Carrols Restaurant Group, Inc. (TAST)

Annual Meeting of Shareholders

June 2020

Safe Harbor Statement

Under the Private Securities Litigation Reform Act of 1995

- Our presentation includes, and our response to various questions may include, forward-looking statements. Forward-looking statements, written, oral or otherwise made, represent the Company's expectation or belief concerning future events. Without limiting the foregoing, these statements are often identified by the words "may", "might", "believes", "thinks", "anticipates", "plans", "expects", "intends" or similar expressions. In addition, expressions of our strategies, intentions or plans, are also forward-looking statements. Such statements reflect management's current views with respect to future events and are subject to risks and uncertainties, both known and unknown. You are cautioned not to place undue reliance on these forward-looking statements as there are important factors that could cause actual results to differ materially from those in forward-looking statements, many of which are beyond our control. Investors are referred to the full discussion of risks and uncertainties, including the impact of COVID-19 on our business, as included in Carrols Restaurant Group, Inc.'s filings with the Securities and Exchange Commission (SEC) including, without limitation, its Annual Report on Form 10-K.

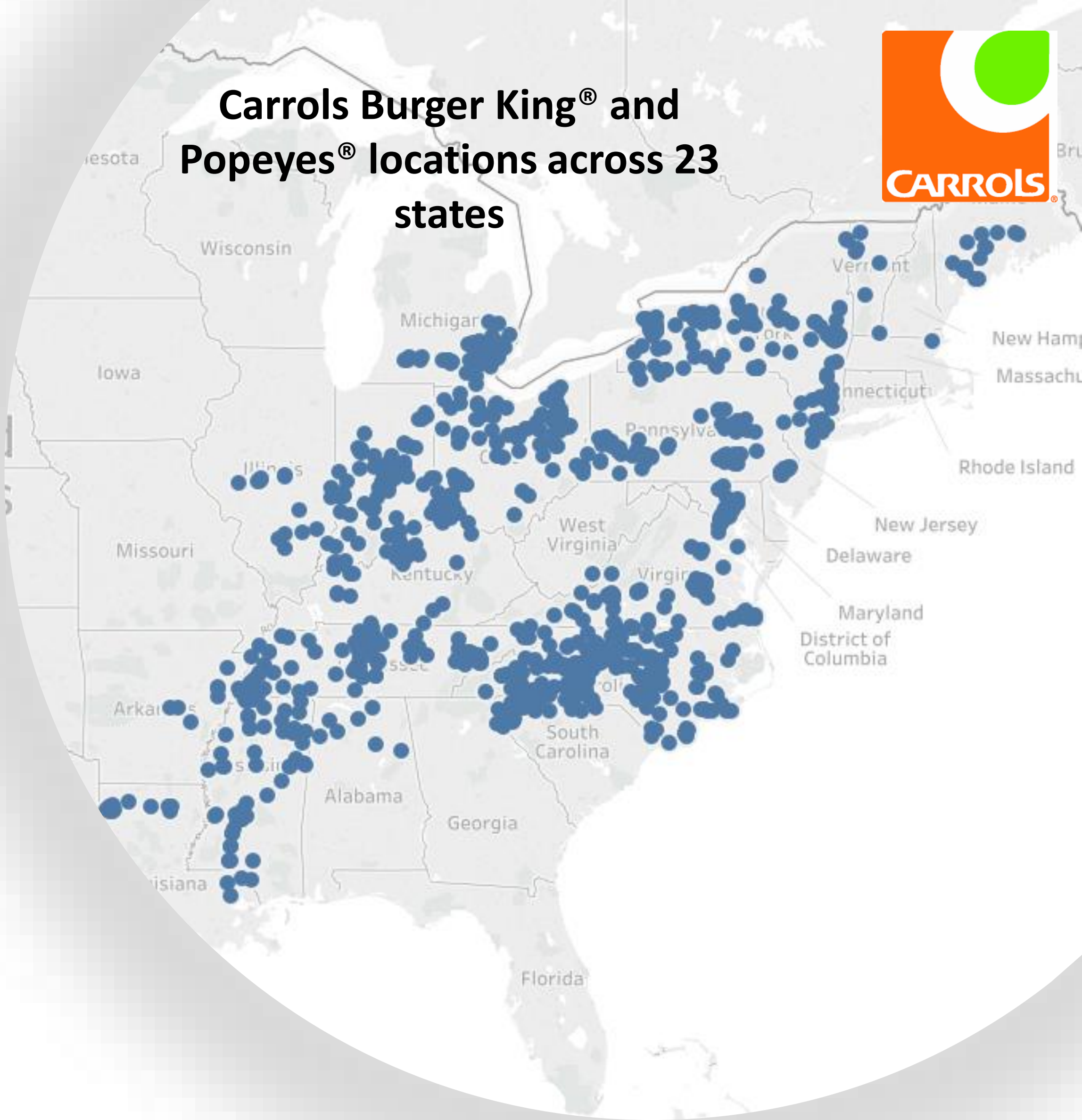
Non-GAAP Financial Measures

- EBITDA, Adjusted EBITDA, Restaurant-Level EBITDA and Adjusted net income (loss) are non-GAAP financial measures. We are presenting these financial measures because we believe they provide a more meaningful comparison of our core business operating results, as well as to those of other similar companies. We believe that these measures, when viewed with our results of operations in accordance with GAAP, provide useful information about our operating performance and permit investors to gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced. These are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net income (loss) or cash flow from operating activities as indicators of operating performance or liquidity. We direct you to the Appendix to this presentation and to our filings with the SEC for a reconciliation of these non-GAAP measures to the appropriate GAAP measures.

About the Company

- Carrols is one of the largest restaurant franchisees in the United States, operating 1,093 restaurants across the Burger King® and Popeyes® brands
- With 1,028 Burger King® restaurants, Carrols is the largest Burger King® Franchisee, operating 14% of the U.S. Burger Kings®. Carrols consistently outperforms the same store sales in the U.S. Burger King® restaurant base
- In 2019, Carrols added one of the fastest growing QSR's in the U.S. to our portfolio, now operating 65 Popeyes® restaurants
- Carrols' two largest shareholders invested in long-term success:
  - RBI, 15% fully diluted – franchisor partner
  - Cambridge Franchise Holdings, 24% fully diluted – affiliate of Garnett Station Partners, engaged board member, strong record of generating returns

Carrols Burger King® and Popeyes® locations across 23 states



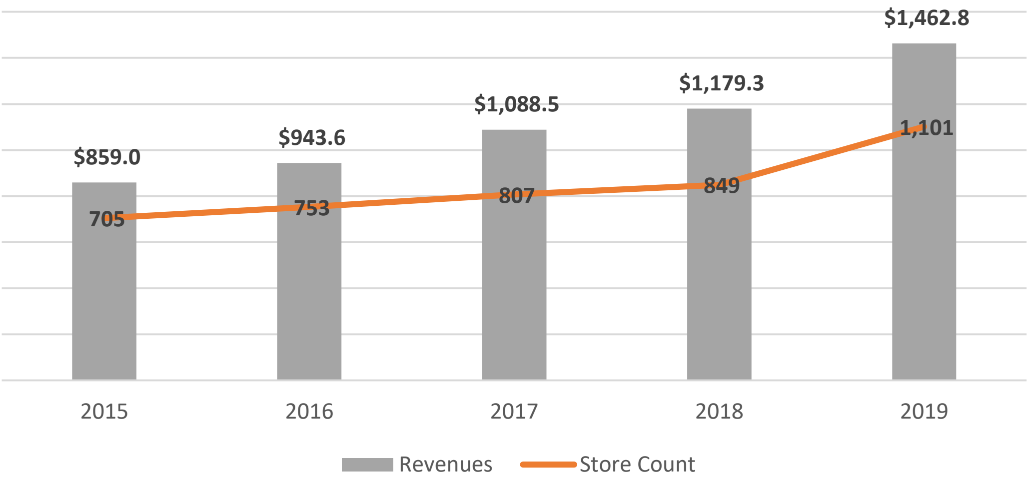
Please note store count is as of March 29, 2020

Five Year Recap

In the last five years, Carrols has increased store base by 56% and restaurant sales by 69%

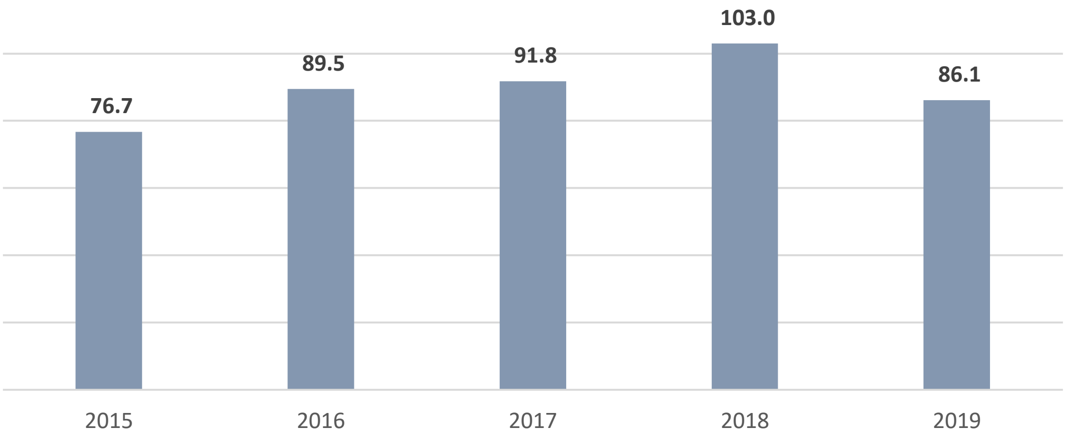
Revenues

($ in millions)



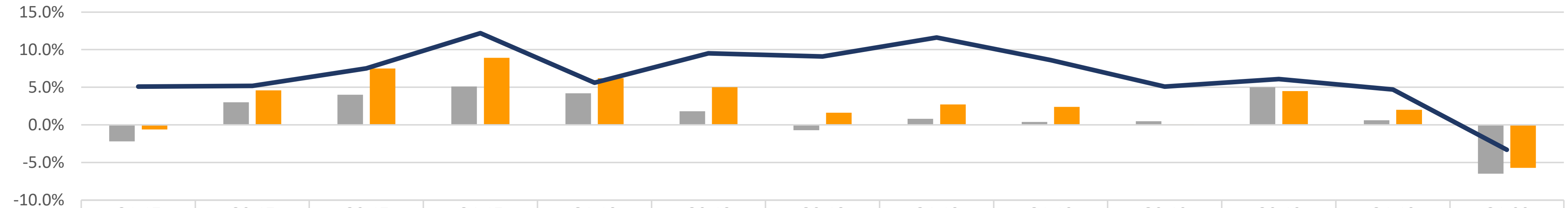
Adjusted EBITDA

($ in millions)



2019 includes $10.2M in convenience store revenues and ($487k) of EBITDA

Carrols Comparable Unit Sales vs. U.S. & Canada BK System Average

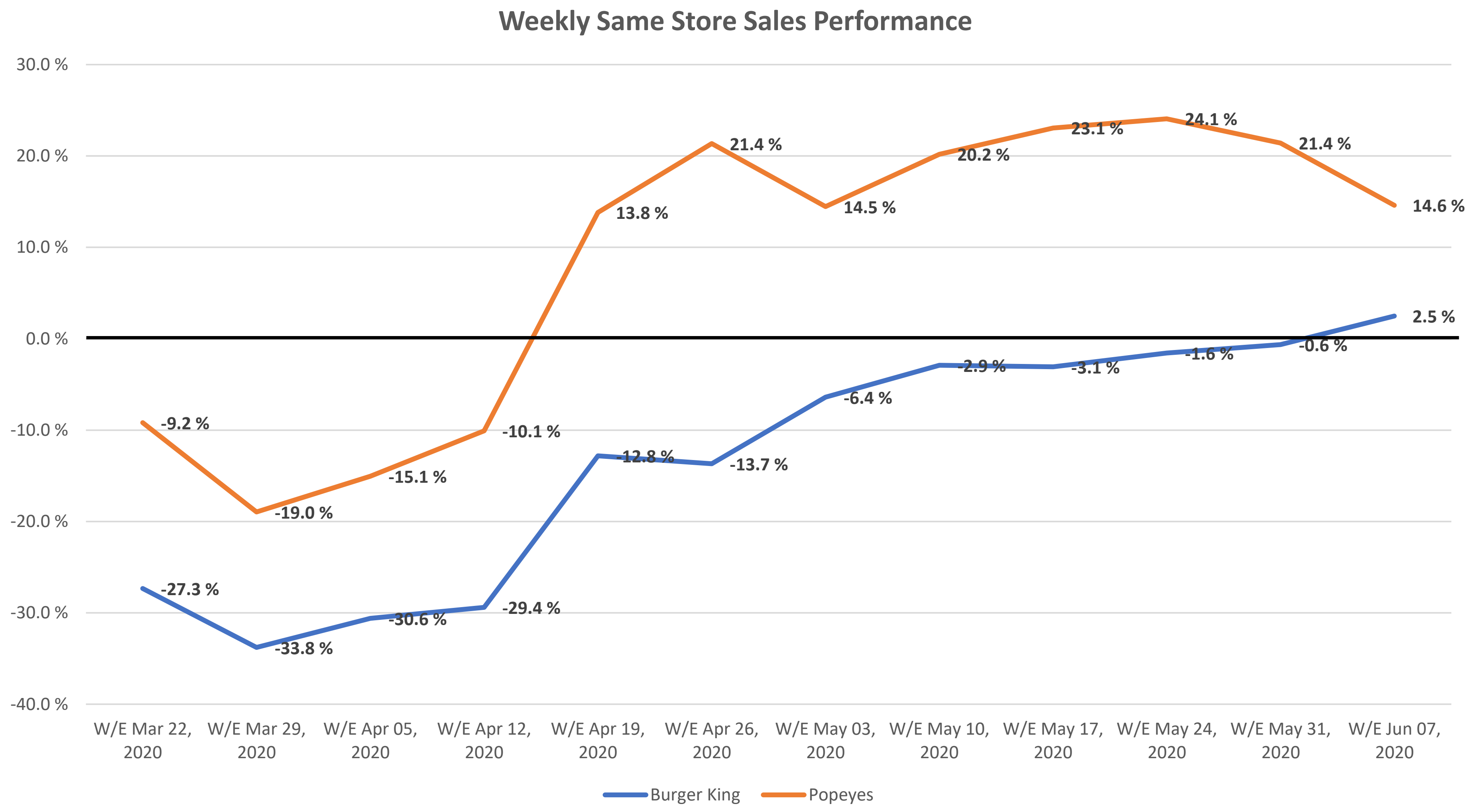


	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20
BK System	-2.2%	3.0%	4.0%	5.1%	4.2%	1.8%	-0.7%	0.8%	0.4%	0.5%	5.0%	0.6%	-6.5%
Carrols	-0.6%	4.6%	7.5%	8.9%	6.2%	5.0%	1.6%	2.7%	2.4%	0.1%	4.5%	2.0%	-5.7%
Carrols 2 -yr	5.1%	5.2%	7.5%	12.2%	5.6%	9.5%	9.1%	11.6%	8.6%	5.1%	6.1%	4.7%	-3.3%

BK System Carrols Carrols 2 -yr

Please see Appendix for GAAP reconciliations

Recent Same Store Sales Trend



2019 Full Year and Q1 2020 Adjusted EBITDA

($ in millions)	Full Year		Q1	
	2019	2018	2020	2019
Revenue	$ 1,462.8	$ 1,179.3	$ 351.5	$ 290.8
Cost of Sales	432.0	326.3	102.9	82.6
Cost of Sales %	*29.5%*	*27.7%*	*29.3%*	*28.4%*
Restaurant Labor	485.3	382.8	124.6	100.2
Restaurant Labor %	*33.2%*	*32.5%*	*35.4%*	*34.5%*
Advertising & Royalties	120.7	98.8	29.0	24.3
Other Operating Expenses	161.5	127.8	42.8	33.1
Rent	107.1	81.4	29.5	21.9
Adjusted Restaurant EBITDA	156.1	162.1	22.8	28.7
Adjusted Restaurant EBITDA margin	*10.7%*	*13.7%*	*6.5%*	*9.9%*
G&A Expense (excl stock comp)	79.0	60.8	19.7	18.2
Less: Integration, acq. and litigation costs	(9.0)	(1.6)	(0.8)	(2.8)
Adjusted G&A Expense	70.0	59.2	18.8	15.4
Adjusted EBITDA	**$ 86.1**	**$ 103.0**	**$ 4.0**	**$ 13.3**
Adjusted EBITDA margin	*5.9%*	*8.7%*	*1.1%*	*4.6%*

Please see Appendix for GAAP reconciliations

Business Update – COVID-19

Since the onset of the COVID-19 pandemic, we have taken numerous steps to adapt our business to the current environment as well as to better position the Company for the future.

Post - COVID-19 Action Steps
• Modified restaurant operating hours based on day-part sales trends and local ordinances while making adjustments to have the appropriate amount of labor for all operating day-parts
• Launched delivery services to the majority of our Burger King and Popeyes restaurants, ahead of original timetable. Delivery sales are now ≈ $800,000 per week (≈ 3% of total restaurant sales)
• Rationalized all ongoing expenses, and where possible, reduced corporate and regional overhead and restaurant labor, cost of sales, and operating expense levels
• Worked closely with our landlords to negotiate reduced or deferred cash rent obligations and optimizing payment terms with key vendors and suppliers
• Revaluated all capital expenditures and delayed all projects that had not yet commenced other than critical restaurant maintenance issues
• Temporarily closed 46 restaurants in March 2020; permanently closed 11 restaurants that were EBITDA negative
• Suspended any acquisition activity and our stock repurchase program

Summary of 2020 Objectives

Our emphasis in 2020 is to improve margins, strengthen the balance sheet and increase liquidity.

Steps to Accomplish 2020 Objectives
• Operational improvements related to labor and cost of sales efficiencies at Cambridge locations have either been completed or are well underway
• Recent cost efficiencies put in place at Legacy Burger King restaurants are expected to remain in effect to some degree as restaurants fully reopen
• General and Administrative expenses as a percentage of revenue are expected to be lower than 2019 levels
• We will continue to optimize the delivery platform through enhanced integration and additional delivery providers
• Capital expenditures for restaurant construction and remodeling as well as acquisition spend are expected to be put on hold until First Lien Net Leverage Ratio is below 4.00 times (level at March 29, 2020 was 5.00 times)
• After sale-leaseback proceeds in 2020, capital expenditures are expected to total \$35-\$40 million compared to ≈ \$100 million in 2019
• Revolver capacity has been increased by \$30.8 million to \$145.8 million
• **Goal is to use free cash flow generated to reduce leverage while maintaining significant liquidity**

Q2 2020 Guidance

The Company is providing estimated guidance for the three months ended June 28, 2020 as follows:

- Restaurant Sales are expected to be $355 million to $365 million
- Adjusted EBITDA is expected to be $28 million to $32 million

As of June 12, 2020, the Company had $421.8 million of outstanding borrowings under the Term Loan B Facility and $85.3 million of outstanding borrowings under the revolving credit facility (the "Revolving Credit Facility") pursuant to the Credit Agreement. As of June 12, 2020, the Company had $50.9 million of borrowing availability under the Revolving Credit Facility and $40.0 million in cash deposits.

Adjusted EBITDA is a non-GAAP financial measure and may not necessarily be comparable to other similarly titled captions of other companies due to differences in methods of calculation. Refer to the definition of Adjusted EBITDA in the Company's filings with the Securities and Exchange Commission for further detail. Carrols has not reconciled guidance for Adjusted EBITDA to the corresponding GAAP financial measures because the Company does not provide guidance for net income or for the various reconciling items. The Company is unable to provide guidance for these reconciling items since certain items that impact net income are outside of Carrols' control or cannot be reasonably predicted.

Appendix

Revenue Reconciliation

	Full Year						
($ in millions)		**2019**		**2018**		**$ Change**	**% Change**
Legacy Burger King Sales	$	1,259.4	$	1,179.3	$	80.1	6.8%
Cambridge Restaurant Sales		193.1		-		193.1	
Convenience Store Sales		10.2		-		10.2	
Total Revenue	**$**	**1,462.8**	**$**	**1,179.3**	**$**	**283.5**	**24.0%**

	Q1						
($ in millions)		**2020**		**2019**		**$ Change**	**% Change**
Legacy Burger King Sales	$	284.2	$	290.8	$	(6.6)	-2.3%
Cambridge Restaurant Sales		67.4		-		67.4	
Convenience Store Sales		-		-		-	
Total Revenue	**$**	**351.5**	**$**	**290.8**	**$**	**60.7**	**20.9%**

Consolidated Statements of Operations – Full Year

($ in thousands, except per share amounts)	Full Year (a)	
	2019	**2018**
Revenue		
Restaurant sales	$ 1,452,516	$ 1,179,307
Other revenue	10,249	-
Total Revenue	**$ 1,462,765**	**$ 1,179,307**
Operating Expenses:		
Cost of Sales	431,969	326,308
Restaurant wages and related expenses	485,278	382,829
Restaurant rent expense	107,147	81,409
Other restaurant operating expenses (b)	227,364	178,750
Advertising expense	58,689	48,340
General and administrative expenses (c) (d)	84,734	66,587
Depreciation and amortization	74,674	58,468
Impairment and other lease charges	3,564	3,685
Other expense (income), net (e)	(1,911)	(424)
Total Operating Expenses	**1,471,508**	**1,145,952**
Income (loss) from operations	(8,743)	33,355
Interest expense	27,856	23,638
Loss on extinguishment of debt	7,443	-
Gain on bargain purchase	-	(230)
Income (loss) before income taxes	(44,042)	9,947
Provision (benefit) for income taxes	(12,123)	(157)
Net income (loss)	$ (31,919)	$ 10,104
Basic and diluted net income (loss) per share (f) (g)	$ (0.74)	$ 0.22
Basic weighted average common shares outstanding	43,422	35,715
Diluted weighted average common shares outstanding	43,422	45,320

(a) The Company uses a 52 or 53 week fiscal year that ends on the Sunday closest to December 31. The twelve months ended December 29, 2019 and December 30, 2018 each included fifty-two weeks, respectively.

(b) Other restaurant operating expenses include one-time repair and other operating costs of $2.4 million for the twelve months ended December 29, 2019, respectively.

(c) General and administrative expenses include acquisition and integration costs of $8.5 million and $1.4 million for the twelve months ended December 29, 2019 and December 30, 2018, respectively.

(d) General and administrative expenses include stock-based compensation expense of $5.8 million for both the twelve months ended December 29, 2019 and December 30, 2018, respectively.

(e) Other income, net, for the twelve months ended December 29, 2019, included, among other things, a $1.9 million gain related to a settlement with Burger King Corporation for the approval of new restaurant development by other franchisees which unfavorably impacted our restaurants. Other income, net, for the twelve months ended December 30, 2018 included a $0.4 million gain related to an insurance recovery from a restaurant fire.

(f) Basic net income (loss) per share was computed excluding loss attributable to preferred stock and non-vested restricted shares unless the effect would have been anti-dilutive for the periods presented.

(g) Diluted net income (loss) per share was computed including common shares issuable for convertible preferred stock and non-vested restricted shares unless their effect would have been anti-dilutive for the periods presented.

Consolidated Statements of Operations – Q1

($ in thousands, except per share amounts)	Q1 (a)	
(unaudited)	**2020**	**2019**
Revenue		
Restaurant sales	$ 351,518	$ 290,789
Total Revenue	**$ 351,518**	**$ 290,789**
Operating Expenses:		
Cost of Sales	102,927	82,575
Restaurant wages and related expenses	124,575	100,192
Restaurant rent expense	29,454	21,916
Other restaurant operating expenses	57,978	45,605
Advertising expense	13,876	11,872
General and administrative expenses (b) (c)	20,787	19,724
Depreciation and amortization	21,031	15,292
Impairment and other lease charges	2,881	910
Other expense (income), net (d)	56	(2,129)
Total Operating Expenses	**373,565**	**295,957**
Income (loss) from operations	(22,047)	(5,168)
Interest expense	7,140	5,947
Income (loss) before income taxes	(29,187)	(11,115)
Provision (benefit) for income taxes	(6,978)	354
Net income (loss)	$ (22,209)	$ (11,469)
Basic and diluted net income (loss) per share (e) (f)	$ (0.44)	$ (0.32)
Basic weighted average common shares outstanding	50,821	36,045
Diluted weighted average common shares outstanding	50,821	36,045

(a) The Company uses a 52 or 53 week fiscal year that ends on the Sunday closest to December 31. The three months ended March 29, 2020 and March 31, 2019 each included thirteen weeks, respectively.

(b) General and administrative expenses include acquisition and integration costs of $0.1 million and $2.7 million for the three months ended March 29, 2020 and March 31, 2019, respectively.

(c) General and administrative expenses include stock-based compensation expense of $1.1 million and $1.5 million for the three months ended March 29, 2020 and March 31, 2019 respectively.

(d) Other income, net, for the three months ended March 31, 2019 included a $1.9 million gain related to a settlement with Burger King Corporation for the approval of new restaurant development by other franchisees which unfavorably impacted our restaurants.

(e) Basic net loss per share was computed excluding loss attributable to preferred stock and non-vested restricted shares unless the effect would have been anti-dilutive for the periods presented.

(f) Diluted net loss per share was computed including shares issuable for convertible preferred stock and non-vested restricted shares unless their effect would have been anti-dilutive for the periods presented.

Reconciliation of EBITDA and Adjusted EBITDA – Full Year

($ in thousands)	Full Year	
Reconciliation of EBITDA and Adjusted EBITDA: (a)	**2019**	**2018**
Net Income (loss)	$ (31,919)	$ 10,104
Provision (benefit) for income taxes	(12,123)	(157)
Interest expense	27,856	23,638
Depreciation and amortization	74,674	58,468
EBITDA	**58,488**	**92,053**
Impairment and other lease charges	3,564	3,685
Acquisition and integration costs (b)	10,827	1,445
Pre-opening costs (c)	1,449	462
Litigation costs (d)	502	187
Other income, net (e)	(1,911)	(424)
Gain on bargain purchase	-	(230)
Stock-based compensation expense	5,753	5,812
Loss on extinguishment of debt	7,443	-
Adjusted EBITDA	**$ 86,115**	**$ 102,990**

Please see slide 20 for footnotes

Reconciliation of EBITDA and Adjusted EBITDA – Q1

($ in thousands) (unaudited)	Q1	
Reconciliation of EBITDA and Adjusted EBITDA: (a)	**2020**	**2019**
Net Income (loss)	$ (22,209)	$ (11,469)
Provision (benefit) for income taxes	(6,978)	354
Interest expense	7,140	5,947
Depreciation and amortization	21,031	15,292
EBITDA	**(1,016)**	**10,124**
Impairment and other lease charges	2,881	910
Acquisition and integration costs (b)	81	2,656
Abandoned development costs (c)	688	57
Pre-opening costs (d)	89	68
Litigation costs (e)	61	136
Other income, net (f)	56	(2,129)
Stock-based compensation expense	1,132	1,526
Adjusted EBITDA	**$ 3,972**	**$ 13,348**

Please see slide 21 for footnotes

Reconciliation of Adjusted Restaurant-Level EBITDA – Full Year

($ in thousands)	Full Year	
Reconciliation of Adjusted Restaurant-Level EBITDA: (a)	**2019**	**2018**
Income (loss) from operations	**$ (8,743)**	**$ 33,355**
Add:		
General and administrative expenses	84,734	66,587
Restaurant integration costs (b)	2,364	-
Pre-opening costs (c)	1,449	462
Depreciation and amortization	74,674	58,468
Impairment and other lease charges	3,564	3,685
Other income, net (e)	(1,911)	(424)
Adjusted Restaurant-Level EBITDA	**$ 156,131**	**$ 162,133**

Please see slide 20 for footnotes

Reconciliation of Adjusted Restaurant-Level EBITDA – Q1

($ in thousands) (unaudited)	**Q1**	
Reconciliation of Adjusted Restaurant-Level EBITDA: (a)	**2020**	**2019**
Income (loss) from operations	**$ (22,047)**	**$ (5,168)**
Add:		
General and administrative expenses	20,787	19,724
Pre-opening costs (d)	89	68
Depreciation and amortization	21,031	15,292
Impairment and other lease charges	2,881	910
Other income, net (f)	56	(2,129)
Adjusted Restaurant-Level EBITDA	**$ 22,797**	**$ 28,697**

Please see slide 21 for footnotes

Reconciliation of Adjusted Net Income (loss) – Full Year

($ in thousands, except per share amounts)	Full Year	
Reconciliation of Adjusted net income (loss): (a)	**2019**	**2018**
Net Income (loss)	**$ (31,919)**	**$ 10,104**
Add:		
Impairment and other lease charges	3,564	3,685
Acquisition and integration costs (b)	10,827	1,445
Pre-opening costs (c)	1,449	462
Litigation costs (d)	502	187
Other income, net (e)	(1,911)	(424)
Gain on bargain purchase	-	(230)
Loss on extinguishment of debt	7,443	-
Income tax effect on above adjustments (f)	(5,469)	(1,138)
Adjusted net income (loss)	**(15,514)**	**14,091**
Adjusted diluted net income (loss) per share	$ (0.36)	$ 0.31
Adjusted diluted weighted average common shares outstanding	43,422	45,320

Please see slide 20 for footnotes

Reconciliation of Adjusted Net Income (loss) – Q1

($ in thousands, except per share amounts) (unaudited)	Q1	
Reconciliation of Adjusted net income (loss): (a)	**2020**	**2019**
Net Income (loss)	**$ (22,209)**	**$ (11,469)**
Add:		
Impairment and other lease charges	2,881	910
Acquisition and integration costs (b)	81	2,656
Abandoned site development costs (c)	688	57
Pre-opening costs (d)	89	68
Litigation costs (e)	61	136
Other income, net (f)	56	(2,129)
Income tax effect on above adjustments (g)	(964)	(425)
Adjusted net income (loss)	**(19,317)**	**(10,196)**
Adjusted diluted net income (loss) per share	$ (0.38)	$ (0.28)
Adjusted diluted weighted average common shares outstanding	50,821	36,045

Please see slide 21 for footnotes

Footnotes – Full Year

a) Within our presentation, we make reference to EBITDA, Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted net income (loss) which are non-GAAP financial measures. EBITDA represents net income (loss) before income taxes, interest expense and depreciation and amortization. Adjusted EBITDA represents EBITDA as adjusted to exclude impairment and other lease charges, acquisition and integration costs, stock-based compensation expense, loss on extinguishment of debt, restaurant pre-opening costs, non-recurring litigation costs and other non-recurring income or expense. Adjusted Restaurant-Level EBITDA represents income (loss) from operations as adjusted to exclude general and administrative expenses, depreciation and amortization, impairment and other lease charges, restaurant-level integration costs, pre-opening costs, loss on extinguishment of debt, and other non-recurring income or expense. Adjusted net income (loss) represents net income (loss) as adjusted, net of tax, to exclude impairment and other lease charges, acquisition costs and integration costs, gain on bargain purchase, pre-opening costs, non-recurring litigation costs and other non-recurring income or expense.

We are presenting Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted net income (loss) because we believe that they provide a more meaningful comparison than EBITDA and net income (loss) of the Company's core business operating results, as well as with those of other similar companies. Additionally, we present Adjusted Restaurant-Level EBITDA because it excludes the impact of general and administrative expenses such as salaries and expenses associated with corporate and administrative functions that support the development and operations of our restaurants, legal, auditing and other professional fees, acquisition costs, pre-opening costs and stock-based compensation expense. Although these costs are not directly related to restaurant-level operations, these expenses are necessary for the profitability of our restaurants. Additionally, this financial measure may not be comparable to a similarly titled caption for other companies. Management believes that Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted net income (loss), when viewed with the Company's results of operations in accordance with GAAP and the accompanying reconciliations in the table above, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of the Company's core business without regard to potential distortions. Additionally, management believes that Adjusted EBITDA and Adjusted Restaurant-Level EBITDA permit investors to gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced.

b) However, EBITDA, Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted net income (loss) are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net income (loss) from operations or cash flow from operating activities as indicators of operating performance or liquidity. Also, these measures may not be comparable to similarly titled captions of other companies. The tables above provide reconciliations between net income (loss) and EBITDA, Adjusted EBITDA and Adjusted net income (loss) and between income (loss) from operations and Adjusted Restaurant-Level EBITDA.

c) Acquisition and integration costs for twelve months ended December 29, 2019 of $10.8 million include certain legal and professional fees; corporate payroll, and other costs related to the integration of the Cambridge merger and one-time repair and other operating costs which are included in Adjusted Restaurant-Level EBITDA.

d) Pre-opening costs for the twelve months ended December 29, 2019 and December 30, 2018 include training, labor and occupancy costs incurred during the construction of new restaurants.

e) Legal costs for the twelve months ended December 29, 2019 include litigation expenses pertaining to an ongoing lawsuit with one of the Company's former vendors.

f) Other income, net, for the twelve months ended December 29, 2019, included, among other things, a $1.9 million gain related to a settlement with Burger King Corporation for the approval of new restaurant development by other franchisees which unfavorably impacted our restaurants. Other income, net, for the twelve months ended December 30, 2018 included a $0.4 million gain related to an insurance recovery from a restaurant fire.

g) The income tax effect related to the adjustments to net income (loss) during the periods presented was calculated using an incremental income tax rate of 25% for the twelve months ended December 29, 2019 and 22.2% for the twelve months ended December 30, 2018, respectively.

Footnotes – Q1

a) Within our presentation, we make reference to EBITDA, Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted Net Loss which are non-GAAP financial measures. EBITDA represents net loss before income taxes, interest expense and depreciation and amortization. Adjusted EBITDA represents EBITDA as adjusted to exclude impairment and other lease charges, acquisition and integration costs, stock-based compensation expense, loss on extinguishment of debt, restaurant pre-opening costs, non-recurring litigation costs and other non-recurring income or expense. Adjusted Restaurant-Level EBITDA represents loss from operations as adjusted to exclude general and administrative expenses, depreciation and amortization, impairment and other lease charges, restaurant-level integration costs, pre-opening costs, loss on extinguishment of debt, and other non-recurring income or expense. Adjusted Net Loss represents net loss as adjusted, net of tax, to exclude impairment and other lease charges, acquisition costs and integration costs, gain on bargain purchase, pre-opening costs, non-recurring litigation costs and other non-recurring income or expense.

We are presenting Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted Net Loss because we believe that they provide a more meaningful comparison than EBITDA and net loss of the Company's core business operating results, as well as with those of other similar companies. Additionally, we present Adjusted Restaurant-Level EBITDA because it excludes the impact of general and administrative expenses such as salaries and expenses associated with corporate and administrative functions that support the development and operations of our restaurants, legal, auditing and other professional fees, acquisition costs, restaurant pre-opening costs and stock-based compensation expense. Although these costs are not directly related to restaurant-level operations, these expenses are necessary for the profitability of our restaurants. Additionally, this financial measure may not be comparable to a similarly titled caption for other companies. Management believes that Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted net loss, when viewed with the Company's results of operations in accordance with GAAP and the accompanying reconciliations in the table above, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of the Company's core business without regard to potential distortions. Additionally, management believes that Adjusted EBITDA and Adjusted Restaurant-Level EBITDA permit investors to gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced.

b) However, EBITDA, Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted Net Loss are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net loss from operations or cash flow from operating activities as indicators of operating performance or liquidity. Also, these measures may not be comparable to similarly titled captions of other companies. The tables above provide reconciliations between net loss and EBITDA, Adjusted EBITDA and Adjusted Net Loss and between loss from operations and Adjusted Restaurant-Level EBITDA.

c) Acquisition and integration costs for the three months ended March 31, 2019 of $2.7 million, mostly include legal and professional fees incurred in connection with the acquisition of 165 Burger King and 55 Popeyes restaurants from Cambridge Holdings, LLC, which were included in general and administrative expense.

d) Abandoned development costs for the three months ended March 29, 2020 and March 31, 2019 represent the write off of capitalized costs due to the abandoned development of future restaurant locations.

e) Pre-opening costs for the three months ended March 29, 2020 and March 31, 2019 include training, labor and occupancy costs incurred during the construction of new restaurants.

f) Legal costs for the three months ended March 29, 2020 include litigation expenses pertaining to an ongoing lawsuit with one of the Company's former vendors.

g) Other income, net for the three months ended March 31, 2019 included a $1.9 million gain related to a settlement with Burger King Corporation for the approval of new restaurant development by other franchisees which unfavorably impacted our restaurants.

h) The income tax effect related to the adjustments to Adjusted Net Loss during the periods presented was calculated using an incremental income tax rate of 25% for the three months ended March 29, 2020 and March 31, 2019.