increase (as defined in the fee letter dated as of the date hereof by and among us and you (the “**Fee Letter**”)) provide 100% of the entire aggregate principal amount of the Incremental Term Facility, subject only to the satisfaction of the conditions set forth in the section entitled “Conditions to Initial Borrowing” in Exhibit B hereto.

2. Titles and Roles.

It is agreed that (i) JPMCB will act as a lead arranger and bookrunner for the Incremental Term Facility (collectively with any other arrangers appointed pursuant to this Section 2, the “**Lead Arrangers**”); *provided* that JPMCB may provide any of its services as lead arranger and bookrunner through its affiliate, J.P. Morgan Securities LLC and (ii) JPMCB will act as administrative agent and collateral agent (in such capacity, the “**Senior Administrative Agent**”) for the Incremental Term Facility. It is further agreed that in any Information Materials (as defined below) and all other offering or marketing materials in respect of the Incremental Term Facility, JPMCB shall have “left side” designation and shall appear on the top left and shall hold the leading role and responsibility customarily associated with such “top left” placement, with the remaining Lead Arrangers appearing to the right of JPMCB in an order determined by the Parent Borrower. You agree that no other agents, co-agents, arrangers or bookrunners will be appointed, no other titles will be awarded and no compensation (other than compensation expressly contemplated by this Commitment Letter and the Fee Letter) will be paid to any Lender (as defined below) in order to obtain its commitment to participate in the Incremental Term Facility unless you and we shall so agree; *provided* that (i) within fifteen (15) business days following the date hereof, you may appoint additional joint lead arrangers, co-agents, arrangers, bookrunners, managers or co-managers for the Incremental Term Facility and award such joint lead arrangers additional agent, co-agent, bookrunner, manager, co-manager titles or other titles in respect of the Incremental Term Facility in a manner and with economics determined by you in consultation with JPMCB (it being understood that, to the extent you appoint additional agents, co-agents, bookrunners, managers or co-managers or confer other titles in respect of the Incremental Term Facility, the commitments of JPMCB in respect of the Incremental Term Facility will be reduced by the amount of the commitments of such appointed entities (or their relevant affiliates) and the economics awarded to such other arrangers shall be in proportion to their commitments assumed in respect of the Incremental Term Facility), with such reduction allocated to reduce the commitments of the Initial Lenders at such time on a pro rata basis according to the respective amount of their commitments, (ii) JPMCB shall have not less than 42.5% of the total economics for the Incremental Term Facility under the Fee Letter, and no Additional Arranger shall receive greater economics than JPMCB and (iii) upon the execution by any other lead arranger, agent, co-agent or bookrunner (and any relevant affiliate) of customary joinder documentation and a customary “sell-down” letter with JPMCB, each such financial institution (and any relevant affiliate) shall thereafter constitute a “Commitment Party” and a “Lead Arranger” hereunder and it or its relevant affiliate providing such commitment shall constitute an “Initial Lender” hereunder).

3. Syndication.

The Lead Arrangers reserve the right, prior to or after the Closing Date (as defined below), to syndicate all or a portion of the Initial Lenders' respective commitments hereunder to a group of banks, financial institutions and other institutional lenders and investors (together with the Initial Lenders, the "**Lenders**") identified by the Lead Arrangers in consultation with you and reasonably acceptable to the Lead Arrangers and you (your consent not to be unreasonably withheld or delayed), and you agree to use commercially reasonable efforts to provide the Initial Lenders with a period of fifteen (15) consecutive business days (*provided* that November 29, 2024 shall not be included as a "business day" for such purpose) (such period, the "**Marketing Period**") following the receipt of the Information Memorandum (as defined below) prior to the Closing Date to syndicate the Incremental Term Facility (*provided, further*, that if the Marketing Period has not ended on or prior to August 16, 2024, the Marketing Period shall not commence earlier than September 3, 2024); *provided* that (a) we agree not to syndicate our commitments to Disqualified Lenders (as defined in the Existing Credit Agreement) and (b) notwithstanding the Lead Arrangers' right to syndicate the Incremental Term Facility and receive commitments with respect thereto, (i) no Initial Lender shall be relieved, released or novated from its obligations hereunder (including, subject to the satisfaction of the conditions set forth herein, its obligation to fund the Incremental Term Facility on the date of the consummation of the Acquisition with the proceeds of the initial funding under the Incremental Term Facility (the date of such funding, the "**Closing Date**")) in connection with any syndication, assignment or participation of the Incremental Term Facility, including its commitments in respect thereof, until after the Closing Date has occurred, (ii) except as expressly provided in Section 2, no assignment or novation by any Initial Lender shall become effective as between you and the Initial Lenders with respect to all or any portion of any Initial Lender's commitments in respect of the Incremental Term Facility until the initial funding of the Incremental Term Facility and (iii) unless you otherwise agree in writing, each Initial Lender shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the Incremental Term Facility, including all rights with respect to consents, modifications, supplements, waivers and amendments, until after the Closing Date has occurred.

Without limiting your obligations to assist with syndication efforts as set forth herein, it is understood that the Initial Lenders' commitments hereunder are not conditioned upon the syndication of, or receipt of commitments in respect of, the Incremental Term Facility and in no event shall the commencement or successful completion of syndication of the Incremental Term Facility constitute a condition to the availability of the Incremental Term Facility on the Closing Date. The Lead Arrangers may commence syndication efforts promptly upon the execution of this Commitment Letter and as part of their syndication efforts, it is their intent to have Lenders commit to the Incremental Term Facility prior to the Closing Date (subject to the limitations set forth in the preceding paragraph). Until the earlier of Successful Syndication (as defined in the Fee Letter) and the 60th day after the Closing Date (such earlier date, the "**Syndication Date**"), you agree to actively assist the Lead Arrangers in seeking to complete a timely syndication that is reasonably satisfactory to us and you. Such assistance shall include, without limitation, (a) your using commercially reasonable efforts to ensure that any syndication efforts benefit materially from your existing lending and investment banking relationships and, to the extent practical and appropriate (and not in contravention of the Acquisition Agreement (as defined in Exhibit A hereto)), the Target's existing lending and investment banking relationships, (b) direct contact between senior management, certain representatives and certain advisors of you, on the one hand, and the proposed Lenders, on the other hand (and, to the extent practical and appropriate and not in contravention of the Acquisition Agreement, your using commercially reasonable efforts to ensure such contact between senior management of the Target, on the one hand, and the proposed Lenders, on the other hand), in all such cases at times mutually agreed upon, (c) your assistance (including the use of commercially reasonable efforts to cause the Target to assist to the extent practical and appropriate and not in contravention of the Acquisition Agreement) in the preparation of the Information Materials (as defined below), (d) using your commercially reasonable efforts to procure, at your expense, prior to the commencement of the Marketing Period, ratings for the Incremental Term Facility from each of Standard & Poor's Ratings Services ("**S&P**") and Moody's Investors Service, Inc. ("**Moody's**"), and an updated public corporate credit rating and public corporate family rating in respect of the Parent Borrower after giving effect to the Transactions from each of S&P and Moody's, respectively, (e) the hosting, with the Lead Arrangers, of a reasonable number of meetings to be mutually agreed upon of prospective Lenders at times and locations to be mutually agreed upon (and your using commercially reasonable efforts to cause the officers of the Target to be available for such meetings to the extent practical and appropriate and not in contravention of the Acquisition Agreement), (f) your using commercially reasonable efforts to provide prior to the commencement of the Marketing Period (i) customary pro forma financial statements of the Parent Borrower after giving effect to the Transactions (which need not be prepared in compliance with Regulation S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting) and (ii) customary forecasts of financial statements of the Companies for each quarter for the first twenty four months following the Closing Date and for each year commencing with the first fiscal year following the Closing Date for the term of the Incremental Term Facility (collectively, the "**Projections**") and (g) at any time prior to the Syndication Date, there being no competing issues, offerings, placements or arrangements of debt securities or commercial bank or other credit facilities by or on behalf of any of the Companies being offered, placed or arranged (other than any indebtedness of Target or any of its subsidiaries permitted to be incurred pursuant to the Acquisition Agreement and indebtedness of the Borrowers and their subsidiaries under the revolving portion of the Existing Credit Agreement or otherwise in the ordinary course of business consistent with past practice) without the consent of the Lead Arrangers, if such issuance, offering, placement or arrangement would materially impair the primary syndication of the Incremental Term Facility and you not entering into any amendment to the Existing Credit Agreement that would be materially adverse to the Commitment Parties. Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letter or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary, your obligations to assist in syndication efforts as provided herein (including the obtaining of the ratings referenced above) shall not constitute a condition to the commitments hereunder or the funding of the Incremental Term Facility on the Closing Date.

The Lead Arrangers, in their capacities as such, will manage, in consultation with you, all aspects of any syndication of the Incremental Term Facility, including decisions as to the selection of institutions reasonably acceptable to you (your consent not to be unreasonably withheld or delayed) to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate (subject to your consent rights set forth in the second preceding paragraph and excluding Disqualified Lenders), the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders. For the avoidance of doubt, you will not be required to provide any information to the extent that the provision thereof would violate any law, rule or regulation, or any obligation of confidentiality binding on you, the Target or your or their respective affiliates.

You hereby acknowledge that (a) the Lead Arrangers will make available Information (as defined below), Projections and other offering and marketing material and presentations, including confidential information memoranda to be used in connection with the syndication of the Incremental Term Facility in a form customarily delivered in connection with senior secured bank financings (which shall be limited to a presentation customarily used for incremental term loan financings for acquisitions of this type unless additional information is determined by the Lead Arrangers without your consent (but after consultation with you) to be reasonably necessary to ensure a Successful Syndication occurs) (the “**Information Memorandum**”) (such Information, Projections, other offering and marketing material and the Information Memorandum, collectively, with the Senior Term Sheet, the “**Information Materials**”) on a confidential basis to the proposed syndicate of Lenders by posting the Information Materials on Intralinks, Debt X, SyndTrak Online or by similar electronic means and (b) certain of the Lenders may be “public side” Lenders (i.e. Lenders that do not wish to receive material non-public information (“**MNPI**”) with respect to you, your affiliates, the Companies or your or their respective securities and who may be engaged in investment and other market related activities with respect to you, the Companies or your or their respective securities) (each, a “**Public Sider**” and each Lender that is not a Public Sider, a “**Private Sider**”). You will be solely responsible for the contents of the Information Materials and each of the Commitment Parties shall be entitled to use and rely upon the information contained therein without responsibility for independent verification thereof.

At the request of the Lead Arrangers, you agree to assist (and to use commercially reasonable efforts to cause the Target to assist to the extent practical and appropriate and not in contravention of the Acquisition Agreement) us in preparing an additional version of the Information Materials to be used in connection with the syndication of the Incremental Term Facility that consists exclusively of information that is publicly available and/or does not include MNPI with respect to you, the Companies or any of your or their respective subsidiaries for the purpose of United States federal and state securities laws to be used by Public Siders. It is understood that in connection with your assistance described above, customary authorization letters will be included in any Information Materials that authorize the distribution thereof to prospective Lenders, represent that the additional version of the Information Materials does not include any MNPI and exculpate you, the Investors (as defined in the Existing Credit Agreement), the Companies and us with respect to any liability related to the use of the contents of the Information Materials or related offering and marketing materials by the recipients thereof. Before distribution of any Information Materials, you agree to use commercially reasonable efforts to identify that portion of the Information Materials that may be distributed to the Public Siders as “Public Information,” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof. By marking Information Materials as “PUBLIC,” you shall be deemed to have authorized the Commitment Parties and the proposed Lenders to treat such Information Materials as not containing any MNPI (it being understood that you shall not be under any obligation to mark the Information Materials “PUBLIC”).

You acknowledge and agree that the following documents, without limitation, may be distributed to both Private Siders and Public Siders, unless you advise the Lead Arrangers in writing (including by email) within a reasonable time prior to their intended distribution that such materials should only be distributed to Private Siders: (a) administrative materials prepared by the Lead Arrangers for prospective Lenders (such as a lender meeting invitation, bank allocation, if any, and funding and closing memoranda), (b) term sheets and notification of changes in the Incremental Term Facility' terms and conditions, (c) drafts and final versions of the Incremental Term Facility Documentation and (d) publicly filed financial statements of the Companies and their respective subsidiaries. If you advise us in writing (including by email), within a reasonable period of time prior to dissemination, that any of the foregoing should be distributed only to Private Siders, then Public Siders will not receive such materials without your consent.

4. Information.

You hereby represent and warrant that (with respect to Information and Projections relating to the Target and its subsidiaries, to your knowledge) (a) all material written information and written data, other than the Projections and other than information of a general economic or industry specific nature (the "**Information**"), that has been or will be made available to any Commitment Party by you or, at your direction, by any of your representatives on your behalf in connection with the transactions contemplated hereby, when taken as a whole, is or will be, when furnished, correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (giving effect to all supplements and updates thereto) and (b) the Projections contained in the Information Memorandum will be prepared in good faith based upon assumptions that are believed by you to be reasonable at the time such Projections are so furnished; it being understood that the Projections are as to future events and are not to be viewed as facts, the Projections are subject to significant uncertainties and contingencies, many of which are beyond your control, that no assurance can be given that any particular Projections will be realized and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material. You agree that, if at any time prior to the Syndication Date, you become aware that any of the representations and warranties in the preceding sentence would be incorrect in any material respect if the Information and the Projections contained in the Information Memorandum were being furnished, and such representations were being made, at such time, then you will (or, prior to the Closing Date, with respect to the Information and such Projections relating to the Target, will use commercially reasonable efforts to) promptly supplement the Information and such Projections such that (with respect to Information and Projections relating to Target and its subsidiaries, to your knowledge) such representations and warranties are correct in all material respects under those circumstances. In arranging and syndicating the Incremental Term Facility, each of the Commitment Parties will be entitled to use and rely primarily on the Information and the Projections contained in the Information Memorandum without responsibility for independent verification thereof.

5. Fees.

As consideration for the commitments of the Initial Lenders hereunder and for the agreement of the Lead Arrangers to perform the services described herein, you agree to pay (or cause to be paid) the fees set forth in the Senior Term Sheet and in the Fee Letter. Once paid, such fees shall not be refundable except as otherwise agreed in writing.

6. Conditions.

The commitments of the Initial Lenders hereunder to fund the Incremental Term Facility on the Closing Date and the agreements of the Lead Arrangers to perform the services described herein are subject solely to the conditions set forth in the section entitled “Conditions to Initial Borrowing” in Exhibit B hereto, and upon satisfaction (or waiver by all Commitment Parties) of such conditions, the initial funding of the Incremental Term Facility shall occur.

Notwithstanding anything in this Commitment Letter (including each of the exhibits attached hereto), the Fee Letter, the Incremental Term Facility Documentation or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary, (i) the only representations relating to you, the Borrowers, the Guarantors (as defined in the Existing Credit Agreement), the Companies, your and their respective subsidiaries and your and their respective businesses the accuracy of which shall be a condition to the availability and funding of the Incremental Term Facility on the Closing Date shall be (A) such of the representations made by the Target in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that you or your affiliates have the right to terminate your or their obligations under the Acquisition Agreement or to decline to consummate the Acquisition as a result of a breach of such representations in the Acquisition Agreement (to such extent, the “**Specified Acquisition Agreement Representations**”) and (B) the Specified Representations (as defined in the Existing Credit Agreement but with modifications to the representation in (i) Section 5.15 of the Existing Credit Agreement, so that such representation and warranty is also made on the Closing Date immediately after giving effect to the Transactions and (ii) Section 5.18 of the Existing Credit Agreement so that such representation and warranty also refers to the use or proceeds of the Incremental Term Facility on the Closing Date) and (ii) the terms of the Incremental Term Facility Documentation shall be in a form such that they do not impair the availability or funding of the Incremental Term Facility on the Closing Date if the conditions set forth in the section entitled “Conditions to Initial Borrowing” in Exhibit B hereto are satisfied. This paragraph, and the provisions herein, shall be referred to as the “**Certain Funds Provisions**.”

For the avoidance of doubt, compliance by you and/or your affiliates with the terms and conditions of this Commitment Letter (other than the conditions set forth in the section entitled “Conditions to Initial Borrowing” in Exhibit B hereto) is not a condition to the Initial Lenders’ commitments to fund the Incremental Term Facility hereunder on the terms set forth herein.

7. Indemnity.

To induce the Commitment Parties to enter into this Commitment Letter and the Fee Letter and to proceed with the documentation of the Incremental Term Facility, you agree (a) to indemnify and hold harmless each Commitment Party, their respective affiliates and the respective officers, directors, employees, agents, advisors and other representatives of each of the foregoing (each, an “**Indemnified Person**”), from and against any and all losses, claims, damages and liabilities of any kind or nature and reasonable and documented or invoiced out-of-pocket fees and expenses, joint or several, to which any such Indemnified Person may become subject to the extent arising out of, resulting from or in connection with, this Commitment Letter (including the Senior Term Sheet), the Fee Letter, the Transactions or any related transaction contemplated hereby, the Incremental Term Facility or any use of the proceeds thereof or any claim, litigation, investigation or proceeding (including any inquiry or investigation) relating to any of the foregoing (any of the foregoing, a “**Proceeding**”), regardless of whether any such Indemnified Person is a party thereto, whether or not such Proceedings are brought by you, your equity holders, affiliates, creditors or any other third person, and to reimburse each such Indemnified Person upon demand for any reasonable and documented or invoiced out-of-pocket legal expenses of one firm of counsel for all such Indemnified Persons, taken as a whole and, if necessary, of a single local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all such Indemnified Persons, taken as a whole, and, solely in the case of a conflict of interest, one additional counsel in each appropriate jurisdiction to the affected Indemnified Persons) or other reasonable and documented or invoiced out-of-pocket fees and expenses incurred in connection with investigating or defending any of the foregoing, in all cases, whether or not caused by or arising, in whole or in part, out of the negligence of the Indemnified Person; *provided* that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent that they have resulted from (i) the willful misconduct, bad faith or gross negligence of such Indemnified Person or any of such Indemnified Person’s controlled affiliates or any of its or their respective officers, directors, employees, agents, advisors or other representatives, in each case who are involved in or aware of the Transactions (as determined by a court of competent jurisdiction in a final and non-appealable decision), (ii) a material breach of the obligations of such Indemnified Person or any of such Indemnified Person’s affiliates under this Commitment Letter, the Senior Term Sheet, the Fee Letter or the Incremental Term Facility Documentation as determined by a court of competent jurisdiction in a final and non-appealable decision, or (iii) disputes between and among Indemnified Persons to the extent such disputes do not arise from any act or omission of you or any of your affiliates (other than claims against an Indemnified Person acting in its capacity as an agent or arranger or similar role under the Incremental Term Facility unless such claims arise from the gross negligence, bad faith or willful misconduct of such Indemnified Person as determined by a court of competent jurisdiction in a final and non-appealable decision) and (b) to the extent that the Closing Date occurs, to reimburse each Commitment Party from time to time, upon presentation of a summary statement, for all reasonable and documented or invoiced out-of-pocket expenses (including but not limited to expenses of each Commitment Party’s consultants’ fees (to the extent any such consultant has been retained with your prior written consent (such consent not to be unreasonably withheld or delayed)), syndication expenses, travel expenses and reasonable fees, disbursements and other charges of a single counsel to the Commitment Parties identified in the Senior Term Sheet and of a single local counsel to the Commitment Parties in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) and of such other counsel retained with your prior written consent (such consent not to be unreasonably withheld or delayed)), in each case incurred in connection with the Incremental Term Facility and the preparation, negotiation and enforcement of this Commitment Letter, the Fee Letter, the Incremental Term Facility Documentation and any security arrangements in connection therewith (collectively, the “**Expenses**”). The foregoing provisions in this paragraph shall be superseded in each case, to the extent covered thereby, by the applicable provisions contained in the Incremental Term Facility Documentation upon execution thereof and thereafter shall have no further force and effect.

Notwithstanding any other provision of this Commitment Letter, (i) no Indemnified Person shall be liable for any damages arising from the use by others of information or other, materials obtained through internet, electronic, telecommunications or other information transmission systems, except to the extent that such damages have resulted from the willful misconduct or gross negligence of such Indemnified Person or any of such Indemnified Person’s controlled affiliates or any of its or their respective officers, directors, employees, agents, advisors or other representatives, in each case who are involved in or aware of the Transactions as determined by a final, non-appealable judgment of a court of competent jurisdiction and (ii) without in any way limiting the indemnification obligations set forth above, none of us, you, any of the Companies or any Indemnified Person shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings) in connection with this Commitment Letter, the Fee Letter, the Transactions (including the Incremental Term Facility and the use of proceeds thereunder), or with respect to any activities related to the Incremental Term Facility, including the preparation of this Commitment Letter, the Fee Letter and the Incremental Term Facility Documentation.

You shall not be liable for any settlement of any Proceeding effected without your written consent (which consent shall not be unreasonably withheld or delayed), but if settled with your written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction for the plaintiff in any such Proceeding, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with the other provisions of this Section 7.

You shall not, without the prior written consent of any Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrong-doing or a failure to act by or on behalf of any Indemnified Person.

8. Sharing of Information, Absence of Fiduciary Relationships, Affiliate Activities.

You acknowledge that the Commitment Parties and their affiliates may be providing debt financing, equity capital or other services (including, without limitation, financial advisory services) to other persons in respect of which you, the Companies and your and their respective affiliates may have conflicting interests regarding the transactions described herein and otherwise. None of the Commitment Parties or their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or their other relationships with you in connection with the performance by them or their affiliates of services for other persons, and none of the Commitment Parties or their affiliates will furnish any such information to other persons, except to the extent permitted below. You also acknowledge that none of the Commitment Parties or their affiliates has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by them from other persons.

As you know, certain of the Commitment Parties may be full service securities firms engaged, either directly or through their affiliates, in various activities, including securities trading, commodities trading, investment management, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, certain of the Commitment Parties and their respective affiliates may actively engage in commodities trading or trade the debt and equity securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of you, the Companies and other companies which may be the subject of the arrangements contemplated by this letter for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities. Certain of the Commitment Parties or their affiliates may also co-invest with, make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities of you, the Companies or other companies which may be the subject of the arrangements contemplated by this Commitment Letter or engage in commodities trading with any thereof.

The Commitment Parties and their respective affiliates may have economic interests that conflict with those of you or the Companies. You agree that the Commitment Parties will act under this letter as independent contractors and that nothing in this Commitment Letter or the Fee Letter will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Commitment Parties and you, the Companies, your and their respective equity holders or your and their respective affiliates. You acknowledge and agree that (i) the transactions contemplated by this Commitment Letter and the Fee Letter are arm's-length commercial transactions between the Commitment Parties and, if applicable, their affiliates, on the one hand, and you, on the other, (ii) in connection therewith and with the process leading to such transaction each Commitment Party and its applicable affiliates (as the case may be) is acting solely as a principal and not as agents or fiduciaries of you, the Companies, your and their respective management, equity holders, creditors, affiliates or any other person, (iii) the Commitment Parties and their applicable affiliates (as the case may be) have not assumed an advisory or fiduciary responsibility or any other obligation in favor of you or your affiliates with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Commitment Parties or any of their respective affiliates have advised or are currently advising you or the Companies on other matters (which, for the avoidance of doubt, includes acting as a financial advisor to the Borrowers or any of its affiliates in respect of any transaction related hereto)) except the obligations expressly set forth in this Commitment Letter and the Fee Letter and (iv) you have consulted your own legal and financial advisors to the extent you deemed appropriate. You further acknowledge and agree that you are responsible for making your own independent judgment with respect to such transactions and the process leading thereto. Please note that the Commitment Parties are not providing any tax, accounting or legal advice in any jurisdiction. You agree that you will not claim that the Commitment Parties or their applicable affiliates, as the case may be, have rendered advisory services of any nature or respect, or owe a fiduciary or similar duty to you or your affiliates, in connection with such transaction or the process leading thereto.

In addition, please note that JPMCB and/or its affiliates has been retained by the Parent Borrower as a financial advisor (in such capacity, the “**Parent Borrower Financial Advisor**”) in connection with the Acquisition. You agree to such retention, and further agree not to assert any claim you might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from the engagement of the Parent Borrower Financial Advisor and/or its affiliates, on the one hand, including with respect to arranging or providing financing for a competing bidder, and, on the other hand, our and our affiliates’ relationships with you described and referred to herein. You acknowledge that, in such capacity, the Parent Borrower Financial Advisor may advise the Parent Borrower in other manners adverse to the interests of the parties hereto. Each of the parties hereto acknowledges (i) the retention of each of JPMCB and/or its affiliates as the Parent Borrower Financial Advisor and (ii) that such relationship does not create any fiduciary duties or fiduciary responsibilities to the parties hereto on the part of the Parent Borrower Financial Advisor or its affiliates.

9. Confidentiality.

You agree that you will not disclose, directly or indirectly, the Fee Letter and the contents thereof or this Commitment Letter, the Senior Term Sheet, the other exhibits and attachments hereto and the contents of each thereof, or the activities of any Commitment Party pursuant hereto or thereto, to any person or entity without prior written approval of the Lead Arrangers (such approval not to be unreasonably withheld or delayed), except (a) to the Investors, and to your and any of the Investors’ officers, directors, agents, employees, attorneys, accountants, advisors, controlling persons or equity holders on a confidential and need-to-know basis, (b) if the Commitment Parties consent in writing to such proposed disclosure or (c) pursuant to the order of any court or administrative agency in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law or compulsory legal process or to the extent requested or required by governmental and/or regulatory authorities, in each case based on the reasonable advice of your legal counsel (in which case you agree, to the extent practicable and not prohibited by applicable law, to inform us promptly thereof prior to disclosure); *provided* that (i) you may disclose the Commitment Letter and its contents (but not the Fee Letter) in any syndication or other marketing materials in connection with the Incremental Term Facility or in connection with any required public filing relating to the Transactions, (ii) you may disclose the Senior Term Sheet and the contents thereof, to potential Lenders and to rating agencies in connection with obtaining ratings for the Borrowers and the Incremental Term Facility and (iii) you may disclose the aggregate fee amount contained in the Fee Letter as part of generic disclosure in Projections, pro forma information or aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the Incremental Term Facility or in any required public filing relating to the Transactions.

The Commitment Parties will use all confidential information provided to them by or on behalf of you hereunder or in connection with the Acquisition and the related Transactions solely for the purpose of providing the services which are the subject of this Commitment Letter and shall treat confidentially all such information and shall not publish, disclose or otherwise divulge, such information; *provided* that nothing herein shall prevent any Commitment Party from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law or compulsory legal process based on the advice of counsel (in which case the Commitment Parties agree (except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, to inform you promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over the Commitment Parties or any of their respective affiliates (in which case the Commitment Parties agree (except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, to inform you promptly thereof prior to disclosure), (c) to the extent that such information becomes publicly available other than by reason of improper disclosure by such Commitment Party or any of its affiliates or any related parties thereto in violation of any confidentiality obligations owing to you, the Companies or any of your or their respective affiliates (including those set forth in this paragraph), (d) to the extent that such information is received by such Commitment Party from a third party that is not, to such Commitment Party’s knowledge, violating any contractual or fiduciary confidentiality obligations owing to you, the Companies or any of your or their respective affiliates or related parties, (e) to the extent that such information is independently developed by the Commitment Parties or any of their affiliates, (f) to such Commitment Party’s affiliates and to its and their respective directors, officers, employees, legal counsel, independent auditors, professionals and other experts or agents who need to know such information in connection with the Transactions and who are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential, (g) (i) to potential or prospective Lenders, participants or assignees and to any direct or indirect contractual counterparty to any swap or derivative transaction relating to you or any of your subsidiaries, in each case who agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph); *provided* that the disclosure of any such information to any Lenders or prospective Lenders or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and each Commitment Party, including, without limitation, as agreed in any Information Materials or other marketing materials) in accordance with the standard syndication processes of such Commitment Party or customary market standards for dissemination of such type of information or (ii) to lenders under the Existing Credit Agreement who are subject to the confidentiality provisions set forth in Section 10.08 of the Existing Credit Agreement, or (h) for purposes of enforcing its rights hereunder and in the Fee Letter in any legal proceedings and for purposes of establishing a defense in any legal proceedings. The Commitment Parties’ and their affiliates’, if any, obligations under this paragraph shall terminate automatically and be superseded by the confidentiality provisions in the definitive documentation relating to the Incremental Term Facility upon the initial funding thereunder. The provisions of this paragraph shall terminate on the second anniversary of the date hereof.

10. Miscellaneous.

This Commitment Letter and the commitments hereunder shall not be assignable by any party hereto without the prior written consent of each other party hereto (such consent not to be unreasonably withheld or delayed) (and any attempted assignment without such consent shall be null and void). This Commitment Letter and the commitments hereunder are intended to be solely for the benefit of the parties hereto (and Indemnified Persons) and are not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Indemnified Persons to the extent expressly set forth herein). Subject to the limitations set forth in Section 3 above, the Commitment Parties reserve the right to employ the services of their affiliates or branches in providing services contemplated hereby and to allocate, in whole or in part, to their affiliates or branches certain fees payable to the Commitment Parties in such manner as the Commitment Parties and their affiliates or branches may agree in their sole discretion and, to the extent so employed, such affiliates and branches shall be entitled to the benefits and protections afforded to, and subject to the provisions governing the conduct of, the Commitment Parties hereunder. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the Commitment Parties and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Commitment Letter and/or any document to be signed in connection with this Commitment Letter and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. "***Electronic Signatures***" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. This Commitment Letter (including the exhibits hereto), together with the Fee Letter dated the date hereof, supersede all prior understandings, whether written or oral, among us with respect to the Incremental Term Facility and sets forth the entire understanding of the parties hereto with respect thereto. THIS COMMITMENT LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *PROVIDED, HOWEVER*, THAT (A) THE INTERPRETATION OF THE DEFINITION OF "COMPANY MATERIAL ADVERSE EFFECT" (AND WHETHER OR NOT A COMPANY MATERIAL ADVERSE EFFECT HAS OCCURRED), (B) THE DETERMINATION OF THE ACCURACY OF ANY SPECIFIED ACQUISITION AGREEMENT REPRESENTATION AND WHETHER AS A RESULT OF ANY INACCURACY THEREOF YOU AND ANY OF YOUR AFFILIATES HAVE THE RIGHT TO TERMINATE YOUR AND ITS OBLIGATIONS THEREUNDER AND (C) THE DETERMINATION OF WHETHER THE ACQUISITION HAS BEEN CONSUMMATED IN ACCORDANCE WITH THE TERMS OF THE ACQUISITION AGREEMENT SHALL, IN EACH CASE, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE GOVERNING LAW OF THE ACQUISITION AGREEMENT AS IN EFFECT ON THE DATE HEREOF.

Each of the parties hereto agrees that (i) this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, notwithstanding that the availability and funding of the Incremental Term Facility is subject to conditions precedent, including the good faith negotiation of the Incremental Term Facility Documentation by the parties hereto in a manner consistent with this Commitment Letter and (ii) the Fee Letter is a legally valid and binding agreement of the parties thereto with respect to the subject matter set forth therein.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER OR THE FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York County, Borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding shall only be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter or the transactions contemplated hereby in any such New York State or in any such Federal court, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and (d) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereto agrees that service of process, summons, notice or document by registered mail addressed to you or us at the addresses set forth above shall be effective service of process for any suit, action or proceeding brought in any such court.

The Parent Borrower hereby appoints Burger King Company LLC, 5707 Blue Lagoon Drive, Miami, Florida 33126 as its authorized agent (the “*Authorized Agent*”) upon whom process may be served in any suit, action or proceeding arising out of or based upon this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby which may be instituted in any New York State court or Federal court of the United States of America sitting in New York County. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Parent Borrower.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the “*PATRIOT Act*”), each of us and each of the Lenders may be required to obtain, verify and record information that identifies the Borrowers and the Guarantors, which information may include their names, addresses, tax identification numbers and other information that will allow each of us and the Lenders to identify the Borrowers and the Guarantors in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective for each of us and the Lenders.

The indemnification, compensation (if applicable), reimbursement (if applicable), jurisdiction, governing law, venue, waiver of jury trial, syndication and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether the Incremental Term Facility Documentation shall be executed and delivered and notwithstanding the termination or expiration of this Commitment Letter or the Initial Lenders’ commitments hereunder; *provided* that your obligations under this Commitment Letter (other than your obligations with respect to (a) assistance to be provided in connection with the syndication thereof (including supplementing and/or correcting Information and Projections) prior to the Syndication Date and (b) confidentiality) shall automatically terminate and be superseded by the provisions of the Incremental Term Facility Documentation upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time. You may terminate this Commitment Letter and/or the Initial Lenders’ commitments with respect to the Incremental Term Facility (or portion thereof) hereunder at any time subject to the provisions of the preceding sentence.

Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and of the Fee Letter by returning to the Commitment Parties, executed counterparts hereof and of the Fee Letter not later than 11:59 p.m., New York City time, on January 16, 2024. The Initial Lenders’ respective commitments and the obligations of the Lead Arrangers hereunder will expire at such time in the event that the Commitment Parties have not received such executed counterparts in accordance with the immediately preceding sentence. If you do so execute and deliver to us this Commitment Letter and the Fee Letter, we agree to hold our commitment available for you until the earliest of (i) after execution of the Acquisition Agreement and prior to the consummation of the Transactions, the termination of the Acquisition Agreement in accordance with its terms, (ii) the consummation of the Acquisition with or without the funding of the Incremental Term Facility and (iii) 11:59 p.m., New York City time, on that date that is five business days after the “Termination Date” (as defined in the Acquisition Agreement as of the date hereof). Upon the occurrence of any of the events referred to in the preceding sentence, this Commitment Letter and the commitments of each of the Commitment Parties hereunder and the agreement of the Lead Arrangers to provide the services described herein shall automatically terminate unless the Commitment Parties shall, in their discretion, agree to an extension in writing.

[Remainder of this page intentionally left blank]

We are pleased to have been given the opportunity to assist you in connection with the financing for the Transactions.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By: /s/ Rupam Agrawal

Name: Rupam Agrawal

Title: Vice President

[Signature Page to Commitment Letter]

Accepted and agreed to as of the date first above written:

1011778 B.C. UNLIMITED LIABILITY COMPANY

By: /s/ Max Thung
Name: Max Thung
Title: Treasurer

[Signature Page to Commitment Letter]

Project Wonderland
Transaction Description

Capitalized terms used but not defined in this Exhibit A shall have the meanings set forth in the other Exhibits to the Commitment Letter to which this Exhibit A is attached (the “**Commitment Letter**”) or in the Commitment Letter. In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.

The Parent Borrower intends to acquire (the “**Acquisition**”), directly or indirectly, the entity previously identified to the Commitment Parties by you as “Wonderland” (“**Target**”).

In connection with the foregoing, it is intended that:

(a) Pursuant to the Agreement and Plan of Merger, dated as of the date hereof (together with all exhibits, schedules, and disclosure letters thereto, collectively, the “**Acquisition Agreement**”) entered into with the Target and the other parties thereto, the Parent Borrower will indirectly acquire all of the issued and outstanding equity interests of Target through a merger of a newly formed subsidiary of the Parent Borrower with and into the Target in accordance with the terms of the Acquisition Agreement.

(b) The Borrowers will obtain a senior secured term facility denominated in U.S. dollars (the “**Incremental Term Facility**”) in an aggregate principal amount of \$750 million, which will be documented as “Incremental Term Loans” under and as defined in the Credit Agreement, dated as of October 27, 2014, among the Borrowers, Holdings, JPMorgan Chase Bank, N.A., as administrative agent, collateral agent and swing line lender and each L/C issuer and lender from time to time party thereto (as amended by Amendment No. 1, dated as of May 22, 2015, Amendment No. 2, dated as of February 17, 2017, Incremental Facility Amendment, dated as of March 27, 2017, Incremental Facility Amendment No. 2, dated as of May 17, 2017, Incremental Facility Amendment No. 3 dated as of October 13, 2017, Amendment No. 3, dated October 2, 2018, Incremental Facility Amendment No. 4, dated as of September 6, 2019, Amendment No. 4, dated as of November 19, 2019, Amendment No. 5, dated as of April 2, 2020, Incremental Facility Amendment No. 5 and Amendment No. 6, dated as of December 13, 2021, Amendment No. 7, dated as of September 21, 2023 and Amendment No. 8 dated as of December 28, 2023, the “**Existing Credit Agreement**”).

(c) (x) All outstanding debt of the Target under its or its subsidiaries’ Credit Agreement, dated as of April 30, 2019 (as amended, restated, amended and restated, supplemented or otherwise modified through the date hereof), will be repaid and the commitments thereunder terminated, and (y) the Target, Parent Borrower or any of their respective affiliates will make a “Change of Control” offer in accordance with the requirements of the indenture governing the Target’s 5.875% senior notes due 2029 (the “**2029 Notes**”) to purchase all notes validly tendered in the offer and will purchase or repurchase any and all notes validly tendered in such offer (collectively, the “**Refinancing**”).

(d) The proceeds of the Incremental Term Facility on the Closing Date, together with cash on hand of the Companies, will be applied (i) to pay the consideration in connection with the Acquisition, (ii) to pay the fees and expenses incurred in connection with the Transactions (such fees and expenses, the “**Transaction Costs**”) and (iii) to pay for the Refinancing (the amounts set forth in clauses (i) through (iii) above, collectively, the “**Acquisition Costs**”).

The transactions described above (including the payment of Transaction Costs) are collectively referred to herein as the “**Transactions**.”

Project Wonderland
\$750,000,000 Incremental Term Facility
Summary of Principal Terms and Conditions¹

<u>Borrowers:</u>	The Borrowers.
<u>Transactions:</u>	As set forth in <u>Exhibit A</u> to the Commitment Letter.
<u>Administrative Agent and Collateral Agent:</u>	JPMorgan Chase Bank, N.A. will act as sole administrative agent and sole collateral agent (in such capacities, the “ Senior Administrative Agent ”) for a syndicate of banks, financial institutions and other entities reasonably acceptable to the Borrowers (excluding any Disqualified Lender) with respect to the Incremental Term Facility (as defined below) (together with the Initial Lenders, the “ Lenders ”), and will perform the duties customarily associated with such roles.
<u>Lead Arrangers and Bookrunners:</u>	JPMCB, together with any other entities appointed pursuant to Section 2 of the Commitment Letter, will act as lead arrangers and bookrunners for the Incremental Term Facility (collectively, the “ Lead Arrangers ”), and will perform the duties customarily associated with such roles.
<u>Incremental Term Facility:</u>	A senior secured term loan facility denominated in dollars (the “ Incremental Term Facility ”) in an aggregate principal amount of \$750 million <u>minus</u> the aggregate principal amount of the 2029 Notes that remain outstanding on the Closing Date after giving effect to the Refinancing and that have not been called for redemption (the “ Closing Date 2029 Notes Balance ”) (provided that there shall be no such reduction for any amounts for which the Parent Borrower has provided notice to the Lead Arrangers of its intent to issue a notice of redemption as contemplated by paragraph 2 of <u>Exhibit C</u> to the Commitment Letter) <u>plus</u> , at the Borrowers’ election, an amount sufficient to fund any OID or upfront fees required to be funded in connection with the “flex” provisions in the Fee Letter (the loans thereunder, the “ Incremental Term Loans ”). At the option of the Borrowers, the Incremental Term Loans may take the form of an increase (the “ Add-On Term Loans ”) in the existing class of term loans under the Existing Credit Agreement on the Closing Date (the “ Existing Term Loans ”) so long as such Add-On Term Loans would be fungible with the Existing Term Loans for U.S. federal income tax purposes.
<u>Purpose:</u>	The proceeds of borrowings under the Incremental Term Facility will be used by the Borrowers on the Closing Date, together with cash on hand at the Companies, to pay the Acquisition Costs.
<u>Availability:</u>	The Incremental Term Facility will be available in a single drawing on the Closing Date. Amounts borrowed under the Incremental Term Facility that are repaid or prepaid may not be reborrowed.
<u>Interest Rates and Fees:</u>	As set forth on <u>Annex I</u> hereto.

¹ All capitalized terms used but not defined herein shall have the meaning given them in the Commitment Letter to which this Senior Term Sheet is attached, including Exhibit A thereto.

<u>Default Rate:</u>	Same as the Existing Credit Agreement.
<u>Final Maturity and Amortization:</u>	Commencing on the first full fiscal quarter ended after the Closing Date, the Incremental Term Facility will amortize in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of the Incremental Term Facility, with the balance payable on the maturity date thereof (<i>provided</i> that if the Incremental Term Facility is in the form of an add-on to the Existing Term Loans, each amortization for the Existing Term Loans will be increased in the same proportion as the amount of the Existing Term Loans plus the amount of the Incremental Term Facility bears to the amount of the Existing Term Loans on the date of funding). The Incremental Term Facility will mature on September 21, 2030.
<u>Guarantees:</u>	Same as the Existing Credit Agreement; <i>provided</i> that any guarantees required to be provided by the Target and its subsidiaries shall be provided on the timeframes set forth in the Existing Credit Agreement.
<u>Security:</u>	Same as the Existing Credit Agreement; <i>provided</i> that any security interests required to be granted by the Target and its subsidiaries shall be provided on the timeframes set forth in the Existing Credit Agreement.
<u>Mandatory Prepayments:</u>	Same as applicable to the Existing Term Loans.
<u>Voluntary Prepayments and Reductions in Commitments:</u>	Same as applicable to the Existing Term Loans (except as provided below).
<u>Repricing Premium:</u>	If the Incremental Term Loans are not in the form of Add-On Term Loans, then prior to the six-month anniversary of the Closing Date, in the event all or any portion of the Incremental Term Loans are subject to a Repricing Transaction (as defined in the Existing Credit Agreement), the Borrowers shall be required to pay a premium equal to 1.00% of the Incremental Term Loans subject to such Repricing Transaction.
<u>Documentation:</u>	The Incremental Term Facility will be documented as an “Incremental Term Loan” (under and as defined in the Existing Credit Agreement) under the Existing Credit Agreement, pursuant to pursuant to an amendment or amendment and restatement to the Existing Credit Agreement to be entered into on the Closing Date (the “ Incremental Term Amendment ”, together with the Loan Documents (as defined in the Existing Credit Agreement), the “ Incremental Term Facility Documentation ”). Except as otherwise expressly set forth herein, the Incremental Term Facility shall have the same terms as the Existing Term Loans.
<u>Representations and Warranties:</u>	Same as the Existing Credit Agreement (except as noted in the Commitment Letter with respect to the Specified Representations).
<u>Conditions to Initial Borrowing:</u>	The availability of the initial borrowing under the Incremental Term Facility on the Closing Date will be subject solely to (a) the conditions set forth in <u>Exhibit C</u> to the Commitment Letter, (b) delivery of a customary borrowing notice and (c) the accuracy of representations and warranties in all material respects (subject to the Certain Funds Provisions).

<u>Affirmative Covenants:</u>	Same as the Existing Credit Agreement.
<u>Negative Covenants:</u>	Same as the Existing Credit Agreement.
<u>Financial Maintenance Covenant:</u>	None.
<u>Unrestricted Subsidiaries:</u>	Same as the Existing Credit Agreement.
<u>Events of Default:</u>	Same as the Existing Credit Agreement.
<u>Voting:</u>	Same as the Existing Credit Agreement.
<u>Cost and Yield Protection:</u>	Same as the Existing Credit Agreement.
<u>Assignments and Participations:</u>	Same as the Existing Credit Agreement.
<u>Expenses and Indemnification:</u>	Same as the Existing Credit Agreement.
<u>Governing Law and Forum:</u>	New York.
<u>Counsel to the Senior Administrative Agent, the Lead Arrangers and the Bookrunners:</u>	Latham & Watkins LLP.

Interest Rates:

Initially, the interest rates under the Incremental Term Facility will be, at the option of the Borrowers, the Adjusted Term SOFR Rate (as defined in the Existing Credit Agreement) plus 2.25% or the Base Rate (as defined in the Existing Credit Agreement) plus 1.25%.

The Borrowers may elect interest periods of 1, 3 or 6 months for Adjusted Term SOFR Rate borrowings.

Calculation of interest shall be on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of Base Rate Loans where the applicable rate is determined pursuant to clause (1)(a) of the definition of Base Rate).

Interest shall be payable in arrears (a) for loans accruing interest at a rate based on the Adjusted Term SOFR Rate, at the end of each interest period and, for interest periods of greater than 3 months, every three months, and on the applicable maturity date and (b) for loans accruing interest based on the Base Rate, quarterly in arrears and on the applicable maturity date.

With respect to the Incremental Term Loans, there shall be a minimum Adjusted Term SOFR Rate of 0.00% per annum.

Project Wonderland
Summary of Additional Conditions²

The initial borrowings under the Incremental Term Facility shall be subject to the following conditions:

1. The Acquisition shall have been consummated, or substantially simultaneously with the initial borrowing under the Incremental Term Facility, shall be consummated, in all material respects in accordance with the terms of the Acquisition Agreement, without giving effect to any amendments, consents or waivers by you thereto that are materially adverse to the Lenders or the Lead Arrangers, without the prior consent of the Lead Arrangers (such consent not to be unreasonably withheld, delayed or conditioned) (it being understood that (a) any reduction in the purchase price of, or consideration for, the Acquisition is not material and adverse to the interests of the Lenders or the Lead Arrangers, but any reduction in the cash consideration in excess of 15% shall be applied to reduce the Incremental Term Facility and (b) any amendment to the definition of “Company Material Adverse Effect” is materially adverse to the interests of the Lenders and the Lead Arrangers).
2. (a) The Refinancing shall have been consummated, or substantially simultaneously with the initial borrowing under the Incremental Term Facility, shall be consummated and (b) the Parent Borrower shall have provided notice to the Lead Arrangers of the aggregate principal amount of the Closing Date 2029 Notes Balance for which the Parent Borrower intends to issue a notice of redemption pursuant to the indenture governing the 2029 Notes.
3. No Company Material Adverse Effect (as defined in the Acquisition Agreement) will have occurred after the date of the Acquisition Agreement that is continuing.
4. The Senior Administrative Agent and the Lead Arrangers shall have received at least 2 business days prior to the Closing Date all documentation and other information about the Borrowers and the Guarantors as has been reasonably requested in writing at least 10 business days prior to the Closing Date by the Senior Administrative Agent or the Lead Arrangers that they reasonably determine is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the PATRIOT Act.
5. Subject in all respects to the Certain Funds Provisions, the execution and delivery of (i) the Incremental Term Amendment by Holdings and the Borrowers, which shall be consistent with the Commitment Letter and Senior Term Sheet, (ii) a customary reaffirmation of guarantees and security interests by all Loan Parties and (iii) customary legal opinions, customary evidence of authorization and customary officer’s certificates of the Loan Parties (or, in the case of secretary’s certificates of the Loan Parties, resolutions and certifications that the organizational documents of such Loan Parties previously delivered to the Administrative Agent have not been modified), good standing certificates (to the extent applicable) in the jurisdiction of organization of each Loan Party and a solvency certificate of the Parent Borrower’s chief financial officer or other officer with equivalent duties in substantially the form of Annex I hereto.
6. The Lead Arrangers shall have received a pro forma consolidated balance sheet and related pro forma consolidated statement of income of the Parent Borrower as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period ended at least 45 days prior to the Closing Date (or 90 days in case such four-fiscal quarter period is the end of the Parent Borrower’s or the Target’s fiscal year), prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such statement of income), which need not be prepared in compliance with Regulation S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting.

² Capitalized terms used in this Exhibit C shall have the meanings set forth in the other Exhibits attached to the Commitment Letter to which this Exhibit C is attached (the “Commitment Letter”). In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit C shall be determined by reference to the context in which it is used.

7. The Lead Arrangers shall have received (a) the audited consolidated balance sheets of the Parent Borrower (or any direct or indirect parent thereof) and the Target and related statements of income, changes in equity and cash flows of the Parent Borrower (or any direct or indirect parent thereof) and the Target for the three most recently completed fiscal years ended at least 90 days before the Closing Date and (b) unaudited consolidated balance sheets and related statements of income, changes in equity and cash flows of the Parent Borrower (or any direct or indirect parent thereof) and the Target for each of the first three subsequent fiscal quarters after the date of the most recent financial statements delivered pursuant to clause (a) above and ended at least 45 days before the Closing Date; *provided* that the filing of the required financial statements on form 10-K and form 10-Q within such time periods by the Parent Borrower (or any direct or indirect parent thereof) or the Target will satisfy the requirements of this Paragraph. The Lead Arrangers hereby acknowledge that they have received the financial statements (1) described in clause (a) for the Parent Borrower (or any direct or indirect parent thereof) for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020, (2) described in clause (a) for the Target for the fiscal years ended January 1, 2023, January 2, 2022 and January 3, 2021, (3) described in clause (b) for the Parent Borrower (or any direct or indirect parent thereof) for the fiscal quarter ended September 30, 2023 and (4) described in clause (b) for the Target for the fiscal quarter ended October 1, 2023.
8. All fees required to be paid on the Closing Date pursuant to the Fee Letter and reasonable out-of-pocket expenses required to be paid on the Closing Date pursuant to the Commitment Letter, to the extent invoiced at least three business days prior to the Closing Date, shall, upon the initial borrowing under the Incremental Term Facility, have been paid (which amounts may be offset against the proceeds of the Incremental Term Facility).

[PARENT BORROWER]

SOLVENCY CERTIFICATE

[], 2024

Pursuant to Section [] of the Amendment, among [], the undersigned [chief financial officer] [other officer with equivalent duties] of the Parent Borrower hereby certify as of the date hereof, solely on behalf of the Parent Borrower and not in their individual capacity and without assuming any personal liability whatsoever, that:

1. I am familiar with the finances, properties, businesses and assets of the Parent Borrower and its Subsidiaries. I have reviewed the Loan Documents and such other documentation and information and have made such investigation and inquiries as I have deemed necessary and prudent therefor. I have also reviewed the consolidated financial statements of the Parent Borrower and its Subsidiaries, including projected financial statements and forecasts relating to income statements and cash flow statements of the Parent Borrower and its Subsidiaries.

2. On the Closing Date, after giving effect to the Transactions, the Parent Borrower and its Subsidiaries (on a consolidated basis) (a) have property with fair value greater than the total amount of their debts and liabilities, contingent (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability), subordinated or otherwise, (b) have assets with present fair salable value not less than the amount that will be required to pay their liability on their debts as they become absolute and matured, (c) will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as they become absolute and matured and (d) are not engaged in business or a transaction, and are not about to engage in business or a transaction, for which their property would constitute an unreasonably small capital.

All capitalized terms used but not defined in this certificate shall have the meanings set forth in the Amendment or the Credit Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, I have executed this Certificate as of the date first written above.

[PARENT BORROWER]

By: _____
Name:
Title:



CARROLS

Discussion Materials

January 11, 2024



Jefferies



Disclaimer

Important Disclosures

The following pages contain material provided to the Special Committee (the “SC”) of the Board of Directors of Carrols (the “Company” or “Carrols”) by Jefferies LLC (“Jefferies”) in connection with Project FLAME.

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Agenda

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Situation Overview



RBI Proposal Overview

Acquisition Offer Summary	
Acquiror:	Restaurant Brands International, Inc. (NYSE: QSR)
Target:	Carrols Restaurant Group, Inc. (NASDAQ: TAST)
Proposal Received:	January 11, 2024
Form of Consideration:	100% cash
Proposed Financing:	Cash on hand (no financing contingency)
Proposed Purchase Price:	\$8.75 per share
Implied Premium:	6% premium to share price as of January 10, 2024; 13% premium to the 30-Day VWAP (\$7.77); 18% premium to the 90-Day VWAP (\$7.39)
Implied Equity Value: ⁽¹⁾	\$575M
Implied Enterprise Value: ⁽¹⁾⁽²⁾	\$965M
2023P Adj. EBITDA Multiple ⁽²⁾⁽³⁾	6.6x (2023E Adjusted EBITDA of \$145.4M)
2024P Adj. EBITDA Multiple ⁽²⁾⁽³⁾	6.1x (2024P Adjusted EBITDA of \$157.4M)
Alternative Transactions	■ RBI is not interested in “alternative transactions” such as block trades, partial acquisitions or rolling our equity stake into another transaction”
Proposed Diligence	■ RBI has “ substantially completed due diligence ”
Necessary Approvals / Other	<ul style="list-style-type: none"> ■ RBI has discussed the transaction with its Board of Directors ■ The complete transaction terms remain subject to final Board approval and are subject to the negotiation of acceptable transaction documentation ■ In arriving at its proposal, RBI considered the “hundreds of millions of dollars of capital expenditures that will be required to accelerate the portfolio’s remodel pace” ■ Transaction is conditioned on both: (i) Approval of a Special Committee of independent directors of FLAME and (ii) the affirmative vote of the holders of FLAME’s common stock not affiliated with RBI (i.e., a “majority-of-the-minority” vote)
Timing	<ul style="list-style-type: none"> ■ Envision negotiating definitive documentation over the coming weekend and announcing a transaction by 5am ET on Tuesday, January 16th ■ Offer will expire if no definitive agreement is reached by that time

Source: RBI offer letter of January 11, 2024.

(1) Fully diluted shares outstanding includes basic shares outstanding (51.602 million), convertible preferred stock (9.415 million), non-vested common shares (2.885 million), 2023 PSUs (0.798 million), 2024 executive grants (0.488 million), 2024 employee awards (0.326 million), 2024 director awards (0.085 million) and stock options (0.925 million @ \$7.12 strike price).

(2) Enterprise value calculation includes \$45M cash and \$434M debt as of year end 2023E.

(3) EBITDA is burdened by stock-based compensation and pre-opening expenses.



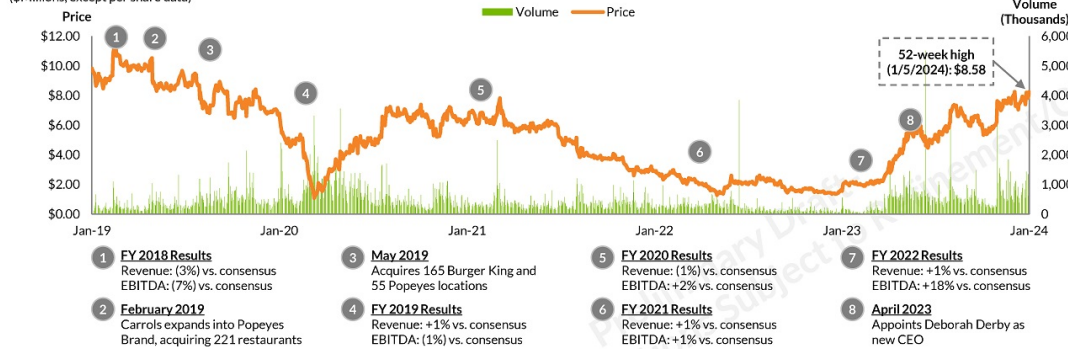
FLAME Public Company Overview



Strong YTD Trading Momentum Driven by Operational and Margin Improvements

Stock Price Performance (Last Five Years)

(\$Millions, except per share data)



Trading Summary

	As of 10/6/23	Current 1/10/24
Share Price	\$6.05	\$8.24
52 - Week High	\$7.75	\$8.58
52 - Week Low	\$1.31	\$1.52
Diluted Shares Outstanding	67.51	68.20 ⁽²⁾
Implied Equity Value	\$408	\$562
(+) Total Debt	477	434 ⁽³⁾
(-) Cash & Equivalents	(41)	(45)
Implied Enterprise Value	\$844	\$951
2023E Management Adj. EBITDA	\$141	\$145 ⁽⁴⁾
2024P Management Adj. EBITDA	\$155	\$157 ⁽⁴⁾
2023E Consensus Adj. EBITDA	\$133	\$143 ⁽⁵⁾
2024P Consensus Adj. EBITDA	\$135	\$153 ⁽⁵⁾
2023E Private Company EBITDA	\$151	\$156 ⁽⁶⁾
2024P Private Company EBITDA	\$165	\$168 ⁽⁶⁾
EV / 2023E Management Adj. EBITDA	6.0x	6.5x
EV / 2024P Management Adj. EBITDA	5.5x	6.0x
EV / 2023E Consensus Adj. EBITDA	6.4x	6.6x
EV / 2024P Consensus Adj. EBITDA	6.2x	6.2x
EV / 2023E Private Company EBITDA	5.6x	6.1x
EV / 2024P Private Company EBITDA	5.1x	5.7x

Capitalization Table (As of December 31, 2023)⁽³⁾

	\$	Cum. Leverage	Cum. Rent Adj. Leverage ⁽¹⁾	Interest Rate	Maturity
Cash and Cash Equivalents	\$45				
Revolving Senior Credit Facility (\$215M)	\$0	0.0x	2.9x	S + 325	Jan-26
Term Loan B	\$133	0.9x	3.4x	S + 325	Apr-26
Senior Notes	\$290	3.0x	4.4x	5.875%	Jul-29
Finance Lease	\$11	3.1x	4.5x		
Gross Debt	\$434	3.1x	4.5x		
Net Debt	\$389	2.7x	4.3x		
Based on LTM Q3'23 Adj. EBITDA of:		\$142			
Based on LTM Q3'23 EBITDAR of:			\$273		

Sources: Company filings, S&P Capital IQ as of January 10, 2024.

1) Rent expense capitalized at 6.0x and estimated based on LTM Q3'23 figures.

2) Fully diluted shares outstanding includes basic shares outstanding (\$4.49 million), convertible preferred stock (9.415 million), non-vested common shares (2.744 million), performance-based restricted shares (0.600 million), time-based RSUs (0.017 million) and stock options (0.976 million @ \$7.17 strike price).

3) Pro Forma for reduction of Term Loan B by \$30M and Senior Notes by \$9.9M with cash from the balance sheet.

4) Reflects management estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).

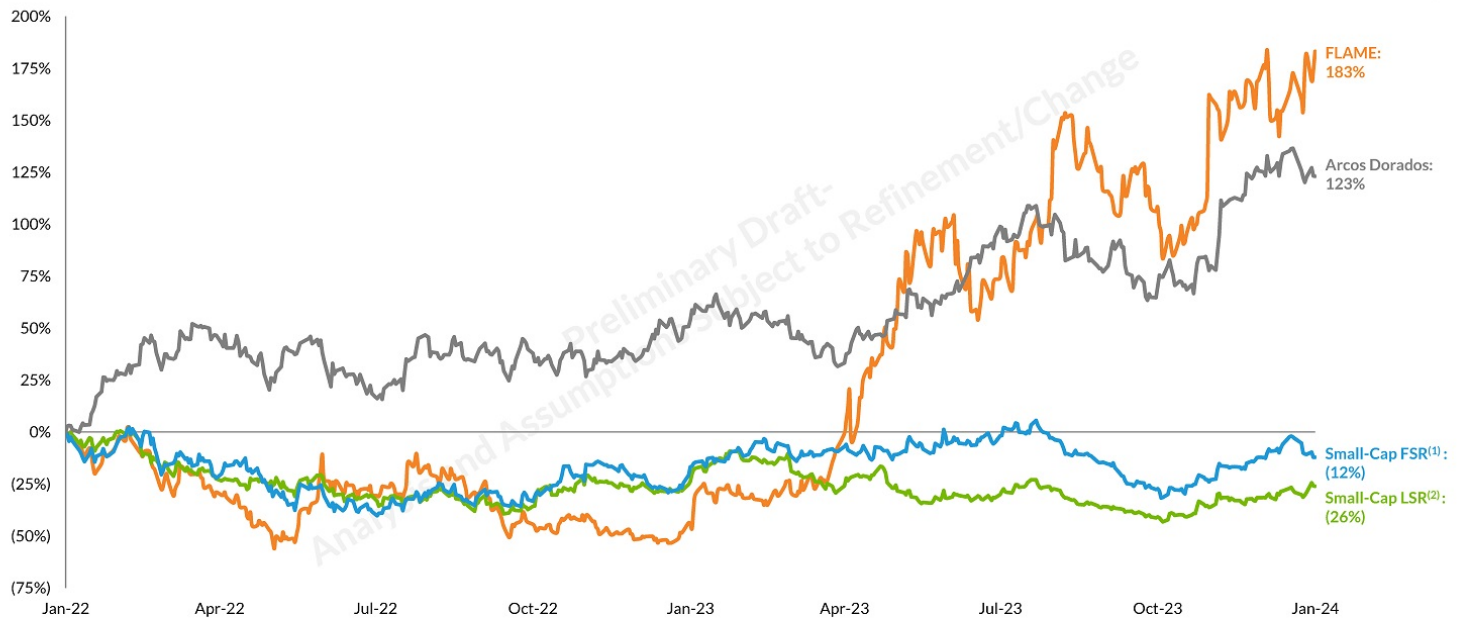
5) Reflects consensus estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).

6) Reflects management estimates. Private Company EBITDA that adds back stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24) & public to private cost savings estimated at \$5.0mm annually.



FLAME has Outperformed Peer Indices Over the Last Two Years

Indexed Share Price Performance (Last Two Years)



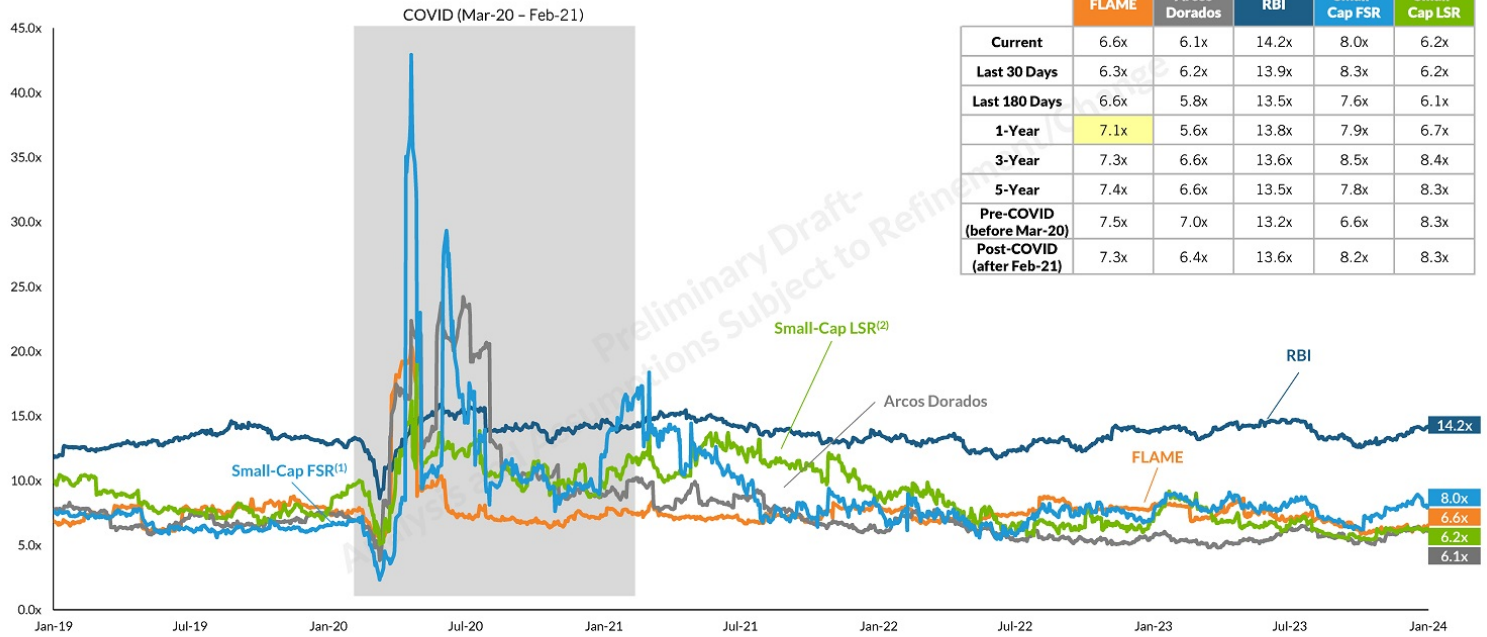
Sources: Company filings, S&P Capital IQ and Wall Street research as of January 10, 2024.

1) Small-Cap FSR Index includes BJRI, CHUY, RRGB, STKS.

2) Small-Cap LSR Index includes LOCO, NDLS, PBFB.



Public Market Views: FLAME EV / NTM EBITDA Multiple Over Time vs. Peers



Note: NTM EBITDA figures unburdened by stock-based compensation and pre-opening expenses.

Source: S&P Capital IQ as of January 10, 2024 and Wall Street equity research.

1) Small-Cap FSR Index includes BURJ, CHUY, RRG, STKS.

2) Small-Cap LSR Index includes LOCO, NDLS, PBFB.



Selected Wall Street Research Perspectives (Post Q4 Pre-Release)

Selected Analyst Estimates

Date	Firm	Recommendation	Price Target	FY2023E			FY2024P		
				Revenue	Adj. EBITDA	EPS	Revenue	Adj. EBITDA	EPS
01/10/24	Firm A	Buy	\$10.00	\$1,874 ⁽¹⁾	\$144 ⁽²⁾	\$0.47 ⁽¹⁾	\$1,944 ⁽¹⁾	\$154 ⁽²⁾	\$0.56 ⁽¹⁾
01/11/24	Firm B	Buy	\$13.00	\$1,877	\$143 ⁽²⁾	\$0.49 ⁽²⁾	\$1,930	\$152 ⁽²⁾	\$0.59 ⁽²⁾
Consensus Mean:				\$1,875	\$143 ⁽³⁾	\$0.48	\$1,937	\$153 ⁽³⁾	\$0.58
Management Estimates:				N/A	\$1,871	\$145 ⁽⁴⁾	N/A	\$1,964	\$157 ⁽⁴⁾

Evolution of Analyst Recommendations



Selected Analysts Commentary

"TAST's slightly positive BK traffic, with drivers ahead (marketing, operations, kiosk rollout and remodels) gives us **increased confidence in the Burger King turnaround**. TAST is also **benefiting from rapidly expanding margins**, due to operating efficiency efforts, tamed cost inflation and Burger King's focus on being profitable. TAST initiated a quarterly dividend, which signals **confidence in its balance sheet and the BK turnaround, in our view**."

- Firm A, November 2023

"Carrols delivered another impressive result in Q3 with upside on sales and a big earnings beat. Restaurant-level margins reached the mid-teens level again and **we have confidence TAST can sustain margins going forward**. Importantly, the sustained profitability and stronger balance resulted in the Board initiating a regular quarterly dividend for the first time, which could broaden the investor base. **Despite the run in the stock, we see potential for more upside**."

- Firm B, November 2023

Sources: Wall Street research and Capital IQ as of January 10, 2024.

1) Reflects Pre Q4 Pre-Release estimates.
 2) Reflects Analysts Estimates EBITDA Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).
 3) Reflects consensus estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).
 4) Reflects management estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).

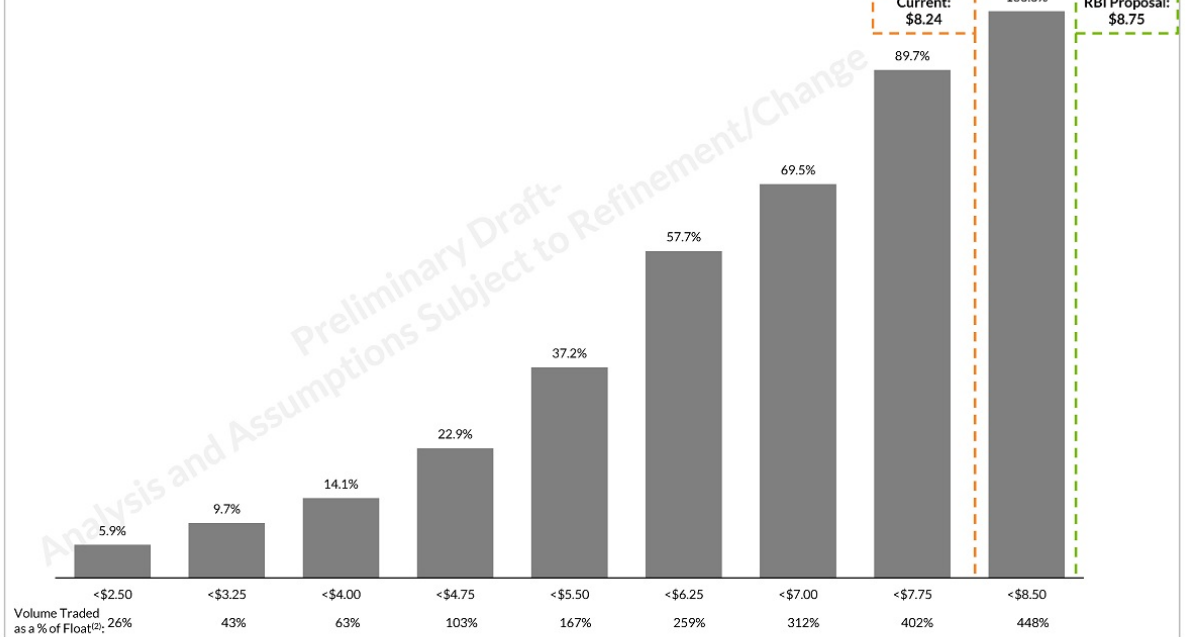


FLAME Trading Activity & LTM Summary

Market Snapshot⁽¹⁾

Current	\$8.24
20-Day VWAP	\$7.85
30-Day VWAP	\$7.77
60-Day VWAP	\$7.65
90-Day VWAP	\$7.39
180-Day VWAP	\$6.92
LTM VWAP	\$5.84
52-Week High	\$8.58
52-Week Low	\$1.52

LTM Cumulative Volume Below Price (%)



Source: S&P Capital IQ as of January 10, 2024.

¹⁾ VWAPs account for all calendar days for the LTM period ended January 10, 2024.

²⁾ Float excludes shares owned by corporate insiders and activist investors.



FLAME Management Projections

At the direction of FLAME Management, Jefferies based its preliminary financial analysis on these financial projections per FLAME Management as of December 2023

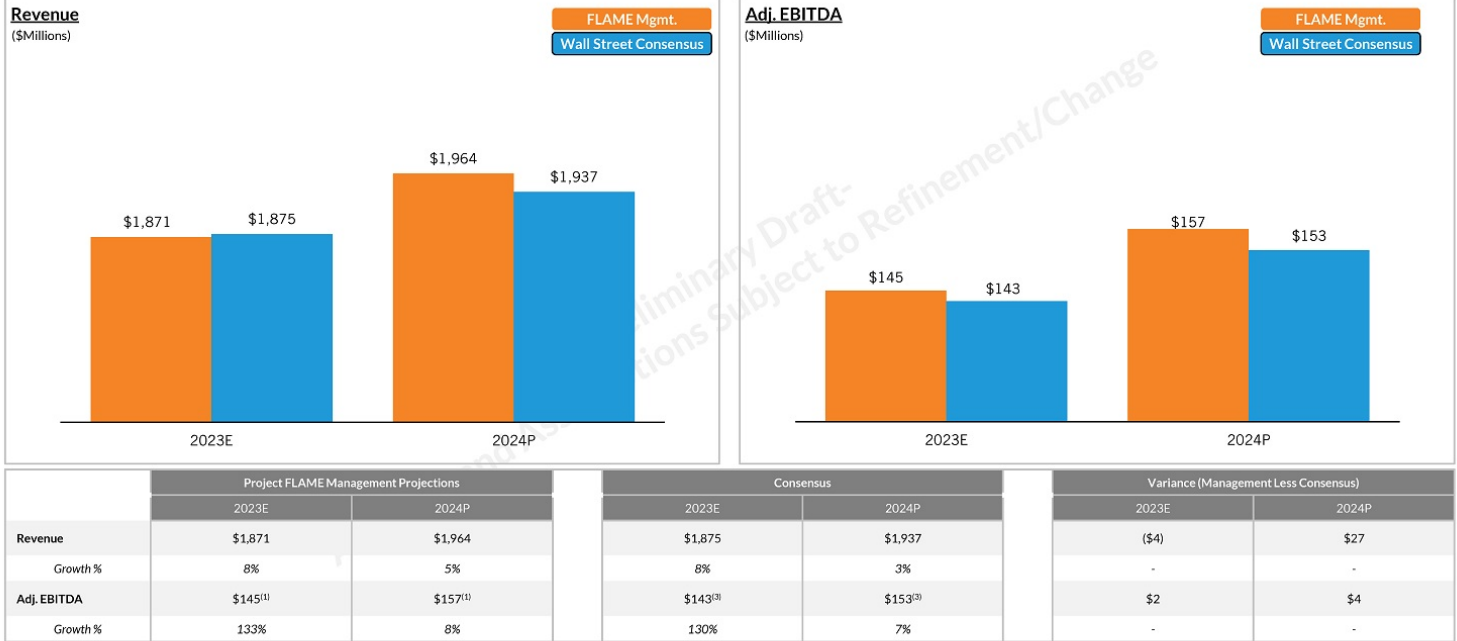
(\$Millions)	Year Ending December 31,						
	2022A	2023E	2024P	2025P	2026P	2027P	2028P
Revenues	\$1,730.4	\$1,871.2	\$1,963.9	\$2,045.2	\$2,133.2	\$2,228.0	\$2,328.8
% Growth	-	8.1%	5.0%	4.1%	4.3%	4.4%	4.5%
Cost of Food & Paper	534.2	521.1	564.8	592.3	623.4	656.9	692.5
% of Revenue	30.9%	27.9%	28.8%	29.0%	29.2%	29.5%	29.7%
Restaurant Labor	585.2	606.0	625.3	648.6	674.2	702.0	731.7
% of Revenue	33.8%	32.4%	31.8%	31.7%	31.6%	31.5%	31.4%
Operating Expenses	343.9	368.4	381.2	403.6	417.7	433.0	449.3
% of Revenue	19.9%	19.7%	19.4%	19.7%	19.6%	19.4%	19.3%
Rent Expense	125.5	128.5	131.2	134.3	137.9	141.9	146.1
% of Revenue	7.3%	6.9%	6.7%	6.6%	6.5%	6.4%	6.3%
Restaurant EBITDA	\$141.6	\$247.1	\$261.4	\$266.4	\$280.0	\$294.3	\$309.2
Restaurant Margin %	8.2%	13.2%	13.3%	13.0%	13.1%	13.2%	13.3%
G&A Expenses	79.1	96.1	96.8	98.9	102.7	105.0	107.3
% of Revenue	4.6%	5.1%	4.9%	4.8%	4.8%	4.7%	4.6%
Adjustments							
Triage Store Closures			0.8	0.8	0.8	0.8	0.8
Local Marketing			2.0	2.1	2.2	2.2	2.3
Remodel Downtime			(4.9)	(3.0)	(3.0)	(3.0)	(3.0)
Adjusted EBITDA	\$62.5	\$151.1	\$162.5	\$167.4	\$177.3	\$189.3	\$202.0
Adj. EBITDA Margin %	3.6%	8.1%	8.3%	8.2%	8.3%	8.5%	8.7%
Less: Capex	(37.2)	(52.0)	(85.0)	(81.2)	(72.3)	(77.0)	(77.1)
Less: (Inc) / Dec in NWC	(10.2)	6.2	(10.0)	(3.0)	2.0	2.0	2.0
Free Cash Flow	\$15.0	\$105.3	\$67.5	\$83.2	\$107.0	\$114.4	\$126.9

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.



FLAME – Wall Street Consensus Estimates Overview

Comparison of FLAME Management Forecasts vs. Current FLAME Management Forecasts vs. Wall Street Consensus⁽¹⁾



Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee and S&P Capital IQ as of January 10, 2024.

⁽¹⁾ Reflects management estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).

⁽²⁾ Reflects consensus estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).



Preliminary Financial Analysis



Methodologies and Additional Information

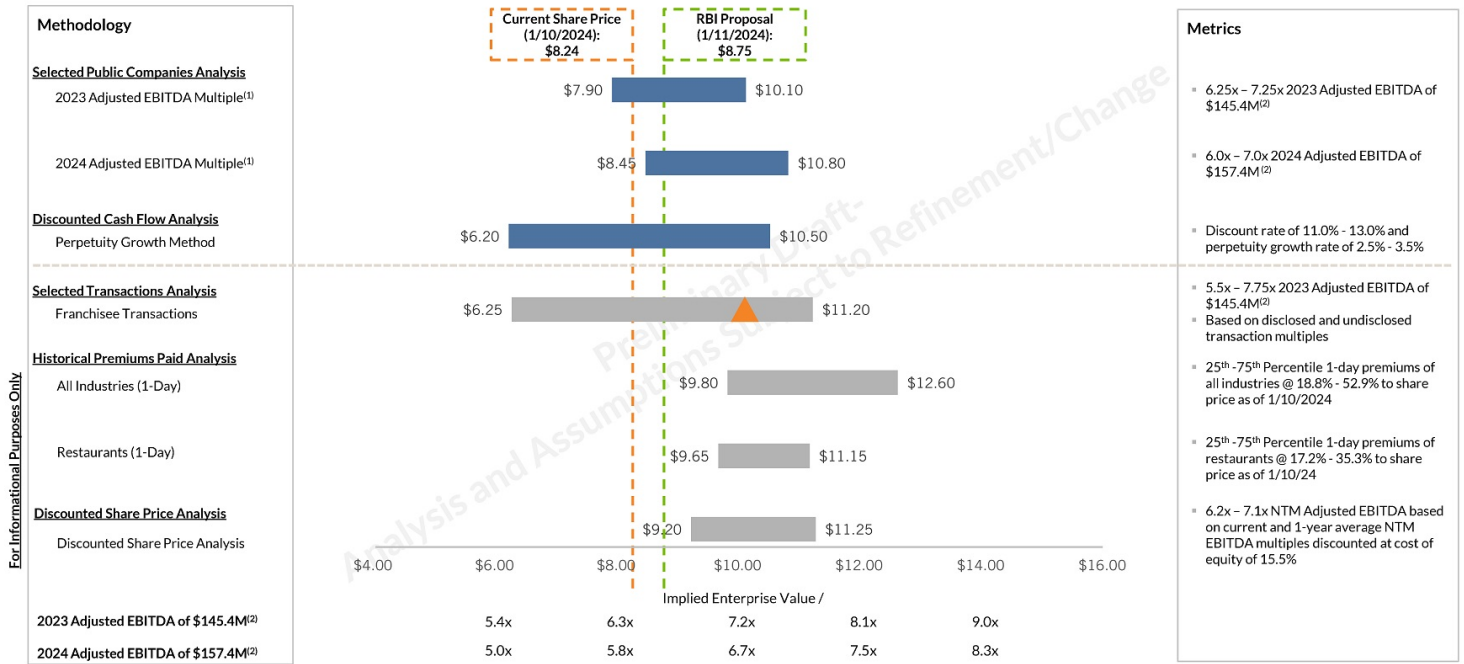
Methodology	General Description	Comments
Analysis of Selected Publicly Traded Companies	<ul style="list-style-type: none"> Estimates current market value of FLAME shares based on trading multiples of selected publicly traded companies generally considered relevant for comparative purposes 	<ul style="list-style-type: none"> Reviewed 8 U.S. listed public restaurant companies with similar business model or financial attributes
Discounted Cash Flow Analysis	<ul style="list-style-type: none"> Estimates the value of FLAME share price based on the present value of the Company's risk-adjusted cash flow 	<ul style="list-style-type: none"> Terminal value calculated using perpetuity growth method Discount rate range based on weighted average cost of capital methodology was applied to FLAME's projected unlevered cash flows
Additional Information (For Reference Only)		
Analysis of Selected Transactions	<ul style="list-style-type: none"> Estimates value of FLAME share price based on a review of selected merger and acquisition transactions generally considered relevant for comparative purposes 	<ul style="list-style-type: none"> Reviewed 16 acquisitions of franchisee companies with publicly disclosed and undisclosed transaction valuation data Excluded non-franchisee restaurant companies with brand ownership (e.g., franchisor or company-operated stores)
Premiums Paid	<ul style="list-style-type: none"> A review, as an additional reference point for informational purposes, of premiums paid in selected M&A transactions involving public companies 	<ul style="list-style-type: none"> Reviewed 292 all-cash transactions across all industries, excluding financial targets, with transaction equity values between \$500M and \$2.0B and 20 all-cash restaurant transactions involving U.S. domiciled and listed publicly traded targets closed since January 1, 2012
Discounted Share Price Analysis	<ul style="list-style-type: none"> An approach, as an additional reference point for informational purposes, to estimate the current value of FLAME share price using the present value of the Company's theoretical future share price 	<ul style="list-style-type: none"> Theoretical future share price calculated based on the current and 1-year NTM EBITDA multiple Discount rate based on the cost of equity was applied to FLAME's theoretical future share price

Note: Jefferies did not attribute any particular weight to any analysis, methodology or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor; accordingly, Jefferies' analyses must be considered as a whole. Considering any portion of the analyses or the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process undertaken by Jefferies.



Preliminary Financial Analyses Summary

At the direction of FLAME Management, Jefferies based its preliminary financial analysis on the financial projections per FLAME Management as of December 2023



Note: Share prices on chart rounded to the nearest 5 cents.
Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.
1) Fully diluted shares outstanding includes basic shares outstanding (51.602 million), convertible preferred stock (9.415 million), non-vested common shares (2.885 million), 2023 PSUs (0.798 million), 2024 executive grants (0.488 million), 2024 employee awards (0.326 million), 2024 director awards (0.085 million) and stock options (0.925 million @ \$7.12 strike price).

2) Adjusted EBITDA is net of stock-based compensation and pre-opening costs.
3) Reflects the incremental value due to synergies and NOLs from RBI perspective.



Analysis at Various Prices (For Reference Only)

	Closing Stock Price (01/10/24)	RBI Proposal (01/11/24)	Various Theoretical Purchase Prices					RBI (01/10/24)
Illustrative Stock Price per Share	\$8.24	\$8.75	\$9.00	\$10.00	\$11.00	\$12.00	\$13.00	\$78.63
Implied Fully Diluted Shares Outstanding (mm) ⁽¹⁾	65.724	65.771	65.792	65.865	65.925	65.975	66.017	323.985
Market Capitalization	\$541.6	\$575.5	\$592.1	\$658.6	\$725.2	\$791.7	\$858.2	\$25,474.9
Plus: Debt (12/31/2023)	434.0	434.0	434.0	434.0	434.0	434.0	434.0	15,138.0
Less: Cash (12/31/2023)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)	(1,310.0)
Total Enterprise Value	\$930.6	\$964.5	\$981.2	\$1,047.7	\$1,114.2	\$1,180.7	\$1,247.3	\$39,302.9
Implied Enterprise Value Premium	-	4%	5%	13%	20%	27%	34%	
Implied Share Price Premiums								
Premium to Current Stock Price	\$8.24	-	6%	9%	21%	33%	46%	-
(Discount) / Premium to 52-Week High	\$8.58	(4%)	2%	5%	17%	28%	40%	-
(Discount) / Premium to 30 Day VWAP	\$7.77	6%	13%	16%	29%	42%	54%	-
(Discount) / Premium to 90 Day VWAP	\$7.39	12%	18%	22%	35%	49%	62%	-
Adj. EBITDA⁽²⁾								
FY2023E	\$145.4	6.4x	6.6x	6.7x	7.2x	7.7x	8.1x	15.8x
FY2024P	\$157.4	5.9x	6.1x	6.2x	6.7x	7.1x	7.5x	14.7x
Private Company EBITDA⁽³⁾								
FY2023E	\$156.1	6.0x	6.2x	6.3x	6.7x	7.1x	7.6x	8.0x
FY2024P	\$167.5	5.6x	5.8x	5.9x	6.3x	6.7x	7.0x	7.4x
FY2024P (Run-Rate) ⁽⁴⁾	\$176.0	5.3x	5.5x	5.6x	6.0x	6.3x	6.7x	7.1x

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.

1) Fully diluted shares outstanding includes basic shares outstanding (51,602 million), convertible preferred stock (\$9,415 million), non-vested common shares (2,885 million), 2023 PSUs (0.798 million), 2024 executive grants (0.488 million), 2024 employee awards (0.326 million), 2024 director awards (0.085 million) and stock options (0.925 million @ \$7.12 strike price).

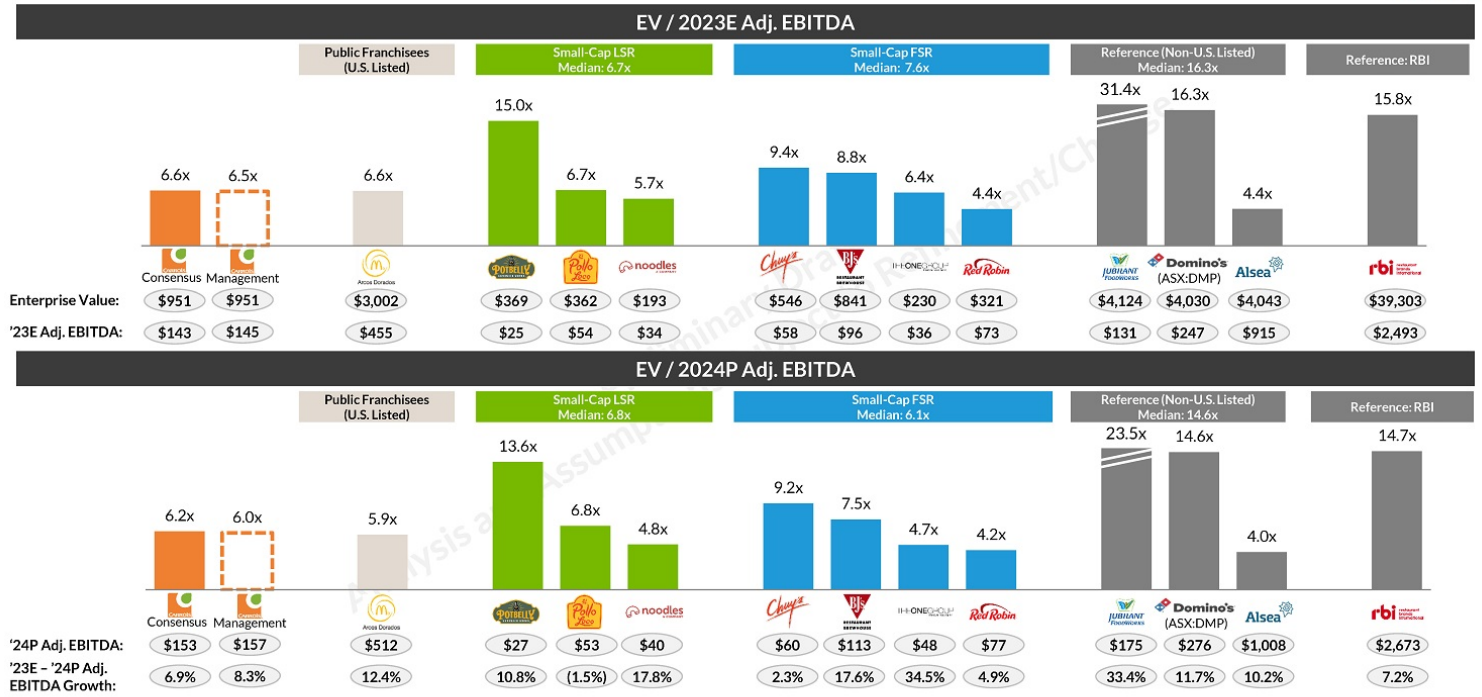
2) Public company EBITDA burdened by stock-based compensation and pre-opening costs.

3) Private Company EBITDA adds back stock-based compensation, pre-opening costs & public to private cost savings estimated at \$5.0mm annually.

4) Run-rate EBITDA includes full year impact for remodels.



Analysis of Selected Public Companies – Forward EBITDA Valuation



Sources: Company filings, Wall Street research and S&P Capital IQ as of January 10, 2024.
 Note: Adjusted EBITDA figures reflect consensus estimates. Burdened by stock-based compensation and pre-opening costs.



Analysis of Selected Public Companies – Scale and Growth Benchmarking

(\$Millions)

2023E Size and Scale						'23E – '24P Projected Growth			
Systemwide Units (% Franchised)	Total Revenue	RL EBITDA	Adj. EBITDA	RL EBITDA Margin	Adj. EBITDA Margin	Unit Growth	Revenue Growth	RL EBITDA Growth	Adj. EBITDA Growth
2,350	\$4,350	\$250	\$475	20.0%	15.0%	15.0%	25.0%	40.0%	35.0%
2,322 (100%)	\$4,311	\$242	\$455	<i>Chayze</i> 19.5%	<i>Chayze</i> 12.6%	14.7%	21.4%	16.4%	34.5%
1,079 (100%)	\$1,875	\$171	\$143	16.0%	11.6%	8.4%	6.2%	12.9%	17.8%
514 (18%)	\$1,339	\$145	\$96	16.0%	10.6%	<i>Chayze</i> 6.9%	5.3%	12.4%	17.6%
490 (38%)	\$1,301	<i>Chayze</i> \$81	\$73	15.7%	10.6%	3.4%	<i>Chayze</i> 4.5%	6.2%	12.4%
474 (20%)	\$505	\$74	<i>Chayze</i> \$58	13.8%	7.6%	2.0%	4.3%	3.2%	10.8%
431 (13%)	\$490	\$66	\$54	13.4%	7.1%	1.8%	3.2%	<i>Chayze</i> 2.8%	6.9%
217 (0%)	\$467	\$63	\$36	13.2%	6.8%	1.0%	0.6%	1.1%	4.9%
<i>Chayze</i> 101 (0%)	<i>Chayze</i> \$462	\$52	\$34	12.9%	5.6%	0.6%	(1.6%)	0.8%	<i>Chayze</i> 2.3%
68 (0%)	\$340	NA	\$25	NA	5.0%	0.6%	(2.8%)	NA	(1.5%)
50	\$300	\$50	\$20	10.0%	5.0%	0.0%	(5.0%)	0.0%	(5.0%)

Sources: Company filings, Wall Street research and S&P Capital IQ as of January 10, 2024.

Note: Adjusted EBITDA figures reflect consensus estimates. Burdened by stock-based compensation and pre-opening costs.



Preliminary Discounted Cash Flow Analysis

(\$Millions)	Year Ending December 31,					Normalized Terminal Year
	2024P	2025P	2026P	2027P	2028P	
Revenue	\$1,963.9	\$2,045.2	\$2,133.2	\$2,228.0	\$2,328.8	\$2,328.8
Adjusted EBITDA	\$162.5	\$167.4	\$177.3	\$189.3	\$202.0	\$202.0
Less: Stock-based Compensation	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Less: Pre-Opening Expenses	(0.1)	(0.3)	(0.4)	(0.5)	(0.5)	(0.5)
Adjusted EBITDA (net of SBC)	\$157.4	\$162.1	\$171.9	\$183.9	\$196.5	\$196.5
Less: D&A ⁽¹⁾	(75.0)	(79.0)	(82.2)	(85.4)	(88.9)	(77.1)
EBIT	\$82.4	\$83.1	\$89.7	\$98.5	\$107.6	\$119.4
Less: Taxes ⁽²⁾	(21.0)	(21.2)	(22.9)	(25.1)	(27.4)	(30.4)
Net Operating Profit After Tax (NOPAT)	\$61.4	\$61.9	\$66.9	\$73.4	\$80.2	\$88.9
Plus: D&A	75.0	79.0	82.2	85.4	88.9	77.1
Less: NWC (Increase) / Decrease	(10.0)	(3.0)	2.0	2.0	2.0	2.0
Unlevered CFO	\$126.4	\$137.9	\$151.1	\$160.8	\$171.1	\$168.1
Less: Capex	(85.0)	(81.2)	(72.3)	(77.0)	(77.1)	(77.1)
Unlevered FCF	\$41.4	\$56.7	\$78.8	\$83.8	\$93.9	\$90.9
Present Value of Unlevered FCF	\$39.1	\$47.8	\$59.3	\$56.3	\$56.4	
Terminal Value at 3.0% Growth Rate						\$1,101
Present Value of Terminal Value ⁽³⁾						\$625
Sum of PV of Unlevered FCF						\$259
Sum of PV of NOLs						\$30
Total Enterprise Value						\$914
Less: Net Debt (Q4, 2023)						(389)
Equity Value						\$525
FDSO ⁽⁴⁾						65,700
Implied Price Per Share (rounded to the nearest 5 cents)						\$8.00

Implied Price Per Share				Implied Terminal EBITDA Multiple ⁽⁵⁾				Implied Price Per Share @ 3.0% Perpetuity Growth			
Perpetuity	Discount Rate			Perpetuity	Discount Rate			Annual Outperformance / Implied 2024P EBITDA	Discount Rate		
Growth	11.0%	12.0%	13.0%	Growth	11.0%	12.0%	13.0%		11.0%	12.0%	13.0%
2.5%	\$9.00	\$7.45	\$6.20	2.5%	5.9x	5.3x	4.8x	0.0% / \$162.5 (Base Case)	\$9.70	\$8.00	\$6.60
3.0%	\$9.70	\$8.00	\$6.60	3.0%	6.3x	5.6x	5.1x	+7.7% / \$175.0	\$10.30	\$8.60	\$7.20
3.5%	\$10.50	\$8.60	\$7.10	3.5%	6.7x	6.0x	5.4x	+18.7% / \$192.9	\$11.15	\$9.40	\$8.00

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee. Note: Share prices in sensitivity table are rounded to nearest \$0.05. DCF assumes valuation as of December 31, 2023.

1) Depreciation & amortization is equal to capex in the terminal year.

2) Based on effective tax rate of 25.5% per Company Management. This does not reflect benefit from NOLs.

3) Based on illustrative perpetuity growth rate of 5%. Based on illustrative discount rate of 12%. Assumes mid-year convention.

4) Fully diluted shares outstanding includes basic shares outstanding (\$1,602 million), convertible preferred stock (\$9,415 million), non-vested common shares (2,885 million), 2023 PSU's (0,798 million), 2024 executive grants (0,488 million), 2024 employee awards (0,326 million), 2024 director awards (0,085 million) and stock options (0,925 million @ \$7.12 strike price).

5) Based on EBITDA net of SBC and pre-opening expenses.



Illustrative Preliminary NOL Analysis – Without 382 Limitation

(\$ in millions, except per share data)

Key Points

- Financial data per FLAME Management as of December 2023
- Illustrative 3.0% long-term growth rate applied to 2029P – 2042P pre-tax income
- Starting NOLs (as of 12/31/2022) per FLAME Management:
 - \$125.9 million in federal NOLs subject to a maximum usage of 80% of taxable income from 2024 onward
 - \$43.9 million in WOTC credits subject to a maximum usage of ~75% of the tax liability⁽¹⁾
 - \$550.5 million in state NOLs in 22 states with operations
- 21.0% federal tax rate
- State tax rate of 5.35% based on aggregate state taxes in 2022

	Year Ending December 31,						
	2023E	2024P	2025P	2026P	2027P	2028P	'29P-'42P
FLAME Pre-Tax Income	\$43.7	\$59.8	\$61.5	\$71.3	\$80.7	\$89.8	\$1,580.7
Beg. Federal NOL Balance	\$125.9	\$82.2	\$34.4	-	-	-	-
Federal NOL Gain / (Used)	(43.7)	(47.8)	(34.4)	-	-	-	-
End Federal NOL Balance	82.2	34.4	-	-	-	-	-
Federal NOLs Used	\$43.7	\$47.8	\$34.4	-	-	-	-
Tax Rate	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
CF Impact of Federal NOLs	\$9.2	\$10.0	\$7.2	\$0.0	\$0.0	\$0.0	\$0.0
Remaining Taxable Income after Federal NOLs Used	-	\$12.0	\$27.1	\$71.3	\$80.7	\$89.8	\$1,580.7
Beg. WOTC Credit Balance	\$43.9	\$43.9	\$34.9	\$14.5	-	-	-
WOTC Credit Gain / (Used)	-	(9.0)	(20.4)	(14.5)	-	-	-
End WOTC Credit Balance	43.9	34.9	14.5	-	-	-	-
WOTC Credits Used	-	\$9.0	\$20.4	\$14.5	-	-	-
Tax Rate	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
CF Impact of WOTC Credits	-	\$1.9	\$4.3	\$3.0	\$0.0	\$0.0	\$0.0
Beg. State NOL Balance	\$550.5	\$512.0	\$463.5	\$421.3	\$388.4	\$275.1	\$268.5
State NOL Gain / (Used)	(38.5)	(48.5)	(42.2)	(32.9)	(25.4)	(6.7)	(106.6)
State NOL Expiration ⁽²⁾	-	-	-	-	(87.8)	-	(161.9)
End State NOL Balance	512.0	463.5	421.3	388.4	275.1	268.5	-
CF Impact of State NOLs	\$2.1	\$2.6	\$2.3	\$1.8	\$1.4	\$0.4	\$5.7
Total Cash Flow Impact		\$14.5	\$13.8	\$4.8	\$1.4	\$0.4	\$5.7
Discount Period		0.5	1.5	2.5	3.5	4.5	
Discount Rate		93.0%	80.6%	69.8%	60.4%	52.3%	
PV of Total NOLs		\$13.5	\$11.1	\$3.4	\$0.8	\$0.2	\$1.1
Cost of Equity⁽³⁾							15.5%
Present Value of Total NOLs							\$30.1

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee. Federal and state tax rates per FLAME Management.

(1) WOTC credit usage in any given year can not exceed the excess of the tax liability less 25% of the tax liability in excess of \$25,000.

(2) Reflects expiry of all unused state NOLs in final year of state carryforward period.

(3) Cost of equity calculated using FLAME unlevered beta and the size premium of FLAME per Duff & Phelps Cost of Capital Navigator.

Analysis of Selected Precedent Franchisee Restaurant M&A Transactions

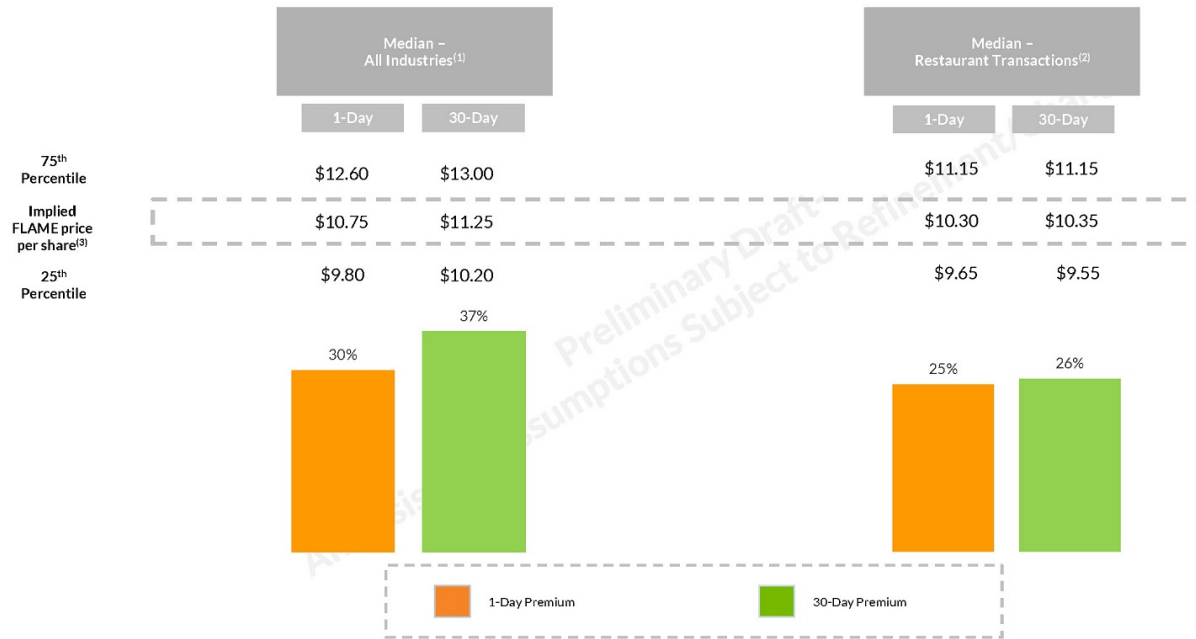
Franchisee transaction multiples have ranged from 5x to 10x – based on scale, brands and performance metrics (e.g., restaurant level economics)

Acquiror	Target	Date	EV / LTM Adj. EBITDA
Restaurant Brands International	FLAME	Jan-24	6.6x ¹⁾
Brentwood & Sixth Street	Far West Services	Nov-23	Undisclosed
Southpaw	Taco Bell Franchisee	Jun-23	Undisclosed
Undisclosed	Leading LSR Franchisee	Feb-23	Undisclosed
McDonald's	Caspers Company	Jul-22	Undisclosed
Fresh Dining Concepts	Auntie Anne's	Mar-22	Undisclosed
Orangewood	Pacific Bells	Sep-21	Undisclosed
Mubadala	K-MAC Enterprises	Jun-21	Undisclosed
Flynn Restaurant Group	NPC	Mar-21	Undisclosed
The Halifax Group	PJ United	Dec-20	Undisclosed
Restaurant Brands New Zealand	Great American Chicken Corp	Sep-20	Undisclosed
Triton Pacific	Tasty Restaurant Group	Dec-19	Undisclosed
Bessemer Investors	Kormex Foods	Sep-19	Undisclosed
Carrols Restaurant Group	Cambridge Franchise Holdings (Popeyes and Burger King Franchisee)	Feb-19	Undisclosed
Flynn Restaurant Group	U.S. Beef Corp. (Arby's Franchisee)	Dec-18	Undisclosed
ICV Partners	Diversified Restaurant Holdings	Nov-18	7.3x
Pritzker Group	KBP Foods	Mar-18	Undisclosed
DRG Southeast	NPC International (Olympus Partners)	Jan-18	Undisclosed
GPS Hospitality	Strategic Restaurants Acquisition Corp	Dec-16	Undisclosed
Lee Equity	Taco Bell & KFC Franchisee (K-MAC Enterprises)	Dec-16	Undisclosed
Median			7.7x
Average			7.7x

Sources: Company filings, MergerMarket, Moody's, S&P Capital IQ, online news estimates.
 Note: "Undisclosed" multiples includes known multiples not publicly disclosed.
 1) Represents a purchase price of \$965M and 2023 management Adj. EBITDA of \$145.4M.

Illustrative M&A Premiums Paid Analysis (For Reference Only)

U.S. M&A All-Cash Transactions, Closed Since January 1, 2013



Source: Refinitiv as of January 9, 2024.

Note: Share prices are rounded to nearest \$0.05.

(1) Data represents 293 all-cash transactions with implied Equity Values of \$500M to \$2.0B involving U.S. domiciled and publicly listed traded targets. Excludes financial firms.

(2) Data represents 20 all-cash restaurant transactions involving U.S. domiciled and publicly listed traded targets.

(3) Implied price based on premiums applied to share price as of close on January 10, 2024.



Selected Restaurant Premiums Paid (For Reference Only)

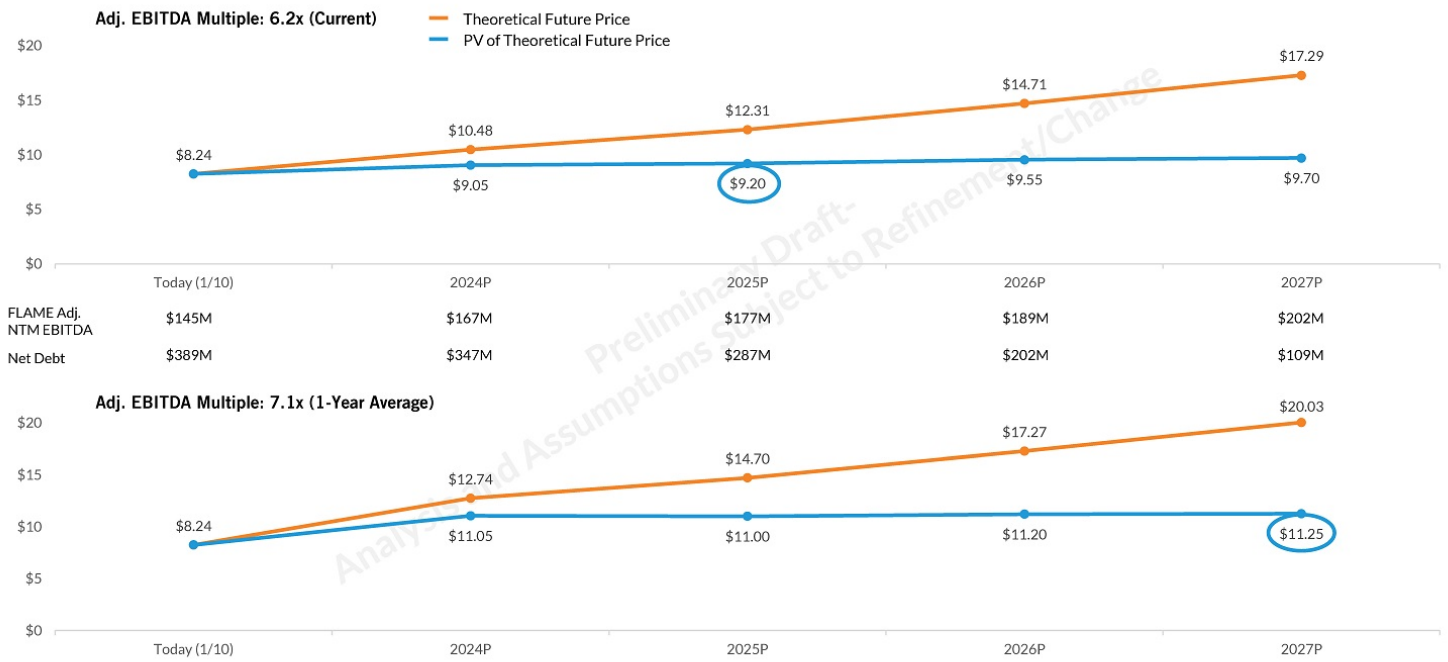
U.S. Restaurant M&A All-Cash Transactions, Closed Since January 1, 2013

Date Announced	Target Name	Acquiror Name	TEV (\$M)	1 Day Premium	30 Day Premium
1/11/2024	FLAME	RBI Proposal	\$965	6.2%	9.2%
8/7/2023	Fiesta Restaurant Group	Authentic Restaurant Brands	231	8.1%	7.2%
5/3/2023	Ruth's Hospitality Group	Darden Restaurants	700	34.1%	33.6%
12/6/2021	Del Taco Restaurants	Jack in the Box	575	66.1%	45.8%
7/2/2021	J Alexanders Holdings	SPB Hospitality	211	32.0%	24.0%
1/6/2020	Habit Restaurants	Yum! Brands	371	33.2%	29.0%
6/24/2019	Del Frisco's Restaurant Group	Harlan Parent	650	18.9%	15.3%
9/25/2018	Sonic Corp	Inspire Brands	1,588	18.8%	28.7%
8/17/2018	Zoe's Kitchen	Cava Group	250	33.4%	23.1%
8/2/2018	Jamba	Focus Brands	203	17.2%	17.5%
2/20/2018	Fogo De Chao	Rhone Capital	456	25.5%	12.5%
9/19/2017	Bob Evans Farms	Post Holdings	1,541	5.6%	15.1%
2/21/2017	Popeyes Louisiana Kitchen	Restaurant Brands International	1,651	19.6%	27.7%
5/9/2016	Krispy Kreme Doughnuts	JAB Beech	1,309	24.6%	33.3%
3/14/2016	Fresh Market	Apollo Global Management	1,341	17.3%	20.1%
6/4/2015	Biglari Holdings	Lion Fund II	242	13.6%	15.6%
9/29/2014	Einstein Noah Restaurant Group	Investor Group	376	51.2%	42.3%
9/8/2014	Annies	General Mills	816	35.7%	59.1%
8/11/2014	Chiquita Brands International	Investor Group	681	44.1%	35.5%
2/5/2014	Green Mountain Coffee Roasters	Coca-Cola	832	62.7%	61.8%
1/16/2014	CEC Entertainment	Apollo Global Management	948	11.5%	23.7%
75th Percentile				35.3%	35.0%
Median				25.0%	25.8%
25th Percentile				17.2%	16.1%

Source: Refinitiv as of January 9, 2024. Represents all-cash transactions with Implied Equity Values of \$200M to \$2.0B involving restaurant U.S. domiciled and publicly listed traded targets.

Illustrative Theoretical Future Stock Price (For Reference Only)

Illustrative Present Value of Theoretical Future Stock Price Summary⁽¹⁾



Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.
 (1) Present value of future stock price discounted based on mid-point cost of equity of 15.5%.



Selected RBI Considerations



Growing Through Acquisitions: An RBI Case Study

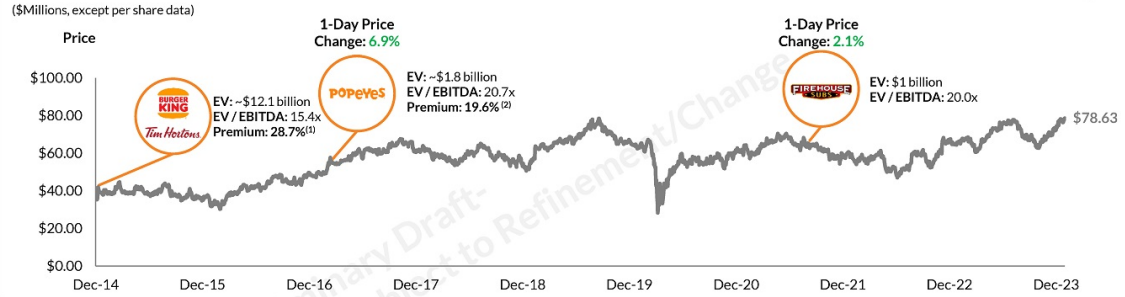
Key Points

- Restaurant Brands International was formed in 2014 through the merger of two iconic brands: Burger King and Tim Hortons
- In 2017, RBI acquired Popeyes Louisiana Kitchen for \$1.8B (20.7x LTM EBITDA), adding another well-known QSR brand to its portfolio
- In 2021, the Company acquired Firehouse Subs for \$1.0B
- Today, RBI has over 30,000 restaurants in more than 100 countries and does \$40B+ in annual system-wide sales

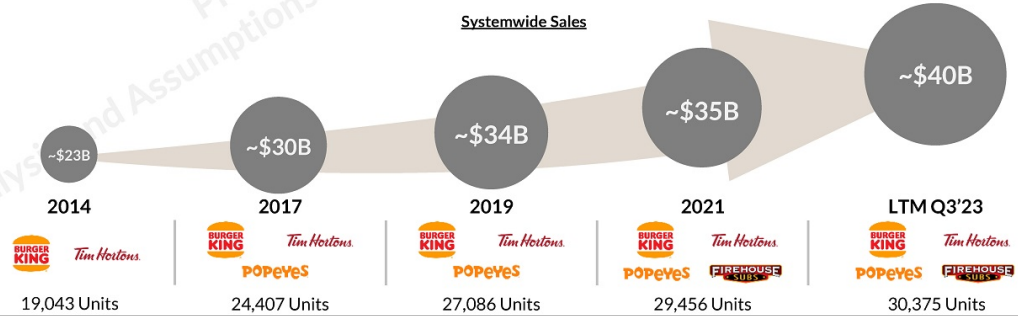
Trading Summary

	(1/10/24)
Share Price	\$78.63
52 - Week High	\$79.45
52 - Week Low	\$59.99
Diluted Shares Outstanding	323.98
Implied Equity Value	\$25,475
(+) Total Debt	13,382
(+) Minority Interest	1,756
(-) Cash & Equivalents	(1,310)
Implied Enterprise Value	\$39,303
2023E Consensus Adj. EBITDA	\$2,493
2024P Consensus Adj. EBITDA	\$2,673
EV / 2023E Consensus Adj. EBITDA	15.8x
EV / 2024P Consensus Adj. EBITDA	14.7x

Stock Price Performance Through Acquisitions



RBI's Portfolio Evolution Over Time



Sources: Company Filings, MergerMarket, Moody's, online news estimates, S&P Capital IQ as of January 10, 2024.
Note: Adjusted EBITDA figures reflect consensus estimates. Burdened by stock-based compensation and pre-opening costs.
1) Premium calculated based off the unaffected stock price on August 22, 2014 of C\$68.78.
2) Premium calculated based off the unaffected stock price on February 10, 2017 of \$56.04.



Illustrative RBI Value Creation / Preliminary EPS Accretion Analysis (For Reference Only)

Transaction Assumptions

- Illustrative transaction close on 12/31/2023
- Transaction financed using existing cash on RBI's balance sheet
- 2024P pro forma EBITDA of \$2,855 million
 - Includes \$15 million of illustrative synergies including public company savings
- RBI 2024P EBITDA multiple based on current trading statistics

	Various Theoretical Purchase Prices				
	\$9.00	\$10.00	\$11.00	\$12.00	\$13.00
Premium to Current Stock Price	9%	21%	33%	46%	58%
Implied 2024P EBITDA Multiple (Pre-Synergies)	5.9x	6.3x	6.7x	7.0x	7.4x
FLAME 2024P Standalone Private Company EBITDA ⁽¹⁾	\$168	\$168	\$168	\$168	\$168
Total Enterprise Value	\$981	\$1,048	\$1,114	\$1,181	\$1,247
Plus: Illustrative Total Fees & Expenses	30	30	30	30	30
Less: Implied Value of FLAME Shares Held by RBI ⁽²⁾	(85)	(94)	(104)	(113)	(122)
Total Transaction Consideration	\$926	\$984	\$1,041	\$1,098	\$1,155
	Current	Pro Forma			
RBI Cash	\$1,310	\$384	\$326	\$269	\$212
RBI Debt	13,382	13,382	13,382	13,382	13,382
RBI Net Debt / 2024P Synergized EBITDA	4.5x	4.6x	4.6x	4.6x	4.6x
Pre-Synergies					
FLAME 2024P Standalone Private Company EBITDA ⁽¹⁾	\$168	\$168	\$168	\$168	\$168
RBI Multiple Differential ⁽³⁾	8.7x	8.3x	7.9x	7.5x	7.1x
Less: Current Value of FLAME Shares Held by RBI ⁽²⁾	(78)	(78)	(78)	(78)	(78)
Total Value Creation	\$1,375	\$1,308	\$1,242	\$1,175	\$1,109
Value Accretion Per Share / % Increase	\$4.24 / 5%	\$4.04 / 5%	\$3.83 / 5%	\$3.63 / 5%	\$3.42 / 4%
EPS Accretion Per Share / % Increase	\$0.09 / 3%	\$0.08 / 3%	\$0.07 / 3%	\$0.07 / 2%	\$0.06 / 2%
Post-Synergies					
FLAME PF 2024P EBITDA (Including \$15M of Synergies)	\$178	\$178	\$178	\$178	\$178
RBI Multiple Differential ⁽³⁾	9.0x	8.6x	8.3x	7.9x	7.5x
Less: Current Value of FLAME Shares Held by RBI ⁽²⁾	(78)	(78)	(78)	(78)	(78)
Total Value Creation	\$1,522	\$1,455	\$1,389	\$1,322	\$1,256
Value Accretion Per Share / % Increase	\$4.70 / 6%	\$4.49 / 6%	\$4.29 / 5%	\$4.08 / 5%	\$3.88 / 5%
EPS Accretion Per Share / % Increase	\$0.11 / 4%	\$0.10 / 3%	\$0.09 / 3%	\$0.09 / 3%	\$0.08 / 3%
Implied Value Creation from Synergies	\$147	\$147	\$147	\$147	\$147

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.

1) Private Company EBITDA adds back stock-based compensation, pre-opening costs & public to private cost savings estimated at \$5.0mm annually.

2) RBI holds 9,414,580 FLAME shares, equal to 14.7% of total basic shares outstanding.

3) Pre-synergy RBI multiple differential calculated as RBI 2024P EBITDA multiple less FLAME 2024P standalone private company purchase multiple (including impact of illustrative fees). Post-synergy RBI multiple differential calculated as RBI 2024P EBITDA multiple less FLAME PF 2024P purchase multiple.



RBI Strategic Rationale and Illustrative Refranchising Analysis

Pros	Cons	Various Theoretical Purchase Prices						
<ul style="list-style-type: none">■ Creates opportunity for strategically enhanced franchisee base■ Positions for value creation via re-sale based on greater RL margins■ Removes significant concentration in a separate franchisee (FLAME owns ~15% of the domestic Burger King system as of Q3'23)■ Ability to control the investment around the Reclaim the Flame campaign■ In the future if RBI decides to refranchise, the Company can spread out units to get more franchisees involved in the system■ Eliminates public reporting / visibility into largest RBI franchisee	<ul style="list-style-type: none">■ Could see leakage based on ultimate proceeds and timing if refranchising is pursued■ Potential to experience multiple contraction given company-owned models typically trade at lower multiples relative to highly franchised systems	\$9.00	\$10.00	\$11.00	\$12.00	\$13.00		
		Premium to Current Stock Price	9%	21%	33%	46%	58%	
		Implied 2024P EBITDA Multiple (Pre-Synergies)	5.9x	6.3x	6.7x	7.0x	7.4x	
		FLAME 2024P Standalone Private Company EBITDA ⁽¹⁾	\$168	\$168	\$168	\$168	\$168	
		Total Enterprise Value	\$981	\$1,048	\$1,114	\$1,181	\$1,247	
		Plus: Illustrative Total Fees & Expenses	30	30	30	30	30	
		Less: Implied Value of FLAME Shares Held by RBI ⁽²⁾	(85)	(94)	(104)	(113)	(122)	
		Total Transaction Consideration	\$926	\$984	\$1,041	\$1,098	\$1,155	
		FLAME 2024P Restaurant-Level EBITDA	\$261	\$261	\$261	\$261	\$261	
		Illustrative 1% RL Margin Improvement	\$20	\$20	\$20	\$20	\$20	
		FLAME PF 2024P Restaurant-Level EBITDA	\$281	\$281	\$281	\$281	\$281	
		Restaurant Resale Value		PF Value Creation Per Share / Premium				
		4.0x	\$0.61 / 1%	\$0.43 / 1%	\$0.26 / 0%	\$0.08 / 0%	(\$0.09) / (0%)	
		5.0x	\$1.48 / 2%	\$1.30 / 2%	\$1.13 / 1%	\$0.95 / 1%	\$0.77 / 1%	
		6.0x	\$2.35 / 3%	\$2.17 / 3%	\$1.99 / 3%	\$1.82 / 2%	\$1.64 / 2%	
		7.0x	\$3.21 / 4%	\$3.04 / 4%	\$2.86 / 4%	\$2.68 / 3%	\$2.51 / 3%	
Before any potential wind down / restructuring expense								

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.

1) Private Company EBITDA adds back stock-based compensation, pre-opening costs & public to private cost savings estimated at \$5.0mm annually.

2) RBI holds 9,414,580 FLAME shares, equal to 14.7% of total shares outstanding.



Appendix

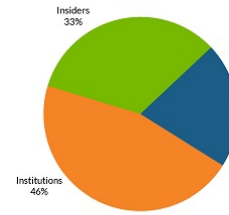


FLAME Shareholder Overview

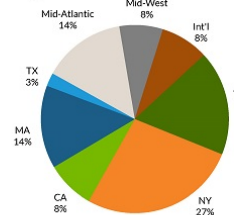
Investor Name	Position		Pct. of S/O (%)	Equity AUM (\$MM)	Style
	Shares	(\$MM)			
BlackRock Fund Advisors	2,541,518	\$18.8	4.0%	\$3,096,676.8	Index
Dimensional Fund Advisors LP	2,018,406	15.0	3.2%	497,968.4	Generalist
The Vanguard Group, Inc.	1,618,239	12.0	2.5%	5,222,286.0	Index
Divisadero Street Capital Management LP	1,495,237	11.1	2.3%	347.3	Hedge Fund
Solel Partners LP	1,340,062	9.9	2.1%	771.2	Hedge Fund
Royce & Associates LP	978,198	7.2	1.5%	11,980.1	Value
Acadian Asset Management LLC	859,120	6.4	1.3%	35,160.5	Hedge Fund
Renaissance Technologies LLC	801,342	5.9	1.3%	63,896.2	Hedge Fund
Geode Capital Management LLC	738,219	5.5	1.2%	1,079,183.0	Index
Invesco Capital Management LLC	730,757	5.4	1.1%	209,031.5	Generalist
SSgA Funds Management, Inc.	708,506	5.3	1.1%	2,053,824.5	Index
Hillsdale Investment Management, Inc.	624,820	4.6	1.0%	1,204.3	Hedge Fund
Parametric Portfolio Associates LLC	619,608	4.6	1.0%	224,525.9	Index
Two Sigma Investments LP	563,905	4.2	0.9%	39,839.3	Hedge Fund
Two Sigma Advisers LP	551,961	4.1	0.9%	43,480.6	Hedge Fund
Arrowstreet Capital LP	509,960	3.8	0.8%	93,183.7	Hedge Fund
Assenagon Asset Management SA (Germany)	460,177	3.4	0.7%	36,373.9	Index
BlackRock Advisors LLC	443,439	3.3	0.7%	162,678.6	Generalist
EAM Investors LLC	422,852	3.1	0.7%	578.7	Growth
Bridgeway Capital Management LLC	410,325	3.0	0.6%	4,557.4	Growth
Total of Top 20 Institutions:	18,436,651	\$136.6	28.8%		
Cambridge Franchise Holdings LLC	12,447,619	\$92.2	19.5%		
Restaurant Brands International	9,414,580	69.8	14.7%		
Daniel Accordini	1,886,189	14.0	3.0%		
Anthony Hull	638,360	4.7	1.0%		
Deborah Derby	550,568	4.1	0.9%		
Total of Top 5 Insiders:	24,937,316	\$184.8	39.0%		

Shareholder Base Analysis

Investor Breakdown



Regional Breakdown



Ownership Summary by Fund Type

	No. of Institutions	No. of Shares	% of Institutional
Institutions			
Value	7	1,318,058	5.3%
Value	5	1,307,915	5.2%
GARP	1	8,109	<0.1%
Income	1	2,034	<0.1%
Growth	10	1,567,551	6.3%
Other	116	22,080,413	88.4%
Hedge Fund	32	8,388,913	33.6%
Index Fund	11	7,119,470	28.5%
Generalist	71	6,483,888	26.0%
Specialty	2	88,142	0.4%
Total	133	24,966,022	100.0%

Note: Account holdings are based on 13F filings (as of 9/30/23 or most recent available). Insider holdings based on Proxy and Form 4 filings.
Source: FactSet, Bloomberg and SEC filings.



Illustrative Leveraged Buyout Analysis (For Reference Only)

Transaction Assumptions

- Illustrative transaction close on 12/31/2023
- Transaction Leverage of 4.5x 2023E Adjusted EBITDA of ~\$155 million
 - New Term Loan of \$700 million @ \$+450, 99 OID, 2.25% financing fee
 - Repayment of \$300 million of existing notes at 1% premium
- Exit in 2028 at 7.0x 2028P Adjusted EBITDA of \$202 million

Sources	\$ Million	x
Term Loan	\$700	4.5x
Cash on Balance Sheet	45	0.3x
Sponsor Equity	414	2.7x
Total Sources	\$1,159	7.4x

Uses	\$ Million	x
Purchase Price (@\$10.00 / share) ⁽²⁾	\$565	3.6x
Repayment of Convertible Pref. Stock	94	0.6x
Refinancing Existing Debt	434	2.8x
Cash to Balance Sheet	30	0.2x
Total Fees & Expenses	36	0.2x
Total Uses	\$1,159	7.4x

Illustrative Levered Free Cash Flow

\$ Millions	Year Ending December 31,				
	2024P	2025P	2026P	2027P	2028P
Revenue	\$1,963.9	\$2,045.2	\$2,133.2	\$2,228.0	\$2,328.8
Growth	4.9%	4.1%	4.3%	4.4%	4.5%
Adjusted EBITDA	\$162.5	\$167.4	\$177.3	\$189.3	\$202.0
% Margin	8.3%	8.2%	8.3%	8.5%	8.7%
Plus: Public Company Costs	5.0	5.0	5.0	5.0	5.0
Less: Pre-Opening Expenses	(0.1)	(0.3)	(0.4)	(0.5)	(0.5)
Less: Cash Taxes ⁽¹⁾	(8.1)	(8.2)	(9.4)	(10.9)	(12.6)
Less: Cash Interest	(66.8)	(60.9)	(55.9)	(51.7)	(46.8)
Less: NWC (Increase) / Decrease	(10.0)	(3.0)	2.0	2.0	2.0
Less: Capex	(85.0)	(81.2)	(72.3)	(77.0)	(77.1)
Less: Mandatory Amortization	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Levered Free Cash Flow	(\$9.4)	\$11.8	\$39.4	\$49.2	\$65.0
Plus: Debt	\$702.4	\$683.6	\$637.3	\$581.0	\$509.1
Less: Cash	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)
Net Debt	\$672.4	\$653.6	\$607.3	\$551.0	\$479.1
Net Debt / EBITDA	4.1x	3.9x	3.4x	2.9x	2.4x
FCF (EBITDA - Capex)	\$77.5	\$86.2	\$105.0	\$112.4	\$124.9

Sensitivities

'28P Adjusted EBITDA	Implied Price Per Share @ 7.0x Exit		
	Target IRR		
	20.0%	22.5%	25.0%
\$190	\$8.70	\$8.20	\$7.80
\$200	\$9.15	\$8.60	\$8.15
\$210	\$9.55	\$9.00	\$8.50

Exit Multiple	Implied Price Per Share		
	Target IRR		
	20.0%	22.5%	25.0%
6.5x	\$8.65	\$8.20	\$7.75
7.0x	\$9.20	\$8.70	\$8.20
7.5x	\$9.75	\$9.20	\$8.65

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee. Note: Share prices in sensitivity table are rounded to nearest \$0.05.

1) Based on effective tax rate of 25.5% per FLAME Management. Assumes annual NOL utilization subject to Section 382 limitation.

2) Fully diluted shares outstanding includes basic shares outstanding (51.652 million), convertible preferred stock (9.415 million), non-vested common shares (2.885 million), 2023 PSUs (0.798 million), 2024 executive grants (0.488 million), 2024 employee awards (0.326 million), 2024 director awards (0.085 million) and stock options (0.925 million @ \$7.12 strike price).

3) Share prices rounded to nearest \$0.05. Assumes transaction leverage of 4.5x.

Popeyes Acquisition Case Study – February 2017

Key Points

- Following an unsolicited bid from RBI, Popeyes was able to enhance value creation for shareholders through dialogue with another party
- Received three bids from both RBI and the other party over a 5 to 6 month period
 - RBI made three all cash bids for \$64.00 per share (10/31/16), \$74.00 per share (1/17/17) and \$79.00 per share (2/17/17)
 - The other party offered three escalated bids in various cash / stock structures
- Key takeaways from the process include:
 - RBI bumped its initial offer prior to gaining access to customary due diligence items
 - RBI was willing to sign standstill
 - RBI wanted to maintain exclusivity and prevent a go-shop to risk losing the asset
 - An undisclosed party leaked the transaction dialogue to the market a week prior to close

Popeyes Transaction

Date Announced	Transaction Value (\$billion)	Status of Target Company	Premium		
			1-Day	1-Week	1-Month
2/21/2017	\$1.8	Public	19.6% ⁽¹⁾	22.6% ⁽²⁾	33.2% ⁽³⁾

Proxy and Bump Analysis

Date Announced	1st Bid to Ann.	Initial Premium	Final Premium	# of Parties Involved	# of Bidders	# of Bids Received	# of Bids from Winning Party	Bid 1 (10/31/2016)	Bid 2 (1/17/2017)	Final Bid (2/17/2017)	Total Bump from Initial Proposal
2/21/2017	113 days	19.9% ⁽⁴⁾	19.6% ⁽¹⁾	2	2	6	3	\$64.00	\$74.00	\$79.00	23.4%
Implied FLAME Price:		\$9.39	\$9.37								

Source: Company Filings.

1) Final Premium / 1-Day premium calculated based off the unaffected stock price on February 10, 2017 of \$66.04.

2) 1-Week Premium calculated based off the unaffected stock price on February 3, 2017 of \$64.42, 1 week prior to the news leak on February 10, 2017.

3) 1-Month Premium calculated based off the unaffected stock price on January 10, 2017 of \$59.30, 1 month prior to the news leak on February 10, 2017.

4) Initial Premium calculated based off October 31, 2016 closing stock price of \$53.88.



Tim Hortons Case Study – August 2014

Key Points

- In March 2014, following interest from Burger King and 3G Capital to acquire Tim Horton's, the Company contacted Berkshire Hathaway to see if they would be interested in financing a transaction
- After two unsuccessful initial bids (C\$73.00 on 3/24/14 and C\$78.00 on 5/12/14), submitted a third bid for C\$82.50 on 6/27/14 without Berkshire Hathaway involved
 - Following this bid, Tim Horton's and their advisors began formal discussions with Burger King and 3G Capital after executing a confidential agreement on 7/9/2014
 - The other party offered three escalated bids in various cash / stock structures
- After a month of negotiation and continued resistance from Tim Hortons, Burger King submitted a fourth bid for C\$88.50 on 8/15/14 that was ultimately accepted
- Key takeaways from the process include:
 - Burger King asked for a fixed exchange ratio and allowed for two representatives from Tim Hortons to join the combined Board of Directors
 - RBI wanted to maintain exclusivity and prevent a go-shop to lose the asset
 - Inclusion of breakage fees for each party (5.5% for Burger King payable on failure to raise financing and 4.0% for Tim Hortons as a customary breakage fee)
 - Following a media leak on 8/24/14, Burger King and Tim Hortons issued a joint press release explaining the strategic rationale ahead of closing on 8/26/14

Tim Hortons Transaction

Date Announced	Transaction Value (\$billion)	Status of Target Company	Premium		
			1-Day	1-Week	1-Month
8/26/2014	\$12.5	Public	28.7% ⁽¹⁾	30.6% ⁽²⁾	47.4% ⁽³⁾

Proxy and Bump Analysis

Date Announced	1st Bid to Ann.	Initial Premium	Final Premium	# of Parties Involved	# of Bidders	# of Bids Received	# of Bids from Winning Party	Bid 1 (3/24/2014)	Bid 2 (5/14/2014)	Bid 3 (6/27/2014)	Final Bid (8/15/2014)	Total Bump from Initial Proposal
8/26/2014	155 days	20.3% ⁽⁴⁾	28.7% ⁽¹⁾	1	1	4	4	C\$73.00	C\$78.00	C\$82.50	C\$88.50	21.2%
Implied FLAME Price:		\$9.42	\$10.07									

Source: Company Filings.

1) Final Premium / 1-Day premium calculated based off the unaffected stock price on August 22, 2014 of C\$68.78.

2) 1-Week Premium calculated based off the unaffected stock price on August 15, 2014 of C\$67.74, 1 week prior to the news leak on August 22, 2014.

3) 1-Month Premium calculated based off the unaffected stock price on August 22, 2014 of C\$60.05, 1 month prior to the news leak on August 22, 2014.

4) Initial Premium calculated based on March 24, 2014 closing stock price of C\$50.67.

Project FLAME

Presentation to the Special Committee

January 15, 2024 / Confidential

Jefferies LLC
Member SIPC

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Transaction Overview

Transaction Overview

- On January 15, 2024, FLAME's Special Committee is expected to consider the sale of the Company (the "Proposed Transaction") to RBI for a purchase price of \$9.55 per share in cash (the "Proposed Purchase Price")
 - Represents an implied premium of 13.4% based on FLAME's stock price of \$8.42 as of January 12, 2024
- The Proposed Transaction will be financed by RBI with cash on hand

Proposed Purchase Price		\$9.55
Diluted Shares Outstanding⁽¹⁾		66.642
Implied Equity Value		\$636.4
Plus: Debt (12/31/2023) ⁽²⁾		433.5
Less: Cash (12/31/2023) ⁽²⁾		(44.5)
Proposed Transaction Value		\$1,025.4
Implied Premiums		FLAME Stock Price
<i>Premium to Current Stock Price (01/12/24)</i>		\$8.42 13.4%
<i>(Discount) / Premium to 52-Week High</i>		\$8.58 11.3%
<i>(Discount) / Premium to 30-Day VWAP⁽³⁾</i>		\$7.76 23.1%
<i>(Discount) / Premium to 90-Day VWAP⁽³⁾</i>		\$7.45 28.2%
Adj. EBITDA⁽⁴⁾		FLAME Statistic TEV / EBITDA
FY2023E		\$145.4 7.1x
FY2024P		\$157.4 6.5x

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.

1) Fully diluted shares outstanding includes basic shares outstanding (51.602 million), convertible preferred stock (9.415 million), non-vested common shares (2.885 million), 2023 PSUs including dividend (1.598 million), 2024 executive grants (0.488 million), 2024 employee awards (0.326 million), 2024 director awards (0.075 million), 2021 bonus RSUs (0.018 million) and stock options (0.925 million @ \$7.12 strike price) per FLAME Management.

2) Debt and cash based on Q4 2023 figures provided by FLAME Management. Debt includes \$290.1 million senior notes, \$133.4 million term loan and \$10.0 million capital leases.

3) VWAP calculated using price and volume data for the last 30 and 90 calendar days.

4) Public company EBITDA burdened by stock-based compensation and pre-opening costs.

Key Terms of the Merger Agreement

Proposed Transaction Summary	
Proposed Purchase Price	■ \$9.55 per share in cash
Structure:	■ Reverse Triangular Merger; RBI will cause its subsidiary ("Merger Sub") to merge with and into the Company, with the Company surviving as an indirect subsidiary of RBI (the "Merger")
Voting Agreement:	■ Concurrent with the signing of the Merger Agreement, Cambridge Franchise Holdings, LLC, Cambridge Franchise Partners, LLC, Alexander Sloane and Matthew Perelman would enter into a voting agreement with RBI in support of the transactions and would terminate any 10b5-1 sales plan in effect
Financing:	■ Combination of RBI cash on hand and committed credit facilities. Obtaining debt financing will not be a condition to closing
Certain Closing Conditions:	<ul style="list-style-type: none"> ■ Approval of Majority of the Unaffiliated Shareholders ■ HSR Clearance ■ No termination of the merger agreement ■ No financing condition
Go-Shop:	■ 30-day go-shop that allows FLAME to solicit proposals
Outside Date:	■ Termination date of November 30, 2024
Termination Fees:	■ Company termination fee of 3.0% of fully diluted equity value using the \$9.55 per share price (~\$19.1M) ⁽¹⁾
Other:	■ RBI and Company shall jointly file schedule 13E-3

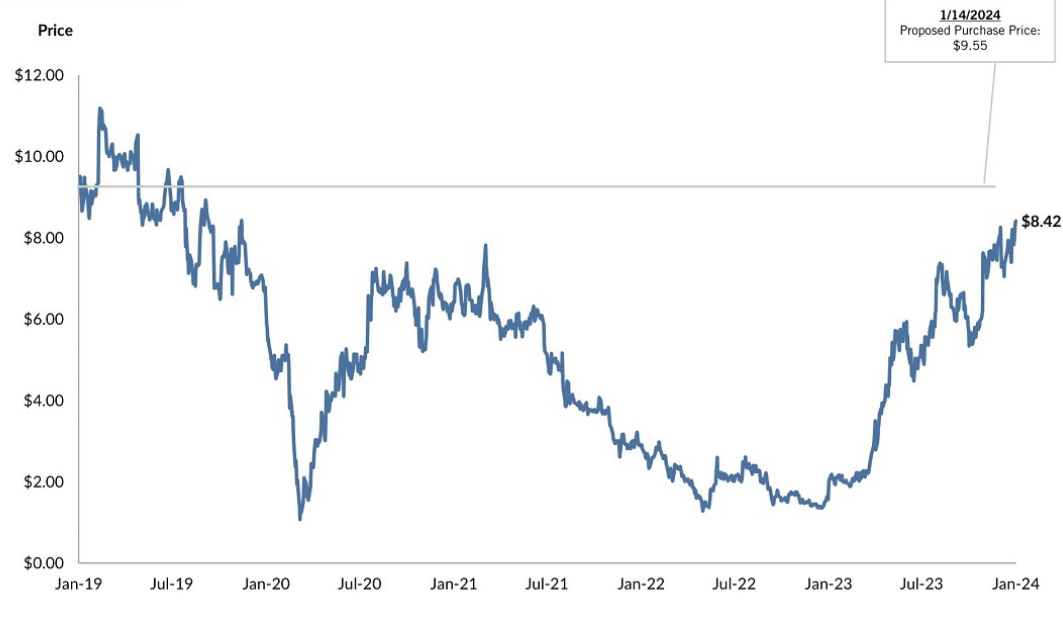
Source: Draft Merger Agreement dated January 15, 2024.

¹⁾ Fully diluted shares outstanding includes basic shares outstanding (51.602 million), convertible preferred stock (9.415 million), non-vested common shares (2.885 million), 2023 PSUs including dividend (1.598 million), 2024 executive grants (0.488 million), 2024 employee awards (0.326 million), 2024 director awards (0.075 million), 2021 bonus RSUs (0.018 million) and stock options (0.925 million @ \$7.12 strike price) per FLAME Management.

FLAME Overview

Five-Year Stock Price Performance

(\$Millions, except per share data)



Trading Summary

Current Share Price (1/12/2024)	\$8.42
52 - Week High	\$8.58
52 - Week Low	\$1.85
Diluted Shares Outstanding	68.22 ⁽¹⁾
Implied Equity Value	\$574
(+) Total Debt	433 ⁽²⁾
(-) Cash & Equivalents	(45)
Implied Enterprise Value	\$963
2023E Management Adj. EBITDA	\$145 ⁽³⁾
2024P Management Adj. EBITDA	\$157 ⁽³⁾
2023E Consensus Adj. EBITDA	\$143 ⁽⁴⁾
2024P Consensus Adj. EBITDA	\$153 ⁽⁴⁾
EV / 2023E Management Adj. EBITDA	6.6x
EV / 2024P Management Adj. EBITDA	6.1x
EV / 2023E Consensus Adj. EBITDA	6.7x
EV / 2024P Consensus Adj. EBITDA	6.3x

Sources: Company filings, S&P Capital IQ as of January 12, 2024.

1) Fully diluted shares outstanding include basic shares outstanding (54,496 million), convertible preferred stock (9,415 million), non-vested common shares (2,744 million), performance-based restricted shares (0,600 million), performance based RSUs (0,798), time-based RSUs (0,017 million) and stock options (0,976 million @ \$7.12 strike price).

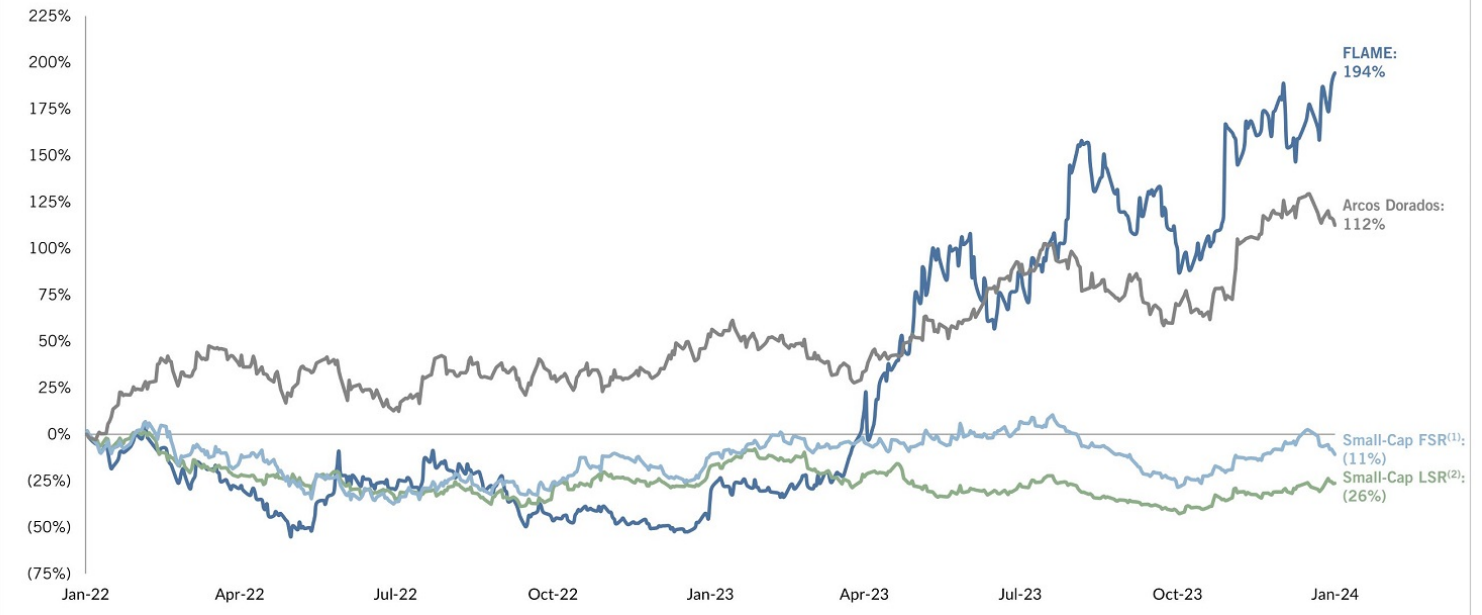
2) Total debt includes \$290.1M of Senior Notes, \$133.4M of Term Loan B and \$10.0M of Capital Leases.

3) Reflects management estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).

4) Reflects consensus estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).

FLAME has Outperformed Peer Indices Over the Last Two Years

Indexed Share Price Performance (Last Two Years)



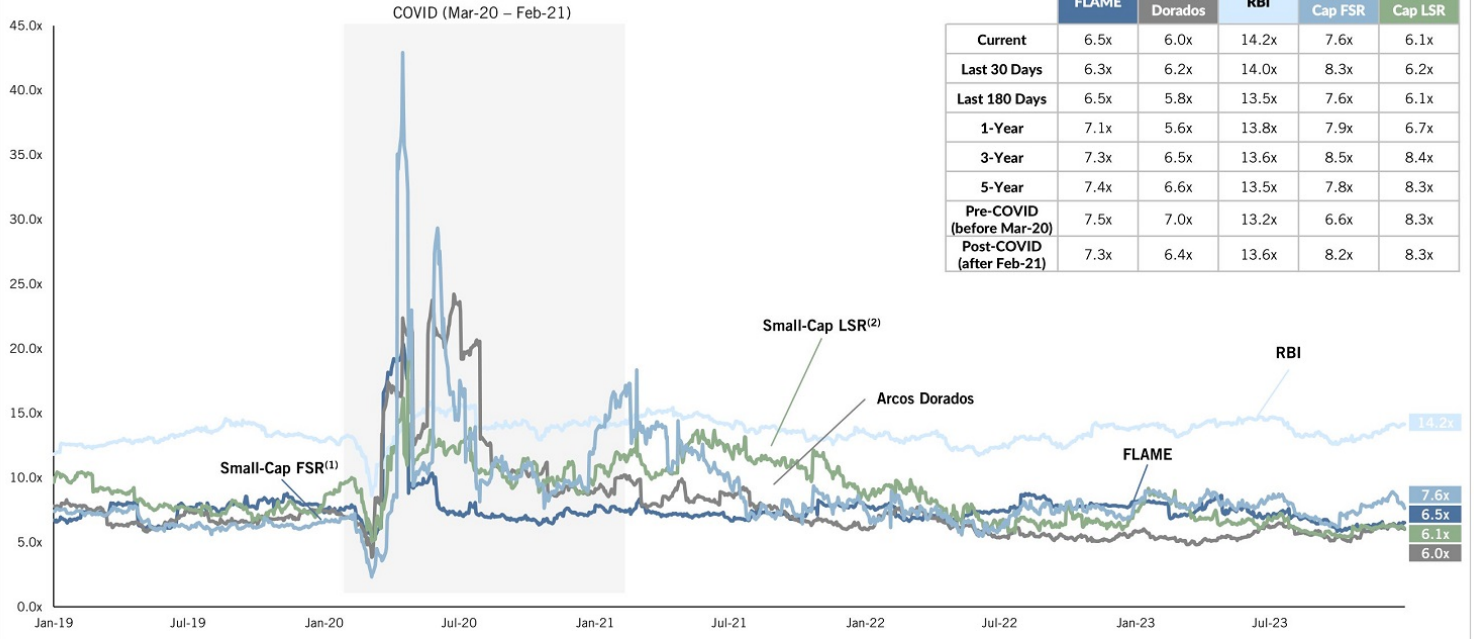
Sources: Company filings, S&P Capital IQ and Wall Street research as of January 12, 2024.

1) Small-Cap FSR Index includes BJRI, CHUY, RRGB, STKS.

2) Small-Cap LSR Index includes LOCO, NDLS, PBPH.

Public Market Views: FLAME EV / NTM EBITDA Multiple Over Time vs. Peers

EV / NTM EBITDA Since January 2019



Selected Analyst Estimates

Date	Firm	Recommendation	Price Target	FY2023E			FY2024P		
				Revenue	Adj. EBITDA	EPS	Revenue	Adj. EBITDA	EPS
01/10/24	Firm A	Buy	\$10.00	\$1,874 ⁽¹⁾	\$144 ⁽²⁾	\$0.47 ⁽¹⁾	\$1,944 ⁽¹⁾	\$154 ⁽²⁾	\$0.56 ⁽¹⁾
01/11/24	Firm B	Buy	\$13.00	\$1,877	\$143 ⁽²⁾	\$0.49 ⁽²⁾	\$1,930	\$152 ⁽²⁾	\$0.59 ⁽²⁾
		Consensus Mean:	\$11.50	\$1,875	\$143 ⁽³⁾	\$0.48	\$1,937	\$153 ⁽³⁾	\$0.58
		Management Estimates:	N/A	\$1,871	\$145 ⁽⁴⁾	N/A	\$1,964	\$157 ⁽⁴⁾	N/A

Evolution of Analyst Recommendations



Sources: Wall Street research and Capital IQ as of January 12, 2024.
1) Reflects Pre Q4 Pre-Release estimates.
2) Reflects Analysts Estimates. EBITDA Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).
3) Reflects consensus estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).
4) Reflects management estimates. Burdened by stock-based compensation (\$5.6 million in '23, \$5.0 million in '24) and pre-opening costs (\$0.03 million in '23, \$0.075 million in '24).

Selected Analyst Commentary

"FLAME'S slightly positive BK traffic, with drivers ahead (marketing, operations, kiosk rollout and remodels) gives us **increased confidence in the Burger King turnaround**. **FLAME is also benefiting from rapidly expanding margins**, due to operating efficiency efforts, tamed cost inflation and Burger King's focus on being profitable. FLAME initiated a quarterly dividend, which signals **confidence in its balance sheet and the BK turnaround, in our view**."

- Firm A, November 2023

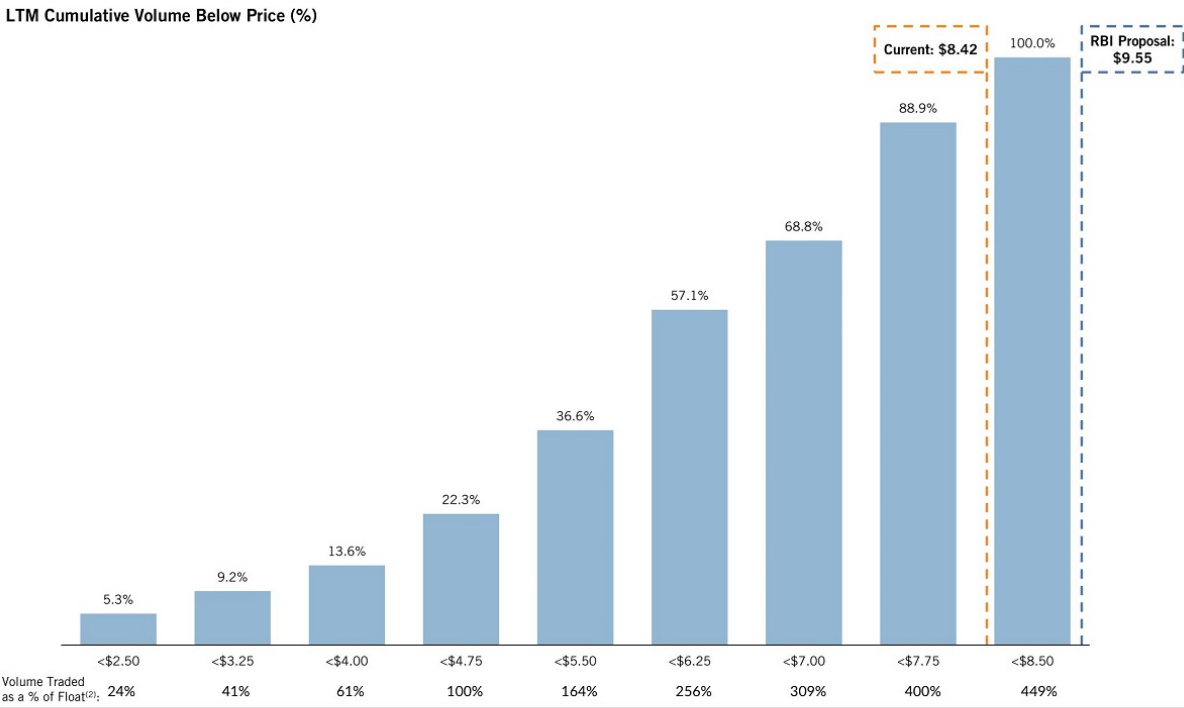
"We believe there are still **several areas of opportunity for the Burger King brand (and FLAME) to benefit from cost optimization** (via vendor agreements or supply chain savings as examples) over time. Looking forward, **we believe there is room for additional margin accretion** although would expect the improvements to be somewhat muted vs. the 610 bps upside seen 1Q23-3Q23 relative to the prior year... We expect **benefits to materialize more so in the second half of the year** with an opportunity to continue unfolding over the next two years."

- Firm B, January 2024

FLAME Trading Activity & LTM Summary

Confidential

Market Snapshot ⁽¹⁾	
Current	\$8.42
20-Day VWAP	\$7.94
30-Day VWAP	\$7.76
60-Day VWAP	\$7.68
90-Day VWAP	\$7.45
180-Day VWAP	\$6.95
LTM VWAP	\$5.88
52-Week High	\$8.58
52-Week Low	\$1.85



Source: S&P Capital IQ as of January 12, 2024.
1) VWAPs account for all calendar days for the LTM period ended January 12, 2024.
2) Float excludes shares owned by corporate insiders and activist investors.

Financial Analyses

FLAME Management Projections

At the direction of the FLAME Special Committee, Jefferies based its financial analysis on these financial projections per FLAME Management as of December 2023

(\$Millions)	Year Ending December 31,						
	2022A	2023E	2024P	2025P	2026P	2027P	2028P
Revenues	\$1,730.4	\$1,871.2	\$1,963.9	\$2,045.2	\$2,133.2	\$2,228.0	\$2,328.8
% Growth	-	8.1%	5.0%	4.1%	4.3%	4.4%	4.5%
Cost of Food & Paper	534.2	521.1	564.8	592.3	623.4	656.9	692.5
% of Revenue	30.9%	27.9%	28.8%	29.0%	29.2%	29.5%	29.7%
Restaurant Labor	585.2	606.0	625.3	648.6	674.2	702.0	731.7
% of Revenue	33.8%	32.4%	31.8%	31.7%	31.6%	31.5%	31.4%
Operating Expenses	343.9	368.4	381.2	403.6	417.7	433.0	449.3
% of Revenue	19.9%	19.7%	19.4%	19.7%	19.6%	19.4%	19.3%
Rent Expense	125.5	128.5	131.2	134.3	137.9	141.9	146.1
% of Revenue	7.3%	6.9%	6.7%	6.6%	6.5%	6.4%	6.3%
Restaurant EBITDA	\$141.6	\$247.1	\$261.4	\$266.4	\$280.0	\$294.3	\$309.2
Restaurant Margin %	8.2%	13.2%	13.3%	13.0%	13.1%	13.2%	13.3%
G&A Expenses	79.1	96.1	96.8	98.9	102.7	105.0	107.3
% of Revenue	4.6%	5.1%	4.9%	4.8%	4.8%	4.7%	4.6%
Adjustments							
Triage Store Closures			0.8	0.8	0.8	0.8	0.8
Local Marketing			2.0	2.1	2.2	2.2	2.3
Remodel Downtime			(4.9)	(3.0)	(3.0)	(3.0)	(3.0)
Adjusted EBITDA	\$62.5	\$151.1	\$162.5	\$167.4	\$177.3	\$189.3	\$202.0
Margin %	3.6%	8.1%	8.3%	8.2%	8.3%	8.5%	8.7%
Less: Stock-Based Compensation	(4.9)	(5.6)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Less: Pre-Opening Expenses	(0.3)	(0.0)	(0.1)	(0.3)	(0.4)	(0.5)	(0.5)
Adjusted EBITDA (net of SBC and pre-opening)	\$57.3	\$145.4	\$157.4	\$162.1	\$171.9	\$183.9	\$196.5
Margin %	3.3%	7.8%	8.0%	7.9%	8.1%	8.3%	8.4%
Less: Capex	(37.2)	(52.0)	(85.0)	(81.2)	(72.3)	(77.0)	(77.1)
Less: (Inc) / Dec in NWC	(10.2)	6.2	(10.0)	(3.0)	2.0	2.0	2.0
Free Cash Flow	\$9.8	\$99.6	\$62.4	\$77.9	\$101.6	\$108.9	\$121.4

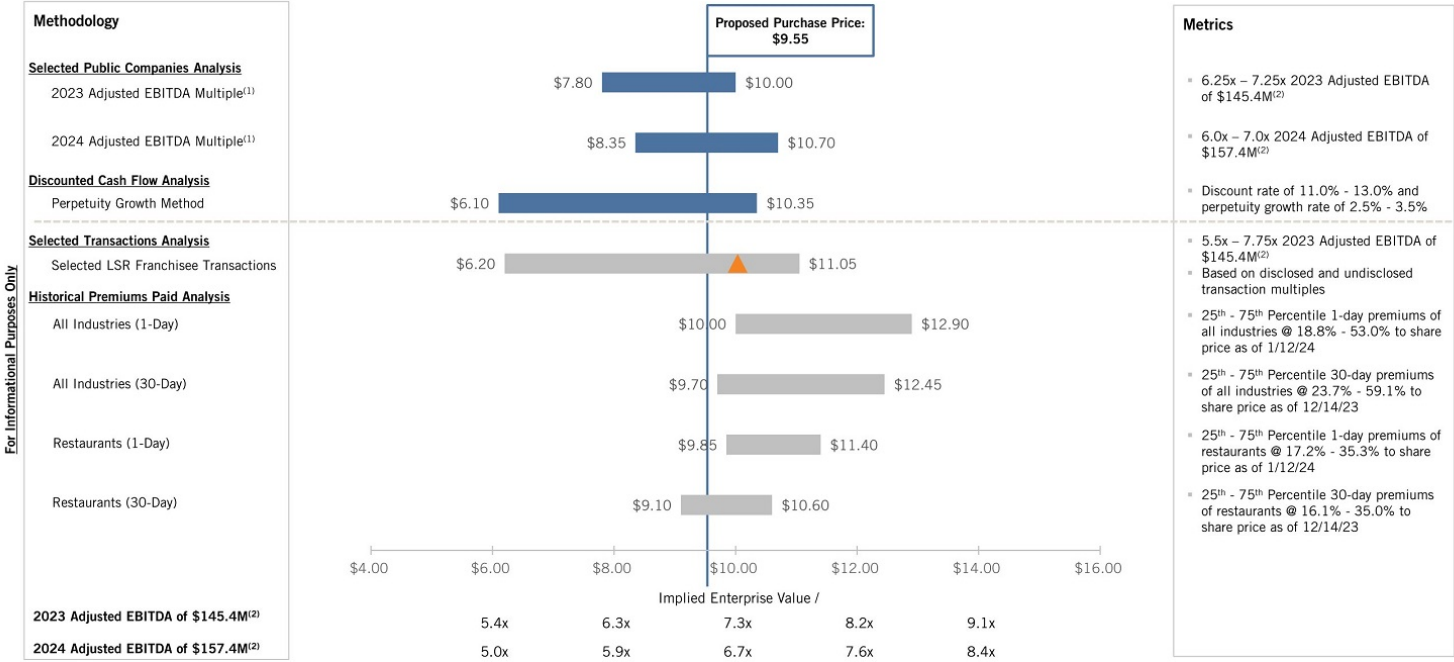
Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.

Methodologies and Additional Information

Methodology	General Description	Comments
Analysis of Selected Publicly Traded Companies	<ul style="list-style-type: none"> Estimates current market value of FLAME shares based on trading multiples of selected publicly traded companies generally considered relevant for comparative purposes 	<ul style="list-style-type: none"> Reviewed 8 U.S. listed public restaurant companies with similar business model or financial attributes
Discounted Cash Flow Analysis	<ul style="list-style-type: none"> Estimates the value of FLAME share price based on the present value of the Company's risk-adjusted cash flow 	<ul style="list-style-type: none"> Terminal value calculated using perpetuity growth method Discount rate range based on weighted average cost of capital methodology was applied to FLAME's projected unlevered cash flows
Additional Information (For Reference Only)		
Analysis of Selected Transactions	<ul style="list-style-type: none"> Estimates value of FLAME share price based on a review of selected merger and acquisition transactions generally considered relevant for comparative purposes 	<ul style="list-style-type: none"> Reviewed 19 acquisitions of franchisee companies with publicly disclosed and undisclosed transaction valuation data Excluded non-franchisee restaurant companies with brand ownership (e.g., franchisor or company-operated stores) Included for informational purposes only because of a lack of publicly available information regarding the selected transactions
Premiums Paid	<ul style="list-style-type: none"> A review, as an additional reference point for informational purposes, of premiums paid in selected M&A transactions involving public companies 	<ul style="list-style-type: none"> Reviewed 294 all-cash transactions across all industries, excluding financial targets, with transaction equity values between \$500M and \$2.0B and 20 all-cash restaurant transactions involving U.S. domiciled and listed publicly traded targets closed since January 1, 2012

Note: Jefferies did not attribute any particular weight to any analysis, methodology or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor; accordingly, Jefferies' analyses must be considered as a whole. Considering any portion of the analyses or the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process undertaken by Jefferies.

Financial Analyses Summary



Note: Share prices on chart rounded to the nearest 5 cents.

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee.

1) Fully diluted shares outstanding includes basic shares outstanding (51.602 million), convertible preferred stock (9.415 million), non-vested common shares (2.885 million), 2023 PSUs including dividend (1.598 million), 2024 executive grants (0.488 million), 2024 employee awards (0.326 million), 2024 director awards (0.075 million), 2023 bonus RSUs (0.018 million) and stock options (0.925 million @ \$7.12 strike price) per FLAME Management.

2) Adjusted EBITDA is net of stock-based compensation and pre-opening costs.

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Jefferies

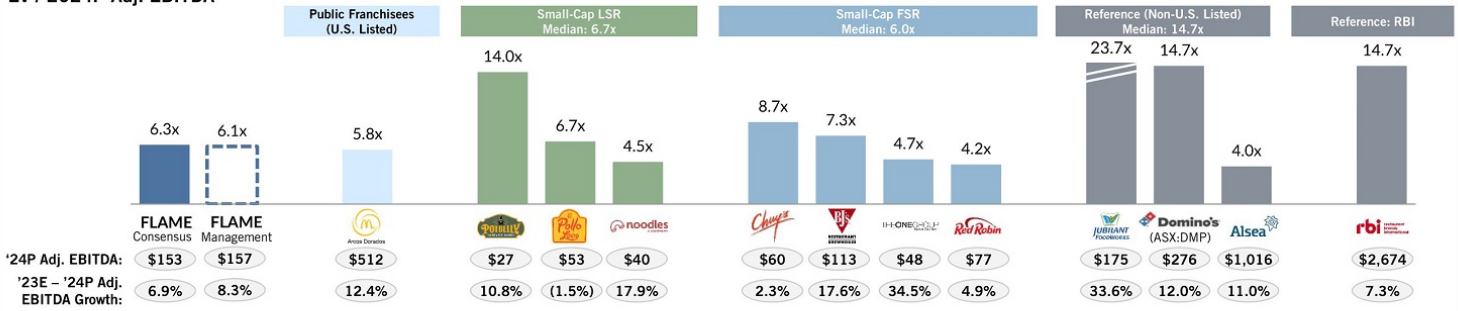
Analysis of Selected Public Companies – Forward EBITDA Valuation

(\$Millions)

EV / 2023E Adj. EBITDA



EV / 2024P Adj. EBITDA



Sources: Company filings, Wall Street research and S&P Capital IQ as of January 12, 2024.

Note: Adjusted EBITDA figures reflect consensus estimates. Burdened by stock-based compensation and pre-opening costs.

Analysis of Selected Public Companies – Scale and Growth Benchmarking

(\$Millions)

2023E Size and Scale						'23E – '24P Projected Growth			
Systemwide Units (% Franchised)	Total Revenue	RL EBITDA	Adj. EBITDA	RL EBITDA Margin	Adj. EBITDA Margin	Unit Growth	Revenue Growth	RL EBITDA Growth	Adj. EBITDA Growth
2,350	\$4,350	\$250	\$475	20.0%	15.0%	15.0%	25.0%	40.0%	35.0%
Arco Dorados 2,322 (100%)	Arco Dorados \$4,311	FLAME \$242	Arco Dorados \$455	Chuyes 19.5%	Chuyes 12.6%	IH+ONE 14.7%	IH+ONE 21.4%	IH+ONE 16.4%	IH+ONE 34.5%
FLAME 1,079 (100%)	FLAME \$1,875	Red Robin \$171	FLAME \$143	IH+ONE 16.0%	Pollo Loco 11.6%	POIRELLI 8.4%	Arco Dorados 6.2%	BJ's 12.9%	noodles 17.9%
Red Robin 514 (18%)	BJ's \$1,339	BJ's \$145	BJ's \$96	noodles 16.0%	IH+ONE 10.6%	Chuyes 6.9%	noodles 5.3%	noodles 12.4%	BJ's 17.6%
Pollo Loco 490 (38%)	Red Robin \$1,301	Chuyes \$81	Red Robin \$73	Pollo Loco 15.7%	Arco Dorados 10.6%	noodles 3.4%	Chuyes 4.5%	Red Robin 6.2%	Arco Dorados 12.4%
noodles 474 (20%)	noodles \$505	noodles \$74	Chuyes \$58	POIRELLI 13.8%	FLAME 7.6%	Pollo Loco 2.0%	BJ's 4.3%	POIRELLI 3.2%	POIRELLI 10.8%
POIRELLI 431 (13%)	POIRELLI \$490	POIRELLI \$66	Pollo Loco \$54	Red Robin 13.4%	BJ's 7.1%	BJ's 1.8%	FLAME 3.0%	Chuyes 2.8%	FLAME 6.9%
BJ's 217 (0%)	Pollo Loco \$467	Pollo Loco \$63	IH+ONE \$36	BJ's 13.2%	noodles 6.8%	Red Robin 1.0%	Pollo Loco 0.6%	Pollo Loco 1.1%	Red Robin 4.9%
Chuyes 101 (0%)	Chuyes \$462	IH+ONE \$52	noodles \$34	FLAME 12.9%	Red Robin 5.6%	FLAME 0.6%	Red Robin (1.6%)	FLAME 0.8%	Chuyes 2.3%
IH+ONE 68 (0%)	IH+ONE \$340	Arco Dorados NA	POIRELLI \$25	Arco Dorados NA	POIRELLI 5.0%	Arco Dorados 0.6%	POIRELLI (2.7%)	Arco Dorados NA	Pollo Loco (1.5%)
50	\$300	\$50	\$20	10.0%	5.0%	0.0%	(5.0%)	0.0%	(5.0%)

Sources: Company filings, Wall Street research and S&P Capital IQ as of January 12, 2024.

Note: Adjusted EBITDA figures reflect consensus estimates. Burdened by stock-based compensation and pre-opening costs.

Discounted Cash Flow Analysis

(\$Millions)	Year Ending December 31,					Normalized Terminal Year
	2024P	2025P	2026P	2027P	2028P	
Revenue	\$1,963.9	\$2,045.2	\$2,133.2	\$2,228.0	\$2,328.8	\$2,328.8
Adjusted EBITDA	\$162.5	\$167.4	\$177.3	\$189.3	\$202.0	\$202.0
Less: Stock-based Compensation	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Less: Pre-Opening Expenses	(0.1)	(0.3)	(0.4)	(0.5)	(0.5)	(0.5)
Adjusted EBITDA (net of SBC)	\$157.4	\$162.1	\$171.9	\$183.9	\$196.5	\$196.5
Less: D&A ⁽¹⁾	(75.0)	(79.0)	(82.2)	(85.4)	(88.9)	(77.1)
EBIT	\$82.4	\$83.1	\$89.7	\$98.5	\$107.6	\$119.4
Less: Taxes ⁽²⁾	(21.0)	(21.2)	(22.9)	(25.1)	(27.4)	(30.4)
Net Operating Profit After Tax (NOPAT)	\$61.4	\$61.9	\$66.9	\$73.4	\$80.2	\$88.9
Plus: D&A	75.0	79.0	82.2	85.4	88.9	77.1
Less: NWC (Increase) / Decrease	(10.0)	(3.0)	2.0	2.0	2.0	2.0
Unlevered CFO	\$126.4	\$137.9	\$151.1	\$160.8	\$171.1	\$168.1
Less: Capex	(85.0)	(81.2)	(72.3)	(77.0)	(77.1)	(77.1)
Unlevered FCF	\$41.4	\$56.7	\$78.8	\$83.8	\$93.9	\$90.9
Present Value of Unlevered FCF	\$39.1	\$47.8	\$59.3	\$56.3	\$56.4	
Terminal Value at 3.0% Growth Rate						\$1,101
Present Value of Terminal Value ⁽³⁾						\$625
Sum of PV of Unlevered FCF						\$259
Sum of PV of NOLs						\$30
Total Enterprise Value						\$914
Less: Net Debt (Q4, 2023)						(389)
Equity Value						\$525
FDSO ⁽⁴⁾						66.498
Implied Price Per Share (rounded to the nearest 5 cents)						\$7.90

Implied Price Per Share				Implied Terminal EBITDA Multiple ⁽⁵⁾				Implied Price Per Share @ 3.0% Perpetuity Growth			
Perpetuity	Discount Rate			Perpetuity	Discount Rate			Annual Outperformance /	Discount Rate		
Growth	11.0%	12.0%	13.0%	Growth	11.0%	12.0%	13.0%	Implied Adj. 2024P EBITDA	11.0%	12.0%	13.0%
2.5%	\$8.90	\$7.35	\$6.10	2.5%	5.9x	5.3x	4.8x	0.0% / \$162.5 (Base Case)	\$9.60	\$7.90	\$6.55
3.0%	\$9.60	\$7.90	\$6.55	3.0%	6.3x	5.6x	5.1x	+7.7% / \$175.0	\$10.15	\$8.45	\$7.10
3.5%	\$10.35	\$8.50	\$7.00	3.5%	6.7x	6.0x	5.4x	+18.7% / \$192.9	\$11.00	\$9.30	\$7.90

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee. Note: Share prices in sensitivity table are rounded to nearest \$0.05. DCF assumes valuation as of December 31, 2023.

1) Depreciation & amortization is equal to capex in the terminal year.

2) Based on effective tax rate of 25.5% per Company Management. This does not reflect benefit from NOLs.

3) Based on illustrative perpetuity growth rate of 3%. Based on illustrative discount rate of 12%. Assumes mid-year conversion.

4) Fully diluted shares outstanding includes basic shares outstanding (51.602 million), convertible preferred stock (9.415 million), non-vested common shares (2.885 million), 2023 PSUs including dividend (1.598 million), 2024 executive grants (0.488 million), 2024 employee awards (0.326 million), 2024 director awards (0.075 million).

2021 bonus RSUs (0.018 million) and stock options (0.925 million @ \$7.12 strike price) per FLAME Management.

5) Based on EBITDA net of SBC and pre-opening expenses.

Illustrative NOL Analysis

(\$ in millions, except per share data)

Key Points		Year Ending December 31,						
	2023E	2024P	2025P	2026P	2027P	2028P	'29P-'42P	
■ Financial data per FLAME Management as of December 2023	FLAME Pre-Tax Income	\$43.7	\$59.8	\$61.5	\$71.3	\$80.7	\$89.8	\$1,580.7
	Beg. Federal NOL Balance	\$125.9	\$82.2	\$34.4	-	-	-	-
	Federal NOL Gain / (Used)	(43.7)	(47.8)	(34.4)	-	-	-	-
■ Illustrative 3.0% long-term growth rate applied to 2029P – 2042P pre-tax income	End Federal NOL Balance	82.2	34.4	-	-	-	-	-
	Federal NOLs Used	\$43.7	\$47.8	\$34.4	-	-	-	-
	Tax Rate	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
■ Starting NOLs (as of 12/31/2022) per FLAME Management:	CF Impact of Federal NOLs	\$9.2	\$10.0	\$7.2	\$0.0	\$0.0	\$0.0	\$0.0
	Remaining Taxable Income after Federal NOLs Used	-	\$12.0	\$27.1	\$71.3	\$80.7	\$89.8	\$1,580.7
	Beg. WOTC Credit Balance	\$43.9	\$43.9	\$34.9	\$14.5	-	-	-
– \$125.9 million in federal NOLs subject to a maximum usage of 80% of taxable income from 2024 onward	WOTC Credit Gain / (Used)	-	(9.0)	(20.4)	(14.5)	-	-	-
	End WOTC Credit Balance	43.9	34.9	14.5	-	-	-	-
	WOTC Credits Used	-	\$9.0	\$20.4	\$14.5	-	-	-
– \$43.9 million in WOTC credits subject to a maximum usage of ~75% of the tax liability ⁽¹⁾	Tax Rate	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
	CF Impact of WOTC Credits	-	\$1.9	\$4.3	\$3.0	\$0.0	\$0.0	\$0.0
	Beg. State NOL Balance	\$550.5	\$512.0	\$463.6	\$421.5	\$388.7	\$275.3	\$268.6
– \$550.5 million in state NOLs in 22 states with operations	State NOL Gain / (Used)	(38.5)	(48.4)	(42.0)	(32.8)	(25.6)	(6.7)	(106.1)
	State NOL Expiration ⁽²⁾	-	-	-	-	(87.9)	-	(162.5)
	End State NOL Balance	512.0	463.6	421.5	388.7	275.3	268.6	-
■ 21.0% federal tax rate	CF Impact of State NOLs	\$2.1	\$2.6	\$2.2	\$1.8	\$1.4	\$0.4	\$5.7
■ State tax rate of 5.35% based on aggregate state taxes in 2022	Total Cash Flow Impact		\$14.5	\$13.8	\$4.8	\$1.4	\$0.4	\$5.7
	Discount Period		0.5	1.5	2.5	3.5	4.5	
	Discount Rate		93.0%	80.6%	69.8%	60.4%	52.3%	
	PV of Total NOLs		\$13.5	\$11.1	\$3.4	\$0.8	\$0.2	\$1.1
	Cost of Equity ⁽³⁾							15.5%
	Present Value of Total NOLs							\$30.1

Source: FLAME financial projections provided by FLAME Management, as approved for Jefferies' use by the Special Committee. Federal and state tax rates per FLAME Management.

(1) WOTC credit usage in any given year can not exceed the excess of the tax liability less 25% of the tax liability in excess of \$25,000.

(2) Reflects expiry of all unused state NOLs in final year of carryforward period for all states.

(3) Cost of equity calculated using FLAME unlevered beta and the size premium of FLAME per Duff & Phelps Cost of Capital Navigator.

Appendix

Analysis of Selected Franchisee Restaurant M&A Transactions (For Reference Only)

Franchisee transaction multiples have generally ranged from 5x to 10x – based on scale, brands and performance metrics (e.g., restaurant level economics)

Acquiror	Target	Date	EV / LTM Adj. EBITDA
Brentwood & Sixth Street	Far West Services	Nov-23	Undisclosed
Southpaw	Taco Bell Franchisee	Jun-23	Undisclosed
Undisclosed	Leading LSR Franchisee	Feb-23	Undisclosed
McDonald's	Caspers Company	Jul-22	Undisclosed
Fresh Dining Concepts	Auntie Anne's	Mar-22	Undisclosed
Orangewood	Pacific Bells	Sep-21	Undisclosed
Mubadala	K-MAC Enterprises	Jun-21	Undisclosed
Flynn Restaurant Group	NPC	Mar-21	Undisclosed
The Halifax Group	PJ United	Dec-20	Undisclosed
Restaurant Brands New Zealand	Great American Chicken Corp	Sep-20	Undisclosed
Triton Pacific	Tasty Restaurant Group	Dec-19	Undisclosed
Bessemer Investors	Kormex Foods	Sep-19	Undisclosed
Carrols Restaurant Group	Cambridge Franchise Holdings (Popeyes and Burger King Franchisee)	Feb-19	Undisclosed
Flynn Restaurant Group	U.S. Beef Corp. (Arby's Franchisee)	Dec-18	Undisclosed
ICV Partners	Diversified Restaurant Holdings	Nov-18	7.3x
Pritzker Group	KBP Foods	Mar-18	Undisclosed
DRG Southeast	NPC International (Olympus Partners)	Jan-18	Undisclosed
GPS Hospitality	Strategic Restaurants Acquisition Corp	Dec-16	Undisclosed
Lee Equity	Taco Bell & KFC Franchisee (K-MAC Enterprises)	Dec-16	Undisclosed
Restaurant Brands International	FLAME	Jan-24	7.1x ⁽¹⁾

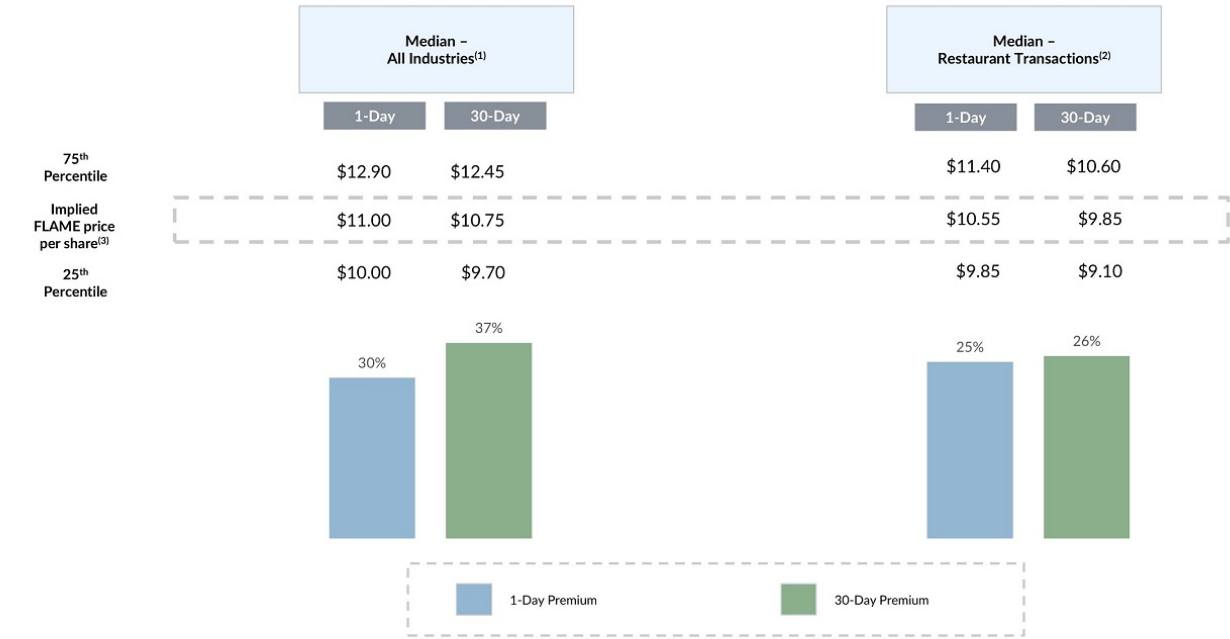
Sources: Company filings, MergerMarket, Moody's, S&P Capital IQ, online news estimates.

Note: "Undisclosed" multiples includes known multiples not publicly disclosed.

1) Represents a purchase price of \$1,025M and 2023 management Adj. EBITDA of \$145.4M.

Illustrative M&A Premiums Paid Analysis (For Reference Only)

U.S. M&A All-Cash Transactions, Closed Since January 1, 2013



Source: Refinitiv as of January 12, 2024.
Note: Share prices are rounded to nearest \$0.05.
1) Data represents 294 all-cash transactions with Implied Equity Values of \$500M to \$2.0B involving U.S. domiciled and publicly listed traded targets. Excludes financial firms.
2) Data represents 20 all-cash restaurant transactions involving U.S. domiciled and publicly listed traded targets.
3) 1-Day implied price based on premiums applied to share price as of close on January 12, 2024. 30-Day implied price based on premiums applied to share price as of close on December 14, 2023.

Selected Restaurant Premiums Paid (For Reference Only)

U.S. Restaurant M&A All-Cash Transactions, Closed Since January 1, 2013

Date Announced	Target Name	Acquiror Name	TEV (\$M)	1 Day Premium	30 Day Premium
1/14/2024	FLAME	Proposed Transaction	\$1,025	13.4%	21.8%
8/7/2023	Fiesta Restaurant Group	Authentic Restaurant Brands	231	8.1%	7.2%
5/3/2023	Ruth's Hospitality Group	Darden Restaurants	700	34.1%	33.6%
12/6/2021	Del Taco Restaurants	Jack in the Box	575	66.1%	45.8%
7/2/2021	J Alexanders Holdings	SPB Hospitality	211	32.0%	24.0%
1/6/2020	Habit Restaurants	Yum! Brands	371	33.2%	29.0%
6/24/2019	Del Frisco's Restaurant Group	Harlan Parent	650	18.9%	15.3%
9/25/2018	Sonic Corp	Inspire Brands	1,588	18.8%	28.7%
8/17/2018	Zoe's Kitchen	Cava Group	250	33.4%	23.1%
8/2/2018	Jamba	Focus Brands	203	17.2%	17.5%
2/20/2018	Fogo De Chao	Rhone Capital	456	25.5%	12.5%
9/19/2017	Bob Evans Farms	Post Holdings	1,541	5.6%	15.1%
2/21/2017	Popeyes Louisiana Kitchen	Restaurant Brands International	1,651	19.6%	27.7%
5/9/2016	Krispy Kreme Doughnuts	JAB Beech	1,309	24.6%	33.3%
3/14/2016	Fresh Market	Apollo Global Management	1,341	17.3%	20.1%
6/4/2015	Biglari Holdings	Lion Fund II	242	13.6%	15.6%
9/29/2014	Einstein Noah Restaurant Group	Investor Group	376	51.2%	42.3%
9/8/2014	Annies	General Mills	816	35.7%	59.1%
8/11/2014	Chiquita Brands International	Investor Group	681	44.1%	35.5%
2/5/2014	Green Mountain Coffee Roasters	Coca-Cola	832	62.7%	61.8%
1/16/2014	CEC Entertainment	Apollo Global Management	948	11.5%	23.7%
75th Percentile				35.3%	35.0%
Median				25.0%	25.8%
25th Percentile				17.2%	16.1%

Source: Refinitiv as of January 12, 2024. Represents all-cash transactions with Implied Equity Values of \$200M to \$2.0B involving restaurant U.S. domiciled and publicly listed traded targets

FLAME Weighted Average Cost of Capital

Selected Companies

Company Name	Total Net Debt	Total Cap.	D / E Ratio	Net Debt / Total Cap.	Tax Rate	Beta ⁽¹⁾	Unlevered Beta	Adjusted Lev. Beta
Arcos Dorados Holdings Inc.	\$458	\$2,955	18.4%	15.5%	25.0%	1.10	0.97	1.10
Jubilant FoodWorks Limited	(24)	4,157	(0.6%)	(0.6%)	30.0%	0.83	0.83	0.94
Alsea, S.A.B. de C.V.	1,042	4,063	35.2%	25.7%	30.0%	1.15	0.92	1.04
Domino's Pizza Enterprises Limited	550	4,059	15.7%	13.5%	30.0%	0.98	0.88	1.00
Mean - Public Franchises	\$506	\$3,809	17.1%	13.5%	28.8%	1.02	0.90	1.02
Median - Public Franchises	\$504	\$4,061	17.0%	14.5%	30.0%	1.04	0.90	1.02
El Pollo Loco Holdings, Inc.	\$68	\$354	23.7%	19.1%	29.8%	1.07	0.92	1.03
Potbelly Corporation	(7)	381	(1.8%)	(1.8%)	30.5%	1.29	1.31	1.47
Noodles & Company	63	180	53.6%	34.9%	25.4%	1.55	1.10	1.26
Mean - Small Cap LSR	\$41	\$305	25.2%	17.4%	28.6%	1.30	1.11	1.25
Median - Small Cap LSR	\$63	\$354	23.7%	19.1%	29.8%	1.29	1.10	1.26
Mean - All Comps	\$307	\$2,307	20.6%	15.2%	28.7%	1.14	0.99	1.12
Median - All Comps	\$68	\$2,955	18.4%	15.5%	30.0%	1.10	0.92	1.04
FLAME	\$389	\$963	67.7%	40.4%	25.5%	1.69	1.13	1.69

WACC Assumptions

	Flame	Selected Peers	Illustrative Range	
Risk-Free Rate (Rf) ⁽²⁾	4.3%	4.3%	4.3%	4.3%
Unlevered Beta	1.13	0.92	0.95	1.15
Debt / Equity Ratio	67.7%	18.3%	66.7%	25.0%
Adj. Levered Beta ⁽³⁾	1.67	1.04	1.40	1.36
Market Risk Premium (Rm) ⁽⁴⁾	7.2%	7.2%	7.2%	7.2%
Size Premium (Rs) ⁽⁵⁾	1.2%	1.2%	1.2%	1.2%
Tax Rate ⁽⁶⁾	28.3%	30.0%	28.3%	28.3%
Pre-Tax Cost of Debt (Kd) ⁽⁷⁾	5.7%	5.7%	5.7%	5.7%
Illustrative After-tax Cost of Debt	4.1%	4.0%	4.1%	4.1%
Illustrative Net Debt / Total Capital ⁽⁸⁾	40.4%	15.5%	40.0%	20.0%

Source: Public filings, Wall Street equity research, Kroll, Bloomberg.

Note: Market data as of January 12, 2023.

1) 5-year weekly adjusted betas sourced from Bloomberg as of January 12, 2024.

2) Spot rate for 20-Year US Treasury Yield as of January 12, 2024.

3) Adjusted for FLAME debt / capital ratio and median debt / capital ratio for selected comparable companies.

4) Represents long-horizon expected equity risk premium per Kroll Cost of Capital Navigator.

5) Size premium based on 8th decile for market capitalizations from Kroll Cost of Capital Navigator.

6) FLAME tax rate (calculated as the sum of US Federal and State statutory tax rates). Median marginal tax rate used for selected comparable companies.

7) Based on current weighted average yield of FLAME's existing debt per 2023 Q3 10-Q.

8) FLAME debt / capital ratio and median debt / capital ratio for selected comparable companies.

WACC Calculation

	Flame	Selected Peers	Illustrative Range	
Unlevered Beta	1.13	0.92	0.95	1.15
Adj. Levered Beta	1.67	1.04	1.40	1.36
Multiplied by: Market Risk Premium (Rm)	7.2%	7.2%	7.2%	7.2%
Adjusted Equity Risk Premium	12.0%	7.5%	10.1%	9.7%
Plus: Risk-Free Rate (Rf)	4.3%	4.3%	4.3%	4.3%
Plus: Size Premium (Rs)	1.2%	1.2%	1.2%	1.2%
Cost of Equity (Ke)	17.5%	13.0%	15.6%	15.2%
Multiplied by: E / (D+E)	59.6%	84.5%	60.0%	80.0%
Cost of Equity Portion	10.4%	10.9%	9.3%	12.2%
After-Tax Cost of Debt	4.1%	4.0%	4.1%	4.1%
Multiplied by: D / (D + E)	40.4%	15.5%	40.0%	20.0%
Cost of Debt Portion	1.7%	0.6%	1.6%	0.8%
WACC	12.1%	11.6%	11.0%	13.0%

Selected Changes Since Special Committee Presentation on January 11, 2024 (“Prior Presentation”)

Topic	Summary Changes
Share Count	<ul style="list-style-type: none">■ Increase in fully diluted shares outstanding of ~808k per FLAME Management
Q4 Cash	<ul style="list-style-type: none">■ Decrease in Q4 2023 cash by \$0.5 million per FLAME Management

Calculation of Filing Fee Table

Table 1 - Transaction Valuation

	Transaction Valuation	Fee Rate	Amount of Filing Fee
Fees to be Paid	\$ 544,978,872.20 ⁽¹⁾	0.00014760	\$ 80,438.88 ⁽²⁾
Fees Previously Paid	—	—	\$ 80,438.88
Total Transaction Valuation	\$ 544,978,872.20		
Total Fees Due for Filing			\$ 0
Total Fees Previously Paid			\$ 80,438.88
Total Fee Offsets			\$ 80,438.88⁽³⁾
Net Fee Due			\$ 0

Table 2 - Fee Offset Claims and Sources

	Registrant or Filer Name	Form or Filing Type	File Number	Initial Filing Date	Filing Date	Fee Offset Claimed	Fee Paid with Fee Offset Source
Fee Offset Claims		PREM 14A	001-33174	March 4, 2024		\$ 80,438.88	
Fee Offset Sources	Carrols Restaurant Group, Inc.	PREM 14A	001-33174		March 4, 2024		\$ 80,438.88

(1) Solely for the purpose of calculating the filing fee, the underlying value of the transaction was calculated based on the sum of (a) the product of (1) 56,830,484 shares of Common Stock (including 2,361,428 shares of Common Stock underlying Company RSAs, 150,000 shares of Common Stock underlying Company PSAs, 17,523 shares of Common Stock underlying Company RSUs and 1,841,923 shares of Common Stock underlying Company PSUs that are exchangeable for cash in the Merger) multiplied by (2) the merger consideration of \$9.55 and (b) the product of (1) 925,000 shares of Company Common Stock underlying Company Options with an exercise price below the merger consideration of \$9.55 multiplied by (2) \$2.43, which is the excess of the merger consideration of \$9.55 over \$7.12, which is the weighted average exercise price of such outstanding Company Option Awards (the sum of (a) and (b), collectively, the “**Total Consideration**”). The filing fee equals the product of the Total Consideration multiplied by 0.00014760.

(2) The amount of the filing fee, calculated in accordance with Exchange Act Rule 0-11(b)(1) and the Securities and Exchange Commission Fee Rate Advisory #1 for Fiscal Year 2024, was calculated by multiplying \$544,978,872.20 by 0.00014760.

(3) The Company previously paid \$80,438.88 upon the filing of its Preliminary Proxy Statement on Schedule 14A on March 4, 2024 in connection with the transaction reported hereby.